

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - PROPOSED ACTION BY SOUTH AFRICA

Optical Fibre and Optical Fibre Bundles

The attached communication, dated 14 October 1987, has been received from the Permanent Mission of South Africa.

OPTICAL FIBRE AND OPTICAL FIBRE BUNDLES

The Government of the Republic of South Africa wishes to advise the CONTRACTING PARTIES, in accordance with the provisions of Article XIX of the General Agreement, that it has decided to suspend temporarily the existing binding in Schedule XVIII - South Africa on optical fibre and optical fibre bundles falling within tariff item 70.18. This action is being taken pursuant to the South African Government's decision to increase the duty on these products and in the following manner:

Tariff heading	Existing binding	Revised rate of duty
70.18.10.10 Optical fibre	Free	25% or 40c per meter less 75%
70.18.10.20 Optical fibre bundles	Free	25%

Since a delay in implementing the proposed amendment of the existing rate of duty on optical fibre and optical fibre bundles would cause irreparable damage to the local manufacture of optical fibre, the South African Government has decided to implement the proposed amendment with effect from 16 October 1987.

Imports of optical fibre for the representative period 1984-1986 were as follows:

Year	Value (Rand)
1984	-
1985	33 585
1986	14 894 714

According to an investigation conducted by the Board of Trade and Industry the current over-supply of optical fibre on the world market and resulting low prices are seriously injuring the local optical fibre industry which represents an important technological extension of the South African electronics industry.

Price data supplied to the Board indicates that the local optical fibre industry is experiencing a price backlog of up to 58 percent against low-priced imports.

In the circumstances the imposed duties are considered adequate to restore the competitive position of the local optical fibre industry.

The South African Government is prepared to consult under Article XIX:2 of the General Agreement with those contracting parties having a substantial interest as exporters of the products concerned.