

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

Initial Import Quotas for 1965

The South African Government has submitted for the information of contracting parties the following press statement of 19 November 1964, announcing initial import quotas for 1965.

The Minister of Economic Affairs in announcing the initial import quotas for 1965 stated that the policy of progressive relaxation of import control, which he had first introduced in 1962, had been implemented and during 1964 the level of imports had risen by approximately 50 per cent compared with the 1962 imports. Having regard to the foreseeable economic development in the country in 1965, this policy would be continued in the coming year.

The Minister added that the time was also opportune to simplify the pattern of control and to that end he proposed to add certain goods totalling some 11 per cent of the value of the country's imports, to the free list of imports - that is goods which may be imported into the Republic without the formality of an import permit.

These goods include most of the goods previously included in the Group A consumer goods category and also certain items of office equipment. Apart from this modification, it is the intention that the initial allocations for 1965 will be on the same level as those for 1964.

These allocations are to be as follows:

Consumer goods

As the bulk of Group A consumer goods have now been placed on the free list of imports, no issue of Group A import permits will be necessary. The few remaining items previously falling under this category have now been grouped with Group B consumer goods and will in future merely be termed general merchandise or consumer goods. The assessment basis of those importers affected by this re-grouping will be reviewed in the light of the type and volume of their businesses.

The initial issue for consumer goods will therefore be the same as the 1964 initial issue of Group B consumer goods viz. 30 per cent of an importer's assessment basis.

Raw materials, plant and equipment

In so far as raw materials imported direct by manufacturers are concerned there is no longer any necessity to issue initial allocations.

The policy introduced during 1962 whereby manufacturers obtained their requirements based on the current tempo of consumption has proved advantageous to all concerned and would continue. Manufacturers would receive on application supplementary import facilities sufficient to bring their stocks of imported raw materials to a six-months level of current consumption. Such applications could be made at any time.

However, manufacturers are again urged to obtain their requirements of raw materials and semi-processed goods from local sources in so far as this is possible. With this qualification, manufacturers, in cases where there are long delivery periods, may place orders in advance, provided such orders are reasonable in relation to their present tempo of consumption. Importers must ensure, of course, that they are in possession of valid import permits before the goods ordered are actually shipped.

The initial allocations to merchants will be calculated at 75 per cent of the value of their import facilities received during the first nine months of 1963.

Merchants who import raw materials for re-sale will continue to be granted fairly liberal import facilities in order to cope with the increased demand from industry in 1965 compared with 1963.

In so far as imports of plant and equipment are concerned, it would also not be necessary to issue to importers initial allocations for 1965. As in the past, applications based on end-user demand would be granted in full, having due regard to local production possibilities.

Motor cars

In accordance with the general improvement in the economy, there has been a steady increase in the retail sales of motor cars and commercial vehicles during 1964. Permits will continue to be issued on the basis of the existing formula and there will be no overall shortage of motor vehicles during 1965.

Agricultural tractors and implements

Initial permits for agricultural wheeled tractors and implements will be based on 75 per cent of the total permits issued during the first nine months of 1963. Because of the large number of makes already sold on this market with the consequent spares problems, no new makes of tractors would be allowed to be imported during 1965.

Textile piece-goods

In so far as manufacturers are concerned, the same procedure as for other raw materials viz. six-months stock on the basis of present consumption, will be applied to textiles, but clothing manufacturers should be able to obtain more of their requirements from local sources. The initial allocation to merchants will be 60 per cent of 1963 issues - the same as the initial 1964 allocation.

Rice

Initially, importers of milled rice will receive the same allocation for 1965 as that received for 1964 viz. 30 per cent of their 1963 imports. The question of the importation of additional quantities of milled rice is still under consideration and as soon as a decision has been taken a further announcement in this connexion will be made.

Timber and fertilizers

Import facilities for timber and fertilizers will continue to be issued on a special basis in view of the increased local availability.

The permits mentioned above are now being prepared and will be posted to registered importers before 14 December 1964.