

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

The following press statement of 25 November 1965, announcing initial import permit allocations for 1966, has been transmitted to the Director-General for the information of the contracting parties.

The Minister of Economic Affairs today announced the initial import permit allocations for 1966.

Dr. Diederichs stated that, in respect of:

- (i) group b consumer goods;
- (ii) textile piece-goods imported by merchants;
- (iii) raw materials, other than textile piece-goods, timber and fertilizers, imported by merchants;
- (iv) agricultural wheeled tractors;
- (v) rice; and
- (vi) plant and equipment with an f.o.b. cost per individual item of not more than R1,000,

the initial allocations for 1966 would generally be the same as the initial allocations for 1965.

Because stocks of plant and equipment had now been reduced to a satisfactory level, it was proposed to grant relatively small stock permits for the importation of those items which had an f.o.b. cost per individual item of more than R1,000 and less than R50,000.

The stock permits in these cases, stated Dr. Diederichs, would be calculated on the basis of 25 per cent of the value of the merchants' imports during the calendar year 1964 of those goods supplied to the private sector of the economy, less 50 per cent of the in-store cost of all unsold and undelivered items of plant and equipment as at 1 November 1965.

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The Minister stated that it was also necessary now to establish a basis for the importation of these consumer goods which, until recently, could be imported without permits, as well as those goods under category "A" for which, although under permit control, permits were granted freely. It had been decided to deal with both these groups as one and the initial 1966 allocations for these items would be calculated on the basis of 50 per cent of the individual importer's actual importations of these goods during the calendar year 1964.

The Minister explained that it had been brought to his notice that, in respect of goods hitherto on the free list, there had, in some isolated instances, been beat-the-ban imports, and stated that these cases would be dealt with individually. In respect of imports of these goods where the beat-the-ban element was not present, he had decided that the debits already raised by the Directorate against the 1966 allocations would be rescinded.

No change would be made regarding motor vehicles; permits for raw material imports by manufacturers for their own use would continue to be issued on the basis of four months consumption; and the arrangements for capital equipment with an f.o.b. cost in excess of R50,000 would also remain unchanged. These items of equipment would continue to be dealt with on an end-user basis.

The Minister emphasized the necessity for conserving the Republic's foreign exchange reserves, and he appealed specifically to importers to stretch these facilities to the utmost and gave the categorical assurance that such a stretch-out would not prejudice any importer in respect of future issues.

The initial import permits are presently being prepared and will be posted to individual importers before 15 December 1965, except in the case of rice and capital equipment for which individual applications should be made to the Director of Imports and Exports, Forum Buildings, Private Bag 192, Pretoria.