

Import control and tariff protection

Press release issued by the Minister of Economic Affairs

In a press release issued on 19th December 1969, the Minister of Economic Affairs, Mr. J. F. W. Haak, announced that the Government had decided not to continue to invoke Article XII of the General Agreement on Tariffs and Trade in the application of its import control measures. The provisions in question empower contracting parties to the General Agreement to maintain import control for balance of payments reasons only. The Article also provides, however, that countries invoking it should dismantle their import restrictions as soon as the application of import control can no longer be justified on balance of payments grounds.

The Government's decision to terminate its invocation of Article XII of the General Agreement as justification for the application of import control, had been taken after the recent annual consultation with a mission of the International Monetary Fund, on the grounds of the increase in the Republic's monetary reserves and the general favourable trend of its balance of payments.

The Government's decision, however, did not mean that import control would be abolished immediately. Import control had been applied for more than twenty years. Although import control had been relaxed appreciably during the last few years, the remaining import restrictions could not be abolished immediately without serious disruption being caused to various local industries.

It had been learnt from experience that most industries which had been established in South Africa, needed a measure of protection to survive against foreign competition. Where the necessary freedom of tariff action existed, tariff protection, which was generally regarded as adequate, had, in terms of the Government's policy of according moderate protection on a selective basis, been granted to industries requiring assistance. These industries ought to be in a position to hold their own

without the incidental protection provided by import control. These industries were in any event free to make out a motivated case to the Board of Trade and Industries for increased tariff protection should they be of the opinion that the existing import tariffs were inadequate.

In those cases, however, where the Government's obligations under the General Agreement on Tariffs and Trade, or its other obligations, made it impossible for it to increase import tariffs in order to grant a reasonable measure of tariff protection to deserving industries already in existence, or to industries about to be established, the existing import restrictions, which could be used for the protection of such industries, would not be dismantled until such time as the Government had negotiated the freedom to grant the necessary tariff protection.

The nature and magnitude of the Republic's tariff commitments under the General Agreement on Tariffs and Trade handicap the Government to an appreciable extent in giving effect to its declared policy of according a reasonable measure of tariff protection on a selective basis to local industries.

The granting of this type of tariff protection is indispensable for the further industrial development of a young industrial country like South Africa, as well as for the effective implementation of the Government's policy of industrial decentralisation.

The Government had accordingly decided that the time had arrived for a general revision of its tariff commitments under the General Agreement on Tariffs and Trade—commitments which had been concluded 22 years ago when South Africa's economic conditions and needs were completely different from today's. The necessary negotiations for this purpose would be entered into with the other interested contracting parties to the Agreement at the earliest possible opportunity.

Invoerbeheer en tariefbeskerming

Persverklaring uitgereik deur die Minister van Ekonomiese Sake

In 'n persverklaring wat op 19 Desember 1969 uitgereik is, het die Minister van Ekonomiese Sake, mnr. J. F. W. Haak, aangekondig dat die Regering besluit het om by die verdere toepassing van sy invoerbepelings homself nie langer op die bepalings van Artikel XII van die Algemene Ooreenkoms oor Tariewe en Handel te beroep nie. Die betrokke bepalings magtig ondertekenaars van die Algemene Ooreenkoms om invoerbeheer slegs vir betalingsbalansdoeleindes te gebruik. Die artikel bepaal egter ook dat lande wat hulle op hierdie magtiging beroep, hulle invoerbepelings moet afskaf sodra die toepassing van invoerbeheer nie langer op betalingsbalansgronde geregverdig kan word nie.

Die Regering se besluit om sy gebruik van Artikel XII van die Algemene Ooreenkoms as regverdiging vir die toepassing van invoerbeheer te staak, is geneem vanweë die hoë peil van die Republiek se monetêre reserwes asook die algemene gunstige posisie van sy betalingsbalans. Na oorlegpleging met die missie van die Internasionale Monetêre Fonds tydens sy onlangse jaarlikse samesprekings met die Regering, het die Regering besluit dat weens bogenoemde faktore hy hom nie meer op die betrokke bepalings van die Algemene Ooreenkoms sal beroep nie.

Die Regering se besluit beteken egter nie dat invoerbeheer nou dadelik afgeskaf gaan word nie. Invoerbeheer word reeds vir meer as 20 jaar lank toegepas. Hoewel invoerbeheer gedurende die afgelope paar jaar aansienlik verslap is, kan die oorblywende invoerbepelings nie nou dadelik afgetakel word sonder dat daar ernstige ontwrigting in verskeie plaaslike nywerhede sal plaasvind nie.

Die ondervinding het geleer dat die meeste nywerhede wat in Suid-Afrika gevestig word, 'n mate van beskerming nodig het om teen buitelandse konkurrensie staande te bly. Waar daar die nodige vryheid van tarief-optrede bestaan, is daar dan ook, ingevolge die Regering se beleid om matige beskerming op 'n selektiewe grondslag toe te staan, tariefbeskerming wat in die algemeen as voldoende geag word, aan hulpbehoewende nywerhede verleen.

Hierdie nywerhede behoort in staat te wees om, sonder die toevallige beskerming wat van invoerbeheer afkomstig is, die mas te kan opkorn. In elk geval staan dit hierdie nywerhede vry om, indien hulle van mening is dat die geldende invoertariewe onvoldoende is, 'n gemotiveerde saak vir verhoogde tariefbeskerming by die Raad van Handel en Nywerheid uit te maak.

In daardie gevalle, egter, waar die Regering se tariefverpligtinge onder die Algemene Ooreenkoms oor Tariewe en Handel, of sy ander verpligtinge, dit vir hom onmoontlik maak om invoerregte te hef of te verhoog ten einde aan verdienstelike nywerhede wat reeds bestaan of binne afsienbare tyd tot stand mag kom, 'n redelike mate van tariefbeskerming te verleen, sal die bestaande invoerbepelings wat vir die beskerming van sulke nywerhede aangewend kan word, nie afgetakel word voordat die Regering die vryheid beding het om die nodige tariefbeskerming te verleen nie.

Die aard en omvang van die Republiek se tariefverpligtinge onder die Algemene Ooreenkoms oor Tariewe en Handel strem die Regering in 'n aansienlike mate in die uitvoering van sy verklaarde beleid om aan plaaslike nywerhede 'n redelike mate van tariefbeskerming op 'n selektiewe grondslag te verleen.

Die verlening van hierdie soort tariefbeskerming is onontbeerlik vir die verdere nywerheidsontwikkeling van 'n jong nywerheidsland soos die Republiek asook vir die doeltreffende implementering van die Regering se beleid van nywerheidsdesentralisasie.

Die Regering het gevolglik besluit dat die tyd nou aangebreek het vir 'n algehele hersiening van sy tariefverpligtinge onder die Algemene Ooreenkoms oor Tariewe en Handel—verpligtinge wat 22 jaar gelede aangegaan was toe Suid-Afrika se ekonomiese omstandighede en behoeftes heeltemal anders was as vandag. Die nodige onderhandelinge vir dié doel met die ander belanghebbende ondertekenaars van die Ooreenkoms sal by die vroegste moontlike geleentheid aangeknoop word.