

Relaxation of import control and the protection of manufacturing industry

The Minister of Economic Affairs announced on 25th July 1972 that, in view of the recent improvement in South Africa's balance of payments, the Government had decided to discontinue its recourse to Article XII of the General Agreement on Tariffs and Trade which authorises contracting parties to GATT to apply import restrictions for balance of payments purposes.

In addition, the Government had decided on certain further relaxations of the import restrictions which were introduced in November 1971, as a means of arresting the then prevailing serious and persistent decline in the country's monetary reserves.

In amplification of these decisions the Minister of Economic Affairs made the following announcements:

The Government has carefully reviewed the balance of payments position of the country in the light of developments since November 1971, when it was obliged to reinvoked Article XII of GATT and to intensify South Africa's import restrictions as a means of arresting the serious and persistent decline in the country's gold and other foreign assets.

While international monetary and trade uncertainties still persist and have in some respects recently increased, the Government is satisfied that the improvement in South Africa's balance of payments during the first half of 1972 and the greatly strengthened position of the country's gold and other foreign assets now justify the disinvocation of its recourse to Article XII of GATT and permit a further relaxation of the import restrictions which were introduced in November 1971.

The Government will, of course, keep the balance of payments position under constant and careful review, and will not hesitate to take timely corrective action if a change in the present favourable trends in the balance of payments should make this necessary.

In particular, the Government will keep a close watch on the current account of the balance of payments, bearing in mind the anticipated adverse effects on the export of certain South African products of Britain's accession to the European Communities on 1st January, 1973.

These are matters on which the Government is having continuous consultations with the British Government and the Commission of the European Communities in an attempt to avert or minimise the adverse effects on South Africa's export trade with Britain.

Details of the new import relaxations will be published in a Government Gazette Extraordinary which will appear on 26th July 1972.

In terms of the new measures the various commodity groups which prior to November 1971 were exempted from import licensing but which were then placed under permit, will with a few exceptions be reinstated on the permit free list.

The list of commodities which prior to November 1971, were subject to automatic licensing but which was then replaced by a list of commodities subject to global import quotas to be established from time to time, will be reinstated.

However, seven of the commodity groups which appeared on the pre-November list of goods subject to the automatic licensing procedure, will remain subject to licensing in terms of global import quotas to be established from time to time.

In respect of six of these commodity groups the following additional import relaxations have been decided upon:

(i) *Pharmaceutical products*

The first issue of permits of 20% of 1969 imports will be replaced by permit issues enabling merchants and manufacturers to maintain their stocks at the level of four months' normal requirements.

(ii) *Fungicides, pesticides and insecticides*

These goods will be licensed on the same basis as those in commodity group (i) above.

(iii) *Textile piece goods for sale by merchants*

A third permit issue of 10% will be made.

(iv) *Wines and potable spirits*

Third permit issues of 30% for whisky and 10% for all other types of alcoholic beverages, respectively, will be made.

(v) *Paper and paperboard*

The goods in this category will be licensed on the same basis as those included in commodity group (i) above.

(vi) *General merchandise*

A third permit issue of 20% will be made.

The pre-November 1971 list of commodities which could be imported only under specific permits will, in large measure, be retained.

The Government wishes to emphasise that these new import relaxations should not be seen as a re-

versal of the policy statements made both inside and outside Parliament earlier this year and in which it was made clear that the Government was firmly committed to a policy of further promoting the industrial development of the country on a sound and lasting basis.

Earlier assurances to South African industrialists are repeated, namely that, where this is justified, the Government will provide effective protection against foreign competition and, more particularly, foreign competition of a disruptive nature.

As emphasised on previous occasions, the Government believes that such protection to local manufacturers should be granted through the medium of the customs tariff rather than by means of import control.

Local manufacturers in need of such protection have already been invited to submit the necessary applications to the Board of Trade and Industries. A large number of such applications have recently been received and are being dealt with by the Board and the Government as a matter of urgency.

In so far as the Government's decisions on these applications will involve increases in rates of duty not bound under GATT, the relevant decisions will be speedily implemented.

In so far as the Board's recommendations to the Government may involve increases in bound rates of duty, the Committee of Enquiry into South Africa's position under GATT has been instructed to report by 31st August at the latest on the possible solution of the problems arising from South Africa's existing GATT tariff commitments. The Government will ensure that the manufacturers concerned receive the assistance which the circumstances of each case justify.

Verslapping van invoerbeheer en die beskerming van die vervaardigingsnywerheid

Die Minister van Ekonomiese Sake het op 25 Julie 1972 aangekondig dat, met die oog op die onlangse verbetering van Suid-Afrika se betalingsbalans, die Regering besluit het om sy gebruik van Artikel XII van die Algemene Ooreenkoms oor Tariewe en Handel, wat lidstate van die AOTH magtig om invoerbepelings vir betalingsbalansdoeleindes te handhaaf, te staak.

Daarbenewens het die Regering besluit om sekere verdere verslappings aan te bring in die invoerbepelings wat hy in November 1971 ingestel het ten einde die destydse ernstige en standhoudende daling in die land se monetêre reserwes te keer.

Ter aanvulling van hierdie besluite het die Minister van Ekonomiese Sake die volgende verklarings uitgereik:

Die Regering het die betalingsbalansposisie van die land noukeurig oorweeg in die lig van verwickelinge sedert November 1971 toe hy genoodsaak was om homself opnuut op Artikel XII van die AOTH te beroep en om Suid-Afrika se invoerbepelings te verskerp as 'n middel om die ernstige en standhoudende daling in die land se goud en ander vreemde bates te keer.

Hoewel internasionale monetêre en handelssonsekerhede nog steeds voortduur en in sommige opsigte onlangs vermeerder het, is die Regering tevrede dat die verbetering van die Suid-Afrikaanse betalingsbalans gedurende die eerste helfte van 1972 asook die aansienlik versterkte posisie van die land se goud en ander vreemde bates nou 'n staking van sy gebruik van Artikel XII van die AOTH regverdig en hom ook toelaat om die invoerbepelings wat in November 1971 ingestel was, verder te verslap.

Die Regering sal natuurlik die betalingsbalansposisie onder voortdurende en sorgvuldige hersiening neem, en sal nie huiwer om tydelike regstellende stappe te doen indien 'n verandering in die huidige gunstige verloop van die betalingsbalans dit nodig sou maak nie.

In besonder sal die Regering 'n wakende oog hou oor die lopende rekening van die betalingsbalans, in aggenome die verwagte ongunstige uitwerking op die uitvoer van sekere Suid-Afrikaanse produkte van Brittanje se toetreding tot die Europese Gemeenskappe op 1 Januarie 1973.

Hierdie is aangeleenthede waaroor die Regering in voortdurende oorlegpleging met die Britse Regering en die Kommissie van die Europese Gemeenskappe verkeer in 'n poging om die nadelige uitwerking daarvan op Suid-Afrika se uitvoerhandel met Brittanje te vermy of tot 'n minimum te beperk.

Besonderhede van die nuwe invoerbeheerverslappings sal gepubliseer word in 'n Buitengewone Staatskoerant wat op 26 Julie 1972 sal verskyn.

Ingevolge die nuwe maatreëls sal die verskillende kommoditeitsgroepe wat voor November 1971 vrygestel was van invoerlisensiëring maar wat toe onder permit geplaas was, met enkele uitsonderinge, na die permitvrye lys van invoere teruggeplaas word.

Die lys van kommoditeite wat voor November 1971 aan outomatiese invoerlisensiëring onderworpe was maar wat toe vervang was deur 'n lys van kommoditeite onderhewig aan globale invoerkwotas wat van tyd tot tyd bepaal sou word, sal herstel word.

Sewe van die kommoditeitsgroepe wat op die voor-November lys van goedere onderworpe aan outomatiese invoerlisensiëring verskyn het, sal egter nog onderworpe bly aan lisensiëring ingevolge globale invoerkwotas wat van tyd tot tyd bepaal sal word.

Ten opsigte van ses van hierdie kommoditeitsgroepe is daar besluit om die volgende bykomstige invoerverslappings in werking te stel:

(i) *Farmaseutiese produkte*

Die eerste permituitreiking van 20% van 1969-invoere word vervang deur permituitreikings wat handelaars en vervaardigers in staat sal stel om hulle voorrade op die peil van 4 maande se normale behoeftes te handhaaf.

(ii) *Swamdoders, pesbestrydingsmiddels en insektmiddels*

Vir hierdie goedere sal permitte uitgereik word op dieselfde grondslag as dié wat ten opsigte van goedere in kommoditeitsgroep (i) hierbo geld.

(iii) *Tekstielstukgoedere vir verkoop deur handelaars*

'n Derde permituitreiking van 10% sal gemaak word.

(iv) *Wyn en drinkbare spiritus*

Derde permituitreikings van 30% vir whisky en 10% vir alle ander alkoholiese dranksoorte, onderskeidelik, sal gemaak word.

(v) *Papier en karton*

Vir die goedere in hierdie groep sal permitte uitgereik word op dieselfde basis as vir die goedere wat in kommoditeitsgroep (i) hierbo verskyn.

(vi) *Algemene handelware*

'n Derde permituitreiking van 20% sal gemaak word.

Die voor-November 1971 lys van kommoditeite wat slegs onder spesifieke permitte ingevoer kan word, sal in 'n groot mate gehandhaaf word.

Die Regering wil graag beklemtoon dat hierdie nuwe invoerbeheerslappings nie gesien moet word as 'n herroeping van die beleidsverklarings wat vroeër vanjaar sowel binne as buite die Parlement gedoen is en waarin dit duidelik gestel is dat die Regering vas verbind was tot 'n beleid van die verdere bevordering van die land se nywerheidsontwikkeling op 'n gesonde en standhoudende grondslag nie.

Die vroeëre versekerings aan Suid-Afrikaanse vervaardigers word herhaal naamlik dat, waar dit geregverdig is, die Regering doeltreffende beskerming teen buitelandse mededinging en, in besonder, buitelandse mededinging van 'n ontwrigtende aard, sal verleen.

Soos reeds by vorige geleenthede bevestig is, glo die Regering dat sulke beskerming vir plaaslike nyweraars deur middel van die doeanetarief eerder dan deur middel van invoerbeheer verleen moet word.

Plaaslike nyweraars wat behoefte het aan sodanige beskerming is reeds uitgenooi om die nodige aansoeke aan die Raad van Handel en Nywerheid voor te lê. 'n Groot aantal sodanige aansoeke is reeds onlangs ontvang en word as 'n dringende aangeleentheid deur die Raad en die Regering behandel.

Vir soverre die Regering se besluite met betrekking tot hierdie aansoeke verhogings in doeaneregte sal meebring wat nie onder die AOTH gebind is nie, sal die betrokke besluite met spoed geïmplementeer word.

Vir soverre die Raad se aanbevelings aan die Regering verhogings in gebonde doeaneregte mag inhou, is die Komitee van Ondersoek na Suid-Afrika se posisie onder die AOTH opdrag gegee om op 31 Augustus ten laatste verslag te doen in verband met die moontlike oplossing van die probleme wat uit Suid-Afrika se bestaande AOTH tariefverpligtinge voortspruit. Die Regering sal toesien dat die betrokke nyweraars die hulp ontvang wat die omstandighede van elke geval regverdig.