

Statement regarding import control policy for 1973

*Issued by the Honourable the Minister of Finance,
Dr. N. Diederichs*

25th October 1972

After careful consideration of all the relevant circumstances and factors the Government has decided that during 1973 the basic principles of the import control policy, as it was applied in 1972, would be retained in an unamended form.

At the same time the Government has also decided to introduce certain relaxations of the existing import restrictions. In broad outline these import control relaxations consist of the following steps:

- (i) the inclusion in the list of goods which may be imported without permit, of 122 commodities which at present may be imported only under permit; and
- (ii) the transfer of one group of commodities, viz. commercial motor vehicles and spares therefor, from the list of goods which may be imported only subject to predetermined import quotas, to the list of goods for which import permits are readily issued to meet the full reasonable requirements of importers.

Furthermore, in respect of the following groups of commodities which are either subject to the determination of import quotas or to the issue of specific import permits, the Government has decided to grant initial permit issues for 1973 of 80 per cent of the permit allocations made to individual importers during 1972:

- General merchandise.
- Clothing.
- Textile piece goods imported by merchants.
- Alcoholic beverages.
- Confectionery.
- Pharmaceutical products and requirements in finished form.
- Fungicides, insecticides and pesticides in finished form.
- Paper and paper board imported by merchants.

Although the balance of payments has improved to such an extent during the past year that the application of import control as a measure to protect the balance of payments is no longer justified, the Government has repeatedly made it clear that import control will not be relaxed in such a manner that local manufacturers who submit fully motivated cases for tariff protection, will be left without sufficient and effective protection in the local market against overseas competition because of the fact that the granting of protection to them by means of the customs tariff is frustrated by the extent of South Africa's GATT tariff obligations.

With a view to the implementation of its declared policy the Government has appointed a Committee to investigate in detail the problems which South Africa's membership of GATT are creating for the further economic development of the country and, in particular, for

the further development of its industries, and to submit recommendations regarding the steps which the Government should take in order to solve these problems.

As recently announced by my colleague the Minister of Economic Affairs*, the Government has accepted the report and recommendations of this Committee in entirety. There is obviously a direct relationship between these recommendations and the policy which the Government will in future apply in regard to the relaxation of import control.

I accordingly wish to make it clear that the relaxations of import control which I have announced above, do not in any way represent a departure from the recommendations of the GATT Committee of Enquiry which the Government has already accepted.

Further, I must reiterate that the Government will fully honour its undertaking to domestic manufacturers in regard to the granting of adequate protection to them where this is justified, and that any relaxation of import control will not be implemented in any manner which is likely to jeopardise this undertaking.

I also wish to remind manufacturers that those of them who are still being indirectly protected by import control despite the fact that the Government is in a position to provide protection to them by means of tariffs, should submit fully motivated applications for tariff protection to the Board of Trade and Industry by 31st December at the very latest if they feel that such tariff protection would be essential for their continued economic operation in the event of import control being relaxed.

*See page 19.

Verklaring insake invoerbeheerbeleid vir 1973

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Dr. N. Diederichs*

25 Oktober 1972

Die regering het, na noukeurige oorweging van al die toepaslike omstandighede en faktore, besluit om voorlopig die grondbeginsels van die invoerbeheerbeleid soos hierdie beleid gedurende 1972 toegepas was, onveranderd gedurende 1973 voort te sit.

Terselfdertyd het die Regering ook besluit om sekere verslappings van die bestaande invoerbepelings in werking te stel. In hooftrekke behels hierdie invoerbeheerverslappings die volgende stappe:

- (i) die toevoeging van 122 kommoditeite, waarvan die invoer tans aan permitbeheer onderworpe is, tot die lys van goedere wat sonder permit ingevoer kan word; en
- (ii) die oorplasing van een kommoditeitsgroep, naamlik handelsmotorvoertuie en onderdele daarvoor, vanaf die lys van goedere wat slegs onderworpe aan die vasstelling van invoerkwotas vir individuele invoerders ingevoer kan word, na die lys van goedere waarvoor invoerpermitte vryelik toegestaan word om die volle redelike behoeftes van invoerders te bevredig.

Voorts het die Regering besluit om ten opsigte van die volgende kommoditeitsgroepe wat onderworpe is aan of die vasstelling van invoerkwotas of die uitreiking van spesifieke invoerpermitte, aanvanklike permituitreikings vir 1973 van 80 persent van individuele invoerders se permittoekennings vir 1972 te maak:

Algemene handelware.

Klerasie.

Tekstielstukgoedere deur handelaars ingevoer.

Alkoholiese dranksoorte.

Suikergoed.

Farmaseutiese produkte en benodighede in die finale vorm.

Swamdoders, plaagdoders en insektedoders in die finale vorm.

Papier en karton deur handelaars ingevoer.

Hoewel die betalingsbalans gedurende die afgelope jaar in so 'n mate verbeter het dat die toepassing van invoerbeheer as 'n beskermingsmiddel vir die betalingsbalans nie langer geregverdig is nie, het die Regering by herhaling dit duidelik gestel dat invoerbeheer nie op so 'n wyse verslap sal word dat plaaslike vervaardigers wat 'n gemotiveerde saak vir tariefbeskerming voorlê, sonder voldoende en doeltreffende beskerming teen buitelandse mededinging in die plaaslike mark sal moet klaarkom in gevalle waar Suid-Afrika se tariefverpligtinge onder die AOTH dit vir die Regering onmoontlik maak om hierdie nyweraars met behulp van verhoogde doeaneregte te beskerm nie.

Die Regering het dan ook, met die oog op die implementering van hierdie beleidsverklaring, 'n Komitee aangestel om deeglik in te gaan op die pro-

bleme wat Suid-Afrika se lidmaatskap van die AOTH vir die land se verdere ekonomiese ontwikkeling, en veral vir sy verdere nywerheidsontwikkeling, meebring en om aanbevelings voor te lê oor die stappe wat die Regering kan doen om hierdie probleme op te los.

Soos my kollega, die Minister van Ekonomiese Sake, onlangs aangekondig het*, het die Regering die Komitee se verslag en sy aanbevelings in geheel aanvaar. Daar bestaan noodwendig 'n regstreekse verband tussen hierdie aanbevelings en die beleid wat die Regering voortaan met betrekking tot die verslapping van invoerbeheer gaan volg.

Ek wil dit dan ook duidelik stel dat die verslappings van invoerbeheer wat ek hierbo aangekondig het, in geen opsigte 'n afwyking verteenwoordig van die aanbevelings van die AOTH-ondersoekkomitee wat die Regering reeds aanvaar het nie.

Verder wil ek herhaal dat die Regering sy onderneming aan nyweraars met betrekking tot die verlening van voldoende beskerming aan hulle, waar dit geregverdig is, ten volle sal nakom, en dat enige verslapping van invoerbeheer nie op sodanige wyse sal geskied dat dit hierdie onderneming ongedaan sal maak nie.

Ek wil ook weer eens nyweraars daaraan herinner dat diegene van hulle wat tans nog indirek deur invoerbeheer beskerm word ondanks die feit dat die Regering in staat is om hulle met behulp van tariewe te beskerm, teen 31 Desember ten allerlaatste ten volle gemotiveerde aansoeke om tariefbeskerming aan die Raad van Handel en Nywerheid moet voorlê indien hulle sou voel dat sodanige tariefbeskerming noodsaaklik sou wees vir hulle voortgesette ekonomiese bedrywighede indien invoerbeheer verslap sou word.

*Kyk bladsy 39.