Statement Made by the Hon. N. Diederichs,
Minister of Economic Affairs, South Africa
On 17 May 1963

Item I: Measures for the Expansion of Trade of Developing Countries as a Means of Furthering their Economic Development

In your opening statement yesterday you drew attention to the urgent necessity for some action in respect of the first item on our agenda, and the various statements made yesterday emphasized the urgency attached to the measures proposed as well as the problems facing industrial countries in attempts at resolving these problems satisfactorily.

The South African Government views with great sympathy, and, let me add, with a great measure of understanding, the aspirations of the developing countries towards more diversified economies and higher rates of economic growth through greater opportunities for exports at remunerative prices. We sympathize and understand, because as a large producer of some of the products now under consideration we are fully conscious of the serious impact of the existing restrictions on imports and consumption of these products and the serious consequences of unstable and unremunerative returns on the viability and living standards of the producers, and because substantial under-developed areas in our country that are dependent on primary production have to rely for their welfare and progress on such accommodation as can be found within our own economy.

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In all the documentation and discussion two categories of countries have been identified, namely industrialized and less-developed or developing countries, whereas it has been recognized that there are some countries that fall in varying degrees between these two groups. These are the countries, such as my own, which cannot be regarded as being industrialized, although they have nevertheless made some progress towards industrialization and diversification of their economies. These countries would obviously face special problems if they were to give full effect to the recommendations of Committee III as set out in the Programme of Action.

Subject to these remarks I wish to convey my Government's support generally for these proposals.

With the very limited exceptions of compelling need we can subscribe to the standstill proposal. Particularly I would like to say that we do not discriminate in our tariffs except on items where we have contractual obligations.

We maintain no quantitative restrictions inconsistent with the provisions of the GATT.

We generally pursue a policy of duty-free and unrestricted admission of the primary products listed, and on the exceptional items on which we do have duties, although insignificant, we are prepared to consult.

As regards the elimination of duties on semi-processed and manufactured products identified as of special interest to the developing countries we find ourselves in much the same position as these countries; nevertheless here too we are prepared to consult with interested countries.

In regard to the progressive reduction of internal fiscal and revenue charges, no such charges are levied in South Africa on the products listed.

Turning to the tropical products under consideration, no duties, internal charges or limitations on imports are maintained on tea and cocoa beans. We are, of course, a substantial importer of tea. Raw coffee and tropical timbers similarly are not subject to any internal charges or levies and are subject only to such duties as we are obliged to maintain in accordance with preferential obligations.

We support the proposal for the further studies on bananas, tropical oilseeds and oils, of which we are substantial producers.

In regard to point VII on reporting procedures we would pose the question whether a less cumbersome and probably more effective method than that proposed, could not be devised.

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We visualize considerable difficulties in the implementation of the proposed system of preferences and would, therefore, support and wish to participate in the suggested further study.

My Government notes with considerable interest the proposal for the proper co-ordination of development projects through close consultation with other specialized agencies. We believe that the solution to the problems facing the developing countries does not lie solely in the reduction or elimination of trade barriers. We consider that development projects should not only be co-ordinated to obviate over-production but should be supported by the necessary technical and scientific assistance in respect of which my Government is prepared to make its contribution to any country desiring such assistance. We would also support the proposal to set up a working party to examine the possible extension of the provisions of the GATT by creating an adequate legal and constitutional framework in this field.