SOUTH AFRICAN IMPORT RESTRICTIONS

The Government of South Africa has submitted the following press statement issued by Dr. Diederichs, Minister of Economic Affairs, on 6 May 1966.

The Minister of Economic Affairs today announced the following decisions in respect of the second round import quotas for 1966.

**Raw materials**

No change will be made in the basis on which manufacturers obtain their requirements of imported raw materials. These allocations will continue to be based on consumption, and manufacturers may apply for additional permits at any time their stocks of imported raw materials fall below four months' consumption.

The 1966 allocations of merchants importing raw materials will now be based on 75 per cent of their 1964 imports. As these merchants have in most cases received an initial 1966 allocation of 50 per cent of such imports, they may now apply for the difference between what they have already received for 1966, and 75 per cent of their 1964 imports.

Merchant importers of textile piece-goods will now have their 1966 allocations brought into line with the levels of their 1965 imports.

**Office equipment**

Importers of office equipment, including computers, will also receive an additional 25 per cent of their 1964 imports, thus making their 1966 allocations equal to 75 per cent of their 1964 imports.

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Consumer goods

The allocations of importers of those types of consumer goods which do not fall within the B group category will also be made equal to 75 per cent of their 1964 imports. The initial allocation for 1966 having been 50 per cent of such imports, they may now apply for the difference.

The additional allocation for group B consumer goods will be 20 per cent of an importer’s assessment basis, thus making the allocation for 1966 equal to 50 per cent.

Capital goods

As regards capital goods with an f.o.b. cost not exceeding R1,000, a further allocation of 25 per cent of an importer’s 1964 imports will be made, thus making his total allocation for the year equal to 75 per cent of his 1964 imports.

No stock allocation will be made for items of plant and equipment with an f.o.b. price in excess of R1,000, but applications will continue to be dealt with on an individual basis of essentiality as at present.

Talks are still proceeding regarding the need to import structural timber.

Dr. Diederichs stated that, despite the favourable trend that was noticeable in the country’s reserve of foreign exchange, it was still necessary to adopt a cautious and careful approach in regard to import expenditure. However, he promised to review the position in July/August 1966.

Dr. Diederichs concluded by emphasizing once more the need for both merchants and manufacturers to obtain their requirements from local manufacturing sources wherever this is possible. The Minister also reiterated his previous assurance that no importer would be penalized for not using his import permits.