Contracting Parties:

SOUTH AFRICAN IMPORT RESTRICTIONS

Addendum

The following letter has been received from the Union of South Africa with the request that it be circulated as an addendum to the letter of 6th December, 1949:

"I have the honour to refer to my letter of 6th December, 1949, under cover of which I transmitted, for the information of the CONTRACTING PARTIES, a memorandum on import and exchange control measures applied by the Government of the Union of South Africa.

"Since the memorandum referred to was completed, the Government of the Union of South Africa have decided:

(i) to allocate a limited amount of soft currency for the importation of general consumers' goods which are not included in the list of goods classified as prohibited imports; and

(ii) to extend the list of goods classified as prohibited imports so as to prohibit the importation, under consumers' goods permit, of certain categories of luxury and semi-luxury piece goods.

"As regards the allocation of a limited amount of soft currency for general consumers' goods not on the prohibited lists, it is desired to explain that whilst there are still in South Africa relatively large supplies of certain classes of such goods, it is equally clear that shortages of certain other varieties are beginning to develop which will be felt not only by consumers but particularly by traders who specialise in the sale thereof.

"Although the country's available foreign exchange resources have recently shown a welcome improvement, the Government of the Union of South Africa consider that for some time extreme care will have to be exercised in the use of these resources and for that reason the amount of exchange allotted for the importation of consumers' goods must necessarily at first be small. Since, moreover, the improvement in South Africa's monetary reserves is due largely to an increase in its sterling resources and as the importation of certain essential and capital goods will
exhaust most of its limited hard currency earnings, it has been found necessary at this stage to limit the importation of consumers' goods to supplies from soft currency countries.

"The issue of permits for such goods will be calculated on the basis of 10 per cent of the f.o.b. value of each importer's total importations of consumers' goods from all sources during the year 1948.

"At the time when import control was introduced in South Africa, importers were urged to restrict their importations and for that reason the volume of the individual importer's purchases of consumers' goods during 1949 will be taken into account in assessing his allocation for the first half of 1950. To this end all importations of consumers' goods by individual importers in the first eight months of 1949 which are in excess of 50 per cent of their total importations in 1948, will be deducted from the 10 per cent permit issue to be made for the first half of 1950.

"The new permits will be valid only in respect of goods shipped from the supplying country not before 1st January, 1950, and not later than 30th June, 1950.

"As regards the extension of the list of prohibited imports it is desired to inform you that, in view of the importance to the country of obtaining the maximum amount of utility piece goods with the foreign exchange available for imports of this nature, the Government of the Union of South Africa have decided to prohibit the importation, under consumers' goods permits, of certain classes of piece goods which are regarded as being of a luxury or semi-luxury nature.

"In conclusion I wish to state that, in view of the rise in overseas prices of nylon hosiery, the ceiling f.o.b. price of 6½/- per dozen for hosiery of this type which was excluded from the operation of the "prohibited" list has been increased to 72/- per dozen."