GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

Addendum

The following communication has been received from the delegation of Italy.

With reference to GATT/AIR/803 dated 3 June 1970, the Italian Government has the honour to notify below the measures taken by it over the period 1 December 1969 to 30 September 1970, in implementation of the provisions of Part IV of the General Agreement.

A. <u>Reduction or elimination of customs duties on products of export interest to</u> <u>developing countries</u>

The EEC Commission will notify action taken in this field at Community level.

B. <u>Reduction or elimination of fiscal duties or internal charges on such products</u>

Under Act No. 684 dated 1 October 1969, published in "Gazzetta Ufficiale" No. 267 of 21 October 1969, the Italian Government introduced certain measures to reduce internal charges on coccoa.

Thus, the consumption tax on raw cocca beans, cocca husks and skins was reduced from Lit 250 to Lit 180 per kg.; on roasted cocca, not shelled, the tax was reduced from Lit 275 to Lit 200 per kg.; for roasted cocca, shelled, broken, in paste or powder form, the consumption tax was reduced from Lit 312.50 to Lit 225 per kg.; the tax on cocca butter was reduced from Lit 312.50 to Lit 280 per kg.; while the tax on cocca powder containing less than 1 per cent of cocca butter was reduced from Lit 312.50 to Lit 170 per kg. In addition, the turnover tax (IGE) which was a cascade tax at the rate of about 4 per cent, has been transformed into a <u>una tentum</u> charge at the rate of 10 per cent. COM.TD/W/128/.dd.1 Page 2

It seems appropriate to add that, in the context of the economic and social policy measures adopted under the legislative decree dated 27 August 1970 (now before the Parliament for enactment) the Italian Government found it necessary to increase the consumption tax on bananas from Lit 90 to Lit 120 per kg. For bananas from Somalia, which are the subject of special tax treatment authorized by the CONTRACTING PARTIES until 31 December 1970, the tax was raised from Lit 60 to Lit 80 per kg. Discussion is still proceeding in Parliament on this legislative decree.

C. <u>Removal of import restrictions applied on such products</u>

Import restrictions have been relaxed in respect of dates, locust beans, dried figs and raisins, in connexion with the revision of the list of residual restrictions applied by Italy, under a Ministerial Order dated 16 June 1970 (published in "Gazzetta Ufficiale" No. 186 of 24 July 1970).

Thus, the customs authorities have been authorized to admit freely (without licence) imports of <u>dates</u> put up in packages of a gross weight in excess of 500 grs. (the only imports still subject to restriction), provided that the product concerned is intended, under the supervision of the customs authorities of the Frauds Repression Service, exclusively for the preparation of animal feed. Similarly, imports of fresh or dried <u>locust beans</u>, whether or not broken or crushed, are freely admitted by the customs provided they too are intended, under the supervision of the customs or the Frauds Repression Service, for the preparation of animal feed.

As regards the import restrictions on dried figs and raisins, which concern these products only when put up in packages of a gross weight in excess of 500 grs., it has been decided to authorize the customs to admit freely (without licence) imports of dried figs and raisins intended exclusively, under supervision of the customs or of the Frauds Repression Service; for direct consumption.

It should be added that the quantitative restrictions on imports of wine and partly fermented grape must were removed with effect from 23 June 1970, in pursuance of the Community regulations which came into force on 1 June 1970. Imports of these products, whether from EEC member States or from third countries, are only subject to certain formalities (import certificate, etc.). The EEC Commission may furnish additional information on the content and implementation of the Community regulations

Hence, the number of residual restrictions which, in this field, may be of interest to certain less-developed countries is, in fact, very small.

D. <u>Reduction of removal of other non-tariff neasures of interest to developing</u> countries

There is nothing to report in this respect, or on points E, F and G of GATT/AIR/303 dated 3 June last, except the following:

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Measures Falling Within the Provisions of Paragraph 3(b) of Article XXXVII

Among these, the Italian Government has continued to adopt certain important measures in the field of trade promotion and vocational training.

With respect to <u>trade promotion</u>, free space has been offered to developing countries at the two most important international trade fairs organized each year in Italy (the Milan International Fair and the Levant Fair at Bari), for presentation of their products.

ns in carlier years, meetings were organized during the fairs in order to facilitate contacts between producers in these countries and Italian importers, in particular with a view to joint examination of production and marketing problems relating to primary as well as industrial products.

Still with a view to encouraging the search for new possibilities for importing from developing countries, arrangements have been made for Italian importers as well as producers, to be included in trade missions visiting those countries; conversely, trade missions invited to visit Italy to see how Italian production is developing are encouraged, where possible, to include some exporters interested in expanding or launching sales of their products in the Italian market.

In the field of <u>vocational training</u>, mention should be made of the specialized courses organized by the IRI, ENI and CNEN¹ to contribute to the technical proficiency of personnel in those countries in a wide range of sectors (building, iron and steel, engineering, electrical engineering, transport, telecommunications, vocational education, banking organization, nuclear power, etc.).

Ninety-one nationals of developing countries took part in the IRI courses, under fellowships of a total value of \$670,000. The ENI and CNEN granted 121 and fourteen fellowships, representing a value of \$60,000 and \$19,200 respectively.

This year, ten study grants have been made available to nationals of developing countries to participate in the "graduate course in foreign trade" organized by the ICE (Foreign Trade Institute) and financed by the Ministry of External Trade.

Other specialized courses have been organized by the COSMA (Association of Sewing Machine Producers) with financial assistance from the Ministry of External Trade, in order to train machine operators in the sewing machine sector (industrial, domestic and craftsmen's machines) as well as to instruct technicians in the garmentmaking industries. Travel and subsistence costs of the nationals from developing countries were entirely borne by the Association.

Lastly, as in earlier years, numerous study grants were made available by the Ministry of External Affairs to students from developing countries.

¹IRI - Industrial Reconstruction Institute; ENI - National Hydrocarbon Authority; CNEN - National Committee for Nuclear Energy.