

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1194
19 May 1960

Limited Distribution

Original: English

CONTRACTING PARTIES
Sixteenth Session

ITALIAN MEASURES IN FAVOUR OF DOMESTIC PRODUCTION OF SHIPS' PLATES

Communication by the Government of Austria

Addendum

The following communication, dated 12 May 1960, has been received from the Government of Austria with the request that it be communicated to the contracting parties for consideration at the sixteenth session¹:

"The consultations between Austria and Italy which had been envisaged at the fifteenth session of the CONTRACTING PARTIES (SR.15/17) were held at Rome on 1 and 2 February 1960. During the course of these consultations, it was revealed again to the Austrian Federal Government that the legislative bodies of Italy are dealing at present with a draft bill providing for special payments to be made, by the State, to Italian shipyards if they purchase ships' plates originating in the countries members of the European Coal and Steel Community. Such payments would be fixed, by virtue of this bill, at Lire 23.- per kg. of ships' plates purchased. The Austrian Federal Government mentioned, in the course of the consultations, that Italy had granted, under the General Agreement, a tariff concession relating to the relevant item of her customs tariff (73.13 B I a), at a rate of 14 per cent ad valorem. Moreover, the Austrian representative at these consultations pointed out that, within the framework of harmonized duties of the European Coal and Steel Community, a rate of 9 per cent ad valorem had been laid down for this item. It seems to be the intention of the Italian Government not to apply these tariff rates but to replace them by payment in question. The Austrian Federal Government explained at the consultations that, in its view, the payments of Lire 23.- as mentioned above, would impair the value of both the tariff concession and the harmonized rate of duty. Legally, the payment of Lire 23.- could not be considered as being a substitute for these tariff rates; economically, the impact of this payment would be very different from the incidence resulting from the tariff rates mentioned. The CONTRACTING PARTIES have always held the view that specific rates are of a wholly different nature from ad valorem duties. The Austrian Federal Government is of the opinion that the payments of Lire 23.- would represent, for the interested industries of the European Coal and Steel Community, a degree of protection substantially higher than the margins arising out of the concession bound under the General Agreement and of the harmonized rate of duty.

¹ See I/979 & Add.1

"Moreover, the Austrian Federal Government holds the view that it was not intended to authorize, by the waiver granted on 10 November 1952, the institution of a discriminatory system of payments as envisaged by the draft in question.

"As the Italian representatives to the above-mentioned consultations were not in a position to agree to the views as exposed by the Austrian Federal Government, the Austrian Federal Government felt compelled to present a request for the inclusion of this problem on the agenda of the sixteenth session of the CONTRACTING PARTIES."