

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ITALIAN SPECIAL CUSTOMS TREATMENT FOR CERTAIN LIBYAN PRODUCTS

Ninth Annual Report (1961) Submitted by the Government of Libya

By the Decision of 9 October 1952 the CONTRACTING PARTIES to the General Agreement on Tariff and Trade authorized Italy to apply special customs treatment on certain products of Libyan origin; by the Decision of 25 November 1955 this waiver was extended until 31 December 1958 and by Decision of 28 November 1958 until 31 December 1961.

These Decisions provide that the Libyan Government is required to submit every year a report on the economic progress of Libya and the development of its external trade, within the framework of the special treatment.

In compliance with this obligation, an account of the development of the trade in question is given below and tables are attached¹ showing the quantities and value of the commodities exported from Libya in 1958, 1959 and 1960, as follows:

1. Commodities subject to special treatment according to the waiver:
Table a) to all destinations
b) to Italy
c) to other destinations
2. Commodities subject to duty when imported into Italy:
Table a) to all destinations
b) to Italy
c) to other destinations
3. Commodities which are submitted into Italy duty free irrespective of origin:
Table a) to all destinations
b) to Italy
c) to other destinations

The total value of domestic exports in 1960 amounted to £L.3,110,222 as compared with £L.3,659,000 in 1959, and £L.4,313,000 in 1958; this decline in the value of exports during the last two years is attributable in the main to poor olive crops and consequently, in view of scanty rainfall in the winter and spring of 1959/60 and lack of fodder, there has been a considerable fall in exports of livestock. No grain was available for export in 1960.

¹The tables will be distributed later in an addendum to this document.

PRINCIPAL DOMESTIC EXPORTS

SITC Code	Commodity	Value in £L,1000 to all countries	to Italy	Exports to Italy as % of total exports
221-01	Groundnuts-peanuts	851	167	19.6
211	Hides and skins	377	267	70.8
921-09.I	Camels	298	-	-
221-07	Castor seeds	211	134	63.5
	Sponges	191	5	2.6
412-05	Olive oil	152	152	100.0
292-09.I	Esparto grass	144	-	-
	Almonds	139	33	23.9
	Wool and hair	129	68	52.7
281-283	Scrap metal	118	95	80.5
	All commodities	3,110	1,133	36.4

Exports to Italy decreased from £L.1,143,000 in 1959 to 1,133,000 in 1960, which, however, represented 36.4 per cent of the total value of domestic exports.

The value of the 1960 exports to Italy coming under the special treatment according to the waiver, was 58 per cent of the total value of exports to Italy.

As pointed out in previous reports Libyan exports consist almost entirely of agricultural products and livestock products. Efforts however are being made to diversify and expand the range of exportable commodities and it is hoped to develop overseas markets for wine and processed dates, which up to the present have only been exported on a small scale.

Considerable progress is being made in the development of local industries, with a view to reducing dependence of imports. Last season the two factories in Tripoli produced 3,000 tons of tomato paste and it is planned to set up a third factory in Benghazi. It is also proposed to install this season a plant for the production of orange juice and orange marmalade, which is at present all imported.

A pilot government tannery will be operating in Tripoli this autumn, with the object of developing the export of leather (and wool) instead of the undressed skins and also to provide good-quality leather for the local manufacture of boots and shoes and handicraft goods.

Investigations are being made into the possibility of setting up a cement industry, both in Tripolitania and in Cyrenaica, and it is also planned to make plaster panel from the deposits of high-grade gypsum in the Gebel area of Tripolitania, principally for low-cost housing schemes.

Reference was made in the eighth report to the constitution of a Development Council for the purpose of taking over and co-ordinating the development projects which had previously been carried out by various agencies.

The Council is now engaged on the implementation of development projects on the lines proposed in the report of the International Bank Economics Mission to Libya. The programme will be considerably expanded when funds accrue to the Council of the Government's share of revenue from sales of petroleum and special attention will be given to agriculture, including oil and water conservation, water drilling, afforestation and crop protection.

Every effort is and will be made to increase agricultural and industrial activity, but substantial results can only be expected over the long term.

In the meantime, the waiver constitutes a very valuable concession, and it is, in fact, essential, in order to avoid a further fall in exports, that it should be continued for a further three years.

This is of especial importance in the case of olive oil. After two years of poor crops a bumper crop is expected this year and it is estimated the output of olive oil will be not less than 20,000 tons for 80 per cent of which overseas markets will have to be found.

Under arrangements with the Development Council and the Agricultural Bank, the Government is proposing to purchase and store olive oil surplus to local requirements. Since Italy constitutes the only market for the surplus and Italian buyers are only prepared to purchase Libyan olive oil on a tax-free basis it is extremely important to this country that the tariff concession should apply not only to 3,500 tons in 1961, but to 3,500 tons in each of the next three years.

It is earnestly hoped, therefore, that the CONTRACTING PARTIES will agree to the continuance of the waiver.

