RESTRICTED

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GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

Addendum

ITALY

Enumeration of State-trading enterprises

State-trading enterprises exist in Italy with respect to the following products:

- Tobacco, unmanufactured and manufactured
- Salt
- Cigarette paper
- Lighter flints
- Matches

UNMANUFACTURED AND MANUFACTURED TOBACCO, SALT, CIGARETTE PAPER, LIGHTER FLINTS AND MATCHES

The Autonomous Administration of State Monopolies is responsible for these products.

TOBACCO, UNMANUFACTURED AND MANUFACTURED

I. Reason and purpose for introducing and maintaining State-trading enterprises

The monopoly of unmanufactured and manufactured tobacco is governed by Act No. 907 of 17 July 1942. The reason and purpose for the introduction and maintenance of the monopoly are of a fiscal nature.

II. Description of functioning

The monopoly is concerned with the following:

(a) Tobacco growing: Tobacco is grown by private concessionaires.

(b) Manufacture: This is handled directly by the Autonomous Administration of State Monopolies.

(c) Sales:

Wholesale: Carried on directly by the Administration or by private concessionaires.

Retail: Carried on by private dealers who are licensed and supervised by the Administration (resale of monopoly goods).

(d) Imports and exports: Unmanufactured tobacco is imported exclusively by the Administration. Manufactured tobacco is imported by the Administration which holds it for subsequent distribution. Even tobacco sales are restricted to monopoly retailers.

Exports are handled by the Administration or by private concessionaires. Manufactured tobacco is exported exclusively by the Administration.

In order to avoid discrimination against the domestic product, the selling price of imported manufactured tobacco is computed, pursuant to Act No. 825 of 13 July 1965, by adding together four elements: one part for the supplier, one for the Monopolies Administration, to cover distribution and sales costs, one for the retailer and one for the State as a revenue tax. The foreign supplier can calculate in advance the resale prices of his product.

The foreign (manufactured) product is also subject to customs duty.

The Monopolies Administration does not negotiate long-term contracts for the import or export of unmanufactured or manufactured tobacco.

The volume of imports and exports is determined by requirements on the consumer market and by production capacity.

III. Statistical information

Unmanufactured Tobacco

(in tons)

	1962	1963	1964	1965
Production	46,321	65,196	78,886	68,000
Imports	34,773	28,531	22,575	13,118
Exports	18,908	11,158	5,130	3,122

Manufactured Tobacco[1]

(in tons)

	1961/62	1962/63	1963/64	1964/65
Production	61,915	61,429	64,510	63,831
Imports	1,549	2,137	2,452	2,715
Exports	239	286	652	630

SALT

I. Reason and purpose for introducing and maintaining State-trading enterprises

The salt monopoly is governed by Act No. 907 of 17 July 1942. For historical, economic and social reasons, Sicily, Sardinia, Livigno and Campione d'Italia are not included in the monopoly.

The reason and purpose for introducing and maintaining the monopoly are of a fiscal and social nature: to guarantee the quality of the product and to ensure uniformity of prices in the territory of the State in spite of the disparity in transport costs.

II. Description of functioning

Production is carried out directly by the Autonomous Administration of State Monopolies or by private producers in exceptional cases where special salts or salts intended for industrial uses are involved.

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[1] Excluding by-products

Sales:

Wholesale: Carried on directly by the Monopolies Administration or by private concessionaires.

Retail: Carried on by private dealers under the supervision of the Monopoly.

The import and export trade in salt for human consumption is carried on by the Monopolies Administration.

Private dealers licensed by the Administration may import common salt for industrial needs from Sicily and Sardinia. In that case monopoly dues, fixed by Presidential Decree, are charged.

Licensed private dealers may export, subject to the payment of an annual charge.

Selling prices are fixed on the same basis as that applicable to manufactured tobacco.

III. Statistical information

Salt

(in tons)

	1961/62	1962/63	1963/64	1964/65
Production	700,310	725,049	590,789	730,000
Imports	168,682	95,920	64,946	-
Exports	244	254	255	-

CIGARETTE PAPER

I. Reason and purpose for introducing and maintaining State-trading enterprises

The cigarette paper monopoly, which is governed by Act No. 70 of 13 January 1936, is of a fiscal nature.

The paper is manufactured by a company of licensed manufacturers and sales are handled by the Monopolies Administration.

II. Description of functioning

Imports and exports of cigarette paper come under the Monopolies Administration. Private persons coming from abroad may not import more than 2,000 units of cigarette paper.

Consumer prices are fixed on the same basis as in the case of manufactured tobacco.

III. Statistical information

Cigarette Paper

(cartons)

	1961/62	1962/63	1963/64	1964/65
Production	175,671	126,130	125,250	164,650
Imports[1]	-	-	-	-
Exports[1]	-	-	-	-

LIGHTER FLINTS

I. Reason and purpose for introducing and maintaining State-trading enterprises

The lighter flint monopoly is governed by Act No. 105 of 26 February 1930 and comes under the Autonomous Administration of State Monopolies.

The monopoly is concerned solely with the commercial aspect and is fiscal in character.

II. Description of functioning

Lighter flints are sold exclusively through retailers of monopoly goods.

Imports of lighter flints come under the Monopolies Administration.

III. Statistical information

Lighter Flints

(units)

	1961/62	1962/63	1963/64	1964/65
Production	4,248,600	5,049,144	6,708,888	8,082,097
Imports	-	-	-	-
Exports	-	-	-	-

[1] By private dealers.

MATCHES

I. Reason and purpose for introducing and maintaining State-trading enterprises

The match monopoly is a delegated monopoly of a fiscal character. It is administered by the Consortium of the Match Industry.

It is governed by Ministerial Decree No. 560 of 11 March 1923.

II. Description of functioning

The manufacture and sale of matches throughout the national territory are carried out by the above-mentioned Consortium.

Import trade is reserved to the Monopolies Administration.

Export trade is in the hands of the Consortium of the Match Industry.

III. Statistical information

Matches

(cartons of 100 boxes)

	1961/62	1962/63	1963/64	1964/65
Production	12,350,420	11,415,235	12,833,190	15,135,790
Imports	-	-	-	-
Exports	-	-	-	-