

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

Addendum

The following information concerning the period 1 October 1971/30 September 1972 has been received from the delegation of Italy in connexion with the implementation of Part IV.

I. EXAMINATION OF THE RECOMMENDATIONS MADE BY THE "GROUP OF THREE CHAIRMEN" CONCERNING ITALY

(a) Recommendations concerning the abolition of the restrictions on the importation into Italy of dates, dried figs and dried grapes.

In its report, the Group of Three recommends that Italy should abolish the import restrictions on the above-mentioned products and put an end to the variety of existing régimes that favour certain countries, to the disadvantage of others.

The imports of these products into Italy is normally conditional on their being intended for a specific purpose, i.e. for use as food in the case of dried figs and dried grapes, and in the preparation of fodder in the case of dates. Control over the use to which they are put is exercised by the Customs and by the Suppression of Fraud Department.

For the time being it is impossible to make any changes in the import régime for these products, because they are products from which alcohol can be distilled. The purpose of the present régime is to protect the national production of alcohol on the basis of raw materials produced in the country. There is a large surplus production of these, and there are serious difficulties in disposing of it.

It must also be borne in mind that the import régime for these products may be altered as a result of the work proceeding in the EEC with a view to regulation of the alcohol market by the Community.

With regard to differences in treatment arising from the facilities granted to certain Mediterranean countries, it should be noted that this is not a question of discrimination but of a special régime introduced under the Agreements between the EEC and the countries concerned. These Agreements are binding on Italy and are in accordance with the principles and provisions of the GATT.

(b) Recommendations concerning date, dried fig and raisin paste.

The report of the Group of Three recommends that Italy should liberalize the imports of these products.

These products can also be used for the distillation of alcohol; consequently, for the same reasons as those set out above, it is not possible for the time being to make any change in the present import régime.

(c) Recommendations relating to tropical products.

The Group of Three expressed the hope that Italy would examine the problem of customs duties and revenue taxes on tropical products, which is of serious concern to the developing countries.

The Group also repeated its recommendation that the quantitative restrictions imposed by Italy on the import of bananas should be abolished.

So far as the existing revenue taxes are concerned, no forecast can be made from the Italian side, since the financial authorities are not at present in possession of all the elements required for a precise evaluation of the results of the proposed fiscal reform.

The customs duties on tropical products, on the other hand, are a matter for the European Community.

With regard to the quantitative restrictions on the import of bananas into Italy, it must be borne in mind that the present system is the result of previously existing market arrangements, under which the banana trade is a monopoly.

The system is based on import quotas; it takes into account the interests of the exporting countries and the special characteristics of the Italian market for fruit and market-garden produce.

Under this system the import quota is divided between third countries and the EEC and associated countries, the respective shares being equal to 68.3 per cent and 31.7 per cent of the total quota.

It is not possible, therefore, to make any forecasts about the abolition of the quota, and it must also be borne in mind that the market for the products concerned may in due course be regulated by the Community.

II. PROVISIONS RELATING TO THE DEVELOPMENT OF EXPORTS FROM THE DEVELOPING COUNTRIES

As regards matters relevant to Part IV of the GATT, it must be emphasized that Italy continues to take direct action to facilitate the introduction on an increasing scale in the national market of products from the developing countries. The following measures have been adopted to this end:

(a) Trade promotion

With a view to developing economic and industrial co-operation with the developing countries, the dispatch of special economic missions to these countries has continued.

In addition, participation in Italian trade missions by importers of products of export interest to these countries has been encouraged.

As before, missions from the developing countries have been invited to visit trade fairs and exhibitions in Italy, with a view to facilitating contacts between the traders concerned and achieving better promotion of the products of those countries.

(b) Technical and economic co-operation

On 15 December 1971 the Italian Parliament passed an Act which provides a new systematic and comprehensive basis for Italian efforts to promote economic and technical co-operation with the developing countries.

This Act provides for the setting up of a special central programming organ, which is to co-ordinate initiatives and concrete programmes for technical co-operation in accordance with the directives of the Inter-Ministerial Committee for Economic Programming and to submit proposals for the integration of public and private initiatives and for long-term programming.