

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2296

18 November 1964

Limited Distribution

ITALIAN SPECIAL CUSTOMS TREATMENT FOR CERTAIN LIBYAN PRODUCTS

Note by the Secretariat

The Council examined at its meeting of 28-30 October 1964 (C/M/23) the request of the Government of Italy (L/2260) for a further extension of the Decision of 9 October 1952 authorizing Italy to grant special customs treatment for certain products of Libya.

The Council appointed a Working Party to examine the Italian request and to submit a recommendation to the next meeting of the Council.

It is thought that the following notes may be of use to the Working Party. A history of action taken by the CONTRACTING PARTIES since 1952 is followed by two statistical tables which summarize, on the basis of figures supplied by the two Governments, the trends of Libyan trade over the last five years.

1. At the sixth session of the CONTRACTING PARTIES, held in September/October 1951 - just a few months before Libya attained independence - the Government of Italy applied for authorization (under Article XXV of the General Agreement and in derogation of the terms of Article I of the Agreement) to continue to apply to certain products originating in and coming from Libya, when imported into Italian customs territory, the special régime which was in force before the Second World War and carried on with certain modifications, since the war on a provisional basis. In support of its application, the Italian Government indicated that the termination of special treatment might result in serious economic difficulties for the new kingdom and prejudice its economic development, and that Italy was the traditional outlet for the bulk of Libyan commodity exports. Moreover, because of the special nature and small volume of the production and trade involved, the continuance of special treatment was not expected to result in substantial injury to the trade of any contracting parties.

2. Under their Decision of 26 October 1951¹, the CONTRACTING PARTIES, taking note of the Italian request and the grounds on which the application was based, decided to grant a temporary waiver until 30 September 1952. A year later the Government of Italy requested an extension of the waiver for the continued application of

¹BISD, Vol.II, page 10.

special customs treatment. The CONTRACTING PARTIES, taking note of the undertaking by both the Governments of Italy and Libya to submit an annual report each year on the development of trade between Italy and Libya and recognizing the importance of this special treatment for the promotion of the economic development of the territories of the United Kingdom of Libya, decided to grant a further waiver for the period ending 31 December 1955. Annexed to this Decision of 9 October 1952¹ was a schedule of products of Libyan origin to be admitted into Italian customs territory free of customs duty within the limits of annual tariff quotas. By the Decision of 25 November 1955², the CONTRACTING PARTIES further extended the waiver of 1952 until 31 December 1958, incorporating certain amendments and extensions in the schedule of products.

3. The situation was reviewed again in 1958, and by the Decision of 20 November 1958³, the waiver to Italy was once more extended for three years (until 31 December 1961). By this Decision a substantial number of items which appeared in the schedule of products annexed to the Decision of 9 October 1952 were deleted at the request of the Government of Italy under the Decision of 20 November 1958; three items were added and two of the tariff quotas increased. Lastly, by the Decision of 16 November 1961⁴, the CONTRACTING PARTIES, taking note of the assurance by the Government of Libya that efforts are being made to raise the standard of national production so that Libya will be able to participate in international trade on a normal competition basis, extended for a further three years the validity of the Decision of 9 October 1952, as amended, and specified that the situation be reviewed at a session of the CONTRACTING PARTIES before the end of 1964.

The Government of Italy has now submitted a request to the CONTRACTING PARTIES for a further extension of the waiver (L/2260, 5 September 1964).

4. Since the Decision of the CONTRACTING PARTIES of 9 October 1952, as amended and extended subsequently in 1955, 1958 and 1961, the Governments of Italy and Libya have submitted twelve annual reports which contain statistical information about Libya's exports to Italy and other destinations, distinguishing items subject to preferential treatment when imported by Italy.

¹BISD, First Supplement, page 14.

²BISD, Fourth Supplement, page 16.

³BISD, Seventh Supplement, page 34.

⁴BISD, Tenth Supplement, page 45.

TABLE I/TABLEAU IVALUE OF LIBYA'S EXPORTS/VALEUR DES EXPORTATIONS LIBYENNES
(thousand Libyan £/en milliers de livres libyennes)

	1959	1960	1961	1962	1963
<u>TOTAL EXPORTS/EXPORTATIONS</u> <u>TOTALES</u>	<u>3,659</u>	<u>3,111</u>	<u>6,508</u>	<u>49,012</u>	<u>133,534</u>
TO ITALY/VERS L'ITALIE:					
Petroleum/Pétrole	-	-	631	8,073	18,816
Items covered by waiver/ Produits visés par la dérogation	705	672	931	761	506
All others/Tous autres produits	448	461	369	329	342
<u>TOTAL</u>	<u>1,153</u>	<u>1,133</u>	<u>1,931</u>	<u>9,163</u>	<u>19,664</u>
TO OTHERS/VERS TOUTES AUTRES DESTINATIONS:					
Petroleum/Pétrole	-	-	3,507	38,893	113,007
Items covered by waiver/ Produits visés par la dérogation	990	882	521	590	507
All others/Tous autres produits	1,516	1,096	549	366	356
<u>TOTAL</u>	<u>2,506</u>	<u>1,978</u>	<u>4,577</u>	<u>39,849</u>	<u>113,870</u>

Source: Based on data submitted by the Libyan authorities./Données fournies par les autorités libyennes.

Tariff Item Numbers/ Numéros du tarif douanier	I. Preferential Items/ I. Produits bénéficiant du régime préférentiel	Decision of 16.11.1961 Annual tariff quotas (quin- tals) except where other- wise speci- fied/Contin- gents tari- faires annuels (en quintaux, sauf indica- tion con- traire) (Décision du 16.11.1961)	EXPORTS TO ITALY/ EXPORTATIONS VERS L'ITALIE										EXPORTS TO OTHER DESTINATIONS/ EXPORTATIONS VERS D'AUTRES DESTINATIONS									
			1959		1960		1961		1962		1963		1959		1960		1961		1962		1963	
			Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
16.04	Prep. or pres. fish, in airtight containers/ Poissons préparés ou conservés, en récipients hermétiques																					
a 1 gamma	- Tunny/Thon	13,000	5,250	126.4	3,400	85.4	4,150	115.4	2,718	97.0	1,901	62.8	2,383	21.8	1,810	14.0	340	6.5	127	6.8	26	1.6
a 1 delta	- Other/Autre	4,000																				
16.04 b	Tunny-fish eggs prepared for food/Oeufs de thon préparés pour usages alimentaires	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.01 a ex. 1	Fish meal/Farine de poisson	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58.01 c	Carpets, carpeting and rugs, knotted of wool or fine animal hair/Tapis, à points noués ou enroulés, en laine ou en poils fins	200	-	-	94*	0.48	28*	0.09	37*	0.08	-	-	32*	0.07	36*	0.18	45*	0.20	107*	0.16	1,894*	1.43
58.02 b	Other carpets, carpeting and rugs of wool or flock wool/ Autres tapis à points noués ou enroulés, en laine ou en tontisse	500																				
Various/ Divers	Waste of non-ferrous metals/ Déchets de métaux non ferreux	No limitation/ Aucune limitation	14,160	42.0	35,650	95.3	10,120	56.5	5,246	18.2	4,388	32.9	180	1.99	6,760	22.7	11,980	26.2	329	4.57	901	11.7
"	Articles and manufactures of all kinds, of tanned skins/ Ouvrages et articles manufacturés de tous genres, en peaux tannées	200																				
"	Articles of leather with embroidery, whether or not of silver and trimming of velvet:/Objets en cuir, avec broderies même en argent et avec garnitures de velours:																					
	(a) saddles, harness, cushions, wallets, purses, bags of all kinds, briefcases, belts and the like/selles, harnais, coussins, bourses et sacs de tous genres, portefeuilles, serviettes, ceintures et articles similaires	120	-	-	-	-	-	0.045	-	0.060	-	..	-	0.56	-	1.34	-	0.36	-	0.41	-	0.35
	(b) slippers (pairs)/ pantoufles (paires)	6,000 pairs/ 6 000 paires	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	0.002
	(c) shoes (pairs)/ chaussures (paires)	3,000 pairs/ 3 000 paires	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Total Preferential Items/Total pour les produits bénéficiant du régime préférentiel</u>			<u>705.4</u>		<u>672.0</u>		<u>930.5</u>		<u>761.0</u>		<u>505.9</u>		<u>990.4</u>		<u>881.5</u>		<u>521.1</u>		<u>589.7</u>		<u>507.1</u>	

TABLE II (cont'd)/TABLEAU II (suite)

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II. Items not enjoying preferential treatment/ II. Produits ne bénéficiant pas du régime préférentiel	Decision of 16.11.1961 Annual tariff quotas (quintals) except where otherwise specified/Contingents tarifaires annuels (en quintaux, sauf indication contraire) (Décision du 16.11.1961)	EXPORTS TO ITALY/ EXPORTATIONS VERS L'ITALIE										EXPORTS TO OTHER DESTINATIONS/ EXPORTATIONS VERS D'AUTRES DESTINATIONS										
		1959		1960		1961		1962		1963		1959		1960		1961		1962		1963		
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	
Wine, including grape must/Vins y compris le moût de raisin	(litres)	100	0.005	200	0.012	-	-	150	0.007	-	-	-	-	552,100	10.7	441,500	13.4	220,000	6.18	140,000	3.95	
Camels/Chameaux	(head)/ (nombre de têtes)	-	-	-	-	-	-	-	-	-	-	-	16,422	604.1	8,096	298.4	1,897	60.2	103	3.30	-	-
Oranges and tangerines/Oranges et mandarines		590	2.58	4,490	16.1	1,870	6.60	4,067	16.8	3,696	16.4	26,810	67.4	31,960	73.4	18,980	43.5	16,086	35.1	19,609	61.3	
Lemons/Citrons		250	0.91	490	1.47	860	3.29	-	-	1,617	6.71	570	1.54	800	2.17	2,180	5.73	1,855	5.85	3,019	7.95	
Other fresh fruit n.e.s./Autres fruits frais n.d.a.		20	0.06	280	1.03	20	0.12	-	-	285	1.90	340	0.91	280	1.02	20	0.08	110	0.20	126	0.99	
Almonds/Amandes		-	-	1,640	33.0	-	-	-	-	70	4.20	1,560	53.2	3,080	105.8	2,530	67.4	4,180	127.0	589	27.2	
Vegetables, fresh/Légumes, frais		..	0.027	-	-	-	-	-	-	723	4.64	870	1.07	-	-	80	0.34	-	-	46	0.13	
Potatoes/Pommes de terre		1,090	2.64	50	0.08	50	0.09	180	0.63	150	0.53	10,210	27.1	5,260	9.47	-	-	5,310	15.6	-	-	
Salt/Sel		294,250	17.7	90,850	7.76	-	-	-	-	-	-	16,400	1.33	-	-	-	-	-	-	-	-	
Esparto/Sparte		-	-	-	-	-	-	-	-	2	0.002	96,110	108.6	146,300	144.4	87,240	95.8	59,630	70.5	54,242	64.8	
Tobacco, unmanufactured/Tabacs bruts		-	-	-	-	-	-	-	-	-	-	10	0.39	-	-	1,710	50.1	-	-	-	-	
Crude petroleum (million US barrels)/ Pétrole brut (en millions de barils des Etats-Unis)		-	-	-	-	0.8	631.4	10	8,073.5	23,839	18,815.9	-	-	-	-	5	3,506.8	49	38,893.4	133,176	113,006.9	
Sponges/Eponges		60	16.6	26	5.43	65	17.3	34	6.41	22	3.07	98	19.5	346	186.0	237	44.9	32	9.11	120	29.9	
Hides and skins/Cuir et peaux		10,330	197.5	12,790	267.5	10,860	183.2	13,643	188.9	13,257	158.9	3,410	79.3	5,140	109.6	3,500	99.6	2,957	76.9	4,408	98.1	
Wool and other animal hair/Laine et poils		5,340	102.6	3,860	68.4	4,320	87.0	2,447	46.4	4,069	78.1	6,550	100.2	3,220	60.2	3,000	55.5	-	-	2,267	45.2	
Scrap metal ferrous/Ferraille		83,060	98.7	55,660	58.1	35,400	66.9	27,953	67.7	72,088	61.1	20,260	8.2	2,100	1.63	5,080	9.55	2,198	5.55	195	1.31	
Other iron - preferential/Autres produits ne bénéficiant pas du régime préférentiel			8.3		1.6		5.0		1.7		7.3		442.4 ^a		93.3 ^a		3.1		10.9		16.0	
<u>All other commodities/Tous autres produits</u>			<u>447.6</u>		<u>460.6</u>		<u>1,000.9</u>		<u>8,402.1</u>		<u>91,158.8</u>		<u>1,515.2</u>		<u>1,096.1</u>		<u>4,056.0</u>		<u>39,259.6</u>		<u>133,563.7</u>	
<u>TOTAL EXPORTS/EXPORTATIONS TOTALES</u>			<u>1,153.0</u>		<u>1,132.6</u>		<u>1,931.4</u>		<u>9,163.1</u>		<u>19,664.7</u>		<u>25,505.6</u>		<u>1,977.6</u>		<u>4,577.1</u>		<u>39,849.3</u>		<u>133,870.8</u>	

*Figures in square metres./Chiffres en mètres carrés.

^aOf which: 405 thousand Libyan pounds for sheep, lambs and goats in 1959 and 77 thousand Libyan pounds in 1960./Dont: 405 000 livres libyennes pour les ovins et caprins en 1959 et 77 000 livres libyennes en 1960.

Source: Data submitted by Government of Libya (for 1959 to 1961 see document L/1808)./Données fournies par le gouvernement libyen (pour la période 1959-1961, voir le document L/1808).