

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2316

30 November 1964

Limited Distribution

ITALIAN SPECIAL CUSTOMS TREATMENT FOR CERTAIN LIBYAN PRODUCTS

Extension of the Decision of 9 October 1952

Report by Working Party

1. The Working Party was established by the Council of Representatives at its meeting on 28-30 October 1964 to examine the request by the Government of Italy for a further extension of the waiver authorizing special customs treatment for imports from Libya.
2. The Working Party met on 19 November 1964. It had before it the request by the Government of Italy (L/2260), the twelfth annual reports submitted under the terms of the waiver by Italy (L/2280) and Libya (L/2261) and a note prepared by the secretariat (L/2296).
3. The representative of Italy said that last August his Government had received a request from the Government of Libya for the continuance of the special customs treatment for certain Libyan products. Recently the Libyan Government had indicated that it no longer requested special treatment for the following products hitherto covered by the Decision:

01.01 a	Horses
01.01 b	Asses
01.02 a	Animals of the bovine species
07.01 c	Tomatoes, fresh
10.03	Barley
16.04 b	Tunny fish eggs prepared for food
23.01 a ex 1	Fish meal
Various	Waste of non-ferrous metals
	Articles of leather with embroidery whether or not of of silver, and trimmings of velvet
	(a) Saddles, harness, cushions, wallets, purses, bags of all kinds, briefcases, belts and the like
	(b) Slippers
	(c) Shoes

4. The request of the Italian Government to the CONTRACTING PARTIES thus only related to the following products:

03.01 B	Salt-water fish, fresh (live or dead) or kept in a fresh state
ex 03.02 A-B	Fish, salted, dried or smoked, other
05.04 D II	Casings, dried or salted
08.01 A	Dates, edible
12.01 A II	Oilseeds
III	
G V	
15.07	Fixed vegetable oils
	Olive oil
	Castor oil
16.04	Prepared or preserved fish, in airtight containers:
E I b	Tunny
E I c,d	Other
58.01 A	Carpets, carpeting and rugs, knotted of wool or fine animal hair
58.02 ex A I	Other carpets, carpeting and rugs, of wool or flock-wool
Various	Articles and manufactures of all kinds of tanned skins

5. The representative of Libya, referring to the statistics contained in the recent reports under the waiver, pointed out that the exports of Libya had become more diversified in the last few years, and that the economic situation of the country had improved, mainly due to petroleum revenues, which had started to accrue in 1963. These revenues would enable his Government effectively to implement its Five-Year Plan and it was legitimate to hope that by the time the Plan was completed the economic position of Libya would enable it to participate in international trade on a competitive basis without special treatment for its products. Meanwhile it would already be possible to limit the scope of the waiver - about half the total number of items covered by the waiver could be eliminated in connexion with an extension of the waiver - but it would be of great help to Libya if the special treatment could be extended for another three years for some products for which Libya was entirely dependent upon the Italian markets.

6. The representative of the United States said that the fact that several items could be deleted from the schedule of items which were granted special treatment represented a step in the right direction and should be welcomed. The United States representative was also pleased to note from the statement of the representative of Libya that increased export earnings gave hope that in due course his country would be able to participate in international trade on a competitive basis. The United States delegation was in these circumstances in a position to approve a recommendation to grant the requested extension of the waiver.

7. In the light of the statements made before the Working Party and of the information submitted by the two Governments, the Working Party, appreciating the fact that a considerable number of items could be eliminated from the schedule of items subject to special treatment and believing that the grant of special treatment for Libyan products on the Italian market would not cause substantial injury to the trade of other contracting parties, recommends that the Decision of 9 October 1952, as amended, be extended until the end of 1967 with the deletion of the items enumerated in paragraph 3 of this report. It further recommends that the situation be reviewed before the end of 1967. The text of a draft Decision is annexed to this report.

ANNEXDraft Decision

HAVING received a proposal from the Government of Italy, in response to a request by the Government of Libya, for an extension of the Decision of 9 October 1952 as amended by the Decision of 25 November 1955 and 20 November 1958 and 16 November 1961 whereby the provisions of paragraph 1 of Article I of the General Agreement were waived, for the period ending 31 December 1964, to the extent necessary to permit the Government of Italy to grant special customs treatment, as set out in the Annex to this Decision, to certain products originating in and coming from the United Kingdom of Libya when imported into Italian customs territory;

TAKING NOTE that the requests of the Italian and Libyan Governments envisage the deletion of a number of items which appear on the list of products to which special treatment has up to now been given by the Italian Government;

TAKING NOTE further of the assurance by the Government of Libya that it will continue in its efforts to promote economic development and to raise the standard of national production so that Libya will be able to participate in international trade on a normal competitive basis, and

CONSIDERING that the proposed extension, in view of the nature and volume of the production and trade involved, is not likely to result in substantial injury to the trade of any of the contracting parties,

The CONTRACTING PARTIES, acting pursuant to Article XXV:5, and in accordance with the procedures adopted by them on 1 November 1956,

DECIDE

- (a) that the Decision of 9 October 1952, as amended by the Decisions of 25 November 1955, 20 November 1958 and 16 November 1961, shall be extended until 31 December 1967 with respect to the products enumerated in the annexed Schedule, and
- (b) that the situation shall be reviewed before the end of 1967.

ANNEX

Schedule of Products of Libyan Origin to be Admitted into
Italian Customs Territory Free of Customs Duty Within the
Limits of Annual Tariff Quotas

Tariff item number	Description of products	Annual tariff quotas (quin- tals except where other- wise specified)	Rates of duties	
			Common External Tariff %	Applied except to EEC countries %
03.01 B	Salt-water fish, fresh (live or dead) or kept in a fresh state	No limitations	25	20,10
ex 03.02 A-B	Fish, salted, dried or smoked other	2,000	15 - 16	10,60 - 16
05.04D II	Casings, dried or salted	800	free	2,50
08.01 A	Dates, edible	15,000	12	12
12.01A II III G V	Oilseeds	No limitations	free	2,50 - 6,30
15.07	Fixed vegetable oils			
	Olive oil	35,000	20	20
	Castor oil	3,000	8	13,50
16.04	Prepared or pre- served fish, in airtight con- tainers:			
E I.b	Tunny	13,000	25	25
E I c,d	Other	4,000	20	20 - 25
58.01 A	Carpets, car- peting and rugs, knotted of wool or fine animal hair	200	32	32
58.02ex AI	Other carpets, carpeting and rugs, of wool or flock- wool	500	23	22
Various	Articles and manu- factures of all kinds of tanned skins	200	18 - 18	16 - 18