ITALIAN SPECIAL FISCAL TREATMENT
FOR BANANAS FROM SOMALIA

Extension of Waiver

A request by the Government of Italy for an extension of one year of the waiver granted to Italy on 21 November 1967 (BISD, Fifteenth Supplement, page 87) has been circulated to contracting parties in document L/3291. The following draft decision is circulated in order to facilitate the consideration by the Council of the request of the Government of Italy.

Considering that, on the request of the Government of Italy, in order to promote the economic development of the Republic of Somalia, the CONTRACTING PARTIES decided, on 21 November 1967\(^1\), to permit the Government of Italy to grant duty-free treatment until 30 June 1968 to two products originating in the Republic of Somalia, without obligation to extend the same treatment to the like products of other contracting parties, and to apply until 31 December 1969 the Italian consumption tax to bananas, originating in the Republic of Somalia, up to a quantity of 1 million quintals annually, at a rate of Lit 60 per kilogramme while applying the rate of Lit 90 per kilogramme to bananas of any other origin;

Considering that the Government of Italy has requested that it be authorized to continue to apply until 31 December 1970 the Italian consumption tax at a lower rate to bananas originating in the Republic of Somalia than to bananas from any other origin;

Considering that the grant of this special treatment to bananas originating in the Republic of Somalia is designed to promote the economic development of the territories of the Republic of Somalia and, particularly, to help the Republic of Somalia to overcome certain recent difficulties of a temporary nature which it has encountered;

Considering that the Government of the Republic of Somalia is making considerable efforts to re-organize banana production and make it more competitive in the international market and that the implementation of these efforts and of a marketing and maritime transport re-organization programme are expected to be completed at the end of 1970;

\(^1\)BISD, Fifteenth Supplement, page 87.
Considering further that it does not seem likely that the proposed special fiscal treatment, in view of the nature and volume of the production and trade involved, would result in substantial injury to the trade of any of the contracting parties,

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

Decide that the provisions of paragraph 1 of Article I shall be waived to the extent necessary to permit the Government of Italy to apply until 31 December 1970 the Italian consumption tax to bananas (tariff number 08.01 B(2)) originating in the Republic of Somalia, up to a quantity of 1 million quintals annually, at a rate of Lit 60 per kilogramme while applying the rate of Lit 90 per kilogramme to bananas of any other origin.