STATE TRADING

Notifications Pursuant to Article XVII.4(a)

ITALY

Enumeration of State-trading enterprises

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

A. Bananas
B. Wheat
C. Tobacco, unmanufactured and manufactured
D. Salt
E. Quinine
F. Cigarette paper
G. Lighters and lighter flints
H. Matches

A. BANANAS

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

The banana monopoly has been in existence since 1 January 1936 (Royal Legislative Decree No. 2085 of 2 December 1935 and amendments). It is administered by the "Azienda Monopolio Banane". The reason and purpose for introducing and maintaining the monopoly is to protect producers in Somalia, within the framework of the policy of economic assistance which the new State will need for some years to come.

II. Description of functioning

The banana monopoly affects imports only. Private dealers are not authorized to import bananas. The volume of imports is determined by demand in the domestic market. Domestic wholesale trade is carried on by private concessionaires. No restrictions are placed on retail trade. Wholesale, retail and consumer prices are fixed by the State by means of ministerial decrees (Ministries of Finance, and Industry and Commerce). Prices may be lower, depending on the condition of the goods and the state of the domestic market. The price was recently reduced from L.470 to L.350 per kg.
III. Statistical information

1959-60 Q. 680,734
1960-61 Q. 934,983
1961-62 Q. 1,100,000

B. WHEAT AND WHEAT FLOUR

Italy has already reported to Committee II on State trading in wheat and wheat flour (see document COM.II/43).

C.-G. UNMANUFACTURED AND MANUFACTURED TOBACCO,
SALT, QUININE, CIGARETTE PAPER, LIGHTERS
AND LIGHTER FLINTS

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

C. 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. 1085 of 19 February 1958, Act No. 137 of 11 April 1959 and Presidential Decree No. 167 of 18 April 1959, 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

<table>
<thead>
<tr>
<th>Unmanufactured Tobacco (in tons)</th>
<th>1959</th>
<th>1960</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>90,520</td>
<td>79,520</td>
<td>24,274</td>
</tr>
<tr>
<td>Imports</td>
<td>8,291</td>
<td>9,609</td>
<td>35,091</td>
</tr>
<tr>
<td>Exports</td>
<td>12,984</td>
<td>12,140</td>
<td>13,596</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manufactured Tobacco ¹</th>
<th>1959</th>
<th>1960/61</th>
<th>1961/62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>55,357</td>
<td>58,096</td>
<td>61,915</td>
</tr>
<tr>
<td>Imports</td>
<td>754</td>
<td>1,544</td>
<td>1,600</td>
</tr>
<tr>
<td>Exports</td>
<td>242</td>
<td>186</td>
<td>202</td>
</tr>
</tbody>
</table>

¹ Excluding by-products.
D. 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.

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

<table>
<thead>
<tr>
<th>Salt (in tons)</th>
<th>1959/60</th>
<th>1960/61</th>
<th>1961/62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>433,952</td>
<td>576,606</td>
<td>700,309</td>
</tr>
<tr>
<td>Imports</td>
<td>54,400</td>
<td>184,620</td>
<td>168,682</td>
</tr>
<tr>
<td>Exports</td>
<td>284</td>
<td>223</td>
<td>200</td>
</tr>
</tbody>
</table>
E. QUININE

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

The quinine monopoly is governed by Legislative Decree No. 736 of 8 March 1934 and by Act No. 1090 of 16 June 1934.

The reason and purpose for the introduction and maintenance of this monopoly are exclusively of a social nature. It was introduced for health reasons connected with the anti-malaria campaign.

By means of this monopoly the State seeks to ensure the purity of quinine and to guarantee consumer prices which all social classes can afford.

II. Description of functioning

Production is carried out directly by the Monopolies Administration in the case of products for medical use and by private industry in the case of products intended for other uses.

Sales are made by pharmacies or through retailers of monopoly goods.

Imports of cinchona bark, quinine salts and cinchona alkaloids are handled by the Monopolies Administration or by licensed private dealers upon payment of a special charge.

III. Statistical information

<table>
<thead>
<tr>
<th>Quinine</th>
<th>1958/59</th>
<th>1959/60</th>
<th>1960/61</th>
<th>1961/62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>5,328</td>
<td>4,713</td>
<td>6,856</td>
<td>2,116</td>
</tr>
<tr>
<td>Imports</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exports</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

IV. Additional information

A Bill has been submitted in the Italian Parliament which provides for the abolition of the quinine monopoly.
F. 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.

Exports by private dealers are subject to a licence granted by the Monopolies Administration.

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

III. Statistical information

<table>
<thead>
<tr>
<th>Cigarette Paper (cartons)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Production</td>
</tr>
<tr>
<td>Imports</td>
</tr>
<tr>
<td>Exports</td>
</tr>
</tbody>
</table>

G. LIGHTERS AND LIGHTER FLINTS

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

The lighter and lighter flint monopolies are governed by Act No. 105 of 26 February 1930. That of lighter flints come under the Autonomous Administration of State Monopolies and that of lighters under the Consortium of the Match Industry.

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

1 By private dealers.
II. Description of functioning

At present there is no production of lighter flints in Italy. The production of lighters is carried out exclusively by the Consortium of the Match Industry. Lighters operated by substances other than lighter flints may be manufactured by private firms licensed by the Monopolies Administration.

Lighter flints are sold exclusively through retailers of monopoly goods. The sale of lighters is unrestricted.

Imports and exports of lighters operated by lighter flints (which are a substitute for matches) come under the Consortium of the Match Industry. Imports of lighter flints come under the Monopolies Administration.

The import and export of lighters not operated by lighter flints are subject to a licence granted by the Monopolies Administration.

III. Statistical information

<table>
<thead>
<tr>
<th>Lighters and Lighter Flints</th>
<th>(kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1956/57</td>
</tr>
<tr>
<td>Production</td>
<td>-</td>
</tr>
<tr>
<td>Imports (lighter flints)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>-</td>
</tr>
</tbody>
</table>

H. 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.