STATE TRADING

Notifications Pursuant to Article XVII:4(a)

Addendum

ITALY

1. In relation to earlier notifications, there are new developments to report with respect to unmanufactured tobacco and lighter flints. The situation remains unchanged for the other products imported by State enterprises within the meaning of Article XVII:1 of the General Agreement (salt, cigarette paper, matches, cigarette lighters) but there again, as already mentioned on the occasion of other GATT activities, certain prospects for the future can be indicated.

Tobacco

2. In accordance with the Community regulations adopted within the EEC, the Italian Government has modified the tobacco monopoly so as to eliminate all restrictions on imports of unmanufactured tobacco from the member States of the Community and third countries. The removal of these restrictions took effect on 21 April 1970 (see Legislative Decree No. 870 of 30 November 1970, embodied in Act No. 3 of 27 February 1971, by which the Italian Government abolished the monopoly on the growing, import and retail sale of unmanufactured tobacco).

On the other hand, the Autonomous Administration of State Monopolies continues to have responsibility for manufactured tobacco. As already indicated, this is a monopoly of a fiscal character.

Under the Community regulations, the Italian Government must abolish by 1976 the monopoly on the importation and marketing of manufactured tobacco from the member States of the Community, and must extend the abolition to manufactured tobacco imported from third countries.

Matches

3. The match monopoly is a delegated monopoly of a fiscal character and is administered by the Consortium of Match Industries.

The Italian Government intends to abolish, before 1976, the monopoly on the importation and marketing of these products, in the context of the action it will have to take within the same period in respect of manufactured tobacco.
Cigarette lighters

4. Until 20 April 1971, the cigarette lighter monopoly was also a delegated monopoly of a fiscal character administered by the Consortium of Match Industries. Under Legislative Decree No. 163, of 20 April 1971, the Italian Government abolished the monopoly on the importation and wholesale marketing of cigarette lighters and introduced a manufacturing tax on lighters produced in Italy as well as on those imported from third countries.

In addition, the Legislative Decree stipulated that, for reasons of fiscal supervision, the manufacture, import, wholesale distribution and retail sale of lighters, and likewise parts and principal components thereof, may be affected on the basis of a licence issued automatically by the Finance Administration.

Lighter flints

5. Under Legislative Decree No. 163 of 20 April 1971, the fiscal monopoly on lighter flints is to be abolished as from 22 April 1972. Consequently, as from that date the production, importation and distribution and sale of lighter flints will be entirely unrestricted.

Cigarette paper

6. Cigarette paper is also subject to a fiscal monopoly.

For this monopoly, the Italian Government's objective is the same as that outlined in respect of manufactured tobacco.

Salt

7. As already indicated, the reason and purpose for introducing and maintaining the salt monopoly are of a fiscal and social nature.

Here again, prospects for the future are similar to those indicated for other products for which the Autonomous Administration of State Monopolies is still responsible. It may be, however, that this monopoly can be abolished well before the deadline of 31 December 1976.

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Information on the functioning of these monopolies, and in particular their trade effects, was given on the occasion of earlier notifications and, more recently, in the context of the work of the various GATT committees and working parties (Committee on Trade in Industrial Products, Joint Working Group on Import Restrictions, Committee on Trade and Development, Group of Three, etc.)