ITALIAN IMPORT DUTIES ON GREEK COTTON

Statement by the Government of Greece

The following statement has been submitted by the Greek Government for consideration at the Tenth Session:

"Italian imports of cotton to be used as raw material are subject to an ad valorem duty of 6 to 8 per cent depending upon the degree of processing. The duty is assessed on the basis of value for customs purposes which varies according to the origin of the product.

"In this respect, the Italian Customs authorities make a distinction between five categories of cotton for valuation purposes, as follows: (1) American cotton, (2) long staple Egyptian cotton, (3) short staple Egyptian cotton, (4) Indian cotton and the like, (5) cotton not elsewhere specified.

"Turkish cotton and cotton from certain other countries fall within category (4) ('Indian cotton and the like'). Greek cotton, which is nearly of the same quality, comes from the same seed variety and is grown under the same climate conditions as the above-mentioned qualities of cotton, comes under category (5) "cotton, not elsewhere specified".

"All grades of cotton classified under category (4) are assessed in accordance with a standard weekly scale of valuation which is established by the Italian central customs service. On the other hand, Greek cotton, which comes under category (5), is submitted to discriminatory treatment and the rate of duty applicable is based on the invoice price.

"According to June 1955 statistics, the dutiable value of Greek cotton had been fixed at 500 Italian lira per kilogram, while the value of Turkish cotton had been fixed at 350 lire, notwithstanding the fact that the two qualities are identical. As a result of this difference in the classification and therefore also in the determination of dutiable value, which serves as a basis for the levy of an 8 per cent ad valorem duty, Greek cotton imported into Italy is saddled with a tax 14 lira higher per kilogram than the tax levied on Turkish and other similar cotton."
"It should be noted that Turkish cotton is exported at prices higher than Greek cotton, so that Turkish cotton should pay a higher amount of duty. Unfortunately the contrary obtains today, as a result of the discriminatory treatment which the Italian customs authorities apply to imports of Greek cotton.

"It is clear from the foregoing that the valuation method applied to imports of Greek cotton is not in accordance with the spirit of paragraph 3 (a) of Article X of the General Agreement."