

MEMORANDUM FOR CABINET BY THE MINISTER OF
TRADE, INDUSTRY AND AGRICULTURE

TRADE AGREEMENT between the Government of Malta and the
Government of the Republic of Italy.

Representatives of the Ministry of Industrial Development and Tourism, Ministry of Commonwealth and Foreign Affairs, Ministry of Economic Planning and Finance and the Department of Agriculture held a meeting on the 26th October 1965, at the office of the Secretary, Ministry of Industrial Development and Tourism, in order to discuss the text, as drafted by the Italian Ministry of Foreign Affairs and as modified by the Foreign Trade Relations Division of the Ministry of Industrial Development and Tourism, of a proposed Trade Agreement between the Maltese and Italian Governments. The meeting was chaired by the Secretary, Ministry of Industrial Development and Tourism.

As a result of the discussion referred to in the preceding paragraph a text was agreed upon. This text was discussed on the 30th October 1965 between representatives of the Ministry of Industrial Development and Tourism and representatives of the Italian Ministry of Foreign Affairs.

Consequent on the discussions with the Italian representatives and later developments under which certain specific objectives (e.g. economic and technical cooperation) were to be covered by separate agreements, the text was suitably altered and a final text, a copy of which is attached, was prepared by the Foreign Trade Relations Division of my Ministry.

It is proposed to send copies of the suggested text to the Italian Authorities to serve as a basis for the resumption of negotiations by officials of the two sides in due course.

The text takes into consideration the following:-

Preamble: already agreed

Article 1: Paragraph 2 was tentatively agreed to by the Italians but it may be necessary to delete it and cover the point by an exchange of letters. It could also be that the Italians will not accept any reference to an "approximate balance of trade".

Article 2: already agreed.

Article 3: already agreed.

Article 4: already agreed.

Article 5: Already tentatively agreed but the Italians may come out with a suggestion to change the wording but not the sense of the Article.

Article 6: already agreed.

Article 7: already agreed.

Article 8: already agreed.

Article 9: already agreed.

Article 10: already agreed.

Letter No. 1: already agreed.

Letter No. 2: already agreed.

Letter No. 3: Not very likely to be conceded by the Italians and may have to be withdrawn.

Letter No. 4: Not very likely to be conceded by the Italians but it may be possible to cover the point by re-wording the letter.

Letter No. 5: Not very likely to be conceded by the Italians who may suggest specific quotas for specific products.

Honourable Members may wish to approve the attached text as a working basis for discussion with the Italian Authorities and to authorize the Secretary, Ministry of Trade, Industry and Agriculture to negotiate the Trade Agreement on behalf of the Government of Malta and to initial it in the light of the considerations referred to in the preceding paragraphs.

6th May 1968

DRAFT TRADE AGREEMENT BETWEEN
MALTA AND ITALY

The Government of Malta and the Government of the Republic of Italy in their desire to strengthen the bonds of the traditional friendship existing between their two peoples through the establishment of closer economic and commercial relations have agreed as follows:-

Article 1

The two Governments will make every possible effort towards expanding the reciprocal exchange of goods and services between Malta and Italy and will in particular favour the industrial and economic development by promoting the exchange of products which are essential to their respective economies.

In order better to achieve the objectives set in the preceding paragraph, the two contracting parties shall, in so far as lies within their power, aim at reaching an approximate balance of mutual deliveries of goods.

They will likewise undertake to facilitate within their respective legislation and in conformity with international obligations the transit trade applicable to their two countries.

Article 2

Payments arising out of trade and out of invisible transactions between Malta and Italy will be made in freely convertible currency in conformity with the legislation existing in the two countries.

Article 3

Both contracting parties will accord to each other most-favoured-nation treatment in regard to Customs duties, fees and other charges levied on importation, the method of levying such duties, fees and charges, the regulations and formalities relating to customs procedures as regards both importation and exportation.

Article 4

The provisions of Article 3 of the present agreement relating to m.f.n. treatment are not applicable:

- a) to particular advantages which are or will be accorded by either of the two Contracting Parties in order to facilitate frontier traffic with adjacent states;
- b) to advantages which are or will be accorded by Italy to the Republic of San Marino, to the Vatican City, to Somalia and to the Kingdom of Libya;
- c) to advantages which are or will be accorded by Italy to member countries of the European Economic Community, their territories overseas and to associated states;
- d) to advantages which are or will be accorded by Malta to member countries of the Commonwealth;
- e) to advantages which are or will be accorded by either of the two contracting parties to other countries in view of the formation of, accession to or participation in a customs union or a free trade area;
- f) to advantages which are or will be accorded by either of the two contracting parties in relation to its participation in a community established between several countries with a view to organizing in common one or more sectors of production, trade and services or to safeguard its own security.

Article 5

Both contracting parties agree that with regard to the treatment of ships and their cargoes and passengers they will abide by the provisions of the Convention and Statute on the International Regime of Maritime Ports signed at Geneva on the 9th December 1923.

The contracting parties extend the provisions of the said Convention and Statute to fishing vessels.

Nothing in this extension, however, shall be construed as applying to the exercise of fishing rights or to the landing of catches.

They further agree not to adopt any measures which might nullify the reciprocal concessions embodied in the preceding paragraphs of this Article.

Article 6

Should the obligations pertaining to Italy through the Treaty establishing the European Economic Community and relating to the gradual establishment of a common commercial policy make it necessary, negotiations shall take place within the shortest possible time with the aim of making any necessary changes to the present agreement.

Article 7

Maltese goods shall be those which are entirely produced in Malta or have undergone there their final processing which has substantially changed their condition and is of economic significance.

Italian goods shall be those which are entirely produced in Italy or have undergone there their final processing which has substantially changed their condition and is of economic significance.

Article 8

In the case of any general provisions concerning import restrictions either of the two contracting parties will reserve to the other contracting party a fair share of the quota so established in accordance with multi-lateral agreements to which both governments are parties.

Article 9

During the validity period of the present agreement the two Governments undertake to consult with each other on request by either of them with a view to examining the operation of the said agreement especially

in the case when they intend to make any changes in their actual system of importation and exportation.

Article 10

The present agreement will enter into force from the date of the exchange of instruments of ratification and will be valid for a period of one year. It will be automatically renewed unless it is terminated by either of the two contracting parties three months before it is due to expire.

Done and signed in.....

on.....1966 in the English and Italian languages both texts being equally authentic.

For the Government
of Malta

For the Government of
the Republic of Italy

.....

.....

jat/mn

L-ARKIVJI NAZZJONALI TA' MALTA

Letter No. 1

FROM THE MALTESE DELEGATION
TO THE ITALIAN DELEGATION

In the course of the discussions which have led to the signing of a Trade Agreement between Malta and Italy bearing to-day's date, the Maltese Delegation expressed the wish that an early agreement should be reached between the two countries regarding the determination of the boundary of the Continental Shelf between the territories of the two contracting parties.

The Italian Delegation expressed the readiness of their government to conclude such an agreement.

I shall be grateful if you would confirm the foregoing.

Letter No. 2

FROM THE MALTESE DELEGATION
TO THE ITALIAN DELEGATION

In the course of the discussions which have led to the signing of the Trade Agreement between Malta and Italy and bearing to-day's date, the Maltese delegation expressed the view that agreed arrangements should be made relating to the coasting trade between their two countries.

The Italian delegation explained that although it would be difficult for the Italian Government at the present moment to give consideration to this request, they would be ready at the appropriate time to consider the conclusion of an agreement with Malta regarding coasting trade.

I shall be grateful if you would confirm the foregoing.

ED

Letter No. 3

FROM THE MALTESE DELEGATION
TO THE ITALIAN DELEGATION

During the course of the discussions which have led to the signing of the Trade Agreement bearing today's date, the Maltese Delegation asked that consideration be given to the possibility of the undermentioned Maltese goods being offered preferential treatment on importation into Italy:

Eggs, fresh
Soyabean Oil
Beer
Wine
Synthetic rubber mouldings
Gloves
Hand-made lace
Denim jeans
Imitation jewellery
Smokers' pipes

The Italian Delegation agreed to consider this request favourably within their existing international obligations.

I shall be grateful if you would confirm the foregoing.

Letter No. 4

FROM THE MALTESE DELEGATION
TO THE ITALIAN DELEGATION

During the course of the discussions which have led to the signing of the Trade Agreement bearing today's date the Italian Delegation accepted the suggestion of the Maltese Delegation that for the purpose of encouraging new productive activities which contribute to economic development of Malta, whether by the establishment of a new industry or an extension of the range of commodities produced or manufactured by an existing industry, Italy would agree that Malta in special cases, after due consultation with her, could deviate temporarily from the obligations arising out of the present agreement.

I shall be grateful if you would confirm the foregoing.

Letter No. 5

FROM THE MALTESE DELEGATION
TO THE ITALIAN DELEGATION

In the course of the discussions which have led to the signing of the Trade Agreement bearing today's date the Maltese Delegation declared that it was difficult for them to foresee Malta's export possibilities for the Republic of Italy, particularly since Maltese industry and agriculture were still developing. They requested the Italian Delegation to take into account these circumstances by granting a general quota in respect of items which are in Italy still subject to quantitative or other restrictions. The Maltese Delegation suggested that this general quota should be not less than £2,000,000 and was to be renewed every year after consultation between representatives of the two countries.

The Italian Delegation expressed their readiness to bring to the attention of the appropriate quarters the wishes of the Government of Malta and to recommend that special steps be taken in that regard.

I shall be grateful if you would confirm the foregoing.