

WRITTEN QUESTION P-0442/03  
by Luciano Caveri (ELDR)  
to the Commission

Subject: Business Tax

Italian shipping companies working with the People's Republic of China are obliged to pay Business Tax, a levy on the provision of services, at a rate of 3% of locally produced turnover for transport and communications. The Agreement on Sea Transport between Italy and China of 8 October 1972 only covers tax on revenue and makes no provision for Business Tax, nor does the Protocol of 3 June 2002 amending the Agreement. Similarly, the Agreement between Italy and China against double taxation of 31 October 1986 only refers to direct taxation.

Shipping companies of other EU countries working with the People's Republic are not subject to Business Tax, since the relevant shipping and/or bilateral agreements provide for an exemption. The only exceptions, apart from Italy, are Spain, Austria and Luxembourg, which do not have any substantial shipping traffic with China.

The shipping companies of the People's Republic currently operating in Italy are not subject to any kind of levy comparable or similar to the Business Tax.

This situation creates a substantial disparity in treatment between European Union companies, giving rise to a blatant violation of the principles of free competition and equality of treatment between the Member States.

In order to remedy this situation, which causes an unintentional but nevertheless real discrimination between Member States, the Italian Government some time ago asked the Chinese authorities to amend the existing shipping agreements. So far the Chinese government has shown no real willingness to do so.

Can the Commission say:

1. how it interprets this situation, which creates a real disparity in treatment between the Member States;
2. whether it considers that it should take steps to put an end to this situation;
3. what measures it will take in this context?