DRAFT ARRANGEMENT CONCERNING CERTAIN DAIRY PRODUCTS

Proposal by Chairman

Revision

Corrigendum

Article II - Pilot Product

Under "Terms of sale" read:

Terms of sale: f.o.b. from the exporting country or, for a land-locked country, f.o.b. from one maritime port of its choice to be designated at the time it signifies its acceptance; or free at frontier exporting country. Prompt payment against documents.

Article III - Minimum price

In paragraph 4, under "Terms of sale" read:

Terms of sale: if sold on terms other than f.o.b. from the exporting country or, for a land-locked country, f.o.b. from the maritime port of its choice, or free at frontier exporting country, the minimum price shall be calculated on the basis of the minimum f.o.b. price specified in paragraph 2 above plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rate.
Article III (cont'd)

Paragraphs 5 and 6 read:

Exports for purposes of animal feed

5. By derogation from the provisions of paragraphs 1 to 4 of this Article and paragraph 1 of Article V, participants may, under the conditions defined below, export or import, as the case may be, skimmed milk powder for purposes of animal feed at prices below the minimum price provided for in this Arrangement. The participants may make use of this possibility only to the extent that the processes and control measures, which they intend to apply or which will be applied in the country of destination, so as to ensure that the skimmed milk powder thus exported or imported is used exclusively for animal feed, are approved by the Management Committee and recorded in a register established by it. The participants shall furnish the necessary information concerning their transactions in respect of skimmed milk powder for purposes of animal feed, so that the Management Committee may follow developments in this sector and periodically make forecasts concerning the evolution of this trade.

Special conditions of sales

6. Participants undertake within the limit of their institutional possibilities to ensure that practices such as sales in association with sales of other products, special rebates or discounts, do not have the effect of directly or indirectly bringing the export price of the product subject to the minimum price provisions below the agreed minimum price.
Article IV - Provision of Information

Paragraph 1 reads:

1. All participants agree to provide regularly and promptly to the Committee established in terms of Article VII of this Arrangement details of exports and imports of skimmed milk powder, and any other information the Committee requires in order to assess the functioning of this Arrangement and the situation in and the evolution of the international market.

Article VII - Administration of the Arrangement

Paragraph 1 reads:

Management Committee

1. A Management Committee shall be established within the framework of the General Agreement on Tariffs and Trade. The Committee shall comprise representatives of all participants to the Arrangement, and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Committee shall be serviced by the GATT secretariat.

Article VIII - Final Provisions

Paragraph 2 reads:

2. Duration

This Arrangement shall remain in force for one year. The duration of this Arrangement shall be extended for further periods of one year at a time, unless the Management Committee, within eighty days prior to each date of expiry, decides otherwise.
Article VIII (cont'd)

Paragraph 4 is renumbered to 3.

Paragraph 5 is renumbered to 4 and reads:

4. Relationship of Register to the Arrangement

The register of processes and destinations to be established by the Management Committee shall be regarded as an integral part of this Arrangement.

Paragraph 6 is renumbered to 5 and reads:

5. Acceptance

This Arrangement is open for acceptance, by signature or otherwise, to governments (including the competent authorities of the European Communities) members of the United Nations or of one of its specialized agencies.

This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant to the Arrangement.

Paragraph 7 is renumbered to 6.