

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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International Dairy Arrangement

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## PROTOCOL REGARDING CERTAIN MILK POWDERS

### Proposal suggested by Japan

1. Since the Annex Ic is deemed to be an integral part of the Arrangement (Article VIII:6), any modification thereto requires the acceptance by the governments of all participants (Article VIII:5). It is obvious that this acceptance procedure is cumbersome and time consuming.

The procedure concerning the establishment of register contained in Article 3:5 of the Annex I concerns only to the contents of a register, and therefore, does not appear to be applicable to the amendment of the text of the Annex Ic itself.

2. The term "country" in "country of export or destination" in paragraph 5 of Article 3 of the Annex I means "participant". The same applies to the term "importers" contained in the footnote 5 of paragraph 5 of Article 3 (participating importers). Hence, even if we change the term "participants" to "countries" in the Annex Ic, the registers under the Annex Ic are applicable only to the "participating countries". Therefore, the suggested change of wording to the Annex Ic appears to have no practical effect.

3. The paragraph 5 of Article 3 of the Annex I stipulates the registration procedures concerning the process and control measures by "participants". The suggested changes cannot alter the basic structure of this paragraph, and therefore, non-participants' measures cannot be validly registered.

4. In the light of the above, we would like to suggest to cope with the situation by means of adoption of a resolution along the following lines:

(Draft Resolution)

The Committee notes that the processes and control measures applicable by a country that is not a participant of the Arrangement and inserted in the Register will be considered adequate for the purposes of the Protocol only if the country undertakes to inform the Committee of any change which may be made in its processes and control measures or in the modalities for their application. To those non-participants accepting such undertaking, participants may export skimmed milk powder and butter milk powder for animal feed purposes in an unaltered state at prices below the minimum prices provided for in the Protocol. In this case the participant exporting country, bearing in mind the objectives of the Arrangement and the Protocol, shall give advance notification of its intention to the Committee.