

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
Spec(85)63
16 December 1985

International Dairy Arrangement

Original: English

COMMUNICATION FROM THE PERMANENT MISSION OF NEW ZEALAND

The following communication, dated 11 December 1985, has been received from the Permanent Mission of New Zealand.

Interpretation of Article 3:3 of the Protocols to the International Dairy Arrangement

The Committees of the Protocol Regarding Certain Milk Powders, the Protocol Regarding Milk Fat, and the Protocol Regarding Certain Cheeses, at their regular meeting held on December 1985:

Recalled that the United States dollar was chosen as the reference currency for the Arrangement because it is the usual measure of value in international trade;

Noted, however, that recent variations in the value of the United States dollar against other major currencies had resulted in difficulties in the application and enforcement of the minimum prices;

Confirmed the agreement of participants that in interpreting Article 3:3 of the Protocols, the words "... the operation of the Protocol ..." (Article 3:3(a)) and "... other relevant economic factors of the world market ..." (Article 3:3(b)), are understood to include, inter alia, movements in the value of the reference currency. It is agreed that this factor is to be taken into account when the Committees review the minimum prices.