

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

DPC/C/W/23
4 March 1985

Special Distribution

International Dairy Arrangement
Committee of the Protocol Regarding
Certain Cheeses

Original: English

COMMUNICATION FROM THE PERMANENT MISSION OF SOUTH AFRICA

The following communication, dated 27 February 1985 and addressed to the Director-General, has been received from the Permanent Mission of South Africa.

South Africa takes note of the intention to convene a special joint meeting of the Committees of the Protocols Regarding Certain Milk Powders, Milk Fat and Certain Cheeses, in accordance with Article VII:2(c) of the International Dairy Arrangement on 7 and 8 March 1985 and notes that the purpose of this meeting will be to examine the minimum price provisions of the Arrangement.

South Africa supports the periodic review of the levels of the whole range of minimum prices in order to take cognizance of, inter alia, the changing realities of the international market for dairy products. South Africa considers such an approach to be realistic and supportive of a viable and effective International Dairy Arrangement.

Like other participants in the International Dairy Arrangement, South Africa is presently faced with the seriously depressed prices prevailing on international markets. In addition to this, the continuous fluctuation of the United States dollar on exchange markets has resulted in an effective increase, expressed in national currencies, in the real value of the minimum prices. In the case of South Africa for example, the effect of the appreciation of the United States dollar has resulted in an effective increase in these prices by more than 30 per cent over the past year alone.

In South Africa's view, these factors have resulted in the current minimum prices, which date from September 1981, no longer corresponding to the realities obtaining on world markets.

In these circumstances, and in the absence of a revision of the currency unit in which the minimum prices are expressed, South Africa considers the envisaged review of the whole range of minimum prices to be fully justified and in the interests of an operationally effective International Dairy Arrangement.

./.

As part of this review, South Africa proposes that the participants in the Arrangement consider the reduction in the minimum price of certain cheeses from the present level of US\$1,000 per tonne, f.o.b., to US\$900 per tonne, f.o.b.

This proposal is made as a positive contribution towards the attainment of the objectives of the International Dairy Arrangement.