

AGREEMENT

in the form of an exchange of letters between the European Economic Community and New Zealand on trade in mutton, lamb and goatmeat

Letter No 1

Sir,

I have the honour to refer to negotiations held between our respective delegations for the purpose of drawing up the provisions relating to the import of mutton and lamb and goatmeat into the Community from New Zealand, together with the implementation of the regulation for a common organization of the market in mutton and lamb and goatmeat. Recognizing the vital dependence of the New Zealand economy on the sheep industry and on the export of mutton and lamb to world markets, particularly to the Community, and the importance of ensuring that the normal marketing of its mutton and lamb on these markets should not be prejudiced, I have the honour to propose an Agreement on the following terms:

Clause 1

Products included

The Agreement shall relate to:

- fresh or chilled mutton and lamb and goatmeat (02.01 A IV a)),
- frozen mutton and lamb and goatmeat (02.01 A IV b)).

Clause 2

Access and quantity

Under this Agreement New Zealand is guaranteed for its mutton and lamb and goatmeat access possibilities to the Community up to the quantity provided by the Agreement. New Zealand is assured that the normal marketing of its mutton and lamb shall not be prejudiced by the operation of the regulation.

In order to ensure the proper functioning of the Agreement, New Zealand undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity fixed. This quantity is fixed at 234 000 tonnes expressed in carcass weight ⁽¹⁾.

Chilled products

The quantities fixed above shall be exported in accordance with the traditional pattern of presentations (frozen or chilled). The Community confirms that it is not a purpose of this

⁽¹⁾ Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

Agreement to prevent New Zealand from taking advantage of new technological developments or from maintaining its competitive position in the market place within the Community. Should changes in technology and trade make it possible to modify the presentational structure of trade, the two parties to this Agreement shall consult each other prior to any such modification in the committee mentioned in clause 10 in order to find an adequate solution.

Clause 3

Safeguard clause

Should the Community have recourse to the safeguard clause, it undertakes to protect the interests of New Zealand as they result from this Agreement.

Clause 4

Exceeding limit

If imports from New Zealand exceed the quantities agreed, the Community reserves the right to suspend imports from that country.

Clause 5

Tariff

The Community undertakes to limit the levy applicable to imports of products covered by the present Agreement to a maximum amount of 10 %, *ad valorem*.

Clause 6

Accession of new members

At the time of accession of new Member States, the Community, in consultation with New Zealand, shall alter the quantities set out in clause 2, in accordance with New Zealand's trade with each new Member State. The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this Agreement being taken into account.

The total quantity as mentioned in clause 2 above is fixed at 245 500 tonnes in carcass weight as from the date of accession of Greece to the Community.

Clause 7

Disposal of intervention stocks

The Community shall endeavour to avoid any market development which could prejudice the normal marketing of New Zealand mutton and lamb on the Community market within the limits of the quantities agreed. In particular, the Community shall take steps to ensure that the disposal of intervention stocks in frozen form arising from the operation of the regulation does not undermine this objective. Moreover the two parties shall undertake all possible efforts in order to encourage sheepmeat consumption in the Community without affecting the stability of the market.

*Clause 8***Export restitutions**

In taking account of the objectives and provisions of this Agreement the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter shall apply only at prices and conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

*Clause 9***Export and import certificates**

New Zealand shall ensure that the annual quantities referred to in clause 2 do not exceed the limits specified therein by ensuring, in particular, that export certificates are not issued for any amount beyond such limits.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in New Zealand, subject to the production of an export certificate, issued by the competent authority designated by the New Zealand Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent New Zealand authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

*Clause 10***Consultative Committee**

A Consultative Committee shall be set up composed of representatives from the Community and from New Zealand. The Committee shall ensure that the Agreement is being properly applied and is functioning smoothly.

It shall examine regularly the trend of the two parties' markets in mutton and lamb and goatmeat and the trend of the international market, as well as marketing conditions on those markets including those relevant to the objective set out in clause 7 of this Agreement.

It shall ensure that the proper application of the Agreement is not affected by the export of mutton and lamb and goatmeat-based products to the Community under customs headings not referred to by the Agreement.

The Committee shall discuss any matter relating to the application of this Agreement that may be put before it by either party and shall recommend appropriate solutions to the competent authorities.

*Clause 11***GATT obligations**

The provisions of the Agreement shall be agreed without prejudice to the parties' rights and obligations under GATT.

*Clause 12***V. R. period**

The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable in the period between the entry into force of this Agreement and 1 January of the following year shall be fixed on a *pro rata* basis in relation to the total annual quantity.

Clause 13

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the metropolitan territory of New Zealand.

*Clause 14***Commencement and review**

The Agreement shall enter into force on 20 October 1980. It shall remain in force until 31 March 1984 and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this Agreement shall be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I have the honour to propose that if the foregoing is acceptable to your Government, this letter and your confirmatory reply shall together constitute and evidence an Agreement between the European Economic Community and New Zealand on the matter.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'I have the honour to refer to negotiations held between our respective delegations for the purpose of drawing up the provisions relating to the import of mutton and lamb and goatmeat into the Community from New Zealand, together with the implementation of the regulation for a common organization of the market in mutton and lamb and goatmeat. Recognizing the vital dependence of the New Zealand economy on the sheep industry and on the export of mutton and lamb to world markets, particularly to the Community, and the importance of ensuring that the normal marketing of its mutton and lamb on these markets should not be prejudiced, I have the honour to propose an Agreement on the following terms:

*Clause 1***Products included**

The Agreement shall relate to:

- fresh or chilled mutton and lamb and goatmeat (02.01 A IV a)),
- frozen mutton and lamb and goatmeat (02.01 A IV b)).

*Clause 2***Access and quantity**

Under this Agreement New Zealand is guaranteed for its mutton and lamb and goatmeat access possibilities to the Community up to the quantity provided by the Agreement. New Zealand is assured that the normal marketing of its mutton and lamb shall not be prejudiced by the operation of the regulation.

In order to ensure the proper functioning of the Agreement, New Zealand undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity fixed. This quantity is fixed at 234 000 tonnes expressed in carcass weight ⁽¹⁾.

Chilled products

The quantities fixed above shall be exported in accordance with the traditional pattern of presentations (frozen or chilled). The Community confirms that it is not a purpose of this Agreement to prevent New Zealand from taking advantage of new technological developments or from maintaining its competitive position in the market place within the Community. Should changes in technology and trade make it possible to modify the

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The Community undertakes to limit the levy applicable to imports of products covered by the present Agreement to a maximum amount of 10 %, *ad valorem*.

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At the time of accession of new Member States, the Community, in consultation with New Zealand, shall alter the quantities set out in clause 2, in accordance with New Zealand's trade with each new Member State. The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this Agreement being taken into account.

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*Clause 8***Export restitutions**

In taking account of the objectives and provisions of this Agreement the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter shall apply only at prices and conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

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New Zealand shall ensure that the annual quantities referred to in clause 2 do not exceed the limits specified therein by ensuring, in particular, that export certificates are not issued for any amount beyond such limits.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in New Zealand, subject to the production of an export certificate, issued by the competent authority designated by the New Zealand Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent New Zealand authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

*Clause 10***Consultative Committee**

A Consultative Committee shall be set up composed of representatives from the Community and from New Zealand. The Committee shall ensure that the Agreement is being properly applied and is functioning smoothly.

It shall examine regularly the trend of the two parties' markets in mutton and lamb and goatmeat and the trend of the international market, as well as marketing conditions on those markets including those relevant to the objective set out in clause 7 of this Agreement.

It shall ensure that the proper application of the Agreement is not affected by the export of mutton and lamb and goatmeat-based products to the Community under customs headings not referred to by the Agreement.

The Committee shall discuss any matter relating to the application of this Agreement that may be put before it by either party and shall recommend appropriate solutions to the competent authorities.

*Clause 11***GATT obligations**

The provisions of the Agreement shall be agreed without prejudice to the parties' rights and obligations under GATT.

*Clause 12***V. R. period**

The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable in the period between the entry into force of this Agreement and 1 January of the following year shall be fixed on a *pro rata* basis in relation to the total annual quantity.

Clause 13

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the metropolitan territory of New Zealand.

*Clause 14***Commencement and review**

The Agreement shall enter into force on 20 October 1980. It shall remain in force until 31 March 1984 and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this Agreement shall be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I have the honour to propose that if the foregoing is acceptable to your Government, this letter and your confirmatory reply shall together constitute and evidence an Agreement between the European Economic Community and New Zealand on the matter.'

I have the honour to confirm the foregoing is acceptable to my Government and that your letter together with this reply shall constitute an Agreement in accordance with your proposal.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of New Zealand*

EXCHANGE OF LETTERS

comprising an understanding relevant to clause 2 of the exchange of letters comprising an Agreement between the European Economic Community and New Zealand on trade in mutton, lamb and goatmeat

Letter No 1

Sir,

Taking account of the new circumstances within the markets of the European Community as a consequence of the adoption of the European Community sheepmeat regime, New Zealand affirms its intention that the marketing of New Zealand products within the European Community will be conducted on an orderly basis. In particular, for a period from the implementation of the Agreement until 31 March 1984, New Zealand will ensure that exports to particular market areas determined as sensitive will be subject to administrative restraints avoiding any change in the trends of traditional trade flows to these markets and thus providing a sound basis for market development in the future. The Consultative Committee will consider the necessary arrangements to this effect. Both parties confirm that after 31 March 1984 no restrictions other than those stipulated in the exchange of letters establishing the Agreement will be applied to New Zealand exports of sheepmeat to the European Economic Community.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of New Zealand*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'Taking account of the new circumstances within the markets of the European Community as a consequence of the adoption of the European Community sheepmeat regime, New Zealand affirms its intention that the marketing of New Zealand products within the European Community will be conducted on an orderly basis. In particular, for a period from the implementation of the Agreement until 31 March 1984, New Zealand will ensure that exports to particular market areas determined as sensitive will be subject to administrative restraints avoiding any change in the trends of traditional trade flows to these markets and thus providing a sound basis for market development in the future. The Consultative Committee will consider the necessary arrangements to this effect. Both parties confirm that after 31 March 1984 no restrictions other than those stipulated in the exchange of letters establishing the Agreement will be applied to New Zealand exports of sheepmeat to the European Economic Community.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

ARRANGEMENT

in the form of an exchange of letters between the European Economic Community and the Eastern Republic of Uruguay on trade in mutton and lamb

Letter No 1

Sir,

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat from Uruguay in connection with the implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations both parties agreed as follows:

1. This arrangement shall relate to:
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a)) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b)) of the Common Customs Tariff).
2. Within the terms of this arrangement, the possibilities of export of mutton and lamb and goatmeat from Uruguay to the Community are fixed at the following annual quantity:

5 100 tonnes expressed in carcass weight ⁽¹⁾.

In order to ensure the proper functioning of the arrangement, Uruguay undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity agreed and shall be exported in accordance with the traditional patterns of presentation (frozen or chilled).

Should changes in technology and trade make it possible to modify the presentational structure of trade, the two parties to this arrangement will consult each other prior to any such modification in the committee mentioned in clause 10 in order to find an adequate solution.
3. Should the Community have recourse to the safeguard clause, it undertakes that Uruguay's access to the Community as provided for in this arrangement will not be affected.
4. If imports from Uruguay in any one year exceed the quantities agreed, the Community reserves the right to suspend imports from Uruguay for the remainder of that year. The quantity overshipped shall be offset against Uruguay's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10 %, *ad valorem*.

⁽¹⁾ Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

6. At the time of accession of new Member States, the Community, in consultation with Uruguay, will alter the quantities set out in clause 2, in accordance with Uruguay's trade with each new Member State. The charges applicable to imports for the said new Member State shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this arrangement being taken into account.

The total quantity as mentioned in clause 2 above is fixed at 5 800 tonnes in carcass weight as from the date of accession of Greece to the Community.

7. The Community will endeavour to avoid any market development which could prejudice the marketing of Uruguay's mutton and lamb on the Community market within the limits of the quantities agreed. In particular, the Community will take steps to ensure that the disposal of intervention stocks in frozen form arising from the operation of the regulation does not undermine such marketing of Uruguay's mutton and lamb.
8. In taking account of the objectives and provisions of this arrangement the Community agrees that any actual implementation of refunds of any other form of assistance with respect to exports of mutton, lamb and live sheep and lambs intended for slaughter will apply only at prices and on conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of the General Agreement on tariffs and trade and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.
9. Uruguay shall ensure that this arrangement is observed, in particular, by issuing export certificates covering the products referred to in clause 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import certificates for the products referred to above, originating in Uruguay, subject to the presentation of an export certificate, issued by the competent authority designated by the Uruguay Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import certificate in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Uruguay authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

10. A Consultative Committee shall be set up composed of representatives from the Community and from Uruguay. The Committee shall ensure that the arrangement is being properly applied and is functioning smoothly. It will examine regularly the trend of the two parties' markets in mutton and lamb and goatmeat and the trend of the international market, as well as marketing conditions on those markets including those relevant to the objective set out in clause 7 of this arrangement.

It will ensure that the proper application of the arrangement is not affected by the export of mutton and lamb and goatmeat-based products to the Community under customs headings not referred to by the arrangement.

The Committee will discuss all questions which could arise in applying the arrangement and will recommend appropriate solutions to the competent authorities.

11. The provisions of this arrangement shall be agreed without prejudice to the parties' rights and obligations under GATT.
12. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable as of the implementation of the present arrangement and until 1 January of the following year will be fixed on a *pro rata* basis in relation to the total annual quantity and will take into account the seasonality of the trade.
13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Eastern Republic of Uruguay.
14. The arrangement shall enter into force on 20 October 1980. It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this arrangement will be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

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During these negotiations both parties agreed as follows:

1. This arrangement shall relate to:
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a)) of the Common Customs Tariff),
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2. Within the terms of this arrangement, the possibilities of export of mutton and lamb and goatmeat from Uruguay to the Community are fixed at the following annual quantity:

5 100 tonnes expressed in carcass weight ⁽¹⁾.

In order to ensure the proper functioning of the arrangement, Uruguay undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity agreed and shall be exported in accordance with the traditional patterns of presentation (frozen or chilled).

Should changes in technology and trade make it possible to modify the presentational structure of trade, the two parties to this arrangement will consult each other prior to any such modification in the Committee mentioned in clause 10 in order to find an adequate solution.
3. Should the Community have recourse to the safeguard clause, it undertakes that Uruguay's access to the Community as provided for in this arrangement will not be affected.
4. If imports from Uruguay in any one year exceed the quantities agreed, the Community reserves the right to suspend imports from Uruguay for the remainder of that year. The quantity overshipped shall be offset against Uruguay's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10 %, *ad valorem*.

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6. At the time of accession of new Member States, the Community, in consultation with Uruguay, will alter the quantities set out in clause 2, in accordance with Uruguay's trade with each new Member State. The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this arrangement being taken into account.

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7. The Community will endeavour to avoid any market development which could prejudice the marketing of Uruguay's mutton and lamb on the Community market within the limits of the quantities agreed. In particular, the Community will take steps to ensure that the disposal of intervention stocks in frozen form arising from the operation of the regulation does not undermine such marketing of Uruguay's mutton and lamb.
8. In taking account of the objectives and provisions of this arrangement the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lambs intended for slaughter will apply only at prices and on conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of the General Agreement on tariffs and trade and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.
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For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import certificates for the products referred to above, originating in Uruguay, subject to the presentation of an export certificate, issued by the competent authority designated by the Uruguay Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import certificate in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Uruguay authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

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I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.'

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Eastern Republic of Uruguay*
