

No. 11639

**NEW ZEALAND
and
PERU**

Agreement concerning credit for purchases of New Zealand dairy products. Signed at Lima on 3 December 1969

Authentic texts : English and Spanish.

Registered by New Zealand on 16 March 1972.

**NOUVELLE-ZÉLANDE
et
PÉROU**

Accord relatif à l'octroi d'un crédit pour l'achat de produits laitiers néo-zélandais. Signé à Lima le 3 décembre 1969

Textes authentiques : anglais et espagnol.

Enregistré par la Nouvelle-Zélande le 16 mars 1972.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF NEW
ZEALAND AND THE GOVERNMENT OF PERU CON-
CERNING CREDIT FOR PURCHASES OF NEW ZEA-
LAND DAIRY PRODUCTS

The Government of New Zealand and the Government of Peru,
Desiring to facilitate the purchase by the Government of Peru of dairy
products of New Zealand origin,
Have agreed as follows :

Article 1

1. The Government of New Zealand, through the Reserve Bank of New Zealand, will make available to the Government of Peru through the Banco de la Nación a credit of ten million United States dollars (US\$10,000,000.00).

2. The total credit made available by the Government of New Zealand shall be drawn on by the Government of Peru exclusively for payment for dairy products of New Zealand origin, purchased from the New Zealand Dairy Board pursuant to the Commercial Agreement between the New Zealand Dairy Board and Empresa Pública de Servicios Agropecuarios y Pesqueros del Perú.

Article 2

1. The Government of Peru will ensure the purchase each year throughout the currency of the said Commercial Agreement of dairy products of New Zealand origin in no lesser quantity than is provided for in the Commercial Agreement. In the event that the Government of Peru should fail to ensure such purchase (except under the special procedures provided for in clause 7 of the Commercial Agreement) the total amount of loan moneys and interest thereon owing by the Government of Peru shall be repayable immediately to the Government of New Zealand unless an alternative means of repayment is agreed between the two Governments.

¹ Came into force on 24 April 1970, pursuant to approval by Decree Law and to approval by the Government of Peru of the Commercial Agreement between the Empresa Pública de Servicios Agropecuarios y Pesqueros del Perú and the New Zealand Dairy Board, in accordance with article 7.

2. In the negotiation of prices for the sale of dairy products in accordance with clause 7 of the Commercial Agreement, the Government of New Zealand will take into account the relevant provisions of any international agreements concerning the sale of dairy products to which it is, or may become, a party.

Article 3

1. Drawing under the credit will be made against delivery to the Banco de la Nación of authenticated shipping documents in respect of individual shipments of dairy products to which the Commercial Agreement relates.

2. The parties agree that the procedure for utilization of the credit shall be as follows :

(a) When any consignment of dairy products is shipped to Peru in terms of the Commercial Agreement, full shipping documents relating to the consignment shall be immediately deposited with the Reserve Bank of New Zealand by the New Zealand Dairy Board, and forwarded promptly under cabled advice by the Reserve Bank of New Zealand to the Banco de la Nación. Within 15 days of receipt of the said documents, the Banco de la Nación shall instruct the Reserve Bank of New Zealand by cable to debit the Loan Account with 90% of the CIF value of the consignment. Failing receipt of such instruction within 30 days of dispatch of documents, the Reserve Bank of New Zealand shall, in any case, debit the loan account with the said amount.

(b) Payment for the remaining ten percent of the CIF value of each consignment, together with interest thereon at a rate of 5½% per annum, shall be made by the Banco de la Nación to the Reserve Bank of New Zealand within 180 days of receipt of the documents in Peru by the Banco de la Nación.

Article 4

1. The total amount drawn by the Government of Peru pursuant to this Agreement will be repaid in ten equal half yearly installments. The first such installment shall be payable on 31 December 1975, except that if the Commercial Agreement referred to on article 1 of this Agreement should be renewed for a further five years, the first installment shall be payable on 31 December, 1980.

2. The Government of Peru will be entitled to repay before the redemption date, in addition to the half yearly installments, the whole or part of any sum outstanding and interest of any sum or sums so repaid shall cease from the date of repayment.

Article 5

1. The Government of New Zealand will arrange for the Reserve Bank of New Zealand to open in the name of the Banco de la Nación, acting on behalf

of the Government of Peru, a loan account expressed in United States currency in which shall be recorded all operations in connection with the credit provided pursuant to article 1 hereof.

2. Interest will be payable by the Government of Peru from 1 January, 1971 on the daily debit balance in the account at the rate of $5\frac{3}{4}\%$ per annum. Such payments will be made half-yearly on 30 June and 31 December each year commencing on 30 June 1971.

3. The amount of drawings and interest thereon shall be debited by the Reserve Bank of New Zealand to the account of the Banco de la Nación and the amount of the repayments of principal and the payments of interest shall be credited to the account of the Banco de la Nación.

4. Cable costs incurred by the Reserve Bank of New Zealand in the operation of the account shall be chargeable to the account and a monthly statement of account shall be forwarded to the Banco de la Nación.

Article 6

1. All moneys payable to the Reserve Bank of New Zealand in terms of this Agreement shall be effected by lodgements in United States dollars to the credit of the Reserve Bank of New Zealand at the Federal Reserve Bank of New York, New York.

2. In the event that any payment due to the Reserve Bank of New Zealand is not effected on the date due or within 30 days thereafter, the total amount of loan moneys and interest thereon owing to the Government of New Zealand shall be immediately repayable unless an alternative means of repayment is agreed between the parties to this Agreement.

Article 7

This Agreement will be valid and go in full effect only when approved by Decree Law and is also subject to the approval by the Government of Peru of the Commercial Agreement between the Empresa Pública de Servicios Agropecuarios y Pesqueros del Perú and the New Zealand Dairy Board.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by the Government of New Zealand and the Government of Peru respectively, have signed this Agreement.

DONE in duplicate at Lima this 3rd day of December one thousand nine

hundred and sixty-nine in the English and Spanish languages, each text being equally authentic.

For the Government of New Zealand :

[*Signed — Signé*]¹

Assistant Secretary to the Treasury

For the Government of Peru :

[*Signed — Signé*]²

¹ Signed by S. A. McLeod — Signé par S. A. McLeod.

² Signed by Alvaro Meneses Díaz — Signé par Alvaro Meneses Díaz.