

No. 18550

**NEW ZEALAND
and
EGYPT**

Exchange of letters constituting an agreement concerning a transaction for the sale of skimmed milk powder on concessional terms to the Arab Republic of Egypt. Wellington and Cairo, 1 November 1976

Authentic text: English.

Registered by New Zealand on 17 April 1980.

**NOUVELLE-ZÉLANDE
et
ÉGYPTE**

Échange de lettres constituant un accord relatif à la vente, à des conditions de faveur, de poudre de lait écrémé à la République arabe d'Égypte. Wellington et Le Caire, 1^{er} novembre 1976

Texte authentique : anglais.

Enregistré par la Nouvelle-Zélande le 17 avril 1980.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT CONCERNING A TRANSACTION FOR THE SALE OF SKIMMED MILK POWDER ON CONCESSIONAL TERMS TO THE ARAB REPUBLIC OF EGYPT

I

The Honourable B. E. Talboys, Minister of Foreign Affairs of New Zealand, to His Excellency Mr. Ismail Fahmy, Deputy Prime Minister and Minister of Foreign Affairs of the Arab Republic of Egypt

OFFICE OF THE MINISTER OF FOREIGN AFFAIRS

Wellington, 1 November 1976

My dear Minister,

I have the honour to refer to discussions which have recently taken place between representatives of our two Governments, together with representatives from the respective New Zealand and Egyptian agencies engaged in the dairy trade, concerning a transaction for the sale of skimmed milk powder on concessional terms to the Arab Republic of Egypt, and to the heads of agreement reached between our two Governments as a result of those discussions.

You will recall that formal agreement between our two Governments was to be reached after the Government of New Zealand had secured approval of the Management Committee of the GATT Skimmed Milk Powder Arrangement and the FAO Committee on Surplus Disposals to the transaction.

I am pleased to inform you that these approvals have been obtained and I now propose that formal agreement be reached between our two Governments in the following terms:

1. The New Zealand Dairy Board shall supply 8,500 tonnes of spray process skimmed milk powder to the Misr Milk and Food Company at the price of US\$150 per tonne net f.a.s., in accordance with the conditions of contract existing between the New Zealand Dairy Board and the Misr Milk and Food Company and Multilateral Trade (Cairo).

2. The Government of the Arab Republic of Egypt undertakes to ensure that the skimmed milk powder supplied under this Agreement will be used for the furtherance of a programme for the supply of milk in Egyptian schools and will be additional to and will not replace milk supplies already used in that programme.

3. The Government of the Arab Republic of Egypt shall arrange for the foregoing programme to be carried out by the company under the supervision of the Egyptian Ministry of Supply acting in conjunction with the Egyptian Ministry of Education.

4. (a) The two Governments undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end the Government of the Arab Republic of Egypt shall, during the period of this

¹ Came into force on 1 November 1976, the date of the letter in reply, in accordance with the provisions of the said letters.

Agreement, ensure that the skimmed milk powder supplied under this Agreement is additional to and does not replace commercial imports which might reasonably be expected in the absence of this sale and, specifically, that not less than 5,000 additional tonnes of skimmed milk powder will be purchased by international tender on normal commercial terms.

(b) The Government of the Arab Republic of Egypt shall, during the period of this Agreement, prevent the re-export or unauthorised sale and export, whether commercially or otherwise, of either skimmed milk powder produced locally or of processed products derived from it.

(c) The two Governments understand that the skimmed milk powder supplied in accordance with this Agreement under concessional terms is intended to encourage the expanded consumption of milk products in Egypt and that any expanded demand resulting from this sale will be channelled as rapidly as possible into normal commercial purchasing.

5. The Government of the Arab Republic of Egypt undertakes, within six months from the date of receipt of the final shipment of skimmed milk powder supplied under this Agreement, to provide the Government of New Zealand with a report issued under the authority of the Egyptian Ministry of Supply on the implementation of this Agreement including the utilisation of the skimmed milk powder supplied under this Agreement.

6. At the request of either the Government of the Arab Republic of Egypt or the Government of New Zealand, the two Governments shall consult each other on any questions concerning the implementation of this Agreement.

If the foregoing provisions are acceptable to the Government of the Arab Republic of Egypt, I have the honour to suggest that this letter and your reply in similar terms shall constitute an agreement between our two Governments which shall enter into force for a period of twelve months from the date of your reply.

I avail myself of this opportunity to renew to your Government the assurances of my highest consideration.

B. E. TALBOYS
Minister of Foreign Affairs

II

His Excellency Mr. Ismail Fahmy, Deputy Prime Minister and Minister of Foreign Affairs of the Arab Republic of Egypt, to the Honourable B. E. Talboys, Minister of Foreign Affairs of New Zealand

Cairo, November 1, 1976

Excellency,

I have the honour to acknowledge receipt of your letter dated November 1st, 1976, which reads as follows

[*See letter I*]

In reply I have the honour to inform you that the foregoing proposals are acceptable to the Government of the Arab Republic of Egypt and that your letter and

this reply shall constitute an agreement between our two Governments which shall enter into force on today's date.

I avail myself of this opportunity to convey to you the assurances of my highest consideration.

ISMAIL FAHMY
Deputy Prime Minister and Minister
of Foreign Affairs
