

**MEMORANDUM OF UNDERSTANDING**  
**between the European Community and the Dominican Republic on import protection**  
**for milk powder in the Dominican Republic**

*SCHEDULE XXIII*

PART 1 — TARIFF FOR THE MOST FAVOURED NATION

*Section 1-B: Tariff Quota*

1. The Government of the Dominican Republic will rectify following this Memorandum of Understanding its agricultural schedule (Schedule XXIII, Annex to the Protocol of Marrakech) in order to include the following tariff quota:

<i>Description of product:</i>	<i>Powdered milk, whole or skimmed</i>
Tariff heading (HS) No:	040210 040221 040229
Applicable tariff:	20 %
Base rate:	84 %
Bound rate:	56 %
Size of tariff quota:	32 000 tonnes
Period of application:	1998 to 2004

2. The tariff quota established by this Agreement will be distributed among suppliers according to Article XXIII of the General Agreement on Tariffs and Trade (GATT 94) in the following way:

European Community	22 400 tonnes	70 %
New Zealand	4 800 tonnes	15 %
Other suppliers	4 800 tonnes	15 %
<i>Total</i>	<i>32 000 tonnes</i>	<i>100 %</i>

3. The Community will manage its share of the tariff quota according to a mechanism of export licences as established by the Community regulations.
4. Any WTO member can participate in the tariff quota as 'other supplier'.
5. The Commission of the European Communities will inform the Dominican Republic of any existing or foreseen difficulty in supplying the Community's share of the tariff quota. If the Community cannot supply its share of the tariff quota allocated through this Agreement, the Dominican Republic will have the right, after notification two months in advance to the Community, to reallocate the unused quantity of the tariff quota among other suppliers if the supply problem is not resolved in that period. It is understood that this provision will not be used in order to impair the Community's possibilities of continuing to supply the products it was supplying during the years prior to this Agreement.
6. The Dominican Republic does not intend that the introduction of this Agreement should have the effect of artificially constraining supply and therefore increasing prices on its domestic market. It will, therefore, keep its market situation under review and will, as appropriate, make increases in the tariff quota consistent with this objective.
7. It is also established through this Agreement that the rectification of Schedule XXIII, as described in the first paragraph of this Memorandum, is valid from the year 1998 (the fourth year) of the commitments established by the Uruguay Round.
8. The Dominican Republic will implement its agricultural schedule (Schedule XXIII, Annex to the Protocol of Marrakech) including the rectification as per this Memorandum. The tariff quota will operate on a 1 July to 30 June basis. Transitional arrangements will apply in respect of 1998/1999 if the new arrangement enters into force after 1 July.

*For the Dominican Republic*

*For the European Community*