

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AUSTRALIA - PROPOSED INTERNATIONAL MEAT CONSULTATIVE GROUP

The following statement is being circulated at the request of the Australian Mission.

Recent events point to the need for greater stability and predictability in world trade in meat.

Every effort should be made to avoid the situation where either exporters or importers take unilateral and abrupt action which cuts across on the one hand, importers' interests in assured and stable supplies of meat and, on the other, exporters' interests in having assured and predictable access to world markets - at prices which are fair and reasonable to producers and consumers alike.

Clearly, production and trade in meat will continue to fluctuate sharply from time to time, often for unpredictable and uncontrollable reasons.

Nevertheless, Australia believes that a great deal more can be done, and should be done, in an endeavour to bring about a more reasonable balance between supply and demand on a basis which will assure adequate supplies of meat to consumers and markets to producers at equitable prices and which will achieve a long-term equilibrium between production and consumption.

The experiences of the last two to three years amply demonstrate that the hardship caused by severe shortages of burdensome surpluses of meat and excessive price fluctuations are harmful to both producers and consumers.

Australia believes that a major multilateral cooperative effort is called for in an endeavour to avoid repeating the extremes of recent experience.

We believe that closer cooperation between producers and consumers, based on the concept of exchange of information and consultations, would make an important contribution to attaining this objective.

We must seek to keep one another informed, consult with each other on what we are doing and, in so far as it is practical, as to what we are proposing to do.

We believe that if governments had a better understanding of the world meat market, in all its ramifications, then the decisions they take bearing on the growth and development of their meat industries would be more enlightened and more likely to have regard to the impact their actions may have on their trading partners, whether they be exporters or importers.

This is not to say that if such a co-operative effort had already been in existence, we would have been spared the difficulties which have arisen of late in respect of meat. We do consider, however, that the emerging situation could have been anticipated somewhat more effectively and corrective action set in train earlier, this would have reduced the intensity of the problems which have arisen.

Against this background, Australia believes that it would be appropriate to establish a forum, under an intergovernmental umbrella, in which countries with a substantial interest in the production or consumption of, or trade in meat, could have a continuing and meaningful exchange on recent and prospective developments in the world meat market. Such a group, which might be referred to as the International Meat Consultative Group, is seen as covering a wide range of meats, but initially concentrating on the bovine sector.

In bringing forward this proposal, Australia is very much encouraged by the useful and constructive work which other international commodity groups have done in the area of exchange of information, co-operation and consultation. There are a number of examples, such as the Advisory Sub-Committee on market conditions, which meets under the auspices of the International Wheat Council. The work of the International Lead and Zinc Study Group affords another example of what is in mind.

It has been Australia's experience that the exchange of information which takes place in these settings and the discussion which ensues, together with the close personal relationships which are developed between senior government and industry advisers have generated an atmosphere of understanding and constructive co-operation.

It is emphasized that any such group would not be a negotiating forum, nor a forum for resolving bilateral problems in trade in meat.

We appreciate that there are already existing international organizations which concern themselves with meat, e.g. FAO and OECD. It is our view, however, that such organizations, for a variety of reasons, (such as composition, the particular emphasis of their work, nature of operations, etc.) are not equipped to do the particular task envisaged. At the same time, however, careful attention would need to be given to avoid duplicating the work of such organizations, the group could, of course, very well draw on the work of such organizations, providing for a process of review and consultation at a senior, official policy level (also involving industry advisers).

There is a parallel in the cereals field. The FAO has a group on grains (as it has on meat). Yet the advisory sub-committee on market conditions carries out its work under the International Wheat Council in many ways similar to that envisaged for the proposed Meat Consultative Group. The IWC and FAO have a close liaison and co-operation in their respective spheres.

Recognizing that the basic thrust of the group's work would be on trade, we would see such a group being established under the General Agreement on Tariffs and Trade (GATT). The GATT Working Party on Dairy Products might be regarded as an example of how a commodity group can be established within the framework of the GATT. Consideration would, of course, need to be given to making appropriate arrangements for participation by all interested parties.

The question arises as to the association of any group so formed with the prospective Multilateral Trade Negotiations (MTN). In this connexion, Australia is anxious to ensure that any group which is established does have some permanence about it, rather than being dependent for its continuing existence on a round of international trade negotiations. Clearly the formation of such a body within the GATT framework could ultimately facilitate its association with the MTN.

We are convinced that it is in the real interests of both producers and consumers of meat that importing and exporting countries should work more closely together in an endeavour to understand and anticipate the difficulties that inevitably arise from time to time in the world meat trade. The proposal now being brought forward, if implemented, would, we believe, contribute significantly to this end.

Against background of the above, Australia proposes the following draft broad Terms of Reference for any such group:

"The Group shall provide continuing opportunities for appropriate intergovernmental consultations on international trade in meat and shall make such studies of the world situation in meat, as it sees fit, having regard especially to the desirability of providing regular accurate information regarding the supply and demand position and of its probable development. For this purpose the Group shall, as necessary, arrange for the collection and dissemination of appropriate information making use of existing sources so far as practicable."