

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

IMC/W/63

3 December 1987

Special Distribution

Arrangement Regarding Bovine Meat

INTERNATIONAL MEAT COUNCIL

Questions from Australia

For discussion under agenda item 2(D) of the draft agenda, the following questions have been submitted by Australia:

UNITED STATES AND CANADA

Under the proposed Free Trade Agreement, Canada and the United States have agreed to exempt each other from import restrictions imposed under their respective meat import laws.

How will this operate in practice? What changes, if any, are envisaged in the respective meat import laws and what impact are these expected to have on third country suppliers? What are the GATT implications? Is it intended to hold consultations with other supplying countries regarding any changes to the meat import laws?

EUROPEAN ECONOMIC COMMUNITY

Australia notes that despite the measures agreed in December 1986 for the reform of the EEC beef sector, stocks of bovine meat continue to be high and are increasing. Australia notes also that the Commission is not proposing further action on beef in the context of the EEC agricultural budget stabilizer programme but intends to submit proposals for the beef sector before the end of 1988.

What is the Commission's latest assessment of the effectiveness of the reform package for beef agreed in December 1986 and the impact of dairy reforms on beef production? Does the Commission still believe that there can be a market balance by the end of 1988? Can the Commission indicate the likely scope of additional measures to be brought forward next year?

JAPAN

Australia notes that demand for beef in Japan is continuing to rise. Despite the announcement in August 1987 of an enlarged quota for the second half of JFY 1987 and the accelerated importation of much of this, beef prices remain at high levels. What action does the Japanese Government propose to take to ensure that domestic demand can be satisfied at reasonable prices? Is the Japanese Government proposing any further measures to pass on to Japanese consumers of beef the benefits of the continued appreciation of the yen?