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RISING DEMAND BOOSTS WORLD TRADE IN BEEF

World trade in beef expanded by an estimated five to six per cent in volume in 1988, stimulated by rising import demand in many countries and a strong Brazilian export recovery. Higher beef prices are expected to sustain the favourable market conditions for the rest of 1989.

These are among the conclusions of a report¹ on the international meat markets published today by the GATT. The report examines trends in production, consumption and trade of bovine meat, and summarizes developments in pigmeat, poultry meat and sheepmeat. It offers an outlook for 1989 and for the first time, presents summaries of significant trade policy developments in various individual members of the Arrangement Regarding Bovine Meat (see Note to Editors).

The prospects for strong import demand in major markets and reduced export availabilities in some important exporting countries, coupled with the likelihood of higher prices for competing meats, seem to guarantee an improved outlook for the bovine meat sector for the short- and medium-term, according to the GATT report. On the other hand, this sector is subject to subsidies, import restrictions, "voluntary" restraint arrangements, and other trade policy instruments which hamper confident predictions.

The GATT report estimates that total world production and exports of bovine meat reached 48.3 million tons and 4.40 million tons, respectively, in 1988. The 27 members of the Arrangement accounted for 3.80 million tons or 86.4 per cent of total exports. While rising in Canada, the European Communities and Japan, overall beef consumption of member countries dipped by one per cent in 1988. Beef consumption is expected to be higher this

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The International Markets for Meat 1988/89 available in English, French and Spanish from the GATT Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21. Price Sw.F.12.-

year; feedgrain prices have been rising since mid-1988 which means higher costs for competing meats which are "grain-dependent" such as pigmeat and poultry meat.

The United States, by far the world's biggest importer of beef, bought 4.7 per cent more foreign beef in 1988 as the dollar strengthened and production fell. The US import increase led to the renewal of "voluntary" restraint agreements with Australia and New Zealand. In Japan, the second largest beef importing country, imports rose by 21.6 per cent due to the strong yen and rising incomes. Last year's decision by Japan to gradually open its beef market should push down prices and spur greater demand. Beef imports jumped in Eastern Europe (88.5 per cent) and the Soviet Union (40.8 per cent), and increased in Canada (15.8 per cent) and the European Communities (2.2 per cent).

Expanding production and declining local consumption combined to lift Brazilian exports by 68.4 per cent in 1988 to 500,000 tons. Uruguayan shipments rose by nearly 40 per cent. Australia, the world's largest exporter of beef in 1987, saw foreign sales decrease by 4.1 per cent in 1988 to 874,000 tons due to lower production and currency appreciation. New Zealand's beef exports remained steady at 431,000 tons.

EC exports rose by nearly four per cent to an estimated 900,000 tons, thereby surpassing Australia as the leading exporter in 1988. The increase partly reflected the disposal of intervention beef stocks, which stood at some 451,000 tons at the beginning of 1989 - a 42 per cent decrease from the previous year.

Note to Editors

The Arrangement Regarding Bovine Meat, negotiated in the Tokyo Round, has been in force since 1 January 1980. There are 27 signatories to the Arrangement: Argentina, Australia, Austria, Belize, Brazil, Bulgaria, Canada, Colombia, Egypt, the European Communities, Finland, Guatemala, Hungary, Japan, New Zealand, Nigeria, Norway, Paraguay, Poland, Romania, South Africa, Sweden, Switzerland, Tunisia, United States, Uruguay and Yugoslavia.

MORE

1988 WORLD MEAT PRODUCTION AND TRADE
AND SHARES OF SIGNATORIES TO THE¹
ARRANGEMENT REGARDING BOVINE MEAT¹

(Million tons)

| PRODUCTION | | | |
|--------------|-------------|-------------|--|
| | WORLD TOTAL | SIGNATORIES | SIGNATORIES AS A PROPORTION OF WORLD TOTAL (%) |
| Pigmeat | 61.50 | 29.63 | 48.2 |
| Bovine Meat | 48.30 | 30.76 | 63.7 |
| Poultry Meat | 36.30 | 23.45 | 64.6 |
| Sheepmeat | 8.60 | 3.10 | 36.0 |
| EXPORTS | | | |
| | WORLD TOTAL | SIGNATORIES | SIGNATORIES AS A PROPORTION OF WORLD TOTAL (%) |
| Pigmeat | 2.00 | 1.23 | 61.5 |
| Bovine Meat | 4.40 | 3.80 | 86.4 |
| Poultry Meat | 1.50 | 1.36 | 90.7 |
| Sheepmeat | 1.05 | 0.76 | 72.4 |

¹
Based on FAO estimates and GATT data.

END