GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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INTERNATIONAL MEAT COUNCIL

Report to the CONTRACTING PARTIES prepared by the Chairman of the International Meat Council on his own responsibility

1. Since the 1991 report[1], the International Meat Council (IMC) has held two regular meetings, on 13 December 1991 and on 19 June 1992, which were both preceded by meetings of the Meat Market Analysis Group (MMAG). At its June 1992 meeting, the IMC re-elected Mr. Jean-Michel Henry (France) as its Chairman and Mr. Masanori Hayashi (Japan) as Vice-Chairman. The MMAG re-elected Mr. Masanori Hayashi as its Chairman. There have been no new adherents to the Arrangement Regarding Bovine Meat which currently has twenty-seven signatories[2] representing thirty-eight countries.

Functioning of the Arrangement

2. According to its Article VI, paragraph 4, the Arrangement was extended for another period of three years from the beginning of 1992 to the end of 1994. Participants agreed that substantive discussions regarding the functioning of the Arrangement should be postponed until after the conclusion of the Uruguay Round. It was nevertheless noted that the replies to statistical questionnaires and revisions of the trade policy inventories were submitted with increasing delay, seriously affecting the smooth functioning of the Arrangement. Participants were urged to comply with the agreed deadlines for such submissions.

Meat markets situation and outlook

3. Largely reflecting higher average slaughter weights, world beef and veal production increased by 2.5 per cent in 1991. A trend towards a slowdown in the growth of cattle herds was observed in an increasing number of countries. Major factors behind this trend include genetic developments and improved cattle feeding and finishing techniques.

4. Despite efforts to encourage demand through promotion campaigns, per capita consumption stagnated or declined in most industrialized countries in 1991. In these, as well as in other countries, a trimming of household

[1] L/6926

[2] Argentina, Australia, Austria, Belize, Brazil, Bulgaria, Canada, Colombia, European Communities, Egypt, Finland, Guatemala, Hungary, Japan, New Zealand, Nigeria, Norway, Paraguay, Poland, Romania, South Africa, Sweden, Switzerland, Tunisia, United States, Uruguay, Yugoslavia.

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budgets resulted in lower consumption of beef. In addition, consumption of beef was adversely affected by the increasing price competitiveness of other meats.

5. World exports of beef increased by 13 per cent, largely reflecting a 60 per cent rise in the European Community which overtook Australia as the world's largest beef exporter. EC beef exports totalled 1.2 million tons (carcass weight) while Australian shipments fell by 4 per cent to 1.1 million tons. Brazil and the United States also sizably increased their beef exports, by 44 per cent and 18 cent, respectively. Most Central and Eastern European countries virtually disappeared from the beef export scene. This reflected both the economic and political changes underway in these countries and the loss of their major market, the former Soviet Union.

6. Although global beef imports increased in 1991, purchases by Central and Eastern European countries and Japan declined. Following a surge of beef imports earlier in the year, the United States imposed voluntary export restraint agreements on Australia and New Zealand.

7. Poor global economic prospects will dampen demand for beef in industrialized countries in 1992. The situation in the Commonwealth of Independent States remains depressed. Competition from other meats will persist. Beef import demand is expected to strengthen in some markets in the Middle East, North Africa and Asia. Overall, however, international beef trade is expected to shrink. Stock levels are likely to remain high and international bovine meat and producer prices are not foreseen to show significant changes compared to last year.

8. For the June 1992 meeting, participants had agreed, for the first time, to supply medium-term forecasts, based on a questionnaire prepared by the Secretariat. The data received and the discussions held allow only a very tentative forecast for the foot-and-mouth disease free area, suggesting a period of excess supply around 1996/97, with export availabilities rising sharply in the United States and in Oceania.

Policy questions

9. The discussion of policy questions of special concern to participants revolved around the European Community's Common Agricultural Policy Reform, which was orally presented to the Council at its June 1992 meeting. A number of delegations expressed their intention to revert to this issue in future meetings. The Council was also informed of policy developments in Romania.