

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/ME/W/1

18 June 1975

Special Distribution

Multilateral Trade Negotiations

Original: Spanish

Group "Agriculture"

Sub-Group on Meat

STATEMENT MADE BY THE REPRESENTATIVE OF ARGENTINA ON 16 JUNE 1975

In response to the Chairman's request I wish to express a few general ideas regarding the negotiations we have to carry out in this Sub-Group. For very good reasons, the international community considers that a proper solution to the economic problems by which it is today beset depends in large measure on the success of these multilateral negotiations. These negotiations cover the problems of a number of sectors which require urgent solution; I have no doubt that among those sectors that of bovine meat must be accorded priority in view of the present situation of the international market and the necessity to find some formula which will enable it to operate with more confidence in the future. We believe that this Sub-Group provides the necessary conditions for facing that task and that success will depend essentially on the efforts of all the parties and on the political will to reach mutually satisfactory solutions.

We are all aware of the gravity and the magnitude of the crisis which is currently affecting the production of and trade in bovine meat. For the last eighteen months, and without any sign of improvement in the sector, at least in the short term, exports have been subjected to embargoes of an unforeseen and indiscriminate character which have wiped out a third of the world demand for bovine meat.

The damage caused by actions of this kind is difficult to quantify because not only does it lead to substantial losses of income for exporters, but it also introduces an element of discouragement and discontinuity into the efforts of producers in exporting countries. In the case of Argentina, the suspension of imports by one of the major international markets has meant a loss of foreign exchange of about \$500 million a year, equivalent to one sixth of total export earnings. It is a deplorable experience that we are suffering and we have to find an appropriate remedy which will enable us to prevent any repetition.

The restrictive measures adopted by importers are, without any doubt, a breach of the General Agreement itself, which we believe imposes an obligation on all parties to the Agreement to act in concert on questions affecting our economic and trade relations, so as to prevent situations from arising like that from which exporters of bovine meat are now suffering. It is difficult to repair damage once it has been done. We must nevertheless take urgent action to restore neighbourly relations in international trade in the bovine meat sector.

These negotiations offer a good opportunity for us all, importers and exporters together, by examining our proposals in a generous spirit and combining our efforts to reach solutions, to devise appropriate machinery for preventing a repetition of these problems, to help to achieve a reasonable balance between world supply and demand for bovine meat, and to contribute to a satisfactory stabilization of prices.

We ourselves shall make a determined effort in these negotiations to find the most appropriate solutions which, while taking account of the special characteristics of each market, will allow us to face our present and future responsibilities, with the aim of establishing an international market for bovine meat which will be healthy, active and free from interruption.

My country considers that this responsibility lies on all of us and that, apart from the general objectives envisaged in the Tokyo Declaration, we must endeavour to ensure for this sector the achievement of certain specific objectives, among which we consider the following to be fundamental:

- (i) The expansion of world trade in and consumption of bovine meat through the elimination, by means of adequate and appropriate national and international machinery, of the abrupt cyclical distortions to which it is subject.
- (ii) The improvement of competition from all sources, particularly from the developing countries, in import markets, on the basis of concerted measures, both commercial and others, designed to achieve a greater internationalization of the trade in bovine and processed meat. Such trade has hitherto been carried on in segments but greater co-operation could be achieved through multilateral negotiations such as we hope for.
- (iii) The active stabilization of international prices and national support policies to bring about a balance between world supply and demand, at the same time enabling efficient producers to secure an increasing share in meeting growing world consumer demand.
- (iv) The adoption of a system of pledges to ensure, by greater foreseeability, the provision of adequate and appropriate supplies for importers and a continuous demand and reasonable prices for exporters.

If these specific objectives I have mentioned, which naturally do not exclude any others which might be agreed on, were accepted in their broadest terms by this sub-group, we are sure that actual negotiations could be fruitfully opened within a very short time. We believe that the negotiating experience accumulated in GATT during the Kennedy Round will be of great value, even though the results of the Kennedy Round fell far short of our expectations. My delegation is prepared, if other participants considered it helpful for the purpose of the tasks entrusted to this sub-group, to submit a proposal containing a detailed basis for an international agreement whose basic objective would be to bring more order in the international market in bovine meat.

I do not wish at this juncture to define the factors which would have to be taken into account for the purpose of such negotiations, or the juridical machinery to be provided in order to put into operation any agreements at which we might arrive. I do however, wish to emphasize that those factors of negotiation should be related to problems of access, to production and consumption policies, and to increasing participation of the developing countries in the world trade in bovine meat.