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STATEMENT BY THE REPRESENTATIVE OF NEW ZEALAND ON 16 JUNE 1975

For my delegation, today is the culmination of two years of effort, directed to persuading participants in the Multilateral Trade Negotiations to concentrate on the difficult and complex problems in world production and trade in meat.

You will recall that my delegation highlighted the need for concerted action in the meat sector during the preparations for the Tokyo Ministerial Meeting, and that at that meeting the New Zealand Minister of Overseas Trade urged participants to take advantage of the negotiations to introduce some security and stability into a market situation which was then firm, but contained some warning signals. For a variety of reasons I need not traverse here, this opportunity was not taken up. It is a matter of record that since then, trading conditions have suffered one of the most dramatic downturns ever experienced in this typically volatile sector, to the detriment of producers in importing and exporting countries alike, and also to consumers. It is also a matter of record, that traditional suppliers to the world market, such as my own country, have - as usual - been required to shoulder the largest part of the burden of adjustment to these difficulties. It is a matter of fact that meat producers in the exporting countries are experiencing crisis conditions of a magnitude not known in the last three decades, and that with their confidence thus shaken, unless these negotiations can produce or introduce some rationality into world meat production and trade, the incentive for them to remain in business will disappear. For a country such as mine, in which meat exports account for 30 per cent of our foreign exchange earnings, this would have repercussions throughout the economy which do not bear contemplation.

I felt obliged to make these introductory observations as undramatically as I could, but it is not the intention of this delegation to revert to New Zealand's current difficulties throughout these negotiations. They certainly influence the intensity of our participation, but our concern is with the future, and the need for this Group to produce results which will prevent, to the maximum extent possible, a recurrence of the senseless stop-go attributes of world meat production and trade we have experienced in the past, and the disastrous consequences we are experiencing

now. It follows from this, Mr. Chairman, that my delegation is not concerned, in this Group, to negotiate on the detail of the restrictive measures in force today, but rather to direct the negotiations to the future, when conditions of normality shall, we trust, have returned, and to the rules of the game which should apply to secure those conditions of normality and to fulfil the objectives to which we are all committed - the expansion and ever-greater liberalization of trade in meat.

Let me turn, therefore, to some of the substantive issues to be considered by this Group.

The question of the product coverage of this Group has been raised on a number of occasions in the Group Agriculture and it has, in my delegation's understanding, been left open until now.

In a sense this question is related to the kind of negotiations and solutions appropriate to each meat form. It is in this context that my delegation had thought that the Group was most appropriate to the bovine meat sector, for which, as I explain in a moment, multilateral negotiations seem required. Correspondingly we would expect the initial thrust of the Group's work to be directed to this sector. I must emphasize however, there is no wish on the part of my delegation to exclude other meats - pigmeats, sheepmeats - from the Group's work, although we do see somewhat different issues and approaches in the negotiations on these products.

My delegation's suggestion would be that we keep the question of product coverage under review as we go along.

Multilateral solutions

There is a presumption in the decision of the Agriculture Group to establish this Sub-Group that meat is appropriate for the negotiation of a multilateral solution, and I thought I should outline my delegation's views in this context.

It is our view that bovine meat (and cattle) are widely traded internationally and that, although world trade is fragmented to an extent, the inter-relationships in the world beef market require that the negotiations be conducted on a multilateral basis. Each of our markets, and may I remind you that when we are able to trade we do so with all the major importers, has said to us from time to time that they cannot be seen in isolation from the others. And we have always acknowledged that importers would want to see amongst them, an equivalence of commitment to liberalization - or an equitable sharing of the burden of liberalization.

While we see a need for a multilateral approach to the negotiations - and this has been generally endorsed through the establishment of this group - we do not envisage a multilateral solution, at least of the classical commodity agreement type. A perishable commodity such as meat does not lend itself to the same forms of management as a storable commodity such as grains or sugar.

Rather, we believe the solution in the beef market will involve an examination of national policies with a view to securing from individual participants improved commitments on access, so that in aggregate we shall have achieved a measure of certainty in world beef trade.

To the extent, however, that the negotiations exposed an inter-relationship between these commitments, and a need for some continuing multilateral management or supervision of the market, one might have a "multilateral solution", but its trading elements would represent a stitching together of essentially national commitments.

Elements for negotiation

It follows from what I have just said that New Zealand sees the negotiations encompassing initially all frontier measures which have an impact on world meat flows, and in a number of instances, of course, these measures cannot be seen in isolation from the domestic support measures which lie behind them. Those of principal concern are:

The Japanese quota system for beef imports which, taken in conjunction with Japan's recently introduced price stabilization scheme places imports clearly in the rôle of residual supplies to the market;

The EEC's complex frontier mechanism - the system of variable levies - which even when it operates without other hindrance, places imported product at a permanent competitive disadvantage, and creates conditions of almost daily uncertainty for the trade;

The United States Meat Import Law (PL 88-482) and the system of "voluntary" restraints which has been developed under it.

In giving this brief listing may I make three points of clarification. First, in looking at the global situation, one must mention Canada which, until last year, was the only free market for beef of any significance in the world. Last year it found itself in what it described as an emergency situation requiring the imposition of temporary global quotas. May I say simply, that my delegation looks forward to Canada returning to its former position as a free market importer.

Secondly, it has to be acknowledged that the United States Meat Import Law does provide the security of a basic minimum import tonnage and a growth factor. While we will want to explore - in the light of marketing realities - whether the law is needed at all, these two attributes are factors which this Group may wish to develop further.

Thirdly, lest they feel let off the hook, I should add that my delegation looks forward to the active participation in the Group's work by such smaller importers as Austria, Switzerland, Greece, Sweden and Norway.

As I said earlier I have listed only those elements for negotiation of major concern to my delegation. It is our view that all elements of concern to all delegations should be encompassed in the Group's work, and we would hope that by the end of this first session of the Group, the secretariat will be in a position to prepare a comprehensive listing so that we have a clear work programme for our subsequent sessions.

Approaches to the negotiations

As regards the access aspects of the negotiations, it is not my delegation's intention to try and tell importer participants how they should approach the objective of securing an expansion and liberalization of trade. You will understand that we have some attachment to the classical approaches to the elimination of trade barriers, and are not bereft of ideas on what could be done with some of them. But we acknowledge that each importing country has its own, and often entrenched network of agricultural policies, and we are not suggesting that these should be overturned overnight. It is really a question of each outlining at this meeting an approach consistent with its own policies which it believes will contribute to the objectives of the negotiations - and for any delegation's part we will be ready to diligently explore them all - but against the single measuring rod - the extent to which they will promote the expansion and liberalization of trade in beef to which these negotiations are directed.

Let me say quite clearly, that these negotiations will only be of interest to my country if they result in our being able to sell more, under conditions of security and certainty.

Can I just add that if we as exporters are not disposed to tell importers how to negotiate, we trust that similarly the importer will feel it necessary to tell another importer how to negotiate.

Security

In my remarks until now, I have concentrated on the question of access - but access in itself is of relatively little interest if it is of the "now you see it now you don't" type we have experienced in certain markets until now. Security of access is important not only to exporters, but to the rationalization of world beef production and trade to which I referred in my opening remarks. The question of security, in my delegation's view, has three aspects which we should be prepared to examine in this Group.

The first is the manner in which access commitments can be secured - how can we introduce the concept of binding into meat trading?

The second, is whether any specific safeguard provisions are required for or appropriate to trade in meat. Linked to this of course, is the concept of security of supply, and the conditions which might attach to any commitments in this regard.

Thirdly, and by no means least important in my delegation's view, there is the question of whether some improved form of international monitoring and co-operation is needed.

In summary, my delegation sees these negotiations directing themselves to three inter-related areas:

1. access liberalization;
2. trading security for importers and exporters alike;
3. and increased international co-operation.

If we can make progress under each of these headings maybe we will have harnessed the fluctuations which have plagued world meat production and trade for decades, and have realized our objectives of introducing stability and expansion into this important sector of world trade.