

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Arrangement Regarding Bovine Meat

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INTERNATIONAL MEAT COUNCIL

For discussion under agenda item (iv) of the draft agenda, the following questions have been submitted by Australia.

JAPAN

At the meeting of the GATT Council on 22 November 1986, Australia asked a question of Japan concerning its notification of the Livestock Industry Promotion Corporation (LIPC) as a State trading enterprise under Article XVII:4(a) of the General Agreement. Australia believes, however, that it would be helpful if Japan could provide further clarification of its notification for the benefit of members of the International Meat Council, in particular, if it could provide answers to the following:

Question 1

Why did Japan choose to notify the LIPC as a State trading enterprise at this time after having steadfastly refused to do so for more than a decade?

Question 2

What are the implications of Japan's notification for the LIPC's future rôle and activities?

Question 3

What are the implications of Japan's notification for efforts to further liberalize world agricultural trade in the context of the new MTN Round?

Question 4

Australia notes from paragraph 3 of Japan's notification that "the LIPC adjusts the amount of imported beef to be sold to the domestic market so that the wholesale prices of domestic beef can be kept within the stabilization price range set by the Government prior to each fiscal year". However, current wholesale price levels in Japan are at or above the maximum stabilization price because of the present strong demand for beef. Moreover, the LIPC's stocks are at a low level. To date, Japan has sought to ease the situation by requesting early delivery of the quota amount

already announced and by importing some chilled grain-fed beef in carcass form. If these measures do not bring about a rapid reduction in prices, what action does the Japanese Government propose to take to dampen down domestic prices? Could Australia presume that in these circumstances the Japanese Government would announce a supplementary beef import quota?

Question 5

Australia notes that Article XVII:4(b) of the General Agreement provides that Japan shall, on request, inform contracting parties of the import mark-up on beef. Australia has an interest in this matter and would appreciate an indication of when this information will be made available to the IMC by Japan.

EUROPEAN COMMUNITY

Question

Australia notes that proposals are currently under consideration within the EEC for the reform of its dairy and beef sectors. Can the EEC indicate what target level (as distinct from forecasts provided to the MMAG) of production, consumption, exports and imports the Community is aiming to achieve for beef and veal with these proposals? Australia would also be interested in an assessment of the consequential ("knock on") effects of the dairy reform proposals on beef production. What is the Community proposing to do to minimize these "knock on" effects?

UNITED STATES

Question 1

Against the background that Australia is a substantial exporter of live cattle to countries in the Pacific region, does the United States have a target for exports of live cattle under the provisions of the United States Food Security Act 1985? If so, what is the target level? Are United States exports of live cattle destined for fattening, breeding, slaughter or dairy production? What criteria are used to select export destinations? What is the average price per head of these cattle?

Question 2

In the light of various factors affecting the United States beef market, what are the prospects for access to the United States beef market for traditional suppliers over the next three years?

SWEDEN

Question 1

In earlier discussions in the IMC, Australia has expressed concern that subsidized Swedish beef has been undercutting Australian exports to Taiwan. While mindful of the explanations given by Sweden in the past, Australia would be interested in information about any changes or proposed changes to the policies of Sweden affecting the export of subsidized beef to Taiwan.

Question 2

In the past, Australia has been an important supplier of beef to Sweden. Have there been any recent agricultural policy initiatives which would enable Sweden to expand opportunities for imports of beef similar to the trade expansion pursued for a number of manufacturing products?