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SITUATION AND OUTLOOK IN THE INTERNATIONAL MEAT MARKETS

Note by the Secretariat

Addendum

This addendum includes summaries of the situation and outlook for pigmeat, poultry meat and sheepmeat. It also includes summaries of the situation and outlook for beef and veal in certain countries not signatories of the Arrangement Regarding Bovine Meat.

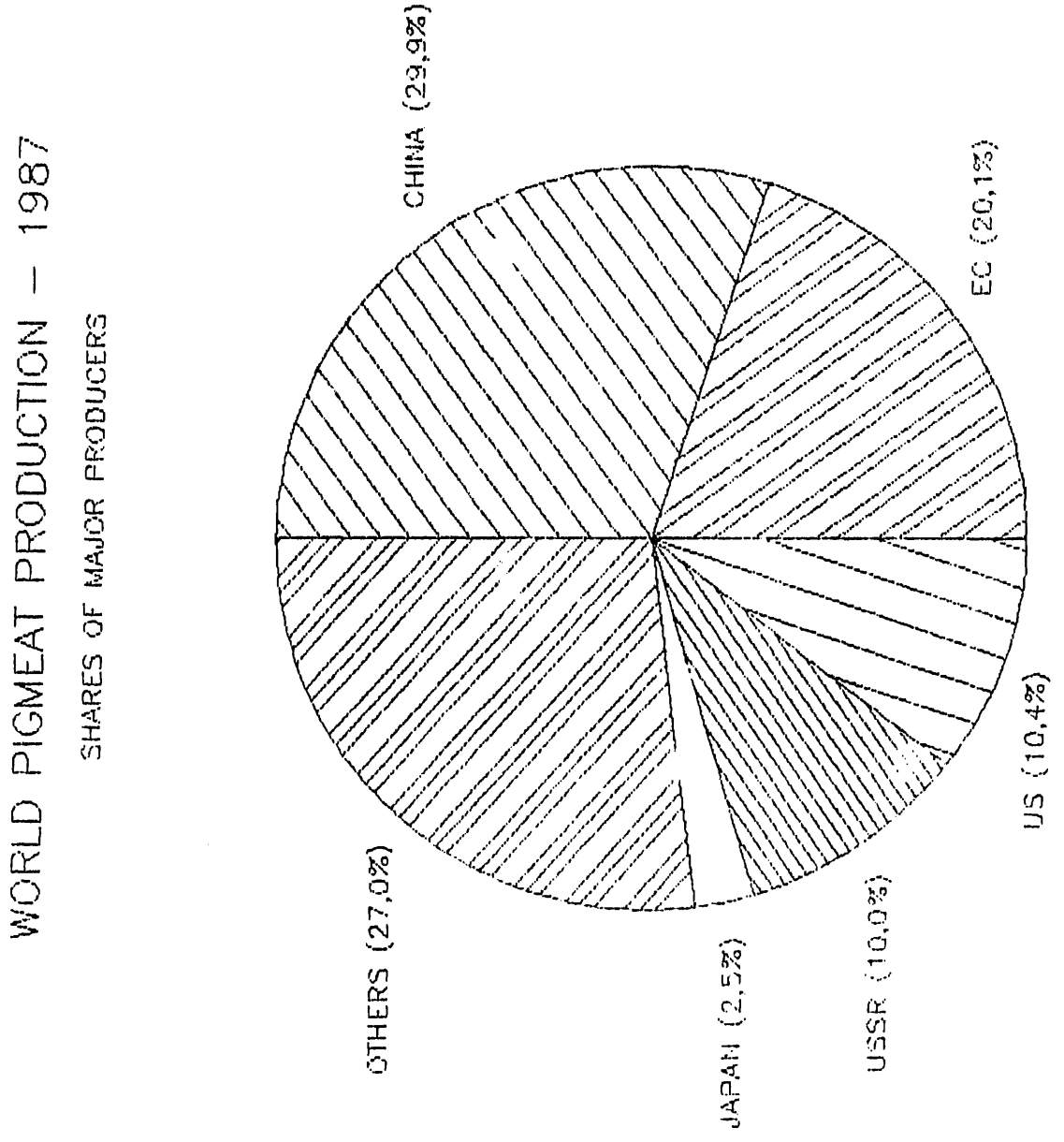
TABLE I

1987 - MEAT PRODUCTION AND TRADE[1/]

(million tons)

	PRODUCTION			EXPORTS		
	WORLD TOTAL	IMC COUNTRIES	IMC AS A PROPORTION OF WORLD TOTAL (%)	WORLD TOTAL	IMC COUNTRIES	IMC AS A PROPORTION OF WORLD TOTAL (%)
Pigmeat	62.31	28.75	46.1	2.05	1.21	59.0
Bovine Meat	49.72	31.17	62.7	4.20	3.82	91.0
Poultry Meat	35.21	22.60	64.2	1.51	1.32	87.4
Sheepmeat	8.60	2.99	34.8	1.05	0.83	79.0

[1/] Based on FAO estimates and on replies to questionnaires


WORLD PIGMEAT PRODUCTION - 1987
SHARES OF MAJOR PRODUCERS
CHINA (29,9%)
EC (20,1%)
US (10,4%)
USSR (10,0%)
JAPAN (2,5%)
OTHERS (27,0%)

I. SITUATION AND OUTLOOK IN THE INTERNATIONAL MEAT MARKETS

The pigmeat sector

1. In 1987, pigmeat production in countries participating in the Arrangement Regarding Bovine Meat (information is available for twenty-one countries) increased by 2.2 per cent to 28.75 million tons. The FAO estimation of total world pigmeat production shows a rise of 2.4 per cent on year earlier to 62.31 million tons. The current forecast for total production in countries members of the Arrangement indicates that production should reach 29.11 million tons in 1988, denoting a slowdown in growth (+1.3 for 1988/87). Among major participating countries, production in 1988 should increase only in Canada, the United States and Japan. In the latter, profitability during the first half of 1988 seems to have been maintained as feed prices continued to decline at a greater rate than pig prices. In the People's Republic of China - the world's major producing country - pigmeat production in 1987 fell by some 6 per cent as a result of feedgrain shortages. The implementation of some measures by the Government in view of promoting pigmeat production allowed its recovery in the current year, and in 1989 production should return to its 1986 level. In the USSR - where production has been rising during the past few years, mainly due to productivity improvements - forecasts for 1988 show that production should decrease slightly. Nevertheless, the greater attention being given to protein in feed rations allows estimates for production increases in 1989.

2. Consumption of pigmeat in 1987 in the countries members of the Arrangement totalled 27.17 million tons, up by 1.4 per cent on year earlier, and a higher rate is forecast for 1988 (around 2 per cent). Among these countries, total consumption in 1988 is expected to decline only in Brazil, the European Community and Poland, and the highest increase should come from Uruguay (+5 per cent). In China, where pigmeat accounts for 85 per cent of meat in the national diet, a pigmeat shortage in 1987 caused by higher prices for other items obliged the Government to reintroduce in late 1987 a pork rationing in the major cities. Pigmeat imports were not possible as the foreign exchange cost was considered too high by the Government. As production has been increasing during this year, rationing was banned in May.

3. After a decline in 1986, world pigmeat exports rose by 12.3 per cent in 1987, reaching 2.05 million tons, of which 59 per cent came from members of the Arrangement. Japanese imports in 1987 were up by 35.5 per cent on year earlier, and a reduction in the minimum import prices is likely to encourage imports in 1988 (for the first half of 1988, imports increased by 16 per cent). Japanese imports from Taiwan (the first supplier of Japan in 1987) fell by 14 per cent until June 1988 as compared to the same period in 1987, as excessive levels of drugs have reportedly been detected in Taiwanese pork. Meanwhile, Denmark is reported to have taken the biggest advantage of this incident. Pork imports from Hong Kong totalled 230,000 tons in 1987 (of which 70 per cent were represented by pork from imported live pigs and 30 per cent by fresh and frozen pork), the main supplier being China. As demand for pork is likely to continue its upward trend, imports are expected to rise in 1988.

SELECTED COUNTRIES' TRADE IN PIGMEAT[1/]

EXPORTS

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
EC	442.0	400.0	-9.5	...	...
CHINA[2/]	247.0	266.0	7.7	...	...
CANADA	234.1	245.0	4.7	235.0	-4.1
GERMANY, D.R.[2/]	230.0	220.0	-4.3	...	...
TAIWAN[2/]	155.0	155.0	0.0	...	...
HUNGARY	146.7	160.0	9.1	...	...
ROMANIA[2/]	140.0	150.0	7.1	...	...
POLAND	115.7	120.0	3.7	...	...
UNITED STATES	49.0	66.0	34.7	60.0	-9.1
SWEDEN	36.4	35.0	-3.8	41.0	17.1
OTHERS	254.1	...	...	...	...
TOTAL[3/]	2,050.0	...	...	...	...

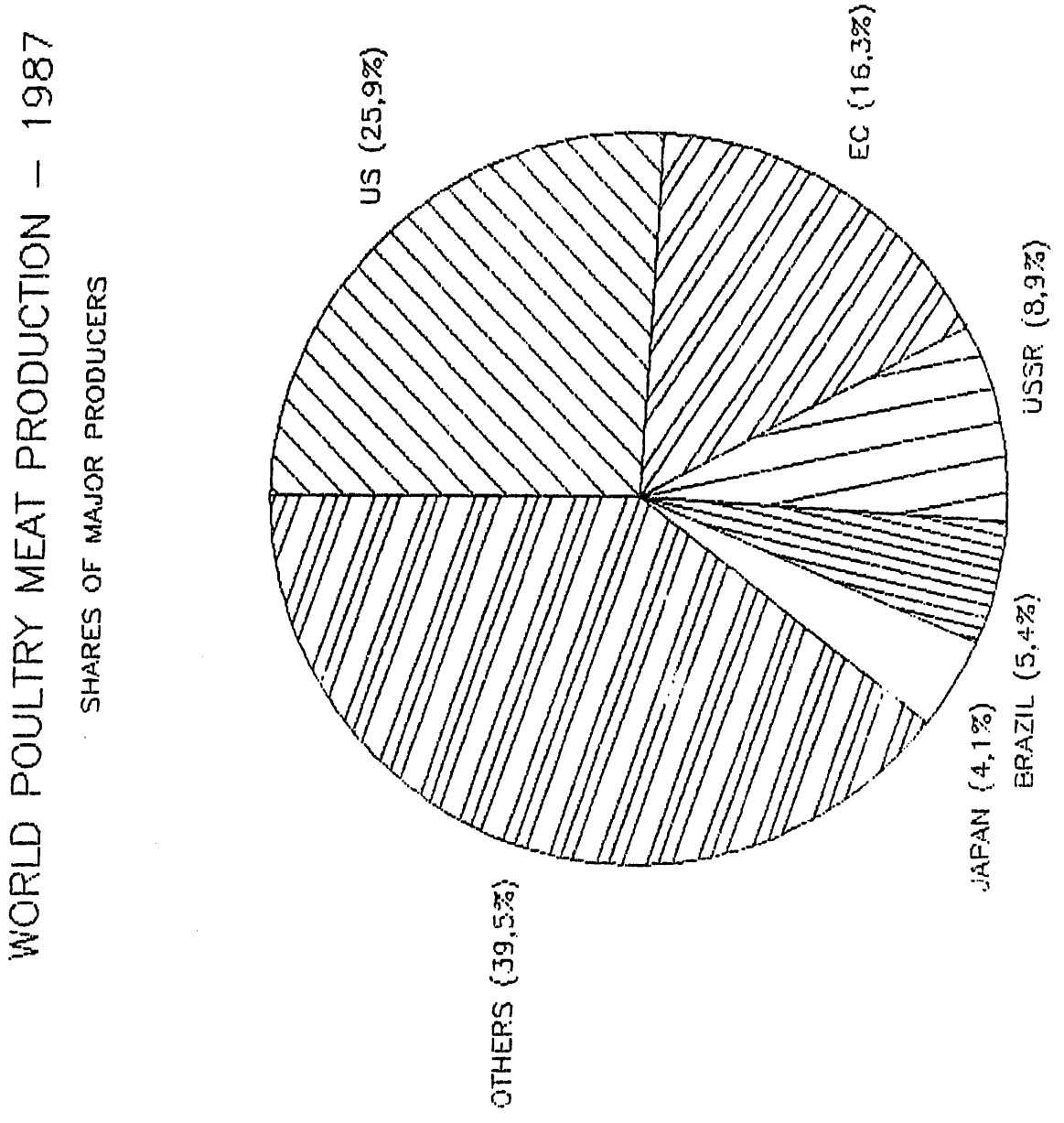
IMPORTS

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
UNITED STATES	542.0	578.0	6.6	544.0	-5.9
JAPAN	400.0	460.0	15.0	...	...
USSR[2/]	260.0	260.0	0.0	...	...
HONG KONG[2/]	230.0	235.0	2.2	...	...
EC	92.0	130.0	41.3	...	...
BRAZIL	35.0	2.0	-94.3	2.0	0.0
POLAND	28.6	28.0	-2.1	...	...
OTHERS	112.4	...	...	...	...
TOTAL[3/]	1,700.0	...	...	...	...

[1/] '000 tons carcass weight, includes fresh, frozen and canned product and live animals. Unless otherwise specified, data are taken from replies to the questionnaire, or are estimates by the GATT secretariat.

[2/] Source: USDA, World Livestock and Poultry Situation, September 1987

[3/] Source: FAO Commodity Review and Outlook 1987-88


WORLD POULTRY MEAT PRODUCTION - 1987
SHARES OF MAJOR PRODUCERS
US (25,9%)
EC (16,3%)
USSR (8,9%)
BRAZIL (5,4%)
JAPAN (4,1%)
OTHERS (39,5%)

The poultry meat sector

4. According to the FAO, estimated world poultry meat production totalled 35.21 million tons in 1987, up by some 6.3 per cent on year earlier. Total production in countries participating in the Arrangement Regarding Bovine Meat (information is available for twenty-four countries) reached 22.6 million tons, which represents 64.2 per cent of the world total and a 7.9 per cent rise compared to 1986. Current forecasts for total production in countries members of the Arrangement indicate that production should reach 23.4 million tons in 1988 and 24.2 million tons in 1989. These figures denote a slowdown in the growth (4 per cent for 1988/87 and 3.4 per cent for 1989/88), due mainly to higher feed prices. Among these countries, production in 1988 is expected to fall only in Romania and Sweden, but for both a recovery is forecast for 1989. The highest growth of production should come from Poland (+27.7 per cent), where a better use of homegrown feeds has been producing good results. Nevertheless, poultry meat production will be below the 1981 level (i.e., 431 thousand tons). Hungarian output in 1988 should be 3.4 per cent higher than in 1987, but broiler production is expected to be lower. In North America, poultry meat supply in 1988 is estimated to be up by some 4 per cent on year earlier, and growth should be distributed equally between broilers and turkeys. In the USSR, broiler production (which represents 55 per cent of poultry meat production) is forecast to grow by about 2 to 3 per cent in 1988 and 1989.

5. Like production, total consumption of poultry meat in 1987 in participating countries rose by some 7.6 per cent as compared to 1986. In 1988, it is expected to reach 22.4 million tons, representing a growth of 3.8 per cent on year earlier and marking the slowdown expected for the current year. The consumption rise concerns all participating countries, except Argentina (-14.9 per cent), Egypt (-6.5 per cent) and Romania (-7.1 per cent). In the current year, per capita consumption in Poland should increase by 20 per cent, reaching some 9.7 kg./capita. For those countries not members of the Arrangement where per capita consumption attains a level of 20 to 40 kg. (Middle East, South East Asia), it is expected that it should increase by some 2-3 per cent in 1988, but for 1989 a stagnation or even a marginal decrease is currently foreseen.

6. World poultry meat exports in 1987 rose by 16.6 per cent to 1.51 million tons. Forecasts for 1988 and 1989 - 1.47 and 1.49 million tons respectively - indicate that in 1987 a record was established. This situation can be explained by increased domestic production in the Middle East area - it should accrue by some 14 per cent in 1988 and by 6 per cent in 1989 - which in 1987 was responsible for 26.5 per cent of total world imports of poultry meat. Exports of poultry meat by North America in 1988 are expected to drop, both because of higher domestic prices and lower imports from the Middle East. Brazilian exports are expected to continue rising in 1988 and 1989. Following the big increases of last year, 1988 exports by Romania (+83 per cent on year earlier) and Thailand (+26 per cent on year earlier), are estimated to decrease. However, in Romania, where forecasts show a 10 per cent decrease this year and whose major outlets are the USSR and the Middle East, exports in 1989 should return to their 1987 level. In Thailand, 1989 exports are expected to be higher than those of 1987, reaching 100 thousand tons.

SELECTED COUNTRIES' TRADE IN POULTRY MEAT[1/]

EXPORTS

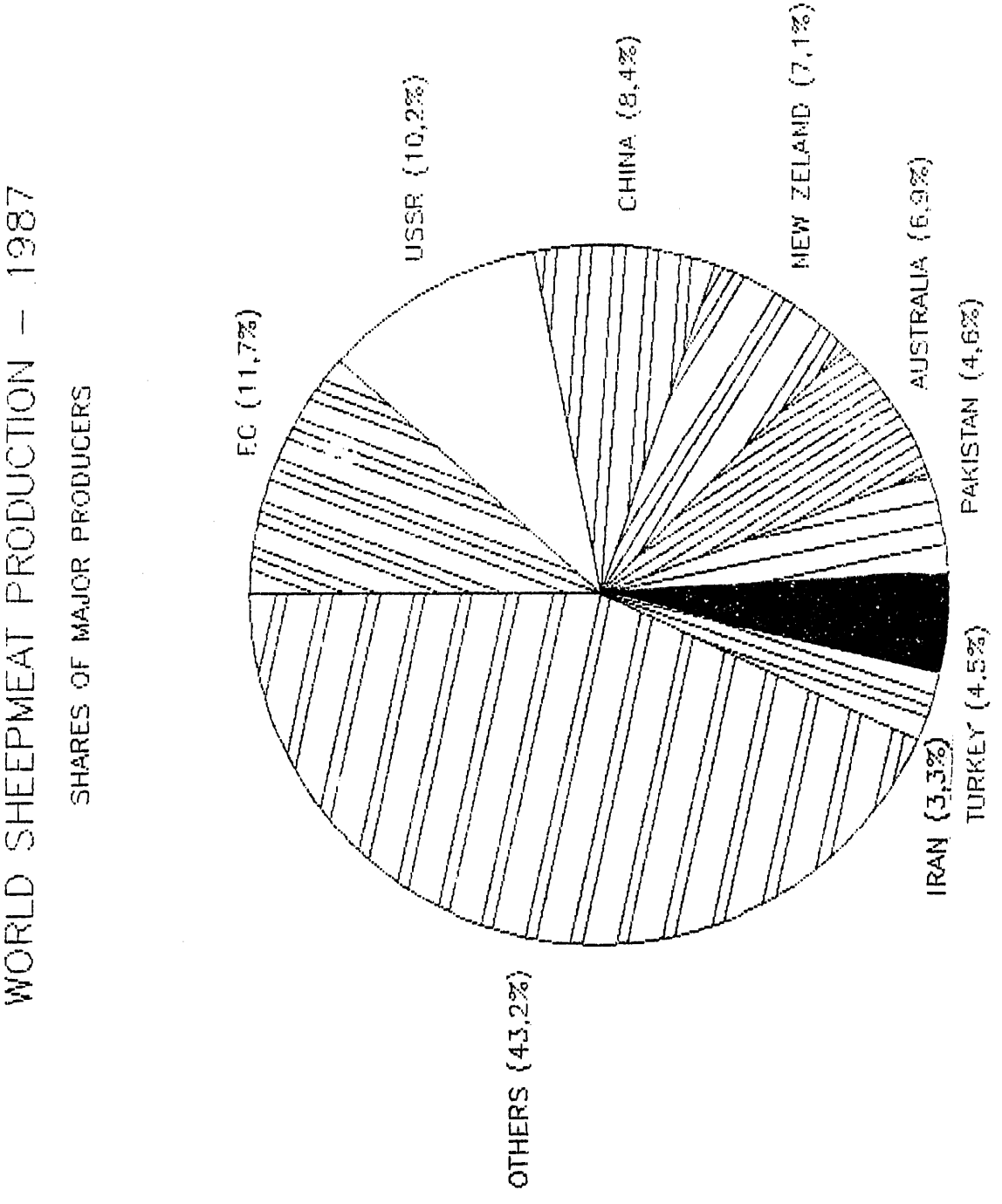
	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
EC	375.0	325.0	-13.3	...	...
UNITED STATES[2/]	363.0	337.0	-7.2	326.0	-3.3
BRAZIL	198.0	230.0	16.2	270.0	17.4
HUNGARY	196.0	218.0	11.2	222.0	1.8
ROMANIA[2/]	110.0	100.0	-9.1	110.0	10.0
THAILAND	96.0	95.0	-1.0	100.0	5.3
BULGARIA	23.6	20.0	-15.3	20.0	0.0
OTHERS	152.4	141.0	-7.5	440.0	212.1
TOTAL WORLD[2/]	1,514.0	1,466.0	-3.2	1,488.0	1.5

IMPORTS

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
MIDDLE EAST[2/]	331.0	269.0	-18.7	260.0	-3.3
JAPAN	195.0	212.0	8.7	217.0	2.4
USSR[2/]	169.0	170.0	0.6	170.0	0.0
HONG KONG[2/]	148.0	162.0	9.5	167.0	3.1
EC	84.0	84.0	0.0	...	...
EGYPT[2/]	65.0	51.0	-21.5	35.0	-31.4
OTHERS	255.0	251.0	-1.6	342.0	36.3
TOTAL WORLD[2/]	1,247.0	1,199.0	-3.8	1,191.0	-0.7

[1/] '000 tons, ready-to-cook basis. Unless otherwise specified, data are taken from replies to the questionnaire, or are estimates by the GATT secretariat.

[2/] Source: USDA, Dairy, Livestock and Poultry, World Poultry Situation, September 1988


WORLD SHEEPMEAT PRODUCTION - 1987
SHARES OF MAJOR PRODUCERS
EC (11,7%)
USSR (10,2%)
CHINA (8,4%)
NEW ZELAND (7,1%)
AUSTRALIA (6,9%)
PAKISTAN (4,6%)
TURKEY (4,5%)
IRAN (3,3%)
OTHERS (43,2%)

The sheepmeat sector

7. While 1987 world production of sheepmeat (including goatmeat) is estimated by the FAO to have totalled 8.6 million tons (+2.5 per cent on year earlier), production in the twenty-one countries participating in the Arrangement Regarding Bovine Meat, for which information is available, totalled 2.99 million tons, the same level as in 1986. Among these countries, production in 1988 is likely to drop only in Australia, New Zealand, Norway and Poland. In New Zealand, total sheep numbers are expected to have fallen to 64.6 million by June 1988, thus completing their fifth successive year in decline, totalling an 8 per cent drop compared to 1983. New Zealand production in 1988 is expected to decrease slightly, marking the fourth year of continued decline. As profitability is still weak, a new decline is currently foreseen for 1989. In other major countries, production in 1988 is forecast to continue rising, particularly in the European Community (+4 per cent), China (up by 9 per cent, to 732,000 tons) - where strong wool prices have been encouraging wool sheep production - and the USSR (+0.6 per cent, up to 880,000 tons) - where a mild winter and spring is believed to have encouraged expansion. For all these countries, production is likely to continue its upward trend in 1989.

8. Total consumption in 1987 in participating countries was up by 0.4 per cent on year earlier, to 2.6 million tons. In 1988, per capita consumption is expected to drop in Australia, Canada and Norway, while larger increases are likely to come from Sweden and New Zealand. No major change in the growth rate of total consumption in the countries members of the Arrangement is currently foreseen for 1989.

9. World sheepmeat and goatmeat exports in 1987 attained 1.05 million tons, up by some 6.4 per cent on 1986. Total exports of countries members of the Arrangement represented 83 per cent of this total (867,800 tons), exports of Australia and New Zealand accounting for 70 per cent of the total. Major sales of New Zealand sheepmeat go to the EC (mainly lamb cuts and value-added products) and Iran (principally lamb carcass). Real wholesale price level for New Zealand lamb is at its lowest point for one-and-a-half decades, as a result of low prices in the United Kingdom and Middle East markets. New Zealand exports in 1988 and 1989 to Iran are expected to increase (a contract has been signed between both countries concerning sales of 100,000 tons of lamb and 25,000 tons of mutton over 1988/89). As regards New Zealand lamb exports to the EC, a new agreement was signed between the two countries in mid-October, concerning the period 1989-1992. New Zealand is expected to reduce its deliveries of lamb to 205,000 tons - slightly above current deliveries - but as a compensation, the import levy (10 per cent ad valorem) will be abolished. New Zealand chilled lamb exports to the EC are limited to 6,000 tons for 1989, but they will increase by 1,500 tons a year for the three following years.

SELECTED COUNTRIES' TRADE IN SHEEPMEAT[1/]

EXPORTS

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
NEW ZEALAND	518.7	508.0	-2.1	478.0	-5.9
AUSTRALIA	214.8	205.0	-4.6	...	...
ROMANIA[2/]	45.0	45.0	0.0	...	...
TURKEY[2/]	35.0	40.0	14.3	...	...
BULGARIA[2/]	30.0	30.0	0.0	...	...
INDIA[2/]	21.0	24.0	14.3	...	...
KOREA, Rep. of[2/]	14.0	15.0	7.1	...	...
OTHERS	171.5	...	...	...	...
TOTAL[3/]	1,050.0	...	...	...	...

IMPORTS

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
EC	257.0	240.0	-6.6	...	...
JAPAN	153.0	160.0	4.6	...	...
USSR[2/]	42.0	43.0	2.4	...	...
EGYPT[2/]	7.0	8.0	14.3	...	...
OTHERS	591.0	...	...	...	...
TOTAL[3/]	1,050.0	...	...	...	...

[1/] '000 tons carcass weight, includes fresh, frozen and canned product and live animals. Unless otherwise specified, data are taken from replies to the questionnaire, or are estimates by the GATT secretariat.

[2/] Source: USDA, World Livestock and Poultry Situation, September 1987

[3/] Source: FAO Commodity Review and Outlook 1987-88

II. SITUATION AND OUTLOOK IN SELECTED COUNTRIES

Australia

10. Pigmeat production in 1988 is expected to increase at the same rate as over the past five years, i.e., 2 to 3 per cent, reaching 290.2 thousand tons, and some 5 per cent in 1989. As a result of this situation and of lower beef availabilities, per capita consumption of pigmeat should pass from 16.9 kg. in 1988 to 18.3 kg. in 1989. Australian exports have been increasing during the past few years, and in 1988 they should total 10.7 thousand tons. As regards poultry meat, production in 1988 should slow down and increase only by some 2 per cent, attaining 405.2 thousand tons. Per capita consumption, at 24.8 kg., should be up by only 1.2 per cent, but a better evolution is forecast for 1989.

11. Total sheep slaughtering until August 1988 totalled 8.2 million heads, 10.4 per cent behind the same period in 1987, and for the whole year of 1988 it should reach 14.6 million heads (2.7 per cent less than 1987). Total lamb and mutton production is expected to decrease by 5.1 per cent in 1988, reaching 566.3 thousand tons, as record wool prices of 1987 stimulate producer to hold on live sheep to older stock in order to increase wool returns. Per capita consumption should fall to 21.7 kg. in 1988, and no major change is currently foreseen for the next two years. Sheepmeat exports in 1988 are likely to drop by some 4.5 per cent on year earlier, reaching 205 thousand tons. Exports to the European Community and to South and East Asia should increase; and those to the Middle East should decrease marginally due to high prices. Japanese imports should drop by 15 per cent on year earlier, mostly due to increased competition from New Zealand. Nevertheless, imports from Iran and the USSR, which are difficult to forecast, could change this situation.

Brazil

12. Pigmeat production in 1988 is expected to decrease by 4.2 per cent on year earlier, reaching 1.15 million tons, as low pigmeat prices and high feedgrain prices result in low profitability. However, a recovery is foreseen for 1989, when production should return to its 1987 level. As a consequence, per capita consumption should be marginally higher in 1989 if compared to 1988, but it will not yet be higher than 1987. Pigmeat imports should drop from 35 thousand tons in 1987 to 2 thousand tons in 1988 as the domestic bovine meat market seems to have overcome the crisis period of 1986-1987. Exports are likely to be the same as in 1987, with an acceleration in 1989.

13. Brazilian poultry meat production in 1988 should reach some 2.0 million tons, showing an increase of 5.3 per cent on year earlier, a lower increase than in 1987/86. This situation is due mainly to the very low prices of poultry meat (the lowest for the past four years), which is a result of the decline in consumer purchasing power, coupled with the higher prices of feedgrains. Per capita domestic consumption should continue its progression, and with 12.1 kg. in 1988, it should be just 10 per cent less than beef and veal per capita consumption. Exports in 1988, which should attain 230 thousand tons, are for the first time since 1982 expected to

increase. The loss of some important markets such as Iraq and Egypt can explain this previous decrease, but Brazilian industry has been looking for new markets, the most recent ones being Cuba and probably the USSR. In 1989, production growth is forecast to accelerate, but per capita consumption growth should slow down. As regards exports, growth should attain the same level as in 1988, i.e., 16-17 per cent on year earlier.

European Community

14. Pig numbers in January 1988 in the EC increased slightly on year earlier, and estimates indicate that the expansion of pig herd should come to a halt. The new environmental legislation and reduced profitability are the two major reasons for such an evolution. Pigmeat production rose by 1.4 per cent in 1987 and in 1988 it should decline marginally, as pigmeat prices continued their depression during the first half of 1988. However, in the second half of the year prices should go up, and it is expected that in the last quarter of 1988 they should be 5 per cent higher than year earlier. Per capita consumption is expected to decrease in 1988 (-0.8 per cent) to 37.5 kg. The EC is the first world exporter of pigmeat with a 20 per cent market share. In 1988, exports are estimated to reach 400,000 tons, a drop of 10 per cent on year earlier, as a result of contractions in the pig sector. Imports of pigmeat in 1987 totalled 92,000 tons, the lowest figure for the last few years, but in 1988 they should return to their 1986 level, i.e., 130,000 tons.

15. Poultry meat production in 1988 in the EC is expected to rise by 2.5 per cent on year earlier, denoting a slowdown in growth. The low prices of poultry meat, caused by a rapid rate of expansion in the last few years, are one of the major reasons for this situation. Per capita consumption in 1988 and 1989 is forecast to continue its upward trend, reaching some 17.3 kg. and 17.6 kg. respectively. Exports of poultry meat are expected to decline in 1988, and for the first time since 1976 the EC will lose its first place among world exporting countries. The increased use by the United States of its Export Enhancement Programme is the major cause of this situation, and, in the EC, exporters are claiming that their refunds are no longer sufficient to allow them to compete in some markets.

16. The total sheep flock expanded in 1987 by 2.4 per cent, with an increase of 3.1 per cent in the breeding flock. As a result, production in 1988 is estimated to rise by 4 per cent, to 1,045,000 tons, but forecasts for 1989 show a lower increase (around 2 per cent). Per capita consumption of sheepmeat in 1988 is expected to continue its upward trend and should attain 3.9 kg. (+2.6 per cent on year earlier), but forecasts show that in 1989 it should be the same as in 1988. As regards imports, they should fall in 1988 to 240,000 tons.

United States

17. Pig inventory on 1 June 1988 was, at 7.5 million head, the largest since 1983. However, pig numbers by the end of the year should fall, as bad climatic conditions during this year (drought in the beginning of the year, excessive heat and humidity in late spring and early summer) are supposed to result in a reduction of producers' returns (average prices of

barrows and gilts are expected to decrease by 18 to 13 per cent on year earlier). Production and per capita consumption in 1988 are estimated to rise by some 9 per cent compared to 1987. Forecasts for 1989 indicate a decline in both production and consumption, while prices are expected to be higher. With a market share of more than 30 per cent, the United States is by far the world's leading importer of pigmeat. The current year's purchases should attain 578,000 tons, up by 6.6 per cent on year earlier, coming mainly from Canada and Denmark. Also an exporter, the United States pigmeat sales abroad should be up by 35 per cent in 1988, mostly because of a high increase in Japanese imports during the second quarter. Imports and exports in 1989 are forecast to drop by less than 10 per cent.

18. Growth of poultry meat production is expected to slow down in 1988 and 1989, and at a rate of some 4 per cent, should attain 9.5 and 9.8 million tons respectively. This situation is due mainly to higher poultry meat prices, and production of turkey meat (20 per cent of total poultry meat production) should suffer more than production of broiler meat (78 per cent of production). Per capita consumption of poultry meat is estimated to continue rising, and in 1989 it should be only 12 per cent less than per capita beef and veal consumption (in 1984, the former was 38 per cent less than the latter). Exports in 1988 are expected to drop for the first time since 1984, principally because of higher domestic prices and increase production in the Middle East. Nevertheless, exports in 1988 should surpass European Community exports for the first time since 1976, largely aided by the Export Enhancement Program (EEP). For the period January to July 1988, Japanese imports of poultry meat increased by 42 per cent, while Iraq and Hong Kong imports were down by 81 and 3 per cent respectively.

19. Sheepmeat production in 1988 in the United States is likely to start increasing after four years of continued decline. Higher production and imports in 1988 (up by 6.4 per cent and 30 per cent respectively on year earlier) are the causes of expected downward prices for the current year. Nevertheless, per capita consumption is not yet expected to rise in 1988 and 1989.

III. SUMMARY OF SITUATION IN CERTAIN COUNTRIES NOT SIGNATORIES OF THE ARRANGEMENT REGARDING BOVINE MEAT

Soviet Union

20. Cattle and calf numbers on state and collective farms fell by 1 per cent in 1987, to 97 million head. Production of bovine meat increased by some 1 per cent in 1987, reaching 7.9 million tons, due mainly to productivity improvements. In 1988, this production should decrease and reach 7.7 million tons (-2.5 per cent on year earlier), as it was expected that the proportion of pigmeat and poultry meat in total meat output should rise at the expense of bovine meat. Forecasts for 1989 show that production should increase, principally because a more adequate feed for livestock - richer in proteins and vitamins - is being used.

21. Imports of bovine meat attained 342,000 tons in 1987 (+2.1 per cent on year earlier) and, while negotiations for a purchase of 200,000 tons from the EC continue, they are expected to increase by 8.2 per cent in 1988.

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
Cattle and calf numbers[1]:	122,100.0	120,500.0	-1.3	...	...
Beef and veal[2],[3]:					
Production[4]	7,900.0	7,700.0	-2.5	7,800.0	+1.3
Consumption[3]	8,435.0	8,500.0	+0.8	...	...
Imports[3]	342.0	370.0	+8.2	...	...

[1] '000 head, 1 January [2] '000 tons

[3] Source: USDA, World Livestock and Poultry Situation, FL&P, 1-87, September 1987

[4] Source: MLC, Meat Market Review, June 1988

Hong Kong

22. Bovine meat demand in Hong Kong came from two different sectors: retail business and catering - 40 per cent and 60 per cent of bovine meat consumption respectively. Cattle and calf numbers are around 3,000 head. China is Hong Kong's first supplier of live cattle and fresh, chilled and frozen beef and veal. Imports of live cattle in 1987 attained 3.2 million head, and they permit production in 1987 to reach 37.2 thousand tons. In 1987, the Meat Export Federation of the United States, within the context

of the Targeted Export Assistance Programme, improved its action in the Hong Kong market by a credit of US$500,000. Imports of bovine meat from the United States in 1987 reached 2,530 tons and for the period January to July 1988 they totalled 1,151 tons (up by 8.3 per cent compared to the same period in 1987). Meanwhile, imports from South American countries are increasing.

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
Cattle and calf numbers:	3,000.0	...	...	...	...
Beef and veal[1/]:					
Production[2/]	37.2	...	...	...	...
Consumption[3/]	79.0	80.0	+1.3	...	...
Exports[3/]	80.0	80.0	-	...	...

[1/] '000 tons

[2/] Source: In Brief, Australian Meat and Livestock Corporation, May 1988

[3/] Source: USDA, World Livestock and Poultry Situation, FL&P 1-87, September 1987 and secretariat estimates

South Korea

23. Until 1983, South Korea was an important bovine meat importing country. Since 1984, however, Korean imports of beef have fallen dramatically: from 67 thousand tons in 1983 to 26.4 thousand tons in 1984 and from late October 1984 the Government banned imports. This situation was due mainly to higher production of pork and beef - +15 per cent and +36 per cent respectively on year earlier - coupled with a decline in cattle prices. In 1987, bovine meat production reached 196 thousand tons (+117.8 per cent compared to 1983) and pigmeat production attained 368 thousand tons (24.7 per cent more than 1983 production). In order to stabilize domestic cattle prices and to reduce trade friction with other nations - principally Australia, the United States and New Zealand, the traditional meat suppliers of South Korea - the Government announced in July its commitment to import up to a maximum level of 14.5 thousand tons of beef during the current year, including 3 thousand tons of high-quality beef for hotels. Imports in 1988 should come mostly from the United States, but for the next year imports should also come from other countries. In spite of this improvement, three GATT panels were established this year at the request of Australia, the United States and New Zealand.

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
Cattle and calf numbers:	...	...	...	...	...
Beef and veal[1]:					
Production[2]	196.0	216.0	+10.2	...	...
Consumption[2]	203.0	216.0	+6.4	...	...
Imports	-	14.5	+100.0	...	...

[1] '000 tons

[2] Source: USDA, World Livestock and Poultry Situation, FL&P 1-87, September 1987

Saudi Arabia

24. Production of bovine meat is stabilized at some 18,000 tons, which represents only 5 per cent of total meat production. This situation is due mainly to the climatic conditions in the country, as desert regions need infrastructures too large and expensive. After the big development of the meat market during the 1970's and the beginning of the 1980's, the Saudi Arabian market has been gradually losing importance as oil prices keep going down. Imports of fresh, chilled and frozen beef and veal are expected to drop by 63 per cent in 1988, and compared to their level of 1981, imports in 1988 should be down by 78 per cent. As a consequence, per capita consumption, which attained 6.1 kg. in 1987, is expected to decrease considerably in 1988.

	1987	Estimates 1988	%Change 1988/87	Forecast 1989	%Change 1989/88
Cattle and calf numbers[1]:	200.0	200.0	-	...	...
Beef and veal[2]:					
Production[3]	18.0	18.0	-	...	...
Consumption[3]	73.0	40.0	-45.2	...	...
Imports	59.8	21.9	-63.4	...	...

[1] '000 head, including buffalo, 1 January [2] '000 tons

[3] Source: USDA, World Livestock and Poultry Situation, FL&P 1-87, September 1987