

GENERAL AGREEMENT ON

RESTRICTED

L/6572

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TARIFFS AND TRADE

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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 1988 report¹, the International Meat Council (IMC) has held two regular meetings on 16 December 1988 and on 14 June 1989, which were both preceded by meetings of the Meat Market Analysis Group (MMAG). At its June 1989 meeting, the IMC re-elected Mr. José Ramón Prieto (Spain) as its Chairman and Mr. Kunio Naito (Japan) as Vice-Chairman. The MMAG re-elected Mr. Péter Balás (Hungary) as its Chairman. Currently the Arrangement Regarding Bovine Meat has twenty-seven signatories² representing thirty-eight countries.
2. Both meetings discussed the functioning of the Arrangement, the meat markets situation and outlook (which, as usual, were debated more in depth in the MMAG meetings) and questions of a policy nature of special concern to participants.
3. In its discussions regarding the functioning of the Arrangement, the IMC noted that a large majority of participants had already adopted the Harmonized System and that others would do so shortly. It was accordingly decided to adapt Article II of the Arrangement (product coverage) to the new commodity description and coding system.³ The IMC agreed that for participants not yet having introduced the Harmonized System, the former version of Article II would continue to be applied until such time as the participants concerned introduced the System.
4. The IMC also noted that there seemed to be room for improvement in a number of procedural questions. It was consequently decided that an informal meeting(s) would be called to discuss such questions and that possible resulting procedural improvements should be submitted for adoption to the next IMC December 1989 meeting. It was noted that such an exercise should not preclude the necessity of a more formal re-examination of the Arrangement by the end of the Uruguay Round.

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

³IMC/25

5. The bovine meat market situation has improved markedly in the last three years. In 1988, world beef and veal production fell for the first time in the last few years and should fall further in the current one. Because production fell in both some major exporting and importing countries (and/or areas), lower export availabilities coincided with stronger import demand. Although in 1988 the volume of trade increased sharply (at the expense of domestic consumption in some exporting countries (and/or areas) or the existence of large stocks in others) it is anticipated that it will contract this year. However, the contraction of supply coupled with the rise in demand, resulted in strengthening international bovine meat prices and the value of trade should rise further this year in spite of its lower volume. The IMC noted that, independently of other factors (especially the sharp fall in stock levels in some regions and the decreasing competition from alternative meats due to higher grain prices), a number of policy decisions in this sector have undoubtedly contributed to a brighter situation and agreed that prospects are promising for at least the next one to three years.

6. In the discussion of questions of a policy nature of special concern to participants, the representatives of Brazil and Sweden informed the IMC of policy changes in the meat sector in their respective countries, while the representative of Canada answered questions related to the Free Trade Agreement with the United States and the Canadian Tripartite Stabilization Programme. In the December 1988 meeting, the EC representative informed the Council that the interdiction to import meat from animals treated with growth hormones would enter into force on 1 January 1989. A certain number of participants expressed their serious concern about the EC decision.