

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

Group "Agriculture"

Sub-Group on Meat

DRAFT

ARRANGEMENT REGARDING BOVINE MEAT

Revision

1. The present document contains the text of the draft arrangement regarding bovine meat as it results from the negotiations in July 1978.<sup>1</sup>

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<sup>1</sup>The draft text, contained in MTN/ME/W/24/Rev.5 and its Addendum 1, has been revised twice during the July session and has been distributed as documents INT(78)30 and INT(78)30/Rev.1.

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	<u>/for information only//</u>	

ARRANGEMENT REGARDING BOVINE MEAT

Preamble

Convinced that increased international co-operation should be carried out in such a way as to contribute to the achievement of greater liberalization, stability and expansion in international trade in meat and live animals;

Taking into account the need to avoid serious disturbances in international trade in bovine meat and live animals;

Recognizing the importance of production and trade in bovine meat and live animals for the economies of many countries, especially for certain developed and developing countries;

Mindful of their obligations to the principles and objectives of the General Agreement on Tariffs and Trade;

Determined, in carrying out the aims of this Arrangement to implement the principles and objectives agreed upon in the Tokyo Declaration of Ministers, dated 14 September 1973 concerning the Multilateral Trade Negotiations, in particular as concerns special and more favourable treatment for developing countries.

The participants in the present Arrangement have, through their representatives, agreed as follows:

PART ONE

GENERAL PROVISIONS

Article I - Objectives

The objectives of this Arrangement shall be:

- (1) to promote the expansion, ever greater liberalization and stability of the international meat and livestock market for the mutual benefit of both importing and exporting countries;
- (2) to encourage greater international co-operation in all aspects affecting the trade in bovine meat and live animals with a view in particular to greater rationalization and more efficient distribution of resources in the international meat economy.
- /(3) to internationalize meat markets to the benefit of both consumer and producer, importer and exporter;<sup>1/</sup>
- /(4) to facilitate the progressive dismantling of obstacles and restrictions to /including those which compartmentalize<sup>1/</sup> world trade in bovine meat and live animals and to improve the international framework of<sup>2/</sup> world trade to the benefit of both consumer and producer, importer and exporter<sup>3/</sup>.
- (5) to secure additional benefits for the international trade of developing countries in bovine meat and live animals through an improvement in the possibilities for these countries to participate in the expansion of world trade in these products, /by means of inter alia:
  - (a) securing long-term stability of real prices in the context of an expanding world market for meat and live bovine animals; and
  - (b) securing the maintenance and improvement of the real earnings of developing countries that are exporters of meat and live bovine animals.<sup>3/</sup>
- /(6) to maintain and develop trade flows for traditional and efficient exporters;<sup>1/</sup>
- /(7) to permit regular consultation and evaluation of the world supply and demand situation for bovine meat and live animals and<sup>4/</sup> /to identify possible solutions within a multilateral framework for consideration by governments<sup>1/</sup> so as to reduce market instability and facilitate the orderly expansion and liberalization of trade in the bovine sector.<sup>1/</sup>

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<sup>1/</sup>Amendment by Argentina.

<sup>2/</sup>Amendment by the European Communities.

<sup>3/</sup>Amendment by Mexico.

<sup>4/</sup>Amendment proposed by Australia.

Article II - Product Coverage

This Arrangement applies to bovine meat. For the purpose of this Arrangement, the term "bovine meat" is considered to include:

	<u>CCCN</u>
(a) Live bovine animals	01.02
(b) Meat <u>/and edible offals/</u> of bovine animals, fresh, chilled or frozen	ex 02.01
(c) Meat <u>/and edible offals/</u> of bovine animals, salted, in brine, dried or smoked	ex 02.06
(d) Other prepared or preserved meat or offal of bovine animals	ex 16.02

and any other product that may be added by the International Meat Council, as established under the terms of Article VII of this Arrangement, in order to accomplish the objectives and provisions of this Arrangement.

Article III - Information and Market Monitoring

1. All participants agree to provide regularly and promptly to the Council, the information which will permit the Council to monitor and assess the overall situation of the world market for meat and the situation of the world market for each specific meat.
2. Participating developing countries shall furnish the information available to them. In order that these countries may improve their data collection mechanisms, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.
3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance and current situation and an assessment of the outlook regarding production (including the evolution of the composition of herds), consumption, prices, stocks of and trade in the products referred to in Article II, and any other information deemed necessary by the Council, in particular on competitive products. Participants shall also provide information on their domestic policies and trade measures including bilateral and plurilateral commitments in the bovine sector, and shall notify as early as possible any changes in such policies and measures that are likely to affect international trade in live bovine animals and meat. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.
4. The secretariat of the Arrangement shall monitor variations in market data, in particular herd sizes, stocks, slaughterings and domestic and international prices, so as to permit early detection of the symptoms of any serious imbalance in the supply and demand situation. The secretariat shall keep the Council apprized of significant developments on world markets, as well as prospects for production, consumption, exports and imports.

Article IV - Alternative 1 - /Functions of the  
International Meat Council and Co-operation between  
the Participants to this Arrangement

1. The Council shall meet in order to:
  - (a) evaluate the world supply and demand situation and outlook on the basis of an interpretative analysis of the present situation and of probable developments drawn up by the secretariat of the Arrangement, on the basis of documentation provided in conformity with Article III of the present Arrangement, and of any other information available to the secretariat;
  - (b) proceed to a comprehensive examination of the functioning of the present Arrangement.
2. If after evaluation of the world supply and demand situation referred to in paragraph 1(a) of this Article, or after examination of information pursuant to paragraph 3 of Article III, the Council finds that a serious imbalance or a threat thereof is developing in the international meat market, the Council will proceed by consensus, taking into particular account the situation in developing countries, to identify, for consideration by governments, possible solutions to remedy the situation.
3. Measures which could be taken in terms of paragraph 2 of this Article, could include unilateral, bilateral, plurilateral or multilateral actions, having a direct or indirect impact on supply and/or demand in world markets, and could be reflected in the management of policies. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium-, or long-term measures to contribute to improve the overall situation of the world market.
4. When considering the suggested measures pursuant to paragraphs 2 and 3 of this Article, due consideration shall be given to special and more favourable treatment to developing countries, where this is feasible and appropriate./

5. /Any participant may raise before the Council any matter affecting this Arrangement./

Alternative (i)

/Without prejudice to GATT Article XXII procedures/ each participant shall /promptly/ afford adequate opportunity for consultation regarding such representations as may be made by any other participant with respect to any matter affecting this Arrangement. If a satisfactory solution cannot be reached the Council shall, at the request of a participant, meet within a period of not more than /X/ days to consider the matter, with a view to facilitating a satisfactory solution, /and shall make the relevant recommendations to settle the dispute./

If, following consideration by the Council, problems continue to exist between participants and these affect the rights and obligations of participants under the GATT, participants shall have recourse to the normal GATT dispute settlement procedures./

Alternative (ii)

/Without prejudice to GATT Article XXII procedures/ each participant shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as may be made by another participant with respect to any matter affecting the operation of this Arrangement. /The participants/ /the Council/ may, at the request of a participant, consult with any /other/ participant or participants in respect of any matter for which it has not been possible to find a satisfactory solution through consultation /as set out above./

Alternative (iii)

/The Council shall, at the request of a participant, meet within a period of not more than /X/ days to consider any matter affecting the present Arrangement with a view to facilitating the application of the objectives of the present Arrangement /and shall make the relevant recommendations to settle the dispute./

Alternative (iv)

/In accordance with Article XXII, but without prejudice to having immediate recourse to the procedures foreseen in that Article and other Articles of GATT, each participant shall promptly afford adequate opportunity for consultations regarding such representation as may be made by any other participant with respect to the working of this Arrangement. At the request of a participant the Council shall meet within a period of no more than /X/ days to consider the matter./



Alternative 2 - /Supply/Demand Evaluation and Consultation

- (a) The Meat Council shall meet in order to evaluate the world supply and demand situation and outlook on the basis of an interpretative analysis of the present situation and probable developments drawn up by the secretariat of the Arrangement.
- (b) With a view to encouraging the greater stability and growth in international trade in beef the Meat Council shall provide opportunity for regular consultation on all matters affecting trade in the bovine sector.
- (c) Supply/Demand Evaluation and Consultation provided under (a) and (b) shall be based on the documentation provided in conformity with Article III of the present Arrangement, and of any other information available to the secretariat.<sup>1/</sup>

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<sup>1/</sup>Proposal by Australia.

/Article V - Other General Provisions

1. Health and veterinary measures

Alternative 1

/In accordance with the provisions of Article XX of the General Agreement, participants recognize the need to avoid that the measures referred to in this paragraph constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail or a disguised restriction on international trade in the products covered by this Arrangement.

Consequently, participants undertake to notify the Council in writing of any measures they propose to adopt, with an indication of the circumstances which, in their opinion, make the adoption of such measures necessary.

Notification prior to application of a measure may be omitted in the event of urgent problems of human or animal health or of environmental protection, and provided such omission is justified to the entire satisfaction of the Council in the light of the provisions of Article XX of the General Agreement and of the present Arrangement.

The Council, in pursuance of paragraph (5) of Article IV, may adopt such recommendations as it deems appropriate.<sup>1/</sup>

Alternative 2

/(i) In accordance with the provisions of Article XX of the General Agreement, participants recognize that nothing shall prevent a country from taking the measures necessary to protect human or animal life or health, but they likewise recognize the need to avoid that the measures referred to in this paragraph are adopted or applied in such a way as to constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade.

(ii) Participants undertake to notify the Council in writing of any measures they propose to adopt or apply, with an indication of the circumstances which, in their opinion, make the adoption or enforcement of such measures necessary; in case of emergency, participants may dispense with making this prior notification, but shall notify the measures without delay.

(iii) Participants undertake to enter into consultation with any country that so requests concerning the measures that they propose to adopt or that they are applying, with the objective of seeking appropriate solutions.

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<sup>1</sup>Proposal made by Argentina.

(iv) In its rules of procedure the Council shall establish procedural provisions regarding the notifications and consultations referred to in the preceding paragraphs.<sup>17</sup>

2. /Safeguards

Alternative 1

The notification referred to in Article XIX:2 of the General Agreement on Tariffs and Trade shall likewise be made to the Council established under this Arrangement where the emergency action envisaged in that Article concerns products covered by this Arrangement.

The notification shall include a statement of the facts that are causing or threatening to cause, in the opinion of the participant intending to take the action, serious injury to domestic producers of like or directly competitive products.

In any case, and without prejudice to the provisions of Article XIX of the General Agreement on Tariffs and Trade and paragraph (5) of Article IV, participants adversely affected by the action may refer the matter to the Council.

The Council may adopt such recommendations as it deems appropriate.<sup>27</sup>

Alternative 2

/Emergency action on imports

(i) The provisions of the General Agreement on Tariffs and Trade, in particular those of Article XIX, shall remain applicable in the case of emergency action as referred to in this paragraph.

(ii) Participants agree that the notification referred to in Article XIX:2 of the General Agreement on Tariffs and Trade shall likewise be made to the Council established under this Arrangement where the emergency action envisaged concerns products covered by this Arrangement.

(iii) Any participant may bring before the Council any question concerning the action referred to in this paragraph.<sup>37</sup>

3. / (Title to be decided later)

In accordance with the objectives of this Arrangement, as specified in Article I, participants undertake to contribute to the fullest possible extent to the stability, expansion and ever greater liberalization of world trade in (bovine) meat and live animals in the interests of both importing and exporting participants.

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<sup>1</sup> Proposal made by the European Communities.

<sup>2</sup> Proposal made by Argentina.

<sup>3</sup> Proposal made by the European Communities.

To this end, and consistent with the principles, rules and disciplines of the General Agreement on Tariffs and Trade, participants shall on a regular basis, enter into substantive discussions with a view to continuing, beyond the concessions and commitments set out in the schedules to the General Agreement on Tariffs and Trade, the progressive dismantling of obstacles to world trade in (bovine) meat and live animals, including both tariff and non-tariff barriers.<sup>7</sup>

4. /Subsidies

Alternative 1

Participants recognize that subsidies that contribute to distort markets for the products covered by the present Arrangement, including those applied at stages other than that of export whether they have the effect of increasing exports or of reducing imports of those products, jeopardize the achievement of the objectives of this Arrangement.

Accordingly, they undertake to avoid the use of such subsidies and gradually to reduce any that are in force with the object of eliminating them as soon as possible.

Accordingly, participants agree, without prejudice to the provisions of Article XVI of the General Agreement on Tariffs and Trade to notify in writing to the Council the purpose and nature of any subsidies maintained by them, with an indication of their estimated effects on the quantity of the product or products imported or exported by them and the circumstances which, in their opinion, make the subsidy necessary.

Likewise, participants maintaining subsidies shall examine, with any participant or participants that so request, or in the Council, upon request by an interested participant, the modalities for implementing the undertaking gradually to reduce the said subsidies. The Council shall make such recommendations as it deems necessary.<sup>1</sup>

Alternative 2

/Export subsidies

(i) Participants recognize that export subsidies, including any form of income or price support, which operate directly or indirectly to increase exports of bovine meat may endanger the fulfilment of the objectives of this Arrangement and accordingly undertake to avoid the use or maintenance of such subsidies.

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<sup>1</sup>Proposal made by Argentina.

(ii) If a participant grants or maintains any such subsidy it shall on 1 January each year notify the Council in writing of (a) the extent and nature of the subsidization, (b) the effect of the subsidization on the quantity exported from its territory and (c) of the circumstances making the subsidization necessary.

(iii) If a participant applies any subsidy which operates directly or indirectly to increase its exports such subsidy shall not be applied in a manner which results in that participant having more than an equitable share of trade of that product either globally or in an individual country market, account being taken of the shares of the participant in such trade in the product during a previous representative period and any special factors which may have affected or may be affecting such trade in the product.

(iv) If a participant considers that serious prejudice to its interests under this Arrangement is caused or threatened by exports benefiting from export subsidies, the participant applying the measure shall, upon request, discuss with the other participant or participants concerned or with the Council the possibility of limiting or eliminating the subsidized exports in question.

Note: Since the legal relationship between the proposed International Meat Arrangement and the GATT has yet to be established, there may need to be additional provisions within an arrangement relating to dispute settlement.<sup>1/</sup>

### Alternative 3

/Participants reaffirm the principles and operative provisions set forth in Article XVI of the General Agreement on Tariffs and Trade.<sup>2/</sup>

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<sup>1</sup>Proposal made by Australia.

<sup>2</sup>Proposal made by the European Communities.

PART TWO

SPECIFIC PROVISIONS

Article VI

Alternative 1

/Concerted disciplines

- (a) The provisions of this Article are applicable to the products listed in Article II.
- (b) Each participant undertakes to take all appropriate steps to adjust /, in order to fulfil the objectives of Article I/.
  - its import policy in all the necessary elements so that imports are carried out under as regular and orderly conditions as possible;
  - its export policy in all the necessary elements so that exports are carried out as regularly and in as orderly a manner as possible.
- (c) Participants importing bovine meat shall establish their import programme for frozen meat, intended for the processing and packing industry, in close co-operation with the participants to this Arrangement.
- (d) The bilateral or plurilateral commitments, which specify the nature of the commitments entered into, are set forth in the Annex to the present Arrangement.<sup>1/</sup>

/All bilateral, plurilateral or multilateral commitments existing between the countries participating in the present Arrangement, in respect of products covered by Article II, and likewise those resulting from present or future negotiations, will have to be added and incorporated as an Annex to the present Arrangement.

Likewise, an information annex will have to be added, setting forth the commitments of participating countries in respect of non-member countries where these can in any way affect the normal operation of the present Arrangement./

Alternative 2

/Agreements between participants

- (a) The provisions of this Article are applicable to the products listed in Article II.

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<sup>1</sup>Proposal by the European Communities.

- (b) The obligations entered into by the participants in pursuance of the objectives of this Arrangement, are set forth in the Annex to the present Arrangement./

/All bilateral, plurilateral or multilateral commitments existing between the countries participating in the present Arrangement, in respect of products covered by Article II, and likewise those resulting from present or future negotiations, will have to be added and incorporated as an annex to the present Arrangement.

Likewise, an information annex will have to be added, setting forth the commitments of participating countries in respect of non-member countries where these can in any way affect the normal operation of the present Arrangement./

### Alternative 3

#### /Joint disciplines

- (a) The provisions of this Article are applicable to the products listed in Article II.
- (b) Exporting and importing participants in this Arrangement undertake to take steps to ensure that their mutual trade is carried out under as regular and orderly conditions as possible.
- (c) In seeking to achieve the objectives of this Arrangement, in particular the expansion and liberalization of the international trade in (bovine) meat and live animals, participants in the terms of this article of the Arrangement shall enter into bilateral or plurilateral commitments concerning:

- minimum levels of access
- levels of export subsidies
- other conditions of trade as may be agreed between participants.

Any commitments entered into as a result of these negotiations shall be annexed to this Arrangement and scheduled in the GATT.

- (d) In accordance with the obligations arising out of the negotiation of bilateral or plurilateral commitments at Annex 1 each participant undertakes to adjust:

- its import policy so that trade, at levels not less than the minimum agreed access will take place

- its export policy so that exports are restrained at minimum access levels when appropriate.

(e) All participants in the Arrangement undertake to observe the obligations set down in Article V concerning export subsidies.

(f) Participants in bilateral or plurilateral commitments annexed to this Arrangement shall on request afford to their trading partners adequate opportunity for consultations with a view to achieving, with a minimum of disruption, agreement on measures to limit trade to agreed minimum access levels in those markets or to expand trade from those levels in those markets.<sup>17</sup>

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<sup>17</sup>Proposal made by Australia.



PART THREE

Article VII - Administration of the Arrangement

1. International Meat Council

An International Meat Council shall be established within the framework of the General Agreement on Tariffs and Trade.<sup>1/</sup> The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure.

2. Regular and special meetings

The Council shall normally meet at least twice each year. However, the Chairman may call a special meeting of the Council either on his own initiative, or at the request of a participant to this Arrangement.

3. Decisions

The Council shall reach its conclusions by consensus. The Council shall be deemed to have agreed on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

4. Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

5. Admission of observers

- (a) The Council may invite any non-participating country to be represented at any of its meetings as an observer.
- (b) The Council may also invite any of the organizations referred to in paragraph 4 of this Article to attend any of its meetings as an observer.

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<sup>1/</sup> Brackets added at the request of Mexico.

PART FOUR

Article VIII - Final Provisions

1. Acceptance

- (a) This Arrangement is open for acceptance, by signature or otherwise
  - /(i) by the Governments<sup>1</sup> of ... and
  - (ii) by other governments members of the United Nations, or of one of its specialized agencies./
- /(b) Any government accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the provisions in the present Arrangement./
- (c) /Any government which is not a contracting party to the General Agreement on Tariffs and Trade, or has not acceded provisionally to the General Agreement, may accede to this Arrangement on terms to be agreed between that government and the participants./
- (d) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.
- (e) The entry into force of this Arrangement shall entail the abolition of the International Meat Consultative Group.

2. Entry into force

- (a) This Arrangement shall enter into force, for those participants having accepted it, on /... /provided that all governments listed under paragraph 1(a)(i) of this Article have accepted it before .../. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.
- (b) The participants having accepted the Arrangement shall meet in ... and if the conditions under sub-paragraph (a) have not been fulfilled adopt any decision they deem appropriate with regard to its entry into force and application, including a decision to apply provisionally the Arrangement.

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<sup>1</sup>For the purpose of this Arrangement, the term "Government" is deemed to include the competent authorities of the European Economic Community.

3. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.<sup>1</sup>

4. Amendment

The provisions of this Arrangement may be amended by the Council. Amendments to the provisions of this Arrangement shall become effective upon acceptance by all the participants.

5. Relationship between the Arrangement and the General Agreement on Tariffs and Trade

- (a) Nothing in this Arrangement shall affect the rights and obligations of participants under the General Agreement on Tariffs and Trade.<sup>1</sup>
- (b) This Arrangement and its Annex shall be annexed to the Final Act [...].

6. Withdrawal

Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

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<sup>1</sup>This provision applies only to GATT Contracting Parties.

/ANNEX

Results of Bilateral or Plurilateral Negotiations Extracted  
from the Schedules Annexed to the /Geneva/(...) Protocol and  
Annexed to the Present Arrangement /for information only//