

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group "Agriculture"

Sub-Group on Meat

DRAFT

ARRANGEMENT REGARDING BOVINE MEAT

Revision

Pursuant to the meeting of the Sub-Group on Meat of November 1978, the secretariat has prepared the following revision of MTN/ME/W/24/Rev.7.

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(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 by facilitating the progressive dismantling of obstacles and restrictions to world trade in bovine meat and live animals, including those which compartmentalize this trade, and by improving the international framework of world trade to the benefit of both consumer and producer, importer and exporter;
- (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 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^{1/2/3/}, by means of securing long-term stability of markets for meat and live animals.

^{1/} Proposal by EC to insert here "and derive additional earnings therefrom".

^{2/} Provisional reservation by Mexico which want inserted after this point:

"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."^{4/}

^{3/} Provisional reservation by Hungary and Bulgaria which want inserted: "to develop traditional trade flows and new markets, especially for efficient producers".

^{4/} Proposal by the Chairman to change the word "securing" to "promoting" and drop the word "real" in Mexican proposal in footnote 2(a) and (b).

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 and edible offals ¹ of bovine animals, fresh, chilled or frozen	ex 02.01
(c) Meat and edible offals ¹ 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.

¹Provisional reservation by Mexico.

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 - 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, including the operation of domestic and trade policies and of any other information available to the secretariat;
- (b) proceed to a comprehensive examination of the functioning of the present Arrangement;
- (c) provide an opportunity for regular consultation on all matters affecting international trade in bovine meat.

2. If after evaluation of the world supply and demand situation referred to in paragraph 1(a) of this Article, or after examination of all relevant information pursuant to paragraph 3 of Article III, the Council finds evidence of a serious imbalance or a threat thereof 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 consistent with the principles and rules of GATT [and with commitments entered into pursuant to Article VI of this Arrangement].

3. 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 taken by importers as well as exporters to contribute to improve the overall situation of the world market consistent with the objectives and aims of the Arrangement, in particular the expansion, ever greater liberalization, and stability of the international meat and livestock markets.¹

¹Provisional reservation by Japan.

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.¹

¹Reservation by Argentina which wants added:

"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."

[Article V - Other General Provisions]

1. Health and veterinary measures¹

[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.^{2]}

2. Safeguards³

[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 competing products.

¹Some delegations believe that if a satisfactory solution is reached in the Group "Agriculture" concerning the applicability to agricultural products of the draft Code on standards, such a provision would not be necessary.

²Proposal made by Argentina.

³Some delegations believe that if a satisfactory solution is reached in the Group "Safeguards" such a provision would not be necessary.

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.^{1]}

3. (Title to be decided on 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. 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 the discussions provided in Article IV:1(c) with a view to exploring the possibilities of realizing the objectives of the present Arrangement, in particular the further dismantling of obstacles to world trade in (bovine) meat and live animals, including both tariff and non-tariff barriers. Such discussion should prepare the way for subsequent consideration of possible solutions consistent with the rules and principles of the GATT, which could be mutually accepted by all parties concerned.^{2,3}

4. Subsidies⁴

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.

¹Proposal made by Argentina.

²Provisional reservation by the European Communities.

³Reservation by Japan.

⁴Some delegations believe that if a satisfactory solution is reached in the Sub-Group "Subsidies and Countervailing Duties", such a provision would not be necessary.

Consequently, 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.^{1]}

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.

(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.

¹Proposal made by Argentina.

(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 Arrangement Regarding Bovine Meat and the GATT has yet to be established, there may need to be additional provisions within an arrangement relating to dispute settlement.^{1]}

Alternative 3

[Participants reaffirm the principles and operative provisions set forth in Article XVI of the General Agreement on Tariffs and Trade.^{2]}

¹Proposal made by Australia.

²Proposal made by the European Communities.

PART TWO

SPECIFIC PROVISIONS

Article VI¹

(Title to be decided on later)

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

(b) Participants in this Arrangement [undertake][intend] to take appropriate steps to adjust their respective policies in all necessary respects in order to ensure that their 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

- and/or² 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 place³

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

¹Reservations by Canada, Japan and the United States.

²Reservation by Australia.

³Addition suggested by the European Communities: "when appropriate".

[Alternative for (c) and (d) above¹

Consistent with the bilateral and plurilateral commitments entered into by participants with the objective of achieving the expansion and liberalization of world trade in bovine meat and live animals, and the containment of export subsidies, participants undertake to adjust their import policies so that trade, at levels not less than the minimum agreed levels of access, will take place, and their export policies so that exports are restrained at agreed access levels when appropriate. Any commitments entered into as a result of these negotiations shall be annexed to this Arrangement and scheduled in the GATT.]

(e) 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 markets² or to expand trade from those levels in those markets.

(f) Participants importing bovine meat shall establish their import programme for bovine meat, as defined by Article II in close co-operation with the participants to this Arrangement.

(g) 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, are or 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.

¹Proposal by Australia.

²Proposal by the European Communities to replace "to limit trade ... markets" by "that might modify temporarily the levels that trade might reach".

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.¹] 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, in particular the modalities for consultations provided for in Articles IV and V.

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 decisions by consensus. The Council shall be deemed to have decided 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.

¹Provisional reservation by Mexico.

PART FOUR

Article VIII - Final Provisions

1. Acceptance¹

- (a) This Arrangement is open for acceptance, by signature or otherwise
 - [(i) by the Governments² 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. This reservation must be acceptable to the participants.]
- (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 [1 January 1980] [provided that all governments listed under paragraph 1(a)(i) of this Article have accepted it before 1 December 1979]. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

¹The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

²For the purpose of this Arrangement, the term "Government" is deemed to include the competent authorities of the European Economic Community.

- (b) The participants having accepted the Arrangement shall meet in December 1979 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.

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.

4. Amendment

The provisions of this Arrangement may be amended by the Council. Amendments to the provisions of this Arrangement shall enter into force upon acceptance by the governments of 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.^{1,2}
- (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.

¹This provision applies only to GATT contracting parties.

²Reservation by Mexico

[ANNEX

[Results of Bilateral, Plurilateral
and Multilateral Negotiations]