

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Surveillance Body

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STANDSTILL
Notification

1. <u>Participant notifying:</u>	Australia
2. <u>Participant maintaining the measure:</u>	Sweden
3. <u>Description of the measure</u> (including date of entry into force and reference to any relevant legislation or other document):	<p>Since June 1987, the Swedish Agricultural Marketing Board has increased the levy applying to imports of sheepmeat from SEK 14.50 per kg to SEK 20.45 per kg. This amounts to an increase of some 41%, and effectively excludes Australian product from the market. The increases have been introduced in two separate decisions: the first, effective from 1 July 1987, increased the levy from SEK 14.50 per kg to SEK 17.50; the second, effective from 1 July 1988, introduced a further increase to SEK 20.45.</p>
4. <u>Products covered, including tariff headings</u> (CCCN where applicable, otherwise national tariff lines):	<p>HS 0204 - Meat of sheep or goats, fresh, chilled or frozen.</p>
5. <u>Country or countries to which measure applies:</u>	<p>All non-preferential suppliers, including primarily Australia and New Zealand.</p>

6. Relevance of the measure to the standstill commitment:

Australia considers the levy increases to be inconsistent with Sweden's commitment not to take any trade measures in such a manner as to improve its negotiating position.

The levy has been set at an unjustifiably high level, and constitutes an effective prohibition on imports. The measure has been introduced in the absence of any manifest changes in the conditions of trade or domestic production, and without due regard to the interests of exporting countries.

While the levy has increased by some 41%, domestic prices have shown a different trend. Of the products of main interest to Australia, for example, saddle has increased in price since July 1987 by only SEK 3.75 per kg, while the domestic price for legs of lamb has decreased by SEK 0.05 per kg.

7. Comments by the participant maintaining the measure:

The increases of the levy applying to imports of sheepmeat, referred to in the Australian notification, have been made within the framework of the Swedish agricultural market regulation. Within this framework levies are reviewed and adjusted on a regular basis. Neither the system of agricultural market regulation, nor the changes of levies that follows from that system, are inconsistent with Sweden's standstill commitment.

The Swedish National Agricultural Market Board reexamined the levy applying to imports of sheepmeat on 24 October 1988, and decided to reduce the levy applying to HS position 02.04: 220, 230, 420 and 430 from SEK 20.45 to SEK 19 per kilogram, effective from 1 December 1988.