1. The International Meat Council (IMC) held its twentieth meeting on 14 June 1989. It was informed that no new country had signed the Arrangement since its last meeting. Signatories therefore remained at twenty-seven, representing thirty-eight countries. The IMC adopted the agenda set out in GATT/AIR/2779.

Election of Chairman and Vice-Chairman

2. In accordance with Rule 2 of the Rules of Procedure, the IMC shall elect a Chairman and a Vice-Chairman at its first regular meeting of the year, i.e. normally in June. The election shall take immediate effect. The IMC re-elected Mr. José Ramón Prieto (Spain) as Chairman and elected Mr. Kunio Naito (Japan) as Vice-Chairman.

Examination of the functioning of the Arrangement

3. The main point under this agenda item was the implications of the implementation of the new commodity description and coding system (Harmonized System) (document IMC/W/64/Rev.1). As some changes have been made in the description and coding of products covered by the Arrangement, it appeared advisable to amend the latter accordingly.

4. The Chairman informed the Council that since 1 January 1988, seventeen participants in the Arrangement Regarding Bovine Meat had introduced the Harmonized System (Australia, Austria, Brazil, Canada, the European Community, Finland, Japan, New Zealand, Nigeria, Norway, Poland, South Africa, Sweden, Switzerland, Tunisia, United States and Yugoslavia) and that others would shortly do it. He noted that the model draft decision contained in Annex IV of IMC/W/64/Rev.1 included amendments introduced pursuant to the discussions which had taken place in the last two meetings of the Council. He invited participants to adapt Article II (product coverage) of the Arrangement, in accordance either with Article V, paragraph 3 (Administration of the Arrangement, Decisions) or with Article VI, paragraph 5 (Final Provisions, Amendment).
5. One participant noted that according to his authorities specific reference could be made to the inclusion of edible flours and meals of meat or meat offal of bovine animals fit or suitable for human consumption in position ex 0210.90 of the model draft decision. He added that his authorities would have a preference to follow Article VI, paragraph 5 to amend the Arrangement, but that they could go along with the same approach as that followed by the International Dairy Products Council, if this was the preference of the IMC. Another participant indicated that although his country had not yet introduced the Harmonized System, his authorities favoured the approach of adapting the product coverage of the Arrangement to the new nomenclature through the quickest and easiest way, i.e. through the operation of Article V, paragraph 3. Furthermore, he indicated that for those participants which had not yet introduced the Harmonized System, the former version of Article II of the Arrangement should continue to be applied, such as indicated in the model draft decision.

6. The secretariat noted that a decision in accordance with Article V, paragraph 3 was indeed the simplest and quickest way to solve the problem and that it was considered by the GATT legal affairs experts as perfectly accurate. He also added that in the former (and negotiated) version of the product coverage, position ex 02.06 not only excluded meats and edible offals of other than bovine animals, but seemingly also edible flours and meals of meat or meat offals of bovine animals. In these conditions, it seemed wise to keep the product coverage such as decided during the negotiation of the Arrangement.

7. The Council decided to adapt Article II (product coverage) to the Harmonized System, in accordance with Article V, paragraph 3.

Replies to the inventory parts of the questionnaire

8. Participants were reminded that according to Rule 18 of the Rules of Procedure a complete revision of the inventory of all measures affecting trade in bovine meat and live animals, including commitments resulting from bilateral, plurilateral and multilateral negotiations, was due every three years. This revision was consequently due in June 1989. The Chairman indicated that thirteen countries (Australia, Brazil, the European Community, Finland, Hungary, Japan, New Zealand, Poland, South Africa, Sweden, Switzerland, the United States and Yugoslavia) had already revised their inventories. Furthermore, the Austrian representative had made known to the secretariat that no changes in domestic policies or trade measures affecting trade in bovine meat and live animals had occurred in his country since its last notification. The Chairman noted that this was not a bad result when compared to previous revisions, and that the quality and transparency of notifications seemed to be improving. He encouraged those who had not yet submitted revisions to do so at their earliest convenience,

\[1\] See document IMC/25.
and referred especially to Egypt, Guatemala, Nigeria, Paraguay and Belize who have never submitted replies to the inventory.

9. The Canadian representative informed the Council that his authorities would submit the revised inventory in the very near future. He confirmed that the Free Trade Agreement between the United States and Canada was implemented in January 1989, that it has certain implications for trade in meat and that those implications would be reflected in the reply to the inventory.

Evaluation of the market situation and outlook

10. To assist the discussion under this item, the IMC had the following documents at its disposal: "Situation and Outlook in the International Meat Markets" (IMC/W/71 and IMC/W/71/Add.1); and the "Summary Tables" (IMC/W/2/Rev.18).

11. The Chairman of the MMAG, Mr. Peter Balás, indicated that this time it was felt that it would be more useful to give his report to the IMC under a single agenda item, rather than to separate the market situation in the bovine meat sector from the market situation in respect of other competitive meats. He noted that participants might be aware of the fact that, although during the Group's discussions not much had been said about cereals and feedgrains, most participants had informed the MMAG in detail on the situation and outlook in other meats' markets. Partly because the debate on the beef and veal market situation and outlook had perhaps lasted longer than usual, not much discussion had taken place on the new issue of other meats. However, national statements on the situation of competitive meat markets contained a large volume of useful information. The Chairman added that in his oral report he would include some information accordingly on the major developments which have occurred in the competing meat sectors, while not treating them under a separate heading. He reminded participants that national statements were available in the room and presented the following oral report to the IMC:

12. "First of all, Mr. Chairman, I would be tempted to say that the expectations concerning the evolution of the international market situation which were voiced in our last two meetings have so far been realized: international bovine meat prices are strengthening, and so are producer prices in most countries participating in the Arrangement Regarding Bovine Meat. Most of the factors which were pointed out at the last December meeting as being responsible for the market situation during the last few months of 1988 continued, as expected, to exert a major influence during the first half of 1989. This seems to be true for factors affecting the international bovine meat market situation and outlook both negatively and positively.

13. Among negative factors, I would to a substantial extent include general economic ones. In fact, economic growth seems to be levelling off somewhat in both industrial and developing countries, and this may well result in declining demand for agricultural products in general and bovine meat in particular. As some participants have put it, the economic
situation is to some extent "overheated" in various countries, and a revival of inflation is not the only danger looming ahead, but a likely problem for an increasing number of countries. Consequently, Mr. Chairman, interest rates have been increased in the last few months in an attempt to curb domestic demand. This increase in a country such as the United States has been partly at the origin of the recent surge in the United States dollar value against most other currencies (20 per cent in the first half of the year against the yen), which obviously does not favour import demand for bovine meat, in particular from countries with weak currencies and certain limited foreign exchange.

14. However, it appears that to two or three years ago, factors currently having a positive impact on the international bovine meat market largely overcame those exerting a negative one. Furthermore, also in contrast with the recent past, and if we exclude the evolution of feed costs, the current (and near future) situation in the beef and veal market seems to be due more to sectorial developments than to developments in other sectors. As you are all aware, cereals, and especially dairy policies have had a serious negative impact on the bovine meat sector over the last couple of years, generating massive cow slaughterings, the consequent formation of huge beef and veal stocks in a number of countries, and depressed prices. This situation has now grown healthier and, at least for the time being, the bovine meat market appears to be able to "breathe" more independently. It can not, of course, totally escape the influence of the situation and outlook in other sectors and, for the last year or so, it has been affected by the higher prices of forage and feed which followed last year's drought in North America. Indeed, as we heard, this evolution seems to be favouring the competitive position of beef and veal against alternative meats in an increasing number of countries.

15. Mr. Chairman, I remember having summarized last December the bovine meat market situation in 1988 and the outlook for 1989 by three "key" elements: lower beef and veal supplies; increased demand; and resulting strengthening prices. Well, these remain the "key" elements characterizing the current situation and also the outlook through 1990. In North America, where we were told that drought conditions prevail (albeit in different regions than last year and having a less marked impact on cattle raising), herd rebuilding, delayed by the drought, seems likely to resume in the case of the United States in the near future and it continues in Canada. In the former, forage conditions and the retention of heifers for the breeding herd will result in the expected beef production drop by the end of the year, while in Canada, rising slaughter levels and relatively unchanged slaughter weights should result in a production increase. The cattle herd situation in the Pacific region, in Oceania, differs significantly between the two major producer countries. While in Australia steps to liberalize beef imports in both Japan and Korea are at the origin of very sharp declines in slaughter levels and resulting cattle herd expansion, in New Zealand, prevailing drought conditions are expected to result in a significant cattle herd reduction. Beef production is expected to fall in both countries this year, only slightly in Australia but more significantly in New Zealand reflecting, in the latter case, drought effects on carcass weights, and it should stabilize or rise slightly in 1990. In South
America, the only major country expecting a production increase this year is Uruguay. Argentina, Brazil and Colombia see their output levels down. You will allow me a brief aside at this stage, Mr. Chairman, for one or two observations. In the first place, I noted once again that drought or near drought conditions also affected Argentina and Uruguay (if not Brazil) in recent months. As mentioned earlier, the United States, Canada and New Zealand were, and are, also faced with the same problem, as were some Australian regions earlier through most of the eighties. In Europe, although I can not be sure this was mentioned here, we seem to be currently faced with exceptionally dry conditions since around November 1988. I just wanted to stress the point, because such weather conditions have probably seldom occurred in so many important producing areas at more or less the same time in recent years, and the implications are obvious for the sector (cattle losses, earlier than usual slaughterings, production drops, etc.).

A second observation is about the situation in Brazil. The Group was informed by the Brazilian representative that the situation in his country was "closer to stability than reports portray". Indeed Mr. Chairman, rumours concerning the bovine meat supply situation in Brazil were far from encouraging and, taking into account the importance of this country in the world market for beef (for instance, last year Brazil was the third world exporter, after the 1986 crisis), I thought the "mise au point" by the Brazilian representative (who furthermore informed the Group that the price freeze introduced by his authorities at the beginning of the year was partially lifted last Friday) was particularly welcome. We thus had, along with our MMA G meeting discussion, a clearer picture of the meat market situation.

16. Back to my report, Mr. Chairman. I would note that cattle numbers in the European Community are continuing to decline this year as a result of the fall in dairy cow numbers, but also in all other categories of cattle, with the exception of beef cow numbers which are rising significantly. As a result of the drop in numbers, beef and veal production is expected to fall this year and to begin to recover in 1990. I would note at this point, the EC representative's interesting remark that the European Community market is on its way to a balanced supply/demand situation, oriented more by market forces than by the effects of EC stabilization policies. In most other European countries, production is expected to show more or less marked progressions, with only Poland and Yugoslavia projecting declines. After the drops registered in recent years, South Africa expects production to recover as from 1989. Cattle numbers in Japan are going up somewhat and, although we heard that the number of households raising beef cattle is decreasing, farm sizes are also increasing accordingly. Production this year could show some improvement.

17. As you have noticed, Mr. Chairman, I have been more extensive than usual in the analysis of the supply side of the market. This is due to the fact that the current strength of the market may be more related to supply developments than demand ones, but by no means signifies that there were no major developments on the demand side. Indeed, I have already mentioned the impact of two major "demand" events (steps to liberalize imports both the case of Japan and South Korea, which coincided with the Australian cattle slaughtering since last year). Such events have a direct impact on
other exporting countries of course, and this was referred to by several representatives including the United States, and, of course, Australia. But they also have an indirect impact on other countries such as the ones in South America (which may for instance take advantage of higher United States exports to Japan, at a time when United States production is falling, to place more products in the American market). However, this was not the only good news in terms of demand for beef. Brazil is also back in the import market (even if in this case this is due to shortfall in domestic supply) and the Brazilian representative confirmed the intention to import at least 100,000 tons this year.

18. Mr. Chairman, in my introductory remarks I indicated that higher prices of forage and feedgrain seem to be favouring the competitive position of beef and veal against alternative meats in an increasing number of countries. Indeed I was echoing the opinion of a number of participants. I recall for instance that the EC representative invoked slackened production of competing meats provoked by higher feed costs in the next few years as a factor "leaving room" for increased consumption of bovine meat. I noted that although it is a fact that some participants referred to expected lower rates of increase of both the production and consumption of poultry meat, not many have announced drops so far (production EC and Uruguay only; consumption Japan and Norway). Indeed, some participants (such as for instance the United States) even referred to continuing strong profitability in the sector. Most participants' statistics also confirm these assertions. On the other hand, pigmeat production seems to be increasingly affected by higher feed costs and is falling in roughly half the participating countries which submit information. This is also true for the consumption of pigmeat. Even if there are other reasons contributing to this situation (such as pigmeat oversupply in a number of countries in recent years) I found this evolution worth stressing. In the meantime, beef and veal consumption trends do not currently differ much from those in 1988 and per capita increases this year are likely to occur only in the European Community, Finland, Japan and Uruguay. Overall consumption of participating countries will fall once again.

19. Mr. Chairman, as you may recall, in spite of the fact that many major exporting countries were already going through cattle herd rebuilding last year, or approaching the end of herd liquidation, I had noted in my report of the last December MMAG meeting that (contrary to what might have been expected) overall bovine meat exports by participating countries had risen. I had also noted that this was possible thanks to two main reasons: strong import demand in some major importing areas (North America, Eastern Asia and increased imports by Eastern Europe, the Middle East and probably also North Africa) and the return of Brazil to the export scene.

20. What are we seeing now? Production drops in major exporting countries: Australia, New Zealand, Argentina, Brazil, the European Community, the United States. In the meantime, as I have already mentioned, import demand has even strengthened compared to last year: in Japan as a result of measures to gradually open the market; in Korea, which last November announced its intention to increase imports this year;
in Brazil for the reasons I have referred to; but also apparently and again in some other Eastern Asian markets and in some Middle East markets (Iran and Irak, for instance) possibly related to improved oil prices. If we add to all this the welcome sharp drop in EC intervention stock levels (360,000 tons by the end of April, 50 per cent less than year earlier, we were told), we can draw two conclusions: firstly (and this is demonstrated by the participants' export projections), export volumes will decline (by some 7-8 per cent if those projections prove to be accurate. Secondly, and as a result of the strongly increased import demand, prices in the international bovine meat market will have to rise accordingly. Even if, as announced by some exporting countries, domestic consumption in those countries will decline as a result of the drop in production and increased exports (as it may be the case of Australia and Argentina), beef and veal supply in the current year, and probably through 1990, does not seem to be in a position to comply with growing international demand.

21. Finally, Mr. Chairman, I would like to draw your attention to a point related to the price evolution in domestic markets. If the Group did indeed hear that producer prices are rising in an increasing number of countries, it also heard that these prices fell in some others during the last few months. This was the case for instance in Argentina where we were told that nominal cattle prices fell by 20 per cent from January to June, or in Australia where a sharp fall in saleyard prices occurred in the last three months of 1988. If, in the former, internal prices fell reportedly as a result of a difficult internal situation (lack of rain plus difficult economic and financial problems) in the case of Australia, the fall was due to the strong appreciation of the Australian dollar. Prices have risen rapidly since April 1989, when the Australian dollar fell. This type of information appears to be very important for the understanding of the market situation, as price evolution is at the basis of producer decisions in many countries. On that point, Mr. Chairman, I would like to appeal through you to all participants to give as extensive price information as possible, in our meetings, both on the domestic and international markets. We have to bear in mind that price movements on domestic and international markets do not always occur in parallel.

22. I will finish with two general remarks. Firstly, I would like to note, although this point will perhaps be further developed in this IMC meeting, that a number of policy decisions in some countries here present, have undoubtedly contributed to a brighter situation and outlook in the bovine meat sector. Let us hope that this spirit will prevail. My last remark concerns the near to medium-term outlook. Prospects seem promising for at least the next 1-3 years. It would seem that demand will continue to outpace supply, thus "guaranteeing" strong prices. However, a number of major exporting countries are currently rebuilding cattle herds with obvious implications in the market conditions, when the cycle reverses. It seems to me that the present moment is ideal for participants to seek ways to strengthen cooperation and this is an idea which could be reflected upon at our meeting.

23. I would like to warmly thank all of the participants of the MMAG meeting and in particular the observers from the ECE/FAO and the OECD."
24. One participant agreed that the relative good market conditions prevailing in the meat sector offered a good occasion for a deep analysis of future evolution, in particular the detection of possible signals of market imbalance. As an example, he wondered whether the cattle herd rebuilding going on in a number of countries would not lead to difficulties in the future. He mentioned other factors such as exchange rates, interest rates, climatic conditions, export availabilities (currently running below import demand) etc. These developments should be regularly examined and discussed by participants. Feed prices and their influence on other meats' developments should continue to draw participants' attention. He added that in the region he represented, the bovine meat supply/demand balance had now been met and that, in the future, this market would evolve more as a result of market forces than of stabilization policies.

25. Another participant established a link between the Uruguay Round Negotiations and the work of the International Meat Council, by evoking the agreement reached in the agricultural negotiations last April. CONTRACTING PARTIES, she said, had committed themselves by then to the long-term objective of establishing a fair and market-oriented agricultural trading system. Among other things, they had also given a clear undertaking to ensure that current domestic and export support and protection levels in the agricultural sector would not be exceeded. It had been encouraging to hear, in the MMAG, explicit statements from some participants that domestic policy considerations in the bovine meat sector were being directly influenced by these Uruguay Round commitments. However, to discern any reflection of those commitments in some other participants' comments, was difficult. The enthusiasm for stabilization systems and managed trade displayed, in the MMAG, by one representative in particular, was somewhat anachronic. Furthermore, her country could only but completely reject his call for all other participants to introduce similar systems of control. After criticizing at some length the Community stabilization system, she found it difficult to reconcile with the goal of market orientation of agricultural trade. She found it similarly at odds with the conclusion reached by OECD ministers a month earlier, that the role of market signals in orienting agricultural production remained insufficient almost everywhere. Despite recent improvements, overall support levels remained high, particularly amongst major OECD countries, and the potential to further restrict trade remained. She evoked the ongoing United States ability to restrict imports through the Meat Import Law and the fact that the success claim for stabilization measures in the EC was strictly limited to the domestic market although, even there, the success might be more illusory than real: adjustment problems and price fluctuations had simply been transferred to international markets, with the costs being carried by unsubsidized traders. She welcomed the adjustments which a number of members of the Arrangement had already made within their support systems, recognizing that these had contributed to the current positive situation in international meat markets. Her authorities expected that the freeze commitment in the April TNC agreement would be an important element in maintaining the reforms already made and thus in reinforcing the positive outlook for the bovine meat sector. However, the only lasting solution to the distortions caused in international meat trade by support and
protection systems was fundamental reform of the systems themselves in favour of a market oriented agricultural trading environment.

26. One delegate agreed with the views expressed by the Chairman of the MMAG and previous speakers in terms of improved short-term strong market fundamentals. Among the causes for concern expressed, he referred to the erratic nature of financial markets, inflation worries and higher interest rates. Most of all, he thought that those countries that protected their beef or related industries with high levels of output-based support, or other trade-distorting policies, were letting a unique opportunity to achieve fundamental agricultural and trade reform slip by, without taking the required action. He supported other speakers' comments in this respect and criticized the United States Meat Import Law and the Export Enhancement Programme. He also criticized the use of export subsidies, import levies and especially the Community representative's assertion in the MMAG, that international markets could be stabilized with EC stocks providing the base for market needs. He urged these participants to put an end to such policies and reasonings which could only but push other countries to similar practices. He said that a rigorous debate, analysing issues and pinpointing problem areas was the least the Arrangement Regarding Bovine Meat could do to improve the situation.

27. Agreeing by and large with previous speakers, another participant noted that the April TNC agreement had laid down a number of fundamental issues both in respect of the direction of the long-term reform of agricultural policies but also the short-term steps which are to be undertaken by countries. In particular he referred to the clear undertaking by countries with respect to internal prices and market access. A definite freeze will apply in respect of trade-distorting policy measures and furthermore, there was a willingness expressed by participants to undertake first steps in the form of reduction of support and production by 1990. His authorities hoped that such undertakings would be reflected in countries' practical activities and, through that, also in the content of the MMAG and IMC future meetings.

28. One participant regretted the interpretation of the April agreement on Agriculture given by a previous speaker, in particular of the notion of comparative advantage. He said that to blame the Community for the introduction of stabilizers was exactly the opposite of what should be done in the present situation. Thanks to the introduction of the stabilizers the EC had been able to stabilize the market situation in different sectors and especially in the dairy one (in which the results had been a complete change in the world market situation). In the bovine meat market, a similar action was taking place. The efforts made to stabilize the dairy sector, implying an increase in cow slaughtering, had delayed the solution in the beef and veal sector. However, current data clearly showed now the results of Community efforts in this sector also, which should not be discouraged by other participants. The EC constituted twelve member countries with different agricultural structures and consequently with somewhat different interests. The implementation of the stabilizers had provoked dissatisfaction among EC producers and had cost numerous
sacrifices. The non-recognition of such sacrifices could only but have negative effects.

29. Another participant thought that the EC representative had misunderstood comments concerning price stabilization systems and the stabilizer mechanisms used within the EC itself. Her country had congratulated the Community for the measures it had taken by the introduction of stabilizers and appreciated the moves that had been made. These moves had contributed significantly to the current improvements in the international markets for bovine meat. However, her authorities did not see those measures (which, under pressure from domestic producers and lobbyists, could be rescinded) as long-term solutions. The linkage with the Uruguay Round lay at that level, because her country continued to hope for a positive outcome to the Round and fulfilment of the Ministers' agreement on the long term, i.e., to achieve substantial, progressive reductions in levels of support and protection, sustained over an agreed period of time. She reiterated her authorities' view that the only possible way to avoid trade distortions in the longer term was by seeking to make fundamental changes to output-based price support systems that were currently operating in a number of major producing markets.

30. The Chairman concluded that both the MMAG and the IMC had grown in importance through the years, with more active and consistent work and were now entering a stage of major interest for the future i.e., the analysis of, and relationship with, the Uruguay Round of Negotiations on Agriculture.

31. A number of participants addressed procedural questions under this item related, in particular, to: (1) the length of the MMAG and IMC meetings (arguments for and against tighter meeting schedules were heard); (2) the low participation of experts coming from capitals; (3) the necessity for documentation updates between the MMAG and IMC meetings; and (4) the secretariat explained the difficulties created by the distribution of MMAG statements in the IMC meetings. It was consequently suggested and decided that an informal meeting(s), open to all participants, would be called to discuss procedural questions. Possible resulting procedural improvements should be submitted for adoption to the next IMC December meeting. One participant said 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.

Examination of national policies linked to trade in bovine meat and live animals

32. No written questions were received by the secretariat in advance of the meeting. In response to an oral question, the Canadian representative said that the Tripartite Stabilization Programme for slaughter cattle and for feeder calves and cattle is based on making payments which are equal to the difference between the average market price (in a particular quarter) and the support price which is calculated as either 90 per cent (until December 1988) or 85 per cent (since the end of January 1989) of the previous five-year market prices in that same quarter. In other words, the
average five-year market price is reduced by 15 per cent and the difference between that and the market price in the current quarter is paid as a deficiency payment. The support prices are calculated and the payments are made after marketings have taken place, so that there is no direct influence on the market price. Payments for slaughter cattle in dollars per head by quarter, were: CDN$ 17.37 in the fourth quarter of 1987; CDN$ 37.91 in the first quarter 1988; CDN$ 42.35 in the second; CDN$ 100.95 in the third and CDN$ 87.92 in the fourth. Because of the reduction in support since January 1989, a monthly calculation for the first quarter of the year intervened, and that worked out at an average CDN$ 10.05. Estimates for the second quarter 1989 payments were for zero. Feeder cattle and calves are included in a different programme based on the same general principles. Payments were zero for the last quarter 1987 and the two first quarters of 1988; CDN$ 32.79 in the third quarter; CDN$ 38.56 in the fourth and CDN$ 1.40 in the first quarter 1989. The splitting of contributions is one third by the producers, one third by the Provincial Governments and one third by the Federal Government, up to a maximum government contribution of 6 per cent. The total, up to the maximum contribution, can change from one year to the next, except according to the overall principle that the overtime programme has to be financially self-sustaining (i.e., the premiums have to be sufficient to cover the payouts).

33. Answering an oral question, the Swedish delegate said that a parliamentary working group had been set up, in his country, with the task of reviewing agriculture and food policy. This group had not yet come up with any practical proposals and, since its creation, the GATT April Mid-term Agreement had intervened. This had complicated policy making in Sweden. As a result, although according to the plans there should be a proposal from the group by December 1989, this was doubtful in view of the ongoing turbulence in agricultural policies. A number of recent and important policy developments, including in the beef sector, had nevertheless been included in Sweden’s revision of the inventory.

34. In reply to an oral question, the EC representative said that the "balance sheet" scheme was not an "import quota". The EC had unilaterally opened an autonomous quota for high-quality beef, especially when the balance sheet, taking into account the foreseeable supply/demand situation in the Community, had been reduced. No other inference should be made, and especially not in respect to a possible modification of conversion factors.

Date of the next meeting

35. Subject to changes as necessitated by the New Round of Multilateral Trade Negotiations, the IMC decided to hold its next meeting on Friday, 8 December, preceded by the meeting of the MMAG on Wednesday 6 and Thursday, 7 December 1989.