1. At its meeting in June 1982, the International Meat Council discussed the question of a possible contribution to the preparations for the Ministerial meeting in November 1982. It was agreed that it should take the form of a note on the operation of the Arrangement to be prepared by the secretariat on its own responsibility. Participants expressed the wish that the note constitute a factual assessment of the functioning of the Arrangement Regarding Bovine Meat since its inception on 1 January 1980 and that it enumerate the main issues discussed.

2. The Arrangement has been signed by 22 countries or groups of countries, of which 12 are industrialized countries, 5 are developing and 5 East European. The signatory countries accounted in 1980 for around 60 per cent of world production of beef and veal, approximately 90 per cent of world exports and some 60 per cent of world imports of fresh, chilled and frozen beef and veal. Thus, participants account for a major part of international trade of beef and veal. However, it was noted that some countries with an interest in, or a potential interest in, bovine meat trade, were still missing from the list of signatories but that several of these were participating in the International Meat Council's meetings as observers.

3. Participants reaffirmed their commitment to the objectives of the Arrangement and in particular to promoting "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..." The Council was of the view that its function of market monitoring has progressed satisfactorily and has been strengthened by the creation of a subsidiary body, the Meat Market Analysis Group. It was noted that the Arrangement had enhanced cooperation in the bovine animal and meat sector, encouraged a frank discussion of current issues and problems and contributed to greatly increased information about, and transparency in, the sector. It was also noted, however, that so far little substantive progress had been made to liberalize bovine animal and meat trade.
4. Many items of concern to participants have been discussed in the six meetings of the International Meat Council. They fall into two broad categories, namely items related to the economics of the market and those related to countries' policies regarding bovine meat and live animals. As regards mainly economic factors, participants have expressed concern as regards inter alia the following: (a) a perceived erosion of beef demand in certain countries, and the prospects of growth in demand in others in the longer term; (b) competition from substitutable meats both on domestic markets and in trade; (c) the sharp increases and volatility of prices of major inputs in beef production; and (d) the volatility in interest rates and foreign exchange markets.

5. As regards policies, discussions have ranged over measures taken mainly for domestic reasons and those related mainly to trade. Discussions concerning measures of a domestic nature have included various price support or stabilization systems, market intervention by public or private organisms, aid for stocking purposes, deficiency payments, and consumer subsidies. As concerns trade policies, discussions have ranged over a number of items including export subsidies and other export incentives, import restrictions imposed in the form of quotas, embargoes, health and sanitary restrictions, or in the form of laws coming into application under certain circumstances. Participants have drawn particular attention to the trade distorting effects such policies and measures may have had or may have in the future.