

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

Spec(93)29/Corr.1
22 September 1993

Arrangement Regarding Bovine Meat

INTERNATIONAL MEAT COUNCIL

Twenty-Eighth Meeting

Draft Report

Corrigendum

Page 6, paragraph 13: replace the first part of the paragraph, down to "... reform in the market is impossible.", by the following text.

13. Madame Chair, turning now to market developments in the FMD area, the good news is that beef and veal production is falling in the European Community in line with declining cattle numbers, and the bad news is that EC beef stocks continue to remain at a high level which gives cause for concern. Cattle prices have improved in 1992/93 and intervention purchases decreased significantly (despite even lower intervention sales). Imports are expected to rise slightly, while exports are forecast to decline, a trend expected to continue into next year. The disposal of the EC beef stocks is increasingly difficult. As the EC representative indicated, this difficulty is compounded by the availability of special export credits to the Commonwealth of Independent States continues to be problematic. The Group was informed of the main aspects of the Common Agricultural Policy reform in the beef sector, and an extensive debate followed the EC representative presentation. However, it became clear that at this stage any assessment by the EC Commission on the possible impact of the reform in the market is impossible....

Page 7, paragraph 14, last line: replace "up" by "down".

Pages 9 and 10: replace paragraph 21 by the following text:

21. The representative of the European Community said that the main objective of the CAP reform was the best possible mastership of production, but the assessment of its impact on the market was premature at the present stage. He agreed with the Chairman of the MMAG to say that globally the meat markets situation had improved. However, he noted that whereas in the FMD-free area meat prices were rising steadily, in a number of countries operating in the FMD area meat prices tended downwards. This was the case in the European Community, where three factors were to be highlighted. Firstly, meat prices, and in particular pigmeat and poultry meat prices were tending to fall, while beef prices were stabilizing, despite a production drop of some 10 per cent in the last two to three years. Secondly, EC cattle numbers, and in particular breeding cow inventories, were falling, resulting in decreased production potential, whereas elsewhere this potential was rising significantly, in particular in a number of countries in the FMD-free area. Finally, the economic situation and outlook in the Community were relatively less favourable than in some other industrialized countries. Thus, while in the European Community producers were faced with maintaining their production level, in other areas producers were encouraged to produce more. In future meetings, the attention of the Council should focus on this outlook and the consequences for the world meat markets.

Page 11, paragraph 23: [Correction does not affect the English text].

Page 11: replace paragraph 25 by the following text:

25. The representative of the European Community said that EC beef production was falling, a trend supportive of the decline of beef stocks, which would continue over the next few months. There were also other reasons that would contribute to the fall of intervention meat stocks, in particular the absence of any other supplies apart from Community meat on the unprofitable, insolvent markets. Thus, the EC's stocks would be absorbed progressively.

Page 11, paragraph 27: replace the first two sentences by the following text:

27. In reply to the Polish representative, the delegate from the European Community, referring to the FMD outbreak in Italy, said that the sanitary regulation aimed only at protecting EC livestock from the risk of further outbreaks.

Page 12, paragraph 27: add the following sentence at the end of the paragraph:

"Nevertheless, his authorities were open to consultations with Poland and hoped that a satisfactory solution could be found."

Page 14, paragraph 31: [Correction does not affect the English text].

Page 15, paragraph 35: replace the second part of the paragraph, beginning from "However, in 1993 ...", by the following text:

In 1993, administrative difficulties had resulted in a 50 per cent limitation on the quantities to be imported under this quota in the first half of the year. The balance would be opened at the beginning of the second half of 1993. He added that the "estimated balance sheet" import scheme should not be considered a quota system properly so-called.