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IMC/W/44
3 May 1985

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

International Meat Council
Special Meeting - 15 May 1985

ADEQUACY AND EFFECTIVENESS OF THE ARRANGEMENT AND OBSTACLES TO ACCEPTANCE WHICH CONTRACTING PARTIES MAY HAVE FACED

Note by the Secretariat

1. The present note has been drawn up by the secretariat on its own responsibility in preparation for the special meeting on 15 May 1985 called in response to the CONTRACTING PARTIES' Decision of 30 November 1984 (L/5756). This note reproduces the relevant parts (as updated May 1985) of the IMC's 1983 Report to the CONTRACTING PARTIES (L/5545) which in accordance with the request made by the GATT Council (C/M/167) pursuant to the Ministerial Declaration of 29 November 1982 (L/5424), included sections on the adequacy and effectiveness of the Agreement and on questions relating to obstacles to acceptance of it. This note also provides information on subsequent developments of possible relevance.

A. Background

2. The Arrangement Regarding Bovine Meat, which has been in force since 1 January 1980, has at present 26 signatories ("participants")(Argentina, Australia, Austria, Belize, Brazil, Bulgaria, Canada, Colombia, Egypt, European Communities, Finland, Guatemala, Hungary, Japan, New Zealand, Norway, Paraguay, Poland, Romania, South Africa, Sweden, Switzerland, Tunisia, United States, Uruguay and Yugoslavia). Two of the participants (Belize and Paraguay) are applying the Arrangement provisionally, in accordance with Article VI, paragraph 2, of the Arrangement. Three participants (Bulgaria, Guatemala and Paraguay) are not contracting parties to the GATT. Ten participants acceded to the Arrangement after it came into force (Australia, Colombia, Egypt, Guatemala, Paraguay, Poland, Romania, Tunisia, Uruguay and Yugoslavia).

3. The countries and groups of countries that have signed the Arrangement represent approximately 90 per cent of world exports of fresh, chilled and frozen beef and veal*; about 60 per cent of world imports* and 60 per cent of world production.

4. Representatives of the following countries are attending meetings of the International Meat Council as observers: Bangladesh, Colombia, Costa Rica, Cuba, Gabon, India, Ivory Coast, Kenya, Malta, Mexico, Nicaragua, Nigeria, Madagascar, Panama, Portugal, Spain, Thailand, Trinidad and Tobago, Turkey and Zaire. Also attending as observers are representatives of ECE, FAO, IMF, ITC, OECD and UNCTAD.

*Excluding intra-EC trade.

5. In accordance with the terms of the Arrangement (Article IV, paragraph 1(a)) "the Council shall meet in order to ... proceed to a comprehensive examination of the functioning of the Arrangement". Consequently, the agenda of regular IMC meetings has always included one item concerned with its functioning. In the discussions on the subject the adequacy and effectiveness of the Arrangement were quite often mentioned although no common view appears to have emerged.

B. Adequacy and Effectiveness of the Arrangement

6. The 1983 IMC Report to the CONTRACTING PARTIES included the following on this matter:

"At its June 1983 meeting, the International Meat Council reviewed with special interest the functioning of the Arrangement since it had at the beginning of the year been in force for three years, i.e. the period on the basis of which the Arrangement operates. Participants agreed that the Arrangement had been working in a satisfactory manner in its three years of existence. Certain procedures had been instituted to assist the International Meat Council in carrying out its work: a Meat Market Analysis Group had been established and procedures have been instituted to give consideration to national policies. The Secretariat had produced a number of useful papers in different areas of the beef sector, papers which had assisted the International Meat Council in its discussions and one in particular would be of continuing assistance in monitoring the world market situation and providing an early warning function in detecting any imbalance in the world beef market.

"The International Meat Council also stressed that for the proper carrying out of its work the objectives of the Arrangement should always be kept in mind, and in particular the objectives of promoting the expansion, ever great liberalization and stability of the international beef and livestock market by facilitating the progressive dismantling of obstacles and restrictions to world trade in bovine meat and live animals as well as the objective of securing additional benefits for developing countries inter alia by means of promoting long-term stability of prices and maintenance and improvement of export earnings.

"However, in the course of discussions during the last two meetings* of the International Meat Council, several of its members pointed out that work as concerns some of the objectives of the Arrangement still lay ahead, namely those of promoting the expansion, ever greater liberalization and stability of the international beef and livestock market. It was suggested that participants reflect on the possibilities to give more attention to those objectives of the Arrangement which have so far been relatively ignored. Furthermore they pointed out that insufficient attention had so far been given to national policies that inhibit the development of world beef trade and that the time has now come for the International Meat Council to give greater emphasis to the work already under way as concerns the consideration of national trade policies of member countries and their influence on the evolution of the international meat market.

*December 1982 and June 1983.

"In accordance with the terms of reference of the Meat Market Analysis Group, the International Meat Council reviewed, at its meeting in June 1983, the operation of the Group. Participants agreed that the work of the Meat Market Analysis Group had been very successful and of great assistance to the International Meat Council in analysing the short-term market situation. It was noted that the observers from ECE, FAO, OECD and UNCTAD contributed valuable information and the importance of their participation was stressed. It was noted that the presence of experts at the Group's meetings was very important. The International Meat Council agreed that the work of the Group should continue in its present form and be reviewed by the International Meat Council as necessary."

7. At the IMC meeting in December 1984 it was said that the Arrangement, "its functioning and its capacity to promote solutions in difficult situations were currently being put to the test", referring to the Working Party set up in June 1984. It was also said that the first test, the setting-up of the Working Party without difficulties, had been passed successfully (IMC/14).

C. Obstacles to Acceptance of the Arrangement which Contracting Parties May Have Faced

8. As concerns obstacles to acceptance of the Arrangement, the following was included in the Report to the CONTRACTING PARTIES:

"In accordance with the provisions of the Arrangement Regarding Bovine Meat, the Arrangement is open for acceptance by all countries, whether contracting parties or not, which are members of the United Nations or of one of its specialized agencies. There are no formal or procedural obstacles to acceptance inherent in the terms of the Arrangement and the International Meat Council is not aware of any country that has failed to adhere because of the obligations of the Arrangement."

9. As concerns in particular possible difficulties for developing countries to adhere there are various provisions in the Arrangement which attempt to make it less difficult for them. For instance Article III, paragraph 2, provides that developing countries shall furnish only available information and that on the other hand request for assistance to improve data collection should be viewed sympathetically by other participants. It is also provided (Article IV, paragraph 4) that when considering measures to remedy a market imbalance or threat thereof "... due consideration shall be given to special and more favourable treatment to developing countries, ...". The preamble and Article I (objectives) also contain special reference to developing countries.

10. In conclusion, it would appear that no other Agreement or Arrangement within the GATT is as easy to adhere to, administratively as well as from a point of view of substance, as the Arrangement Regarding Bovine Meat.