GENERAL AGREEMENT ON
TARIFFS AND TRADE

Arrangement Regarding Bovine Meat

INTERNATIONAL MEAT COUNCIL

For discussion under agenda item (v) of the draft agenda, the following questions have been submitted by New Zealand:

UNITED STATES

Question 1:

United States beef promotion activities in Japan are reported to be increasing with US$6.5 million budgeted for Japan in 1987 and a further US$0.5 million for Hong Kong. In addition, there have been press reports in Japan attributed to United States Deputy Director of the United States Agricultural Agency, Mr. W. L. Davis that the Targeted Export Assistance programme budget will be increased 3.3 times by 1989-1990 implying US$21.5 million for beef promotion.

Could the United States representative advise whether these reports are factual and if so, explain the rationale under which such large levels of indirect subsidy can be made available to United States beef exporters, particularly in view of the United States Administration's reported views on subsidized trade.

EUROPEAN COMMUNITIES

Question 1:

In the light of changes to the EC beef and dairy regimes, and in particular the conditions for intervention purchasing, and a stock position where in March this year EC beef in intervention storage, at 533,000 tons, was only 12 per cent (70,000 tons) less than a year earlier, would the EC indicate what stock level it aims to achieve in restoring balance to the EC beef market, when it expects to achieve this, and how it proposes to bring stocks to this level without further export disposal sales with the potential to disrupt international markets for beef?

Question 2:

The EC decided this year that access provisions under the quota arrangements for manufacturing beef would again be split between a reduced volume of manufacturing beef and a compensatory quantity of high quality beef. The ratio used to calculate the compensatory amount for 1987 was higher than for 1986 resulting in an effective decrease in access. Does the Community think this is compatible with GATT commitments consequent on the Tokyo Round, and the Punta del Este commitment to "standstill"?