

**WORLD BEEF MARKET POISED FOR A RECOVERY THIS YEAR
SAYS WTO SECRETARIAT REPORT**

After three years of weak prices, the world beef market looks poised for a recovery this year with global meat consumption projected to rise from a dip last year caused by "mad cow disease" fears, and United States expected to import more beef as it approaches the end of its cattle liquidation phase.

These are among the findings contained in WTO's annual report *The International Market For Meats 1996/97* published today. The report, prepared by the Secretariat in accordance with the International Bovine Meat Agreement, presents a summary of the international situation and outlook for bovine meat and specific elements of the world beef economy on a country-by-country basis as well as summaries of the situation and outlook for pigmeat, poultry meat and sheepmeat.

Among the highlights of the report are the following:

- World beef consumption is expected to recover a dip last year caused by "mad cow disease" and other meat safety concerns and which threw the European Communities' market off balance, with large intervention stocks accumulating in the course of 1996. While the EC has already addressed the crisis with a number of measures, further reforms of the beef sector have been announced for this year. Beef consumption in the EC is expected to rise by 2 per cent to 7.07 million tons this year in contrast to a decrease of 7 percent in 1996.
- There are signs that the cattle liquidation in the United States is approaching its end and that prices will recover as from late 1997, promising higher imports and better returns for Oceanian, South American and other suppliers to the US market. The United States is projected to increase its beef imports by 10 per cent this year to 1.03 million tons, and overtake Japan as the world's biggest importer of beef.
- A number of WTO Members have concluded, or are in the process of negotiating, veterinary trade agreements based on the concepts of equivalence and regionalization contained in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). These agreements facilitate trade by reducing the cost of compliance with various national standards. The EC reached agreement with New Zealand at the beginning of the year, and more recently with the United States, which will take effect on 1 October 1997.

- A number of countries in 1997 were certified by the International Office of Epizootics as free from foot-and-mouth disease (FMD), thus enabling them to expand beef export opportunities. Argentina and Paraguay were recognized as FMD-free with vaccination in May 1997, while FMD-free zones without vaccination were recognized in Colombia, Namibia and South Africa.
- An outbreak of foot-and-mouth disease in Chinese Taipei, which supplied 40 percent or 380,000 tons of Japan's pork imports in 1996, has left a big gap in the Japanese market. While large stocks have so far prevented a shortage of pork in Japan, prices in the major supplying countries, the EC (Denmark) and the United States, have risen sharply.
- Korea, at the end of June 1997, phased out quantitative restrictions on imports of frozen pork and poultry meat and replaced the quotas by tariffs. This measure is likely to weaken the competitiveness of beef, although domestic demand is growing for all types of meat. Beef imports will remain subject to quotas until the year 2001 as specified in Korea's Uruguay Round schedule.
- Meat products have been the subject of several trade disputes in the WTO this year. On 19 August 1997, panel reports were issued on the complaints by Canada and the United States, respectively, against EC's ban on imports of meat from hormone-treated livestock. The two reports concluded that the EC measures were inconsistent with certain provisions of the SPS Agreement. In July, a panel was established at Brazil's request to examine EC measures on imports of poultry meat. In April, the United States requested consultations with the Philippines regarding the latter's implementation of tariff quotas for pork and poultry. In February, a panel was established to examine complaints by Argentina, Australia, New Zealand and the United States against an alleged breach by Hungary of its Uruguay Round export subsidies commitments, including on meat and meat products. The complainants informed the WTO Members in July that they had reached a mutually-agreed solution with Hungary subject to approval of a WTO waiver. In January, the EC requested consultations with Japan concerning the latter's safeguard measure on pork imports.

The International Markets for Meat 1996/97 is now available in English from the WTO Secretariat, Price: SwF15.- The French and Spanish editions will be available shortly.

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WORLD BEEF TRADE FORECAST FOR 1997

Major importers					Major exporters				
Country	1996	1997	1996/95	1997/96	Country	1996	1997	1996/95	1997/96
	('000 tons)		(% Change)			('000 tons)		(% Change)	
United States	940	1,034	- 1	10	Australia	1,016	1,080	- 7½	6½
Japan	871	870	- 7½	0	EC	960	910	- 4	- 5
Russia	650	670	6	3	United States	849	860	3	1½
EC	360	380	- 2½	5½	New Zealand	536	568	4½	6
Korea	196	234	1	20	Argentina	460	480	- 11½	4½
Canada	237	200	-7½	- 15½	Brazil	315	360	17	14½
Mexico	60	93	43	55	Canada	286	296	30½	3½
Brazil	100	80	- 21½	- 20	Uruguay	210	210	32	0

Note: Beef and veal, in tons, carcass weight equivalent.

Source: AMLC, MLC, USDA, WTO.

NOTE TO EDITORS:

The International Bovine Meat Agreement entered into effect on 1 January 1995. It replaced the GATT Arrangement Regarding Bovine Meat (1980-1994). The following are Parties to the Agreement: Argentina, Australia, Brazil, Bulgaria, Canada, Chad, Colombia, the European Communities (15), Japan, New Zealand, Norway, Paraguay, Romania, South Africa, Switzerland, the United States and Uruguay.

The primary objectives of the Agreement, like its predecessor, are to promote the expansion, liberalization and stability of the international meat and livestock market by improving the international framework of world trade to the benefit of consumers and producers, importers and exporters; to encourage greater international cooperation in all aspects affecting trade in bovine meat and live animals; and to secure additional benefits for the international trade of developing countries in bovine meat and live animals.

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