



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED
ST/ECA/WP.1/12
20 January 1982
Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

REPORT OF THE WORKSHOP TO BRING TOGETHER BUYERS AND
SELLERS OF MEAT AND MEAT PRODUCTS

7 - 11 December 1981

ORGANIZATION AND PROCEEDINGS

A. Attendance and organization of work

1. The meeting was attended by participants from the following countries: Algeria, Botswana, Central African Republic, Congo, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Libyan Arab Jamahiriya, Mali, Morocco, Mauritius, Niger, Swaziland, Tunisia, Upper Volta and observers from the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the Association of African Trade Promotion Organizations (AATPO), the International Livestock Centre for Africa (ILCA) and the Communauté économique du bétail de la viande du Conseil de l'Entente (CEBV).

2. Mr. H.L. Bazin, Director of the International Trade and Finance Division of ECA, chaired the Workshop.

B. Agenda

3. A draft work programme was presented to the meeting and, after minor amendments*, was adopted by the participants (Annex I).

C. Opening statements

4. The Workshop listened to the statements from Ato Yosef Wolde Michael, Permanent Secretary of the Ministry of Foreign Trade of Socialist Ethiopia and Mr. H.L. Bazin, Director of the International Trade and Finance Division of ECA.

5. In his address, Ato Yosef Wolde Michael, Permanent Secretary of the Ministry of Foreign Trade of Socialist Ethiopia, drew attention to the excessively outward-oriented character of African trade and the disintegration of the natural links existing among the African countries that had followed the advent of colonialism. He stressed the necessity for Africans to be fully aware of their responsibility in shaping the destiny of the continent and in exercising full control over the use and disposition of their natural resources.

6. He recalled that self-reliance could only be achieved through effective economic co-operation leading to the creation of such groupings as the Economic Community of West African States (ECOWAS) and the Preferential Trade Area for Eastern and Southern Africa (PTA). These would pave the way for the establishment of an African Common Market by the year 2000, as provided for in the Lagos Plan of Action.

7. The Permanent Secretary of the Ministry of Foreign Trade of Socialist Ethiopia also drew attention to the fact that the world meat market was, for all practical purposes, dominated by developed countries which had recourse to various protectionist measures such as dumping practices, subsidies, non-tariff barriers of different kinds to preclude or limit access of developing countries' producers to their markets. In so far as intra-African trade in meat and meat products was concerned, various obstacles stood in the way of a meaningful expansion thereof. These were being faced, inter alia, at the production, transportation and market information levels.

* The participant from Libyan Arab Jamahiriya expressed regret that the documents presented at the Workshop were not available in the Arabic language and that no provision had been made for interpretation in Arabic.

8. He expressed the hope that the Workshop will recommend the adoption of concrete measures to assist in expanding intra-African trade in meat and meat products. To be effective, such recommendations will need to be followed up and implemented by an organization of the kind which was proposed by the secretariat in the paper presented to this meeting. Such an organization which would be made up of both importers and exporters would be able in particular to act as a source for sorely needed information on current data on the African meat industry.

9. After welcoming the participants on behalf of the Executive Secretary of ECA, Mr. Adebayo Adedeji, Mr. Bazin stressed the importance which ECA attached to this meeting.

10. This importance stemmed from three main causes. The first one has to do with the fact that the international meat market has been characterized, for a number of years now, by great instability, and was in a state of crisis.

11. Such a situation clearly resulted, for a large part, from the protectionist policies and measures being applied by developed countries and the growing difficulties which African countries faced in trying to gain access to the markets of the developed countries.

12. In this respect, he drew attention to the fact that the relatively small volume of trade in beef products, which represents less than 6 per cent of the world's supply, constituted a serious obstacle to the positive development of the world's market in beef to the extent that any shift, however modest, in the production and internal consumption of the major consuming countries, has important consequences for the exporting countries.

13. The second reason why ECA feels this meeting is of great importance to the African region has to do with the fact that it is a direct offshoot of the Lagos Plan of Action which gives very high priority to the expansion of intra-African trade, and to intra-African trade in food and food products in particular, on the basis of the principle of collective self-reliance among member States. The Heads of State and Government specifically stressed the need for the countries in the region to try and lessen their dependence on the developed countries by diversifying their trade patterns, and take in particular every opportunity to buy from and sell to each other. Meat and meat products, of which more than 125,000 tons were currently being imported from outside the region, while at the same time African meat producers/exporters faced great difficulties to gain access for their products either within or without the region, was a case in point, in that intra-African trade expansion in this group of commodities seemed to offer a worthwhile challenge.

14. The third reason why this workshop was deemed to be of significant importance stemmed from the fact that it was viewed as the first of its kind and one whose results would need to be closely scrutinized and assessed so as to gain meaningful experience therefrom when organizing similar workshops on other commodities.

15. The present exercise was therefore a very practical one and the secretariat hoped that it would lead to concrete business deals either at the end of the meeting or in the near future. This meant, in particular, that appropriate follow-up action would need to be taken hopefully, both on a bilateral basis, between individual importers and exporters, and on a multilateral basis, in the form, say, of the creation of an African Association of Producers/Exporters and buyers of meat and meat products.

16. The ECA secretariat would do its utmost to assist the participants and their respective organizations and countries to achieve these goals.

D. Presentation of the study on "Problems and Prospects in African Trade in Meat and Meat Products" (E/CN.14/WP.1/114/Rev.1).

17. A representative of the secretariat introduced the paper by highlighting its main points. He drew attention in particular to the present situation of the world meat market, the problems facing African exporters thereon and the various constraints that impede the development of intra-African trade in meat and meat products. Stress was also laid on the need for a series of measures to be taken to overcome these problems particularly at the intra-African level. These included, inter alia, - the promotion of joint ventures among exporters and importers covering the production, processing and marketing fields; the conclusion of long and medium-term agreements including price arrangements; the creation of an African association of exporters and importers; the harmonization of African positions with a view to facilitating effective and meaningful participation in international negotiations on meat and meat products being held at UNCTAD and FAO in particular.

E. Objectives of the Workshop

18. The Chairman informed the participants that the objectives of the Workshop were basically threefold namely:

- (1) To make it possible for African exporters and importers to get acquainted with each other and enable them to initiate business contacts;
- (2) To provide a forum for the identification and discussion of buying and selling possibilities and examining in a frank manner the problems and constraints that exist on both sides in so far as expansion of intra-African trade in meat and meat products is concerned;
- (3) To discuss the specific measures that should be taken to overcome these problems and constraints, including the creation of an association of African net meat importing and net meat exporting countries.

F. Main problems and constraints facing intra-African trade in meat and meat products

1. Health control problems

19. The representative of the CEBV made a brief statement which focussed on the problems of animal health and measures taken to deal with these problems within this organization including co-operation arrangements with other states within the subregion. In connection with efforts to collect statistical data and to standardize health control regulations, attention was called to progress made which had resulted in the adoption by member States of the community "passport for cattle". This had assisted significantly in facilitating control of livestock movements, state of health, and trade data collection. He added that the passport for cattle had been adopted by the ECOWAS member States.

20. The Workshop was informed of two CEBV projects on animal trypanosomiasis and animal health in Western and Central Africa. The representative of CEBV indicated that the first project includes development programmes to be implemented in the areas freed from animal trypanosomiasis.

21. Participants stressed the importance of adhering to African standard regulations but nevertheless recognized the diversity of regulations now being applied by African countries and the unsuitability of some of these regulations from the stand point of intra-African trade expansion. In addition to health aspects for both livestock and meat, importance was attached to the need for regional standardization of meat classes and the certification of these classes originating from member States. There was a large measure of agreement in the Workshop that significant progress has been made among African countries in this field but that efforts needed to be intensified with the help of international organizations in specific areas, as may be appropriate.

2. Market intelligence and information

22. Both buyers and sellers underlined the inadequacy of market intelligence and information services in Africa and the detrimental consequences thereof on intra-African trade in meat and meat products.

23. Many potential importers and exporters are unaware of the supply and demand situation and lack reliable details on quality, quantity, quotations, delivery and payments arrangements.

3. Transport and communications

24. Transport and communications have been identified as being among the most crucial issues facing African countries in their trade in livestock, meat and meat products.

25. Among the various problems in this field the following main ones have been mentioned:

- (a) Excessively high air-freights and shipping costs, due, inter alia, to problems of an administrative nature, the inadequacy of transport network and connections in the region and the limited size of consignments.
- (b) Transit problems faced by land-locked countries.
- (c) The shortage of adequate storage facilities for both importers and exporters, which limits optimality in bulk transport.
- (d) Irregularity of means of transport and lack of connection facilities.

26. Attention was paid to the fact that, while a very wide range of African meat and meat products was of international standard, there are still many prejudices against African products both within and outside Africa. Note was taken of the fact that this prejudice is, to a great extent, fuelled by extra-African vested interests. On the other hand, some importers informed the workshop that consumers in their countries preferred by far meat originating in Africa, because of its natural taste.

4. Equilibrium of supply and demand

27. On the whole, while there are countries producing surpluses, Africa's supply position falls short of total African demand. Unless production increases at a faster pace the gap between supply and demand will continue to widen.

28. It was recognized that the supply side is a priority sub-sector whose neglect may have great consequences for intra-African trade.

29. Long established high cost production patterns in some areas have limited the marketing possibilities for certain varieties of meat within the region.

5. Competition

30. This problem was discussed at two levels:

- (1) Co-ordination is lacking among African exporters in the international market and consequently they do not maximize their benefits.
- (2) Much more acutely, African exporters are also faced with unfair competition from the EEC exporters who are dumping their subsidized products on the African markets.

31. Generally speaking, African exporters find it extremely difficult to compete with non-African suppliers including not only those from EEC, but also from South America, Australia, New Zealand who are in a position to offer much cheaper prices, often by half, and other more favourable terms including credit facilities.

32. In this connection, the attention of the meeting was drawn to the fact that this problem was not peculiar to intra-African trade in meat and meat products, but obtained also for other products, including manufactured products, which African exporters were trying to sell to other African countries.

33. Besides, it was observed that the tender system under which a number of African countries procure their meat tended to favour better informed and organized non-African suppliers, and put them in a better position to take advantage of such tenders.

6. Socio-political problems

34. Emphasis was put on the need for a proper respect to be paid to religious and social customs with respect to slaughtering, packing and all other aspects of the meat trade.

35. The Workshop made a strong plea to the effect that political considerations should not prevent initiation or implementation of business commitments among African countries.

7. Tariff and non-tariff barriers

36. The attention of the meeting was drawn to a number of obstacles of this kind that still exist in some countries and result in significantly hampering intra-African trade in meat and meat products especially trade in processed meat, as opposed to trade in livestock. While the right of importing States to add as much value as possible within their national boundaries to livestock coming from outside could not be doubted, emphasis was laid on the fact that some equitable balance should be found between such a right and the possibility to be left to exporting States to export processed products, all the more so as, more often than not, livestock represented for them the only resource base, or at least one of the very few resource bases available to them, for processing and industrialization.

G. Statements by representatives of international organizations

1. UNCTAD

37. The representative of UNCTAD reviewed the activities of UNCTAD in the meat and meat products sectors and the co-operation that exists between UNCTAD and the regional and subregional organizations in Africa. The representative briefed the workshop on the outcome of the Third Preparatory Meeting on meat and meat products under UNCTAD's integrated programme for commodities. Stress was laid in particular on the fact that a number of important projects had been identified for financing from the second window of the Common Fund.

38. She indicated that UNCTAD's programme on livestock and meat in Africa aims at the tackling of the obstacles precisely identified by the Workshop. She accordingly stressed specific projects on problem-areas such as animal health and trade in meat and livestock. She put emphasis on the short and long-term objectives of those projects. She indicated that implementation of the envisaged measures would have a direct and positive bearing on African production and trade in meat and meat products.

2. ITC

39. After a brief presentation of ITC, the representative of the International Trade Centre gave a broad picture of ITC's technical co-operation activities as regards the meat sector in particular.

40. The ITC representative stressed the activities carried out by the International Trade Centre in the field of export promotion of livestock products. In 1981, these included, inter alia, the preparation of a survey of selected Arab countries' markets (Saudi Arabia, Kuwait and Yemen Arab Republic), a survey on the supply situation in Nigeria concerning processing of slaughterhouse by-products for exports and an animal by-product consultation programme to assist the LDCs to take better advantage of their animal by-products resources.

41. The ITC representative indicated that ITC is building up a telex-operated market news for selected products, a service which currently provides exporters of selected developing countries with weekly information in, inter alia, prices and demand situations in selected importing countries for the products already covered by the service, i.e. horticultural products. The objective of this service is to improve the bargaining position of exporters in developing countries, and the ITC representative suggested that the setting-up of a similar service for livestock products could be envisaged for Africa as one of the measures aimed at promoting intra-African trade in livestock products.

3. AATPO

42. The representative of AATPO reviewed the activities of this organization. He highlighted its work programme for 1982 and its significance in the area of marketing information and training.

4. ILCA

43. The representative of ILCA outlined his organization's activities and its preparedness to assist African countries within its available resources. The representative particularly raised the question of taxation on livestock at all stages and its impact on the over-all performance of the livestock and meat industry.

H. Recommendations

1. Market Intelligence and Information

44. It is recommended that:

- (i) National trade information centres should be strengthened on a priority basis to serve as proper liaison with and channels for subregional and regional trade information centres;
- (ii) Maximum effort should be made to take advantage of "buy African goods" campaigns scheduled to be held in conjunction with All-Africa Trade Fairs or African National Trade Fairs in order to publicize and demonstrate the excellence of African meat and meat products and encourage intra-African trade therein;
- (iii) Steps should be taken to advertise the availability and quality of African livestock, and of meat and meat products. In this context, maximum use should be made of existing facilities in the Pan-African Information Agency, ECA's PADIS system and other publications, including "Flash" and "Africa Trade Bulletin", as well as of ITC's Market Intelligence Service. The workshop requests ITC and ECA to investigate the possibility of setting up a market news service for livestock, meat and meat products.

2. Compensation Fund

45. The workshop was informed that studies were now in progress within the framework of CEAO (Communauté économique d'Afrique de l'Ouest) to examine the feasibility of setting up a Compensation Fund that would aim at enabling exporting countries to offer more competitive prices than is now the case. It was accordingly decided to request ECA to take into account the findings of these studies, when they become available, with a view to examining the feasibility of extending such a system to cover eventually all-African meat exports.

3. Transport and Communications

46. It was recommended that:

- (i) An appeal should be made to the Association of African airlines and African maritime conferences to work out preferential tariff rates which would encourage intra-African trade in meat and meat products;
- (ii) A pooling system should be worked out for consignments travelling on common routes so that cost of transport can be minimized.

4. Socio-political problems

47. It was recommended that:

An appeal should be made to all the African Governments to the effect that political considerations should not prevent initiation or implementation of business commitments among African countries.

5. Prejudice against African products

48. It was agreed that the interest of the African region will be best served if African solidarity is strictly practised and African Governments take an active part in fighting against prejudices directed towards African goods, including meat and meat products. To this end, mass media and mass organizations should be fully mobilized as soon as possible.

6. Equilibrium of supply and demand

49. It was recommended that, to alleviate current and increasing shortages in supply, every effort should be made to expand production of livestock, meat and meat products so as to boost volume and product ranges, and increase productivity. To this end, joint ventures between African importers and exporters should be encouraged as complementary schemes to national programmes and full advantage should be taken of resources that may be available from international institutions, including those adopted at the third preparatory meeting for submission to the Second Window of UNCTAD's Common Fund.

7. Competition

50. (i) African exporters should make every effort to co-ordinate and harmonize their selling activities on both African and extra-African markets;
- (ii) Action should be taken by African countries both through bilateral contacts with EEC and through international fora such as UNCTAD, GATT to induce non-African suppliers to put a stop to dumping practices;
- (iii) All African importing countries should endeavour to provide a specified share of their meat purchases for imports originating from African sources;
- (iv) Arrangements should be worked out whereby producer countries and importing countries would make price concessions which will generate business deals;
- (v) Efforts should be made to set up export credit systems at the national and subregional levels, in co-operation with regional and subregional financial institutions such as the African Development Bank, and the proposed Trade and Development Bank for Eastern and Southern Africa, to assist in financing intra-African trade generally, and intra-African trade in meat and meat products, in particular.
- (vi) Efforts should be undertaken in order to improve the quality of meat in Africa so as to improve the competitiveness of African meat and meat products.

8. Liberalization of intra-African trade in meat and meat products

51. In line with the Lagos Plan of Action that lays particular stress on the need to liberalize intra-African trade in food and food products including meat and meat products, and in the spirit of solidarity that ought to exist among African countries, participants urged that maximum effort should be made to dismantle still existing tariff and non-tariff barriers to such trade or refrain from introducing them.

9. Institutional arrangements

52. The idea of setting up an African Association of Exporters and Importers of Livestock, meat and meat products was accepted in principle.

53. However, it was decided that the best ways and means of creating such an association would need to be worked out carefully at the next meeting of African buyers and sellers of livestock, meat and meat products.

54. The Algerian delegation proposed Algiers as the venue of the next meeting which would be held in 1982 and indicated that invitations will be extended through ECA to all African exporters and importers of livestock, meat and meat products as soon as the Algerian Government makes a final decision. The workshop expressed its appreciation for this proposal.

55. The workshop recommended that:

Participants should keep each other as well as ECA informed on how they are implementing the recommendations adopted by the meeting.