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TRADE MONITORING POLICY REPORT

OF

BRAZIL

VOLUME IX

(APRIL-JUNE 2013)

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ABBREVIATIONS

1.	ABC	-	Low Carbon Agriculture Program
2.	APEC	-	Asia-Pacific Economic Cooperation
3.	APEDA	-	Agricultural Products Export Development Authority
4.	AQSIQ	-	The General Administration of Quality Supervision, Inspection
5.	ARFs	-	Automatic Registration Forms
6.	Art.	-	Article
7.	CAMEX	-	Brazilian Chamber of Commerce
8.	CAPTA	-	Consultation of Tariff Preference Agreement
9.	CNPq	-	National Council of Scientific & Technological Development
10.	CONAB	-	National Food Supply Company
11.	DFEC	-	Department of Foreign Economic Cooperation
12.	DITEA	-	Department of International Trade and Economic Affair
13.	DSB	-	Dispute Settlement Body (WTO)
14.	EEA	-	European Economic Area
15.	EFTA	-	European Free Trade Association
16.	EPA	-	Economic Partnership Agreement
17.	EU	-	European Union
18.	DBT	-	Department of Biotechnology
19.	DST	-	Department of Science & Technology
20.	FDI	-	Foreign Direct Investment
21.	FTAs	-	Free Trade Agreements
22.	GAC	-	General Administration of Custom
23.	GAT	-	General Administration of Taxation
24.	GDP	-	Gross Domestic Product
25.	GIs	-	Geographical Indications
26.	GPA	-	Agreement on Government Procurement GPA
27.	HS	-	Harmonised System
28.	IBII	-	Investigation Bureau for Industry Injury
29.	IP	-	Intellectual Property
30.	IPR	-	Intellectual Property Rights
31.	ISO	-	International Organization for Standardization
32.	IT	-	Information Technology
33.	ITES	-	Information Technology Enabled Services
34.	MAPA	-	Ministry of Agriculture, Live Stock & Supply
35.	MCTI	-	Ministry of Science, Technology & Innovation
36.	MDIC	-	Ministry of Development, Industry and Foreign Trade
37.	MLPS	-	The Multi-Level Protection Scheme
38.	MOA	-	Ministry of Agriculture
39.	MOF	-	Ministry of Finance
40.	MOFCOM	-	Ministry of Commerce
41.	MPS	-	The Ministry of Public Security
42.	NAFTA	-	North American Free Trade Agreement
43.	NBER	-	National Bureau of Economic Research
44.	NCAC	-	National Copyright Administration of China
45.	NDRC	-	National Development and Reform Commission
46.	NME	-	Non-Market Economy
47.	NPC	-	National People's Congress
48.	NPK	-	Sodium, Phosphorous, Potassium
49.	NT	-	National Treatment

50. OECD - Organization for Economic Cooperation and Development
51. PAP - Agriculture and Livestock Plan
52. PEP - Premium-per-Output Programme
53. PPP - Purchasing-power parity
54. PRC - People's Republic of China
55. PRONAMP - National Program for Support to Medium Rural Producers
56. PSI - Pre-shipment inspection
57. PSI-BK - Investment Support Programme
58. QIP - Quarantine Inspection Permit
59. ROO - Rules of Origin
60. SAARC - South Asian Association for Regional Cooperation
61. SAC - The Standardization Administration of China
62. SAFE - State Administration of Foreign Exchange
63. SAIC - The State Administration of Industry and Commerce
64. SASAC - State-Owned Asset Supervision Administration Commission
65. SCNPC - Standing Committee of the National People's Congress
66. SEXEC - Brazilian Secretariat of Foreign Trade
67. SEZs - Special economic zones
68. SECEX - The Foreign Trade Secretariat
69. SIPO - State Intellectual Property Office
70. SOEs - State-owned enterprises
71. SPC - Supreme People's Court
72. STE - State-trading enterprises
73. TBT - Technical Barriers to Trade
74. TCF - Textiles, clothing and footwear
75. TRIMs - Trade-Related Investment Measures
76. TRIPs - Trade-Related Aspects of Intellectual Property Rights
77. TRQs - Tariff-rate quotas
78. USTR - United States Trade Representative
79. VAT - Value-added Tax
80. WAP - The WLAN Authentication and Privacy Infrastructure
81. WIPO - World Intellectual Property Organization
82. WLANs - Wireless Local Area Networks
83. WTO - World Trade Organization

AGENDA FOR NEXT REPORT

- An update on Brazil's oil companies have dismissed auction of offshore pre-salt oil blocks as the National Petroleum Agency (ANP) remains positive despite such dismissal.
- An update on the Brazil government plans to give a boost to the state-run oil company Petroleo Brasileiro by financing its participation in the auction of Libra [the country's largest ever oil discovery].
- An update on the largest oil offshore platform construction which has the capacity to produce 180,000 barrels per day of crude.
- An update on the currency-intervention program launched by the Brazil's Central Bank which will provide 60 billion dollars worth of cash and insurance to the foreign-exchange market by 2013.
- Brazil rejected an amendment to an oil-royalty bill which aimed to take away the world's largest sale of rights to develop offshore oil resources.

SUMMARY FOR THIS REPORT

Economy

Brazil's present Annual GDP growth rate is 3.50%. The GDP expanded by 1.5% in the first quarter. Earlier, December 2012 saw the GDP increase at a marginal rate of 0.6%,[1] and the same trend was seen in the previous fourth quarter.[2] However, Q1 saw the GDP pick up with a growth of 1.5% over the previous quarter in seasonally adjusted terms, representing the highest growth rate in 13 quarters.

Trade Agreements

Brazil and the United Kingdom signed a memorandum of understanding in São Paulo, Brazil to expand the system for Consultation of Tariff Preference Agreements (CAPTA), which holds data on the reduction of import duty resulting from international trade agreements entered into by Brazil. Brazil has been granted reduction by 37 countries, and grants reduction to 44 countries.

Social Security Agreement

Brazilian and Spanish social security authorities participated in the third round of negotiations for the preparation of the forms necessary for the implementation of the Supplementary Agreement for Review of the Social Security Pact between the two countries on April 11 2013.

Brazil's accession to United Convention on Contracts for the International Sale of Goods [CISG]

Brazil acceded to the *United Nations Convention on Contracts for the International Sale of Goods* (CISG) on 5 March 2013, and was entered into force on 1 April 2013. CISG provides an equitable and modern uniform framework for the contracts of sale, which is the backbone of international trade in all countries, irrespective of their legal tradition or level of economic development

[1]*Brazil Economic Growth Disappoints in 2012-13*, FOCUS-ECONOMICS, March 1, 2013, http://www.focus-economics.com/en/economy/news/Brazil-GDP-Economic_growth_disappoints_in_2012-2013-03-01; See also, *Investing in Brazil*, BRASIL.GOV.BR, http://www.brasil.gov.br/para/invest/investing-in-brazil/gdp/br_model1?set_language=en

[2]*Economic Growth Slower Than First Quarter*, FOCUS-ECONOMICS, May 29, 2013, http://www.focus-economics.com/en/economy/news/Brazil-GDP-Economic_growth_slower_than_expected_in_the_first_quarter-2013-05-29; See also, *Brazil Overview*, WORLD BANK, http://www.worldbank.org/en/country/brazil/overview

TRADE POLICY MONITORING REPORT OF BRAZIL

FOR THE QUARTERLY PERIOD: APRIL 2013-JUNE 2013

I. INTRODUCTION

This is the ninth Quarterly Trade Policy Monitoring Report prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School. This report will monitor and discuss the trade and macroeconomic policy developments that took place in Brazil during the period: April- June, 2013.

Brazil is one of the leading trading nations and has considerable diversification in its exports and imports. It is also one of the largest exporters of agricultural products. However, it is the growing service sector that has heavily contributed to the GDP.[3]For several years, Brazil followed the policy of import substitution. In order to promote industrial development, it established government sponsored enterprises that still operate today. Prominent amongst them are the National Economic and Social Development Bank (BNDES); the National Steel Company (CSN), Petrobras, the national petroleum company and Embraer, the manufacturer of regional jets.[4] During the late eighties, Brazil began to shift its focus from insulation to integration in global trade, owing primary to international pressure. Mid-nineties saw privatization initiatives taken up in an attempt to open Brazilian economy to global competition. Pursuant to this policy, more state enterprises were opened up and Brazil moved towards a greater integration with, and is expanding its presence in the world markets.[5]

However, the economy is still facing major challenges. According to Bloomberg, the Real was the worst performer among the 16 most traded currencies tracked by it. There is a widespread fear that drop in currency could further fuel inflation by raising the cost of imports.[6] Meanwhile, on 6 June, global rating agency Standard & Poor's reaffirmed Brazil's BBB credit rating, but lowered its outlook to negative, citing sluggish economic growth, weakening fiscal position and a loss of credibility with investors.[7]

[3] *Brazil Country Profile*, BBC NEWS, August 14, 2013, http://news.bbc.co.uk/2/hi/europe/country_profiles/1227110.stm
[4] *Brazil Economic Profile,* INDEXMUNDI, February 21, 2013, http://www.indexmundi.com/brazil/economy_profile.html
[5] Luciana Lopez, *Key Facts About Brazil's Economy*, REUTERS, November 9, 2010, http://www.reuters.com/article/2010/11/19/us-brazil-summit-economy-idUSTRE6AI3ZZ20101119
[6] David Biller, *Brazil's June Inflation Rises More Than Forecast Amid Protest*, BLOOMBERG, June 21, 2013, http://www.bloomberg.com/news/2013-06-21/brazil-s-june-inflation-rises-more-than-forecast-amid-protests.html
[7]*Brazil Exchange Rate in Lowest Levels*, FOCUS-ECONOMICS, June 12, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Exchange_Rate-Brazilian_real_weakens_to_lowest_level_in_four_years-2013-06-12

II. OVERALL ECONOMIC ACTIVITY DURING THE QUARTER & VARIOUS ECONOMIC INDICTORS

II.A. GDP

Brazil's present Annual GDP growth rate is 3.50%. The GDP expanded by 1.5% in Q1. Earlier, December 2012 saw the GDP increase at a marginal rate of 0.6%,[8] and the same trend was seen in the previous fourth quarter.[9] However, Q1 saw the GDP pick up with a growth of 1.5% over the previous quarter in seasonally adjusted terms, representing the highest growth rate in 13 quarters.

On the domestic side, private consumption added 0.3% growth over the previous quarter. Government consumption was also controlled to 0.5% in Q1. Fixed investment decelerated from a 4.7% expansion in the previous quarter, to 3.6%.[10] On the external side of the economy, exports of goods and services rebounded from a contraction of 6.9% in Q4 of the previous fiscal calendar to an expansion of 6.9% in Q1. Imports, which had significantly expanded to 5.7% at the end of last quarter, grew by 0.6%.[11]

II.B. Inflation

Inflation in March 2013 had breached the Central Bank's (*Banco Central do Brasil*) target range, observing a reading of 6.6% (Annual Headline Inflation). April 2013 saw this inflationary tendency ease out marginally with Annual Headline Inflation reduce to 6.5%. This resulted in containment of inflation rate within the Central Bank's target of 4.5%, with a tolerance margin of plus or minus (+/-) 2.0%.[12] These levels remained unchanged in May 2013, but increased to a 20-month high in June, where it increased from 6.5% to 6.67%.[13] Increase in consumer prices (up by 0.26% from the May) led to this rise.[14] This increase in consumer price was an outcome of increase by 1.83% in urban bus prices, and had sparked nationwide protests against corruption, allocation of public funds and higher cost of living.[15] Higher prices for health, personal care and housing were also contributing factors to

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[8] *Brazil Economic Growth Disappoints in 2012-13*, FOCUS-ECONOMICS, March 1, 2013, http://www.focus-economics.com/en/economy/news/Brazil-GDP-Economic_growth_disappoints_in_2012-2013-03-01; See also, *Investing in Brazil*, BRASIL.GOV.BR, http://www.brasil.gov.br/para/invest/investing-in-brazil/gdp/br_model1?set_language=en

[9] *Economic Growth Slower Than First Quarter*, FOCUS-ECONOMICS, May 29, 2013, http://www.focus-economics.com/en/economy/news/Brazil-GDP-Economic_growth_slower_than_expected_in_the_first_quarter-2013-05-29; See also, *Brazil Overview*, WORLD BANK, http://www.worldbank.org/en/country/brazil/overview

[10] *Economic Growth Picks Up,* FOCUS-ECONOMICS, August 31, 2013, http://www.focus-economics.com/en/economy/news/Brazil-GDP-Economic_growth_picks_up,_beats_expectations_in_Q1-2013-08-31

[11] *Id.*

[12] *Brazil Inflation Slows in June But Above Target*, DOW JONES, July 5, 2013, http://www.nasdaq.com/article/brazils-inflation-slows-in-june-but-remains-above-target-20130705-00121

[13] David Biller, *Brazil June Inflation Rises More Than Forecast Amid Protests*, BLOOMBERG, June 21, 2013, http://www.bloomberg.com/news/2013-06-21/brazil-s-june-inflation-rises-more-than-forecast-amid-protests.html; See also, Joana Tarboda, *Brazilian Inflation Rate at 20 Month High*, TRADING ECONOMICS, July 5, 2013, http://www.tradingeconomics.com/articles/07052013140009.htm

[14] *Inflation Rises to a 20-Month High in June*, FOCUS-ECONOMICS, July 5, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Inflation-Inflation_rises_to_a_20_month_high_in_June-2013-07-05

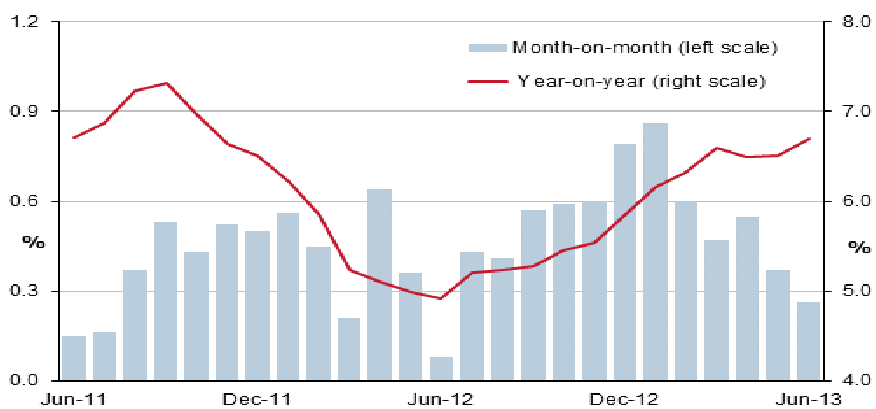
[15] *Id.*

this rise. The Central Bank is understood to expect inflation to discipline itself to 5.7% by the end of this year, and to 5.3% by end of 2014. Private actors remain skeptical of these figures.[16]

II.C. Brazil's Current Account Deficit

A deficit of USD 8.3 billion was recorded in April 2013. This deficit was larger than the USD 5.4 billion shortfall registered in April of 2012. It also breached market expectations which had assessed the deficit at USD 7.3 billion.[17] The moving 12-month Current Account Deficit also increased in April 2013 to an approximate valuation of 3% of GDP, which could be comparable to the levels observed as far back as 2002. May 2013 saw the current account gap widen further, and weak trade surplus was identified as the element responsible for this. The incurred deficit amounted to USD 6.4 billion, and the Services and Income balance tallied a USD 7.3 billion deficit.[18] However, the gap reduced in June 2013 with the deficit assessed at USD 4 billion. This was smaller than the shortfall registered in y/y (year-on-year) terms. Trade balance also reached a monthly surplus of USD 2.3 billion, which was nearly three times as large as the USD 800 million surplus in y/y terms. Trade balance has benefited from grain exports and bilateral trade with Argentina. However, many expect both drivers to fade out during the course of Q2-Q3.[19]

Table I (Inflation rate June 2011-June 2013):



Inflation (June 2011-3013)
Note: Annual & Monthly variation of IPCA consumer price index in %
Source: Brazilian Institute of Geography & Statistics (IBGE)

II.D. Industrial Output during Q1

This quarter saw uncertainty in industrial production growth in Brazil. An expansion of 1.8% was measured in the month of April 2013, an increase of 0.8% from March 2013. In annual terms too, industrial production expanded to 8.4%, representing the strongest gain in almost 3 years. The

[16] David Biller, *Brazil June Inflation More Than Forecast Amid Protests*, BLOOMBERG, June 21, 2013, http://www.bloomberg.com/news/2013-06-21/brazil-s-june-inflation-rises-more-than-forecast-amid-protests.html
[17] *Current Account Gap Widens in April*, FOCUS-ECONOMICS, May 22, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Current_Account-Current_account_gap_widens_in_April-2013-05-22
[18] *Current Account Gap Widens in May on Weak Trade Surplus*, FOCUS-ECONOMICS, June 21, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Current_Account-Current_account_gap_widens_in_May_on_weak_trade_surplus-2013-06-21
[19] *Special Report*, NATIXIS, September 5, 2013, http://cib.natixis.com/flushdoc.aspx?id=72615

annual average growth in industrial production calculated at -1.0 %, up from -1.9% at the end of last quarter.[20] This trend declined by 2% in May with 20 out of 27 categories surveyed by the IBGE registering a decrease in output.[21] An increase in industrial output was recorded in June 2013 with 22 out of 27 categories surveyed by the IBGE recording an increase in output. As per the survey, Capital Goods recorded the largest expansion. Overall, industrial production grew by 1.9% in June 2013 over the previous month, on a seasonally adjusted basis.

II.E. Monetary Policy

In April 2013, the Central Bank's Monetary Policy Committee (COPOM, *Comite de Politica Monetaria*) decided to raise the benchmark SELIC interest rate by 25 basis points to 7.50%. The decision came amid mounting price pressures, with inflation breaching the Bank's target ceiling at the end of the previous quarter. This represented the first hike in policy rate since July 2011. The decision was in line with market expectations.[22] A brief accompanying statement was also released alongwith this decision where policymakers justified their actions citing high inflation and price increase. COPOM also confirmed uncertainty regarding Brazil's economic recovery.[23] This uncertainty, in consonance with volatile global markets, saw the COPOM raise the benchmark SELIC interest rate by 50 base points to 8% in a unanimous vote. The decision surprised markets which had anticipated a 25 base point (0.25%) rise.[24]

II.F. Exchange Rate during Q1

Real was traded at 2.13 per USD at the end of June in Q1, which was 6.2% weaker than the level registered on same day in 2012. Moreover, the figure followed on a 7.0% drop recorded in May. Real value against the USD has now fallen to its lowest level since May 2009. On a Year-to-Date basis, the Real lost 4.1% versus the USD. In order to prop up the Real, on 10-11 June 2013 the Central Bank sold a total of USD 2.3 billion of currency swaps. According to Bloomberg, Real was the worst performer among the 16 most traded currencies tracked by it. There is a widespread fear that drop in currency could further fuel inflation by raising the cost of imports.[25]

III. TRADE AGREEMENTS AND ARRANGEMENTS

III.A. FREE TRADE AGREEMENTS

There has not been much activity on part of Brazil in Free Trade Agreements (FTAs) in the second quarter. However, the EU shall exchange FTA offers of propose tariff reductions and timing for an

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[20] *Industrial Production Growth Accelerates in April*, FOCUS-ECONOMICS, May 17, 2013, http://www.focus-economics.com/en/economy/news/Industrial_production_growth_accelerates_in_April-June-2013-04

[21] *Brazil Industrial Output Falls in May*, FOCUS-ECONOMICS, April 16, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Industry-Industrial_output_falls_in_May-2013/04/16

[22] *Brazil Monetary Policy and SELIC Hike*, FOCUS-ECONOMICS, April 17, 2013, http://www.focus-economics.com/en/economy/news/Brazil-Monetary_Policy-Central_Bank_hikes_SELIC_rate_amidst_inflation_concerns-2013-04-17

[23] *Id.*

[24] *Id.*

[25] David Biller, *Brazil's June Inflation Rises More Than Forecast Amid Protest*, BLOOMBERG, June 21, 2013, http://www.bloomberg.com/news/2013-06-21/brazil-s-june-inflation-rises-more-than-forecast-amid-protests.html

FTA with the countries of MERCOSUR (which includes Argentina, Brazil, Uruguay and Venezuela) by the end of the quarter.[26]

Further, Ministry of Development, Industry and Foreign Trade (MDIC) in April suggested postponing the effective dates of the auto parts and automobile free trade agreement between Brazil and Argentina. The scheduled date of implementation was to be July 2013. The bilateral auto trade is currently governed by a system which establishes that for every $100 Argentina exports to Brazil, it must import $195 without charging import taxes. Every $100 Brazil exports to Argentina there should be import of $250 which must be permitted without charging the same tax.[27]

III.B. PREFERENTIAL ARRANGEMENTS ADOPTED UNILATERALLY

a. Brazil and United Kingdom expand access to foreign trade information

Brazil and the United Kingdom signed a memorandum of understanding in São Paulo, Brazil to expand the system for Consultation of Tariff Preference Agreements (CAPTA), which holds data on the reduction of import duty resulting from international trade agreements entered into by Brazil. Brazil has been granted reduction by 37 countries, and grants reduction to 44 countries.

Under the agreement, CAPTA will also provide the following information: the tariffs applied to Brazilian exports by Brazil's major trading partners (not only the tariff preferences); rules and tariffs of the Generalized System of Preferences (GSP); rules of origin of tariff preference agreements, and the commitments of agreements in services concluded within the framework of the World Trade Organization. The goal of the initiative is to facilitate access to this information and thereby increase use among exporters of the tariff reductions negotiated by Brazil in bilateral agreements.[28]

MDIC and the British Ministry signed a further memorandum of understanding at the meeting, focusing on trade, investment, services, sustainability, education, standardization, research and development and innovation.[29] The agreement establishes a two-year plan (2013-2014) in which specific projects will be developed in these areas between the two governments.

III.C. OTHER REGIONAL ARRANGEMENTS

a. Brazil and Denmark sign agreement to promote trade and investment

Danish Minister of Trade and Investment visited the MDIC to sign a Memorandum of Understanding between the agencies of the two countries which expands bilateral cooperation and establishes a working group on trade and investment. Under the agreement, ministries of the two countries will facilitate dialogue and information exchanges on trade, maritime services, intellectual property rights and investment opportunities in biofuels, renewable energy, energy efficiency

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[26] *Trade Watch in March*, E&Y, 7 April 2013, http://www.ey.com/Publication/vwLUAssets/Trade_Watch_March_2013/$FILE/TradeWatch_March2013.pdf MARCH 2013

[27] Fernando Rodrigues, *Brazil admits postponing free trade with Argentina*, BILATERALS, 25 April 2013, http://www.bilaterals.org/spip.php?article23078

[28] *Brazil and UK to Expand Access to Foreign Trade Information*, (April 26, 2013), http://www.brasil.gov.br/news/history/2013/04/26/brazil-and-uk-to-expand-access-to-foreign-trade-information

[29] *Id.*

products, freight transport, infrastructure, pharmaceuticals, chemicals, electronics, and agriculture, among others.[30] In addition, working group sought ways to promote the inclusion of small and medium enterprises in international trade, especially those excelling in innovative fields. Brazil has been termed by Denmark as a priority country for expansion on business and investments.

b. Brazil and India release public invitation for scientific and technological development

National Council of Scientific and Technological Development (CNPq) of Brazil, along with the Ministry of Science, Technology and Innovation (MCTI), in partnership with the Indian Ministry of Science and Technology, released two public invitations through the Departments of Science and Technology (DST) and Biotechnology (DBT) intended to support scientific and technological development in the two countries. The maximum period for execution of projects is 36 months.[31] Brazil and India share strong economic and political ties, both being members of BRICS, and this would further bolster ties between the two countries.

c. Brazil and Spain negotiate new social security agreement

Brazilian and Spanish social security authorities participated in the third round of negotiations for the preparation of the forms necessary for the implementation of the Supplementary Agreement for Review of the Social Security Pact between the two countries on April 11 2013. The Supplementary Agreement for Review of the Social Security Pact between Federative Republic of Brazil and the Kingdom of Spain was signed in July 2012.

Brazilian community represents the fifth largest community settled abroad and second in the European continent.[32] Brazil and Spain are active partners in Social Security. In addition to the social security agreement between the two countries, which was originally signed in 1969, both countries have ratified the *Ibero-American Multilateral Convention on Social Security*.

d. Brazil and Portugal promote meeting on innovation

A seminar on innovation was held in Lisbon, Portugal on April 8 and 9 of 2013, and opened a series of events involving the Government of Brazil's Ministry of Science, Technology and Innovation (MCTI) in the Year of Brazil in Portugal. The organizers of the event were hopeful that ensuing discussions would result in a program for bilateral work between Brazil and Portugal. Mechanisms to encourage activity in the country, such as tax incentives and public/private spending on research and development were also deliberated upon.[33]

e. Brazil accedes to the United Nations Convention on Contracts for the International Sale of Goods (CISG)

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[30] *Brazil & Denmark Sign Agreement to Promote Trade & Investment*, (May 23, 2013), http://www.brasil.gov.br/news/history/2013/05/23/brazil-and-denmark-sign-agreement-to-promote-trade-and-investment

[31] *Brazil and India Release Public Invitations for Scientific and Technological Development*, (April 26, 2013), http://www.brasil.gov.br/news/history/2013/04/26/brazil-and-india-release-public-invitations-for-scientific-and-technological-development

[32] *Brazil and Spain Negotiate New Social Agreement*, (April 11, 2013), http://www.brasil.gov.br/news/history/2013/04/11/brazil-and-spain-negotiate-new-social-security-agreement

[33] *Brazil and Portugal Promote Meeting on Innovation*, (April 9, 2013), http://www.brasil.gov.br/news/history/2013/04/09/brazil-and-portugal-promote-meeting-on-innovation

Brazil acceded to the *United Nations Convention on Contracts for the International Sale of Goods* (CISG) on 5 March 2013, and was entered into force on 1 April 2013. CISG provides an equitable and modern uniform framework for the contracts of sale, which is the backbone of international trade in all countries, irrespective of their legal tradition or level of economic development. It is considered to be one of the core conventions in international trade law.[34]

d. Brazil and Singapore sign MoU to strengthen Intellectual Property co-operation

The Intellectual Property Office of Singapore and the *Instituto Nacional Da Propriedade Industrial* signed a Memorandum of Understanding that provides an umbrella framework for collaboration between the two countries to strengthen IP co-operation in the coming 5 years. Under the agreement, parties will explore activities that encourage exchange of information, best practices and knowledge on various IP related issues. When implemented, businesses of both countries can benefit from expedited patent registration, and greater sharing of IP business best practices for SMEs through joint participation of IP conferences and events.[35]

IV. TRADE POLICY AND PRACTICE BY MEASURE

IV.A. MEASURES DIRECTLY AFFECTING IMPORTS

IV.A.1. Customs clearance procedures

The Brazilian Federal Revenue published a new normative providing new, simplified application and regulatory procedures for the special customs regimes of temporary admission and temporary exportation. The Normative Instruction consolidates the legal provisions of more than 35 existing acts into a single Act.[36]

The following aspects in the published Normative Instruction are particularly relevant:

- Goods temporarily admitted for economic use will pay the import-related taxes (i.e., import duty, IPI, and social contributions on imports (e.g., PIS/PASEP Import and COFINS), all at the rate of 1% per month, or month fraction, during the validity of this regime, considering the taxes originally due.

- During the validity of the temporary admission, it is authorized to replace the beneficiary and change the purpose of admission, in respect of all the goods admitted, according to Normative Instruction #121/2002.

- The grant of temporary admission and temporary export will be made on the customs clearance of the import or export declaration, respectively.

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[34] See Generally, *Press Release*, UNITED NATIONS INFORMATION SERVICE, http://www.unis.unvienna.org/unis/pressrels/2013/unisl182.html

[35] *Brazil-Singapore MoU on IP*, ASIAONE NEWS, 5 June 2013, http://news.asiaone.com/News/Latest+News/Singapore/Story/A1Story20130505-420437.html

[36] *Trade Watch in June*, E&Y PUBLICATION, 7 July 2013, http://www.eytax.jp/services/indirect-tax/issues/pdf/2013TradeWatchVol12Issue2_E.pdf

Additionally, the text of the Normative Instruction also refers to some rules based on the Convention on Temporary Admission, known as the Istanbul Convention. The Istanbul Convention was adopted by the World Customs Organization (WCO) in the 1990s.

IV.A.2. Tariffs

(i.) Tariff reduction on certain information technology and telecommunication goods

The Government of Brazil on 14 May 2013 announced the tariff reduction of the *ad-valorem* import duty applicable to certain information technology and telecommunication goods such as printers, digital routers, LCD screens, ozone generators for current discharge, structured network testers and capacitor selection machines.[37]

The legislation, through '*ex-tarifarios*' regime, authorizes reduction of the *ad-valorem* import duty of capital and information technology goods, parts, pieces and components. This reduction may take place if found that there is no domestic production of these goods. In an attempt to implement these reductions, the Government authorities are allowed to create new tariff positions. By way of this resolution, the Brazilian Government determines the temporary application of a 2% *ad-valorem* import duty for goods classified under 8 codes of the MERCOSUR's Harmonized Tariff System: 8443.32.29, 8471.60.90, 8517.62.49, 8517.62.61, 8529.90.20, 8543.70.99, 9030.40.90 and 9030.89.9.[38]

(ii.) Tariff reduction on certain capital goods & certain other products

On 14 May 2013 the Government announced tariff reduction of import duty applicable to certain capital goods. This legislation authorizes reduction of *ad-valorem* import duty on capital and information technology goods, its parts, pieces and components. Once again, this reduction may take place whenever it is found that there is no domestic production of these goods. To implement these reductions, the Brazilian authorities are allowed to create new tariff positions. Through this resolution, the Brazilian Government would determine the temporary application of a 2% *ad-valorem* import duty for goods classified under 147 codes of the following Chapters of the MERCOSUR's Harmonized Tariff System: 82, 84, 85, 86, 89 and 90.

(iii.) Change in tariffs on items

Resolution 25 dated 5 April 2013 saw CAMEX change the tariffs, for a period of 12 months with effect from 8 April 2013, on the following items:[39]

Item Name	HS number	Rate before 8 April 2013	Rate as per Resolution
Lactose Powder	HS 1702.11.00	16%	2%

[37] CAMEX, *Resolución No. 33 de 14 de Mayo*, (May 14, 2013), http://www.iqom.com.mx/documents/1305/Reduccion
[38] *Id.*
[39] *Foreign Trade Chamber lowers product's Import Tariffs*, BRAZIL-ARAB NEWS AGENCY, April 8, 2013, http://www2.anba.com.br/noticia_oportunidades.kmf?cod=20163221#.UWVitzdadtK

Silicone Gel	HS 3910.00.90	14%	2%
Aluminium Cans for Capacitors	HS 8532.90.00	14%	2%

(iv.) Reduction on import tariff in capital goods sector

By way of Resolution No. 46 of 21 June 2013, CAMEX temporarily reduced the import tariff on 182 tariff lines (at the 8-digit level) in the capital goods sector until December 31, 2014. The new tariff is set at 2 % and only applies to new and not used goods. The measure came into effect on 24 June 2013.[40]

(v.) Import tariff exemption on cotton & polypropylene

CAMEX temporarily suspended import tariffs on cotton (HS 5201) till 31 July 2013. This measure came into effect on 1 May 2013. It must be noted that previously, the tariff stood at 10% *ad-valorem.*[41]Further, on 20 June 2013, the Government of Brazil also announced the tariff reduction of *ad-valorem* import duty applicable to certain polypropylene products.[42]

(vi.) Import tariff reduction on vehicles

The Government of Brazil announced an import tariff reduction on certain vehicles such as ambulances, used vehicles, military vehicles, agro-industrial vehicles, and flex-fuel vehicles. As per the notification dated 1 April 2013, these will be the new applicable rates.[43]

Description of Vehicle	**New Tariff Rate**
Ambulances, Battery Cars, Cars for funerals (Hearse)	0%
Flex-Fuel Vehicles	37%
Certain vehicles of national production for military & agricultural purposes	39%

40 CAMEX, *Resolução No. 46/2013* (June 24, 2013), http://www.camex.gov.br/legislacao/interna/id/1079; See also, *Brazil temporary Import Tariff reduction on 182 Capital Goods,* GLOBALTRADE ALERT, (June 24, 2013), http://www.globaltradealert.org/measure/brazil-temporary-import-tariff-reduction-182-capital-goods
41 CAMEX, *Resolution No. 27,* (April 9, 2013), http://www.camex.gov.br/legislacao/interna/id/1054
42 CAMEX, *Resolución No. 44 de 19 de Junio de 2013,* (June 19, 2013), http://www.iqom.com.mx/documents/1306/p11.pdf
43 *Brazil Import Tariff reduction on vehicles*, GLOBAL TRADE ALERT, (April 1, 2013), http://www.globaltradealert.org/measure/brazil-import-tariff-reduction-vehicles

(vii.) Tariff suspension for methanol

CAMEX temporarily suspended the import tariff on Methanol (HS 2905.11.00) on 5 April, 2013, for a period of 180 days. The measure, which was released *vide* Resolution no. 24, came into effect on 8 April, 2013. The existing tariff was marked at 12% *ad-valorem*.[44]

IV.A.3. Contingency Measures

OECD released its Report on G-20 Trade and Investment Measures (Mid-October 3012 – Mid-May 2013) mentioned some of Brazil's contingency measures. The report noted that Brazil was prominently featuring in G-20 members initiating countervailing duty investigations in the second period of the report. In total, G-20 members had initiated 22 countervailing investigation duties, up from 15 in the first period.[45] Brazil's restrictions on shrimp due to certain fish diseases (raised by Ecuador) was observed with regard to new STCs raised at the October 2012 and March 2013 SPS Committee meetings regarding measures applied by G-20 members.[46] Brazil's ban on used, refurbished, rented and lent medical devices (raised by the European Union) was also mentioned.[47]

IV.A.4. Sanitary and Phyto-Sanitary measures

For quarterly updates please see Annexure A.

IV.A.5. Technical Barriers to Trade

For quarterly updates please see Annexure B.

IV.A.6. Anti-Dumping

a. Brazil and USA exchange experience on Trade Defense

Trade defense technicians from the Brazilian and U.S. governments concluded a three-day meeting in April 2013 to promote exchanges of information on the subject between the two countries. This was the second round of experience exchange on trade defense between the two countries[48]. This was the second round of experience exchange on trade defense between the two countries.

b. Anti-Dumping measures imposed at WTO

(i.) Consultations requested with South Africa regarding anti-dumping on frozen meat products

Brazil requested consultations with South Africa on 21 June 2013 with regard to preliminary determination and imposition of provisional anti-dumping duties by South Africa on frozen meat of fowls of the species *Gallus Domesticus*, whole bird and boneless cuts, originating in or imported from

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44 *Foreign Trade Chamber lowers products' Import Tariffs*, BRAZIL-ARAB NEWS AGENCY, 8 April 2013, http://www2.anba.com.br/noticia_oportunidades.kmf?cod=20163221#.UWVitzdadtK

45 *See* Annexure C; OECD, *Report on Trade Related Investment Measures Since Mid-October 2012 to Mid-May 2013*, (June 17, 2013), http://www.oecd.org/daf/inv/investment-policy/9thG20report.pdf

46 *Id.*

47 *Id.*

48 *Brazil and US Exchange Experiences on Trade Defense*, (April 17, 2013), http://www.brasil.gov.br/news/history/2013/04/17/brazil-and-u.s.-exchange-experiences-on-trade-defense

Brazil. The challenged preliminary determination and provisional anti-dumping duties are set forth in the International Trade Administration Commission's (IATC) Report No. 389. Brazil considers that the preliminary determination and the imposition of provisional anti-dumping duties, as well as the initiation and conduct of the investigation, to be inconsistent with South Africa's obligations under the provisions of the GATT 1994 and the Anti-dumping Agreement.

c. Independent Anti- Dumping measures imposed by Brazil during this quarter

A detailed table on all anti-dumping measures initiated during the quarter is found in Annexure D.

(i.) Investigations launched by Government of Brazil against India & other countries during Q1

Brazil began two trade probes against South Africa, India and South Korea over allegations of dumping of polypropylene products. The first investigation relates to allegations of dumping against SA, South Korea and India and was initiated on 19 March 2013. The period under investigation - in which the alleged dumping took place - is from April 2011 until March 2012. According to the SECEX the alleged margin at which polypropylene resin was being dumped in Brazil by South Africa amounted to 10.72%, by India 7.85% and by South Korea 6.7%. The duty in Brazil on imported polypropylene resin currently is 14%. Brazil is asking for an additional duty of 10.7% on imports from the three countries. The product subject to investigation is classified under the following items of the MERCOSUR Harmonized System: 3902.1020 and 3902.3000.[49]

On 26 March 2013 Brazil initiated investigations against India and South Africa. Brazil alleges that India and South Africa subsidised the domestic manufacturing, production or export of polypropylene resin, subsequently exported to Brazil. Brazil will be entitled to countervailing duties if the allegations by Brazil are verified.[50]

(ii.) CAMEX imposes anti-dumping duties on imports of electrical steel from China

CAMEX imposed anti-dumping measures on imports of electrical steel from China, Taiwan and South Korea. The applicable duties are between USD 132.40 to USD 567.16 per ton on electrical steel originating from the three Asian countries. These duties will last for 5 years. Further, CAMEX has decided to extend its anti-dumping measures on manual hoist weighing up to three tons and table fans from China. The duties will be USD 114.14 for each hoist and USD 26.30 for each fan.[51]

(iii.)CAMEX applies four month anti-dumping duty on imports

CAMEX applied a provisional four-month anti-dumping duty on imports of *Ethanolamines* from the United States and Germany. The duty to be applied will range from USD57.43 to USD689.13 depending on whether the exporter is German or American. *Ethanolamines* are used in the oil and agrochemical sectors.

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[49] *Brazil initiate Anti-Dumping measures against SA*, India, GLOBAL TRADE ALERT, 21 May 2013, http://www.globaltradealert.org/measure?page=3&tid=All&tid_1=297&tid_3=All

[50] *Sasol embroiled in PP dumping fray in Brazil*, PLASTIC AND RUBBER ASIA, http://www.plasticsandrubberasia.com/apr2013/company15.html

[51] *Brazil applies Anti-Dumping measures*, TAXNEWS, 18 July 2013, http://www.tax-news.com/news/Brazil_Applies_AntiDumping_Measures_____61452.html

(iv.) SEXEC initiated anti-dumping investigation on import of tires for passenger vehicles from South Korea, Thailand, Russia & Japan

On 10 June 2013 the Brazilian Secretariat of Foreign Trade (SEXEC) of the MDIC initiated anti-dumping investigation on the imports of tires for passenger vehicles from South Korea, Thailand, Russia and Japan.[52] The Government of Brazil also imposed anti-dumping tariffs on Thai Resins of between USD 2550/Ton and USD 3450/Ton on import of polycarbonate resins from Thailand.[53]According to the Ministry, Brazilian producers suffered a 24.7% decline in sales volume between 2007 and 2011. Their total sales and production dropped 46.8% and 22.7% respectively. In the same period Brazil's imports of polycarbonate resins from Thailand surged 118% and the share of the domestic market held by Brazilian producers fell by 12.7 percentage points.[54]

(v.) Brazil extends anti-dumping case on plate imports by 6 months

SECEX extended an anti-dumping investigation by 6 months against imports from China, South Korea, Ukraine and South Africa on heavy plate imports.[55] There is widespread speculation in the market that China's share in Brazilian anti-dumping cases is set to increase. Presently, China is involved in only one third of the ongoing anti-dumping cases in Brazil. Brazilian industries, however, as per a study commissioned by the National Industry Confederation on Chinese industrial policies indicates towards a conclusion that Brazilian industries are harmed by subsidized Chinese products.[56]

IV.A.7. Import Promotion

For update on measures relating to import promotion taken by Brazil from mid-October 2012 till mid-May 2013, please refer to Annexure C.

a. Brazil and Committee on Trade- Related Investment Measures at the WTO

A communication dated 27 May 2013 was circulated at the request of the Delegation of Brazil in replies to questions from the European Union, United States and Japan at the Committee on Trade-Related Investment Measures at the WTO. EU and several members had raised concerns over Brazil's use of indirect taxation to protect domestic industries, including through the use of domestic content requirements. It had also raised this matter at the Market Access Committee and at the recent trade policy review of Brazil.

QUESTION 1:

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[52] *New Anti-Dumping Investigations in Brazil*, MONDAQ, 30 July, 2013, http://www.mondaq.com/x/254834/international+trade+investment/Trade+Remedies+New+Antidumping+Investigations+in+Brazil

[53] *South Africa Anti-Dumping wars*, SA-BREAKING NEWS, 18 June, 2013, http://www.sabreakingnews.co.za/2013/06/sa-brazil-anti-dumping-wars/

[54] *Id.*

[55] *Brazil extends anti-dumping case on plate imports by 6 months*, STEEL FIRST, 11 April, 2013, http://www.steelfirst.com/Article/3189840/Brazil-extends-anti-dumping-case-on-plate-imports-by-six-months.html

[56] *Interview: China's share in Brazilian anti-dumping cases set to increase*, KING & SPALDING, 17 June 2013, http://www.kslaw.com/imageserver/KSPublic/library/publication/2013articles/6-17-13_Dorn_Steel_First.pdf

Background: Law number 12,794 of 2 April establishes a special tax regime aimed at the development of the fertilizers industry, which foresees a suspension of indirect taxes on machinery, tools and other equipment acquired by the beneficiaries of the regime. As a condition to benefit from the regime, it is mandatory to achieve a certain percentage of 'local content' in relation to the overall value of the investment project.

Question: Could Brazil provide its views on the consistency of the mentioned tax regime with the TRIMs Agreement, particularly in light of point 1 (a) of the Illustrative list in Annex of the Agreement?

Response: Article 7 of Law 12, 794 sets out technology and production requirements for the tax benefits that aim to attract investments in research, development and technological innovation as well as the performance of productive steps in Brazil. The value added requirement contained in Article 7 is meant to ensure that technology will be effectively internalized in the production chain. Moreover, the measure does not require the purchase or use of domestic products. The pertinent Decrees and Ministerial acts are still in discussion and have not yet come into force.

QUESTION 2:

Background: Law number 12,715 of 17 September 2012 (Articles 28 to 33) establishes a special tax regime aimed at supporting the development of projects for the establishment, enlargement or modernisation of telecommunication broadband networks, including terrestrial satellite stations. As a condition to benefit from the regime, which foresees tax breaks on indirect taxes, it is mandatory to acquire network equipment and components produced in accordance with so-called Basic Production Processes (PPB, in Portuguese), for a value exceeding a minimum percentage laid down in implementing regulations.

Questions:

I. Could Brazil confirm that PPBs lay down rules concerning the production of goods in Brazil?

II. Could Brazil confirm that, for any given good to comply with the rules laid down in the relevant product PPB, it must be produced in Brazil?

III. Could Brazil provide its views on the consistency of the mentioned tax regime with the TRIMs agreement, particularly in light of point 1(a) of the Illustrative list in Annex of the Agreement?

Response: Brazil considers that Members within the boundaries of the WTO Agreements may, and in fact do- regulate productive steps, so as to create that appropriate conditions for the development of technology-intensive sectors, such as telecommunication, which require significant know-how in the different steps of production of equipment and provision of services.

WTO members have the discretion of determining productive steps in different stages of the production chain. In our view, Brazil believes that the measures are fully consistent with the WTO Agreements, as nothing in the Agreements should be read as prohibiting a Member to establish conditions on production or on technology in a certain territory or to define levels of production or of technology thereupon.

QUESTION 3:

Background: Law n°12,715 of 17 September 2012 (article 57) introduced modifications to a previously existing tax regime aimed at promoting the development of the semiconductors industry in Brazil. Beneficiaries must comply with certain conditions in order to get access to certain tax advantages (tax breaks on indirect taxes). The regime is tailored for companies which, inter alia, produce inputs and equipment for the manufacturing of semiconductor electronic devices and of information displays in accordance with Basic Production Processes or PPBs.

Questions:

I. Could Brazil confirm that PPBs lay down rules concerning the production of goods in Brazil?

II. Could Brazil confirm that, for any given good to comply with the rules laid down in the relevant product PPB, it must be produced in Brazil?

III. Could Brazil provide its views on the consistency of the mentioned tax regime with the TRIMs agreement, particularly in light of point 1(a) of the Illustrative list in Annex of the Agreement?

Response: PPBs lay down a set of certain manufacturing steps that characterize the effective industrialization of a product and is not directly related to the domestic origin of the product. If production and technology requirements could not be set up, investment would have to restrict itself to mere assembly of parts, effectively preventing the autochthonous development of technology and the training of skilled workers.

QUESTION 4:

Question: Could Brazil confirm that the tax benefits foreseen in Law n°8,248 of 23 October 1991, together with its successive modifications, are premised on the respect of the production rules set out in product-specific Basic Production Processes or PPBs? Beyond the specific instances mentioned in the previous questions, could Brazil inform whether it has put in place other tax regimes that foresee tax advantages linked to the respect of Basic Production Processes or PPBs? Could Brazil provide references to specific legislative instruments?

Response: A pointed out by the question, PPBs have existed for over twenty years and constitute an important technology development tool. The primary legal basis for the PPBs is Law 8.248 of 1991 but its features vary from situation to situation and the tax regimes applied are established on case-by-case basis.

QUESTION 5:

Background: Law n°12,715 of 17 September 2012 (Articles 40 to 44) established a special tax regime for motor vehicles. The regime seeks to foster the production of vehicles and the strengthening of the supply chain in that sector through tax incentives consisting in tax credits that can be used to offset up to 30 percentage points of the applicable IPI rates. In order to benefit from the regime, a number of conditions need to be fulfilled: among others, producers have to perform an increasing number of manufacturing activities in Brazil, related to the production of certain components. The system is in principle open to motor vehicle manufacturers already established in Brazil; to motor vehicle manufacturers with an investment plan to start or expand production in Brazil; and to companies that market motor vehicles. However, tax credits are earned on the basis of expenditures in Brazil –mostly in relation to expenditure in Brazil related to the purchase of strategic inputs and tools.

Questions:

I. Could Brazil explain whether beneficiaries from the tax regime can earn tax credits by purchasing imported inputs and tools, on the basis of the applicable legal provisions?

II. If the answer is negative, could Brazil provide its views on the consistency of this aspect of the tax regime with the TRIMs agreement, particularly in light of point 1(a) of the Illustrative list in Annex of the Agreement?

Response: Article 41 of Law 12.715 gives tax credits both to accredited companies producing or importing automobiles in Brazil in a manner consistent with WTO Agreements. The beneficiaries are entitled to choose freely which expenditures listed under the law they may incur in order to acquire the credit. The specific details on how the regime operates and how the requirements should be fulfilled are still under discussion.

IV.B. MEASURES AFFECTING PRODUCTION AND TRADE

IV.B.1. Taxation

a. Tax reduction applicable to glass fibre parts for water slides & imported beans

Tariff reductions of import duty applicable to certain glass fibres for water slides was also announced by the Government at the beginning of Q1 by way of Resolution dated 3 April 2013. Through this resolution, the Government would determine temporary applications of 0% import duty for 7 goods are classified in item number 9508.9090 of the MERCOSUR's Harmonized Tariff System.[57]

CAMEX, on 21 June 2013 reduced the tax rate on imported bean, other than white bean, from 10% to 0%. Black beans (MCN 0713.33.19) and other types of bean, except for white beans (MCN 0713.33.99) would benefit from this decision. This decision was taken keeping in mind the shortage of beans and high prices that were prevalent in Brazil.[58] Brazil, being a member of MERCOSUR, takes part in the Common External Tariff of MERCOSUR and has limited slots on the Common External Tariff of MERCOSUR Exception List. As the Brazilian list provided no further room for exceptions, the Government had to exclude two items from the Exception List. Therefore, the tax rate for o-Dichlorobenzene increased from 2% to 12%, and Peaches & Nectarines saw the tax rate increase to 55% from 35%.[59] This resolution stays in force till 30 November 2013.

b. *Government scraps Financial Operators Tax on foreign purchases*

On 4 June 2013, the Brazilian Government scrapped the financial operations tax (*Imposto sobre Operacoes Financeiras*) on foreign purchases of fixed income instruments.[60] The removal of the 6% tax aimed to attract more capital flows, simultaneously boosting the currency and increasing liquidity in the market. More recently, on 12 June 2013 the Government also reduced a financial transactions tax on currency derivatives to 0%.

c. Reduction in Taxes for Smart Phones

A Decree relieving taxes on smart phones, with a waiver of up to Real 500 million a year, was passed this quarter. The exemption should lead to reduction of up to 30% in the final consumer price of imported smart phones. Under the terms of the Decree, smart phones with high speed internet and prices of over Real 1500 would be entitled to tax relief. This decision forms a part of a cycle of incentives given to the telecommunication sector, with the main objective of benefitting the end user of the service. Technical features required to be present on the phone include Wi-Fi, browser application, mail application, operating system with third-party developer kit, screen area greater than or equal to 18x2 cm^2.[61]

V. TRADE POLICIES BY SECTOR

V.A. AGRICULTURE

a. Grain production increased to 184.30 million tons in 2012-2013

The national grain harvest for 2012-2013 period has been estimated at 184.30 million tons, a record volume, up 10.9% from the previous season of 2011-2012. These figures were released by the National Food Supply Company, and according to the study, the increase of 18.13 million tons was mainly due to the second-harvest soybean and corn, which recorded a growth in cultivated areas of

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[57] CAMEX, *Resolución No. 23 de 3 de Abril*, (April 3, 2013), http://www.iqom.com.mx/documents/1304/ListaExcepcionesAEC.pdf
[58] CAMEX ,*Reduz Alíquota Para Importação De*, (June 24, 2013), http://www.camex.gov.br/noticias/ler/item/331
[59] *Id.*
[60] *Id.*
[61] *Smart phones up to 30% cheaper* (April 11, 2013),http://www.brasil.gov.br/news/history/2013/04/11/smartphones-up-to-30-cheaper

10.7% and 17.5% respectively. Weather conditions also favored progress, despite drought and excess rain in some areas.[62]

Data indicates that soybean production expanded by 22.4% up to 81.28 million tons from 66.38 million tons from the previous year. Corn contributed to the overall grain production increase, with an increase of 11.5% over the previous year harvest (reaching 43.62 million tons). Rice also saw growth (2.8%) increasing from 11.6 million tons to 11.92 million tons. The total planted area increased by 4.6% to reach 53.20 million hectares.[63]

b. Agricultural and Livestock Plan to provide Real 136 for 2013-14 season

The 2013-2014 Agricultural and Livestock Plan (PAP), announced 4 June 2013 in Brasilia by President Dilma Rousseff, reached its highest financial volume ever of Real 136 billion. The amount is divided into Real 97.6 billion for costing and marketing financing and Rea; 38.4 billion for investment programs. Credit available under the plan has also increased by 18% compared to the previous year (2012-13).[64] The plan also focuses on investments to improve logistics and infrastructure, with the provision of Real 25 billion for the construction of private warehouses over the next five years, with a payment period of 15 years.

Further, Real 500 million will be spent to modernize and double the storage capacity of the National Food Supply Company (CONAB). The Investment Support Program (PSI-BK) for financing agricultural machinery and equipment is to receive Real 6 billion, and irrigated agriculture, Real 400 million.[65] The amount made available to the National Program for Support to Medium Rural Producers (PRONAMP) is 18.4% higher than the Real 11.15 billion expected for the 2012-13 season, reaching Real 13.2 billion. The limits for costing loans have increased from Real 500,000 to Real 600,000, while investment loans have risen from Real 300,000 to Real 350,000.[66]

c. 500% increase in loans under the ABC Program

Since the creation of the Low Carbon Agriculture Program (ABC) credit line, under the 2010-2011 Agricultural and Livestock Plan, 14000 contracts have been concluded, totaling over Real 4.46 billion in finance agreements. As per recent Government report, there has been a 507% increase in acquisition of loans by farmers to adopt technologies for the recovery of degraded pastures, crop-livestock forest integration, no-till farming, and planted forests. This is an indication that the technologies used to reduce emissions of greenhouse gases are increasingly employed in the field.[67]

The credit program has been distributed across the country through the State Management Groups under the ABC Plan, which has already been implemented in the 26 states and the Federal District. More than 8900 people have already been trained, 70% of whom are professionals in technical

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[62] *Grain Production increases to 184.30 million,* (June 7, 2013), http://www.brasil.gov.br/news/history/2013/06/07/grain-production-increases-to-184.30-million-tons

[63] *Id.*

[64] *Agricultural and Livestock Plan to provide Brazilian Real 136 billion,* (June 5, 2013), http://www.brasil.gov.br/news/history/2013/06/05/agricultural-and-livestock-plan-to-provide-r-136-billion-for-the-2013-2014-season

[65] *Id.*

[66] *Id.*

[67] *Over 500% Increase in loans under the ABC Program in 3 years*, (June 4, 2013), http://www.brasil.gov.br/news/history/2013/06/04/over-500-increase-in-loans-under-the-abc-program-in-three-years

areas.[68] During the Conference of the Parties to the UN Framework Convention on Climate Change (COP 15), held in 2009 in Copenhagen, Denmark, government officials made a voluntary commitment to reduce emissions of greenhouse gases between 36.1% and 38.9% by 2020.

d. National campaign encourages organic food production

The Ministry of Agriculture, Livestock and Supply (MAPA) organized the Organic Food Week on 26 May 2013. For a period of 6 days, 180 events were promoted in various states across the country including courses, seminars, debates, exhibitions and workshops to explain to consumers what the products are, and their social, environmental and nutritional benefits. The system of organic farming in Brazil is characterized by its production process in which pesticides and chemical fertilizers are not used. The first of such workshops was held in 2005.[69] There are more than 11000 certified organic production units in Brazil, and the last agricultural census by IBGE in 2006 identified 90000 organic producers. Organic farming has been growing at an accelerated pace. Brazil has ambitious plans for organic farming and a National Plan for Agro-ecology and Organic Production was released in June 2013.[70]

V.B. Energy & Bio-Diesel Sector

a. Government of Brazil to support Energy Projects

The Government in April 2013 announced that it would provide funds amounting to Real 3 billion for projects in the sector of ultra-high-voltage transmission, smart grids, photovoltaics, heliothermics and wind energy for the time period of 2013 to 2016. The program called *Inova Energia* will be financed by the Brazilian Development Bank (who would provide Real 1.2 billion), the Funding Authority for Studies and Projects (providing Real 1.2 billion), and the non-governmental National Agency for Electric Energy (providing Real 600 million). This is mainly to attract Brazilian companies, but foreign companies with offices in Brazil are also eligible to apply under the condition that they provide for technology transfer. *Banco Nacional de Desenvolvimento Economico e Social*, as the development bank is officially known, and state innovation agency *Financiadora de Estudos e Projetos* will provide about 400 million Real of grants for projects.[71]

Companies have until the end July to submit proposals, as per this scheme, for projects that may include efficient power lines connecting remote hydroelectric dams in the Amazon or factories that make silicon for use in solar panels. The *Inova Energia* program is intended to create a culture of innovation in Brazil's energy industry. Many companies are wary of expending time in developing new technologies in Brazil, owing to its previous record of hyper-inflation periodically wiping out profits in 1980S and 1990s. The projects that will be considered for funding will have to focus on one of three themes: Ultra-high-voltage electricity transmission, smart grids, and solar energy or energy efficiency in vehicles.[72]

b. Ministry of Mines and Energy establishes a New Model for Biodiesel Stock

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[68] *Id.*

[69] *National Campaign encourages Organic food production,* (May 28, 2013), http://www.brasil.gov.br/news/history/2013/05/28/national-campaign-encourages-organic-food-production

[70] *Id.*

[71] Stephan Neilsen, *Brazil furnishes 1.2 billion of funds for clean energy*, BUSINESSWEEK, April 4, 2013, http://www.businessweek.com/news/2013-04-18/brazil-furnishes-1-dot-2-billion-of-funds-for-clean-energy-research

[72] *Id.*

On 8 April, the Ministry of Mines and Energy published an Ordinance in the Official Gazette establishing a new model for strategic stock of biodiesel in the country. A new feature, 'Purchase Option' method of acquisition, has been introduced. This method has traditionally been used in other sectors, and it is assumed that with this new feature, buyers of biodiesel, in particular *Petrobas*, contract the right to take the product when necessary, and the plants are required to conclude business at the agreed price. The rationale behind this proposal is to have regular stock of biodiesel, and avoiding degradation which takes place when the product is stored for a long period of time.[73] This Ordinance does not seem to any feature that may be likely to promote foreign investment in the sector.

V.C. SERVICES

a. Brazil simplifies process for issuing work permits to foreigners

The National Immigration Council published Normative Resolutions 103 and 104 in Official Gazette that simplified the process for issuing work permits to foreigners in Brazil.[74] The purpose of this resolution was to permit foreigners to transfer their knowledge while learning about the country, in an attempt to attract them to work in Brazil after completing their academic studies.

Resolution 103	Authorizes temporary visas for foreigners attending graduate studies in universities abroad to work in Brazil during academic breaks. The new rules came into effect in May.
Resolution 104	Simplifies the procedures for issuing work permits to foreigners with the aim of facilitating the entry of skilled labour into the country.

b. Brazil expects to provide 1.5 million young people and adults with literacy skills

As per the IBGE census conducted in 2010, 13.9 million people between the ages 15 and above are considered illiterate. By gender, 9.9% of men and 9.3% of women are illiterate. In regional terms, rural areas account for 23.18% of the illiterate population of the country, and urban areas for 7.28%. The Government has identified this pressing issue and have attempted to overcome it with programs honing literacy skills in the country. One such program is the *Literate Brazil Program*. State and local education departments in the five regions of the country expect to register 1.5 million young people and adults in literacy courses this May, according to data reported to the Ministry of Education.[75]

[73] *Government establishes new model for biodiesel*, (April 9, 2013), http://www.brasil.gov.br/news/history/2013/04/09/government-establishes-new-model-for-biodiesel-stock
[74] *MTE simplifies process for issuing work permit to foreigners,* (May 21, 2013), http://www.brasil.gov.br/news/history/2013/05/21/mte-simplifies-process-for-issuing-work-permits-to-foreigners
[75] *Brazil expects to provide 1.5 million young people and adults with literacy skill*, (May 16, 2013), http://www.brasil.gov.br/news/history/2013/05/16/brazil-expects-to-provide-1.5-million-young-people-and-adults-with-literacy-skills

V.C.1. TELECOMMUNICATION

a. Mobile broadband access has grown 1800% in 4 years: Government Report

Data released by Government Minister during a public hearing in the Senate stated that mobile broadband access in Brazil increased approximately 1800% in four years. Mobile broadband was accessed 2 million times in 2007, was now accessed 65 million times in February 2013. Brazil has seen one of the biggest price drops in broadband among 155 countries surveyed by the International Telecommunication Union. The fall in prices has been quantitatively measured at 46% between 2010 and 2011. Brazil is now the fourth largest market for telecommunication services.

b. Smart phones to be 30% cheaper in Brazilian Markets

President Dilma Rousseff signed a Decree relieving taxes on smart phones, with a waiver of up to Real 500 million a year. The exemption should lead to reduction of up to 30% in the final consumer price of imported smart phones. Under the terms of the Decree, smart phones with high speed internet and prices of over Real 1500 would be entitled to tax relief. This decision forms a part of a cycle of incentives given to the telecommunication sector, with the main objective of benefitting the end user of the service. Technical features required to be present on the phone include Wi-Fi, browser application, mail application, operating system with third-party developer kit, screen area greater than or equal to 18x2 cm2.

The Ministry of Communication introduced many such incentivised measures in the past. Previously, tax relief measures provided for in the National Broadband Special Taxation Program that abolished taxes on investments in the construction and modernization of optic fibre networks. One of the expected benefits of tax relief is to stimulate the availability of 4G devices. At present, there exist only three 4G models in the Brazilian markets.

c. 4G innovation to bring Broadband to rural areas

A new fourth generation wireless network solution is being developed by Brazilian researchers. Brazil will be the first country to use 4G technology to bring broadband to rural areas. Various companies are engaged in the project and the Government is optimistic that the resultant technology will be used worldwide. An investment of Real 40 million has been made from the Fund for Technological Development of Telecommunication. The purpose of this scheme is also to ensure quality services for people living far from major urban centres, where internet facilities are lacking.

The research is being coordinated by the Centre for Research and Development in Telecommunication. It is pertinent to note that Brazil is also leading standardization of this new network, which operates in the 450 MHz band and is based on Long Term Evolution technology. Operators must provide services in the rural areas of 30% municipalities within their licensed area of operation. After the initial phase, services must be provided to 60% of municipalities by end of 2014, and 100% of the municipalities by the end of 2015.

V.C.2. TOURISM

a. National Tourism Plan outlines targets for the next four years

The Government of Brazil has an ambitious goal to become the 3rd largest tourist economy by 2022. The National Tourism Plan of 2013- 2016 was launched 24 May 2013 which reveals the positive expectations of Brazilian government in relation to the industry, with forecasts of significant increases in indicators for the targets during the period. Tourism grew by 6% in 2012, which was above world average, and represents 3.7% of the GDP.

The arrival of foreign tourists in the country is expected to increase from 6.2 million (estimated in 2013) to 7.9 million by 2016, representing an increase of 8% per year. Similarly, visitor spending should also increase from USD 7.7 billion to USD 10.34 billion (an increase of 11.69%). It is further estimated that the 215.6 million domestic flights expected in 2013 will increase to more than 250 million in 2016 (an increase of 6.14% per year). In the month of the World Cup, the country is expected to receive 600,000 foreigners and benefit from 3.1 million domestic trips. The Ministry of Tourism investments in infrastructure, services and professional qualification, among other actions, are expected to contribute to a 12.9% increase in the average competitiveness index of national tourist destinations, another goal of the National Tourism Plan. With the Olympics not too far away, Brazil will have to focus on Tourism.

b. Committee to reduce consumer disputes in tourism

Brazil took another step towards protecting tourists on trips to Brazil. The Consumer and Tourism Technical Committee was established, consisting of a panel of professionals linked to tourism and law, with the goal of producing a plan to resolve consumer disputes, including undelivered purchases of tourism products. The intention is to improve the quality of products and services and consumer relations, with an emphasis on the 2014 World Cup. The European Union, the United States, China, South Africa, Uruguay, Argentina, Peru, Chile, Costa Rica, Mexico and Russia have endorsed the text presented by Brazil, which defends the right to information, mutual assistance to tourists and access to justice in visited country, avoiding consumer disputes and recognition of decisions.

The Ministry of Tourism is part of the Committee, which is led by the National Consumer Bureau of the Ministry of Justice and brings together ministries, bodies and regulatory agencies. The committee will coordinate the tourist consumer protection actions, one of the lines of action under the National Consumption and Citizenship Plan, launched in March 2013.

V.D. MANUFACTURING

a. Government of Brazil launches Real 41 million tender for the Shipbuilding Industry

The Brazilian shipbuilding industry received Real 41 million in May 2013 to invest in new technology and equipment to support cooperative projects between scientific and technology research institutions and companies operating in ship parts for inland, coastal and long haul shipping. This has been implemented keeping in mind the dual-goal of increasing national content of vessels produced in Brazil and generating jobs in shipbuilding. It also seeks to ensure necessary support for growth of the industry with sustainable and social development.[76]

[76] *FINEP Launches Real 41million tender for Ship Building industry,* (June 5, 2013), http://www.brasil.gov.br/news/history/2013/06/05/finep-launches-r-41-million-tender-for-the-shipbuilding-industry

ANNEXURE A

Sanitary and Phyto-sanitary Measures

NOTIFICATION	AGENCY RESPOSIBLE	PRODUCTS	TRADING PARTNERS/REGIONS	DESCRIPTION	COMPLIANCE TO RELEVANT INTERNATI-ONAL STANDARDS
G/SPS/N/BRA/869	Secretariat of Animal and Plant Health and Inspection (SDA) - Ministry of Agriculture, Livestock and Food Supply (MAPA)	Seeds of Sorghum	State of Bolivia	Establishment of phytosanitary requirements for import of seeds of sorghum hybrid from Argentina, as a result of a pest risk analysis.	International Plant Protection Conventions 1, 5 and 11 - Yes
G/SPS/N/BRA/870	Secretariat of Animal and Plant Health and Inspection (SDA) - Ministry of Agriculture, Livestock and Food Supply (MAPA)	Seeds of sorghum hybrids	Argentina	Establishment of phytosanitary requirements for import of seeds of sorghum hybrid from Argentina, as a result of a pest risk analysis.	International Plant Protection Conventions 1, 5 and 11 – Yes
G/SPS/N/BRA/871	Ministry of Fisheries and Aquaculture – MPA, Secretariat of Monitoring and Control of Fisheries and Aquaculture -	Shrimp of ten different genuses, that are commercialized worldwide	All trading partners	Public consultation regarding hazard identification of import risk analysis (IRA) of shrimp obtained from fisheries and/or aquaculture intended for human consumption	World Organization for Animal Health - Yes

	SEMOC/MPA				
G/SPS/N/BRA/874	ANVISA - the Brazilian Health Surveillance Agency	Rice, corn, wheat, lettuce, barley, citrus, cabbage, beans and pole beans cultures	All trading partners	Draft Resolution for the active ingredient pirimiphos-methyl to be included in the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, including the use in the cultures of rice, corn and wheat and excluding lettuce, barley, citrus, cabbage, beans and pole beans cultures.	None applicable
G/SPS/N/BRA/872	ANVISA - The Brazilian Health Surveillance Agency	Corn and wheat	All trading partners	Draft Resolution for the active ingredient clethodim to be included in the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, including the use in the cultures of corn and wheat	None applicable
G/SPS/N/BRA/873	ANVISA - The Brazilian Health Surveillance Agency	Sugarcane and citrus leaves	All trading partners	Draft Resolution for the active ingredient clothianidin to be included in the monograph list of active ingredients for pesticides, household cleaning products and wood preservers, including the use in the cultures of sugar cane furrows and citrus leaves and trunks	None applicable

G/SPS/N/BRA/875	Ministry of Agriculture, Livestock and Food Supply - MAPA	Bovine Embryos	All trading partners	The notified text approves animal health requirements issued by MERCOSUR States Parties concerning imports of bovine embryos	World Organization for Animal Health - Yes

Source: *WTO Documents Online*

ANNEXURE B

Technical Barriers to Trade

NOTIFICATION	**AGENCY RESPONSIBLE**	**PRODUCTS COCNERNED**	**PURPOSE OF NOTIFICTION**	**DESCRIPTION**
G/TBT/N/BRA/525	Brazilian Health Regulatory Agency (ANVISA)	Medical Devices, In Vitro Diagnostics	Protection of human health	Establishment of the scope of application of the provisions laid down in the Technical Regulation of Good Manufacturing Practices for Medical Devices and In Vitro Diagnostics for companies that perform activities of import, distribution and storage.
G/TBT/N/BRA/526	Brazilian Health Regulatory Agency (ANVISA)	Medicinies	Protection of human health	Implementation of the Brazilian System of Medicines control mechanisms and procedures for traceability of production, commercialization, dispensation and prescription of medicines and revocation of Resolution RDC 59, 24 November 2009
G/TBT/N/BRA/529	National Institute of Metrology, Quality and Technology - INMETRO	Low pressure regulators	Requirements relating to national security as well as protection of the environment	Technical regulation which lays down technical requirements that must be met for Low Pressure Regulators for Liquefied Petroleum Gas (LPG) with focus on safety, for the prevention of accidents.
G/TBT/N/BR	National Institute of	Low pressure	Requirements relating to	Conformity Assessment

A/528	Metrology, Quality and Technology - INMETRO	regulators	national security as well as protection of the environment	Procedures for Low Pressure Liquefied Petroleum Gas - LPG that must be met with a focus on security by a compulsory third party certification, carried out by an accredited body to determine fulfilment of relevant technical regulations
G/TBT/N/BRA/527	National Institute of Metrology, Quality and Technology - INMETRO	Public-key infrastructure	National security requirements	Conformity Assessment Procedures for public-key infrastructure (PKI) that binds public keys with respective user identities by means of a certificate authority (CA) providing systematic process for assessing compliance by third parties, under the Conformity Assessment of the Brazilian System - SBAC in order to provide adequate degree of confidence.
G/TBT/N/BRA/530	ANVISA - Brazilian Health Regulatory Agency	Medical devices	Protection of human health	Establishment of requirements to enable Certifying Bodies and to use testing laboratories to perform activities of interest to Anvisa in the area of medical devices
G/TBT/N/BRA/531	ANVISA - Brazilian Health Regulatory Agency	Herbal medicines	Protection of human health	Publication of the list of herbal medicines that require simplified registration at Anvisa and the list of herbal medicines of traditional use that require simplified registration at Anvisa to be commercialized in Brazil
G/TBT/N/BR	ANVISA - Brazilian Health Regulatory	Traditional Chinese medicine	Protection of human	Establishment of Requirements for

A/532	Agency	products	health	commercialization traditional Chinese medicine products in Brazil
G/TBT/N/BRA/533	National Institute of Metrology, Quality and Technology - INMETRO	Steam or other vapor generating boilers and super-heated water boilers	Prevention of deceptive practices and consumer protection	Conformity Assessment Procedures under the Conformity Assessment Program for boilers provided by a third party certification, carried out by an accredited body under the Conformity Assessment of the Brazilian System, in order to prevent accidents resulting from improper construction

Source: *WTO Documents Online*

ANNEXURE C

BRAZIL'S TRADE RELATED INVESTMENT MEASURES (October 2012- June 2013)

MEASURES	**OFFICIAL DOCUMENT**
Initiation on 26 October 2012 of antidumping investigation on imports of precipitated silicon dioxide (NCM 2811.22.10) from China and India.	WTO document G/ADP/N/237/BRA, 16 April 2013
Initiation on 30 October 2012 of antidumping investigation on imports of reduced indigo blue (NCM 3204.15.90) from China and Singapore	WTO document G/ADP/N/237/BRA, 16 April 2013
Preference in government procurement favouring local bidders (20% preference margin) on certain semifinished products of iron, steel or nonalloy steel (disco para moeda) (NCM 7207.19.00; 7326.90.90) locally produced	Permanent Delegation of Brazil to the WTO (24 May 2013)
Termination on 6 December 2012 (without measure) of anti-dumping investigation on imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated, of a thickness of 4.75 mm or more (NCM 7208.51.00; 7208.52.00) from Australia	WTO document G/ADP/N/230/BRA 27 August 2012; Permanent Delegation of

and Russian Federation (initiated on 3 May 2012)	Brazil to the WTO 24 May 2013
Initiation on 13 December 2012 of anti-dumping investigation on imports of blenders of power equal to or less than 800 W (NCM 8509.40.10) from China	WTO document G/ADP/N/237/BRA, 16 April 2013
Initiation on 26 December 2012 of anti-dumping investigation on ports of tableware and kitchenware articles of porcelain and ceramic (NCM 6911.10.10; 6911.10.90; 6911.90.00; 6912.00.00) from China	WTO document G/ADP/N/237/BRA, 16 April 2013
Initiation on 27 December 2012 of countervailing investigation on imports of yarns predominantly made of acrylic fibres (NCM 5509.31.00; 5509.32.00; 5509.61.00; 5509.62.00; 5509.69.00) from Indonesia	WTO document G/SCM/N/250/BRA; 10 April 2013

Source: *Organization for Economic Co-operation and Development Report*

ANNEXURE D

Anti-Dumping Measures

SECEX CIRCULAR No. 32 **Dated: 20 June 2013**	The circular directed to close the investigation initiated through Circular No. 68 of 27 December 2011, published in Official Gazette (DOU) of December 29, 2011, to ascertain the existence of dumping in respect of the Republic of Korea's *Polycarbonate Resin*, commonly classified under item 3907.40.90 of the MERCOSUR Common Nomenclature - NCM, as damage to domestic industry and causal relationship between them is negligible.
SECEX CIRCULAR No. 33 **Dated: 21 June 2013**	The circular mentions the decision to extend for up to six months, from July 20, 2013, the deadline for completion of the investigation dumping, injury to the domestic industry and causal relationship between these, exports to Brazil new rubber tires for passenger cars, commonly classified under item 4011.10.00 of the MERCOSUR Common Nomenclature - NCM, originating in South Korea, Chinese Taipei, Thailand and Ukraine

SECEX CIRCULAR No. 31 **Dated: 14 June 2013**	The circular provides that specific anti-dumping duties are to be required for imports of *Polyvinyl Chloride*, not mixed with other substances, obtained in suspension (S-PVC) originating in Mexico classified in item 3904.10.10 of the MERCOSUR Common Nomenclature – NCM to be imposed an anti-dumping duty of (U.S. $ / ton): Mexico DAE = (1092.00 per ton) - (1,112 x CIF price per ton)
SECEX CIRCULAR No.30 **Dated: 11 June 2013**	The Circular directs: 1. Close the investigation initiated to ascertain the existence of dumping in respect of the United States to Brazil refractories basic, commonly classified under items 6902.10.18 and 6902.10.19 of the Common Nomenclature Mercosur - NCM, and injury to domestic industry arising from this practice. 2. Extend for up to six months, from July 2, 2013, the closing date of investigation into the existence of dumping in respect of the People's Republic of China and the United States of Mexico to Brazil of basic refractories, commonly classified under items 6902.10.18 and 6902.10.19 of the MERCOSUR Common Nomenclature - NCM / HS and injury to domestic industry arising from this practice
SECEX CIRCULAR No. 29 **Dated: 7 June 2013**	The Circular decides extend for up to six months, from July 9, 2013, the deadline for completion of the investigation dumping, injury to the domestic industry and causal relationship between these, exports to Brazil textile yarns continuous filament nylon (*polyamide 6, polyamide 6,6*), of less than 50 tex, any number of filament or profile *maticidade* (bright, opaque or semi opaque), plain or textured, untwisted or with a twist not exceeding 50 turns per meter, dyed, bleached or, excluding high tenacity yarn, commonly classified in items 5402.31.11, 5402.31.19 and 5402.45.20 of the MERCOSUR Common Nomenclature - NCM, the People's Republic of China, Republic of Korea, Kingdom of Thailand and Chinese Taipei.
SECEX CIRCULAR No. 28 **Dated: 7 June 2013**	The Circular directs to start investigation into the existence of dumping in exports to Brazil truck tires from South Korea, Thailand, South Africa, Russia, Chinese Taipei and Japan, damage to domestic industry and causal relation between them.
SECEX CIRCULAR No.27	The Circular decides to extend for up to six months, from June 25, 2013, the closing date of investigation into the existence of dumping in respect of the Kingdom of Thailand, Republic Of China, the Socialist Republic of Vietnam

Dated: 31 May 2013	and Chinese Taipei to Brazil new tires rubber, diagonal, used motorcycles, commonly classified under item 4011.40.00 of MERCOSUR Common Nomenclature - NCM / HS damage to the domestic industry
SECEX **CIRCULAR No.26** **Dated: 31 May 2013**	The Circular decides to extend for up to six months, from June 21, 2013, the deadline for completion of investigation of dumping, injury to the domestic industry and causal relationship between these, in exports to Brazil of carbon steel pipes, seamless, driving, usually classified in item 7304.19.00 of the MERCOSUR Common Nomenclature - NCM, the People's Republic of China
SECEX CIRCULAR No. 25 **Dated: 31 May 2013**	The Circular directs that the duration of anti-dumping duty imposed on imports of wooden pencils with graphite and mine with mine color - but not those mine graphite pencil with recycled paper, pencils 'carpenter',professional pencils for drawing and crayons, pencil eraser, pencil makeup pencil to mark leather crayons, pencil to mark texts - commonly classified under item 9609.10.00 Nomenclature MERCOSUR Common - NCM, the People's Republic of China, will end on 12 February 2014
SECEX CIRCULAR No. 21 **Dated: 23 April 2013**	This Circular decides to extend for up to six months, from May 10, 2013, the closing date of the investigation to ascertain the existence of dumping in respect of the United States of America and the Republic West Germany to Brazil *Ethanolamine*, commonly classified under items 2922.11.00 and 10.13.2922 of the MERCOSUR Common Nomenclature - NCM / HS damage to the domestic industry and causal relationship.
SECEX CIRCULAR No. 20 **Dated: 10 April 2013**	This Circular decides to extend for up to six months, from May 3, 2013, the deadline for completion of the investigation dumping, injury to the domestic industry and causal relationship between these, exports to Brazil of rolled low carbon and low alloy from conventional casting or continuous and can be processed using conventional lamination or controlled and treatment heat thickness equal to or greater than 4.75 millimeters (mm), and may vary depending on the resistance, and a width of 600 mm, regardless of length (plates), usually sorted items in NCM 7208.51.00 and 7208.52.00 of the Mercosur Common Nomenclature – NCM from the Republic of South Africa, South Korea, China and Ukraine.
SECEX CIRCULAR No. 19	This Circular directs shutting down revision without extending the anti-dumping measure imposed by resolution of the Board Foreign Trade, applied to imports of docking SDS plus drills, commonly classified in items 8207.19.00,

Dated: 8 April 2013	8207.50.11, 8207.50.19 and 8207.50.90 of MERCOSUR Common-NCM, the People's Republic of China, as they were not available within legal information essential for assessing the need for extend the measure.
SECEX CIRCULAR No.18 **Dated: 5 April 2013**	The Circular mandated starting investigation into the existence of dumping in respect of the Republic of China for the Brazil sodium acid Pyrophosphate - SAPP-40, commonly classified under item 2835.39.20 of the MERCOSUR Common Nomenclature - NCM / HS damage to the domestic industry and causal relationship between them.
SECEX CIRCULAR No. 17 **Dated: 3 April 2013**	*Vide* this Circular, SECEX considered there was sufficient evidence to indicate that the termination of anti-dumping duty applied imports of the product and to start review of anti-dumping duty applied to imports Brazilian polycarbonate resin, commonly classified under item 3907.40.90 Nomenclature MERCOSUR Common - NCM, originating in the United States and the European Union.

Source: *SECEX [Secretariat of Foreign Trade]*