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ABBRREVIATIONS

1.	APEC	-	Asia-Pacific Economic Cooperation
2.	APEDA	-	Agricultural Products Export Development Authority
3.	AQSIQ	-	The General Administration of Quality Supervision, Inspection and Quarantine
4.	ARFs	-	Automatic Registration Forms
5.	Art.	-	Article
6.	ASEAN	-	Association of South-East Asian Nations
7.	BL	-	Bidding Laws
8.	BOFT	-	Bureau for Fair Trade for Imports and Exports
9.	CAAC	-	General Administration of Civil Aviation
10.	CBRC	-	China Banking Regulatory Commission
11.	CCC	-	China Compulsory Certification
12.	CEPA	-	Comprehensive Economic Partnership Agreement
13.	CERC	-	China Electricity Regulatory Commission
14.	CIRC	-	China Insurance Regulatory Commission
15.	CPC	-	Communist Party of China
16.	CQC	-	The China Quality Certification Centre
17.	CSRC	-	China Securities Regulatory Commission
18.	DFEC	-	Department of Foreign Economic Cooperation
19.	DITEA	-	Department of International Trade and Economic Affair
20.	DSB	-	Dispute Settlement Body (WTO)
21.	EEA	-	European Economic Area
22.	EFTA	-	European Free Trade Association
23.	EPA	-	Economic Partnership Agreement
24.	EU	-	European Union
25.	FDI	-	Foreign Direct Investment
26.	FTAs	-	Free Trade Agreements
27.	GAC	-	General Administration of Custom
28.	GAT	-	General Administration of Taxation
29.	GDP	-	Gross Domestic Product
30.	GIs	-	Geographical Indications
31.	GPA	-	Agreement on Government Procurement GPA
32.	HS	-	Harmonised System
33.	IBII	-	Investigation Bureau for Industry Injury
34.	IECE	-	The IEC System for Conformity Testing and Certification of Electrical Equipment
35.	IP	-	Intellectual Property
36.	IPR	-	Intellectual Property Rights
37.	ISO	-	International Organization for Standardization
38.	IT	-	Information Technology
39.	ITES	-	Information Technology Enabled Services
40.	MDIC	-	Ministry of Development, Industry and Foreign Trade
41.	MLPS	-	The Multi-Level Protection Scheme
42.	MOA	-	Ministry of Agriculture
43.	MOF	-	Ministry of Finance
44.	MOFCOM	-	Ministry of Commerce
45.	MPS	-	The Ministry of Public Security
46.	MRRFTO	-	Measures for Registration for the Record of Foreign Trade Operators
47.	NAFTA	-	North American Free Trade Agreement
48.	NBER	-	National Bureau of Economic Research
49.	NCAC	-	National Copyright Administration of China
50.	NDRC	-	National Development and Reform Commission
51.	NME	-	Non-Market Economy
52.	NPC	-	National People's Congress
53.	NPK	-	Sodium, Phosphorous, Potassium
54.	NT	-	National Treatment
55.	OECD	-	Organization for Economic Cooperation and Development
56.	PBC	-	The People's Bank of China
57.	PPP	-	Purchasing-power parity
58.	PRC	-	People's Republic of China
59.	PRD	-	Office of the Economic and Commercial Counsel, Policy Research Department
60.	PSI	-	Pre-shipment inspection
61.	QIP	-	Quarantine Inspection Permit
62.	RAIEG	-	Regulation on the Administration of the Import and Export of Good
63.	RMB	-	Renminbi

64.	ROO	-	Rules of Origin
65.	SAARC	-	South Asian Association for Regional Cooperation
66.	SAC	-	The Standardization Administration of China
67.	SAFE	-	State Administration of Foreign Exchange
68.	SAIC	-	The State Administration of Industry and Commerce
69.	SASAC	-	State-Owned Asset Supervision Administration Commission
70.	SAT	-	Chinese State Administration of Taxation
71.	SCNPC	-	Standing Committee of the National People's Congress
72.	SEZs	-	Special economic zones
73.	SECEX	-	The Foreign Trade Secretariat
74.	SIPO	-	State Intellectual Property Office
75.	SOEs	-	State-owned enterprises
76.	SPC	-	Supreme People's Court
77.	STE	-	State-trading enterprises
78.	TBT	-	Technical Barriers to Trade
79.	TCF	-	Textiles, clothing and footwear
80.	TRIMs	-	Trade-Related Investment Measures
81.	TRIPs	-	Trade-Related Aspects of Intellectual Property Rights
82.	TRQs	-	Tariff-rate quotas
83.	USTR	-	United States Trade Representative
84.	VAT	-	Value-added Tax
85.	WAP	-	The WLAN Authentication and Privacy Infrastructure
86.	WIPO	-	World Intellectual Property Organization
87.	WLANs	-	Wireless Local Area Networks
88.	WTO	-	World Trade Organization

EXECUTIVE SUMMARY

Economy

- Brazil's GDP grew by 1.9% y-o-y during the quarter which was far lower than economy forecasts
- Brazil's GDP is expected to grow at 3.4% in 2013 and 3.5% in 2014.Agriculture sector growth was responsible for major growth in the first quarter.

Trade

- The 5th Round of BRICS Summit saw major developments in the multilateral ties among its members. It announced the creation of a BRICS crisis fund, the Contingent Reserve Arrangement, with an initial pledge of US $100 billion. Brazil and China signed a deal for a line of credit worth US $30 billion, promoting trade between one another.
- Venezuela and Brazil entered into a trade cooperation agreement.
- Russia entered into a trade agreement with Brazil in the agriculture and defense sectors.
- The US entered into a Tax Information Exchange Agreement with Brazil that provides for communication exchange between the Brazilian authorities and the IRS of the United States.

Agriculture

- Brazil signed a commitment with representatives of the United Nations Food and Agriculture Organization (FAO) and the Federation of Industries of the State of Sao Paulo (FIESP) to work in cooperation with the Brazilian agriculture in order to find ways to reconcile access to ecogenetics (genetic traits related to different responses to environmental factors) in food production and technological innovation.
- Brazil's agriculture ministry provided that the beef industry would be thoroughly audited, following a case of mad cow disease that occurred in 2010 in Paraná. Ten countries have suspended or limited imports of beef from Brazil, the world's largest exporter, because of the fear of mad cow disease. Brazil stated that it will approach WTO consultation if such bans are not lifted since the disease was a temporary incident.

Bio-fuel

- Initially, after sugar cane juice was extracted to make regular ethanol, the fibrous, inedible cane stalk matter – known as bagasse – was burned to produce electricity. Now an enzyme is used to extract sugar locked in the bagasse to produce second-generation, cellulosic ethanol. The development of this technique implies that cane plantation could yield 30-50 percent more ethanol than before, on account of which the price of ethanol in Brazil could come down. However, consumption is set to increase, some say by as much as 45 percent by 2020.

Energy

- The Government-imposed price caps on fuel sold in Brazil were a cause of concern for state-led oil firm Petrobras, despite a surge in income during the fourth quarter of 2012. Chief Executive of Petrobras, Maria das Graças Foster has warned the government that rising debt levels, linked to the cap on fuel prices, could threaten the firm's investment grade credit rating.
- Brazilian state-controlled oil and gas giant Petrobras stated that it will keep its promise to invest R$97.7 billion (US $48 biilion) in petroleum and natural gas exploration and production in the country for 2013.
- Brazil's majority state-owned giant Petrobras requested the regulators to relax the strict requirements on "local content laws' before the next bidding rounds for new oil and gas exploration concessions in May 2013.
- Brazil has enacted a law which provides that from 24 January 2013, there shall be a strong reduction in the electricity bills of Brazilians. Brazilians will be given 32% decrease in electricity charges. The Act is an electric energy tariffs reduction measure that in September of last year was announced to reduce family energy bills by 16.2 percent and up to 28 percent for commercial industry.
- Petrobras will put six new oil platforms into operation in 2013 adding around 840,000 barrels of oil daily to the company's current output capacity. It has also announced that gasoline prices will be increased in the new year, with the company emphasizing it was selling at less than world-market prices. Petrobras' President stated that the output and third-party production would increase "considerably" with the gradual introduction of the six new production units.
- Oil Royalty Bill which divides the share of royalty between the oil-producing and non-oil producing states in Brazil has been suspended after a dispute between the states and a Supreme Court Decision which awaits hearing by the bench.

Tourism

- » The government of Brazil and Mexico decided to resume the Agreement for Exemption of Short-Stay Visas in Ordinary Passports, which was concluded on 23 November 2000. This agreement allows citizens of one country to enter the territory of another without a visa for periods of up to 90 days from the date of entry.
- » Brazil plans to expand and modernize Rio de Janerio's Faleao Antonio Carlos Jobim International [GIG] Airport by increasing its capacity from 15 million to 70 million passengers a year. The President announced the 'Investment Programme in Logistics: Airports" Initiative. The program earmarked R$7.3 billion for infrastructure improvements to Brazil airport sector.

AGENDA FOR NEXT REPORT

- » An update on Brazilian Finance Minister's speech to International Monetary Fund and Financial Committee
- » An update on the Ports Regulation Bill which aims to open state-run ports to more private investment and lift restrictions on building of privately-run ports.
- » An update on the 11th Oil and Gas Auction which raised record 2.8 billion Real with Petrobras winning the most blocks.[1]
- » An update on the government's decision to reduce IPI (tax on industrialized products) for vehicles for a fourth year.
- » An analysis of the ICMS tax and its consistency with WTO Agreements
- » An update on the Supreme Court's decision on the much debated Oil Royalty Bill.

I. INTRODUCTION

This is the eighth 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: January-March 2013.

II. ECONOMIC ENVIRONMENT

A. Fiscal Policy

Brazil is the 7th largest economy in the world and the largest in Latin America. Brazil has been one of the fastest-growing economies in the world primarily due to its export potential. Its trade is driven by extensive natural resources and diverse agricultural and manufacturing production. Along with rising domestic demand and increasing skilled workforce as well as scientific and technological development which have attracted foreign direct investment. The major obstacles to its economic growth are bureaucracy, corruption and weak infrastructure. [2]

(i) GDP

Brazil's GDP in the first quarter 2013 grew by 1.9% year-on-year. The growth was below expectation of 2.3%.[3] The industry contracted by 0.3%.[4] The drop in the industrial sector was driven by 2.1%, due to fall in mining and quarrying, however manufacturing increased 0.3%. [5] The household and public

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[1] Lucy Jordan, The Rio Times, 'Record Spending at 11th Oil Round: Daily', http://riotimesonline.com/brazil-news/rio-business/record-spending-at-11th-oil-round-brazil/
[2] TRADINGECONOMICS, 'Brazil GDP Growth Rate', http://www.tradingeconomics.com/brazil/gdp-growth
[3] Reuters, 'Brazil Q1 GDP grows 0.6 percent vs Q4 disappoints again', http://www.reuters.com/article/2013/05/29/brazil-economy-idUSE5N0C503220130529
[4] Id.
[5] Id.

consumption remained stable in comparison to the previous quarter. However, the investment expanded 4.6%. Exports decreased 6.4% and imports rose 6.3%.[6]

The government is expecting an economic growth of 3.4% in 2013 but private sector analysts are forecasting growth of 2.93% for 2013 and 3.5% for 2014.[7] The agricultural sector was responsible for most of the growth between the fourth quarter 2012 and the first quarter 2013. The agriculture industry grew because of positive soy production to 23.3%, corn 9.1%, tobacco 5.7% and rice 5.1%.[8]

B. Monetary Policy

(i) Banks boost credit for small businesses

Banco do Brasil announced that it would provide R$1 billion (US$488 million) to small and micro businesses, known jointly as MPEs (Micro e Pequena Empresa). Loans shall be offered on a monthly interest rate from 0.96 percent and normally should be repaid within two years, with three months to make the first installment.

Small businesses provide much needed employment and distribution of wealth and the Brazilian government has been promoting various incentives aimed at making MPEs active. The aim of the Federal program for tax incentives to small and micro enterprises by the government in 2011 was to support MPEs, through greater access to technology, export opportunities, public contract offers and, crucially, a simplified single tax code, less bureaucracy and access to credit.

According to the Estatuto da Micro e Pequena Empresa (Statute for MPEs), a "micro" enterprise has an annual turnover of less than the equivalent of R$360,000 (US$175,000), and a "small" enterprise has a yearly income of between R$360,000 and R$3.6 million (US$1.75 million).

President of Judicial Care Business Group states that, "despite the cut in interest rates for MPEs in Brazil, most foreign businesses seek funding elsewhere, as Brazilian rates are still not overly competitive when compared to other countries. To obtain [the loans], the Federal Government requires that the company should already have more than a year with open financial transactions consistent with the value you want to borrow".

Box 1: Obstacles to Doing Business in Brazil

US Undersecretary for Commerce, Francisco Sanchez while speaking at the Inter-American Dialogue on "Deepening Relationship: Prospects for Commerce and Bilateral Ties" on January 15, 2013 in Washington, DC, highlighted the obstacles to doing business in Brazil. Mr. Sanchez highlighted the following obstacles:

- » Tariffs
- » Local Content Requirements
- » Customs Uncertainties
- » Overburdened and unpredictable legal system

[6] Id.
[7] Merco Press, 'Despite great agriculture performance Brazil's economy first quarter result disappoints', http://en.mercopress.com/2013/05/31/despite-great-agriculture-performance-brazil-s-economy-first-quarter-result-disappoints
[8] Id.

» Shortage of skilled workers
» Inadequate infrastructure
» High cost of entering goods at the customs

Source: InsideUSTrade (Jan. 2013)

III. TRADE AGREEMENTS & ARRANGEMENTS

A. Brazil-China currency swap agreement

Brazil signed currency swap agreement prior to the 5th BRICS Summit this quarter with China for R$60 billion [US$30 billion]. The agreement aims to safeguard the parties against future global financial crisis as well as smoothen the way for bilateral trade. China is the world's second largest economy and Brazil's biggest trade partner. Brazil's Economy Minister stated that due to such an agreement *"if there were shocks to the global financial market, with credit running short, we'd have credit from our biggest international partner, so there would be no interruption of trade"*. China-Brazil trade has seen a robust growth in 2012 owing to Chinese demand for Brazil's resources such as iron ore and soy products. Brazil has also become a key export market for Chinese goods. Brazil's Central Bank Governor Alexandre Tombini said that *the purpose of this swap is that, independent of the conditions prevailing in the international financial market, we will have $30bn available which would represent eight months of exports from Brazil to China and 10 months of imports to Brazil from China. This is sufficiently large to guarantee normal trade operations.* [9]

B. Brazil-Russia trade cooperation in agriculture and defense

During a visit of the President of Russia to Brazil, both the governments agreed on various agreements in the fields like defense, energy and agriculture cooperation as well as a strategic purchase of Russian anti-aircraft missile by Brazil on the condition that Moscow would also transfer the technology. The agreements provide to expand trade between Russia and Brazil from US$5.9 billion to US$10 billion in the next three years. [10]

C. Brazil-Nigeria agreement to improve trade and investment

Brazil signed an agreement with Nigeria to promote cooperation in energy, aviation, agriculture, electricity, infrastructure development and defense. Both the governments "pledged to work together toward attaining a more balanced, diverse and mutually beneficial trade relationship," according to a joint statement.

Petrobras aims to increase its oil production in Nigeria to strengthen its presence in Africa's biggest oil producer, Nigeria. Petrobras has been producing oil in Nigeria for 14 years already. The trade between Brazil, South America's biggest economy, and Nigeria, Africa's most populous country, is $9 billion annually. [11]

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[9] BBC Business News, 'China and Brazil sign $30bn currency swap agreement', http://www.bbc.co.uk/news/business-21949615

[10] MercoPress, 'Brazil/Russia agree to increase trade and cooperation in agriculture and defense', http://en.mercopress.com/2013/02/22/brazil-russia-agree-to-increase-trade-and-cooperation-in-agriculture-and-defense

[11] Matthew Malinowski & Elisha Bala, Bloomberg, 'Nigeria, Brazil Sign Agreement to Boost Trade, Investment', http://www.bloomberg.com/news/2013-02-23/nigeria-brazil-sign-agreement-to-boost-trade-investment.html

D. Brazil-Venezuela agreement on trade

Brazil signed a cooperation agreement with Venezuela to strengthen trade between the parties. This agreement will support Brazil's northern region through exports of glass, aluminium and petrochemicals derivatives from Venezuela. The parties asserted that such as agreement is logical since both the countries are located in a close geography and would need to determine companies and their needs in the respective states to make this agreement more viable. Both the parties discussed issues to strengthen bilateral cooperation in agriculture, investments, energy and scientific technology. They also discussed the relations with other countries in the same region and emphasized on the development of regional integration initiatives like the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States [CELAC]. [12]

E. Formal Tax Information Exchange Agreement

Brazil ratified a formal tax information exchange agreement with the US. This agreement provides for limited sharing of tax information to support a pact on the more comprehensive US Foreign Account Tax Compliance Act [FATCA]. FATCA is an anti-tax dodging crackdown law which is a part of various inter-governmental agreements of the US. This law which will take effect in January 2014 puts reporting burden on banks and investment funds which will be frozen out of the US markets if they fail to cooperate with the US Internal Revenue Service. Such Inter-Governmental Agreements [IGAs] allow the home country regulators of foreign financial institutions to serve as middle-men with the IRS; those countries without IGAs will have to directly deal with the US agencies.

The US has this agreement with five countries UK, Denmark, Mexico, Ireland and Switzerland and is aiming to cover other countries as well as Brazil. Analysts provide that such an agreement could be a key to a tax treaty between the US and Brazil to help companies avoid double taxation. [13]

F. BRICS Summit

Five of the world's biggest emerging economies Brazil, Russia, India, China and South Africa met in Durban, South Africa to attend the 5th annual BRICS Summit.

BRICS account for 17% of global trade and direct foreign investment has tripled in the last decade according to a UNCTAD report. This summit was held on 26 and 27 March 2013. It announced the creation of a BRICS crisis fund, the Contingent Reserve Arrangement, with an initial pledge of US $100 billion. Brazil and China signed a deal for a line of credit worth US $30 billion, promoting trade between one another.

Given the importance of African countries in the trade, Brazil has reported to have upgraded its approach towards trade promotion in various African countries, however direct investments in Africa remain low. Given the fact that the demand for Brazilian imports across Africa has risen sharply in the past decade- from US $1.35 billion in 2001 to US $12 billion in 2011; Brazil has focused predominantly on Mozambique and Angola. As in these locations, major Brazilian companies like Vale, Petrobas, Andrade Gutierrez and Odebrecht have set up African bases.

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[12] Embassy of the Bolivarian Republic of Venezuela, 'Venezuela and Brazil sign a new trade agreement, http://venezuela-us.org/2013/02/11/venezuela-and-brazil-sign-a-new-trade-agreement/

[13] http://www.reuters.com/article/2013/03/22/usa-tax-brazil-fatca-idUSL1N0CCDN120130322

Brazil views China as a competition in Africa and will compete for lucrative infrastructure, mining and exploration project bids. The President of the Brazil-India Chamber of Commerce stated: "*Compared to India and China, Brazil is passing up many opportunities in Africa because of entrepreneurs' fears of exploring the continent.*" He further states: *Both Brazil and African countries export large quantities of commodities to China, and therefore Africa can even be seen one of Brazil's competitors. Brazil's recent slowdown is due to over reliance on commodity exports-prices rises for which, in the recent past, brought significant income with very little work. The government should focus on building a strong, resilient and flexible manufacturing sector, and an attractive business environment.*[14]

G. Cooperation agreements

On 2 March 2013, the Chairman of the National Bank for Economic and Social Development (BNDES), Mr. Luciano Coutinho signed two agreements that narrow relations between the Brazilian bank and development institutions of the BRICS, group of countries consisting of Brazil, Russia, India, China and South Africa. These documents pave way for cooperation between the countries of the initiatives to promote a low carbon economy and the development of infrastructure in Africa. The Multilateral Agreement on Cooperation and Co-financing for Sustainable Development of the BRICS seeks to establish the groundwork for coordination and exchange of information between the institutions of development of the five countries to enhance their mechanisms for sustainable development and fostering partnerships in this area. According to the interest and the rules of each institution, agreements can be made to fund projects related to sustainability and the low carbon economy. The Industrial Development Corporation (IDC) is a public bank focused on financing the industrial sector of South Africa, which is being renewed due to mutual benefits already achieved and the desire to expand existing links. Since the partnership began, the two banks jointly organized a seminar on bioethanol, occurred in South Africa, and IDC created a financing program, freighters inspired by the BNDES Procaminhoneiro, among other initiatives. The sectors considered as priorities for the partnership include automotive and auto parts (including alternative fuel vehicles), power generation, use of clean energy / renewable and co-generation, agro, pharmaceuticals and processing of mineral resources.[15]

H. Mercosur and the European Union sign agreement to resume trading

Ministers of the member countries of Mercosur and the European Union decided on January 28 to resume negotiations of a trade agreement between the two blocs, suspended since 2010. The representatives of Brazil in the discussions with Minister Fernando Pimentel, Development, Industry and Foreign Trade, and Foreign Minister Antonio Patriota, presented an offer for the second half to allow the participation of Paraguay in the discussions. The objective is to negotiate a comprehensive trade agreement, covering not only trade in industrial and agricultural goods but also services, improvement of rules on government procurement, intellectual property, customs and trade facilitation, technical barriers to trade. Negotiations have so far stumbled over differences on agriculture, especially European farm subsidies, which are seen as hindering South American growers. Brazil and EU have also agreed on the creation of a commission to look into prospects for boosting bilateral trade and investments.[16]

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[14] Ben Tavener, The Rio Times, 'Brazil and Other BRICS Compete in Africa', http://riotimesonline.com/brazil-news/front-page/brazil-competing-with-fellow-brics-in-africa/

[15] Brazilian development bank, 'BNDES and other development banks in the BRICS sign cooperation agreement', http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2013/20130327_brics.html

[16] International Political Economy Zone, 'EU-Mercusor FTA vs Trade-Willing 'Pacific Alliance'', http://ipezone.blogspot.in/2013/02/eu-mercosur-fta-vs-trade-willing.html

IV. TRADE POLICY BY MEASURE

A. Measures affecting imports

(i) Sanitary and Phyto-Sanitary Measures

For quarterly updates please see **Annexure A**

(ii) Technical Barriers to Trade

For quarterly updates please see **Annexure B**

(iii) Anti-Dumping Duties

Antidumping actions taken by Brazil during the quarter include:

Product	Customs Territory/Origin
One-piece crank	China
Padlocks	China
Precipitated silicon dioxide	China and India
Stainless steel cutlery of high standard	China
Tubelines of fine copper	China

For further developments according to SECEX, please see **Annexure C**.

(iv) Countervailing duties

On 23 March 2013, Brazil initiated countervailing investigations against imports of propylene copolymers from South Africa and India. This investigation was requested by Braskem S.A. and BraskemPetroquímica S.A. These enterprises represent 100% of Brazil's national production of this type of polymers. The product subject to investigation is classified under the following item of the MERCOSUR Harmonized System: 3902.3000.[17]

(v) Import tax

ICMS is a VAT levied by the Brazilian states on the circulation of goods and the provision of interstate and inter-municipal transportation and communications services. The tax applies even when a transaction and the provision of services start in another country. The ICMS tax rate ranges from 7% to 25%. From 1 January 2013, imported goods have been subjected to a 4% state sales tax (ImpostosobreCirculação de Mercadorias e Serviços or "ICMS") rate on interstate transactions after their importation, regardless of their destination. **The notice provided that if the goods manufactured in Brazil contained more than 40% of the imported content, then the product would be subject to the unified ICMS rate of 4%.**[18] Besides, any other tax incentive previously granted by a state would also be curbed. However, the provision will not likely apply to the tax incentive which was previously granted that resulted in a tax burden lower than 4% or the tax incentive consisting of an exemption. The export of primary and semi-

[17]http://www.iqom.com.mx/documents/1303/Circular

[18]'Brazil - New rules regulate the 4 percent unified ICMS rate on interstate transactions involving imported goods' : Baker and Mckinziehttp://www.internationaltradecomplianceupdate.com/?entry=456 (Last visited on 29 April 2013)

industrialized goods, as well as the acquisition of capital goods, is exempt from the value added tax (ICMS), which is the main source of revenues of the states.

(v) New rules for interstate transactions imported goods

The Federal Official Gazette published a new rule (SINIEF Adjustment no. 19/2012) which came into effect on 1 January 2013. According to the rule, imported goods have to be subjected to a 4% state sales tax rate on interstate transactions after their importation. These rules also include the goods manufactured in Brazil having more than 40% of imported content. The rule shall not be applied on any other tax incentive previously granted by the state on the imported products subject to the unified ICMS rate of 4. The provision does not apply if the tax incentive previously granted results in a tax burden lower than 4%, or the tax incentive consists of an exemption.[19]

(vi) *CAMEX reduces import tax for partially oriented yarn imports*

On 11 January 2013, the Chamber of Commerce of Brazil (CAMEX) through Resolution No. 1 approved a referendum of the Council of Ministers of Foreign Trade Council, which reduced the rate of import duty for the partially oriented yarn, also known as POY, English Partly Oriented Yarns from 18% to 2% for a period of 180 days. The partially oriented yarn is an input of the textile used in the manufacture of polyester textured yarn. A temporary reduction in the rate for foreign purchase of the product is limited to a quota of 88,000 tonnes. Measurements were granted for reasons of domestic supply to support the emergency mechanism of resolution Mercosur Common Market Group 08/08, provided in its articles 14 and 15.[20]

(vii) Import Tariffs

In Resolution no. 12 of February 7, 2013, the Brazilian Chamber of Commerce (CAMEX) has changed the tariffs on 56 tariff lines at the 8-digit level. There is no general direction of development of tariff rates: some have been increased or introduced, while others have been lowered or eliminated.[21]

On February 28, two new CAMEX Resolutions that temporarily reduce import tax for equipment and machinery without production in Brazil were implemented. The reductions approved encourage investments of $3.87 billion in industries in the country. In all, 290 applications were approved, and the CAMEX Resolution No. 16 reduced it to 2% until December 31, 2013, the rates for import of capital goods 284 (213 new awards and 71 renewals). Already CAMEX Resolution No. 15 amending the Import Tax to 2% until 31 December 2014 to 6 computer goods and telecommunications.[22]

The regime of former tariff is introduced in order to increase technological innovation by companies from different segments of the economy, producing a multiplier effect of employment and income, as well as to play a special role in the effort to adapt and improve the national infrastructure. The goal is to develop a mechanism for encouraging productive investment in the country through the temporary reduction of import duty on capital goods and information technology and

[20]CAMEX reduces import tax for partially oriented yarn imports: http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12102 (Last visited on 29 April 2013)

[21]Legislation resolution 12/2013 RESOLUTION No. 12, OF 07 FEBRUARY 2013(Published in the Official Gazette on 08/02/2013) http://www.camex.gov.br/legislacao/interna/id/1035

[22] 'CAMEX reduces import tariff for industrial machinery and equipment': http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12195(Last visited on 29 march 2013)

telecommunication, no domestic production. The scheme also serves to stimulate investment to supply the domestic market of consumer goods and contribute to the increasing competitiveness of goods for the export market.

V. MEASURES AFFECTING PRODUCTION AND TRADE

A. INTELLECTUAL PROPERTY RIGHTS

Partnership between MDIC, BNDES and INPI facilitates registration of trademarks and patents for innovative small and medium enterprises. The Card BNDES will finance for micro, small and medium enterprises, services essential to the protection of their innovations such as the registration of trademarks and patents, provided by suppliers recognized by the National Institute of Industrial Property (INPI). As guaranteed by a partnership between the Ministry of Development, Industry and Foreign Trade (MDIC), the National Bank for Economic and Social Development (BNDES) and the PTO, was announced on 20 March 2013. With credit card BNDES, companies that launch innovations can afford all the relevant entry documentation for the registration of a patent, which is a costly process today. It is an important measure of the government to encourage innovation. Only service provider's patent registration accredited by INPI and registered as vendors in portal operations BNDES Card can provide the registration service to innovative entrepreneurs. The limit per transaction is $ 30,000 and the amount financed can be divided into up to 48 months, with fixed, equal benefits, and interest of 0.86% month (current rate in March 2013). [23]

The BNDES Card is exclusive to micro, small and medium enterprises. It is a credit limit pre-approved up to U.S. $ 1 million by issuing bank (Bank of Brazil, Banrisul, Bradesco, Itaú and Box) that finances the purchase of goods and services registered in their portal operations. Besides the attractive interest rate - 0.86% this March - with fixed installments, payment terms ranging from 3 to 48 months.[24] The operations are exempt from Tax on Financial Transactions (IOF) and there is no charge for tuition. [25]

B. Trade related investment measures

According to a USTR Report released in April 2013, Brazil's National Telecommunications Agency has put into practice a proposal that requires domestic service providers that bid on frequencies to commit to a 70% local content ratio in their infrastructure by 2022. This condition was applied in a 12 June 2012, auction for 450 MHz and 2.5 GHz bands.

The USTR Reports notes as follows:

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[23] 'Partnership between MDIC, BNDES and INPI facilitates registration of trademarks and patents for innovative small and medium enterprises':http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=3&noticia=12250. (Last visited on 29 April 2013)

[24] 'Partnership between MDIC, BNDES and INPI facilitates registration of trademarks and patents for innovative small and medium enterprises':http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=3&noticia=12250. (Last visited on 29 April 2013)

[25] 'Partnership between MDIC, BNDES and INPI facilitates registration of trademarks and patents for innovative small and medium enterprises':http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=3&noticia=12250. (Last visited on 29 April 2013)

"This issue has taken on renewed urgency in light of the upcoming 700 MHz spectrum auction, which is expected to be put out to bid in late 2013 or early 2014," the report states, adding that that spectrum is "much more attractive" to U.S. companies because the market for it is larger. The 450 MHz and 2.5 GHz bands were auctioned for $2.9 billion, and the 700 MHz could go for as much as $40 billion, according to the report.

> "Although there has been no formal announcement yet, there is concern that Brazil will seek to include similar local content requirements for companies seeking to bid on the 700 MHz spectrum."

C. Presumed Profit Regime

On 27 February 2013, the Brazilian Senate approved Provisional Measure No. 1/2013, which allows more legal entities to opt for the "presumed profit regime." According to the new provision, legal entities for which the total gross income, including capital gains, did not exceed BRL72 million in the previous year, may choose to be taxed under the presumed profit regime (previously, BRL48 million).

Depending on its gross revenue, a Brazilian corporation can choose to be taxed based on its "real profit" or on a "presumed profit." Under the latter regime, the legal entity assesses its taxable profit by applying a pre-determined percentage, established in the law, to its total gross revenue earned in the quarter. This option allows less bureaucracy, reduction of accounting costs and can lead to a lower tax burden.

By raising the limit to R$72 million, the federal government would assume a reduction of around BRL1 billion per year on the collection of taxes. In addition, the new provision enlarges the list of benefited business activities for the purposes of the new tax on gross income that replaced the standard social security contribution (normally due by employers at the rate of 20% on payroll). In this sense, the legal entity could pay between 1% and 2% on its gross revenue, instead of the social security contribution of 20% on payroll.

In accordance with Provisional Measure No. 582/2012, since January 2013, some sectors were already benefiting from the tax on gross income, but this measure would have lost its effect if the Senate hadn't voted on it in time. Among the sectors included in the new provisional measure are public transportation (bus and metro), infrastructure (air and port), and weapons of war, journalism companies and waste recycling.[26]

D. Tax measures on foreign exchange transactions

In January 2013, the government reduced the tax rate on Foreign exchange transactions. Such reduction applies for the acquisition of units of local Real Estate Investment Funds that have been regulated, from 6% to zero for the acquisition of units (quotas) of local Real Estate Investment Funds regulated by the Brazilian Securities and Exchange Commission. The benefit applied only to foreign investments that involved acquisition of units of Real Investment Funds traded in the stock exchange. Hence, when a foreign investor acquires these units from outside the stock exchange, the transaction will continue to be

[26] IBFD, 'Brazil: Provisional Measure 620/2013 extends deadline for complying with obligation to specify taxes charged on invoices', http://tmagazine.ey.com/news/ibfd/brazil-provisional-measure-6202013-extends-deadline-complying-obligation-specify-taxes-charged-invoices/

taxed at 6%. However, the Brazilian government did not change the withholding income tax levied on income acquired from the Real Estate Investment Funds paid to foreign investors, which is at a rate of 15%.[27]

E. Extension of consumer rights

Brazil promulgated plans for a legislation to improve the quality of products and customer services offered in Brazil which shall afford shoppers greater protection and more rights. The proposed Plano Nacional De Consumo E Cidadania (National Consumer and Citizen Plan) will bring together a number of ministries, national industry regulators and the Central bank to create a new National Chamber of Consumer Relations.

The government aims for "*increased access to quality products and services*" and to do this a new consumer protection was required to ensure high standards for services provided. Such legislation will strengthen the powers of Procons, the country's local consumer authorities. Three committees will form a national body for consumer relations, including one for domestic and foreign tourist services aimed at those travelling to Brazil's upcoming mega events.

News rules, which are to be approved by Congress will mean greater controls and larger fines for those "disrespecting consumer rights." New rules for both the banking as well as telecoms industries both of which have topped Procon consumer complaints surveys for the last five years are also due to be carried out. The National Consumer Secretary provided that the legislation underpins changes for the banking sector to provide better transparency, greater choice, and easier comparisons for customers in terms of banking products. It has been provided that telecommunications industry shall benefit most from new legislation as a number of companies have been involved in scandals over poor service and mismanagement of customer complaints.

The President of National Telecoms Regulator provided that the new rules which encompasses fixed line and mobile telephones, broadband and paid packages, would result in cheaper services for customers. One of the key changes which the new legislations provide is 'online transactions'. This legislation will requires clear, correct and objective information for consumers and making it obligatory for companies selling goods and services online to have accessible customer services. Since there is a new Brazil middle class, the government is firmly aware that such Brazilians with significant spending power and well-versed in consume rights will demand better services.

Reports provide that an almost 70% increase in the number of disputes in Brazil's small claims Courts relate to consumer demands, costing an average 1,000 Real (US$503) to the state. By increasing local Procons' powers, it is hoped that far fewer battles will end up in Court, saving the government money.[28]

F. Brazil simplifies Visas for foreign workers

[27]Brazil: Foreign Investments In Brazilian "Real Estate Investment Funds Are No Longer Subject To The Tax On ExchangeTransactions".:WalterStuborhttp://www.mondaq.com/x/219516/withholding+tax/Foreign+Investments+In+Brazilian+Real+Estate+Investment+Funds+Are+No+Longer+Subject+To+The+Tax+On+Exchange+Transactions+IOF (Last visited on 29 April 2013)
[28] Ben Tavener, The Rio Times, 'Brazil Looks to Extend Consumer Rights', http://riotimesonline.com/brazil-news/rio-business/brazil-looks-to-extend-consumer-rights/

Brazil announced that the application process for work visas to will be simplified significantly in response to demands from industry for more qualified overseas workers in order to fill gaps in the Brazilian labor market. The regular work visas, which currently take around three months to be issued, will take just thirty days. [29]

The new rules published under Normative Resolution (RN) 104 infuse efficiency in the process by requiring fewer documents and allowing documents to be sent online. Industry and foreign workers have complained for a long time that the process for granting a work visa was too long and overly complicated, requiring some fifteen documents and sometimes a number of visits to the Consulate. Due to this regulation only three documents shall be required.[30]

Brazil admits that the new rules was in direct response to demands by industry, which struggles with Brazil's lack of specifically qualified workers – particularly engineers, oil and gas experts, and systems analysts – to help ready the country host the World Cup and the Olympics.

Two other recent changes in work visas should also prove interesting to companies in Brazil and foreign students:

a. *Resolution RN100 provides a work visa of up to ninety days to foreign nationals providing technical assistance or technological know-how to Brazilian companies. Applicants go straight to their local Consulate, without the need for a permit from the MTE.*
b. *Resolution RN103 allows students with a Master's degree or above to work up to ninety days in Brazil during their vacations. This work still requires MTE authorization, but is expected to be popular with temporary jobs appearing for highly qualified professionals for the World Cup and the Olympics.*

Brazil's Minister for Labor and Employment provided that boosting worker numbers from abroad would not take jobs from Brazilians. He further stated that *[Brazil] is sending a lot of Brazilians abroad to major centers of technological knowledge to prepare themselves [to work in Brazil], but it requires time. In the meantime, sometimes we have to look, in the case of some technical areas, to fill this gap, otherwise we could face a bottleneck that could hinder our growth and our goal of becoming a powerful country*.[31]

Brazil wishes to attract highly-qualified workers in Europe who do not have enough opportunities due to the economic crisis and high unemployment there. Spain, Portugal and China are seen as target countries. Globo News reports provided that in the first quarter of 2013, around 15,000 foreigners were granted authorization to work in Brazil – the vast majority of which were temporary visas of up to two years.[32]

G. Rio State gains four new ports[33]

The state of Rio de Janeiro shall gain four new ports, with investments of roughly R$9 billion (US$4.5 billion). Such decision supports Brazil's wider plan to overhaul the country's lacking port infrastructure, which also sparked dockworkers strikes over fears that the reforms could bring about job cuts. [34]

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[29] Ben Tavener, The Rio Times, 'Brazil Siplifies Visas for Foreign Workers', http://riotimesonline.com/brazil-news/rio-business/brazil-simplifies-visas-for-foreign-workers/
[30] Id.
[31] Id.
[32] Id.
[33] Andrew Willis, The Rio Times, 'Rio State to See R$9B in Port Investments', http://riotimesonline.com/brazil-news/rio-business/rio-state-to-see-r9b-in-port-investments/

Macaé, Maricá, Arraial do Cabo and the city of Rio de Janeiro will gain the new ports. The large reserves of oil discovered in Brazil's offshore pre-salt region is said to be a key factor behind the planned developments. The granting of environmental licenses for the projects is already at an advanced stage with the four ports scheduled to operate from 2015 and 2016. In December last year Brazil announced its long-awaited investment program for the country's ports, with total investment of R$54.2 billion. The private sector is to play a major role, while dockworkers threaten strike action for fear jobs and wages may be cut as a result of the competition.[35]

H. Brazil to welcome skilled Brazilians nationals

Brazil shall create a special cross-ministry commission to discuss the proposal in order to bring Brazilian nationals working abroad back to Brazil. This proposal comes due to the fact that many skilled Brazilians are unemployed in other countries due to global economic crisis or other immigration issues. It is estimated that some 3 million Brazilians currently work abroad, although it is difficult to calculate and hard to verify as some of them work on an unofficial basis and have outstayed their visas. The President of National Immigration Council stated that the businesses will reap the benefits of contracting Brazilians which is a far more simpler process than hiring foreign nationals:

"When visiting Brazilians living abroad, we often hear than, after years of work and now with grown children, many are unemployed. These are highly-skilled people. Brazil can now offer a place for these people to return to work."

Graduates and other highly skilled workers affected by the global crisis should be prime candidates for 'repatriation' particularly those belonging from industries in such high demand in Brazil: Infrastructure, logistics, oil and gas and technology.

The lack of skilled labor in Brazil is recognized as one of the contributing factors to the so-called "Brazil cost" which discourages greater investment in the country from overseas. Its repercussions have been felt with the multibillion-dollar infrastructure projects planned and underway in Brazil in the run-up to the World Cup and Olympics.

The government has previously focused on calling skilled foreigner workers particularly from Spain and Portugal, but the system for conceding work visas to foreigners is outdated, on top of a 192-percent increase in applications since 2005. There were plans to improve the work visa system, but they have been lying in Congress since 2009. The focus appears has been shifted on ready-to-work Brazilians.[36]

I. Tax breaks for telecom companies

Brazil announced plans to allow telecommunications companies tax breaks if they make additional infrastructure investments totaling R$16 billion to R$18 billion before 2016. However in order to qualify for the waivers, the telecom firms will have to meet certain criteria.

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[34] Andrew Willis, The Rio Times, 'Rio State to See R$9B in Port Investments', http://riotimesonline.com/brazil-news/rio-business/rio-state-to-see-r9b-in-port-investments/
[35] Id.
[36] Ben Tavener, The Rio Times, 'Brazil Wants Overseas Workers Back', http://riotimesonline.com/brazil-news/rio-business/brazil-looks-to-repatriate-overseas-workers/

The proposal exempts any company wishing to extend the service of 3G and develop 4G networks from the PIS (Social Integration Program), COFINS (Contribution for the Financing of Social Security) and IPI (Industrial Products) taxes.

Brazil's Secretary of Telecommunications said that companies qualifying for such exemptions from the PIS/COFINS and IPI would save 9.25% and 17% respectively. According to government figures this will equate to savings between R$3.8 billion and R$6 billion by 2016. In order to take advantage of the incentives, companies must submit telecommunication network projects to the Communications Ministry by 30 June 2013. Companies that submit plans, which support the sharing of infrastructure with another company in the industry, will have priority in the ministry's analysis.
Any projects wishing to qualify will also have to be completed by December 31st, 2016, with government inspections being carried out to identify the status of the projects. The construction of 4G networks will also need to meet criteria outlining where the technology is manufactured.

It is mandatory that 50% of equipment and components used in the next generation networks are manufactured in Brazil and that another 20% of the items used in the installation of the network will need certification by the MCT (Ministry of Science and Technology) to prove that they are domestic technologies.[37]

J. Ambitious Programme on Infrastructure[38]

Brazil launched an ambitious investment program in infrastructure, transport, logistics, and energy that will cost around US$235 billion. The President and the entire government have been mobilized in the search for these investments, from domestic, foreign, public and private sources. On 27 February 2013, the President chaired a session of the Council on Economic and Social Development (CDES) which is a consultative body. In order to attract investors to the government's infrastructure and logistics projects the President promised "clear legal stability, duly compensated investments and long-term financing." To the President's credit the government has been focusing on a variety of financial and other incentives to attract the required capital outlays. The government is preparing a new package for railways and highways to remedy R$500 billion (US$255billion) shortfall in infrastructure and logistics. The new program is dependent on 40% private sector investments. [39]

VI. WTO DISPUTES UPDATE

The US Department of Commerce issued a notice on 20 April 2012, revoking the anti-dumping duty order on the products covered in this dispute. The United States submitted a report in accordance with Article 21.6 of the DSU. The United States and Brazil agreed that the reasonable period of time for the United States to implement the recommendations and rulings of the DSB in United States – Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil (WT/DS382) would end on 17 March 2012.[40]

[37] Leo Byrne, 'Tax Breaks for Telecom Companies: Daily', http://riotimesonline.com/brazil-news/rio-business/brazil-grants-tax-breaks-for-telecommunications-companies/
[38] http://brazilcham.com/sites/default/files/e-documents/VistaBrazil0313_0.pdf
[39] VistaBrazil, 'Mobilizing the money: A new investment program', http://brazilcham.com/sites/default/files/e-documents/VistaBrazil0313_0.pdf
[40]WT/DS382/10/Add.14 :http://www.wtocenter.org.tw/SmartKMS/fileviewer?id=131267

On 14 February 2013, the United States and Brazil agreed to a mutually satisfactory solution in this dispute. There was no case dispute initiated by Brazil nor any case was initiated against Brazil during this review quarter.

United States – Administrative reviews related to imports of certain orange juice from Brazil

There was a joint communication from the delegations of the United States and Brazil on 14 February 2013. Both the countries informed to the Dispute Settlement Body of the Mutually Satisfactory Solution amongst both the countries with respect to the Anti-dumping Administrative Reviews and other measures related to Imports of certain Orange juice from Brazil. They even informed that they had agreed to consult before the end of 2012 in order to achieve a resolution of the dispute therefore due to the consultation they achieved for a mutually satisfactory solution. [41]

VII. TRADE POLICY BY SECTOR

A. Agriculture

(i) Brazil signs UN and FIESP commitment on bio-diversity

On 28 March 2013, the Minister for Environment of Brazil signed a commitment with representatives of the United Nations Food and Agriculture Organization (FAO) and the Federation of Industries of the State of Sao Paulo (FIESP) to work in cooperation with the Brazilian agriculture in order to find ways to reconcile access to ecogenetics (genetic traits related to different responses to environmental factors) in food production and technological innovation. The purpose of meeting was to discuss biodiversity targets and the Nagoya Protocol [one of the most important environmental pacts since the Kyoto Protocol]. According to the Minister, 'This reconciles both FAO food issues and the Convention on Biological Diversity.[42]

(ii) Mad cow disease affects Brazil's meat industry

Brazil's agriculture ministry provided that the beef industry would be thoroughly audited, following a case of mad cow disease that occurred in 2010 in Paraná. Ten countries have suspended or limited imports of beef from Brazil, the world's largest exporter, because of the fear of mad cow disease.

International Relations Secretary for the Ministry of Agriculture stated that states would send teams to beef producers to ensure that the procedures to safeguard cows' health were being properly followed. The teams would then pass on the results to the ministry.

> "We will do a review on all operational procedures to make sure we're doing everything that is needed to be done; the World Organization for Animal Health guidelines would be followed." The audit will start by looking at with possible failures against bovine spongiform encephalopathy, usually known by its initials BSE or as mad cow disease.

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[41]United States — Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil : WTO organisation Dispute settlementhttp://www.wto.org/english/tratop_e/dispu_e/cases_e/ds382_e.htm (Last visited on 29 April 2013).
[42] Brazil Government Portal, 'Brazil signs commitment with the UN and FIESP to use biodiversity in food production', http://www.brasil.gov.br/news/history/2013/03/04/brazil-signs-commitment-with-the-un-and-fiesp-to-use-biodiversity-in-food-production

In December, Brazil confirmed a case of mad cow disease in an animal that died in Paraná in 2010. Japan, South Africa, South Korea, Taiwan and China subsequently suspended all beef imports from Brazil, including live animals as well as meat. Peru has suspended imports for ninety days. Jordan, Lebanon, Saudi Arabia and Chile have placed restrictions on imports.

The government has assured that the case was isolated and does not pose a wider risk to the industry or public health. Decisions to restrict imports have therefore been seen as protectionist measures by Brazil. Brazil's foreign trade secretary Tatiana Prazeres insists that Brazilian beef is safe. She said that Brazil is considering retaliation at the World Trade Organization (WTO) if the countries do not lift the bans. Brazil, the world's number one beef exporter, exported US$5.25 billion worth of meat in 2012.[43]

B. Bio-fuel

(i) *Petrobras concerns on fuel price caps*

Government-imposed price caps on fuel sold in Brazil has been a cause for difficulties against state-led oil firm Petrobras, despite a surge in income during the fourth quarter of 2012. Chief executive of Petrobras, Maria das Graças Foster has warned the government that rising debt levels, linked to the cap on fuel prices, could threaten the firm's investment grade credit rating. Unless gasoline and diesel prices are increased, debt levels at Petrobras will rise well above the company's internal target. The company debt could reach 3.5 times earnings before interest, taxes, depreciation and amortization, or EBITDA, by the fourth quarter of this year. The firm's internal target is 2.5 times EBITDA. A credit rating below investment grade would force many funds to pull out of Petrobras, harming the company's ability to raise capital.

Brazilian government sanctioned a moderate rise in gasoline and diesel prices during this quarter, taking effect from January 30th. These fell below analyst predictions of what is necessary, however, with the government is afraid that higher fuel prices could cause a rise in inflation. Petrobras's debt problems partially stem from the failure of the company's refineries to keep pace with the fuel demands of Brazil's growing economy, forcing the company to increase fuel imports that are subsequently sold on the domestic market at a loss.

(ii) *Cane Waster Ethanol arrives in Brazil*

Initially, after sugar cane juice was extracted to make regular ethanol, the fibrous, inedible cane stalk matter – known as bagasse – was burned to produce electricity. Now an enzyme is used to extract sugar locked in the bagasse to produce second-generation, cellulosic ethanol. The technique means a cane plantation could yield 30-50 percent more ethanol than before, du to which the price of ethanol in Brazil will decrease. However, consumption is set to increase, some say by as much as 45 percent by 2020.

This Ethanol made from sugar cane waste is shall be available at gas stations across Brazil in 2014. It is one of the most promising development in biofuel technology in recent years. The process is now taking off as a serious alternative to extending sugar cane plantations, which would otherwise be required to meet rising demands.

[43] Lucy Jordan, The Rio Times, 'New Cattle Rancher Audits in Brazil: Daily', http://riotimesonline.com/brazil-news/rio-politics/after-mad-co-case-brazil-to-audit-ranchers/

Brazil has also announced that the proportion of ethanol in gasoline will increase from 20% to 25% from 1 May 2013 to help counter rising prices and the need for more imports. Cellulosic ethanol was prohibitively expensive to produce, representing a barrier to initial investment, but the government and a number of companies are now investing in this sector. Brazilian companies have forged partnerships with foreign enterprises that are also looking to take advantage of the industry, bringing outside investment, know-how and technology.

Marcel Gomes, coordinator at the Biofuel Watch Center stated that cellulosic ethanol reduces crop displacement and allows production to be increased without the need for new land.

"Change in land use is detrimental to the environment in Brazil. Classically, cane has pushed out cereal fields, which has pushed cattle out toward the Amazon, leading to deforestation. However, cellulosic ethanol plants do not necessarily change the problems that already exist [...] such as issues relating to labor, indigenous land or even irregular pesticides use."

Jeffrey Hollender, a leading authority on corporate responsibility, sustainability and social equity stated that ethanol from sugar cane is environmentally superior to ethanol made from corn, as in the U.S., and is a step in the right direction. He further provided that Brazilians will only fill up with second-generation ethanol if the price is right. Other industry experts concur ethanol will rise in popularity as gasoline prices rise, but say the choice is more complex – as although ethanol is cheaper – drivers are aware it provides fewer miles to the gallon.

Brazilian cars are "flex fuel" – running on ethanol, gasoline or a mixture of the two, making decisions on which to use depending purely on price. Brazil also remains the world's second largest producer of ethanol fuel, after the United States.[44]

C. Energy

(i) Petrobras investment in 2013

Brazilian state-controlled oil and gas giant Petrobras stated that it shall keep its promise to invest 97.7 billion Real [US $48 billion) in petroleum and natural gas exploration and production in the country for 2013. It is an increased investment from 84 billion Real in 2012. This is in the attempt to finance the development of recent oil discoveries in Brazil, most of which are found in the country's oil rich pre-salt layer. In March 2013, Petrobras announced that it would invest 470 billion Real (US $236.7 billion) by 2017 in order to fund the expansion of its output capacity, with above 60% of the investment towards increasing exploration and production.

Petrobras confirmed that the company may note drop in production in the following months due to scheduled closures at various platforms. The first trimester saw company's output decreased to 1.91 million barrels a day, which represents a 4% decrease from the same trimester in 2012. Although the goal of Petrobras has been to have a sizeable, high-quality oil reserves but due to slow output from mature fields and the shutdown of many older platforms for maintenance have been driving a decrease in Petrobras' domestic production since the last year. In the month of March, the production dropped for 10th consecutive month, in addition to which public fuel subsidies and high debt have cut into the

[44] Ben Tavener, The Rio Times, 'Cane Waste Ethanol Develops in Brazil', http://riotimesonline.com/brazil-news/rio-business/cane-waste-ethanol-develops-in-brazil/

company's profile. It is provided that although repairs may take some fields out of commission, other areas might make up for the fall by stepping up their productivity, including wells in the Campos Basin which is responsible for more than 80% of Brazil's oil.

The company stated that although we will have scheduled stops, it shall continue with the production projections for this year. It also announced that the two more refineries, Premium I and Premium II which are located in the northeastern states of Maranhao and Ceara are set to be completed by 2017. Both refineries shall increase crude processing capacity by over 900,000 barrels per day. Petrobras provided that the profit for first trimester of 2013 increased 7.7 billion Real, down from 17% from the same period last year. [45]

(ii) *Brazil has some of the most demanding local content laws in the world.*

Brazil's majority state-owned giant Petrobras requested the regulators to relax the strict requirements on "local content laws' before the next bidding rounds for new oil and gas exploration concessions in May 2013. As the awarded contracts require that activities in the exploration phase use between 37 and 85% local goods and services while those in the development phase will have to use between 55 and 80%. Onshore exploration will be subjected to even more stringent local content laws, while activities in the deep water have more relaxed constraints due to their more technically demanding nature. Such rules are an attempt to keep the revenue and cash flow generated by the commercialization of pre-salt reserves within Brazil. However, the critics provide that such a high percentage of local goods and services required in concession contracts have the potential to stifle supply and create bottlenecks and inefficiencies. The company in the request stated that: *The minimum percentages of local content for the cited items and sub-items cannot be met by the national supply chain* and further specifically asked for a reduction for local goods and services on 34 items pertaining to both offshore and onshore exploration and development. The regulators reacted negatively to the request according to reports.[46]

(iii) *Angra III Nuclear Plan restarts in Brazil*

A new National Energy Plan shall be published this year by Brazil which shall cover all the period till 2050. The government has been discussing on the installation of new nuclear reactors in the country to help nation's strained energy supplies. Brazil is examining the proposal to allow private companies finance new plans in alike other infrastructure contracts. The government has asserted that the current energy mix and high reliance on hydroelectric plants will be unsatisfactory given the national power demand. Some sources stated that government is considering 49% public and 51% private ratio which had been deemed successful for past few years for power networks and network construction. However, private investor idea in the nuclear sector will require amending the Constitution of Brazil which require that ll nuclear fuel exploration, production and exportation shall be controlled by state-owned Electronuclear, a subsidiary of Eletrobras. Work on Angra I and II is currently going on while Angra III was stalled due to Fukushima incident in Japan. However, Angra III will be operational by 2016, and four more reactors are reported to come online in 2020s. Brazil has the world's sixth biggest reserve of uranium and it advocates for nuclear energy being safer than before. Over 80% of Brazil's power is derived from hydroelectric power stations, 8.5% from gas, coal and oil, 4% from biomass and 3% from nuclear.[47]

[45] Maria Lopez Conde, The Rio Times, 'Petrobras to Invest R$97.7 Billion in 2013', http://riotimesonline.com/brazil-news/rio-business/petrobras-to-invest-r97-7-billion-in-2013/
[46] Leo Byrne, The Rio Times, 'Petrobras Wants Local Content Changes', http://riotimesonline.com/brazil-news/rio-business/petrobras-requests-local-content-changes/
[47] Ben Tavener, The Rio Times, 'Angra Nuclear Plans Restarted in Brazil', http://riotimesonline.com/brazil-news/rio-business/brazil-nuclear-plans-restarted-in-angra/

(iv) *Brazil lowers electricity bills*

Brazil has enacted a law which provides that from 24 January 2013, there shall be a strong reduction in the electricity bills of consumers. Consumers will be given 32% decrease in electricity charges. The Act is an electric energy tariffs reduction measure that in September of last year was announced to reduce family energy bills by 16.2 percent and up to 28 percent for commercial industry.

(v) *Six new oil platforms*

Petrobras will put six new oil platforms into operation in 2013 adding around 840,000 barrels of oil daily to the company's current output capacity. It has also announced that gasoline prices will be increased in the new year, with the company emphasizing it was selling at less than world-market prices. Petrobras President stated that the output and third-party production would increase "considerably" with the gradual introduction of the six new production units.

Three of the new platforms – P63, P55 and P61 – would be run solely by Petrobras, and three others – labeled The City of São Paulo, Itajaí and Paraty – would be run jointly with partners. The daily output in 2013 will be around two million barrels a day, including 80,000 for partner producers – up significantly on 2012, as the much talked-about pre-salt layer production comes online and starts to make an impact.

The third-party portion of this could rise to around 100,000 barrels a day by the end of next year. Commentators say that, although Brazilians are relatively unaware of this third-party production, it is important for the industry, and as such, they are urging appropriate incentives and infrastructure investment, as well as for the domestic arm of the industry.

Petrobras executives are banking on a better year in 2013, after revealing the company had encountered its worst-ever quarterly figures in the second quarter of 2012: it suffered losses of R$1.35 billion (US$665 million at the time), blamed largely on ballooning debts and costs in the face of a weakening Brazilian real. Recently the Petrobras president, who became the first woman to head the company in February 2012, said that onshore gas exploration would continue after the country imported 56 percent more oil in December, to 178,000 barrels daily.

The President explained that there was a discrepancy in the price of gasoline (petrol) of around 6%, and 4% for diesel prices, and that this would have to be tackled with an increase in prices, although an exact date for this has yet to be announced and could be spread over time. President of Petrobras stated that there are difficulties faced by the government over the division of oil royaltiesthis year and provided that any remaining issues must be ironed out so that new bids can be approached by oil companies "at full kilt" in the new year. Experts provide that getting pre-salt oil extraction up-and-running is now a priority for the industry, but that predictions of the number of barrels that will be produced must be viewed as "best estimates".[48]

(vi) *Oil Royalties Bill*

[48] Ben Tavener, The Rio Times, 'Petrobras Announces Six New Platforms', http://riotimesonline.com/brazil-news/rio-business/new-platforms-to-increase-petrobras-output/

The Oil Royalties Bill provides that the non-oil producing states will be an equal recipient of the oil royalties and taxes on windfall profit which was previously directed to only the oil producing states. Brazilian Congress and Senate approved it.

It is interesting to note that once the cost of producing a barrel of oil of taken out, 71% of the left amount goes to the government in the form of oil royalties and taxes while only 29% goes to the company which produced it.[49] This law provides that the funds from such source shall be divided equally based on current federal transfer arrangements. But this inevitably means that oil-producing states like Rio de Janerio which produce more than 85% of Brazil's oil and gas output will lose more than 95% of R$8.71 billion [US$5 billion] a year it receives from oil royalty. That is the reason why the Governor, Sérgio Cabral, suspended all payments except those the state is legally obliged to make (state employees will still receive their salaries). [50]

He provided that the state's sudden revenue shortfall—3.1 billion (R$1.59 billion) this year alone—puts preparation for the 2016 Rio Olympics in halt. Along with the support from the other two producing states' governors, he challenged the law in the Supreme Court, arguing that the new law is unconstitutional since it overturns Rio's "acquired rights". Congressmen from the state have called on him to revoke environmental licences relating to oil production as the Brazil's Constitution describes oil royalties as "compensation" for environmental damage and cutting those royalties means taking away a guarantee on which the environmental licences were based.[51]

Consequent to which the Supreme Court Justice Carmen Lucia granted the injunction after Rio de Janeiro, Espirito Santo and Sao Paulo states filed lawsuits last week to block implementation of the new royalties regime. The states claim the new scheme is unconstitutional because it would break existing contracts, while also causing budget shortfalls that would severely crimp public services.[52]

However the ruling on the injunction is temporary and will be reviewed by the full Court at a later date. In her decision, Justice Lucia stated that the case required urgent judicial attention from the court because royalties are paid on a monthly basis. The changes represented "unequaled risks" to the financial health of the states and cities involved, "impelling me to immediately grant the requested injunction". The lawsuits are the latest step in a long-running political fight by the Brazil's three major oil-producing states of Rio de Janeiro, Espirito Santo and Sao Paulo against the country's remaining 24 states, which have little oil production and stand to benefit financially from the new distribution scheme. The law, however, is effectively suspended until the Supreme Court makes a definitive ruling on the lawsuits.[53]

D. Tourism

(i) Exemption of Tourist Visas between Brazil and Mexico

The government of Brazil and Mexico decided to resume the Agreement for Exemption of Short-Stay Visas in Ordinary Passports, which was concluded on 23 November 2000. This agreement allows citizens

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[49] Jeb Blount, AmericasQuarterly, 'Energy: brazil's Oil Royalty Battle', http://www.americasquarterly.org/node/1928

[50] The Economist, 'Counting the barrels', http://www.economist.com/blogs/americasview/2013/03/brazils-oil-royalties

[51] Id.

[52] The WallStreet Journal, 'Brazil's Supreme Court Suspends New Oil-Royalties Regime', http://online.wsj.com/article/BT-CO-20130319-704380.html

[53] Id.

of one country to enter the territory of another without a visa for periods of up to 90 days from the date of entry. The period is renewable, provided that the total stay does not exceed 180 days in a 1 year period. The implementation of the agreement was suspended on 8 September 2005 with effect from 23 October 2005. The measure shall be implemented on a date as decided by the member states. The Brazilian government expressed satisfaction with the measure which will stimulate relations between the two countries which directly benefits tourists and business travellers. The government welcomed the opportunity for Mexican citizens to travel to Brazil without requiring an entry visa in order to attend the major events in 2013 [confederations cup and world youth day), 2014 [World Cup] and 2016 [Olympics and Paralympics].[54]

(ii) *Galeao (GIG) Airport improvements*

Brazil plans to expand and modernize Rio de Janerio's Faleao Antonio Carlos Jobim International [GIG] Airport by increasing its capacity from 15 million to 70 million passengers a year. The President announced the 'Investment Programme in Logistics: Airports" Initiative. The program earmarked R$7.3 billion for infrastructure improvements to Brazil airport sector. The government will hold an auction in t September 2013 for rights to operate Galeao. According to Bloomberg, only 20 largest airport operators shall be considered and experience managing of 35 million passengers. The Minister of Civil Aviation (SAC) stated that: "[We] are determined to hand over operation of the airport to a major foreign operator. One that can implement sophisticated technology, simplify operations and who has experience with productivity and providing quality of service." [55]

[54] Brazilian Government Portal, 'Exemption of Tourist Visas between brazil and Mexico', http://www.brasil.gov.br/news/history/2013/03/20/exemption-of-tourist-visas-between-brazil-and-mexico
[55] Leo Bryne, The Rio Times, 'Galeao (GIG) Airport Set for Improvements', http://riotimesonline.com/brazil-news/rio-business/galeao-airport-in-rio-set-for-improvements/

VIII. ANNEXURES

A. SANITARY AND PHYTOSANITARY MEASURES

Notification	Agency Responsible	Product	Countries likely to the affected	Nature of SPS	Important dates
G/SPS/N/BRA/40/Rev.1	Ministry of Agriculture, Livestock and Food Supply (MAPA)	Theobroma cacao (cocoa) HS code: 1801	MERCOSUR members	Phytosanitary requirements for cocoa according to the country of destination and origin from MERCUSOR and approved by Mercosul/GMC/Res n° 9/12. It revokes Normative Instruction MAPA n° 14 of 15 March 2002. This measure is to ensure plant protection.	Proposed date of entry into force 1 February 2013.
G/SPS/N/BRA/798/Rev.1	Ministry of Agriculture, Livestock and Food Supply	Ruminant semen and embryos (HS codes 05119 an 051110)	All trading partners	The notified text approves additional animal health requiements issued by MERCOSUR States Parties concerning imports of ruminant semen and enbryos in relation to Schmallenberg disease. This measure is to ensure animal safety.	Date of entry into force: 6 March 2013
G/SPS/N/BRA/861	Secretariat of Animal and Plant Health and Inspection – Ministry of Agriculture, Livestock and Food Supply (MAPA)	Welsh onion HS Code: 070390	Ecuador	To establish phytosanitary requirements for import of welsh onion (Allium fistulosum) from Ecuador as a result of pest risk analysis to ensure plant protection.	Proposed date of entry shall be determined.
G/SPS/N/BRA/862	Secretariat of Animal and Plant Health and Inspection – Ministry of Agriculture, Livestock and Food Supply	Oranges – HS Code: 080510	Chile	To establish the phytosanitary requirements for import of fruit of oranges (*Citrus sinensis*) from Chile, as a result of pest risk analysis in order to protect territory from other damage from pests.	Date of enforcement yet to be determined.
G/SPS/N/BRA/863	Secretariat of Animal and Plant Health and Inspection – Ministry of Agriculture,	Fruits of mandarins – HS Code: 080520	Chile	To establish the phytosanitary requirements for import of fruits of mandarins (Citrus reticulate) from Chile,	Date of enforcement yet to be determined.

	Livestock and Food Supply (MAPA)			as a result of a pest risk analysis in order to ensure plant protection.	
G/SPS/N/BRA/864	Ministry of Agriculture, Livestock and Food Supply (MAPA)	Canada HS Code: 1205	Argentina, Paraguay and Uruguay	To adopt phytosanitary requirements for Brassica napus varnapus (canola) according to country of destination and origin from MERCOSUR. It revokes Normative Instruction MAPA nº 8 of 15 March 2002 in order to protect territory from other damage from pests.	Proposed date of entry into force: 31 January 2013
G/SPS/N/BRA/865	Secretariat of Animal and Plant Health and Inspection – Ministry of Agriculture, Livestock and Food Supply (MAPA)	Seeds of forage plants – HS Code: 12092	All trading partners	To open 60 day public consultation on project of rules and quality and identity standards governing production and trade of tropical forage seeds in order to ensure plant protection.	Date of enforcement yet to be determined.
G/SPS/N/BRA/867	Ministry of Agriculture, Livestock and Food Supply	Bovine and bubaline animals, HS Codes: 01061, 010210	MERCOSUR State parties.	To adopt animal health requirements established by MERCOSUR States Parties for the importation of bovine and bubaline animals for breeding purposes and model animal health and shipping certificates in order to ensure animal health.	Date of entry into force 13 February 2013.
G/SPS/N/BRA/868	Ministry of Agriculture, Livestock and Food Supply	Pet dogs and cats, HS code: 010619	MERCOSUR State parties.	To adopt animal health requirements established by MERCOSUR States Parties for the importation of pet dogs and cats and the model international veterinary certificate in order to ensure animal health.	Date of entry into force: 8 February 2013

Source: WTO SPS Information Management System

B. TECHNICAL BARRIERS TO TRADE

Notification	Product	Purpose	Date of adoption/entry
G/TBT/N/BRA/521	All products which are subject to a Supplier's Declaration of Conformity (SDoC) procedure; Quality management and quality assurance (ICS: 03.120.10)	The measure provides for general requirements established for Supplier's Declaration of Conformity (SDoC) to ensure that the Product's Declaration comply with the formal obligations and requirements concerning the Conformity Assessment Programmes. It is to prevent deceptive practices and protect consumers.	12 February 2013/12 December 2012
G/TBT/N/BRA/522	Centrifugal Clothes Dryers (HS 8421.1)	To establish criteria for the program of conformity assessment for Centrifugal Clothes Dryers, by the certification mechanism, using the Label National Energy Conservation – ENCE, according to the Brazilian Labelling Program- PBE, aiming at energy efficiency and safety of consumers.	Final date of comments 26 November 2012.
G/TBT/N/BRA/524	Medicines, Health Products, Cosmetics, Perfumes, Personal Care Products, Sanitizing and Pharmaceutical Active Ingredients.	To establish conditions for granting Certification of Good Manufacturing Practices for Medicines, Health Products, Cosmetics, Perfumes, Personal Care Products, Sanitizing and Pharmaceutical Active Ingredients. It also provides conditions for granting of Certification of Good Distribution Practices and/or Storage for Medicines, Health Products and Active Ingredients. This measure ensures protection of human health.	Final date of comments 18 March 2013
G/TBT/N/BRA/523	Pharmaceutical products	To establish criteria and minimum documentation necessary for granting and renewal of registration of medicines with synthetic and semi-synthetic active ingredients classified as	Final date of comments 15 April 2013.

		new, generic in order to ensure the quality, safety and efficacy of these drugs in order to ensure the protection of human health.	

C. ANTI-DUMPING MEASURES

Circulars	Information
Circular number 14 of 18 March 2013	According to the circular there was sufficient evidence to indicate the practice of dumping in respect of Republic of South Africa, the Republic of India, the Republic of Korea of polypropylene resin to Brazil which causes injury to the domestic industry of Brazil. This polypropylene resin is commonly classified under items 3902.10.20 and 3902.30.00 of the Mercosur Common Nomenclature-NCM/SH. The period of investigation is from April 2011 to March 2012.
Circular number 13 of 13 March 2013	According to the circular, SECEX decided to extend the closing date of investigation into the existence of dumping up to 6 months from 13 April 2013 against the Federal Republic of Germany, People's Republic of China, Republic of Korea, Republic of Finland, the Republic and Chinese Taipei Socialist Vietnam to Brazil. The product in issue are the rolled products of stainless steel type 304 austentic (304, 304H and 304L) and ferric stainless steel type 430, cold rolled, of a thickness equal to or exceeding 0.35mm but less than 4,75 mm, commonly classified under items 7219.32.00, 7219.33.00, 7219.34.00, 7219.35.00 and 722.20.90 of the Mercosur Common Nomenclature – NCM/HS.
Circular number 11 of 18 February 2013	According of circular, SECEX decided to extend the deadline for completion of the dumping investigation on the exports of welded pipes, austentic stainless steels, usually classified items in NCM from China and Chinese Taipei for 6 months starting from 7 March 2013.

Circular number 9 of 5 February 2013	According to the circular, SECEX decided to extend the deadline for completion of the investigation dumping, injury to the domestic industry and causal relationship between such on the exports of flat rolled steel Silicon-electrical , non-oriented, classified under items 7224.19.00 and 7226.19.00 of the Mercosur Common Nomenclature – NCM from China, Korea and Chinese Taipei.
Circular number 8 of 28 January 2013	According to the circular from the date of publication of the circular the dumping investigation is ended at the request of the petitioner against China on the imports of refined copper circular tubes with external diameter not exceeding 108 mm in any length regardless of the thickness, the shape of the inner surface external surface of the manufacturing process, the finish of ends of the outer coating of insulation attached accessories or physical configuration. The product is commonly classified under items 7411.10.10 and 7411.10.90 of the Mercosur Common Nomenclature-NCM.
Circular number 7 of 24 January 2013	According to the circular, SECEX decided to start a review of anti-dumping duty imposed on indigo blue imports from Germany. The product is commonly classified under item 3204.15.90 Nomenclature Mercosur Common- NCM. As there was sufficient evidence to indicate the termination of anti-dumping duty will most likely lead to resumption of dumping and injury in Brazil. The period of investigation for dumping is April 2011 to March 2012 and for injury is April 2007 to March 2012.
Circular number 66 of 21 January 2013	According to the circular, SECEX decided to terminate the review of anti-dumping duty imposed on imports of electric smoothing irons, steam or dry, commonly classified under item 8516.40.00 of the Mercosur Common Nomenclature – NCM/HS from China. This would also lead to the termination of anti-dumping duty imposed on the products as such would have lasted until the last review.
Circular number 4 of 8 January 2013	According to the circular, SECEX decided to initiate an investigation into the existence dumping in respect of imports of glasses for use in household appliances of cold, classified in item 7007.19.00 of the Mercosur Common nomenclature – NCM from China. As such imports are evidenced to be dumped in Brazil casing injury to domestic industry of Brazil. The publication date of this circular is the date of investigation. Period of investigation for dumping is January to December 2011 and for injury is from January 2007 to December 2011.
Circular number 2 of 2 January 2013	According to the circular, Ministry of Foreign Trade Development, Industry and Trade declared maturity date of anti-dumping duties whereby the duties shall end on various imports. 1. The period of validity shall close on 4 July 2013, of the anti-dumping duty imposed on imports of films, plates, sheets, film, foil and layers of poly

	(ethylene terephthalate) bioriened a thickness less than 5 micrometers, and equal to or less than 50 microns (PET films), commonly classified in items 3920.62.19, 3920.62.91 and 3920.62.99 of the Mercosur Common Nomenclature-NCM, from India and Thailand. 2. The period of anti-dumping duty on the imports of polyvinyl chloride resins obtained by suspension process (*S-PVC)* [commonly classified under item 3904.10.10 of he classification Mercusor-NCM] from China and Korea shall terminate on 29 August 2013. 3. The period of validity of the antidumping duty imposed on imports of jute simple, twisted and gnarled multiple, commonly classified under items 5307.10.10 and 5307.20.10 of the Common Nomenclature Mercusor- NCM from Bangladesh and India from 29 August 2013. 4. The duration of antidumping duty imposed on imports of phenol, industrial grade, excluding phenol grade pure analysis or for analyss, in blister packs not exceeding 27 kg, commonly classified under item 2907.11.00 of the Mercusor Common Nomenclature-NCM from US and the EU shall terminate in 3 October 2013. 5. The duration of anti-dumping duty imposed on imports of supercalendered basis for siliconized, release liner for application as a self-adhesive structures that can be brought types in glassine or SCK with weight 35-90 g/m [commonly classified under item 4806.40.00 MERCOSUR Common Nomenclature-NCM] from the US and Finland shall end on 23 October 2013. The stakeholders will have a term of 5 months before the date of expiration of the validity of the measures to express written about the convenience of the review and to request hearing.
Circular number 1 of January 2013	According to this circular, SECEX decided to initiate investigation in the existence of dumping in respect of the Korea, Saudi Arabia, Mexico, China, India and Chinese Taipei on the imports of epoxy resins liquid [commonly classified in items 3907.30.11, 3907.30.19, 3907.30.21, 3907.30.22 and 3907.30.29 of the Mercosur Common Nomenclature-NCM as well as existence of injury due to such dumping. The period of investigation for dumping is April 2011-March 2012 and for dumping is from April 2007-March 2012.

Source Circular of the Bureau of Foreign Trade – SECEX Year 2013 [See also[56]]

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[56]http://translate.google.co.in/translate?hl=en&sl=pt&u=http://www.desenvolvimento.gov.br/sitio/interna/interna.php%3Farea%3D1%26menu%3D3751&prev=/search%3Fq%3Danti-dumping%2Bcirculars%2Bbrazil%2B2013%2BSECEX%26biw%3D1020%26bih%3D626