



TRADE POLICY DEVELOPMENTS PAPER NO. 52

TRADE POLICY MONITORING REPORT

OF

BRAZIL

(JULY 2013- SEPTEMBER 2013)

VOLUME X

Contributors: *James J. Nedumpara, Rishab Raturi & Sabarish SureshI*

This report has been prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School, Sonapat, NCR of Delhi under a consultancy project awarded by the Centre for WTO Studies, Indian Institute of Foreign Trade (IIFT).

Abbreviations

ANP	-	Agência Nacional do Petróleo/National Agency of Petroleum,
ANVISA	-	Agência Nacional de Vigilância Sanitária/National Health Surveillance Agency
APEC	-	Asia-Pacific Economic Cooperation
APEDA	-	Agricultural Products Export Development Authority
ARFs	-	Automatic Registration Forms
Art.	-	Article
ASEAN	-	Association of South-East Asian Nations
BL	-	Bidding Laws
BNDES	-	Brazilian National Bank for Economic and Social Development
BOFT	-	Bureau for Fair Trade for Imports and Exports
CAAC	-	General Administration of Civil Aviation
CBRC	-	China Banking Regulatory Commission
CCC	-	China Compulsory Certification
CEPA	-	Comprehensive Economic Partnership Agreement
CERC	-	China Electricity Regulatory Commission
CET	-	Common External Tariff
CIRC	-	China Insurance Regulatory Commission
COFIN	-	Social Security Financing Condition
COFINS	-	Contribuição para o Financiamento da Seguridade/ Social Contribution for
Copom	-	Brazilian Central Bank's Monetary Policy Committee
CPC	-	Communist Party of China
CQC	-	The China Quality Certification Centre
CSRC	-	China Securities Regulatory Commission
CSS	-	Social Contribution for Health
DECOM	-	Department of Commercial Defense
DECOM	-	Department of Commercial Defense
DECOM	-	Department of Commercial Defense
DFEC	-	Department of Foreign Economic Cooperation
DITEA	-	Department of International Trade and Economic Affairs

DSB	-	Dispute Settlement Body (WTO)
EEA	-	European Economic Area
EEC	-	European Economic Community
EFTA	-	European Free Trade Association
EPA	-	Economic Partnership Agreement
EU	-	European Union
FDI	-	Foreign Direct Investment
FINEP	-	Brazilian Innovation Agency for the Financing of Social Security
FTAs	-	Free Trade Agreements
GAC	-	General Administration of Custom
GAT	-	General Administration of Taxation
GATT	-	General Agreement on Tariffs and Trade
GDP	-	Gross Domestic Product
GIs	-	Geographical Indications
GPA	-	Agreement on Government Procurement
GPA	-	Agreement on Government Procurement GPA
HS	-	Harmonised System
IBII	-	Investigation Bureau for Industry Injury
ICT	-	Information and communications technology
IMF	-	International Monetary Fund
INMETRO	-	National Institute of Metrology, Standardization and Industrial Quality
INSS	-	Instituto Nacional do Seguro Social/National Institute for Social Security
IP	-	Intellectual Property
IPI	-	Imposto sobre Produtos Industrializados/Tax over industrialized products
IPR	-	Intellectual Property Rights
ISO	-	International Organization for Standardization
IT	-	Information Technology
ITES	-	Information Technology Enabled Services
MDIC	-	Ministry of Development, Industry and Foreign Trade
MDIC	-	Ministério do Desenvolvimento, Indústria E Comércio Exterior/Ministry of

MERCOUSR	-	Mercado Comum do Sul / Common Southern Market
MLPS	-	The Multi-Level Protection Scheme
MOA	-	Ministry of Agriculture
MOF	-	Ministry of Finance
MOFCOM	-	Ministry of Commerce
MPS	-	The Ministry of Public Security
MRRFTO	-	Measures for Registration for the Record of Foreign Trade Operators
NAFTA	-	North American Free Trade Agreement
NBER	-	National Bureau of Economic Research
NCAC	-	National Copyright Administration of China
NDRC	-	National Development and Reform Commission
NME	-	Non-Market Economy
No	-	Number
NPC	-	National People's Congress
NPK	-	Sodium, Phosphorous, Potassium
NT	-	National Treatment
OECD	-	Organization for Economic Cooperation and Development of Development, Industry and Commerce
OTEXA	-	US Office of Textiles and Apparel
PBC	-	The People's Bank of China
PIS	-	Social Security Tax
PNMPO	-	National Program of Oriented Productive Microcredit
PPP	-	Purchasing-power parity
PRC	-	People's Republic of China
PSI	-	Pre-shipment inspection
QIP	-	Quarantine Inspection Permit
RAIEG	-	Regulation on the Administration of the Import and Export of Good
RMB	-	Renminbi
ROO	-	Rules of Origin
SAARC	-	South Asian Association for Regional Cooperation

SAC	-	The Standardization Administration of China
SAFE	-	State Administration of Foreign Exchange
SAIC	-	The State Administration of Industry and Commerce
SASAC	-	State-Owned Asset Supervision Administration Commission
SAT	-	Chinese State Administration of Taxation
SCNPC	-	Standing Committee of the National People's Congress
SDA	-	Secretariat of Animal and Plant Health
SECEX	-	The Foreign Trade Secretariat
SEZs	-	Special economic zones
SIPO	-	State Intellectual Property Office
SISCOMEX	-	Integrated System of Foreign Trade
SOEs	-	State-owned enterprises
SPC	-	Supreme People's Court
STE	-	State-trading enterprises
TBT	-	Technical Barriers to Trade
TCF	-	Textiles, clothing and footwear
TRIMS	-	Agreement on Trade-Related Investment Measures
US	-	United States
WTO	-	World Trade Organization
TRIMs	-	Trade-Related Investment Measures
TRIPs	-	Trade-Related Aspects of Intellectual Property Rights
TRQs	-	Tariff-rate quotas
USTR	-	United States Trade Representative
VAT	-	Value-added Tax
WAP	-	The WLAN Authentication and Privacy Infrastructure
WIPO	-	World Intellectual Property Organization
WLANs	-	Wireless Local Area Networks
WTO	-	World Trade Organization

TABLE OF CONTENTS

I.	INTRODUCTION.....	10
II.	ECONOMIC ENVIRONMENT	10
II.A.	GENERAL ECONOMIC ENVIRONMENT	10
II.B.	CURRENT ACCOUNT DEFICIT	11
II.C.	INDUSTRY.....	11
II.D.	INFLATION & UNEMPLOYMENT	11
II.E.	MONETARY POLICY.....	12
III.	TRADE AGREEMENTS & ARRANGEMENTS.....	12
III.A.	TRADE AGREEMENTS	12
III.B.	TRADE ARRANGEMENTS.....	12
IV.	MEASURES AFFECTING TRADE & INVESTMENT.....	16
IV.A.	MEASURES AFFECTING TRADE	16
IV.A.1.	CAMEX reduce capital goods tax to encourage investment in industry	16
IV.B.	INVESTMENT RELATED MEASURES	17
IV.B.2.	Auto-innovate guarantees R USD 6.8 billion in new investments in Brazil.....	17
IV.B.3.	Selection of 50 startups for the Innovative Brazil Programme	18
V.	TRADE POLICY BY PRACTICE & MEASURE	18
V.A.	MEASURES AFFECTING IMPORTS.....	18
V.A.1.	CAMEX reduce import tax for loaders, excavators and backhoes	18
V.A.2.	CAMEX extending term and increases quota for wheat imports with tariff reduction ...	20
V.A.5.	CAMEX reduce taxes for importing products with shortages.....	21
V.A.6.	Amendment of CAMEX Resolution No. 70.....	22
V.A.7.	Other measures affecting imports.....	22
V.B.	MEASURES AFFECTING EXPORTS.....	22
V.B.1.	Some measures affecting exports.....	22
V.B.2.	New rules expand the artisan cheese market of <i>Minas Gerais</i>	22
V.C.	TECHNICAL BARRIERS TO TRADE	23
V.D.	SANITARY & PHYTO-SANITARY MEASURES.....	23
VI.	CONTINGENCY TRADE PROTECTION MEASURES.....	23
VIA.	ANTI-DUMPING INVESTIGATIONS INITIATED BY BRAZIL.....	23
VII.	MEASURES AFFECTING PRODUCTION & TRADE	23
VII.A.	TAXATION.....	23
VII.A.1.	<i>Inovar-Maquina</i> regime: tax incentives for capital goods	23
VII.A.2.	<i>Inovar-Peças</i> regime: tax incentives for automotive parts and components	24

VII.A.3. Reduction of the PIS/COFINS import tax basis	24
VIII. WTO UPDATES DURING THE QUARTER.....	25
ANNEXURE A.....	25
ANNEXURE B	29
ANNEXURE C	37

EXECUTIVE SUMMARY

- Brazilian economy grew by 2.2% in GDP terms during the quarter, with the service sector driving the economy. Inflation was within the limits that had been set by Banco Central do Brazil at the beginning of Q1 2013. Monthly trade surpluses in August and September 2013 resulted in reduction of the Current Account Deficit to USD 2.6 billion. However, there are speculations of Brazil's economic slowdown, with businesses displaying under-confidence at the markets and voicing concerns over lack of economic certainty.
- The Report provides updates on Brazil's on-going trade arrangements with the United States, Japan, Indonesia, Zimbabwe and the European Union. There are indications of talk for a Brazil-EU Free Trade Agreement in the subsequent quarter. Further, in August 2013, the Secretariat of Foreign Trade announced public consultations with the private sector in preparation for the India-MERCOSUR Preferential Trade Agreement.
- Following the success of the *Inovar-Auto* programme which assisted Brazil's automotive sector to reach USD 6.8 Billion since 1 January 2013, the Government is planning on introducing new tax regimes for the capital goods (e.g., machinery and equipment) and automobile sectors called *Inovar-Maquina* and *Inovar-Peças* regime respectively. These are tax incentives packages aimed at developing the local industry.
- There was no dispute at the WTO of which Brazil was a part. However, the Report notes that Brazil continued to use trade defense mechanisms. It was also noted that trade contingency measures such as Anti-Dumping, which Brazil has aggressively pursued in the recent past, saw a decline this quarter. Rubber tyres originating from India was investigated for anti-dumping.

TRADE POLICY MONITORING REPORT OF BRAZIL FOR THE QUARTERLY PERIOD: JULY - SEPTEMBER 2013

I. INTRODUCTION

This is the tenth 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 of April-June 2012.

II. ECONOMIC ENVIRONMENT

II.A. GENERAL ECONOMIC ENVIRONMENT

Brazil's GDP grew by 2.2% in year-year terms.¹ This was a decrease as compared to the growth calculated during the Q1 2013. On the domestic side, fixed investment declined by 1.4% as compared to Q1 2013. However, private consumption grew by 1% over the previous quarter, as did government consumption, growing by 1.2% in Q2 2013 as compared to the previous quarter.² On the external side of the economy, exports of goods and services declined by 1.4% in Q3 2013. The Banco Central do Brazil (Central Bank) reduced GDP growth forecast from 2.7% to 2.5% for the year 2013. The IMF has estimated a growth of 2.5% for Brazil in 2014.³

Notably, 54% of Brazilian businesses said hindrance to growth was economic uncertainty, as per a survey of 300 companies conducted by Grant Thornton International, which was an increase from 36% in the previous quarter.⁴

A break up of the GDP shows that services sector accounted for 69% to total GDP. The largest segments within service sector were:

- Government, Education and Health (17% of total GDP)
- Other Services (16 %);
- Wholesale and retail trade (13%);
- Real estate (8 percent) and business and financial services (7%).

Industry constitutes 26% of the GDP and the largest segments within this sector are:

- Manufacturing (13%);
- Construction (6%);

¹ Reuters, Brazil Bank sees inflation high despite weak growth, 30 September 2013, available at <http://www.reuters.com/article/2013/09/30/brazil-cenbank-inflation-idUSL1N0HQ0CT20130930>

² http://www.focus-economics.com/en/economy/news/Brazil-Economic_Activity-Economic_activity_stagnates_in_September-2013-11-14

³ International Monetary Fund, Brazil and the IMF, available at <http://www.imf.org/external/country/BRA/>

⁴ Bloomberg, Growth in Brazil probably fell in the Quarter, October 3, 2013, available at <http://www.bloomberg.com/news/2013-12-03/brazil-s-economy-probably-shrank-in-q3-amid-falling-confidence.html>

- Mining (4%).

The Agriculture sector accounted for the remaining 5% of GDP.⁵

II.B. CURRENT ACCOUNT DEFICIT

Brazil's Current Account Deficit (CAD) was USD 9 Billion at the beginning of Q2 2013. This figure was more than double when compared to deficit of USD 4 Billion in Q2 2012. Monthly trade balance deficit in July 2013 was USD 1.9 Billion. However, at the end of Q2 2013, Brazil overcame its trade deficit after recording a trade surplus of USD 2.17 Billion in the month of September 2013.⁶ CAD, at the end of the quarter, was calculated at USD 2.62 Billion dollars because of monthly trade surpluses in August and September 2013.⁷

II.C. INDUSTRY

Industrial production grew by 0.7% in month-month terms (calculated on a seasonally-adjusted basis). This growth was driven by increase in capital goods.⁸ Industrial production had declined by 1.2% in the month of August 2013. Thus, in annual terms, industrial production increased by 2% at the end of the quarter.⁹ Further, the annual average growth in industrial production increased from 0.8% in August 2013 to 1.2% in September 2013.¹⁰

II.D. INFLATION & UNEMPLOYMENT

Brazil's preferred inflation index, the Annual Headline Inflation rate was 5.8% at the end of Q2 2013. It is concerning to note that while this inflation rate is within the Central Banks estimated range of 4.5% (+/- 2%), inflation continues to persist despite lack of economic growth during the quarter.¹¹ However, the Annual Headline Inflation rate was the lowest in almost a year. The Central Bank estimates inflation to stabilize at 5.8% at the end of 2013, and 5.7% in 2014. Unemployment averaged 5.9% in Q2 2013, which was an increase from 5.6% recorded in the previous quarter.¹²

⁵ Trading Economics, GDP Growth in Brazil, available at <http://www.tradingeconomics.com/brazil/gdp-growth-annual>

⁶ Reuters, Brazil Trade Surplus rises in September, 1 October 2013, available at <http://www.reuters.com/article/2013/10/01/brazil-economy-trade-idUSL1N0HR1F120131001>

⁷ *Id.*

⁸ In Chapter V of this Report, it will be shown how the Government is facilitating more growth for Capital Goods

⁹ Focus Economics, Brazil Industry, available at http://www.focus-economics.com/en/economy/news/Brazil-Industry-Industrial_output_returns_to_growth_in_September-2013-11-01

¹⁰ *Id.*

¹¹ *Supra* n. 1

¹² Deloitte, Deloitte Press University, Global Economic Outlook:Brazil, available at <http://dupress.com/articles/global-economic-outlook-q4-2013-brazil/>

II.E. MONETARY POLICY

Brazilian Real depreciated by 19% against the dollar during the quarter. The US Federal Reserve's indicated on 22 May 2013 at reducing of the quantitative easing program (Fed Tapering; QE-4). The Central Bank increased key interest rate four times since April 2013 by a total of 175 basis points, to bring it to 9% in August 2013. On 22 August 2013, the Central Bank also introduced USD60 Billion currency intervention program including swaps and repurchase agreements with businesses that need dollars. The host of steps seems to have stemmed both price rise and currency depreciation to some extent. Brazilian Real strengthened by 6.1% as compared to the US dollar towards the end of the quarter.¹³

III. TRADE AGREEMENTS & ARRANGEMENTS

III.A. TRADE AGREEMENTS

Brazil- European Union Free Trade Agreement update

There exist possibilities of a Brazil, European Union (EU) free-trade agreement. Brazil usually concludes FTAs as a part of MERCOSUR. However, Brazil is EU's largest trading partner in Latin America (in 2011 Brazil's trade with the EU accounted for 37% of the EU total trade with the region, and 43% of all EU investments in Latin America went to Brazil) and EU wants to privilege the standardization of technologies to make trade and investment even more fluid. EU delegation arrived in Brazil to assess these standards particularly regarding railways, auto industry and construction on 29 September 2013.¹⁴

Interestingly, MERCOSUR is preparing a joint proposal to present to the EU with the purpose of making possible the much delayed cooperation and trade agreement.

III.B. TRADE ARRANGEMENTS

SECEX opens public consultations on expansion of the Preferential Trade Agreement between MERCOSUR and India

On 13 August 2013, the Secretary of Foreign Trade (SECEX) in the Ministry of Development, Industry and Foreign Trade announced the opening of consultations on the position Brazil should take in negotiations to expand and deepen the Preferential Trade Agreement between the Southern Common Market (MERCOSUR) and India. This was published in the Official Gazette circular, *Diário Oficial da União*¹⁵. The consultation will close in 45 days from publication. Submissions may only be made by associations or class entities and must be submitted electronically in spreadsheet

¹³ *Id.*

¹⁴ MercoPress, Bye-Bye Mercosur says Brazil, 13 October 2013, available at <http://en.mercopress.com/2013/10/13/bye-bye-mercosur-brazil-advances-on-its-own-in-trade-agreement-with-eu>

¹⁵ Government Circular № 46 of 12 August 2013

format, containing the information required in the announcement, to the e-mail address given in the announcement.

US-Brazil CEO Forum meets during Brazilian Presidents States Visit to the United States of America

The US-Brazil CEO Forum met during the State Visit of Brazilian President Dilma Rousseff to Washington, D.C., in October 2013. The agenda of the meeting was to provide joint recommendations to both Presidents on opportunities to advance the US-Brazil bilateral relationship. The Forum had success opening discussions between the United States and Brazilian governments on a number of important issues, including visa reform, aviation, and education; and has been, in the past, instrumental in concluding the recent *US-Brazil Tax Information Exchange Agreement*.¹⁶ Launched in 2007, the CEO Forum meets biannually and consists of up to a total of 24 CEOs from the United States and Brazil. The CEOs from both countries are appointed to a three-year term.¹⁷

Brazil and Germany to create Working Group to strengthen trade ties

Brazil and Germany assessed their trade ties at a meeting at the Ministry of Development, Industry and Foreign Trade (MDIC), and decided to create a Working Group to discuss mutual investment and trade relationship between two countries.¹⁸ The group, to be composed of government officials and businessmen, would aim to list priorities of the two countries and topics of interest in areas such as defence, oil & gas, naval, military and civil security. The proposal by the German side will be debated in the Brazilian government.¹⁹

Brazilian President asks MERCOSUR to develop diversified economic structure

Brazilian President Dilma Rousseff expressed the desire for MERCOSUR to develop a diversified economic structure and have a business and foreign policy that reflects the region's potential. "A new agenda for insertion into the block could include accelerated timelines more commercial negotiations between MERCOSUR and other countries of South America and the European Union, and negotiations within the subcontinent, services and investment between our economies", she was quoted saying in Montevideo during the Summit of Heads of State of MERCOSUR, held today in Uruguay.²⁰

¹⁶ Baker & McKenzie, International Trade Compliance Newsletter, October 2013, available at <http://www.bakermckenzie.com/internationaltrade/newsletters/>

¹⁷ *Id.*

¹⁸ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=2¬icia=12533>

¹⁹ *Id.*

²⁰ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12521>

Further, commenting on the expansion of the bloc, who started negotiations for the accession of Bolivia, the president said Venezuela's entry into MERCOSUR had brought economic gains for all countries in the group.²¹

Brazil and Indonesia study strengthen bilateral agenda

Brazil and Indonesia have decided to study the possibility of strengthening bilateral relationships and partnership opportunities between the two countries, including operations in third markets. The agreement was signed on 10 August 2013 in Brasilia, at a meeting between the Executive Secretary of the Ministry of Development, Industry and Foreign Trade, Ricardo Schaefer; and Deputy Minister of Trade of Indonesia, Bayu Khrisnamurth.²² The bilateral agenda will be discussed in the Joint Working Group of Brazil, Indonesia and includes aviation, biofuels, soybeans and coffee.²³

Brazil Trade Action Coalition writes to the United States Congress

Brazil Trade Action Coalition (BRAZTAC), which comprises of a broad range of agricultural, manufacturing, services, and technology businesses and associations, wrote to the United States Congress to support a definitive solution to the U.S.-Brazil World Trade Organization (WTO) cotton case in the context of the 2013 Farm Bill in order to avoid hundreds of millions of dollars in Brazilian trade retaliation against U.S. goods and intellectual property rights.²⁴

Over the past three years, Brazil has deferred retaliatory sanctions against U.S. agricultural products, manufactured goods, and intellectual property rights. It is estimated Brazil's WTO-sanctioned retaliation could cost the United States more than USD2 billion in exports and approximately 14,000 American jobs. The 2010 U.S.-Brazil temporary cotton agreement played a key role in delaying Brazil's retaliation. However, as the current Farm Bill expires at the end of September 2013.

Brazilian President signs national Anti-Bribery law

On August 2, 2013, following Presidential approval, Brazil's new Anti-Bribery Law,²⁵ which imposes civil and administrative liability on legal entities for acts committed against local and foreign public administration, was published in the *Diário Oficial da União* (Official Gazette). The new law will come into force in 180 days.²⁶

Interestingly, President Dilma Rousseff vetoed three specific features of the bill:²⁷

²¹ *Id.*

²² Government Notification, available at:

<http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12655>

²³ *Id.*

²⁴ Baker & McKenzie, International Trade Compliance Newsletter, October 2013, available at

<http://www.bakermckenzie.com/internationaltrade/newsletters/>

²⁵ Brazil Anti-Bribery Law, Law No. 12,846/2013

²⁶ *Supra* n. 9

²⁷ *Id.*

- Veto of §6 or Art. 6 which would have limited sanctions to the value of the good or service contemplated. This means that fines can reach as high as 20% of the previous year's gross revenue of the legal entity. If that amount cannot be calculated, fines can reach up to RUSD60 million, approximately USUSD26 million. With this veto, the sanction is no longer capped by the amount of the contract. This veto might be key to bringing the law into line with the requirements of the OECD Convention;
- Veto of §2 of Art. 19 which would have required the government to show intent or fault in applying certain specific sanctions; and
- Veto of item X of Art 7: a feature that could give more lenient treatment to companies depending on the extent of participation of government officials in the wrongdoing.

Updates relating to Brazil at the WTO during the quarter

The sixth review of the trade policies and practices of Brazil took place on 26 June 2013, with Brazil submitting its Trade Policy Mechanism Review. The basis for the review was a report by the WTO Secretariat and a report by the Government of Brazil. Further, on 1 September 2013, the WTO announced that Ambassador Roberto Azevêdo of Brazil took the helm of the WTO as the sixth Director-General. Director-General Azevêdo was appointed to a four-year term by the General Council on 14 May 2013.

Japanese Entrepreneurs to invest more in Brazil

Japanese and Brazilian businessmen met at the XVIth Meeting of the Brazil-Japan Economic Cooperation Committee in Belo Horizonte-MG. Representative of *Keidanren*, the Japanese business entity, said that 450 Japanese companies had presently invested in infrastructure projects in Brazil, production of manufactured goods and services. The representative further stated that, faced with new opportunities, there was potential to increase Japan's contributions in the Brazilian economy. Japan's private sector has shown interest in studying a free trade agreement with Brazil and MERCOSUR to expand trade.²⁸

Brazil signs agreements to export agricultural-use machines to Africa

MDIC signed a memorandum of understanding with Senegal and Zimbabwe at the International Exhibition of Animals, Machinery, and Implements Agricultural Products, Rio Grande do Sul. The document confirms these governments to provide guarantees to finance Brazilian exports of machinery and agricultural equipment, through the Export Financing Program.²⁹

²⁸ Government Notification, available at:
<http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=5¬icia=12685>

²⁹ Government Notification, available at:
<http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12630>

The Minister of Finance of Senegal, Amandou Kane, who travelled to Brazil to sign the agreement, stated that the economy in Senegal was based on the model of agribusiness, and sought to implement improvements in the areas of seed and cultivation, irrigation and mechanization of field.³⁰

MDIC and U.S. Embassy promotes seminar on changes in U.S. rules on food imports

Faced with changing rules for food imports in the United States with the passing of Law of Food Safety Modernization, SECEX and the U.S. Embassy promoted a seminar on the subject in Brazil, which took place on 13 August 2013.

The purpose of the seminar was to ensure correct understanding of the new legislation and its implications for Brazilian exporters that sell to the United States. Public and private sectors involved in the production, handling and marketing food chain participated in the seminar.

The new U.S. law aims to prevent disease, manage risk and increase the quality control of food in the country, both domestic and imported. Complex rules involving related traceability of imported products and processing requirements of food and farming practices.³¹

Brazil Government discusses changes in the list of imported products from Paraguay

The list of products that may be imported by Paraguay, reaping the benefits of Unified Taxation System (RTU), will be changed as per a notification by MDIC. Some items will be replaced, and all products will have an annual import quota as was previously set by the Brazilian government. The changes were discussed at the second meeting of the Monitoring Committee of the Unified System of Taxation, held at the MDIC on 13 August 2013.³² RTU, which regulates imports from Paraguay, met MDIC on 28 June 2013. The group had analyzed the current list of products of the system and results from the creation of RTU.³³ So far, 769 are registered Brazilian micro and 30 Paraguayan exporters.³⁴

IV. MEASURES AFFECTING TRADE & INVESTMENT

IV.A. MEASURES AFFECTING TRADE

IV.A.1. CAMEX reduce capital goods tax to encourage investment in industry

CAMEX Resolution No. 61 awarded reduction of import duty from 14% to 2% until 31 December 2014 for machinery and industrial equipment without production in Brazil. The Board of Foreign Trade (CAMEX) has approved the release of 183 former tariff, with 157 new and 26 renewals in the

³⁰ *Id.*

³¹ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=5¬icia=12562>

³² Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=2¬icia=12598>

³³ Law 11.898/2009

³⁴ <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=2¬icia=12494>

list. Global investments and investments on imports of equipment, linked to former tariff have been calculated at U.S. USD 2.270 billion and USD 469 million respectively.³⁵

The main sectors covered, with regard to global investments were:

- Naval (57.28%)
- Iron and Steel (8.46%)
- Construction (5.33%)

Among the projects analyzed by the Review Committee of Ex-tariff are investments of USD 1.3 billion to build a shipyard in Bahia, which expected to generate 5 thousand direct jobs; USD75 million in the expansion of a packaging industry in São Paulo; and USD 61 million increase in the production capacity of semiconductors in Rio Grande do Sul, Brazil. Countries benefiting from reduced rates are:³⁶

- China (40.18%)
- United States (16.65%)
- Germany (14.54%).

IV.B. INVESTMENT RELATED MEASURES

IV.B.1. Possible Investments in Railways

The Federal Government held a seminar titled ‘*Railways - Urban Mobility, Transport and Freight Industry*’. The purpose of this seminar was to bring together public and private sectors in the discussion of policies to attract investment and to encourage domestic industry in the context of concession projects in logistics.³⁷ The seminar was promoted by the Working Group on Public Procurement and Concessions Greater Brazil Plan, under the MDIC. Brazil requires construction and modernization of 10,000 km of railway lines.

IV.B.2. *Auto-Innovate* guarantees R\$ 6.8 billion in new investments in Brazil

The Brazilian automotive sector reached R\$ 6.8 billion in new investments since 1 January 2013 under the Program to Encourage Innovation and Densification Productive Chain of Motor Vehicles (*Auto-Innovate*).³⁸ An investment of £ 1 billion released on 28 August 2013 by the Honda Group, which joins the other £ 5.8 billion announced by companies Nissan, JAC Motors, BMW, Chery, Mitsuubishi Motors, Caoa and in the group of heavy trucks, DAF Trucks and Metro -Schacman.

³⁵ Government Notification, available at <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12572>

³⁶ *Id.*

³⁷ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=2¬icia=12552>

³⁸ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12580>

These manufacturers were enabled in the Auto-Innovate as new investors. The Japanese plant will produce a compact model in the new plant to be installed in the city of Ityrápina, São Paulo. According to the company, which will apply for membership to Innovate-Auto as an investor, the plant will have capacity to produce 120,000 vehicles per year and will generate 2000 jobs.³⁹

IV.B.3. Selection of 50 startups for the Innovative Brazil Programme

The Secretary of Innovation of MDIC, on 6 August 2013, selected 50 startups selected for the second phase of the Innovative Brazil, directed program the training of new entrepreneurs in the search for innovative businesses with high growth potential. The project is a partnership between the ministry and the company *Endeavor*.⁴⁰ Among the 50 selected projects are diverse areas as telecommunications, internet, electronics, consumer goods, retail and services, biotechnology, transportation and manufacturing.⁴¹

V. TRADE POLICY BY PRACTICE & MEASURE

V.A. MEASURES AFFECTING IMPORTS

V.A.1. CAMEX reduce import tax for loaders, excavators and backhoes

CAMEX reduced import tax for wheel loaders, until October 31, 2014. The product will have the import tariff reduced from 25% to 14% with quota of 300 units.⁴²

No.	PRODUCT	Rate (%)
Ex 009	Mechanically propelled vehicles on wheels shovel loader type, equipped with wet sleeves engine with maximum power greater than or equal to 109 kW (146 HP) and less than or equal to 197 kW (264 HP), accreditation Emission Tier II or Tier III, engine protection system to reduce engine power when operating parameters are exceeded; fuel filtration system for harsh conditions, with 3 fuel filters, cabin-certified ROPS / FOPS; bucket capacity greater than or equal to 1,9 m ³ and less than or equal to 3.6 m ³ , automatic transmission countershaft type, locking front differential actuated electrically by pedal, brake hydraulic wet disc service; parking brake actuated by spring-loaded and hydraulically released with automatic switch to turn off the ignition, cooling radiators four non-overlapping; electrical system with solid	N/A

³⁹ *Id.*

⁴⁰ Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=3¬icia=12577>

⁴¹ *Id.*

⁴² Government Notification, available at: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12545>

	state controllers; module including keyless start; LCD monitor.	
--	---	--

The CAMEX Resolution No. 54 also removed from the list of transient elevations of the Common External Tariff of the excavator type machines, which had reduced rates of 25% to 14%, with a quota of 300 units. The measure is also valid until October 31, 2014.⁴³

No.	PRODUCT	Rate (%)
Ex 030	Mechanically propelled vehicles crawler excavator of the type, with wet sleeves engine with maximum power greater than or equal to 90 kW (121 HP) and less than or equal to 202 kW (271 HP), accreditation Emission Tier II or Tier III system; fuel filter for harsh conditions, with 3 fuel filters, cabin certified ROPS / FOPS; hydraulic fan with speed controlled by demand, system momentary increase of hydraulic force triggered by a button, double seal bearing swivel, 3 plates rigid in the transverse spear adapter sleeve bucket with tungsten carbide layer, electronic controller for data storage machine operation; LCD monitor.	1%

CAMEX Resolution No. 55 included in the List of Exceptions to a former HS concerning backhoes machines MERCOSUR Common External Tariff. The product will have the import tariff reduced from 35% to 14%. Imports with lower rates can be made until February 28, 2014.⁴⁴

No.	PRODUCT	Rate (%)
Ex 002	Self-propelled wheeled vehicles equipped with the type backhoe loader, with wet sleeves engine with turbocharger, electronic fuel governor and maximum power of 60 kW (80 HP), accreditation Emission Tier II; cabin with ROPS / FOPS certification , fuel filtration system for harsh conditions, with 3 fuel filters, semi-automatic 4-speed transmission that eliminates the need for clutch torque converter; locking rear differential electronically actuated pedal, hydrostatic steering with assistance and manual mode emergency; service brakes hydraulic servo assisted, fitted on the shaft with wet multiple oil bath, self-adjusting with automatic	N/A

⁴³ *Id.*

⁴⁴ *Id.*

	equalization; parking brake actuated by spring-loaded and hydraulically released; LCD monitor.	
--	--	--

V.A.2. CAMEX extending term and increases quota for wheat imports with tariff reduction

CAMEX Resolution No. 64 amended the List of Exceptions to the MERCOSUR Common External Tariff to grant additional quota, and extend the deadline for importing wheat grain with tariff reduction from 10% to 0%. The product rated with code 1001.99.00 of the MERCOSUR Common Nomenclature (NCM) can be imported with the import tax lowered until 10 September 2013, when, according to the Ministry of Agriculture, Livestock and Supply (MAPA), the Brazilian crop will start harvesting. The previous deadline, which was extended by CAMEX Resolution No. 53 in July 2013, would end on 31 August 2013.⁴⁵

In addition, a quota of two million tonnes was further expanded by 300 tons. Notably, the measure was taken not to harm the supply of the domestic market, due to crop failure in Argentina.⁴⁶

V.A.3. CAMEX extends commitment price for imports of paper duplex board and triplex Chile

CAMEX Resolution No. 71 endorses the anti-dumping measure, applied by means of a price undertaking, for up to 5 years for Brazilian imports of duplex cards and triplex, from Chile. The products are described as ‘semi-rigid cardboard boxes, coated, duplex and triplex of types of weight exceeding 200g/m²’ and are classified under code 4810.13.89, 4810.19.89 and 4810.92.90 of the MERCOSUR Common Nomenclature (NCM).

Commitment price determines the value of exports to Brazil practiced by the company CARTULINAS CMPC SA., will be greater than or equal to U.S. USD 1,434.71 per metric ton for semi-rigid cardboard boxes, coated duplex type, weight less than 200g/m²; and U.S. USD 1,548.53 per metric tonne for semi-rigid cardboard boxes, coated, triplex type, weight exceeding 200g/m².⁴⁷

V.A.4. CAMEX extend term and increase quota for wheat purchase at a reduced import duty

CAMEX has decided to extend until 30 November 2013, the deadline for importing wheat reduction of import tax 10% to 0%, with an additional quota of 400 000 tonnes. The increase in the quota period and complementation were motivated by current conditions in Brazil, with shortages caused by crop failure in Paraná, the main national producer, and Argentina, the main external

⁴⁵ Government Notification, available at <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12620>

⁴⁶ *Id.*

⁴⁷ Government Notification, available at <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12664>

supplier in Brazil. The decision of the CAMEX also took into account the reduction of inventories of the National Supply Company (CONAB), and the inflationary impact of the product.⁴⁸

V.A.5. CAMEX reduce taxes for importing products with shortages

CAMEX Resolution No. 60/2013 temporarily reduces the import tariff of six products for reasons of shortage. Tariffs were reduced to 2%, according to the descriptions of the highlights tariff, quotas and time limits specified below:⁴⁹

Description	Share	Term
Whey, modified or not concentrated or containing added sugar or other sweetening Ex 001 - Whey protein powder with concentration between 27.5 and 30 g/100 g and degree of demineralization exceeding 98% .	2000 tons	12 months
Other, polyester partially oriented	40,400 tons	until January 17, 2014
Other, welded, of circular cross section, of iron or non-alloy steel Ex 001 - welded pipes, carbon steel, outside diameter greater than or equal to 17.20 mm and less than or equal to 88.90 mm, wall thickness greater or equal to 2.00 mm and less than or equal to 10.00 mm, the internal weld bead removed, based on the EN 10210-1/2.	5000 tons	12 months
Other, welded, of circular cross section, of iron or non-alloy steel Ex 002 - Welded carbon steel, outside diameter greater than or equal to 60.30 mm and less than or equal to 193.70 mm, wall thickness greater hi equal to 6.80 mm and less than or equal to 9.70 mm, the internal weld bead removed, and based on the standard EN 10305-3.	8,000 tons	12 months
Other Ex 001 - foil, aluminum, of a thickness not exceeding 0.2 mm, clad.	563 tonnes	12 months
Other Ex 001 - Aluminium plates Aluminium, 0,2 mm thick, clad.	563 tonnes	12 months

⁴⁸ Government Notification, available at <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12652>

⁴⁹ Government Notification, available at <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12560>

V.A.6. Amendment of CAMEX Resolution No. 70

CAMEX Resolution No. 63 includes list of products with temporary elevations of Import Duty, created by CAMEX Resolution No. 70, a tariff highlighting the "Polytetrafluoroethylene" (NCM 3904.61.90), from 14% to 2%. The request was made by the private sector was subjected to analysis of the Technical Group on Temporary Change of Common External Tariff of MERCOSUR.

V.A.7. Other measures affecting imports

- CAMEX Resolution No. 62: Changes the Brazilian List of Exceptions to the Common External Tariff of MERCOSUR.⁵⁰
- CAMEX Resolution No. 61: Change the rates of import duty levied on capital goods, on condition Ex-tariff to 2%.⁵¹
- SECEX Ordinance No. 28 (19 Aug. 2013) Establishes criteria for the allocation of quotas for imports, determined by CAMEX Resolution No. 54 and 55 (22 July 2013)⁵²
- CAMEX Res. № 69 of 10 Sept. 2013 - Grants temporary reduction in the rate of import duty under Resolution No. 08/08 of the Common Market Group of MERCOSUR - GMC.
- CAMEX Res. № 73 of 16 Sept. 2013 - Changes to 2% (two percent) the rates of import duty levied on goods Informatics and Telecommunications, on condition Ex-tariff⁵³
- CAMEX Res. № 74 of 16 Sept. 2013 - Changes to 2% (two percent) and 0% (zero percent) the rates of import duty levied on capital goods, on condition Ex-tariff.⁵⁴

V.B. MEASURES AFFECTING EXPORTS

V.B.1. Some measures affecting exports

- SECEX Circular No. 45: This circular provides quarterly export prices CIF based on the variation of the average price of the nearby sugar in 11 Futures Exchange New York (ICE), in accordance with item C of Annex I of the CAMEX Resolution 52, 2012.
- CAMEX Resolution No. 64 (26 Aug. 2013) Amending the Brazilian List of Exceptions to the Common External Tariff of MERCOSUR.

V.B.2. New rules expand the artisan cheese market of *Minas Gerais*

The Minister of Agriculture, Livestock and Supply, amended a previous legislation of 1950s, and reduce the minimum maturation period of 60 days, "*when technical studies scientific evidence that they are shortening the period of maturation does not compromise the quality of the product.*" To Minister of

⁵⁰ Baker & McKenzie, International Trade Compliance Newsletter, October 2013 available at <http://www.bakermckenzie.com/internationaltrade/newsletters/>

⁵¹ *Id.*

⁵² Baker & McKenzie, International Trade Compliance Newsletter, September 2013 available at <http://www.bakermckenzie.com/internationaltrade/newsletters/>

⁵³ *Id.*

⁵⁴ *Id.*

Development, Industry and Foreign Trade, Fernando Pimentel, the new rules will allow increased production of Artisanal Cheese by 26,000 tons/year, and the search for new markets for artisanal cheese.

The new rules, which empower state agencies to certify artisan cheese, will provide benefit to an estimated 9400 producers that operate in the five regions of registered geographical indication (Serro, Field of Strands, Araxá, Cerrado and Canastra). The sector generates 28,800 direct jobs.⁵⁵

V.C. TECHNICAL BARRIERS TO TRADE

Member countries of the World Trade Organization are required under the *Agreement on Technical Barriers to Trade* (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. The WTO Secretariat distributes this information in the form of “notifications” to all Member countries. **Annexure A** summarizes notifications posted by the WTO during the past quarter by Brazil.

V.D. SANITARY & PHYTO-SANITARY MEASURES

Please refer to **Annexure B**.

VI. CONTINGENCY TRADE PROTECTION MEASURES

VI.A. ANTI-DUMPING INVESTIGATIONS INITIATED BY BRAZIL

Please refer to **Annexure C**.

VII. MEASURES AFFECTING PRODUCTION & TRADE

VII.A. TAXATION

VII.A.1. *Inovar-Maquina* regime: tax incentives for capital goods

The Brazilian Government is considering a new tax regime for the capital goods (e.g., machinery and equipment) sector called *Inovar-Maquina*, a Portuguese expression for machinery innovation. Expectations are that the new regime, which generally aims to develop the domestic industry through innovation and protect against harmful imports, could be approved by the end of the year 2013. *Inovar-Maquina* is based on the *Inovar-Auto* regime, which was released in 2012.⁵⁶

The regime would impose import quotas and implement a strict traceability system to prove that local content requirements are met. Non-originating capital goods imported in excess of the quota limitations would be subject to federal value-added tax (VAT), also known as *Imposto sobre Produtos Industrializados*, by up to 30% more than that applied to Brazil-originating capital goods.

⁵⁵ Government Notification: <http://www.desenvolvimento.gov.br/sitio/interna/noticia.php?area=1¬icia=12575>

⁵⁶ Ernst & Young, Trade Watch, October 2013 available at

The project is supported by the Brazilian Association of Machinery and Equipment and the National Association of Vehicle Manufacturers. Additionally, the project has received the endorsement of the Brazilian Development Bank (BNDES).⁵⁷

VII.A.2. *Inovar-Peças* regime: tax incentives for automotive parts and components

The Brazilian Government also preparing to announce the *Inovar-Peças* regime, which is a package of tax incentives aimed at developing the local industry of components and parts for the automotive sector. The regime aims to complement the *Inovar-Auto* regime, which established tax incentives based on quota limitations and local content requirements for automakers.⁵⁸

Inovar-Peças aims to address the issues confronting automotive parts and component suppliers with respect to foreign competition. The details of *Inovar-Peças* are being discussed by the Brazilian Government along with the National Trade Union of the Industry of Components for Automotive Vehicles. Under consideration are the following:⁵⁹

- The reduction of IPI by up to 30% for companies that meet certain production requirements in Brazil and use parts manufactured in MERCOSUR countries
- The creation of a traceability system for components to assess the origin of the finished product
- The financing of the modernization of the sector and the support of engineering products through BNDES and the Brazilian Innovation Agency

VII.A.3. Reduction of the PIS/COFINS import tax basis

The tax basis for determining the amount of PIS/ COFINS that is levied on imported goods has been reduced.⁶⁰ Customs value is now the basis for assessing PIS/COFINS on imported goods, as reflected in Article 7 of Law no. 10,865 (amended by Article 26 of Law no. 12,865).⁶¹ This significant change is the result of a recent Supreme Court of Brazil's ruling that found the tax basis for PIS/COFINS, which involved the gross-up calculation of customs value and COFINS, to be unconstitutional.⁶²

For importers that operate under the non-cumulative regime for PIS and COFINS, the reduction in the import tax basis provides some cash flow relief. Under the non-cumulative regime, the taxpayer is entitled to tax credits to offset PIS/COFINS debt. However, any right of recovery for past import transactions would depend on the effective reversal of the portion of credits recorded in the past. In practice, this determination presents administrative and bureaucratic obstacles.⁶³

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ Law no. 12,865/2013 (published in the Diário Oficial da União on 10 October 2013)

⁶¹ Ernst & Young, Trade Watch, September 2013.

⁶² *Id.*

⁶³ *Id.*

VIII. WTO UPDATES DURING THE QUARTER

There was no dispute initiated for or against Brazil during the quarter.

ANNEXURE A TECHNICAL BARRIERS TO TRADE

Country	Notification	Date of Issue	Final Date of Comments	Merchandise Covered
Brazil	BRA/373/Add.2	8/12/2013	Not given	Mattress and mats made of flexible polyurethane foam (HS 9404)
Brazil	BRA/412/Add.2	8/16/2013	Not given	Instantaneous/storage gas water heaters
Brazil	BRA/484/Add.2	8/15/2013	Not given	Vacuum cleaners (HS 8508.1); Mixers (8509.40); Hair dryers (HS 8516.31)
Brazil	BRA/542/Corr.1	8/5/2013	Not given	Child restraint devices; Baby carriages and parts thereof (HS 8715)
Brazil	BRA/543	8/12/2013	10/4/2013	Silencers (mufflers) and exhaust pipes (HS 8708.92)
Brazil	BRA/544	8/12/2013	10/4/2013	Other chain (HS 7315.12) Transmission chains
Brazil	BRA/545	8/12/2013	10/4/2013	Parts and accessories of vehicles (HS 8711)

				to 8713, 8714); Parts & accessories for motor cycles
Brazil	BRA/546	8/12/2013	10/4/2013	Chain and parts thereof, of iron or steel (HS 7315)
Brazil	BRA/547	8/12/2013	10/4/2013	Friction material and articles thereof (for exam-ple, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials (HS 6813)
Brazil	BRA/548	8/16/2013	10/7/2013	Transmission apparatus for radio or television (HS 8525.10)
Brazil	BRA/549	8/16/2013	10/7/2013	Other breathing appliances and gas masks, excluding protective masks

				having neither mechanical parts nor replaceable filters (HS 9020)
Brazil	BRA/550	8/16/2013	10/7/2013	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves (HS 8481)
Brazil	BRA/551	8/19/2013	Not given	Pneumatic tires used on bicycles for adult use; Of a kind used on bicycles (HS 4011.50)
Brazil	BRA/551	8/19/2013	Not given	Pneumatic tires used on bicycles for adult use; Of a kind used on bicycles (HS 4011.50)
Brazil	BRA/552	8/29/2013	10/14/2013	Cosmetics
Brazil	BRA/553	8/29/2013	10/14/2013	Herbal medicines

Brazil	BRA/554	8/29/2013	10/14/2013	Herbal medicines
Brazil	BRA/552	8/29/2013	10/14/2013	Cosmetics
Brazil	BRA/553	8/29/2013	10/14/2013	Herbal medicines
Brazil	BRA/554	8/29/2013	10/14/2013	Herbal medicines
Brazil	BRA/197/Add.6	9/11/2013	Not given by country	Air conditioning machines comprising a motor-driven fan and elements for changing the temperature and humidity, incl. those machines in which the humidity cannot be separately regulated; parts thereof (HS 8415)
Brazil	BRA/555	9/11/2013	9/28/2013	Baby carriages and parts thereof (HS 8715)
Brazil	BRA/555/Corr. 1	9/27/2013	Not given	Baby carriages and parts thereof (HS 8715)

**ANNEXURE B
SANITARY AND PHYTOSANITARY MEASURES**

NOTIFICATION	AGENCY RESPONSIBLE	PRODUCT	REGIONS	DESCRIPTION	COMPLIANCE
G/SPS/N/BR A/876	Secretariat of Animal and Plant Health and Inspection (SDA) - Ministry of Agriculture, Livestock and Food Supply (MAPA)	FISH AND FISH PRODUCTS	ALL TRADING PARTNERS	to inform the prescriptive data necessary in order to apply for registration of foreign establishments to export fish and fishery products to Brazil.	Codex Alimentarius Commission
G/SPS/N/BR A/877	Secretariat of Animal and Plant Health and Inspection - SDA, Ministry of Agriculture, Livestock and Food Supply - MAPA	Bovine brains and tongues	All trading partners	Draft regulation that establishes the sanitary import requirements for brains and tongues of bovines.	World Organization for Animal Health (
G/SPS/N/BR A/878	Secretariat of Animal and Plant Health and Inspection (SDA) - Ministry of Agriculture, Livestock and Food Supply (MAPA)	Bovine fat and products	ALL TRADING PARTNERS	Draft regulation that establishes the sanitary import requirements for bovine fat and its products used for animal feeding	World Organization for Animal Health (OIE)
G/SPS/N/BR A/879	Secretariat of Animal and Plant Health	Gelatin of bovines	ALL TRADING PARTNERS	Draft regulation that	World Organization for Animal

	and Inspection (SDA) - Ministry of Agriculture, Livestock and Food Supply (MAPA			establishes the sanitary import requirements for gelatin of bovines.	Health (OIE)
G/SPS/N/BR A/880	Secretariat of Animal and Plant Health and Inspection - SDA, Ministry of Agriculture, Livestock and Food Supply – MAPA	Camelidae meat and meat products	All trading partners	Draft regulation that establishes the sanitary import requirements of Camelidae meat and meat products	World Organization for Animal Health (OIE)
G/SPS/N/BR A/881	Secretariat of Animal and Plant Health and Inspection - SDA, Ministry of Agriculture, Livestock and Food Supply - MAPA.	Deer meat and meat product	All trading partners	Draft regulation that establishes the sanitary import requirements of deer meat and meat products.	World Organization for Animal Health (OIE)
G/SPS/N/BR A/882	ANVISA - The Brazilian Health Surveillance Agency	Foliar and Trunk application in various vegetables, plants and fruits. Application in termite control.	All trading partners	Draft Resolution for the active ingredient imidacloprid to be included in the monograph list of active ingredients of pesticides, household cleaning products and wood preservers.	NONE

G/SPS/N/BR A/883	ANVISA - The Brazilian Health Surveillance Agency	Active ingredient Diflubenzuron on cotton, rice, citrus, corn, soybean, tomato and wheat	All trading partners	Draft Resolution regarding the active ingredient Diflubenzuron to be included in the monograph list of active ingredients of pesticides, household cleaning products and wood preservers	NONE
G/SPS/N/BR A/884	Secretariat of Animal and Plant Health and Inspection - SDA / Ministry of Agriculture, Livestock and Food Supply – MAPA	Coffee beans	INDONESIA	Draft of Normative Instruction as a result of pest risk analysis to establish the phytosanitary requirements to import coffee beans produced in Indonesia.	International Plant Protection Convention
G/SPS/N/BR A/885	Secretariat of Animal and Plant Health and Inspection - SDA / Ministry of Agriculture, Livestock and Food Supply – MAPA	Seeds of Poa pratensis grass	UNITED STATES OF AMERICA	The notified draft of Normative Instruction establishes the phytosanitary requirements for importation of grass seeds (Poa pratensis) produced in	International Plant Protection Convention. ISPM NO5 & 11

				the United States.	
G/SPS/N/BR A/886	Secretariat of Animal and Plant Health and Inspection - SDA / Ministry of Agriculture, Livestock and Food Supply – MAPA	Fresh fruits of lemons	ECUADOR	The notified draft of Normative Instruction establishes the phytosanitary requirements for import of fruits of lemon (Citrus limon) produced in Ecuador.	International Plant Protection Convention. ISPM NO 1,5 & 11
G/SPS/N/BR A/887	ANVISA - The Brazilian Health Surveillance Agency	Foliar application in citrus culture	ALL TRADING PARTNERS	Draft Resolution regarding the active ingredient Cyflumetofen to be included in the monograph list of active ingredients of pesticides, household cleaning products and wood preservers, including the use in the culture of citrus	NONE
G/SPS/N/BR A/888	Ministry of Agriculture, Livestock and	Live animals and animal products	ALL TRADING PARTNERS	This notifies the recognition	World Organization for Animal

	Food Supply – MAPA	susceptible to FMD		of the North region of Para State, comprising 96 municipalities, as free of foot-and-mouth-disease (FMD free zone) with Vaccination.	Health (OIE)
G/SPS/N/BR A/889	Secretariat of Animal and Plant Health and Inspection - SDA / Ministry of Agriculture, Livestock and Food Supply – MAPA	Milk and dairy products	ALL TRADING PARTNERS	The notified regulation modifies the sanitary requirements for certification of milk and dairy products to be exported to Brazil.	Codex Alimentarius Commission World Organization for Animal Health (OIE)
G/SPS/N/BR A/890	Ministry of Agriculture, Livestock and Food Supply – MAPA	Plant and plant products	ALL TRADING PARTNERS	It establishes the procedures and criteria for issuance of phytosanitary certificates (PC) and phytosanitary certificates for re-export (PCR), as exporter request, and approves models of forms	International Plant Protection Convention. ISPM NO 1,7 & 12
G/SPS/N/BR A/891	ANVISA - The Brazilian Health	Pesticides in general	ALL TRADING PARTNERS	This draft resolution approves the	NONE

	Surveillance Agency			technical regulation, which establishes that technical alterations in the registration of pesticides, their components and the related are subject to notification to ANVISA, according to article 4 of this resolution proposal	
G/SPS/N/BR A/892	Ministry of Agriculture, Livestock and Food Supply - MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of the Pernambuco State as free of foot-and-mouth disease (FMD free zone) with vaccination.	World Organization for Animal Health (OIE)
G/SPS/N/BR A/893	Ministry of Agriculture, Livestock and Food Supply - MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of the Rio Grande do Norte State as free of foot-and-mouth disease (FMD free zone) with vaccination.	World Organization for Animal Health (OIE)

G/SPS/N/BR A/894	Ministry of Agriculture, Livestock and Food Supply – MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of the Paraíba State as free of foot-and-mouth disease (FMD free zone) with vaccination	World Organization for Animal Health (OIE)
G/SPS/N/BR A/895	Ministry of Agriculture, Livestock and Food Supply – MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of the Alagoas State as free of foot-and-mouth disease (FMD free zone) with vaccination	World Organization for Animal Health (OIE)
G/SPS/N/BR A/896	Ministry of Agriculture, Livestock and Food Supply – MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of Ceara State as free of foot-and-mouth disease (FMD free zone) with vaccination	World Organization for Animal Health (OIE)
G/SPS/N/BR A/897	Ministry of Agriculture, Livestock and Food Supply – MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of Piauí State as free of foot-and-mouth disease (FMD free zone) with vaccination.	World Organization for Animal Health (OIE)

G/SPS/N/BR A/898	Ministry of Agriculture, Livestock and Food Supply – MAPA	Live animals and animal products susceptible to FMD	ALL TRADING PARTNERS	This notifies the recognition of Maranhão State as free of footand- mouth disease (FMD free zone) with vaccination	World Organization for Animal Health (OIE)
-----------------------------	---	---	----------------------------	--	--

**ANNEXURE C
ANTI-DUMPING CASES INITIATED IN BRAZIL**

ANTI-DUMPING INITIATION AGAINST INDIA		
Secex Cir. No. 47	New rubber tires for bicycles from China, India and Vietnam	Extends for six months, from September 3, 2013, the closing date of the investigation into the existence of dumping
ANTI-DUMPING CASES INITIATED		
Reference	Merchandise/Country	Action
Secex Cir. No. 43	Wooden pencils with graphite mine and mine color – from China	Announces the closing of the validity of ADD
Secex Cir. 48, 2013	Polyvinyl chloride resin obtained by the suspension process from China and S. Korea	Initiates review of anti-dumping duty imposed by the CAMEX Resolution 51, of 28 August 2008
Secex Cir. 50, 2013	Salt not intended for animal (including human) consumption from Chile	New exporter review for Compania Minera Cordillera Chile SCM (CMC), commencing 1 Oct. 2013
Secex Cir. 51, 2013	Pencil resins (leads) from China	Initiates new AD and injury investigation
Camex Res.70,2013	Salt not intended for animal (including human) consumption from Chile	Suspends the collection of anti-dumping duty for the company "Compañia Minera Cordillera Chile SCM", for a period of six (6) months, from October 1, 2013
Camex Res. 71,2013	Semi-rigid duplex and triplex packaging cards from Chile	Homologous price undertaking for a period of five (5) years

Camex Res. 72,2013	Nylon threads from China, Thailand and Chinese Taipei	Apply provisional anti-dumping duty for a period of up to four (4) months
---------------------------	---	---

ANTI-DUMPING INITIATIONS AGAINST BRAZIL

Argentina	Interior and Transport: Res. № 761/2013 (1 Aug. 2013) International border crossings with Uruguay, Brazil, Paraguay, Bolivia and Chile
United States Department of Commerce, International Trade Administration (ITA)	Polyethylene terephthalate film, sheet and strip from Brazil. Preliminary results of ADD administrative review; 2011-2012
ITA- Sunset Review	Polyethylene Terephthalate (Pet) Film from Brazil
Canadian International Trade Tribunal (CITT)	Dumping: Certain circular copper tube with an outer diameter of 0.2 inch to 4.25 inches (0.502 centime-tre to 10.795 centimetres), excluding industrial and coated or insulated copper tube, originating in or exported from Brazil, Greece, China, S. Korea and Mexico; Subsidizing of the above-mentioned goods originating in or exported from China. Notice of commencement of inquiry.
CITT	Hot-rolled carbon steel plate from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and S. Korea Initiation of preliminary injury inquiry
Canada Border Services Agency (CBSA)	Certain copper tube originating in or exported from Brazil, Greece, China, S, Korea and Mexico. Commencement of Preliminary investigation.
CBSA	Dumping: Certain copper tube originating in or exported from Brazil, Greece, China, S. Korea and Mexico; Subsidizing: same from China.

	Statement of reasons concerning the preliminary determinations with respect to the dumping and subsidizing
CBSA	Certain steel plate originating in or exported from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and S, Korea Notice for Inquiry