

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

L/6386/Add.1

7 December 1988

Limited Distribution

COUNCIL

Original: English

UNITED STATES - IMPORT RESTRICTIONS ON CERTAIN PRODUCTS FROM BRAZIL

Recourse to Article XXIII:2 by Brazil

Communication from Brazil

The following communication, dated 6 December 1988, has been received from the Permanent Mission of Brazil with the request that it be circulated to contracting parties and that the matter be inscribed on the agenda of the Council meeting to be held on 20 December 1988.

On 20 October 1988, the US Government turned effective the threat it had announced on 22 July and unilaterally imposed prohibitive tariffs of 100% on certain products imported from Brazil.

Ever since the initial US announcement of the decision to impose such restrictions, Brazil had been requesting consultations under Article XXIII:1, for concrete harm was already being inflicted on Brazilian trade interests. These requests, however, were turned down by the United States, on the grounds that no measures had as yet been adopted against imports from Brazil.

When increased rates of duty were imposed on Brazilian exports of non-benzenoid drugs, paper products and consumer electronics, the United States finally acquiesced to the request for consultations, which were held in Geneva on 29 November 1988.

At that meeting, Brazil reiterated the concerns it had already made known to the Council in that its legitimate rights under Articles I and II of the General Agreement had been nullified and impaired by the discriminatory and unilateral US action. The United States, however, did not justify its unilateral actions under the General Agreement, nor did it show any sign of willingness to remove the restrictive measures against Brazil.

The Government of Brazil considers that no further progress toward finding a mutually acceptable solution will be possible through bilateral consultations. It therefore requests the Council to establish a panel to review the issue under Article XXIII:2 of the General Agreement.