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Page: 1/1

**Council for Trade in Goods
Committee on Safeguards**

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**IMMEDIATE NOTIFICATION TO THE COUNCIL FOR TRADE IN GOODS
OF THE RESULTS OF THE CONSULTATIONS UNDER ARTICLE 12.3****JOINT COMMUNICATION OF BRAZIL AND COSTA RICA**

The following communication, dated and received on 3 March 2023, is being circulated at the request of the delegations of Brazil and Costa Rica.

Pursuant to Article 12.5 of the WTO Agreement on Safeguards (the AS), Brazil and Costa Rica are notifying the results of the consultations conducted under Article 12.3 of the Agreement on Safeguards regarding this latter's safeguard on refined white sugar.

WTO documents that notified the safeguard action regarding which consultations were held are: G/SG/N/6/CRI/5; G/SG/N/8/CRI/2 - G/SG/N/10/CRI/2 - G/SG/N/11/CRI/2; and G/SG/N/8/CRI/2/Rev.1 - G/SG/N/10/CRI/2/Rev.1 - G/SG/N/11/CRI/2/Rev.1.

In 2020, Brazil and Costa Rica held a number of consultations with a view to discussing the safeguard measures by Costa Rica on refined sugar and exchanging views on the subject and on ways to achieve the objective set out in Article 8.1 of the Safeguards Agreement. In September 2022, following these discussions, Brazil and Costa Rica agreed on an understanding of adequate means of trade compensation for the adverse effects of the safeguard in question.

Through this understanding, Costa Rica agreed to grant, during the remainder of the safeguard period, which ends on August 19, 2023, a tariff quota for imports on the total volume of 4,437 metric tons (MT) of sugar that will be exempt from the application of the measure and will be allocated proportionately among the relevant MFN suppliers during the period of investigation.

Also, according to the understanding, Costa Rica agreed to reduce to 0% its tariff on ethanol, under NMF conditions and proportionately for the main suppliers, during the first year of implementation of the project on blending gasoline with ethanol, to be put in place by the Costa Rican Petroleum Refinery (RECOPE). Such import tariff on ethanol would increase to 5% during the second year of the project, and to 10% during the third year, so that from the fourth year onwards the tariff would return to its usual MFN level of 15%.

Brazil agreed to the withdrawal of the suspension of concessions notified through documents: G/L/1364 - G/SG/N/12/BRA/4; G/L/1364/Suppl.1 - G/SG/N/12/BRA/4/Suppl.1
