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BRAZIL – MEASURES ON MINIMUM IMPORT PRICES

Request for Consultations by the United States

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The following communication, dated 30 May 2000, from the Permanent Mission of the United States to the Permanent Mission of Brazil and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

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My authorities have instructed me to request consultations with the Government of Brazil pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article 19 of the Agreement on Implementation of Article VII of the GATT 1994 (Agreement on Customs Valuation), Article 6 of the Agreement on Import Licensing Procedures, Article 19 of the Agreement on Agriculture, and Article 8.4 of the Agreement on Textiles and Clothing with respect to Brazil's use of minimum import prices for customs valuation purposes.

On 13 February 1998, Brazil established under Decree No. 2.498/98 and other related statutes and regulations a system to verify the declared values of imported goods. In practice, however, Brazil utilizes this verification system – in conjunction with non-automatic import licensing procedures – to prohibit or restrict the import of products with declared values below the arbitrarily determined minimum prices. This situation appears inconsistent with Articles 1 through 7, and 12 of the Agreement on Customs Valuation; general notes 1, 2 and 4 of Annex 1 of the Agreement on Customs Valuation; Articles II and XI of the GATT 1994; Articles 1 and 3 of the Agreement on Import Licensing Procedures; Articles 2 and 7 of the Agreement on Textiles and Clothing; and Article 4.2 of the Agreement on Agriculture.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.

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