
Committee on Import Licensing

Original: English

**BRAZIL'S IMPORT LICENSING REQUIREMENTS FOR CHEMICAL PRODUCTS AND
GOODS RELATED TO NUCLEAR APPLICATIONS**

Questions from the UNITED STATES to BRAZIL¹

The following communication, dated 2 October 2003, has been received from the delegation of the United States.

The United States has serious concerns about Brazil's import licensing procedures for soda ash and lithium carbonate.

Soda ash: On 28 February 2003, Brazil published Ministry of Justice Regulation 169 pertaining to import licensing for chemical products. It is the understanding of the United States that under the new regulation, importation of certain chemical products, including disodium carbonate (soda ash), is subject to preliminary authorization by the federal Police Department, as well as mandatory administrative processing by the Overseas Trade Department (SISCOMEX). The United States notes that this new regulation has not been notified to the Committee on Import Licensing, as required by the Agreement on Import Licensing Procedures. In addition, the United States is concerned that the import licensing procedure is trade distortive, and requests that Brazil clarify the total period of time allowed to the Federal Police Department and SISCOMEX for processing applications under the new procedure. The United States also notes that under Article 1, paragraph 6 of the Agreement on Import Licensing Procedures "[a]pplicants shall have to approach only one administrative body in connection with an application", and requests that Brazil explain why it is strictly indispensable to approach more than one administrative body when importing chemicals listed in Regulation 169.

Lithium carbonate: The United States is concerned over reports from industry that the import licensing requirements intended to regulate goods related to the production of nuclear energy and other nuclear applications, in particular lithium carbonate, established by Law No. 6189 (12/16/74) and Decrees 2464 (8/31/88) and 7781 (6/27/89), are restricting and distorting trade contrary to the Agreement on Import Licensing Procedures.

Industry has reported that lithium carbonate, in particular, is a raw material used in aluminum smelting, the production of glass and ceramics, and pharmaceutical products, but has no nuclear application.

It is the understanding of the United States that under the terms of these Decrees, Brazil's National Nuclear Energy Commission (CNEN) is responsible for approving the import licences for lithium compounds, and industry has reported that the last time an import licence was granted was in 2001.

¹ See Understanding on Procedures for the Review of Notifications (G/LIC/4).

The United States therefore requests that Brazil explain to the Committee how the restrictions contained in the Decree further the goals of regulating goods of importance to the production of nuclear energy and other nuclear applications, and why lithium carbonate is included in the coverage.

The United States is also concerned about the procedures for acquiring an import licence for lithium compounds. Therefore, the United States requests additional information and explanation from Brazil on the operation of this licensing system, and all relevant information concerning the following: (i) the basis for granting licences; (ii) administration of the restrictions; (iii) the import licences granted over a recent period; (iv) the distribution of such licences among supplying countries; (v) where practicable, import statistics (i.e. value and/or volume) with respect to the products subject to import licensing; and (vi) the time-period allowed for processing applications.

The United States requests that Brazil submit its notifications, as required under Article 5 of the Agreement on Import Licensing Procedures, for chemical products and goods related to nuclear applications and update its annual notification of replies to the Questionnaire to cover these products.

The United States looks forward to Brazil's explanations and responses to the United States and to the Committee.
