

BRAZIL'S IMPORT LICENSING REQUIREMENTS FOR LITHIUM COMPOUNDS

Questions from the UNITED STATES to BRAZIL¹

The following communication, dated 8 November 2004, is being circulated at the request of the Delegation of the United States.

At the 2 October 2003 and 5 May 2004 meetings of the Committee on Import Licensing, the United States requested that Brazil submit information concerning import licensing requirements for certain lithium compounds, i.e., lithium carbonate and lithium hydroxide. These questions were also circulated in document G/LIC/Q/BRA/1.

The United States appreciates Brazil's partial response in G/LIC/Q/BRA/2, but we note that Brazil did not fully respond to the questions raised in G/LIC/Q/BRA/1. We also note that the justification given for application of these restrictions is very tenuous. Brazil's explanation, in G/LIC/Q/BRA/2, that "some components of lithium, once enriched, may indeed have an application in the production of nuclear energy" does not actually demonstrate that the application is in any way related to nuclear issues, rather than to more common uses.

Furthermore, the United States has continuing concern that Brazil has yet to notify relevant legislation covering automatic and non-automatic licensing requirements for these and other goods listed on the Secretaria de Comercio Exterior (SECEX) website at:

<http://www.desenvolvimento.gov.br/sitio/secex/opeComExterior/impProcedimentos/impProcedimentos.php>.

Certain legislation covering import licensing procedures was notified in documents G/LIC/N/1/BRA/1 and G/LIC/N/2/BRA/1 of 19 June 1998; G/LIC/N/3/BRA/2 of 5 February 2002; and G/LIC/N/3/BRA/3 of 25 September 2003. However, it appears that these notifications do not cover all laws and regulations concerning import licensing requirements. For example, the United States understands that Brazil may maintain quotas on certain lithium compounds, including the provisions of Portaria No. 279/97 of 1997, and that these quotas are administered in part through import licensing procedures. However, this legislation is not included in the list of legislation notified in the above-cited documents – G/LIC/N/1/BRA/1, G/LIC/N/2/BRA/1, G/LIC/N/3/BRA/2, and G/LIC/N/3/BRA/3 – and appears not to have been subsequently notified to the Committee. When does Brazil intend to notify this legislation and regulations, and provide the information on these requirements to the Committee?

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

The licensing requirements appear to operate as effective quantitative restrictions, and we urge Brazil to fully and rapidly address our request for information and clarify the operation of Brazil's import licensing system for lithium carbonate and lithium hydroxide, including but not limited to the following questions:

- What are the criteria for application and granting import licences? On what basis are requests for these licences denied?
 - Please provide specific information for the period since 2000 on the quantity of imports for which import licences have been requested and for which import licences were actually granted.
 - Please provide statistics for the period 2003 to the year to date by value and volume for each of the lithium compounds by supplying country.
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