

**BRAZIL'S IMPORT LICENSING REQUIREMENTS FOR LITHIUM COMPOUNDS**

Questions from the UNITED STATES to BRAZIL

Addendum

The following communication, dated 9 June 2006, has been received from the delegation of the United States.

Question from the United States to Brazil Concerning Import Licensing Restrictions on  
Certain Lithium Compounds

1. The United States is deeply concerned by the fact that for almost three years we have requested information on Brazil's import licensing requirements on certain lithium products and have not received any substantial response. We are transmitting comments and questions in advance of the meeting of the Import Licensing Committee of 21 June 2006, in order for the Brazilian authorities to be prepared to respond fully at that meeting. At the September 2004 meeting of the Committee on Import Licensing, the United States requested that Brazil submit information concerning import licensing requirements for certain lithium products, such as lithium carbonate and lithium hydroxide, including but not limited to the following points:

- The procedures for applying for and criteria for granting import licenses, and the basis for denying applications for these licenses.
- Specific information for the period since 2000 on the quantity of imports for which import licenses have been requested and the quantity for which import licenses were actually granted.
- Statistics for the period 2003 to date by value and volume, and by the supplying country for each of the lithium compounds.

2. These questions were also circulated in document (G/LIC/Q/BRA/3). The United States notes that Brazil has yet to respond to these questions.

3. In its most recent notifications, e.g., G/LIC/N/3/BRA/4/Rev.1, Brazil states that it maintains licensing requirements on:

- products which may pose risks to human, animal, or plant health;
- products which may cause environmental damage;
- products classified as weapons or made for warlike objectives; and
- products subject to non-tariff quotas as established in the WTO Agreement and products subject to tariff-rate quotas.

4. At the June 2005 Committee Meeting, the United States requested, in addition to responses to our written questions in G/LIC/Q/BRA/3, information from Brazil on which of these criteria is the basis for its restrictions on imports of lithium carbonate and lithium hydroxide.

5. According to the minutes from the June meeting, the delegate from Brazil stated: "The Brazilian system for imports of lithium carbonate and lithium hydroxide was justified because of the potential risks, and the uses, including for nuclear ends. In view of the different interpretation that the US had given, there were ongoing studies and an inter-Ministerial commission established in Brazil was debating the matter. This Commission involved the Ministry of Energy and Mining, the Ministry of Science and Technology, the Ministry of Development, Industry and External Trade, the Ministry of External Trade, the Ministry of External Relations and the National Commission of Nuclear Energy. Those debates were taking time and this was why Brazil had not yet been able to provide detailed responses as had been requested by the US." (G/LIC/M/21)

6. At the September 2005 Committee Meeting (G/LIC/M/22), the United States requested information about the efforts of the Inter-Ministerial Commission:

- What was the context and desired outcome of the Inter-Ministerial Commission?
- Was the Inter-Ministerial Commission established only to study Brazil's policy on lithium's compounds or were there other products involved?
- What was the timeframe for the completion of the studies and recommendations from the Commission?

7. At the September 2005 meeting, the representative of Brazil replied that he did not have much to add to what was said at the June 2005 meeting. Since the beginning of 2005, his authorities had created an Inter-Ministerial Group dedicated to the question of lithium compounds legislation. This Inter-Ministerial Group was in the process of reviewing the relevant legislation and the questions posed by the United States. Brazil hoped to provide further written information to the US and to the Committee, in addition to that provided in document G/LIC/Q/BRA/2, soon after completion of the review. He would inform his capital of the renewed concerns of the US on this issue and hoped to provide a response very soon. (G/LIC/M/22)

8. In addition to raising the issue at the Committee on Import Licensing for almost three years, we have raised this issue a number of times in bilateral discussions with Brazilian Government officials without much success. We most recently raised the issue in April 2006 with Brazilian Ministry of External Relations officials. In the past, one Brazilian Official noted that he believed that the issue was being handled at the World Trade Organization. Although we have raised this issue for almost three years in the Committee on Import Licensing meetings, it has not moved forward because of incomplete responses from Brazil.

9. At the June 2006 meeting of the Committee on Import Licensing, the United States requests the Government of Brazil submit responses to our written questions, as circulated in G/LIC/Q/BRA/3, noting also that the United States looks forward to results of the review by the Inter-Ministerial Group that has been studying the issue of lithium compounds legislation since the beginning of 2005.

10. At this time, the United States again requests the information identified above and that Brazilian authorities ensure that its import licensing regime for these products is fully consistent with WTO requirements.