

**NOTIFICATION UNDER ARTICLE 12.1(C) OF THE
AGREEMENT ON SAFEGUARDS
(EXTENSION OF THE EXISTING MEASURE)**

BRAZIL

(Desiccated coconut)

The following communication, dated 12 August 2010, is being circulated at the request of the Delegation of Brazil.

Brazil expresses its readiness, in conformity with Article 12 of the WTO Agreement on Safeguards, to hold prior consultations with those Members having a substantial interest as exporters of the product concerned, and proposes that such consultations take place until the 20 August 2010.

1. Provide evidence, citing relevant data and the applicable period of investigation of serious injury or threat thereof caused by increased imports

The review analysed the data covering the period from April 2006 to March 2009 (corrected). Since this is a review of a measure, both analysis of serious injury and threat thereof caused by increased imports do not apply.

2. Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production (please see also Article 2.1 for the context)

Increase of 46.6 per cent on imports of desiccated coconut in kilograms. The increase in imports is consistent with the obligation of progressive liberalization of the measure, applied in the form of a quantitative restriction.

3. Provide the precise description of the product involved

Provide the Harmonized System numbers under which the product enters at least at a 6-digit HS level, and at a sub-national level (e.g. 8-digit HS, 9-digit HS or 10-digit HS) if practicable. (The HS codes will be provided for reference purposes only.)

The product subject to the safeguard measure is the desiccated peeled coconut, whether or not grated, classified in the item 0801.11.10 of the Mercosur Common Nomenclature.

4. If the final measure replaces a provisional measure, or if a final measure is extended, a Member is encouraged to provide a written description of any part of the imported product that will no longer be subject to the measure and the Harmonized System numbers under which it enters at least at a 6-digit level, and at a sub-national level (e.g., 8-digit, 9-digit or 10-digit level) if practicable¹

Not applicable.

5. Provide precise description of the proposed measure

Extension of the safeguard measure in the form of quantitative restriction on imports of desiccated coconut, classified under the tariff line 0801.11.10 of Mercosur Common Nomenclature.

6. Provide proposed date of introduction of the measure

1 September 2010.

7. Provide expected duration of the measure

2 years.

8. For a measure with a duration of more than three years, provide the proposed date for the review (under Article 7.4) to be held not later than the mid-term of the measure, if such a date for the review has already been scheduled

Not applicable.

9. If the expected duration is over one year, provide expected timetable for progressive liberalization of the measure

The quotas are set for 2 periods of 12 months, starting on 1 September 2010, and liberalized in 5 per cent of the quota for the first period as follows: 5770 tons in the first period (1 September 2010 to 31 August 2011) and 6058 tonnes in the second period (1 September 2011 to 31 August 2012).

10. If the notification relates only to a finding of serious injury or threat thereof, and does not relate to a decision to apply or extend a safeguard measure

- (i) provide the deadlines for interested parties to comment or any other procedures relevant to the decision to apply the measures, and
- (ii) provide information regarding procedures for prior consultation with those Members having a substantial interest as exporters of the product concerned.

Not applicable.

11. If the measure is being extended, also provide

- (i) evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy serious injury

¹ The HS codes will be provided for reference purposes only.

- The cultivated area (desiccated coconut) increased 5,5 per cent and the production increased 3,4 per cent. Workforce increased as a result of the increment in the cultivated area.
- Growth on apparent domestic consumption was observed. The reduction in the share of the domestic industry in the apparent consumption is consistent with the obligation of progressive liberalization of the measure.
- The sales increased 3,4 per cent in quantity. Nevertheless, price decreased and consequently did income. The producer prices recovered from P2 to P3, but in P3 prices did not reach the level in P1.
- The unitary cost and the use of fertilizer decreased due to innovations, based on the results of researches.

(ii) reference to the WTO document that notified the initial application of the measure

G/SG/N/6/BRA/4.

(iii) duration of the measure from initial application till the date at which it will be extended

8 years. At the end of the period of the proposed extension, the measure will have been applied for 10 years.

and,

(iv) precise description of the measure in place prior to the date of extension (in this context, please note that the last sentence of Article 7.4 states that: "A measure extended under paragraph 2 shall not be more restrictive than it was at the end of the initial period, and should continue to be liberalized".)

The original measure was applied in the form of a quantitative restriction and has been progressively liberalized. The previous measure (which had already been extended) established quotas for four periods of twelve months, starting on 1 September 2006, and liberalized by 5 per cent, 10 per cent and 15 per cent of the quota for the first period, as follows: 4.778 tons in the first period (1 September 2006 to 31 August 2007), 5.017 tonnes in the second period (from 1 September 2007 to 31 August 2008), 5.256 tonnes in the third period (from 1 September 2008 to 31 August 2009) and 5.495 tonnes in the fourth term of the extended measure (1 September 2009 to 31 August 2010).

12. If the notification relates to a decision to apply or extend a safeguard measure, Members are encouraged to provide the following information

(i) The major exporting Members of imports of the product involved

Indonesia, Philippines and Vietnam.

(ii) If there are any exporting Members to which the measure does not apply for any reason other than the application of Article 9.1, the names of such exporting Members and reasons for non-application of the measure

Argentina, Paraguay and Uruguay were excluded from the safeguard measure, because they are members of MERCOSUR.

13. Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority. This document may be in the original language of the Member, even when the language is not one of the official languages of the WTO. The document will neither be translated nor circulated to the Committee, but will be made available by the Secretariat to Members requesting it.
