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**Council for Trade in Goods  
Committee on Safeguards**

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**IMMEDIATE NOTIFICATION UNDER ARTICLE 12.5 OF THE AGREEMENT  
ON SAFEGUARDS TO THE COUNCIL FOR TRADE IN GOODS OF  
PROPOSED SUSPENSION OF CONCESSIONS AND OTHER  
OBLIGATIONS REFERRED TO IN PARAGRAPH 2  
OF ARTICLE 8 OF THE AGREEMENT  
ON SAFEGUARDS**

BRAZIL

*Supplement*

The following communication, dated 15 November 2020, is being circulated at the request of the Delegation of Brazil.

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On 15 October 2020, by means of the document G/L/1364-G/SG/N/12/BRA/4, Brazil submitted an immediate notification to the Council for Trade in Goods of the proposed suspension of concessions and other obligations referred to in paragraph 2 of Article 8 of the Safeguards Agreement in relation to the definitive safeguard measure imposed by Costa Rica on 19 August 2020, which was notified in documents G/SG/N/8/CRI/2-G/SG/N/10/CRI/2-G/SG/N/11/CRI/2; and G/SG/N/8/CRI/2/Rev.1-G/SG/N/10/CRI/2/Rev.1-G/SG/N/11/CRI/2/Rev.1.

Brazil hereby submits a supplement to its immediate notification, in order to provide further details regarding the application of the proposed suspension of concessions and other obligations to the trade of Costa Rica.

The suspension of concessions and other obligations will be initially applied by means of an increase in duties on selected products originating in Costa Rica that will come into effect on 17 November 2020, as specified in **Annex I**. Information on the adverse effects of the safeguard measure imposed by Costa Rica on Brazil's trade is provided in **Annex II**. Since the suspension of concessions is less than equivalent to the adverse effects of the safeguard measures, Brazil reserves its right to include other products in the list specified in Annex I. Brazil will notify the Council for Trade in Goods of such inclusion.

Brazil also reserves its right to withdraw, modify, supplement or replace this notification, and/or make further notifications, should it deem that appropriate, including in light of any subsequent developments. The suspension of concessions and other obligations will continue to apply until Costa Rica's safeguard measures are lifted or until Brazil and Costa Rica agree on any adequate means of trade compensation as referred to in Article 8.1 of the Agreement on Safeguards.

**ANNEX I****Suspension of concessions**

Given that the safeguard applied by Costa Rica takes the form of an additional 27.68% duty on the current tariff level of import taxes on sugar in solid form, granulated, known as refined white sugar, for household and industrial consumption, including plantation, specialty and refined white sugars, the suspension of concessions will initially take the form of tariffs in that same amount, 27.68%, additional to the duties currently in force, for the following products:

<b>NCM Code</b>	<b>Current rate</b>	<b>Description NCM</b>	<b>Imp Brazil-Costa Rica Average 2017-1019 (US\$)</b>
05100090	2%	Other substances of animal, for the preparation of pharmaceutical products, etc	183.437
18069000	20%	Other chocolates and food preparations containing cocoa	91.037
21012010	16%	Extracts, essences, and concentrates, of tea	563.021
21039021	18%	Condiments/mixed seasonings, comp., immed.pack.w <=1kg	111.129
<b>Total</b>	<b>-</b>	<b>-</b>	<b>948.624</b>

The 27.68% increase in import taxes applied to the above-mentioned products from Costa Rica will have the same duration and the same gradual liberalization schedule as the measures applied by that country. Costa Rica's safeguard measures will have a three-year duration with annual reductions in one-third of the initial value. In light of this, the Brazilian suspension of concessions will follow a reduction schedule parallel to that of the Costa Rica's measure, as specified below:

**Schedule of progressive liberalization of the suspension of concessions**

<b>Dates</b>	<b>Reduction</b>	<b>Additional charge</b>
Entry into force - 17 November 2020	-	27,68%
1st year after the date of the application of the safeguard measure	9,23%	18,45%
2nd year after the date of the application of the safeguard measure	9,23%	9,23%
3rd year after the date of the application of the safeguard measure	9,23%	0,00%

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**ANNEX II**
**Amount of Brazilian exports affected by the imposition of the safeguard measure**

In order to determine the amount of the adverse effects of the safeguard measure on its trade, Brazil calculated the values of the product subject to the safeguard exported by Brazil that will be affected by the imposition of the safeguard, considering, for this, the period of twelve months immediately preceding the month of the beginning of the application of the safeguard measure: from August 2019 to July 2020.

The data were obtained in the Comexstat platform and the Brazilian exports to Costa Rica of the product classified<sup>1</sup> under subposition 1701.99 of the HS6 were used as a parameter. Using this method, the following amount was calculated:

**Brazilian sugar exports (SH 1701.99) to Costa Rica**

<b>Code SH6</b>	<b>Description SH6</b>	<b>08/2019 to 07/2020 - FOB Value (US\$)</b>
170199	Other cane/beet sugar/chemically pure sucrose, in solid form	3.734.273

Since the sum of the average amount, in value, of imports of the products listed in Annex 1 is lower than that of the adverse effects to the Brazilian trade caused by the imposition of the measure by Costa Rica, as set out in the table above, Brazil reserves its right to extend the application of the suspension of concessions to other products from Costa Rica.

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<sup>1</sup> <http://comexstat.mdic.gov.br/pt/geral/22668>.