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Committee on Import Licensing

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**QUESTIONS FROM THE EUROPEAN UNION TO BRAZIL REGARDING  
THE IMPORTATION OF NITROCELLULOSE**

**QUESTIONS FROM THE EUROPEAN UNION TO BRAZIL**

The following communication, dated 15 May 2014, is being circulated at the request of the delegation of the European Union.

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As a follow-up of the discussion held at the Import Licensing Committee on 15 April 2014, the EU would like to receive several clarifications on the Import procedures applicable to industrial nitrocellulose in Brazil.

Before listing the questions, the EU would like to recall that the industrial nitrocellulose is a binder used in the printing ink-, wood coating-, leather-, nail varnish- and many other industries. To be noted that this product differs substantially from the military nitrocellulose.

Despite the fact that they are two chemically different products, industrial and military nitrocellulose are under the same tariff line in Brazil (CET 3912.20) as well as in the EU (HS code 3912.20).

Brazil has put in place a non-automatic import licensing regime for the importation of industrial nitrocellulose that operates de facto as a ban. EU nitrocellulose-users have asked the Ministry of Defence of Brazil for an import license; however none of the EU companies has got an import license in recent years.

The EU would like Brazil to demonstrate how their legislation on the importation of industrial nitrocellulose does not have any trade-restrictive or trade-distortive effects on imports. In this respect, we would like Brazil to reply to the following questions:

EU Questions:

- 1. Could Brazil provide the statistics both on the number of import licenses for nitrocellulose requested and on the number of import licenses for nitrocellulose granted over the last 5 years? Could Brazil provide the statistics on the distribution of such licences among supplying countries and related import statistics (value and/or volume), and the nitrogen content below and above 12.5%?**
- 2. Could Brazil provide import statistics over the last 5 years of nitrocellulose products of below and above 12.5% nitrogen content? Could Brazil explain why it is importing nitrocellulose with a content of more than 12.5% of nitrogen? These nitrocellulose products cost about twice as much as nitrocellulose and are products used mainly for military purposes.**

3. Could Brazil provide statistics over the last 5 years regarding the Brazilian production of nitrocellulose with reference to the nitrogen content below and above 12.5% and also name the producers of nitrocellulose products?
  4. Could Brazil submit sound and detailed arguments for explaining why import licenses for industrial nitrocellulose are denied?
  5. Could Brazil clarify which are the procedures to be followed by importers of industrial nitrocellulose? In particular, could Brazil clarify if a non-automatic license has to be asked to the Ministry of Defence? Could Brazil explain in detail which is the role of the Ministry of Defence for issuing such licenses?
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