UNITED STATES INTENTION TO SUSPEND GATT OBLIGATIONS IN RELATION TO BRAZIL

Communication from Brazil

The following communication, bearing the above heading and dated 6 November 1986, has been received from the Permanent Mission of Brazil with the request that it be circulated to contracting parties.

1. The Brazilian Delegation wishes to refer to the communication sent by the United States Delegation, through a letter to the Director-General of GATT, dated 5 November 1986, for the information of contracting parties concerning the intention of the United States Government to suspend the application of the United States Tariff concessions to imports from Brazil to compensate for the alleged annual loss in United States sales opportunities in Brazil due to the informatics policy.

2. The communication by the United States does not provide the necessary information on its alleged legal basis as well as on the precise nature of measures under consideration for adoption by the United States; it is also unclear whether the announced measures will be enforced without prior notification to the GATT and previous appropriate consideration of the matter by the CONTRACTING PARTIES. Further clarifications by the United States are due to enable an adequate assessment of the implications of United States' communication.

3. The Brazilian Delegation wishes to recall, at this juncture, the communication made by Brazil and contained in document L/5871, of 27 September 1985, in respect of the initiation by the United States Government of an investigation on the Brazilian informatics law and practices, under section 301 of United States 1974 Trade Act.

4. In accordance with document L/5871, the Brazilian Delegation would like to reaffirm that the Brazilian Government cannot accept the claim by the United States Government to have a right to resort to unilateral actions, based on domestic legislation, as publicly announced by high United States trade officials, without due regard to GATT rules and to the specific obligations assumed by the United States under such rules, nullifying or impairing benefits accruing to Brazil.

5. The Brazilian Delegation would like to state that, in order to deal with the serious threat of injury to the rights and interests of Brazil created by the announced intentions of the United States Government, the Government of Brazil, reserving all its rights under the GATT, intends to invoke the GATT dispute settlement procedures, starting with a request for consultations under the relevant provisions of the General Agreement.