The following communication dated 1 February 1982 has been received from the Commission of the European Communities.

1. According to the GATT documentation available to the Community, the Brazilian Government has not furnished any information regarding its sugar policy.

Do the Brazilian authorities consider that they have fulfilled all their obligations, in particular those under Articles X, XVI and XVII of the General Agreement?

2. According to the information available to the Community, there is a Sugar and Alcohol Institute (IAA) in Brazil.

Can Brazil furnish any details regarding the functions assigned to that Institute, in particular regarding domestic production and trade in respect of sugar (imports, exports and prices)?

Can Brazil furnish any information regarding financing sources for the Institute's activities? What is the Government's rôle in the Institute's activities?

3. Does Brazil not consider that, taking into account its statutes and functions - as known to the Community - the Institute is a "State-trading Enterprise" in terms of Article XVII of the General Agreement and if so, can Brazil explain the reasons why the Brazilian Government has never fulfilled the obligations resulting from Article XVII:4?

4. According to the information available to the Community, there is a guaranteed price level for sugar in Brazil (consumer price?).

The Community has found that in certain years the price of sugar on the domestic market of Brazil is higher than export prices. In those conditions, does Brazil consider that there is any similarity between the Community régime and the Brazilian régime in regard to price compensation or equalization?
5. What are the modalities, conditions and amounts of payments made by financing institutions and the Government to the Sugar and Alcohol Institute for promoting sugar exports?

Does Brazil consider that it has fulfilled its notification obligations under Article XVI:1 regarding both export subsidies and "any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports ... or to reduce imports"?

Could the Brazilian delegation explain why the Brazilian authorities consider themselves released from their obligations under Article XVI:1 yet have contended that the European Economic Community was not fulfilling any of its obligations under GATT?

6. With respect to export policy, it would appear that last December the Brazilian Government officially decided to sell increased quantities of sugar under bilateral long-term contracts.

Does Brazil not consider that there is an obligation under Article X ("agreements affecting international trade policy ... shall ... be published") and if so, does Brazil believe that it has fulfilled that obligation under GATT?

Does Brazil consider that it has fulfilled its obligations regarding non-discrimination in export trade resulting from Articles XIII and XVII of the General Agreement in practising a policy of long-term contracts?

7. What are the practices followed regarding stocks of sugar intended for export, and what is the source of financing used by the Sugar and Alcohol Institute to cover the costs of storage and transport between refineries and the f.o.b. stage?

8. What are the relations between the National Monetary Council and the Sugar and Alcohol Institute, in particular regarding regulations on guaranteed prices, production and the fixing of export prices?

9. In the context of the International Sugar Agreement, Brazil considers itself to be a full member committed to fulfil all the obligations deriving from that instrument, for both developed and developing countries.

It would seem that in GATT, Brazil considers itself entitled to special treatment by virtue of being a developing country.

Can Brazil explain the reasons for this different attitude according to the international organizations concerned as regards the level of its obligations?
10. Why has Brazil been attacking Community sugar policy over the past four years while pretending not to know that the sugar policy of other partners was quite clearly prejudicial to the interests of Brazil?

In the same order of ideas, could Brazil inform the Community whether the results of its recent discussions at Brasilia in the US-Brazil Sub-Commission regarding the new United States sugar régime have been encouraging?

11. Does Brazil consider that the development of world production of isoglucose is causing injury to its interests in the sugar sector, in particular as regards export trade?