QUESTIONS SUBMITTED BY CANADA CONCERNING BRAZILIAN COUNTERVAIL LEGISLATION

(SCM/1/Add.26/Suppl.3 dated 29 October 1992)

The following communication, dated 24 May 1993, has been received from the Permanent Mission of Canada.

- Article 1 of directive No 974/91 provides that the amount of a subsidy shall be calculated by taking the difference between the FOB price to Brazil and an estimated price (taking as a reference the price received by the producer in the country of origin). This would appear to represent a calculation of dumping. It would appear to be contrary to the calculation of a subsidy on the basis of the amount of subsidy that can be attributed to the product under investigation.

- Could Brazil explain in more detail how Brazilian legislation would apply this "estimated price" to a given product under investigation?

- How are the percentages (2.08 per cent and 1.04 per cent) in the definition of volumes of significant quantity derived under Article 3.1(a) and 3.1(b) of Directive No. 444/91? Are they intended as a means of quantifying de minimis?