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ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS & TRADE

Contracting Parties

Second Session

BRAZILIAN REQUEST FOR

WITHDRAWAL OF CONCESSIONS - SCHEDULE III

When authorizing the provisional application of the General Agreement on Tariffs and Trade, the Brazilian Government decided to withdraw the following concessions shown on Schedule III - Brazil:-

98/3	Milk, in powder.....	1,635,986
545/3	Calendars and almanacks (part).....	1,498,539
1530	ex Penicillin pure.....	32,152,054

As the contracting parties are aware, the rates shown in Schedule III for tariff concessions given by Brazil to the other signatories of the GATT were, in the first place increased by 40% in order to cover the monetary depreciation which resulted in a substantial reduction of the level of the Brazilian tariffs.

The National Congress of Brazil have, however, just authorized the Executive Authorities to reduce from 40% to 10% or 20% the adjustment on some of the items so as to give a more favourable tariff treatment and to conform more closely to the ultimate aims of GATT.

As may be seen from the enclosed Schedules, a reduction of the adjustment on some of the articles represents a substantial benefit in favour of the signatories of GATT, since they will receive additional considerable concessions covering a large part of the total imports of Brazil.

It should be understood that these additional concessions are to be regarded as temporary, the Brazilian Government reserving the right at any time to increase the rates up to the amounts shown on Schedule III - Brazil.

The Brazilian Government, however, undertakes to enter into negotiation with the U.S.A., and the United Kingdom in April next with a view to making certain of these tariff concessions binding, in order to compensate for the withdrawal of the tariff concessions mentioned above which were agreed to in direct negotiation with the U.S.A. and the United Kingdom during the Geneva negotiations of 1947.

No loss is therefore likely to be incurred by the Contracting Parties since the decision of the Brazilian Government to grant additional concessions will represent an appreciable contribution to the carrying out of the main objective of the General Agreement on Tariffs and Trade. In fact, the waiving of the right to increase the tariffs by 40% on some items of considerable importance in the Brazilian import trade involves a benefit vastly superior to the loss caused by the withdrawal of concessions on the three articles above mentioned.

The Brazilian Delegation would greatly appreciate it if a decision on this matter could be taken at the present session, as it will be necessary for the Brazilian Government to take legal steps to put into force the mandatory provision regarding the withdrawal of these concessions.

Geneva, August 24th, 1948.

