

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2760
2 March 1967

Limited Distribution

BRAZILIAN SCHEDULE - RENEGOTIATION

Decision of 27 February 1967¹

Considering that the Government of Brazil has notified the CONTRACTING PARTIES that it has made far-reaching changes in its commercial policy and, in particular, is revising and bringing up to date its Customs Tariff as a complementary measure in the rationalization of its foreign trade regulating mechanism in accordance with its programme of stabilization and development;

Considering the assurances of the representative of Brazil that his Government's measures have already resulted in a substantial liberalization of Brazil's international trade policy;

Considering further that the new Customs Tariff is designed to promote Brazilian economic development;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Brazil to apply the rates of duty provided in its new Customs Tariff to be put into force on or after 1 March 1967 which may exceed those bound in Schedule III, pending completion of negotiations for the modification or withdrawal of concessions in that Schedule, subject to the following conditions:

1. The Government of Brazil will as promptly as possible enter into negotiations or consultations with interested contracting parties pursuant to paragraphs 1 to 3 of Article XXVIII. These negotiations or consultations shall be related to the concessions to be offered by the Government of Brazil as compensation for the modifications and withdrawals of concessions at present specified in Schedule III, and to any requests made by interested contracting parties for other or additional compensation with a view to reaching a satisfactory adjustment consistent with the requirements of paragraph 2 of Article XXVIII and to the establishment of a new Schedule III.

2. Part IV of the General Agreement, including Article XXXVI:8, is applicable to the negotiations between Brazil and the contracting parties which have accepted the Protocol amending the General Agreement on Tariffs and Trade to Introduce a

¹The Decision has been adopted by fifty-two votes in favour and none against.

Part IV on Trade and Development; and other contracting parties, negotiating with Brazil, likewise accept the principle enunciated in Article XXXVI:8 as applicable to the negotiations.

3. The negotiations or consultations mentioned above shall be completed before 29 February 1968.

4. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Brazil to the extent that they consider that adequate compensation, bearing in mind the provisions of paragraph 2 of this Decision, is not offered within a reasonable time by the Government of Brazil (subject to the right of any third contracting party having a principal supplying interest or a substantial interest therein to withdraw substantially equivalent concessions initially negotiated with such other contracting parties).

5. Except as may be otherwise provided in this Decision, the negotiations or consultations mentioned above shall be conducted in conformity with the relevant provisions of Article XXVIII.