

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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UNITED STATES INVESTIGATION OF BRAZILIAN  
INFORMATICS LAW AND PRACTICES

Communication from Brazil

The following communication dated 23 September 1985 has been received from the Permanent Representative of Brazil with the request that it be circulated to contracting parties.

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1. The United States Government announced on 7 September 1985 its intention to initiate an investigation under section 301 of the 1974 Trade Act concerning Brazilian informatics law and practices.
  2. The Brazilian Ministry of External Relations has issued a note regretting the United States decision to open an investigation concerning its policy for the informatics sector. In this note it is stated that "the national legislation on informatics corresponds to national economic and technological development needs and does not imply unfair trade practices". The objective of the Brazilian policy for the informatics sector is to create a national technological capacity in an area vital for its development.
  3. It is recalled that bilateral consultations were held between Brazil and the United States under Article XXII of the General Agreement on 13 June 1985, on the implications of such law and practices for the trade rights of the United States under the GATT. It was then the Brazilian Government's understanding, as it is now, that in the absence of a specific and concrete complaint involving trade in informatics goods, and in light of the fact that imports have been steadily increasing since the inception of the present monitoring system prescribed by Cacex Communiqué No. 41 (see document L/5555), further consultation under GATT's auspices was not considered necessary.
  4. In fact, no further request for consultations was, since then, received from the United States Government.
  5. In this light, the Brazilian Government notices with preoccupation that the United States Government has decided to bring the matter to its domestic jurisdiction, with no clear indication of eventually having again recourse to the dispute settlement procedures of the GATT.

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6. The law of GATT provides the internationally agreed rules to regulate substance and procedure on the matter, consequently, the Brazilian Government expects that whenever further action may be considered appropriate or desirable by the United States, it will fully comply with the relevant provisions of the General Agreement, and will be taken within the GATT framework.

7. The Brazilian Government confirms that in all matters falling under the jurisdiction of the GATT, Brazil is prepared, as in the past, to accord sympathetic consideration to requests for consultation from its trading partners. At the same time, in other matters, that are exclusively part of Brazil's domestic policy and legislation in informatics and where no international obligations exist, it is the position of the Brazilian Government that no consultations are justified or appropriate.

8. While taking note of the United States Government's intention to start an investigation under section 301 of the 1974 Trade Act, the Brazilian Government finds it necessary to declare that:

(a) it will expect the United States Government to abide by its international commitments and obligations, in particular those incumbent upon every contracting party to the GATT, including prompt notification of any measures taken in pursuance of the investigation;

(b) it reserves all its GATT rights on this matter.