

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.SB/W/2

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STATEMENT BY BRAZIL

Attached is a statement made by the delegation of Brazil at the meeting of the Surveillance Body on 9 December 1987, under item A(II) of the agenda (GATT/AIR/2509).

1. On the 13th of November 1987 the U.S.

Government announced its intention to raise tariffs on Brazilian exports to the United States and to prohibit imports from Brazil of certain computer products in disregard of Brazilian rights under the GATT.

2. The announcement of the intended prohibition

and of the tariff increases with the declared intention of causing a loss of US\$105 million to Brazilian exports was followed by the publication of a list of Brazilian products - with a trade value of more than US\$700 million in 1986 - that could be affected by such measures.

3. The Brazilian Government considers that those

actions are not consistent with the U.S. obligations under the relevant provisions of the GATT. Therefore, it has requested consultations with the Government of the United States under Article XXIII of the General Agreement. It further considers that having signified its intention to initiate proceedings to unilaterally impose discriminatory commercial restrictions against Brazil, the U.S. seem resolved to contravene the Punta

del Este standstill commitment, which specifically binds participants in the Uruguay Round "not to take any trade restrictive measures inconsistent with the provisions of the General Agreement".

4. . It should be noted that the simple announcement of the measures that the U.S. intend to take is already disrupting trade and damaging Brazilian interests. As such, they ought to be regarded as an infringement of the standstill provisions. In addition, the allegation of injury, deemed to correspond to 1.4 to 4.0 million dollars annually, is giving rise to an unjustified escalation of economic and commercial threats that envisage restrictions of up to 105 million dollars and that seeks to destabilize interested sectors which account for 700 million dollars in exports.

Mr. Chairman,

5. Only a week ago, the head of the Brazilian Delegation to the 43rd Session of the Contracting Parties drew attention to what he considered "an unprecedented threat posed to Brazil's rights under the General Agreement" and stated that instead of selfrighteous and negative behaviour, what we needed was a prompt return to the consensual and constructive

spirit that gave birth to this institution. He also stated that in order to resist a further weakening of the multilateral trading system, it was essential to live up to the commitments inscribed in the Punta del Este Ministerial Declaration and to fully respect them.

Mr. Chairman,

6. At this point, my delegation wishes to affirm that it cannot accept a claim by the United States to have a right to resort to unilateral actions, based on domestic legislation, without due regard to GATT rules and in breach of commitments assumed. In order to deal with the serious threat of injury to the rights and interests of Brazil created by the announced intentions of the U.S. Administration, my delegation reserves its rights to notify the Surveillance Body, if and when developments so recommend, any restrictive measures the United States choose to adopt.