

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED
MTN.TNC/W/40
29 November 1990
Special Distribution

Trade Negotiations Committee

Original: English

SUBSIDIES AND COUNTERVAILING MEASURES
Communication from the Permanent Mission of Brazil

The following letter has been received by the Director-General from the Permanent Representative of Brazil.

This letter has the purpose of clarifying the position of the Brazilian Government regarding the latest version of the text of the Chairman of the Negotiating Group on Subsidies and Countervailing duties (Doc. MTN.GNG/NG10/23).

Our first concern related to the coverage of the agreement, as any new disciplines on subsidies would have to cover all sectors of the economy. Lack of firm commitment on the part of major trading partners to substantially reduce subsidies in agriculture will upset the balance of rights and interests in the negotiations and prejudice any meaningful agreement in this area.

Furthermore, I would like to point out that my Government has serious reservations to some provisions of the above-mentioned text. As you recall, the Brazilian delegation indicated during the informal process of consultations that the text, to become an acceptable basis for negotiations, would have to undergo changes in Articles 3, 6:1, 8 and 14.

Considering that, in our view, neither were these concerns satisfactorily addressed in the context of our recent discussions, nor does the cover note which you propose reflect them appropriately, Brazil associates itself with those participants which have objected to transmit document MTN.GNG/NG10/23 to the Ministerial Meeting in Brussels as a basis for negotiations in the area of subsidies.