

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

VAL/M/18
24 July 1986

Special Distribution

Committee on Customs Valuation

MINUTES OF THE MEETING HELD ON 13 JUNE 1986

Chairman: Mr. P. Nicora (France)

1. As agreed at its meeting of 30 April 1986 (VAL/M/17, paragraph 40), the Committee took up the question of the Brazilian reservation under paragraph I:3 of Protocol.

2. The representative of Brazil recalled that prior to the Committee's meeting of 30 April 1986 his delegation had circulated in document VAL/W/36 a list of products subject to officially established minimum values and reference prices in Brazil. Since that time, his authorities had discovered that the list in VAL/W/36 was not complete; owing to a technical error a number of products subject to reference prices had been omitted. He regretted that he was not yet in possession of this supplementary list. It would be made available to the Committee very shortly, as an addendum to VAL/W/36, and in any event before 23 July 1986, the date on which Brazil would start to apply the Code.

3. In the light of informal consultations that he had held, the Chairman put forward the following draft text for a decision by the Committee on the Brazilian proposal for a reservation:

"1. The Committee decides that, pursuant to paragraph I:3 of the Protocol, Brazil may continue to use the officially-established minimum values and reference prices listed in VAL/W/36 and Add.1 for the valuation for customs purposes of the goods listed in those documents until 23 July 1988.

"2. Brazil will review the possibility of removing products from the lists referred to in paragraph 1 if so requested and to that end will afford adequate opportunity for consultations at the request of any other Party whose trade in specific products is experiencing difficulties with a view to reaching a mutually-satisfactory agreement within a period of six months. If no such agreement is reached within this period, the matter will be brought to the Committee for consideration under the procedures of paragraph 1 of Article 20.

"3. The Committee notes that Brazil will notify the Committee of all products removed from the lists referred to in paragraph 1 and has no present intention to apply minimum values or reference prices to additional products. The Committee further notes Brazil's statement that this reservation is being requested exclusively for customs valuation purposes, and not for foreign exchange control purposes.

"4. The Committee notes that Brazil will definitively abolish the use of officially-established minimum values and reference prices not later than the date mentioned in paragraph 1."

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4. The Committee adopted the decision as proposed by the Chairman.

5. The representative of the European Communities said that the Community took the view that any addition to the list of products in VAL/W/36 and Add.1 would not be consistent with the provisions of the Agreement. The Community reserved the right to invoke the relevant provisions of the Agreement in such an event.

6. The representative of the United States said that it was the expectation of the United States that any difficulties brought to the attention of Brazil in the context of this reservation would be resolved in a manner satisfactory to both Parties concerned as soon as possible, but in no case later than the time-frame provided for in paragraph 2 of the Decision. She added that her delegation shared the interpretation expressed by the European Communities. However, based on the informal consultations, her delegation did not expect any such issue to arise.