

Ref. No. : Plexh/cir/493

16.11.2021

To,

All Members

All Members of the COA

Dear Sir(s)

Subject : Regarding Gecex Resolution No. 269 - 10% reduction in import tariffs

We are reproducing below a communication dated 15.11.2021 received from the Department of Commerce regarding Resolution No. 269 of the Executive Management Committee (Gecex) of the Foreign Trade Chamber (Camex) of the Foreign Trade Chamber (Camex) of Brazil's Ministry of Economy on **temporary 10% reduction in import tariff.**

This is for your kind information and necessary action(if any).

Thanking you,



दि प्लास्टिक एक्सपोर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Yours faithfully,

Nilotpal Biswas

Regional Director

The Plastics Export Promotion Council

Kolkata

QUOTE

Subject: Gecex Resolution No. 269 - 10% reduction in import tariffs

From: Consulate General of India, Sao Paulo

To: Department of Commerce, M/o Commerce & Industry

US (FT-LAC) from VC (Com, P&I)

On 5 November 2021, the Executive Management Committee (Gecex) of the Foreign Trade Chamber (Camex) of Brazil's Ministry of Economy adopted a temporary 10% reduction in import tariffs on most of its foreign purchases in order to urgently address the accelerating inflation.

2. The measure, named Gecex's Resolution No. 269, will come into effect on 11 November 2021 and will be valid until 31 December 2022, being applied to about 87% of imported products that bear a tariff and could become permanent if a Mercosur agreement is reached in the coming months. The measure does not cover the exceptions existing in Mercosur, such as automobiles, sugar, and alcohol, which already enjoy a differentiated treatment by the bloc.

3. The list covers a wide range of products from raw materials such as pig iron, ferroalloys, to semi-finished ingots, billets, slabs and flats and long steel products, including tubes & pipes, among others. The tariff reduction is expected to lower the pricing levels in Brazil by some 0.3% over the long term (10 to 15 years).

4. Industry associations - such as for machinery and equipment, Abimaq; for automakers, Anfavea; and for construction, CBIC - have been seeking the tariff cut or removal since the jump in steel prices in mid-2020 and a period of restricted supply. Aço Brasil Institute said earlier this year that rising raw materials costs such as iron ore, scrap and met coal were the reason for the adjustments in steel prices in Brazil and in the world.



THE PLASTICS EXPORT
PROMOTION COUNCIL

दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

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5. The unilateral move comes as members of the Southern Common Market (Mercosur) trade bloc, which comprises of Brazil, Argentina, Paraguay, and Uruguay, are negotiating a similar measure; but it was adopted by Brazil before having the agreement of all the members of Mercosur. According to the memo, the decision is justified by the emergency situation caused by the Covid-19 pandemic and by the need of a tool to mitigate its negative impact on the life and health of the Brazilian population, and does not harm regional agreements, as it was taken due to the urgency situation.

6. The full list of products, along with the new tariff, may be checked in the “ANEXO ÚNICO” subtitle of the Official Measure, which is available on: [<https://in.gov.br/en/web/dou/-/resolucao-gecex-n-269-de-4-de-novembro-de-2021-357327000> | <https://in.gov.br/en/web/dou/-/resolucao-gecex-n-269-de-4-de-novembro-de-2021-357327000>]

7. The information may suitably be shared with Export Promotion Councils and Chambers of Commerce.

Regards,

Suraj Mohan

Vice Consul (Com, P&I)

Consulate General of India, Sao Paulo

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