

INT-0342

Distr. INTERNAL
CEPAL/BRAS/INT.
CEPAL/WAS/INT. 19
October 1983

ORIGINAL: ENGLISH

C E P A L

Economic Commission for Latin America
Washington Office
Brasilia Office
Joint Brasilia/Washington Study on Trade
Relations between Brazil and the U.S.A.



BRAZIL/UNITED STATES COMMERCIAL RELATIONS

(Chapter IV)

Preliminary Version

Prepared by the ECLA Washington Office. The opinions expressed do not necessarily reflect those of ECLA.

IV - BRAZIL/UNITED STATES COMMERCIAL RELATIONS

A. INTRODUCTION

1. Trade in goods is only one of the major components of international economic relations. Transfers of capital, mainly through loans and direct investments, and its counterparts, interest and profits, constitute other major elements of international payments. The development of these variables has a great impact on foreign trade, especially of developing countries.

2. Brazil's trade policy on the ^{medium} long run intends to support infant industries by granting them protection in the domestic market and exporters of manufactures by granting them the necessary incentives to attain international competitiveness and to overcome certain anti-export bias inherent to Brazil's import substituting industrialization. On the short run trade policy measures intend to control the balance of payments situation.

3. The GATT international trade rules and the IMF regulations on exchange restrictions recognize the need for developing countries to adopt such policies. Examples are GATT chapter IV and the waiver of the GATT MFN-rule enabling industrialized countries to grant tariff preferences under the GSP. (Before the MTN, see point 4).

4. However in the late seventies the major industrialized countries started to insist on that the relatively more advanced developing countries should more fully assume the GATT obligations, in accordance with the development of their economies and international trade. For this reason in the MTN the industrialized countries, by means of the "enabling clause", has tried to link departures from basic GATT principles such as MFN-treatment 1/

1/ The enabling clause permits, among other matters, the continuation of tariff preferences for developing countries under the GSP programs, without necessary extension of the waiver.

and reciprocity, in favour of developing countries, with the graduation principle. The US stand point regarding graduation is that:

"Developed and developing countries have a common interest in maintaining an open international trading system based on agreed rules and constraints on national action. While under the existing trading system developing countries are accorded certain forms of preferential treatment, it becomes increasingly difficult to justify such treatment as the individual country's development level moves closer to that of an industrial country. The continuation of preferential treatment to all developing countries, regardless of their state of development and international competitiveness, would have adverse consequences for both developing and developed countries. By formalizing a two-tier trading system, it would undermine current efforts to strengthen international discipline over national trade policies and to foster the kind of open markets in which all countries, especially those of the developing world, have a major stake". 1/.

5. The graduation principle has had significant effects on Brazil/United States commercial relations. In the first place in 1979 Brazil committed itself to phase out its most important export subsidy: the fiscal export credit. The US requested this commitment in order to consider Brazil as a "country under the agreement" in CVD-cases. (See Chapter III) 2/. In the second place the US has requested Brazil to adapt the conditions of ^{its} ~~the~~ post-embargo export finance to those of the OECD Gentlemen's Agreement. (Brazil and the United States have created a Joint Commission to study questions related to export finance). In the third place the US has graduated Brazil with respect to some articles from duty-free treatment under its GSP program.

1/ USA. Committee on Ways and Means. US House of Representatives. Report to the Congress on the first Five Year's Operation of the US Generalized System of Preferences (GSP)". page 23. US Government Printing Office (WMCP 96-58 April 21, 1980, 187 pp.

2/ A point of conflict between the US and Brazil has been Brazil's BEFLEX-program, which grants fiscal export credits during the entire term of export commitments of beneficiary firms (see Chapter III).

6. Another important item in Brazil/US trade relations is reciprocity. The United States has for a long time put pressure on Brazil's protection policy, principally with regard to Brazil's computer industry.

7. A new issue in Brazil/US commercial relations is international trade in services. The US obtained Brazil's support for a resolution issued during the GATT Ministerial meeting recommending contracting parties to initiate national examinations of their services sector.

8. As foreign currency is a major constraint on the economic growth of Brazil and other developing countries, the value of imports is not determined exclusively as a endogenous effect of the level of economic activity but has to be controlled in accordance with the balance of payments situation and the availability of new loans and international reserves. It makes little sense to strive for an unconditional application of the principle of reciprocity in trade relations between developing and industrialized countries, as developing countries will normally dedicate the maximum of foreign currency at their disposal to the acquisition of imported products needed for their economic development and for the fulfillment of the basic needs of their population.

9. The fall in commodity prices, since 1978; the stagnation of international trade; the rise of real interest rates in the international money markets in the early eighties and, more recently, the drastic reduction in the availability of new foreign loans have put a strong pressure on the international reserves position of Brazil and other developing countries. In recent years all the Latin American countries -except for Colombia- were forced to apply for special IMF credit facilities and to reschedule their foreign debt service with international private banks and, in some cases, foreign governments (Club de Paris). In all cases the obtainance of a large trade surplus has been agreed upon with the IMF as one of the principle remedies to overcome the extremely adverse balance of payments situation. It has to be noted that in the current world economic crisis on the short term a trade surplus is achieved mainly through cuts in the import bill, which has to be obtained by a reduction of the level of economic activity and by import

restrictions. In order to control the economic and social costs of such adjustment a revitalization of exports is badly needed. Economic recovery and the maintenance of a open trading system in the industrialized country is a basic condition to achieve the requested export growth.

10. A successful result of Brazil's endeavor to improve its balance of payment's situation is very important for the industrialized countries, as it is necessary condition to avoid the traumatic effects of a moratorium and to recover an important market for their exports of intermediate and capital goods. Some indication of the importance of Brazil's foreign payments' conditions for the United States can be found in the bilateral Brazil-United States balance of payments (see table 1), although these statistics suffer various methodological problems. The most striking fact is no doubt that from 1978 through 1981 net interest payments from Brazil to the United States increased from 700 million to 3.4 billion dollars. (Amortization payments to the United States amounted to 1.8 billion dollars in 1981).

11. The US Government's reaction to Brazil's balance of payments situation has been positive in several instances. At the end of 1982 and 1983 the US Government provided bridge-loans which represented an important contribution to the finance of Brazil balance of payments' deficit. In November 1982 the US Government agreed upon the maintenance of Brazil's fiscal export credit through April 1985. The US Government has also showed a positive attitude regarding suspension agreement in countervailing duty cases. In September 1983 the EXIMBANK decided to guarantee supplier's credit to Brazil to an amount of 1.5 billion dollars, however the reluctance of the US Congress to approve an unconditional increase in the IMF quota and the increase in countervailing and anti-dumping cases on petition of the private sector of the US economy have caused disappointment.

Table IV.1

BRAZIL, 1978-1981; BILATERAL BALANCE OF PAYMENTS WITH THE UNITED STATES

(US\$ millions)

	1978	1979	1980	1981
Current account				
Balance of trade in goods	-27.0	-316.3	-637.5	560.0
Exports of goods	2833.0	2900.0	3439.9	4040.2
Imports of goods	2860.0	3216.3	4077.5	3480.1
Balance of trade in services	-1074.1	-1245.0	-1054.1	-791.0
Travel, transport and insurance	-242.9	-380.6	-426.8	-317.5
Government services	-573.7	-655.4	-98.1	-106.2
Miscellaneous services	-257.5	-209.0	-529.2	-367.3
Net payments of profits and interest on foreign capital	-916.8	-918.5	-1947.5	-2481.3
Profits	-240.2	-228.2	16.0	-28.6
Interest	-676.6	-690.3	-1963.5	-3452.7
Net unilateral transfer payments	86.8	32.8	35.8	71.4
Balance on current account	-1931.1	-2447.0	-3603.3	-3640.8
Capital account				
Net external financing	2514.1	2043.9	1305.9	4351.0
Medium and long term capital	3557.3	4597.9	2823.9	6293.4
Direct investment	351.2	615.4	347.3	600.2
Loans	3206.1	3982.5	2476.6	5693.2
Amortization payments	1302.2	2628.0	1492.4	1813.2
Other capital movements	259.0	74.0	-25.6	-129.2
Balance of bilateral payments	583.0	-403.1	-2297.4	710.2

Source: ECLA on the basis of Central Bank of Brazil, Monthly Bulletin, November 1982

B. BRAZIL/US BILATERAL TRADE

12. Bilateral Brazil/US Trade reflects pretty well the general patterns of foreign trade of these two countries. The US exports to Brazil principally agricultural products 1/ (wheat and -to a lesser degree- maize), tecnologically more advanced industrial products and services. (See table 2). Brazil exports to the US mainly tropical products (principally coffee and cocoa) and industrial products which use labour intensive (footwear, textiles) and/or mature production techniques (steel products). See table 3). An important proportion of Brazilian exports to the US consists of agro-industrial

1/ Both Brazil and the United States are important exporters of agricultural products. Trade in agricultural products between the two countries is determined to a large extent by climatic factors. Brazil exports to the US tropical products and imports wheat, to compensate for insufficient domestic production. Trade in other agricultural and agro-industrial products has given room to conflicts between the two countries, either because of competition with producers in the US home market (meat, sugar, FCO, instant coffee) or due to competition in third country markets (soybean, poultry - section 301 investigations by the Office of the USTR, see Chapter V). In some cases the two countries have common interests and are allies, for instance, with regard to the Common Agricultural Policy of the EEC).

products based on the availability of cheap inputs, either from domestic production (e.g. frozen concentrated orange juice) or using the draw-back system (e.g. corned beef). 1/, Brazil's exports of industrial products to the US market achieved a relatively high level of diversification, due to the important role of subsidiaries of transnational corporations and possibly thanks to the tariff preferences of the US GSP program. Government support, through export subsidies or direct participation in the production process, also contributed to the growth and diversification of the exports of industrial products. 2/.

13. The US is the largest single country market for Brazilian export products, absorbing 20% of total exports in 1982. (See table 5). Exports to the US have shown stable growth rates (17.9% annually on the average in the seventies) although less spectacular than total Brazilian exports (22.1% annually in the seventies). Since the early seventies exports to the US decreased only in 1975 and 1982. (See table Iv. A.1 of The Annex)

14. The participation of US products in Brazilian imports decreased in the seventies, due the fact that a greater proportion of Brazil's import bill was absorbed by increased oil prices, to the continuation of Brazil's import substituting industrialization, which affected principally products imported from industrialized countries, and to a more than proportional increase of LAFTA inter-regional trade. The US share of non oil imports decreased from 35.3% in 1970 to 28.9% in 1982. (See again table 5).

1/ The draw-back system is also very important for footwear exports.

2/ Industrial products' share in Brazilian exports to the US is much higher than is the case with Brazilian exports to other industrialized countries (see table 4).

Table IV.2

BRAZILIAN IMPORTS FROM THE UNITED STATES

	FOB US\$ millions						percentage breakdown					
	1971	1975	1979	1980	1981	1982	1971	1975	1979	1980	1981	1982
Total	1041.8	3074.8	3216.3	4077.5	3480.1		100.00	100.00	100.00	100.00	100.00	
Agricultural and agro-												
dustrial products	107.7	309.0	505.6	637.5	837.7		10.34	10.05	15.72	15.63	24.07	
Wheat	106.8	261.3	234.0	320.5	629.0		10.25	8.50	7.28	7.86	18.07	
Maize		1.0	194.7	224.5	143.0			0.03	6.05	5.51	4.11	
Other agricultural products	0.9	46.7	76.9	92.5	65.7		0.09	1.52	2.39	2.27	1.89	
Mineral products	90.8	216.3	217.9	279.0	218.2		8.72	7.03	6.77	6.84	6.27	
Coal	34.1	117.8	161.0	186.2	172.8		3.27	3.83	5.01	4.57	4.97	
Other mineral products	56.7	98.5	56.9	92.8	45.4		5.44	3.20	1.77	2.28	1.30	
Industrial products	843.3	2549.5	2492.8	3161.0	2424.2		80.95	82.92	77.51	77.52	69.66	
Chemical products	187.5	653.0	862.6	1103.7	666.1		18.00	21.24	26.82	27.07	19.14	
Plastic and rubber												
materials	38.4	84.7	38.7	159.6	132.6		3.69	2.75	1.20	3.91	3.81	
Boilers, Apparatuses and												
mechanical instruments	229.6	661.0	528.7	600.5	653.2		22.04	21.50	16.44	14.73	18.77	
Machines and electrical												
apparatuses	62.8	214.4	277.8	294.3	311.0		6.03	6.97	8.64	7.22	8.94	
Transport equipment	36.1	435.8	153.1	421.9	246.1		3.47	14.17	4.76	10.35	7.07	
Optical, photographic, cinemat.												
measuring, checking, precision,												
medical instruments and parts	35.1	110.6	152.4	153.8	134.4		3.37	3.60	4.74	3.77	3.86	
Other ind. products	253.8	390.0	479.5	427.2	280.8		24.36	12.68	14.91	10.48	8.07	

Source: ECLA on the basis of data provided by the Ministry of Finance of Brazil

Table IV.3
BRAZILIAN EXPORTS TO THE UNITED STATES

	FOB US\$ millions						percentage breakdown					
	1971	1975	1979	1980	1981	1982	1971	1975	1979	1980	1981	1982
Total	721.1	1287.8	2900.0	3439.9	4040.2	3980.3	100.00	100.00	100.00	100.00	100.00	100.00
Agricultural and agro-industrial products	551.0	619.0	1535.1	1894.1	1628.8	1557.5	76.41	48.07	52.93	55.06	40.31	39.13
Raw sugar	65.2	52.9	191.7	397.0	331.1	41.7	9.04	4.11	6.61	11.54	8.20	1.05
Cocoa	37.0	116.6	283.5	215.8	184.8	124.1	5.13	9.05	9.78	6.27	4.57	3.12
Coffee in bean	259.3	198.2	421.7	620.8	310.8	459.2	35.96	15.39	14.54	18.05	7.69	11.54
Instant coffee	26.0	38.0	215.7	139.1	95.7	97.9	3.61	2.95	7.44	4.04	2.37	2.46
Orange juice (FCOJ)	11.9	9.3	69.9	66.8	268.4	328.2	1.65	0.72	2.41	1.94	6.64	8.25
Other agr. products	151.6	204.0	352.6	454.6	438.0	506.4	21.02	15.84	12.16	13.22	10.84	12.72
Mineral products	40.2	217.3	101.9	170.2	429.9	690.8	5.57	16.87	3.51	4.95	10.64	17.36
Industrial products	129.9	451.4	1263.0	1375.7	1981.5	1732.0	18.01	35.05	43.55	39.99	49.04	43.51
Footwear	26.6	133.2	236.8	257.6	389.3	379.2	3.69	10.34	8.17	7.49	9.64	9.53
Textiles	20.6	48.6	93.2	93.9	120.1	87.9	2.86	3.77	3.21	2.73	2.97	2.21
Steel products	12.4	30.2	177.3	236.9	397.0	263.6	1.72	2.35	6.11	6.89	9.83	6.62
Boilers, Apparatuses and mechanical instruments	8.4	29.7	168.9	151.9	229.7	253.4	1.16	2.31	5.82	4.42	5.69	6.37
Machines, electrical apparatuses	1.7	70.5	130.9	124.3	171.5	164.4	0.24	5.47	4.51	3.61	4.24	4.13
Transport equipment	10.3	17.6	134.4	167.6	191.6	126.1	1.43	1.37	4.63	4.87	4.74	3.17
Chemical products	12.5	29.1	55.1	65.3	155.6	113.2	1.73	2.26	1.90	1.90	3.85	2.84
Other ind. products	37.4	92.5	266.4	278.2	326.7	344.2	5.19	7.18	9.19	8.09	8.09	8.65

Source: ECLA on the basis of data provided by CACEX

Table IV.4

BRAZIL, EXPORTS DESTINATED TO THE UNITED STATES AS A PROPORTION OF TOTAL EXPORTS

	percentage					
	1971	1975	1979	1980	1981	1982
Total	24.8	14.9	19.0	17.1	17.3	19.7
Agricultural and agro- dustrial products	31.4	13.1	21.4	20.0	16.7	19.1
Raw sugar	64.8	6.9	77.6	53.0	57.2	16.1
Cocoa	40.7	39.9	34.7	40.2	41.0	40.4
Coffee in bean	33.6	23.2	22.0	25.0	20.5	24.7
Instant coffee	52.3	47.8	52.9	48.8	40.2	39.1
Orange juice (FCOJ)	33.1	11.3	24.8	19.7	40.7	57.2
Other agr. products	27.1	8.0	14.6	14.2	11.3	10.8
Mineral products	12.4	13.0	4.6	5.2	13.2	19.6
Industrial products	15.7	19.9	21.6	18.6	19.3	20.4
Footwear	90.2	79.2	64.3	63.2	66.5	72.4
Textiles	8.9	9.1	11.4	10.3	12.5	11.7
Steel products	23.1	15.9	21.5	24.1	34.7	23.8
Boilers, Apparatuses and mechanical instruments	10.9	7.3	17.4	11.0	14.8	21.2
Machines, electrical apparatuses	6.0	43.6	37.7	26.9	30.6	40.5
Transport equipment	37.9	5.5	12.2	11.1	9.2	7.3
Chemical products	25.3	19.3	14.7	13.1	19.5	16.3
Other ind. products	11.3	27.7	25.2	22.7	12.5	16.5

Source: ECLA on the basis of data provided by CACEI

Table IV.5

BRAZIL: INDICATORS OF TRADE WITH THE UNITED STATES

	participation in total foreign trade			annual growth rates	
	exports	imports		exports	imports
		total	excluded crude oil		
1964	33.18	26.22	39.42	-10.7	-6.7
1965	32.60	17.65	34.34	9.7	-24.9
1966	33.39	30.02	44.46	11.8	85.7
1967	33.11	30.86	38.38	-5.8	-2.4
1968	33.33	32.56	35.68	14.5	20.0
1969	26.38	26.53	33.22	-2.7	0.1
1970	24.68	30.08	35.31	10.9	34.3
1971	26.17	32.88	31.86	12.4	13.9
1972	23.33	30.36	41.95	22.5	26.9
1973	18.11	29.33	32.55	20.5	50.1
1974	21.85	38.72	30.53	54.8	69.3
1975	15.42	35.60	32.46	-23.0	0.2
1976	18.20	28.03	31.82	37.8	-8.0
1977	17.73	19.81	28.52	16.6	-15.4
1978	22.67	22.82	30.03	33.5	20.3
1979	19.29	21.25	27.41	2.5	12.1
1980	17.43	20.37	30.19	19.3	26.6
1981	17.65	15.04	30.50	17.1	-14.6
1982	20.00	14.18	28.86	-1.9	-18.3

Source: ECLA on the basis of data provided by CACEX and the Ministry of Finance of Brazil

Table 10 6.

-12-

U.S. EXPORTS TO BRAZIL (FAS)
(millions of dollars)

<u>Description</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Food and Live Animals	452.4	652.6	673.8	458.9
Beverages and Tobacco	0.4	0.5	0.6	0.8
Crude Materials	150.1	145.2	122.8	142.8
Mineral Fuels/Lubricants	224.9	229.7	182.9	273.9
Oils and Fats	49.4	11.6	0.2	5.3
Chemicals	950.3	1,162.5	719.7	594.2
Manufactured Goods by Chief Material	211.4	312.3	191.4	185.8
Machinery & Transport Equipment	1,146.7	1,568.6	1,637.9	1,499.8
Miscellaneous Manufactures	186.9	191.7	187.7	186.6
Other	27.1	25.0	25.2	21.2
Total	3,407.5	4,306.3	3,752.9	3,380.5

Source: FT-455 Annuals

Table 10.6 continued

U.S. Imports from Brazil (Customs Value)
(millions of dollars)

<u>Description</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Food and Live Animals	1,516.7	1,989.2	1,978.0	1,451.8
Coffee	(596.9)	(1,053.8)	(850.1)	(670.4)
Cocoa	(312.4)	(197.4)	(194.3)	(133.4)
Sugar	(264.0)	(442.7)	(410.0)	(98.3)
Vegetables, Fruits	(165.7)	(122.1)	(315.8)	(355.6)
Beverages and Tobacco	53.9	67.1	84.4	154.0
Crude Materials	222.7	213.9	247.5	158.3
Mineral Fuels/Lubricants	14.1	43.1	287.4	658.6
Oils and Fats	43.1	50.9	42.4	28.8
Chemicals	57.3	123.4	148.4	111.5
Manufactured Goods by Chief Material	452.5	452.9	621.4	621.9
Machinery & Transport Equipment	412.1	390.1	508.4	554.5
Miscellaneous Manufactures	309.0	308.1	439.9	433.8
Other	37.3	75.9	117.6	112.1
Total	3,118.8	3,714.6	4,474.5	4,285.3

Source: FT 155 Annuals

15. In the period 1969 through 1980 Brazil/US bilateral trade (FOB-FOB) showed a surplus in favour of the United States, attaining a record 1.7 billion dollars in 1975 (according to Brazilian trade figures).¹⁾ In the eighties Brazil's balance of trade with the US turned into a surplus, due to reduced purchases of US products. It must be noted that Brazil's trade deficit with OPEC (5 billion dollars in 1982, excluding Mexico and Venezuela) has to be financed principally with a trade surplus with the rest of the world (in spite of increasing exports to OPEC up to 1981). A surplus in trade in goods should also compensate the traditional deficit in Brazil's international services trade and make some contribution to the finance of the foreign debt service. It has to be noted also that the surplus in trade in goods that Brazil plans to obtain at present and in the years coming (6.5 and 9 billion dollars in 1983 and 1984 respectively) has to be achieved principally by improving^{the} balance of trade with industrialized countries.

16. Trade with Brazil represents only a small proportion of total US foreign trade. US imports from Brazil represent less than 2% of total US imports. More than one third of Brazilian articles imported into the US are food products (principally coffee, cocoa, sugar and frozen concentrated orange juice. (See table 6).

17. The small share of Brazilian articles in total US imports can be illustrated on the basis of a 1977 sample of major US imports from Brazil, which includes imports exceeding a minimum value of 200 000 dollars at the five digit level of the TSUS trade classification. Even excluding articles in which imports from Brazil were inexistent or less than the minimum value mentioned above, the Brazilian share of corresponding US imports was only 7%. (See table 7). Approximately half of the number of articles included in the survey represented less than 5% of corresponding US imports from all sources. With regard to 32 agricultural and 30 industrial articles Brazil participated in more than 25% of total US imports, representing a trade value of 634 million dollars.

1) See table Iv. A.3. (Annex)

Table IV.7

UNITED STATES IMPORTS FROM BRAZIL AS A SHARE OF UNITED STATES IMPORTS FROM ALL SOURCES

(sample of imports exceeding a value of 200 000 dollars in 1977 at the 5-digit level of TSUS)

				percentage breakdown		
				Total	agricul- tural products	indus- trial products
				Total	agricul- tural products	indus- trial products
1)	share of imports from Brazil in imports from all sources	7.0	16.8	3.3		
2)	share of imports from Brazil in imports from all sources according to classes					
a)	number of articles					
	total	285	68	217	100.0	100.0
	less than 1%	48	-	48	16.8	22.1
	over 1% but less than 5%	90	15	75	31.6	34.6
	over 5% but less than 10%	39	4	35	13.7	16.1
	over 10% but less than 25%	46	17	29	16.1	13.3
	over 25% but less than 50%	27	11	16	9.5	7.4
	over 50%	35	21	14	12.3	6.5
b)	corresponding trade value					
	total	2 168	1 428	740	100.0	100.0
	less than 1%	71	-	71	3.3	9.6
	over 1% but less than 5%	188	45	143	8.7	19.3
	over 5% but less than 10%	245	101	144	11.3	19.5
	over 10% but less than 25%	1 030	841	189	47.5	25.5
	over 25% but less than 50%	234	85	149	10.8	20.1
	over 50%	400	356	44	18.4	6.0

Source: ECLA on the basis of data provided by GATT

18. A more significant indicator of the relative importance of Brazilian articles for the US economy is its market penetration rate at a product specific level. This indicator normally relates imports (from all sources or from a particular country) to US apparent consumption (defined as producers' shipments plus imports less exports), by preference expressed in quantitative terms. Some US market penetration rates of Brazilian articles can be obtained from USITC investigation (see Chapter V, table).

C. THE GSP PROGRAM OF THE UNITED STATES

19. The GSP program of the United States has probably played a significant role in the growth and diversification of Brazilian exports to that country, especially in the early years of its operation. From 1976 to 1979 duty-free imports of Brazilian GSP-articles into the United States increased at an annual rate of 36.4 percent. Brazil is the number five supplier of GSP duty free articles imported into the United States, after Taiwan, Korea, Hong Kong and Mexico. However Brazil's share in duty free GSP imports was only 6.1% in 1981. (See table 8).

20. The US GSP program currently grants duty free treatment to some 3 000 tariff systems ^{1/}, mainly manufactures and semi-manufactures. However the Trade Act of 1974 excluded a series of import-sensitive items from duty-free treatment, including some very important export products of Brazil, such as textile and apparel articles subject to textile arrangements, footwear and import-sensitive steel articles. As can be seen in table IV.3 textiles, footwear and steel products represented 47 percent of Brazilian's export of manufactures (16% of total export to the US) in 1975 immediately before the initiation of the US GSP program.

^{1/} Increased from 2 800 articles at the beginning of its operation in 1975.

Table IV.8

Table Vi.8

Estados Unidos: Importaciones de artículos SGP exonerados de derechos aduaneros:
Principales países beneficiados.
(en millones de dólares)

	1976	1977	1978	1979	1980	1981
<u>Todos los países beneficiarios</u>	<u>3 160.3</u>	<u>3 838.0</u>	<u>5 204.2</u>	<u>6 280.0</u>	<u>7 327.7</u>	<u>8 395.5</u>
<u>Cinco países más beneficiados</u>	<u>1 870.2</u>	<u>2 641.2</u>	<u>3 544.9</u>	<u>4 191.6</u>	<u>4 366.2</u>	<u>5 058.5</u>
Taiwan	728.0	911.6	1 433.4	1 720.9	1 835.4	2 224.9
Hong Kong	346.9	486.0	537.5	629.3	803.5	795.4
Korea	327.5	531.5	647.6	749.9	775.8	890.1
Mexico	253.1	368.3	458.3	546.0	509.2	633.5
Brasil	214.7	343.8	468.1	545.5	442.3	514.6
Otros países	1 290.1	1 236.8	1 659.3	2 088.4	2 961.5	3 337.0
Cinco países más beneficiados como % de imp. totales	59	69	68	67	60	60

Fuente: Oficina del USTR.

21. In order to "reserve the benefits of the program for less competitive producers" and also to grant "some measure of protection for US producers of like or directly competitive products"^{1/}. The Trade Act of 1974 (Section 504) designed the competitive need formula. According to this formula a country is automatically excluded from the benefits of duty-free treatment for a particular product if imports of that product from that country in one calendar year exceed either certain dollar value (adjusted annually according to the growth in the US GNP)^{or} 50 percent of total US imports of the product. The Trade act was amended by the Trade Agreements Act of 1979, introducing the de minimis provision, which gives the President the discretion to waive the 50% competitive need rule in cases where US imports of an article were less than a certain dollar value (to be adjusted annually to reflect the growth in the US GNP).

A country may be redesignated for GSP benefits in an excluded item if its imports fall below the competitive need limits in a subsequent year.

22. Brazilian exports of GSP eligible articles have been severely hit by the competitive need limits. The number of articles for which Brazil has been excluded from duty-free treatment as a result of the competitive need limits increased from 10 in 1976 to 17 in 1979. US import of these articles amounted to 36.5 and 354.1 million dollars or 12.6 and 37.3 percent of US imports of GSP-articles from Brazil respectively (See table 9). Due to the introduction of the de minimis provision the number of Brazilian articles excluded from duty-free treatment decreased after 1979, however the value of imports excluded from duty-free treatment continued to increase in 1980 both in absolute terms and in relation to total US imports of GSP articles from Brazil.

23. Table 10 summarizes 43 GSP articles in relation to which Brazil has been excluded from duty free treatment in one or more years since the initiation of the US GSP program. The most important article is no doubt sugar, followed by corned beef.
~~for which Brazil has been excluded~~

1) Report to the Congress. page 23

Table IV.9
UNITED STATES, 1976-1982, IMPORTS FROM BRAZIL ACCORDING TO TARIFF TREATMENT

(US\$ millions)

	1976	1977	1978	1979	1980	1981	1982
Total trade	1 721.4	2 230.7	2 788.8				
MFN	1 432.2	1 722.8	2 106.7				
dutiable	378.8	414.7	651.6				
duty-free	1 053.4	1 308.1	1 455.1				
GSP	289.1	507.9	682.1	947.4	969.7	1 102.5	828.8
duty-free	214.7	343.8	468.9	545.5	438.0	514.6	563.9
dutiable	74.4	164.1	214.1	401.9	531.7	587.9	264.9
competitive need	36.5	131.8	166.3	354.1	486.2	445.7	168.8
graduation	n.a.	n.a.	n.a.	n.a.	n.a.	79.0	20.4
administrative reasons	37.9	32.3	47.8	47.8	45.5	73.2	75.7

a/ such as failure to claim GSP, improper documentation, or failure to meet 35 percent value added requirement

Fuente: 1976-1979 U.S.A. Committee on Ways and Means. US House of Representatives;
Report to the Congress on the First Five Years Operation of the US Generalized System of Preferences (GSP)

1980-1982 CEPAL en base a varias fuentes

24. Since 1980 the United States have applied the graduation principle to the GSP program, excluding relatively more advanced developing countries from its benefits on the basis of discretionary authority of the President. This policy intends to give the least developed countries a better chance to obtain a major share of the benefits of the GSP program. This policy was introduced mainly as a result of an evaluation of the first five years operation of the GSP program 1/, that showed an uneven distribution of the benefits of the system among beneficiary developing countries. It should be noted however that (a) according to the same evaluation study the little use that least developed countries have made of the US GSP program can be explained to a large extent to a lack of exportable surplus and not to competition from the more advanced developing countries, that (b) duty-free imports from Brazil are small in relation to total imports from Brazil and (c) it is doubtful that the type of products with respect to which Brazil has been graduated can be supplied by least developed countries.

25. The graduation principle is instrumented principally by denying individual countries which become eligible for redesignation of duty-free treatment particular items according to corresponding trade in the previous calendar year (when this trade falls below the competitive need limits) the benefits of the GSP program. Countries can also be graduated in response to petitions filed by US producers and labor unions. Since 1980 ~~SEVEN~~ of the more advanced developing countries have been graduated from GSP eligibility with respect to individual products (see table 11).

1/ Report to the Congress.

UNITED STATES, 6SP-ARTICLES WITH RESPECT TO WHICH BRAZIL WAS EXCLUDED FROM DUTY-FREE TREATMENT IN ONE OR MORE YEARS
DUE TO THE APPLICATION OF THE COMPETITIVE NEED FORMULA (X) OR GRADUATION (G)

excluded in:		1975	1976	1977	1978	1979	1980	1981	1982	1983	imports from Brazil	
due to import value in:		1974	1975	1976	1977	1978	1979	1980	1981	1982	US\$ thousands	
TSUS	Description										1981	1982
10745	Beef or veal		X	X							-	90
10748	Cornde beef			X				X	X	X	59 945	38 838
13035	Corn or maize a)			X							-	-
14785	Guavas		X	X	X	X					318	353
15254	Guava paste and pulp			X		X				X	512	1059
15308	Guava jelly, jam, etc.				X						-	-
15520	Sugar, sirup, etc.	X	X	X	X	X	X	X	X	X	387 810	88 857
15640	Cocoa unsweetened				X	X	X				9 923	6 554
15645	Cocoa sweetened b)				X						-	-
17601	Castor oil, valued not over 20 cts. per pound	X	X								-	-
17602	Castor oil, valued over 20 cts. per pound c)	X	X								-	-
17615	Castor oil, valued over 20 cts. per pound			X	X		X	X			-	573
18620	Fur cut				X	X					13	7
24010	Plywood, spanish cedar face	X									209	754
24012	Plywood, parana pine face	X	X			X					92	121
24520	Hardboard, n/face finished					X	X	6	6	X	17 959	13 784
24530	Hardboard, face finished								X		3 733	888
30444	Ramie fibers				X	X					96	62
30448	Sesal and henequen			X							14	36
30830	Silk yarn				X	X					78	329
40212	Phthalic anhydride								X		979	147
42098	Sodium chromate and dichromate					X					-	-
42574	Citric acyde		X								-	50
42586	Oxalic acyde			X			X				160	653
42830	Butylene and propylene glycol								X		6 313	1 455
2834	Ethylene glycol						X				3 052	2 979
2858	Ethyl acetate									X	556	1 437
2886	Propylene oxide								X		16 080	4 144
3724	Cuprous oxide					X					-	-
3751	Gluconic acid		X								-	-
3764	Menthol	X	X	X	X	X			X		10 878	2 909
5244	Orange oil									X	1 256	767
6070	Santal				X						-	-

Table IV.11

UNITED STATES: COUNTRIES GRADUATED FROM DUTY FREE TREATMENT ON CERTAIN GSP-ARTICLES AND PREVIOUS YEAR' TRADE

(US\$ millions)

	1981			1982			1983		
	total	redesig- nation denied	petition	total	redesig- nation denied	petition	total	redesig- nation denied	petition
Total				651.1	597.2	53.9	900.1	805.4	94.7
Brazil				27.8	27.8		60.9	46.0	14.9
Hong Kong				257.8	257.8		294.9	294.9	
Israel				3.0	2.6	0.4	4.3	4.3	
Korean RP				90.8	87.3	3.5	125.3	91.3	34.0
Mexico				84.4	84.4		80.6	53.6	27.0
Singapore				23.1		23.1	20.4	20.4	
Taiwan				164.2	137.3	26.9	313.7	294.9	18.8

Source: ECLA on the basis of data provided by the Office of the USTR

26. Brazil has been graduated in one or more years on six products. (See table 10). With respect to three products Brazil had previously been excluded from duty free treatment because US imports from Brazil exceeded the competitive need limits. It has to be noted that with respect to motor vehicle body parts, (TSUS 69232) Brazil, after being graduated in 1981, was excluded from GSP eligibility again on the basis of the competitive need formula in 1982. In 1983 Brazil was excluded for the first time on request of petitioners.

27. The tariff preferences that Brazil enjoys under the GSP program on the average are small. Trade weighted average ad-valorem equivalents of import duties charged on Brazilian imports into the United States in 1977 are presented in table 12. For some individual items tariff preferences are more significant. As can be seen in the table a erosion of tariff preferences will occur as a result of the MTN tariff reductions. It has to be noted however that the benefits that Brazil will accrue from the general tariff reductions are most probably more significant than the disadvantage of the erosion of tariff preferences under the GSP program.

28. Because of the relative small tariff preferences and the small share of GSP duty free imports in total US imports from Brazil, the GSP program is expected to have little effects on Brazilian exports to the US in the near future. However, it might continue to be an important instrument for the diversification of Brazilian exports to the US, away from import-sensitive articles, in the benefit of the two countries. The effects of the different types of exclusions on Brazil's exports are of difficult evaluation. It should be observed, however, that in 1982 exports of all excluded GSP articles suffered considerable declines (see table 13).

29. Some remarks should be made on the future of the US GSP program, that expires on January 31, 1985. The US Government has circulated ideas according to which the industrialized countries would establish special tariff rates for developing countries (LDC rate), lower than MFN rates but

Table IV. 12

Estados Unidos 1977: Importaciones desde Brasil según tratamiento arancelaria de los productos y márgenes de preferencia de los artículos SGP
(Muestra de partidas arancelarias con valores de importaciones de productos brasileños superiores a 200 mil dólares)

			artículos SGP	
	Total	Productos no inclui en SGP	Total	entrada con exoneración de derechos aduaneras (entre pa- rentesis sin azucar)
A) <u>Valores de importación (millones de dolares)</u>				
<u>Total</u>	2 167.9	1 675.3	492.6	338.2(248.0)
Capítulos 1-24	1 428.4	1 177.8	250.6	135.5 (45.4)
Capítulos 25-99	739.6	497.6	242.0	202.7
B) <u>Estructura (%)</u>				
<u>Total</u>	<u>100.0</u>	<u>77.3</u>	<u>22.7</u>	<u>15.6(11.4)</u>
Capítulos 1-24	100.0	82.5	17.5	9.5 (3.2)
Capítulos 25-99	100.0	67.3	32.7	27.4
C) <u>Artículos SGP: Derechos de aduana (%)</u> ^{1/} (promedios, ponderados con importaciones desde Brasil)				
i) PRE-MTN				
<u>Total</u>			<u>6.9</u>	<u>8.2 (4.8)</u>
Capítulos 1-24			8.5	12.8 (3.0)
Capítulos 25-99			5.2	5.2
ii) POST-MTN (1987)				
<u>Total</u>			<u>5.4</u>	<u>6.2 (2.1)</u>
Capítulos 1-24			8.1	12.0 (0.7)
Capítulos 25-99			2.7	2.4

^{1/} Derechos ad volorem o su equivalente de derechos específicos y/o compuestos

Fuente: Elaboración propia en base a datos no publicados de GATT ("Tariff assessment" - 1977)

probably higher than present GSP rates. The MFN and LDC rates should converge over time. The new system should be the result of trade negotiations in which the developing countries also should committ themselves to take certain steps to liberalize their imports. All concessions should be binded in GATT. This system would bring benefits to the LDC's because of the permanent character of the preferences. However the introduction of the reciprocity principle into GSP would be a disadvantage.

Table IV.13

S.G.P. DE LOS ESTADOS UNIDOS E IMPORTACIONES DE ARTICULOS-SGP DESDE BRASIL

EVOLUCION DE LAS IMPORTACIONES DE PRODUCTOS BRASILENOS EXCLUIDOS DE LOS BENEFICIOS EN 1982

		arancel en 1982 (equivalente ad valores)	en miles de dolares		varia- cion (%)
			1981	1982	
A. Total de los productos excluidos (1+2)			565 506	197 010	-65
B. Idea, excluyendo azucar			177 696	108 153	-39
1. Formula de Necesidad Competitiva					
10748	Corned Beef	7.5	59 945	38 839	-35
15520	Sugar	7.2	387 810	88 857	-77
24530	Hardboard, face finished	15.0	3 733	888	-76
40212	Phthalic Anhydride	0.0	979	147	-85
42830	Butylene and Propylene glycol	25.1	6 313	1 455	-77
42886	Propylene oxide	22.8	16 080	4 144	-74
43764	Menthol	3.7	10 878	2 909	-73
67232	Motor vehicle body parts	0.0	52 003	39 330	-24
2. Graduation					
24520	Hardboard, n/face finished	7.5	17 958	13 785	-23
66042	Piston type compression engines	5.0	9 807	6 656	-32
Productos no excluidos de beneficios a)			545 335	631 785	16

a) incluye importaciones gravadas por razones administrativas

Fuente: CEPAL en base a datos de la Oficina del US Trade Representative

A N N E X

Table IV.A.1

BRAZIL: EXPORTS OF GOODS TO THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1961-1971
(millions of U.S.dollars, fob)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Total	1403.0	1214.2	1406.5	1429.8	1595.5	1741.4	1654.0	1881.3	2311.2	2738.9	2903.9
1. Developed Market											
Economy Countries a)	1170.8	1028.7	1198.3	1153.2	1260.6	1375.7	1345.3	1496.7	1833.7	2154.5	2238.5
United States	562.8	484.8	530.9	474.3	520.2	581.4	547.6	627.0	609.8	676.1	760.0
European Economic Community (10)	404.6	373.0	483.7	476.7	521.7	554.0	560.4	597.4	835.0	967.4	969.2
Japan	42.6	29.1	31.5	27.8	29.9	41.0	56.0	58.6	105.3	144.9	158.4
Canada	18.8	21.9	22.4	21.9	24.8	22.9	16.4	26.3	28.6	40.6	42.8
2. Eastern Europe	74.8	73.2	92.3	88.4	89.3	104.2	96.9	121.4	129.0	123.5	128.9
3. Developing Countr. b)	157.4	112.4	115.8	188.2	245.6	261.6	211.9	263.2	348.4	456.8	514.2
OPEC c)	8.8	1.4	2.0	9.7	2.9	4.4	6.6	5.8	2.8	26.7	21.5
Other developing countries	148.6	111.0	113.8	178.5	242.6	257.2	205.3	257.4	345.6	430.1	492.7
(ALADI)	97.2	77.0	80.5	138.4	201.7	187.7	161.2	193.1	254.1	302.9	354.7
Special transact.									4.1	22.2	

Source:

ECLA Brasilia Office on the basis of data supplied by the Banco do Brasil/CACEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden, Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador

e

Table IV.A.1 (Cont.)

BRAZIL: EXPORTS OF GOODS TO THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1972-1982
(billions of U.S. dollars, fob)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total	3991.2	6199.2	7951.0	8669.9	10128.3	12120.2	12658.9	15244.4	20132.4	23293.0	20175.1
1. Developed Market Economy Countries a)	3029.5	4659.6	5641.4	5504.9	6999.4	8254.1	8547.4	9766.8	12091.5	12941.8	12403.6
United States	931.2	1722.4	1737.1	1337.3	1842.9	2148.7	2869.3	2941.0	3509.6	4111.4	4034.2
European Economic Community (10)	1378.4	2310.7	2451.7	2429.4	3081.3	3886.7	3735.4	4505.4	5346.1	5932.9	5442.9
Japan	180.0	425.2	556.7	671.9	639.2	886.7	650.4	886.9	1231.9	1219.7	1294.1
Canada	50.3	69.0	95.4	136.2	136.9	142.6	152.4	199.3	242.6	289.8	231.1
2. Eastern Europe	214.2	339.4	395.9	762.2	910.0	858.7	728.8	975.8	1306.6	1698.8	1163.2
3. Developing Countr. b)	737.7	1165.1	1837.7	2310.5	2123.0	2909.9	3239.7	4358.8	6474.0	8296.3	6347.2
OPEC c)	24.9	161.6	471.1	548.1	429.8	588.5	687.9	602.2	1232.5	1961.8	1327.4
Other developing countries	712.9	1003.4	1366.6	1762.3	1693.3	2321.5	2551.8	3756.6	5241.5	6334.5	5019.8
(ALADI)	407.8	557.5	917.7	1197.4	1202.4	1480.4	1619.3	2474.7	3458.2	4208.9	2834.5
Special transact.	9.8	35.1	75.9	92.3	95.8	97.5	143.0	143.0	260.3	356.1	261.0

Source:

ECLA Brasilia Office on the basis of data supplied by the Banco do Brasil/CACEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden
Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador

e

Table IV.A.2

BRAZIL: IMPORTS OF GOODS FROM THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1961-1971
(millions of U.S.dollars, fob)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Total	1291.8	1304.2	1294.0	1086.4	940.6	1303.4	1441.3	1855.1	1993.2	2506.9	3247.4
1. Developed Market Economy Countries a)	992.9	944.9	903.8	734.5	599.3	962.9	1075.3	1384.0	1515.5	1976.3	2547.7
United States	461.5	410.0	402.0	374.9	281.6	522.9	510.4	612.7	613.2	823.8	954.8
European Economic Community (10)	323.2	332.0	328.9	236.9	207.4	285.0	354.4	508.6	583.6	739.3	1002.9
Japan	70.2	54.0	54.9	29.5	32.1	38.5	44.9	65.9	94.6	159.3	228.9
Canada	23.4	22.2	21.9	12.4	11.0	15.3	16.0	32.2	34.6	61.3	88.0
2. Eastern Europe	62.1	56.6	63.2	55.6	51.5	59.3	68.7	79.4	62.6	51.5	99.7
3. Developing Countr. b)	236.8	302.7	327.1	296.3	289.9	281.2	297.4	391.8	415.1	478.9	599.9
OPEC c)	41.6	57.3	63.8	51.7	40.2	61.8	77.5	106.5	120.8	147.0	229.2
Other developing countries	190.7	245.3	263.3	244.7	249.7	219.4	219.8	285.3	294.3	332.0	370.7
(ALADI)	118.0	198.9	220.9	217.7	227.6	195.8	186.7	226.3	241.7	263.7	271.2

Source:

ECLA Brasilia Office on the basis of data supplied by the Banco do Brasil/CADEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden, Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador

g

Table IV.A.2 (cont.)

BRAZIL: IMPORTS OF GOODS FROM THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1972-1982
(millions of U.S.dollars, fob)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total	4232.3	61192.2	12641.3	12210.3	12383.0	12023.4	13683.1	18083.9	22955.2	22090.6	19396.7
1. Developed Market											
Economy Countries a)	3342.0	4755.6	8576.6	8367.7	7336.1	6588.9	7799.3	8934.5	10625.0	9157.9	7506.2
United States	1211.8	1818.4	3078.6	3086.2	2839.2	2401.4	2888.9	3239.7	4101.0	3503.7	2861.2
European Economic Community (10)	1355.5	1772.4	3158.5	3051.6	2513.4	2325.9	2552.4	3275.6	3513.4	2977.9	2441.0
Japan	322.1	492.1	1095.3	1105.2	871.9	844.5	1241.2	1085.0	1065.9	1240.0	880.5
Canada	86.9	109.1	410.2	202.9	310.7	266.9	357.2	345.0	814.2	533.8	452.5
2. Eastern Europe	81.6	86.6	157.0	191.9	226.0	226.3	191.5	239.4	248.8	241.9	463.3
3. Developing Countr. b)	808.7	1350.1	3907.7	3650.7	4820.9	5208.2	5692.3	8909.9	12081.4	12690.8	11427.2
OPEC c)	318.9	576.0	2420.5	2577.9	3406.5	3623.2	3949.6	5983.8	8434.0	8597.7	7470.2
Other developing countries	489.8	774.1	1487.2	1072.8	1414.4	1585.0	1742.7	2926.1	3647.4	4093.1	3957.0
(ALADI)	350.1	556.6	944.1	718.4	1173.4	1342.8	1422.3	2208.7	2692.2	3126.1	3287.5

Source:

ECLA Brasilia Office on the basis of data supplied by the Banco do Brasil/CACEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden, Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador

e

Table IV.A.3

BRAZIL: TRADE BALANCE WITH THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1961-1971
(millions of U.S.dollars, fob)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Total	111.1	-90.0	112.5	343.4	654.8	438.1	212.8	26.2	317.9	232.0	-343.5
1. Developed Market Economy Countries a)	177.9	83.7	294.6	418.7	661.3	412.8	270.0	112.8	318.2	178.3	-309.2
<i>United States</i>	101.2	74.8	128.9	99.4	238.6	58.5	37.2	14.3	-3.5	-147.7	-194.9
European Economic Community (10)	81.4	41.0	154.8	239.8	314.3	269.0	205.9	88.8	251.5	228.1	-33.7
Japan	-27.6	-25.0	-23.4	-1.7	-2.2	2.5	11.1	-7.3	10.7	-14.4	-70.5
Canada	-4.6	-0.3	0.5	9.5	13.8	7.5	0.4	-5.9	-5.9	-20.7	-45.1
2. Eastern Europe	12.7	16.6	29.2	32.8	37.8	44.9	28.2	42.0	66.4	72.0	29.2
3. Developing Countr. b)	-79.4	-190.3	-211.2	-108.1	-44.3	-19.7	-85.5	-128.6	-66.7	-22.1	-85.7
OPEC c)	-32.8	-55.9	-61.8	-42.0	-37.2	-57.4	-70.9	-100.7	-118.0	-120.3	-207.7
Other developing countries	-42.1	-134.4	-149.5	-66.1	-7.1	37.8	-14.6	-27.9	51.3	98.1	122.0
(ALADI)	-20.8	-121.9	-140.4	-79.4	-25.9	-8.1	-25.5	-33.2	12.4	39.3	83.5
Special transact.										4.1	22.2

SOURCE:

ECLA Brasilia Office on the basis of data supplied by the Banco do Brasil/CADEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden, Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador

e

Table IV.A.3 (cont.)

BRAZIL: TRADE BALANCE WITH THE UNITED STATES AND SELECTED COUNTRY GROUPS; 1972-1982
(millions of U.S.dollars, fob)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total	-241.1	7.0	-4690.3	-3540.4	-2254.7	96.8	-1024.2	-2839.5	-2822.8	1202.5	778.4
1. Developed Market											
Economy Countries a)	-312.5	-95.9	-2935.2	-2862.8	-336.7	1665.2	748.0	832.3	1466.5	3783.9	4897.4
United States	-280.6	-696.0	-1341.5	-1748.9	-996.3	-252.7	-19.6	-298.7	-591.4	607.8	1173.0
European Economic Community (10)	22.9	538.3	-706.8	-622.3	567.9	1560.8	1183.0	1229.8	1832.8	2955.0	3002.0
Japan	-142.1	-66.9	-538.6	-433.2	-232.6	42.1	-590.8	-198.2	166.0	-20.4	413.6
Canada	-36.5	-40.1	-314.8	-66.6	-173.8	-124.4	-204.9	-145.7	-571.5	-244.0	-221.4
Eastern Europe	132.6	252.8	238.9	570.3	684.1	632.4	537.3	736.3	1057.7	1456.9	700.0
Developing Countr. b)	-71.0	-185.1	-2069.9	-1340.2	-2697.9	-2298.2	-2452.6	-4551.1	-5607.3	-4394.5	-5080.0
OPEC c)	-294.1	-414.4	-1949.4	-2029.7	-2976.8	-3034.7	-3261.6	-5381.7	-7201.4	-6635.9	-6142.7
Other developing countries	223.1	229.3	-120.5	689.5	278.9	736.5	809.1	830.5	1594.1	2241.4	1062.7
(ALADI)	57.8	0.9	-26.4	479.1	29.0	137.6	197.0	266.0	766.0	1082.8	-453.0
Special transact.	9.8	35.1	75.9	92.3	95.8	97.5	143.0	143.0	260.3	356.1	261.0

Source:

LA Brasilia Office on the basis of data supplied by the Banco do Brasil/CACEX

a) United States (including Puerto Rico), Canada, European Economic Community, Japan, Austria, Norway, Portugal, Sweden, Switzerland, Spain, Finland, Yugoslavia, Malta, Turkey, Israel, Australia, New Zealand and South Africa

b) Include socialist countries in Asia

c) Exclude Venezuela and Ecuador