

Brazil Decries Surtax Imposed on Its Orange Juice by the U.S. and Vows Retaliation

Contributed by Bruno Bocchini
Saturday, 20 August 2005

The Brazilian government said that it considered "unfortunate" the United States decision to impose surcharges to the orange juice imported from Brazil.

The U.S. announcement was made, Wednesday, August 17, by the American Commerce Department. In a note released yesterday by the Brazilian Foreign Relations Ministry, the Brazilian government tells that it was surprised by the U.S. announcement.

"The Brazilian government considers unfortunate that the Brazilian product, recognized in the international market as highly competitive, be the object of another restrictive trade measure, that adds up to the existing specific import tax of US\$ 418 for ton", says the note.

The text informs that the Brazilian government and country's private sector will "carefully" examine the reasons that led the United States to apply the measure, in order to verify whether the World Trade Organization (WTO) rules were "fully" complied with by the U.S.

The official notice from the United States Commerce Department informed that preliminary antidumping taxes ranging from 24.62% to 60.29% were applied to Brazilian orange juice imports.

The decision of the Commerce Department was taken at the request of American companies that accuse Brazilian orange juice exporters of practicing "dumping".

Dumping is defined as exporting products for a lower price than the goods are sold in the domestic market, with the intention of conquering markets, clearing out product excess or getting rid of competitors.

Here is the Brazilian government's note in its entirety:

"The Brazilian government received with surprise the announcement by the north American Government of the application of preliminary antidumping measures to orange juice imports from Brazil.

The Brazilian government considers unfortunate that the Brazilian product, recognized in the international market as highly competitive, be the object of another restrictive trade measure, that adds up to the existing specific import tax of US\$ 418 for ton.

The Brazilian government and the private sector will carefully examine the terms and the procedures adopted in the antidumping investigation on Brazilian orange juice of Brazil in order to verify whether the WTO's norms were fully complied with and then take the proper measures".

ABr