

**BRAZIL – EXPORT FINANCING PROGRAMME FOR AIRCRAFT**

Recourse by Canada to Article 22.7 of the DSU  
and Article 4.10 of the SCM Agreement

The following communication, dated 30 November 2000, from the Permanent Mission of Canada to the Chairman of the Dispute Settlement Body, is being circulated pursuant to Article 22.7 of the DSU and Article 4.10 of the SCM Agreement.

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Canada requests that the following item be placed on the agenda of the Dispute Settlement Body (DSB) meeting to be held on 12 December 2000:

*Brazil – Export Financing Programme for Aircraft: Recourse by Canada to Article 22.7 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Article 4.10 of the Agreement on Subsidies and Countervailing Measures (the SCM Agreement)*

On 22 May 2000, Canada requested authorization from the DSB to take appropriate countermeasures against Brazil pursuant to Article 4.10 of the SCM Agreement and Article 22.2 of the DSU. Brazil objected to Canada's proposed level of suspension and the matter was referred to arbitration pursuant to Article 22.6 of the DSU.

In their award of 28 August 2000 (WT/DS46/ARB), the Arbitrators decided that: "the suspension by Canada of the application to Brazil of tariff concessions or other obligations under GATT 1994, the Agreement on Textiles and Clothing and the Agreement on Import Licensing Procedures covering trade in a maximum amount of C\$344.2 million per year would constitute appropriate countermeasures within the meaning of Article 4.10 of the SCM Agreement".

At the meeting of the DSB on 12 December 2000, Canada intends to request, pursuant to Article 22.7 of the DSU and Article 4.10 of the SCM Agreement, authorization from the DSB to suspend the application to Brazil of tariff concessions or other obligations under GATT 1994, the Agreement on Textiles and Clothing and the Agreement on Import Licensing Procedures covering trade in a maximum amount of C\$344.2 million per year.

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