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Rio de Janeiro, March 30th, 1999.

To the Chairman of the Committee of Government Representatives
on Civil Society Participation
c/o Tripartite Committee (Ref. Civil Society)
United Nations Economic Commission for Latin America and
the Caribbean (ECLAC)
Washington, DC - U.S.A.

Dear Sir/Madam,

Please find attached the document **Contributions of the Brazilian Business Sector to the Negotiations of the FTAA**. This document was prepared by the **Brazilian Business Coalition**, a group that gathers the most representative business organizations in Brazil, including the National Confederation of Agriculture, the National Confederation of Commerce, the National Confederation of Transportation, the Brazilian Foreign Trade Association and many sectoral business organizations. The Coalition is coordinated by the **National Confederation of Industry**.

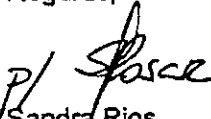
In the document you will find an Introductory section, where we present the main points of view of the Brazilian Business Coalition on the FTAA negotiations and the content of the other sections.

There are recommendations for each of the Negotiating Groups and also a list of Business Facilitation Measures supported by the Coalition.

We are attaching the document in three languages: portuguese, spanish and english.

If you need any other information or if you have any kind of difficulty in opening the documents attached, please do not hesitate in contacting us.

Regards,



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Free Trade Area of the Americas - FTAA

**CONTRIBUTIONS OF THE BRAZILIAN BUSINESS SECTOR
TO THE NEGOTIATIONS OF THE FTAA**

Brazilian Business Coalition

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March, 1999

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Brazilian Business Coalition

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FTAA

Brazilian Business Coalition

Introduction

Through an increasingly active participation in the four Business Forums of the Americas already held and an expressive investment in the elaboration of position papers, the Brazilian business people have indicated the desire to influence the process of construction of the FTAA.

The formation of the Brazilian Business Coalition, effected in 1997 during the process of preparing for the III Business Forum of the Americas, involved business people and business organizations of the most diversified segments of the economic activity in Brazil, and pointed to a wide consensus amidst the Brazilian business sector concerning the visions and recommendations expressed in this document.

Brazilian business people have been accompanying with concern the impact of the international financial crisis on the trade flows. Protectionism pressures have been popping up with growing intensity in the developed countries. For Brazil, as a global trader, the deterioration of the world trade system is a negative trend. In this context, Brazilian interests in the negotiations of the FTAA depend basically upon the integration model that will emerge. In the Brazilian vision, this model should contemplate:

- the conformity with the WTO rules;
- the coexistence with subregional and bilateral agreements in effect in the hemisphere, as long as those agreements have different nature or establish rights and obligations that are not covered or surpass those established in the FTAA.
- the establishment of a framework of liberalization and of policies convergence that does not imply in strong discrimination of third countries as it relates to trade and investments;
- the adoption, on the trade liberalization programs, of the principle of asymmetric reciprocity or of rules that allow differentiated convergence schedules, according to the degree of development of the economies and of the asymmetries that do exist among them;
- the reduction of the Brazilian exposure to the unilateral mechanisms of discrimination used by the United States;
- the achievement of substantive improvement in the markets access conditions in the hemisphere for sectors presently affected by non-tariff barriers and tariff peaks;
- the establishment, in the initial phase of the negotiations, of an agenda of business facilitation measures that does not imply in legislative changes, but that is able to grant greater transparency to trade policies and practices of the countries involved.

Negotiations for the construction of the FTAA should be grounded on the principles of balance as regards the negotiating process and its results, gradualism with respect to the development and progress of the negotiations, and simultaneity as to the application of the different partial understandings, which are to form part of a general Agreement, in consonance with the principle of a single undertaking.

The Brazilian business sector wishes to continue its active participation in and influence of the negotiating process. To that end, it recommends that:

- the governments develop transparent mechanisms for the diffusion of information on the course of the negotiation to its respective private sectors;
- the mechanisms for consultation and participation of the private sector in the hemispheric area

FTAA**Brazilian Business Coalition**

should be improved through the invigoration of institutional mechanisms for consultation and coordination of the private sector with the governments. In the course of the negotiation, it is desirable to hold at least a meeting or an annual seminar among government and business representatives for each important subject on the negotiating agenda.

Herein below are enumerated the recommendations of the Brazilian business people for the negotiations that will be taking place in each one of the negotiating groups that make up the process of negotiations. At the end of this document are also listed the business facilitation measures supported by the Brazilian Business Coalition.