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Article

New sanitary regulation for imports.

Mathias OEFELEIN*

The Collegiate Board of Directors of the Brazilian Sanitary Agency – ANVISA – approved Resolution number 1/2003, a new technical regulation that consolidates the sanitary regulation for imports.

In this resolution ANVISA regulates the sanitary control of imported merchandise, establishes the documentation to be presented to the sanitary authority and other sanitary control procedures related to the merchandise aiming to unify provisions and acts related to sanitary surveillance of imported products.

This new resolution makes specific provisions regarding various different aspects such as the stages of the production process, transport, storage in Custom Warehouse and packing. In this short article we strive to present some aspects of this act.

General

The imported merchandise subject to sanitary surveillance shall only be cleared in the national territory after meeting the sanitary regulation.

Medicine, food, perfumes, cosmetics, toiletries, home sanitizing products, products for diagnosis and health products must be in compliance with the standards of information and quality required by the pertinent sanitary legislation, within the period of validity and the expectation of consumption in the national territory and must have the external package identified. This is valid also for imported raw materials and inputs used in the manufacturing of these classes of products.

Types of Imports

The resolution establishes the administrative procedure related to the every way admitted for importation under Brazilian laws, which are: import of merchandise subject to SISCOMEX importation module (on line customs system operated both by customs authorities and taxpayers), non-automatic licensing, express shipment, postal shipment, international aerial order, non-electronic simplified declaration of import. It also encompasses the sanitary inspection of personal luggage and ambient conditions for storage and transport.

The admission to the national territory of merchandise carried, moved or stored in ambient conditions that fail to meet the technical specifications recommended by the manufacturer or the exporter shall be hindered to maintain its quality or integrity. In case of importation through the SISCOMEX system, the importation licensing shall be rejected when any irregularity is found.

Sanitary Control

Another topic is the import of goods by a company that does not have the proper licence issued by ANVISA. In this case the import may be authorized, by presentation to the competent authority of a declaration issued by another company that holds the licence itself, agreeing that the importation proceeds. This declaration must be presented in its original form, be linked to a single importation licensing, be related to a single and exclusive legal entity and be signed by the legal representative and the technician in charge of the company that holds licence granted by ANVISA.

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External Package

The following information must be displayed on the external package of each volume of merchandise imported: (i) corporate name, when the product is a finished product or in bulk, and in case of the importation of a product belonging to the class of medicines, the name of the active principle of the formula; (ii) common, technical or chemical name of the good, when the product is raw material or other substance intended for the industry of medicines, cosmetics, perfumes, food, toiletries, home sanitizing products and products for diagnosis; (iii) name of the alimentary raw material, in the case of food; (iv) number or batch code of production of packaged good; (v) name of the manufacturer; (vi) special procedure for storage, when appropriate.

Label of Finished Product

Certain information is required in the label of the imported finished product. These products, when labelled in a foreign language, must present also present a label in Portuguese with the following information: (i) brand name used abroad; (ii) name of the manufacturer; (iii) number of the batch or shipment; (iv) date of manufacture; (v) expiration date.

The sanitary authority may demand the presentation of a certified translation to Portuguese of the foreign language label.

ANVISA's new technical regulation contains other provisions that might find application face to the concrete case.

News

Central Bank - Declaration of external investments must be presented by April 30

Brazilian companies that receive direct external investment must fill electronic form to the Central Bank, by April 30. The Electronic Declaratory Registration of Direct External Investment (GIVE-IED) shall contain economical and financial information with base date in December 31 of last year.

Brazilian companies with assets outside Brazil shall present a similar form by May 30.

Getting easier to export to Mexico.

More than 600 Brazilian products exported to Mexico will benefit from tax reduction or even exemption for admission in Mexico. The Mexican government will finally publish officially the agreement for economical complementation with Brazil, and the tax reduction will come into force. Sub Secretary of the Mexican International Trade Negotiation - Angel Villalobos Rodriguez – said, "This agreement is the basis for a much wider future agreement in which our reciprocal products will have preference". Mexico already has much more advanced negotiations with other two countries from Mercosur. It also deals separately Free Trade agreements with Argentina and Uruguay. "Lula should be persuaded to do the same to Brazil", commented Villalobos Rodriguez. The sub secretary recognizes that one of the difficulties to negotiate a wider treaty with Brazil is related to agricultural concession. "Brazil is too competitive in agriculture"; he mentioned and explained that Mexico can not open too much its market in order to protect the local agriculture.

Investors trust in the country

The favorable situation to Brazil in the international markets does not seem to vanish away. Strategists of European financial institutions keep on believing in the continuity of the valorization of the assets in Brazil, at least on a short-term basis. The director of the Portuguese investment bank Finantia, Miguel Guiomar, in a note sent to its clients, stated that Brazil seems to be celebrating "its second carnival this year after the remarkable parliamentary victory" of President Luiz Inácio Lula da Silva. According to him, as the C-Bonds are being negotiated at a value of about 82% and the fact that the spread about the debt is under the 1.000 points, "what we really needed was good news related to inflation", which according to him, continues the only reason of preoccupation. As to good news, observed Guiomar, the publication of the index of Prices to Consumers from the Research Institute Foundation - Fundação Instituto de Pesquisas Econômicas (IPC-Fipe) - showed to be under the predicted.

Balance of trade presents a surplus of US\$ 247 million in the first week of April.

The balance of trade has registered a surplus of US\$ 247 million in the first week of April. According to the data published by the Ministry of Development, Industry and Foreign Trade as from the 1st to the 6th of this month the exportations have summed up to US\$ 1.025 billion, with a daily average of US\$ 256.3 million. In the same period the importation summed up to US\$ 778 million, with a daily average of US\$ 194.5 million. According to the result registered, the accumulated balance of the Brazilian balance of trade in the last year increased to US\$ 4.010 billion.

Brazilian National Airport Authority - INFRAERO invests to assist exporters

INFRAERO has announced that it will invest R\$ 4 billion until 2006 in order to enlarge the capacity of cargo transportation at the airports. Only in this year, R\$ 35 million will be destined to the improvement of the 32 airports in the country. The investments can be justified: for the enterprises, the unexpected exportation increase in 2002 made the airports operate next to their capacity limits. Exporters say that it is also necessary to invest in infrastructure. Roberto Pacca, from the Brazilian Papaya Exporter Association for instance says that there are not enough refrigerated rooms in most of the airports.

5th Round of the Brazilian program for licensing of oil & gas exploration blocks is confirmed for August 2003 and favors local suppliers.

After the publication of the Initial Tender Protocol and release of the data package occurred in March, the following steps for 5th Round of the Brazilian program for licensing of oil & gas exploration blocks are scheduled as follows:

Event	Date
Publication of the Draft Concession Agreement	(Second half) April, 2003
Technical Workshop	April 28th and 29th, 2003
Legal/Tax Seminar	May 21th and 22th, 2003
Publication of Final Tender Protocol and Concession Agreement	(First half) June, 2003
Deadline for qualification of interested companies	(First half) July, 2003
Deadline for payment of participation fees	(First half) August, 2003
Bidding Conference	August, 2003

In this Round, ANP decided to reduce the weight of the Signature Bonus in the bid evaluation. One the commitment to acquire local goods and services and the commitment to a Minimum Exploration Program had their weights significantly increased.

In fact aside from the compulsory minimum obligations for Local Investments in the Exploration Phase and the Development Stage, additional specific commitments for the acquisition of goods and services in the Exploration Phase and the Development Stage will be taken into consideration during the judging of the bids, in accordance with the definitions specified in the Concession Agreement.

The Houston and London roadshows have been cancelled. In substitution, ANP's Officers involved with Brasil Round 5 will be available for meetings in the most important Petroleum Conferences and Exhibitions that will take place in USA and Norway in May and June 2003.

Get to Know Brazilian Institutions

Brazilian Development Bank - BNDES

The objectives of the BNDES are to promote, with the expanding participation of the capital markets, support for the modernization of production chains and their links, with an aim to continuously bring them in line with international standards of competitiveness. To this end the Bank provides investment assistance for the private sector in all productive sectors, regardless of the origin of their capital.

Support for Foreign Owned Companies

The approval of Decree 2,233/97 allowed the granting of domestic funds to various areas of infrastructure (energy, telecommunications, ports/transportation, and water and sewerage systems), and of industry (chemicals/petrochemicals, vehicles and components, agroindustry, capital goods and electronics), even when recipient companies are owned by foreign capital.

This has been an additional factor in attracting foreign investment to the country in the last few years. In the same way that individual Brazilian states compete for these investments, countries also compete to attract large groups with global strategies. Examples are large automotive groups, such as Peugeot and Volkswagen that have established operations in Rio de Janeiro State. In these instances, the BNDES finances 40% of the total investment. Without BNDES funding, companies could be attracted to establish operations in another country, particularly within the Mercosur area, which features free access to the Brazilian market through the customs union. Automotive manufacturers also act as export platforms, which attract new investment to Brazil associated with their productive and commercial chain.

Infrastructure

The BNDES makes investments in infrastructure attempting to divide both the risk and the participation of the operations with other economic agents. To accomplish this, the Bank utilizes a strategy of intensification of partnerships with multilateral credit organizations and national and international banks, through structuring operations using the corporate finance and project finance models.

The projects given assistance include the Energy, Natural Gas & Petroleum, Transportation Logistics, Navigation, Ports & Waterways and Telecommunications sectors, among others. Urban Transportation and environmental sanitation are treated within the Urban and Social Development area.

Exports

The objective of the BNDES is to offer Brazilian exporters or the importers of Brazilian products long-term credit lines, with competitive conditions existing in the international market.

The Export Lines finance the exporting of capital goods and services, with an emphasis on products with a high aggregated value. These types of operations can be made directly with the BNDES or through accredited financial agents in the country or even abroad.

Other key sectors supported by BNDES

Aside of the sectors mentioned above, urban and social development, urban infrastructure, social development, health and education sectors are priority to BNDES. Both public and private projects are eligible to be financed. The basic programs for the private companies are named FINEM, BNDES Automatic, FINAME and the Equipment Importing Assistance Program.

Other important line of action of BNDES involve direct assistance to closed companies and incentives for them to become publicly listed: Program to Capitalize Technology Based Companies - Contec; Program to Support Small Companies - Simplified Contec; Emerging Companies Investment Program; Pre-Market Companies Investment Program; Program for the Support of New Listed Companies;

Privatization

BNDES is also responsible for conducting the Brazilian Privatization Program. Even though there is still about 20 companies included in the Privatization Program (mainly involving electric energy generation and distribution, water and sewage and banks), as well as some concessions to be awarded by the Federal Government (Cellular Telephony Band "C", Underground Transportation and the network of Federal Highways), the privatization Program is awaiting definitions of the new Federal Government.