

Numbers to Note

Bucharest

Telephone numbers in Romania have increased from six to seven digits, the Bucharest numbers starting with 12 being preceded by the additional digit 3. Calls being made to Bucharest outside Romania will be preceded by a 1 (instead of a 0) after the country code 40. Reflecting this change, the Canadian Embassy telephone numbers now are: (011-40-1) 312-83-45/312-03-65. Fax: (011-40-1) 312-03-66.

London

The Commercial/Economic Division of the Canadian High Commission (Macdonald House, 1 Grosvenor Square, London W1X 0AB) has new telephone and facsimile numbers. They are, tel.: 071-258-6600; fax: 071-258-6384.

U.S. Trade Office

The Santa Clara Trade Office of the Canadian Consulate has been relocated to: Canadian Consulate Trade Office, 333 West San Carlos Street, 9th Floor, San Jose, California 95110. Tel.: (408) 289-1157. Fax: (408) 289-1168. Telex: 34321. Easy Link: 620-144-85.

Shanghai

The office of the Canadian Consulate General in Shanghai now is located at: Shanghai American International Centre, West Tower, Suite 604, 1376 Nanjing Xi Lu, Shanghai 200040, People's Republic of China. Tel.: 86-21-279-8400. Fax: 86-21-279-8401.

Manila

The postal address for the Canadian Embassy in Manila now is: The Canadian Embassy, P.O. Box 2168, Makati Central Post Office, 1261 Makati, Metro Manila, Philippines. The postal address for mail concerning visas or immigration now is: P.O. Box 2098, Makati Post Office, 1260 Makati, Metro Manila, Philippines.

New Service by Canadian Consulate Deciphers Brazil's Import Tax System

Assessing a product's competitiveness in the Brazilian market requires a good knowledge of the complex tariff and tax system that Brazil applies to imported products.

Local taxes, for instance, add a substantial amount to the FOB price of a product. A case in point: cement enters Brazil duty-free but, because of other taxes, has a landed cost 39 per cent higher than the FOB value.

Brazil's tariff and tax system can be summarized as follows:

- an **importation tax (II)** is charged on the product's CIF value;
- an **industrial products tax (IPI)** is levied on the CIF price, plus II;
- a **value added tax (ICMS)** is applied to the CIF price, plus II, plus IPI;
- freight costs are increased by the application of a **freight surcharge for merchant marine renewal (AFRMM)**; a **port improvement tax (TMP)**; and a **port tariff surcharge (ATP)**; and
- port warehousing fees are charged at a rate of 0.75 per cent of the CIF price for each 15-day storage period. Customs brokers' costs and fees are added.

Canada Benefits

While certainly complex, Canadian exporters who have mastered the system have been reaping the benefits of their efforts.

Canadian exports to Brazil in 1991 were up by 24 per cent over the 1990 level and, in the first six months of 1992, increased again (by 42.5 per cent) over the first half of 1991.

Import tariff reductions have been implemented as a part of the Brazilian government's efforts to open the country's economy and to reduce inflation.

The latest tariff change, which had been scheduled for January 1, 1993 but which came into effect on

October 1, 1992, reduced the tariffs on, among other products: certain machinery items (to 20 per cent from 25 per cent); feed grains (to 35 per cent from 40 per cent); and video cassettes (to 40 per cent from 65 per cent). The average rate dropped from 21.2 per cent to 17.1 per cent.

Trade officials believe there is room for optimism that the Brazilian government may shortly eliminate some of the port taxes applied on freight costs and the "pyramid" effect described above.

New Service Helps

To make informed marketing decisions, Canadian exporters to Brazil should ensure that they have the latest information on that country's import tax system.

To facilitate them in this task, the Canadian Consulate General in Sao Paulo has introduced a new service that allows exporters to estimate the final landed cost of their products.

Canadian exporters interested in this service should provide to the Consulate complete information on **all** of the following factors:

- detailed description of the product;
- Harmonized System (H) Code of the product;
- FOB price of the product;
- indication whether the product is to be shipped by air or sea; and
- if available, the freight cost to the Brazilian port or airport. (If unavailable, the Consulate will use an approximation based on the FOB price).

Correspondence should be forwarded to Canadian Consulate General (Trade Division), Avenida Paulista 854-5th Floor, 01310-913 Sao Paulo, SP, Brazil. Tel.: (55-11) 287-2122. Telex: (Destination code 38) 23230. Fax: (55-11) 251-5057.