

## Country-Specific Questions: Brazil and Bombardier

### QUESTION

Why wasn't the report of the Special Envoys available on April 3, the most recent deadline?

### SUGGESTED REPLY

- The Envoys have requested more time to complete their report.
- Their request is currently under consideration with both Governments.
- The task of the two Envoys is to recommend a solution to the difference of view between Canada and Brazil with respect to support for exports of regional aircraft.

### QUESTION

Why has Canada not challenged Brazilian subsidies (PROEX) at the World Trade Organization?

### SUGGESTED REPLY

- Canada and Brazil have held discussions over many months with regards to support for exports of regional aircraft, both within the structure of World Trade Organization (WTO) consultations, and bilaterally.
- Canada would prefer to resolve our concerns regarding the PROEX program bilaterally, but if this avenue is not fruitful, Canada would seek a WTO Panel ruling.
- Canada is concerned that Bombardier's Brazilian competitor (Embraer) benefits from an export subsidy program -- PROEX -- which we believe is contrary to Brazil's obligations under the WTO.

### Responsive

- The Government of Canada makes industrial development and export financing programs available to Bombardier as it does to other Canadian companies. These programs are fully consistent with our WTO obligations.