

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.