



2025 National Trade Estimate Report on
**FOREIGN TRADE
BARRIERS**

*of the President of the United States
on the Trade Agreements Program*

UNITED STATES TRADE REPRESENTATIVE

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Office of the United States Trade Representative
Ambassador Jamieson L. Greer

BRAZIL

TRADE AGREEMENTS

The United States–Brazil Agreement on Trade and Economic Cooperation

The United States and Brazil signed the Agreement on Trade and Economic Cooperation (ATEC) on March 19, 2011. This agreement is the primary mechanism for discussions of trade and investment issues between the United States and Brazil.

On November 17, 2021, the Brazilian Congress ratified the 2020 United States–Brazil Protocol Regarding Trade Rules and Transparency, which entered into force on February 2, 2022. The Protocol updated the ATEC in the areas of anticorruption, good regulatory practices, and trade facilitation and customs administration. Implementation of the Protocol fosters a more transparent economic environment, reduces red tape, and improves regulatory processes.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Brazil's average Most-Favored-Nation (MFN) applied tariff rate was 11.2 percent in 2023 (latest data available). Brazil's average MFN applied tariff rate was 8.1 percent for agricultural products and 11.7 percent for non-agricultural products in 2023 (latest data available). Brazil has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 31.4 percent. Brazil's maximum bound tariff rate for non-agricultural products is 35 percent, and its maximum bound tariff rate for most agricultural products is 55 percent.

Brazil is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also includes Argentina, Bolivia, Paraguay, and Uruguay. On July 5, 2024, Bolivia promulgated its law to become a full member, and it is in the process of incorporating MERCOSUR's regulations. The MERCOSUR Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem*. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of tariff lines. The decision reduced the block's average CET to 10.3 percent and its weighted average to 9.5 percent. Any good imported into Brazil (not including from free trade zones) is subject to payment of the CET to Brazil's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, therefore it has not yet taken effect. Although the Brazilian Congress approved the agreement in 2018, it has not been promulgated by the executive branch, which is necessary for ratification.

Brazil imposes relatively high tariffs on imports across a wide range of sectors, including automobiles, automotive parts, information technology and electronics, chemicals, plastics, industrial machinery, steel, and textiles and apparel. In addition, Brazil's bound rates are often much higher than its applied rates, and U.S. exporters face significant uncertainty in the Brazilian market because the government frequently modifies tariff rates within the flexibilities of MERCOSUR. The lack of predictability with regard to tariff rates makes it difficult for U.S. exporters to forecast the costs of doing business in Brazil.

Ethanol Tariff

Between 2011 and 2017, bilateral trade of ethanol between the United States and Brazil, the world's two largest producers and consumers of ethanol, was virtually duty free. However, between September 2017 and January 2022, Brazil imposed first a tariff-rate quota (TRQ) and then the MERCOSUR CET of 20 percent on all imports of ethanol, the vast majority of which the United States supplies. Although the tariff was below Brazil's WTO bound tariff rate of 35 percent, the TRQ and the CET have reduced previously robust bilateral trade of ethanol. Brazil temporarily suspended the tariff, effective March 23, 2022, but that suspension expired on January 31, 2023, when the tariff was reimposed at 16 percent. The tariff then increased to 18 percent in 2024. The United States continues to engage with Brazil to lower its ethanol tariff to provide reciprocal treatment for trade in ethanol between the United States and Brazil.

Taxes

Brazil imposes a 16.25 percent *ad valorem* Industrial Product Tax (IPI) on cachaça, a domestic distinctive product produced from sugarcane, while imposing a 19.5 percent *ad valorem* IPI on other alcoholic beverages, including imports from the United States.

In audiovisual services, Brazil imposes several taxes on foreign products that it does not apply equally to domestic products.

Brazil imposes a fixed tax on each foreign film released in theaters, foreign home entertainment products, foreign programming for broadcast television, and foreign content and foreign advertising released on cable and satellite channels. The taxes are significantly higher than the corresponding taxes levied on Brazilian products. In addition, 80 percent of the programming aired on "open broadcast" (non-cable) television channels must be Brazilian and foreign ownership in print media and "open broadcast" television is limited to 30 percent.

Remittances to foreign producers of audiovisual works are subject to a 25 percent income withholding tax. As an alternative to paying the full tax, producers can elect to invest 70 percent of the tax value in local independent productions. In addition, local distributors of foreign films are subject to a tax equal to 11 percent of remittances to the foreign producer or, alternatively, the distributor may invest an amount equal to 3 percent of the total remittances in local independent productions. This levy is also assessed on foreign-produced video and audio advertising.

Non-Tariff Barriers

Import Bans

Brazil restricts the entry of certain types of remanufactured goods (*e.g.*, earthmoving equipment, automotive parts, and medical equipment). Brazil only allows the importation of such goods if an importer can provide evidence that the goods are not or cannot be produced domestically, or if they meet certain other limited exceptions.

With some exceptions, Brazil generally prohibits imports of used consumer goods, including automobiles, clothing, tires, medical equipment, and information and communications technology products.

Import Licensing

Brazil has both automatic and non-automatic import licensing requirements. Brazil's non-automatic import licensing system covers imports of products that require authorization from specific ministries or agencies, such as agricultural commodities and beverages (Ministry of Agriculture, Livestock, and Supply (MAPA)) and pharmaceuticals (National Sanitary Regulatory Agency). A list of products subject to non-automatic import licensing procedures is available on the Secretariat of Foreign Trade's computerized documentation system, but specific information related to non-automatic import licensing requirements and explanations for rejections of non-automatic import license applications are not available. The lack of transparency surrounding these procedures is an impediment to U.S. exports. U.S. exporters of footwear and apparel and in the automotive sector have expressed concerns about these non-automatic licensing requirements. For automobiles, delays in issuing non-automatic import licenses negatively affect exports of U.S. automobile and automotive parts to Brazil.

Customs Barriers and Trade Facilitation

U.S. companies continue to complain of inconsistent documentation requirements for the importation of certain types of goods, such as heavy equipment. These documentation requirements apply even if imports are on a temporary basis and are destined for use in other countries. In January 2022, Brazil changed the documentation requirements for temporary admission of goods, making it difficult to bring samples, equipment, or displays for exhibitions into Brazil without paying significant customs duties.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Biofuels Regulations

Brazil's national biofuels policy, "RenovaBio," promotes the development and use of biofuels through the creation of a carbon credit market to offset greenhouse gas emissions. Under the program's current rules, non-Brazilian producers of biofuels are ineligible to participate in and qualify for carbon credits under the program. The United States continues to engage with Brazil, including through formal U.S. comments on Brazil's recent draft revisions to RenovaBio, to urge Brazil to revise its regulations to allow U.S. producers to be eligible for equal treatment under the program.

Wine Regulations

Brazil requires duplicative documentation for imports of wine. Technical Regulation No. 75 of December 31, 2019, requires that imported wine have both a certificate of analysis and an import inspection pre-certification report generated by a Brazilian laboratory upon importation. The United States continues to monitor Brazil's pending updates to its wine regulations, specifically regarding export certification and laboratory testing requirements for wine products.

Telecommunications Products

Effective December 2021, Brazil's telecommunications agency (ANATEL) established approval requirements as a prerequisite for importing telecommunications products for usage and sale, with exceptions for products entering the country for demonstration, self-use, scientific purposes, or manufacturing of exports. Approval must be obtained prior to the product's entry into the country.

Sanitary and Phytosanitary Barriers

Pork

In a Joint Statement issued by the White House on March 19, 2019, the United States and Brazil agreed to science-based conditions to open Brazil's market to U.S. pork. However, Brazil's market is still closed to U.S. fresh and frozen pork due to Brazil's concerns that pork products imported into the United States from the European Union increase risks associated with African Swine Fever. Brazil has not provided scientific evidence that supports the ban and the ban appears to be inconsistent with World Organization for Animal Health international standards. Discussions between the U.S. Department of Agriculture and MAPA are ongoing but have yet to establish access for U.S. pork exports to Brazil.

GOVERNMENT PROCUREMENT

Although Brazil has taken steps to make its procurement market more transparent, restrictions and domestic preferences remain. For example, Brazilian state enterprises may only subcontract services to a foreign firm if domestic expertise is unavailable and foreign firms may only bid to provide technical services if there are no qualified Brazilian firms. Brazil also requires procurement contracts, particularly in the health and defense sectors, to contain offset requirements for foreign suppliers, which include domestic manufacturing or co-production requirements and technology transfer.

Although Brazil has required offsets for defense trade since the 1970s, in 2023, the Ministry of Defense published the new Defense Technological, Industrial and Commercial Offset Policy - PComTIC Defesa (Ordinance GM-MD No. 3,990, of August 3, 2023), which imposes further obligations to establish cooperation agreements for all imports of defense products worth more than \$50 million. Law 12,598/2012 for Strategic Defense Companies further provides preferential treatment mechanisms for domestic goods and suppliers in defense procurement.

Brazil is not a Party to the WTO Government Procurement Agreement (GPA), but has been an observer to the WTO Committee on Government Procurement since October 2017. Although Brazil applied for accession to the GPA in May 2020, the Brazilian Government withdrew its offer to accede to the agreement on May 30, 2023, noting that it did not want to impose limits on the government's purchasing power.

INTELLECTUAL PROPERTY PROTECTION

Brazil remained on the Watch List in the [2024 Special 301 Report](#). Despite improvements in recent years, as outlined in that report, enforcement challenges continue, including the absence of deterrent-level penalties and high levels of counterfeiting and piracy online and in physical markets. The Rua 25 de Março area in São Paulo is listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) for selling counterfeit and pirated goods. Deterrent-level penalties and increased emphasis on enforcement at the tri-border region between Argentina, Brazil, and Paraguay are critical to make sustained progress on these intellectual property concerns. Patent application pendency of almost seven years (and nine years for pharmaceutical products) has impacted the effective patent term. Also, pharmaceutical stakeholders remain concerned that Brazilian law and regulations do not provide for protection against unfair commercial use of undisclosed test results and other data generated to obtain marketing approval for pharmaceutical products for human use, although such protection is provided for veterinary and agricultural chemical products. The United States urges Brazil to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection

does not deprive interested parties of the ability to use common names, particularly as Brazil proceeds with the European Union–Mercosur Trade Agreement.

SERVICES BARRIERS

Audiovisual Services

Law 12.485 of 2011 imposes screen content quotas on subscription television services by requiring every channel (both satellite and cable) to air at least three and a half hours per week of Brazilian programming during prime time and that one-third of all channels included in any television package be Brazilian. In addition, the law delegates significant programming and advertising regulatory authority to the national film industry development agency, which raises concerns about the impartiality of regulatory decisions.

Brazil also maintains domestic film quotas for theatrical screening and home video distribution.

Express Delivery

The Brazilian Government charges a flat 60 percent duty for all express shipments imported through the Simplified Customs Clearance process. The Simplified Customs Clearance process limits commercial shipments to \$100,000 per importer per year. Moreover, Brazilian Customs has established express delivery maximum per-shipment value limits of \$10,000 for exports and \$3,000 for imports.

Financial Services

Brazil maintains reciprocity requirements for foreign banks and insurers to establish operations in Brazil. Foreign banks may establish subsidiaries, but Brazilian residents must be directly responsible for the administration of the financial institution. Since 1995, entry into the banking sector through the establishment of branches has not been permitted.

Telecommunications Services

Satellites

Brazil permits Brazilian-owned entities to acquire the exclusive right to operate a satellite and its associated frequencies from specific positions. However, foreign-licensed satellite operators may obtain only a nonexclusive right (a landing right) to provide service in Brazilian territory. ANATEL grants these landing rights for a fixed term of no longer than 15 years, after which the operator must reacquire the landing rights to continue providing services. Foreign operators are also required to pay higher annual landing fees than Brazilian firms.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Network Usage Fees

In 2023, ANATEL, opened a public consultation on proposed regulation of “value added services” and digital platforms. The consultation sought input on possible regulations on large content providers that offer services over broadband networks, including remuneration obligations and a “connectivity fund” funded by digital platforms in Brazil. U.S. stakeholders have raised concerns that the direct payments under the proposal could reinforce the dominance of the largest operators, and that fees could raise costs for end-users. ANATEL issued notification of a second consultation that concluded in May 2024.

Personal Data Protection Regulation

Brazil's General Law for the Protection of Personal Data (LGPD) includes provisions concerning restrictions on the transfer of personal data outside of Brazil. The regulations implementing these restrictions were published in August 2024, with a 12-month transition period for companies. Delayed implementation of approved mechanisms for international data transfers (*e.g.*, certifications, codes of conduct, and contractual clauses) has created uncertainty for businesses and obstacles to the routine processing and sharing of data for business purposes. The United States has encouraged Brazil to work closely with companies and organizations affected by the LGPD to resolve implementation and enforcement issues in a reasonable and consistent manner.

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