

Joint statement on the UK-Brazil JETCO

1. The 11th meeting of the United Kingdom – Brazil Joint Economic and Trade Committee (JETCO) was held on 11 November 2020 by videoconference. The meeting was co-chaired by Roberto Fendt, Brazil's Special Secretary for Foreign Trade and International Affairs, and the Rt Honourable Elizabeth Truss, the United Kingdom's Secretary of State for International Trade.
2. At this first meeting between the current Brazilian and British governments, the two parties recognised the changing backdrop to the JETCO, both politically with the United Kingdom having left the EU, and due to Covid-19. The moment presented both an opportunity and a sense of urgency in pressing for a closer and deeper relationship between the United Kingdom and Brazil. Both sides reiterated their commitment to strengthening bilateral commercial ties and to cooperating to promote bilateral trade and investment relations between the two countries.
3. Brazil and the United Kingdom have agreed to put their best efforts towards building a long-term vision for improving their trade relationship, in order to maximise the potential opportunities. To that end they agreed to continue work on market access and to intensify preparations for a future Free Trade Agreement, on which they will reconvene to check progress in six months' time.
4. The two countries acknowledged that an Agreement to avoid Double Taxation would facilitate a substantial increase in trade and investment flows between Brazil and the United Kingdom. This has been one of the top investment promotion mechanisms raised by companies in both countries. They committed to further develop discussions to address technical issues, and to report on progress made at the next Economic and Financial Dialogue between the United Kingdom's Chancellor of the Exchequer and Brazil's Minister of Economy.
5. Brazil and the United Kingdom noted the opportunities brought by an intensified exchange of views on market access, services, intellectual property, trade facilitation and business environment for increasing bilateral cooperation, trade and investments flows. The United Kingdom firmly welcomed Brazil's recent modernisation of regulations that were affecting around £140 million of British exports in a range of sectors including Agriculture, Financial Services and Energy.
6. The UK welcomed the news that Brazil had amended its national Geographical Indication law, allowing gentilics to be registered, and Brazil committed to considering the Scotch Whisky Association's application for recognition of scotch whisky. The UK said it would welcome any future applications for Brazilian GIs, including Cachaça, from the 1st January when the UK Government will launch its new GI scheme. Ministers asked for an update within four

months.

7. Both Ministers emphasised the role of free and open trade on delivering economic growth and prosperity for the Brazilian and British economies and societies, especially to recover from Covid-19 economic shocks. They agreed that this recovery must be based on building more sustainable, resilient economies and reaffirmed their commitment to promote low carbon growth and green jobs. They also agreed to pursue their trade relationship in a way that contributes to sustainable development and builds on their multilateral commitments, and reaffirmed their commitment to further support the transition to more sustainable sources of energy and supply chains, noting the crucial importance of combating illegal deforestation. The UK also emphasised the importance of dialogue with other major consumer and producer countries, to promote sustainable growth in the run up to COP26.
8. Brazil and the United Kingdom acknowledge the importance of strengthening economic ties through sustainable, clean growth. They have accelerated discussions and intend to sign, before the end of 2020, a Memorandum of Understanding that strengthens mutual collaboration in clean growth, while supporting an efficient and competitive energy market and incentivising more trade and investment.
9. The two Ministers also recognised the importance of the services sector and supported greater cooperation between UK and Brazilian regulators as a way to exchange best practices on regulatory issues on services in order to provide more efficient business environment in both jurisdictions and boost bilateral services trade and investments.
10. Turning to the ongoing challenges presented by Covid-19, the United Kingdom and Brazil remain committed to keeping supply chains open and functional. The United Kingdom acknowledges Brazil's critical role as a major food exporter and its efforts to keep exports afloat despite the logistical obstacles brought by the pandemic. The two countries agree to build on the commitments made by G20 Trade Ministers on 14 May 2020 to keep trade in medical goods flowing in light of the use of trade restrictions during the pandemic. Brazil and the United Kingdom agree to work together towards permanent actions that ensure greater liberalisation of such goods, while preventing new export restrictions and strengthening their healthcare systems, guaranteeing essential supplies to both countries.
11. Brazil and the United Kingdom agreed that strong international cooperation, including through the G20 and multilateral economic fora, is needed to promote a sustainable global economic recovery. Both countries reaffirmed their commitment to strengthening the rules based multilateral trading system, and agreed on the need for comprehensive World Trade Organization reform to improve transparency. It was agreed that these are essential for promoting investment, increasing productivity and integrating economies into global supply chains. Brazil looks forward to working with the United Kingdom

in the WTO as an independent member. Brazil also stressed that, as part of the current momentum of bilateral relations, its market access conditions should not be undermined by the UK's departure from the European Union.

12. Brazil's request to join the Government Procurement Agreement was recognised as an important step towards trade and investment liberalisation. The United Kingdom also reiterated its firm and active support for Brazil's accession to the Organisation for Economic Cooperation and Development (OECD) and was pleased to announce the allocation of an additional £600,000 to the Prosperity Fund which will help accelerate this process by speeding up work on transfer pricing in Brazil.
13. Ministers were pleased that business representatives from both countries were able to meet, prior to the Plenary meeting, at a business roundtable, where they had the opportunity to highlight and discuss opportunities and challenges faced by their companies in relation to bilateral trade and investment. Their discussions were reported to the Plenary and both sides agreed to further develop joint initiatives based on those discussions.
14. The Ministers celebrated the holding of the 5th meeting of the Brazil – United Kingdom High-level Strategic Dialogue on 7 October, led by the Minister of Foreign Affairs of Brazil and Foreign Secretary of the United Kingdom. They also shared the expectation that the 4th meeting of the Brazil – United Kingdom Economic and Financial Dialogue (EFD) would take place before the end of the year, led by Brazil's Minister of the Economy and United Kingdom's Chancellor of the Exchequer.
15. Brazil and the United Kingdom aim to continue to work together in the context of JETCO in order to establish a productive dialogue for strengthening the bilateral commercial and investment relationship.