

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## PART IV CONSULTATIONS: BACKGROUND INFORMATION

### Submission by Hungary

#### Introduction

1. Hungary is a land-locked country with an area of about 93 thousand square kilometres. According to the World Bank calculations the per capita GDP in Hungary is approximately US \$ 2100 /1981/.

Hungary is poor in natural resources and is a relatively industrialized country. 40 per cent of the Gross Domestic Product comes from the industrial sector. The developed agriculture with a 20 per cent share in the GDP makes Hungary selfsupplying in basic foodstuffs.

Hungary is largely dependent on international trade. Nearly 40 per cent of the GDP is realized through foreign trade. About half of both imports and exports are settled in convertible currencies.

#### I. General Part

##### Economic Policy and Development

2. In Hungary the production, sale, transportation and other services are carried out in large majority by state enterprises and cooperatives. These enterprises and cooperatives are autonomous legal entities, independent both from each other and from the state. They dispose with their own separated property and to the extent of this property they have complete legal responsibilities. Taking into account the profit and other economic interests, it is their exclusive competence to decide how to make use of their capital, what to produce, what and where to sale, what to buy and where from.

While the national economic plan determines the general guidelines of the economic activities, the main central economic policy targets are transmitted to the enterprises through the so called economic regulators, mainly by the price system, exchange rate policy, and by other monetary and fiscal measures. Those are the only instruments of the authorities to influence and orientate the enterprise activities.<sup>1</sup>

3. The aim of the Hungarian economic policy has been to transmit the effects and changed conditions of world economy to the domestic enterprises. The main instrument in this field is the price system, based on the exchange rate policy and where the exchange rate establishes a close linkage between domestic and world market prices. So economic activities of the enterprises are orientated through prices.

In the domestic price system the prices of natural resources and raw materials follow the world market price level, domestic prices of the majority of manufactured goods are set according the export prices of these products.

4. The Hungarian economy recorded a balanced and stable growth between 1968 and the early 1970s . This process lasted until the dramatic changes in the conditions of the world economy in 1973-74. Just like many other countries of the world, Hungary has suffered a significant deterioration of her terms of trade. The worsening of the external economic environment has manifested mainly in the continuous deterioration of the convertible trade balance and in the relatively fast accumulation of foreign debts. As from 1978 the central objective of the Hungarian economic policy is the improvement of the external equilibrium. The efforts to restore the external equilibrium in 1979 and in 1980 have brought some results.

/See Annex 1./

<sup>1</sup> See more details in an IMF study prepared in 1982;  
Hungary: An Economic Survey

This aim could be achieved only by slowing down the economic growth applying mainly fiscal and monetary measures, while also promoting the structural adjustment process. As a result of the reduction in domestic demand the volume of investments has decreased while public consumption has stagnated.

5. Despite the slowing down of the economic growth the exports settled in convertible currencies increased while as a result of restrictive domestic fiscal and investment policy the imports settled in convertible currencies somewhat decreased. The current account position of the balance of payments was deteriorated sharply in 1982 mainly because of the rapid growth of interest rates in international financial markets, which importantly contributed to the increase of the debt service of the country, and because of the significant withdrawal of short-term deposits.

The basic mean to restore the external equilibrium in past years has been the reduction and limitation of domestic demand. However to achieve the desired economic policy objectives, domestic measures could not be enough in themselves, taking into account that Hungarian exports were particularly adversely affected by strengthening protectionism and narrowing market access possibilities, and by discriminative measures towards Hungarian exports in some countries.

#### Trade Policy

6. Hungary has been a contracting party to the General Agreement since 1973. The commercial policy is pursued on the basis of the rights and obligations of the GATT. The basic principles of Hungary's trade policy are equality, non-discrimination and mutual benefits, and she expects the same from her trading partners.

On the basis of the above mentioned principles Hungary is continuously improving and developing her trade with the Contracting Parties to the GATT, among them with the developing countries. In accordance with the relevant resolutions of the United Nations Conference on Trade and Development and the enabling clause of the General Agreement, Hungary introduced and continuously improved her GSP scheme in favour of developing countries.

#### The Institutional Framework of Foreign Trade

7. In Hungary foreign trade is a state monopoly. That means that the state creates the international conditions for foreign trade by concluding international agreements, establishes the institutional organization of foreign trade, gives authorization to carry out foreign trade activities to the companies and controls this activity. Export and import activities can be carried out only by authorized economic organizations. Economic organizations without authorization can effect exports and imports through the authorized enterprises. On December 31, 1982, 196 enterprises were authorized to engage directly in foreign trade activities, 44 of them were specialized foreign trade companies, the others were industrial enterprises, state farms and cooperatives. Authorization to enter foreign trade may be either general or specific, referring in the latter case to the import and export activities of a producing enterprise for own account or to a single transaction or contract. The import or export of one type of product can be effected through several foreign trade organizations. The objective of the Hungarian authorities is to improve the institutional framework of foreign trade in order to make more flexible and better adjustment to the requirements of the international market.

#### The Import Régime

8. The enterprises in Hungary decide themselves if they buy goods from domestic or foreign sources.

In Hungary all imports and exports are subject to licensing. The purpose of the licensing system is to ensure that only authorized enterprises engage in import activities and also to monitor statistically the flow of imports and the conclusion of trade contracts. The objective of the

Hungarian authorities furthermore is to pursue a liberal import policy, provided that balance of payments considerations do not prevail and provided that contracting parties do not apply discriminatory trade measures vis-à-vis Hungarian exports.<sup>1</sup>

Hungary is a signatory to the Code on Import Licensing. A detailed notification on licensing is contained in document GATT L/5194.

9. The link between import prices and domestic prices is assured through the exchange rate published every week by the National Bank of Hungary. Customs duty is an element in price formation, its influencing effect can be felt with the final consumer, so preferential duties orientate the end-user in his decision making.
10. As from the accession of Hungary to the GATT import of certain consumer goods from convertible currency sources are subject to a global quota because of balance of payments considerations /The list of products falling under the quota of consumer goods is contained in Annex II/.

Licences against the quota are granted to the enterprises on an order - of - arrival basis until the quota is used up. The licensing under the quota is non-discriminative; the licensing authorities do not prescribe to the companies the source or the country where they should import from.<sup>2</sup>

In Hungary the overall value of imports of consumer goods from the GATT contracting parties, including developing countries, is several times higher than the value of the quota.

11. On consumer goods and services turnover taxes are imposed. The rates of turnover taxes are the same irrespective of the source of supply, being an imported or a domestic product, but they may vary according to different product groups.

<sup>1</sup> See BISD 20th Supplement, page 37.

<sup>2</sup> See documents GATT BOP/W/66 and BOP/R/131

12. In order to prevent a serious decline in Hungary's monetary reserves and to raise those reserves at a reasonable rate of increase, the Hungarian Government has introduced temporary import restrictive measures under Article XII:2 /a/ of the General Agreement. Imports of number of products are subject to quantitative restrictions by quotas while imports of component and spare parts has become subject to a 20 per cent surcharge.<sup>1</sup> When introducing these measures, the Hungarian authorities have exempted the products of the least developed developing countries from these measures.

Hungary had consultations with the Contracting Parties on the measures on 8 March, 1983 in the Committee on Balance-of-Payments Restrictions<sup>2</sup> The Committee on Balance-of-Payments Restrictions recognized that Hungary had serious balance-of-payments problems which led to the invocation of Article XII, at the same time welcomed the temporary nature of the restrictive measures taken and their relaxation in early 1983.

#### The Tariff System

13. The Hungarian Trade Customs Tariff is based on the Nomenclature of the Customs Cooperation Council and contains nearly 3.200 tariff lines, and presently has 2 columns.

In accordance with the General Agreement Hungary applies the most favoured nation treatment rates /Column II/ to the imported goods of the Contracting Parties. In addition she extends MFN treatment to countries which grant to the Hungarian goods unlimited and unconditional most favoured nation treatment.

<sup>1</sup> See document GATT L/5363

<sup>2</sup> See documents GATT BOP/231

There are some exceptions from the MFN treatment:

- in the case of goods originating in countries beneficiaries of preferential treatment, the customs duties of Column I of the Trade Customs Tariff are applied;
- all the goods originating in the least developed developing countries and directly purchased from there, are exempted from the customs duties;
- on the basis of the Agreement between Finland und Hungary on the Reciprocal Removal of Obstacles to Trade, in the case of Finnish origin goods the tariffs contained in that agreement should be applied.

Hungary does not collect customs duties on the imported goods of the countries which are enumerated in Annex A of Hungary's Protocol of Accession, to the extent that the trade is based on fixed prices and quotas and is settled in non convertible currencies.<sup>1</sup> Customs duties are collected on imports originating in the same countries settled in convertible currencies.

## II. The Application of Part IV of the General Agreement

### The Contractual Basis of Trade Relations with Developing Countries

14. The legal basis of Hungary's trade relations with GATT contracting parties is the General Agreement. In addition, a great number of bilateral trade agreements in existence with the developing countries, based on the strict respect of rights and obligations arising from the General Agreement, cover also some other additional aspects of trade relations, in the interest of and specific to the parties concerned.

<sup>1</sup> See BISD 20th Supplement, page 4.

This type of agreements usually contain provisions relating to the modalities of payment, to the facilitation of participation in trade fairs and exhibitions and relating to the methods and fields of trade promotion and facilitation. The majority of the bilateral agreements establishes joint committees /commissions/ between the parties and defines the rules of their operation.

The joint committees hold their sessions annually or every second year, but apart from the regular sessions ad-hoc sessions can be organized at the request of either party at any time. The joint committees are entitled to create and to run sub-committees and other subordinated working bodies, with the task of promoting trade in specific sectors for the mutual benefit of the partners. The committees offer the possibility for a systematic review of the developments in trade between the partners, to identify any eventual problems and barriers to this trade and to seek their possible solution, acceptable for both parties. Furthermore, these committees are destined to exchange information on the possibilities for further expansion of trade, to examine and specify sectors, product-groups or products where this trade can be developed. In the conduct of the work in the joint committees Hungary endeavours to fully respect her obligations arising from the relevant provisions of Articles XXXVI, XXXVII and, with the consent of the partner, of Article XXXVIII of the General Agreement. Thus these joint bodies, in conformity with Hungary's obligations, play an important trade creating rôle, taking into account whenever possible and in the framework of the possibilities of the Hungarian economy the interests of the developing partners.

On December 31, 1982 Hungary had 60 agreements of this kind in force with developing countries.



15. In the 1950s and 1960s bilateral payments agreements were in force between Hungary and her most important developing partners, prescribing clearing settlement. The majority of trade turnover was effected under these agreements. With a few exceptions the majority of these payment agreements was progressively eliminated since the 1970s. At the present time there are 4 developing countries, contracting parties to the General Agreement with which bilateral payments agreements are in force /Bangladesh, Brazil, Colombia, Pakistan/.
16. The agreements on technological and scientific co-operation serve as a basis for technological and scientific co-operation with developing countries. At the end of 1982, 43 agreements of this kind were in force. /See paragraph 31./

#### The generalised system of preferences

17. Hungary maintains its GSP scheme as from January 1, 1972. The beneficiaries are those Asian, African and Latin-American countries which maintain normal trade relations with Hungary and do not apply discrimination against Hungarian exports. The products covered by the scheme, originating from the beneficiaries enjoy the GSP treatment if the deliveries are accompanied by the necessary certificates of origin. Hungary, in full conformity with the relevant UNCTAD resolutions and with the internationally accepted practices accepts "Form A" as certificate of origin. She ratified and applies the "Agreement on harmonized rules for determining the origin of goods from developing countries enjoying preferential tariffs under the generalised system of preferences" signed by the Eastern-European preference giving countries in 1980.<sup>1</sup>

<sup>1</sup> See documents UNCTAD TD/B/CS/WG/VII/4; TD/B/854; TD/B/C/5/76.

The list of beneficiary countries of the Hungarian scheme is contained in Annex III.

18. The Hungarian GSP scheme does not contain any built-in restrictive element. No quota or ceiling is established for the imports of the goods receiving preferential treatment, that is any product from any beneficiary may enjoy the GSP treatment without quantitative limitations.
  
19. Since 1972 the Hungarian authorities have improved the preferential scheme in several stages. This resulted in the broadening of the coverage of products falling under preferential treatment, reductions in preferential tariff rates and the extension of the list of beneficiary countries. In 1972 preferential tariff rates were applied to 600 products and the number of beneficiary countries amounted to 57. The first autonomous improvement of the preferential scheme took place in 1974. Further improvements were introduced in the system in 1978, 1980 and minor changes in 1981. As a result of the continuous efforts to improve the scheme, at present the Hungarian Trade Customs Tariff contains roughly 1500 tariff lines with preferential rates. This represents approximately a 50 % GSP coverage of all tariff lines. The GSP treatment is extended now to 92 countries.

When improving the scheme of preferences the Hungarian authorities in every occasion took into consideration the requests of the trading partners expressed in multilateral fora or bilaterally /mainly in the framework of the joint committees/, as well as the delivery possibilities of the developing countries. As a result of these efforts, at present 95-98 per cent of the dutiable imports originating in the beneficiary countries receives preferential tariff treatment in the access to the Hungarian market.

20. As from January 1, 1978 under the special treatment in favour of the least developed countries within the framework of her GSP scheme, Hungary accords duty-free access to all imports purchased directly in these countries, without any quantitative restrictions.

The list of the countries enjoying this special treatment is contained in Annex IV. At present 31 least developed countries are beneficiaries of this treatment.

21. In conformity with the relevant resolutions, Hungary made further efforts in granting preferential treatment to tropical products of great export interest to the developing producing countries. Last time in 1978 the Hungarian authorities extended the preferential treatment to several tropical products autonomously. During the Multilateral Trade Negotiations Hungary did not receive any request from the part of her partners aiming <sup>at</sup> the further reduction of tariff rates of tropical products.

#### Foreign Trade with Developing Countries

##### A/ Imports

Taking as a basis the country classification established by the International Monetary Fund and reflected in the statistics regularly published by the Fund, "developing countries" as a group accounted for about 17 per cent and 24 per cent of Hungary's imports and exports respectively in 1982. In the light of these data and again according to this classification, between 1976 and 1982 there has been a modest increase in the share of Hungary's imports from these countries /1 percentage point/, while they have provided a growing market for Hungarian exports /an increase of 5 percentage points/.<sup>1</sup>

<sup>1</sup> See more details in the Note by the Secretariat; doc. COM.TD/W/385

It would be however misleading and would provide only an one-sided picture if statistical analysis were exclusively based upon this country classification. Therefore it is more appropriate to examine the development of Hungarian trade flow with the beneficiaries of her GSP scheme. In the following this document limits itself to review the trade between Hungary and the beneficiaries of the Hungarian scheme.

23. The imports of Hungary from the developing countries between 1972 and 1978 - in accordance with Articles XXXVI and XXXVII of the GATT - increased faster than the overall Hungarian import. Calculated in forints the value of imports from developing countries was four times greater in 1978 than in 1972. The share of developing countries in the Hungarian imports increased significantly. In the 1970s only 5 per cent of the total imports came from the developing countries, while in 1980-82 this share reached about 10 per cent.
24. One of the basic intentions of the Hungarian trade policy put into practice by the preferential tariff rates under the GSP scheme has largely contributed to this progress. The Hungarian authorities decided to make more attractive for the Hungarian companies the direct purchase of minerals, agricultural products and processed food stuffs from the developing countries without the transmission a third country company. This central intention is of course applicable only in cases where offers exist, the quality, terms of delivery etc. meet the requirements and normal market conditions prevail.
25. In the Hungarian imports from developing countries the Latin-American countries have traditionally played the most important role, although their share is decreasing now. In the first part of the 1970s more than half of the total imports originating in developing countries came from Latin-American countries, in 1980/1981 their share was 40-50 per cent, while in 1982 they hardly reached the 30 per cent share.

The most important traditional suppliers, contracting parties to the General Agreement in this area are Brazil, Argentina, Peru and Colombia. Presently Asian countries have become the most important markets of Hungarian purchases reaching a share of 45 per cent. The most important exporters in this region are India, Malaysia, and Pakistan. The participation of African countries is also growing with a share of 20-25 per cent. /Major suppliers: Egypt, Algeria, Nigeria./

The share of imports from the least developed developing countries accounts for the 2-5 per cent of the total imports from developing countries. Regular economic contacts have been established with Ethiopia, Tanzania, Sudan, Guinea, Bangladesh and Afganistan. The objective of the Hungarian authorities is the broadening of contacts with these countries and stabilization of these links.

#### The Commodity Structure of Imports

26. The Hungarian imports, paralelly with the quantitative increase, changed also in terms of the structure of the commodities. In the 1970s raw materials and foodstuffs accounted for about 90 per cent of the overall imports from developing countries, in the recent years this share is about 80-85 per cent. The share of the imported products falling under the chapters 1-24 of the CCCN totalled about 60 per cent.

The share of manufactured goods in the 1970s amounted to 10 per cent, while this share in the recent years reached 15-20 per cent. The most important items of this commodity group are textile and clothing articles, footwear, while chemical goods, and equipments still have a relatively small share.

27. The Hungarian authorities, in conformity with Article XXXVI: 5 of the General Agreement and with a view to diversify the economic structure of the developing countries, encourage the co-operation between the companies of Hungary and of the developing countries. The Hungarian

party supplies the necessary equipments, technology, know-how and engineering, while a part of the products manufactured by the partner in the developing countries bought back by the interested Hungarian firm. There are also some joint ventures in the developing countries with Hungarian participation.

28. In pursuance of Article XXXVI:5 of the General Agreement Hungary considers important to increase the imports of products with particular export interest to the developing countries. The share of imports coming from the beneficiary countries accounts for 43 per cent of the total imports of these products /1982/.

29. Hungary being situated in the temperate zone, provides for a stable market for tropical products. The value of imports of tropical products amounts to approximately US \$ 350 Million a year. About 80 per cent of these imports is supplied by developing GATT contracting parties.

### 30. Exports

Hungarian exports to the developing countries increased nearly by 450 per cent between 1972 and 1982. This is more than the rate of the overall export growth, so the share of developing countries has risen from 6-7 per cent in the 1970s to more than 10 per cent by the 1980s. Hungarian exports to the developing countries are dominated by manufactured industrial goods, agricultural products and foodstuffs. The first group of commodities accounts for about 50 per cent of the Hungarian exports during the last years, including mainly machinery products, transport vehicles and in smaller proportion consumer goods. The share of materials amounts to 30-35 per cent in the total exports /including industrial raw materials and semi-finished products, chemicals and component parts/. Exports of agricultural products and foodstuffs varies between 15-10 per cent of overall exports to developing countries.

The most important markets for the Hungarian exports are the developing countries of Asia. Their share in the past few years amounted to 61-69 per cent. The most important trading partners are Iraq, Iran, Syria, Lebanon, India and Kuwait. 27-31 per cent of the exports is directed to African developing countries, mainly to Algeria, Lybia, Egypt, Tunisia and Nigeria. The share of Latin American countries has continuously decreased during the last years, reaching a 4-6 per cent share. The most important Latin-American markets for Hungarian products are Brazil, Argentina and Mexico.

#### Technological and scientific co-operation with developing countries

31. With due regard to Article XXXVII:3/b of the General Agreement Hungary considers technological and scientific co-operation as one of the most important form to help the economic progress of the developing countries. On the basis of the state and development of the different branches in Hungary the main areas of this co-operation are machinery industry, agriculture, aluminium processing, pharmaceutical industry, transport, production of transport vehicles, education and public health. According to accepted work programs and bilaterally agreed projects in these areas Hungarian experts participate in projects under realization in developing countries, or the Hungarian party receives experts and students from developing countries. The reception and envoyment of experts are partly free of charge and partly charged by preferential fees. During the last years 8-900 experts were working in developing countries in yearly average. In the same time 1100-1300 experts and students from developing countries participated in professional formation and in university education in Hungary every year, free of charge in overwhelming majority.

#### Technical assistance

32. The technical assistance as defined in the Annex to the Ministerial Declaration is realised in Hungary by the services of the Hungarian Chamber of Commerce. The publications of the Chamber of Commerce /Trade Directory, Information on Hungary, Business Guide in Hungary etc./ give

an accurate picture on the mechanism of imports, on market demands, requirements and conditions.

The publication of Hungaropress gives information on general economic policy issues, on new legal rules and decrees while "Marketing in Hungary" describes the situation and projects of certain branches of the economy, and in this context the possible import demands.

33. The Hungarian Chamber of Commerce gives assistance to the establishment of business contacts for the enterprises in co-operation with the partner chambers of commerce and industry in the developing countries, by mutual exchange of informations and by the publication of business news. Every businessman, trading representative, producer can address himself to the Chamber, asking for the organization of his professional, business programme with the interested Hungarian partners and importers, end-users.
34. On the basis of the agreements between the chambers of commerce several specialized country or regional sections are operating in the framework of the Hungarian Chamber of Commerce. The Indian, Irani, Brazilian and Arab sections of the Chamber have an important role to play. Their task is the improvement of bilateral economic co-operation, the promotion of work of the enterprises in the markets, giving information and other kind of technical assistance.

The Hungarian Chamber of Commerce has delegates in 2 developing countries /in India and Lebanon/. Their task is to collect information for the member enterprises of the Chamber, searching partners and creating contacts, assistance to the organization of trade promotion events, and being always in contact with the local Chamber of Commerce and/or Industry.



The possibility of personal contacts can be realized through exchanges of business delegations. For the delegations of developing countries arriving in Hungary, the Chamber organizes programs as desired.

The Bulletin of the Chamber of Commerce gives place to all business inquiries or business offers arriving from all around the world, including developing countries too. Knowing these business possibilities the Hungarian enterprises can establish the necessary business contacts with the potential suppliers.

35. The Budapest International Fair which takes place twice a year, provides for an excellent forum to exhibit and to advertise the product coverage of the developing countries. In this Fair either countries or companies can take part. By the presence in this Fair it is assured that the interested Hungarian companies may get acquainted with the offered goods.

Balance of Payments in Convertible Currencies, 1979-82

/In Millions of U.S. dollars/

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Exports	4.063	4.863	4.877	4.876
Imports	-4.230	-4.587	-4.432	-4.110
Trade balance	-167	276	445	766
Freight and insurance /net/	-187	-237	-216	-220
Travel /net/	72	84	133	176
Investment income /net/	-366	-409	-1.100	-976
Government expenditure /net/	-37	-43	-47	-45
Other current receipts /net/	-181	-85	11	89
Unrequited transfers /net/	40	46	47	61
Current balance	-826	-368	-727	-149
Medium- and long-term capital				
Export financing /net/	-111	-124	-104	-192
Other	901	794	617	260
Inflows	N/A	1.605	1.443	1.154
Outflows	N/A	-811	-826	-894
Short-term capital /net/ <sup>1</sup>	-222	150	-412	-1.073
Overall balance	-258	452	-626	-1.154
Monetary movements				
Monetary gold /increase/	200	/212/	366	383
Foreign exchange /increase/	58	/240/	260	536
Use of Fund resources <sup>2</sup>	-	-	-	235

Sources: National Bank of Hungary; and IMF estimates.

<sup>1</sup> Includes errors and omissions

<sup>2</sup> Includes drawing of SDR 72 million under CFF in December 1982.

ANNEX II.

Tariff headings /subheadings/ of goods subject to  
global quota for consumer goods

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03.01	42.03	82.12	85.12-05
09.04-99	61.01	82.13	85.14-03
09.10	61.02	82.14	-04
16.02	61.03	83.07-99	85.15-04
16.04	61.04	84.15-01	-11
18.06	62.02	84.20	87.09
22.03	64.01	84.41-01	87.10
22.05-01	64.02	84.51-01	90.07
22.06	70.13	84.52-01	90.08
22.09-04	73.36	-02	90.09
33.06-01	73.38	-03	92.11-01
34.01	82.08	85.03	-02
34.02	82.09-99	85.06	94.01
37.02-01	82.11-01	85.07	94.03
-02	-02	85.12-04	97.06
-03			
-04			

Beneficiaries of the Hungarian GSP scheme

Algerian Democratic Popular Republic  
Angolan People's Republic  
Argentina  
Barbados  
Bolivia  
Brazil  
Burma  
Cameroon, Federal Republic of  
Chile  
Colombia, Republic of  
Congo, People's Republic of /Brazzaville/  
Costa Rica  
Dominican Republic  
Ecuador  
Egyptian Arab Republic  
Equatorial Guinea  
Gabon  
Grenada  
Ghana  
Guatemala  
Guyana  
Honduras Republic  
India  
Indonesia  
Iran  
Iraq  
Ivory Coast  
Jamaica  
Jordan, the Hashemite Kingdom of  
Kenya  
Kampuchea  
Laos  
Lebanon

Liberia  
Malagasy Republic  
Malaysia  
Mauritania, Islamic Republic of  
Mauritius  
Mexico  
Morocco, Kingdom of  
Mozambique  
Nicaragua  
Nigeria, Republic of  
Pakistan  
Papua /Territory of New Guinea/  
Peru  
Philippines, Republic of the  
Senegal  
Sierra Leone  
Singapore  
Sri Lanka  
Swaziland  
Syrian Arab Republic  
Thailand  
Togolese Republic  
Trinidad and Tobago  
Tunisia  
Uruguay, Oriental Republic of  
Venezuela, Republic of  
Zaire Republic  
Zambia Republic  
Zimbabwe

ANNEX IV.

List of least-developed countries enjoying  
duty-free treatment

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Afghanistan  
Bangladesh  
Benin  
Bhutan  
Bissau-Guinea  
Botswana  
Burundi  
Cape Verde  
Central African Republic  
Chad  
Comoros  
Democratic Yemen  
Ethiopia  
Gambia  
Guinea  
Haiti  
Laos People's Democratic Republic  
Lesotho  
Malawi  
Maldives  
Mali  
Nepal  
Niger  
Rwanda  
Samoa  
Somalia  
Sudan  
Tanzania  
Uganda  
Upper Volta  
Yemen