

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Committee on Trade in Agriculture

INFORMATION ON MEASURES AFFECTING TRADE SUBMITTED BY HUNGARY

Note by the Secretariat

1. This note has been prepared by the secretariat with a view to facilitating discussion in the Committee, notably with respect to "Exercise A", as was suggested by the Chairman at the meeting in June 1983 (AG/M/2, paragraph 23). It provides a summary of the information on measures affecting trade set out in document AG/FOR/HUN/1.
2. In principle, all of the products included in CCCN Chapters 1 through 24, or 164 headings at the four-digit level of the CCCN, are covered by the AG/FOR/- tabulations. The present document on Hungarian trade measures provides, in terms of CCCN headings, full coverage of Chapters 1 through 24 but, in terms of various non-tariff measures which may affect trade, it should be noted that the Hungarian submission covered only 44 four-digit CCCN headings, namely those for which Hungarian imports exceeded 1 million US dollars (cf. AG/FOR/HUN/1, page 2). Tariff data, and information on GATT bindings, shown in AG/FOR/HUN/1 in respect of products other than the 44 headings covered by the submission (the 44 headings are identified in an Annex to this note), are based on material available at the secretariat. It will be appreciated that the information in the format tables in AG/FOR/HUN/1 and the summary thereof attempted in this note are presented as subject to amendment, correction and completion, as may be required.
3. In connexion with the up-dating and revision of the Inventory of Non-Tariff Measures as they affect agricultural products Hungary has submitted short general notes (i.e. not specifically identifying individual agricultural products) in respect of (a) measures influencing exports; (b) measures influencing imports and (c) quantitative import restrictions. This information was circulated in AG/DOC/1/HUN/1 and that document could usefully be read in conjunction with AG/FOR/HUN/1. A secretariat note, COM.TD/W/385 (dated 16 September 1983), prepared in connexion with forthcoming Part IV consultations in the Committee on Trade and Development, also contains useful information on the operation of Hungary's tariff system and in regard to various non-tariff measures applicable and also gives some trade statistics. Among other documents which may be of relevance in considering measures and which may influence exports and/or imports of agricultural products are: L/5106/Rev.2, L/5194, L/5303, L/5363, L/5441, BOP/R/131, BOP/231, IMC/INV/8, IMC/W/16 and DPC/INV/1/Add.1.

Measures affecting exports

4. "Subsidies" - Column 2: Out of 44 headings notified, 26 are identified as benefiting from export subsidies "XS"; against two other headings both "XS" and "DS" (domestic subsidies) are shown and in two other instances (for live cattle and preserved milk and cream) "XS" and "PS" (price support) are shown. The GATT Article invoked is Article XVI, and the classifying symbol is (a). Column 3: Non-commercial credit: the entry "NCC" appears against 5 of the 44 CCCN headings concerned. GATT Article XVI is invoked and the classification symbol is (a). Column 4: Other forms of assistance: no entry against any of the 44 headings notified. Column 5: Charges, prohibitions and other restrictions: a voluntary restraint arrangement is shown against 01.04 (live sheep and goats), the Article invoked is Article XXIV, and the classification symbol in column 16 is (f). MP (minimum price) is shown in three instances, (preserved milk, cream, butter, cheese); the Article invoked is XX(h) and the classifying symbol is (a). There are no other inscriptions for column 5 provided by Hungary specifically for purposes of the AG/FOR/ documentation. From page 2 of AG/FOR/HUN/1 it may, however, be seen that all exports are subject to licensing. Column 6: State trading enterprises: no entry was furnished in respect of this column (cf. also L/5194, paragraph 6(c) and (h)). Column 7: Other measures affecting exports: no entry.

Measures affecting imports

5. Column 8: Tariffs and GATT bindings: while the Hungarian submission related to 44 headings only, the data that follow in respect of column 8 relate to all of the 164 CCCN four-digit headings in Chapters 1 through 24 and are based both on the material submitted by Hungary and on additional data available at the secretariat. Entire four-digit heading m.f.n. - free: eight instances; headings where sub-position rates range up to 10 per cent (with minimum sub-position rates sometimes at zero): 28 instances. Headings with maximum 20 per cent: 29 instances. Headings for which the maximum rate is at or below 40 per cent: 57 instances. Total of positions in the zero to 40 per cent range = 122, or approximately three-fourths of all positions in the Tariff. Number of headings subject to GATT bindings: Entire four-digit heading bound: 19 instances; part of heading bound: 24 instances. The GATT reference is Schedule LXVI, the relevant GATT Article II, and the classifying symbol given is (f). Number of headings providing in whole or in part for GSP rates: 73 instances. (This count does not include instances where a GSP rate exists but where the m.f.n. rate is also at zero or is at the same rate as the GSP rate.) Goods originating in least developed countries enjoy duty-free treatment for all products. The GATT provision invoked for GSP measures is the "Enabling Clause" and the measure is classified as (f) (cf. however also COM.TD/W/385 para. 23, which states that Hungary does not apply tariffs to imports settled in non-convertible currencies and based inter alia on fixed prices and quotas from countries in the Eastern Trading Area. The same paragraph also contains a reference to import duties applicable to goods originating in Finland). Column 9: Levies and other charges: no entry (cf. however, also COM.TD/W/385, para. 30, which states that a fee

equivalent to 2 per cent of the forint value of the licensed import value is levied). Column 10: Licensing and import restrictions: in respect of the 44 headings covered by Hungary's submission there were four entries for global quotas, applying to whole or part of the heading, namely: 10.06 (rice), 23.01 (greaves etc.), 23.04 (oilcakes) and 23.07 (sweetened forage); the measures were classified for purposes of the AG/FOR/ documents as (f). In addition, from material furnished for purposes of balance-of-payments-measure notifications, positions 12.02 and 23.06 (both fodder materials) also seem to be under global quota. Further, while column 10, as presented in the format table, does not carry other inscriptions it may be noted that all imports are subject to licensing (COM:TD/W/385 pages 11 to 13). Column 11: Sanitary and phytosanitary regulations: in respect of the 44 headings notified, Hungary has inserted symbols showing the existence of such regulations in 24 instances. The GATT Article invoked is Article XX:b and the classification for column 16 is (a). Column 12: Marketing standards, packaging and labelling regulations: no entry in the format. Column 13: State trading enterprises: there is no entry in the material furnished by Hungary for purposes of the AG/FOR/ documentation (cf. however also L/5194 paragraph 6(c) and (h) and COM.TD/W/385, para. 11). Column 14: Other measures affecting imports: no entry.

Reference to GATT documents

6. column 15: cf. para. 3 of this note.

References to GATT Articles, provisions and classification criteria as in para. 7(a) through (f) of document AG/1

column 16: See paragraphs 4 and 5 above.

Summary

In view of the limited coverage of the submission the preparation of a summary of the classification criteria selected does not seem indicated at this stage.

Annex

The 44 CCCN four-digit headings covered in the Hungarian
submission for the AG/FOR/ documentation

<u>CCCN No.</u>	<u>Description</u>
01.02	Live cattle
01.03	Live swine
01.04	Live sheep and goats
01.05	Live poultry
02.01	Fresh meat
03.01	Fresh; frozen fish
04.02	Milk, cream, preserved, concentrated
04.03	Butter
04.04	Cheese and curd
04.05	Eggs
05.04	Guts, bladders
07.01	Fresh vegetables
07.04	Dehydrated vegetables
07.05	Dried leguminous vegetables
08.01	Dates, bananas, pineapple, etc.
08.02	Citrus fruit
08.04	Grapes
08.05	Nuts
09.01	Coffee
09.02	Tea
09.04	Pepper, pimento
10.01	Wheat
10.03	Barley
10.05	Maize
10.06	Rice
12.01	Oilseeds
12.07	Plants for perfumery, -pharmacy
15.07	Fixed vegetable oils
16.02	Prepared, preserved meat
16.04	Prepared, preserved fish
17.01	Solid beet and cane sugar
17.02	Other sugars, syrups
18.01	Cocoa beans
18.03	Cocoa paste
20.06	(Canned) fruit
20.07	Fruit juices, etc.
21.02	Coffee, -tea extracts
22.03*	Beer
22.05	Wine of grapes
23.01	Greaves etc, fish meal
23.04	Oilcakes
23.07	Sweetened forage
24.01	Unmanufactured tobacco
24.02	Manufactured tobacco

* Mistakenly numbered 22.04 in AG/FOR/HUN/1, page 20.