

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

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RESTRICTED

L/3908

14 August 1973

Limited Distribution

ACCESSION OF HUNGARY

On 8 August 1973 the CONTRACTING PARTIES adopted a Decision (L/3905) to the effect that the Government of Hungary may accede to the General Agreement on terms set out in the Protocol for the Accession of Hungary, the text of which was approved by the Council of Representatives on 30 July 1973 (C/M/89). The text of the Protocol is annexed hereto. The Schedule contained in Annex C is not reproduced.

The Protocol was signed by Hungary on 10 August 1973. In accordance with its paragraph 11, the Protocol will enter into force on 9 September 1973 and, in terms of paragraph 1 thereof, Hungary will become a contracting party to the General Agreement on that day.

The Protocol is open for signature by contracting parties and by the European Economic Community.

PROTOCOL FOR THE ACCESSION OF HUNGARY

The governments which are contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as "contracting parties" and "the General Agreement" respectively), the European Economic Community, and the Government of the Hungarian People's Republic (hereinafter referred to as "Hungary"),

TAKING NOTE of the request of Hungary dated 9 July 1969 for accession to the General Agreement,

HAVING REGARD to the result of the negotiations directed towards this end,

HAVE through their representatives agreed as follows:

Part I - General

1. Hungary shall, upon entry into force of this Protocol pursuant to paragraph 11, become a contracting party to the General Agreement, as defined in Article XXXII thereof, and shall apply to contracting parties provisionally and subject to this Protocol:

- (a) Parts I, III and IV of the General Agreement, and
- (b) Part II of the General Agreement to the fullest extent not inconsistent with its legislation existing on the date of this Protocol.

The obligations incorporated in paragraph 1 of Article I by reference to Article III and those incorporated in paragraph 2(b) of Article II by reference to Article VI of the General Agreement shall be considered as falling within Part II for the purpose of this paragraph.

2. (a) The provisions of the General Agreement to be applied to contracting parties by Hungary shall, except as otherwise provided in this Protocol, be the provisions contained in the text annexed to the Final Act of the second session of the Preparatory Committee of the United Nations Conference on Trade and Employment, as rectified, amended, or otherwise modified by such instruments as may have become effective on the day on which Hungary becomes a contracting party.

(b) In each case in which paragraph 6 of Article V, sub-paragraph 4(d) of Article VII, and sub-paragraph 3(c) of Article X of the General Agreement refer to the date of that Agreement, the applicable date in respect of Hungary shall be the date of this Protocol.

3. (a) Paragraph 1 shall not prevent the maintenance by Hungary of its existing trading regulations with respect to products originating in or destined for the countries enumerated in Annex A hereto.

(b) Hungary undertakes that her trading regulations or any change in them, or any extension of the list of countries referred to in the previous sub-paragraph shall not impair her commitments, discriminate against or otherwise operate to the detriment of contracting parties.

4. (a) Contracting parties still maintaining prohibitions or quantitative restrictions not consistent with Article XIII of the General Agreement on imports from Hungary shall not increase the discriminatory element in these restrictions and undertake to remove them progressively.

(b) If, for exceptional reasons, any such prohibitions or restrictions are still in force as of 1 January 1975, the Working Party provided for in paragraph 6 will examine them with a view to their elimination.

(c) To this end, contracting parties shall notify, on entry into force of this Protocol, on 1 January 1975, and thereafter before the consultations provided for in paragraph 6 below, discriminatory prohibitions and quantitative restrictions still applied to imports from Hungary. Such notifications shall include a list of the products subject to these prohibitions and restrictions, specifying the type of restrictions applied (import quotas, licensing systems, embargoes, etc.) as well as the value of trade effected in the products concerned and the measures adopted with a view to eliminating these prohibitions and restrictions under the terms of the preceding sub-paragraphs.

5. (a) If any product is being imported, in the trade between Hungary and contracting parties, in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products, the provisions of (b) to (e) of this paragraph shall apply.

(b) Hungary or the contracting party concerned may request consultations. Any such request shall be notified to the CONTRACTING PARTIES. If, as a result of such consultations, it is agreed that the situation referred to in (a) above exists, exports shall be limited or such other action taken, which may include action, if possible, with respect to the price at which the exports are sold, as will prevent or remedy the injury.

(c) Should it not be possible to reach agreement between the parties concerned as a result of consultation under (b), the matter may be referred to the CONTRACTING PARTIES who shall promptly investigate the matter and who may make appropriate recommendations to Hungary or to the contracting party concerned.

(d) If, following action under (b) and (c) above, agreement is still not reached between the parties concerned, the contracting party concerned shall be free to restrict the imports of the product concerned to the extent and for such

time as is necessary to prevent or remedy the injury. The other party shall then be free to deviate from its obligations to the contracting party concerned in respect of substantially equivalent trade.

(e) In critical circumstances, where delay would cause damage difficult to repair, such preventive or remedial action may be taken provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.

6. (a) Consultations shall be held between Hungary and the CONTRACTING PARTIES biennially, or in any other year at the specific request of a contracting party or Hungary, in a working party to be established for this purpose, in order to carry out a review of the operation of this Protocol and the evolution of reciprocal trade between Hungary and the contracting parties.

(b) Particular attention shall be paid, in the course of these consultations, to the operation of paragraph 3(b) of this Protocol. The parties shall consult on the evolution of imports by Hungary from contracting parties as well as regulations affecting Hungarian foreign trade. To this effect the Working Party will examine all aspects of the development of Hungarian imports on the basis of inter alia relevant information to be provided by Hungary.

(c) The Working Party may make appropriate recommendations in regard to any problem raised.

(d) The consultations shall follow the lines set out in Annex B to this Protocol.

7. Pursuant to the procedures outlined in paragraph 6, or not less than three months before a consultation under that paragraph, a contracting party may request Hungary or Hungary may request a contracting party to enter into consultation with it. Any such requests shall be notified to the CONTRACTING PARTIES. Should such consultation not lead to a result satisfactory to the contracting party or to Hungary, that contracting party may suspend, to the extent it considers necessary, the application to Hungary, or Hungary may suspend, to the extent it considers necessary, the application to that contracting party of concessions or other obligations under the General Agreement, and shall immediately inform the CONTRACTING PARTIES of any such action. At the request of the contracting party concerned, or any other contracting party having a substantial interest in the subject of the consultation, or Hungary, the CONTRACTING PARTIES shall consult with the contracting party concerned and Hungary. Should such consultation not lead to an agreement between the contracting party and Hungary, and should the contracting party or Hungary continue to take action under this paragraph, Hungary or the contracting party shall be free, while such action is taken, to suspend to an equivalent extent the application to that contracting party or to Hungary of such concessions or other obligations under this Protocol as it may consider necessary.

8. Hungary reserves its position with respect to the provisions of paragraph 6 of Article XV of the General Agreement, but undertakes that, so long as Hungary is not a member of the International Monetary Fund, it will act in exchange matters in accordance with the intent of the General Agreement and in a manner fully consistent with the principles laid down in the text of the special exchange agreement as adopted by the CONTRACTING PARTIES in their Resolution of 20 June 1949. Hungary shall report to the CONTRACTING PARTIES promptly on any action taken by it which would have been required to be reported to the CONTRACTING PARTIES had Hungary signed the special exchange agreement. Hungary shall consult with the CONTRACTING PARTIES at any time, subject to thirty days' notice, upon request of any contracting party which considers that Hungary has taken exchange action which may have a significant effect on the application of the provisions of the General Agreement or is inconsistent with the principles and objectives of the special exchange agreement. If, as a result of such consultation, the CONTRACTING PARTIES find that Hungary has taken exchange action contrary to the intent of the General Agreement, they may determine that the present reservation shall cease to apply and Hungary shall thereafter be bound by the provisions of paragraph 6 of Article XV of the General Agreement.

#### Part II - Schedule

9. The schedule in Annex C shall, upon the entry into force of this Protocol, become a Schedule to the General Agreement relating to Hungary.

#### Part III - Final Provisions

10. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES. It shall be open for signature by Hungary until 31 December 1973. It shall also be open for signature by contracting parties and by the European Economic Community.

11. This Protocol shall enter into force on the thirtieth day following the day upon which it shall have been signed by Hungary.

12. Hungary, having become a contracting party to the General Agreement pursuant to paragraph 1 of this Protocol, may accede to the General Agreement upon the applicable terms of this Protocol by deposit of an instrument of accession with the Director-General. Such accession shall take effect on the day on which the General Agreement enters into force pursuant to Article XXVI or on the thirtieth day following the day of the deposit of the instrument of accession, whichever is the later. Accession to the General Agreement pursuant to this paragraph shall, for the purposes of paragraph 2 of Article XXXII of that Agreement, be regarded as acceptance of the Agreement pursuant to paragraph 4 of Article XXVI thereof.

13. Hungary may withdraw its provisional application of the General Agreement prior to its accession thereto pursuant to paragraph 12 and such withdrawal shall take effect on the sixtieth day following the day on which written notice thereof is received by the Director-General.

14. The Director-General shall promptly furnish a certified copy of this Protocol and a notification of each signature thereto, pursuant to paragraph 10, to each contracting party, to the European Economic Community, to Hungary and to each government which shall have acceded provisionally to the General Agreement.

15. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE at Geneva this eighth day of August one thousand nine hundred and seventy-three, in a single copy, in the English and French languages, both texts being authentic.

Annex A

LIST OF COUNTRIES<sup>1</sup> REFERRED TO IN PARAGRAPH 3(a)  
OF THE PROTOCOL

Albania, Bulgaria, Czechoslovakia, the German Democratic Republic, the Democratic People's Republic of Korea, Mongolia, the People's Republic of China, Poland, Romania, the Union of Soviet Socialist Republics, the Democratic Republic of Viet-Nam.

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<sup>1</sup>The designations employed in this list do not imply the expression of any opinion whatsoever concerning the legal status of any country or territory or of its authorities, or concerning the delimitation of its frontiers.

Annex B

PLAN FOR PERIODIC CONSULTATIONS BETWEEN HUNGARY  
AND THE CONTRACTING PARTIES PURSUANT TO PARAGRAPH 6  
OF THE PROTOCOL

The consultations shall be on the following lines:

(i) Hungarian exports

(a) General trend and geographical distribution of Hungarian exports to the contracting parties and of total Hungarian exports.

(b) Development of Hungarian exports of various categories of goods, e.g. agricultural products, raw materials, semi-manufactured goods, machinery and consumer goods.

(c) Measures adopted under paragraph 4 of the Protocol by contracting parties maintaining against Hungarian exports quantitative restrictions inconsistent with Article XIII of the General Agreement.

(d) Other questions relating to Hungarian exports.

(ii) Hungarian imports

(a) General trend and geographical distribution of Hungarian imports from the contracting parties and of total Hungarian imports.

(b) Development of Hungarian imports of various categories of goods, e.g. agricultural products, raw materials, semi-manufactured goods, machinery and consumer goods.

(c) Other questions relating to Hungarian imports.

(iii) Developments in Hungary's trading regulations as covered by paragraph 3(a) and review of the operation of Hungary's undertaking in paragraph 3(b) of the Protocol.