

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4878

19 November 1979

Limited Distribution

Original: English

AGREEMENT BETWEEN FINLAND AND HUNGARY ON THE RECIPROCAL REMOVAL OF OBSTACLES TO TRADE

Information Furnished by the Parties to the Agreement

This report covers the period from 1 July 1977 to 30 June 1979.

The Free Trade Agreement between Hungary and Finland entered into force on 1 January 1975.

The objective of the Agreement is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the General Agreement on Tariffs and Trade, concerning the establishment of free-trade areas.

The Agreement has functioned normally and has been applied in accordance with its provisions.

The main results are as follows:

1. During the period covered by the report, customs duties on imports of products falling within Chapters 25-99 of the CCCN have been abolished and reduced, in accordance with the provisions of Article 3 of the Agreement: customs duties on imports have generally been abolished on 1 July 1977, and decreased from 1 January 1979 to 50 per cent of the basic duties concerning the products laid down in the Protocol No. 2 of the Agreement.

2. On the date of the entry into force of the Agreement no quantitative import restrictions regarding products covered by the Agreement existed in Hungary, nor were any such restrictions introduced during the period under review.

Finland does not apply any discriminatory prohibitions or quantitative restrictions on imports from Hungary.

3. The rules of origin in Protocol No. 3 of the Agreement which determines the eligibility of products for the tariff reduction under the Agreement have been applied as foreseen.

./.

4. A Joint Commission has been established to administer and supervise the implementation of the Agreement and also to act as forum for the information and consultation procedures foreseen in the Agreement.

The Joint Commission has held two sessions: from 18 April to 21 April 1978 in Helsinki and from 27 February to 2 March 1979 in Budapest.

5. Approximately 100 per cent of the imports of Hungary from Finland and 95 per cent of the imports of Finland from Hungary are covered by the Agreement.

Volume of commercial exchanges in millions of US dollars:

Imports by Hungary from Finland:

1977: 43.8 of which agriculture 0.7
1978: 59.3 of which agriculture 1.7
January-June 1979: 29.8 of which agriculture 0.2

Imports by Finland from Hungary:

1977: 28.9 of which agriculture 4.9
1978: 35.1 of which agriculture 7.6
January-June 1979: 22.9 of which agriculture 4.1