

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## CONSULTATION WITH HUNGARY

### FIFTH REVIEW UNDER THE PROTOCOL OF ACCESSION

#### Report by the Working Party on Trade with Hungary

1. At its meeting on 12 July 1983 the Council established a Working Party to conduct, on behalf of the CONTRACTING PARTIES, the Fifth Consultation with the Government of Hungary provided for in the Protocol of Accession<sup>1</sup>, and to report to the Council.

2. The Working Party met on 24 January 1984 under the chairmanship of Ambassador Roger Peren (New Zealand) to carry out the consultation. It adopted its report on 28 March 1984.

3. The Working Party had before it the following documents:

L/5593	Hungarian Foreign Trade Statistics
L/5530 and Adds. 1 to 5	Notifications by contracting parties on discriminatory restrictions maintained on imports from Hungary on 31 July 1983

4. This report sets out the main points of discussion in the Working Party under three headings:

- A. Hungarian exports
- B. Hungarian imports
- C. Developments in Hungary's trading relations

#### A. Hungarian exports

5. The Working Party noted that the following contracting parties had notified that they did not maintain any discriminatory quantitative restrictions on imports from Hungary

Argentina	Japan
Australia	New Zealand
Austria	Poland
Canada	Romania
Chile	Spain
Colombia	South Africa
Czechoslovakia	Sweden
Finland	Switzerland
Iceland	UK/Hong Kong
India	United States

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<sup>1</sup>BISD, 20S/3.

6. The Working Party took note of the notifications on discriminatory quantitative restrictions by:

European Communities  
Norway

7. Notifications submitted by contracting parties for the previous consultations are listed in the Annex.

8. The Working Party welcomed the information that Sweden had eliminated all quantitative restrictions on imports from Hungary referred to in paragraph 4 of the Protocol of Accession of Hungary, as notified in a communication to the contracting parties dated 30 April 1982 (L/5318).

9. The representative of Hungary in his introductory statement pointed out that his Government's policy was based inter alia on the decentralization of economic decisions, closer links with the international economy and the price system reflecting actual cost and demand and supply conditions. In his view, GATT rules were instrumental in carrying out this policy, which was an autonomous policy of his Government. Unlike other countries, Hungary could not afford a closed economy, and was bound to free trade. Since the General Agreement provided a multilateral framework not permitting discrimination, protectionism and bilateralism, it was in his country's interest to accept its obligations and enjoy its rights. He finally stressed that various exogenous factors in the trade policy field, among them protectionist and discriminatory measures, had put a heavy strain on the Hungarian economy and, consequently, impeded the further perfection of the economic management system. It was his hope that this situation would change so that his authorities would be able to continue progress towards the goals mentioned before.

#### Hungarian Exports

10. Some members of the Working Party noted from the foreign trade statistics supplied by Hungary (L/5593) that Hungary's exports to the contracting parties (less those listed in Annex A of the Hungarian Protocol) had declined slightly in 1982 when compared to 1981, while exports to non-GATT countries (including those GATT members listed in Annex A of the Protocol) had increased by roughly 13 per cent in value, and asked the Hungarian representative to explain the major reasons for this development, and whether his authorities expected a similar result for 1983. One member of the Working Party noted that Hungarian exports to his country had stagnated for several years but had shown a surprising rebound in the first half of 1983.

11. The representative of Hungary said that the figure of 13 per cent increase in value for exports to non-GATT countries (but including contracting parties listed in Annex A of the Protocol of Accession) would be smaller if calculated at constant prices. There were several reasons why these exports had increased while others had declined. One of them was the general trend in markets, which affected some Hungarian export products more than others. Certain protectionist measures in export markets played a non-negligible rôle in this decline. He pointed out that, excluding agricultural exports, a major part of Hungarian exports were subject to protectionist measures and limitations, including discriminatory import

restrictions. On the other hand, demand for Hungarian products in non-GATT countries, but including contracting parties listed in Annex A of the Protocol, was growing, and it was obvious that Hungary intended to use this opportunity.

12. The representative of the European Communities, referring to document L/5593 Hungarian Trade Statistics, asked whether in the future statistics could not be presented with a sub-division, i.e. a first line "exports to all contracting parties", a second line "exports to contracting parties minus those contained in Annex A" and a third line "exports to Annex A countries". He also observed that these figures if expressed in Ecu would give a clearer picture of the values involved; it would eliminate some of the wide fluctuations of the dollar/forint exchange rate. Most Hungarian exports were not effected in dollars, but in currencies of the EEC. In terms of Ecu, 1981/1982 exports to the Community had grown in value by some 5.5 per cent, whereas exports to all contracting parties had declined. He added that the Deutsch mark played a considerable rôle in the Ecu, as well as in Hungarian exports. Figures in Ecu for the first seven months of 1983 showed that Hungarian exports were also increasing.

13. The representative of Hungary said that he was in agreement with the representative of the EEC with regard to the level of Hungarian exports to the Communities. He said that he would consider carefully a breakdown of export and import statistics: he recognized that the contracting parties had a legitimate interest in examining Hungary's trade flows. However, he added that Hungary's main concern at the moment was its balance of payments and balance of trade position.

14. In reply to a question concerning the increase in "energy" exports, the representative of Hungary said that the growth of "energy" exports was to a great extent attributable to an increase in the price of energy products.

15. The representative of Hungary recalled the terms of paragraph 4 (a) of the Protocol of Accession: "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." He recalled that sub-paragraph (c) called for notifications by contracting parties of such restrictions. Referring to the notification of the EEC in document L/5530/Add.2, he said that the EEC had failed to include those discriminatory quantitative restrictions which were covered in a bilateral textile agreement concluded under the MFA which would expire on 31 December 1986. These discriminatory quantitative restrictions were suspended but not eliminated. Hungary's request that they be eliminated had been refused by the EEC. Because these measures were only suspended, and could therefore be reintroduced, they should be notified as discriminatory quantitative restrictions referred to in paragraph 4 of the Protocol. He also noted from the EEC notification that practically no progress was visible since the last consultation. As to the communication of the EEC to the effect that, by the action of certain member States, four positions which had been discriminatory quantitative restrictions had been liberalized erga omnes on 10 January 1984, he considered that this was a modest step in the right direction. However, the number of remaining discriminatory quantitative restrictions was large and no progress had been made towards eliminating them. Turning to the notification made by Norway (L/5530), he could not

accept the argument that the quotas allocated to Hungary were not a hindrance to trade, because none of them had been fully utilized in a given period. These quotas had a clearly limitative character, because their level could not be overpassed, if Hungarian export companies had enough goods to sell. He referred to the fact that in its notification Norway had stated that these restrictions were to be seen in conjunction with its licensing system concerning imports from all East European countries. In his view this was not applicable with respect to Hungary because the relation between Norway and Hungary was a contractual one under the GATT, based on most-favoured-nation treatment and non-discrimination. Therefore Norway's explanation was not an acceptable justification for the imposition of the discriminatory quantitative restrictions. On the basis of this he considered that Norway had a policy that seemed inconsistent with Article I and Article XIII of the GATT.

16. The representative of Hungary referred to the previous consultation during which he had stated that the accession of Greece to the European Communities had led to the introduction by Greece of some new discriminatory quantitative restrictions on imports from Hungary. In reply the representative of the EEC had said that "with respect to the few marginal cases resulting from the accession of Greece to the European Community the latter would be prepared, while observing the considerable liberalization effort made by Greece on that occasion, to take note of the Hungarian requests and to examine the problem" (L/5303, paragraph 49). He now asked whether the Community had examined the matter, and with what result. He also pointed out that over the last year France had liberalized some products, but with the exclusion of several countries, including Hungary. This meant that measures which had previously been general quantitative restrictions had now become discriminatory quantitative restrictions. He asked that France, or the European Communities, explain the legal grounds for such a measure. Finally, referring to the notification by Argentina (L/5530/Add.1) in which a question of anti-dumping had been raised, he said that anti-dumping measures could not be considered as discriminatory quantitative restrictions, and anti-dumping procedures were subject to the provisions of the Anti-Dumping Code.

17. The representative of Switzerland stated that his Government applied no discriminatory quantitative restrictions, in the sense of paragraph 4 (a) of the Protocol, on imports from Hungary. The representative of India also stated that his Government applied no discriminatory quantitative restrictions against Hungarian imports. The representative for Australia stated that Australia did not maintain any discriminatory prohibitions or quantitative restrictions on imports from Hungary. The representative for the United States stated that her Government did not presently maintain any discriminatory prohibitions or quantitative restrictions on imports from Hungary.

18. One member of the Working Party said that the provisions of paragraph 4 of the Protocol of Accession were clear: quantitative restrictions inconsistent with Article XIII were not to be increased, and were to be removed progressively. A time element, 1 January 1975, had been introduced after which the Working Party was to examine any remaining restrictions with a view to eliminating them. He noted that the statement by the representative of Hungary was much the same as in earlier consultations; there was a lack of progress in the removal of discriminatory quantitative

restrictions. His delegation supported this view, and urged that those contracting parties still maintaining import restrictions against Hungarian imports do all in their power to meet their commitment as expressed in the Protocol.

19. Another member of the Working Party recalled that this was the Fifth Consultation with Hungary under the terms of the Protocol of Accession. It was a matter of record that some contracting parties, and most recently Sweden, had been able to abolish discriminatory quantitative restrictions previously maintained against Hungary. However, it remained a matter of concern to his delegation as a contracting party to the GATT that a number of quantitative restrictions continued to be maintained against Hungary, despite paragraph 4 (a) of the Protocol, which required that contracting parties not increase the discriminatory element in these restrictions maintained against Hungary, and undertake to remove them progressively. He recalled that the last Working Party had concluded on a note of appeal from the representative of the European Community, that Hungary and the Community could more easily reach a solution of their problems under the Protocol in a bilateral framework. This had been a recurring theme in the debate. The response of the majority of members of that Working Party was that, in accepting the terms of Hungary's Protocol of Accession, all contracting parties including the EEC had undertaken to abide by the terms of paragraph 4(a) of the Protocol. The attraction of those terms for the contracting parties was no doubt that some time had been obtained in which to dismantle the discriminatory quantitative restrictions against Hungary. Hungary had accepted that some discriminatory quantitative restrictions would remain for a time after the accession, but with the hope reflected in paragraph 4(a) that they would eventually if not immediately be removed. On the question of trade statistics raised earlier, he had noted that the representative of Hungary would consider supplying more details. He welcomed any moves towards greater transparency in this area. However, this was not a condition which in any way modified the obligations under paragraph 4(a) of the Protocol of Accession. Returning to the question of a bilateral solution to the Communities' problems in conforming to the terms of paragraph 4(a) of the Protocol, he asked whether the Community considered that it was more easily able to fulfill its obligations regarding the elimination of discriminatory quantitative restrictions against Hungary only in the context of a bilateral agreement, which might confer additional benefits on the Community not conferred by this Protocol or other provisions of the General Agreement, and which would not be conferred on other contracting parties.

20. Another member of the Working Party drew attention to the slow progress made over the last several reviews and in particular since the last review, in phasing out the remaining quantitative restrictions maintained by a few contracting parties on Hungary's exports. She noted the very small amount of trade covered by these remaining restrictions, and encouraged renewed efforts to phase out remaining discriminatory quantitative restrictions as soon as practicable. Her delegation was traditionally opposed to quantitative restrictions in general, and to discriminatory quantitative restrictions in particular. She expressed her delegation's dissatisfaction that the total phase-out of quantitative restrictions, initially anticipated by 1 January 1975, had not been achieved in accordance with the provisions of paragraph 4 of the Hungarian Protocol. It was her government's belief that adequate safeguards already existed within GATT agreements and arrangements, including paragraph 5 of the Hungarian Protocol, precluding the need for the

application of discriminatory quantitative restrictions in addition. It was her understanding that Hungary and the European Communities were discussing the possibility of a trade agreement. She assumed that such an agreement would be in accordance with the provisions of the GATT and would include the elimination of existing discriminatory quantitative restrictions. Her authorities would, of course, would oppose any bilateral solution involving market-sharing approaches.

21. Several delegations supported the tenor of the previous speakers' remarks and expressed their delegations' concern at the lack of progress over the past years in eliminating discriminatory quantitative restrictions, and at the lack of justification for maintaining these restrictions beyond the time limit allowed by the Protocol. They urged the parties concerned to make every effort to meet their obligations under the Protocol.

22. The representative of Norway referred to his notification (L/5530) and said that some changes in the Norwegian import licensing system had been introduced as from 1 January 1984; the list of restricted items had been reduced with respect to East European countries. Norway's quantitative restrictions against Hungarian imports covered only textile products. Norway intended to accede to the Multi-Fibre Arrangement and had entered into negotiations with several countries, including Hungary. Should the outcome of these negotiations be successful, his authorities might be prepared to eliminate the remaining restrictions maintained under paragraph 4 of the Protocol of Accession.

23. The representative of Hungary recalled the two proposals he had made at the previous meeting (L/5303, paragraph 26): (1) that the discriminatory quantitative restrictions applied by Greece as a result of its accession to the European Communities be immediately removed; and (2) that the quantitative restrictions where quotas were continually under-utilized be immediately eliminated. He also recalled that he had supported the proposals made by other members of the Working Party (a) that the Working Party adopt a recommendation with a target date for the phasing-out and removal of discriminatory quantitative restrictions still maintained against Hungarian exports; and (b) that the selective safeguard mechanism under paragraph 5 of the Protocol of Accession of Hungary be made use of, should the elimination of the restrictions bring about market disruption or risk thereof. He also recalled the reply of the EEC to the effect that it was prepared to examine the problems relating to the Greek quantitative restrictions. He asked what was the outcome of this examination. Regarding the second proposal, the representative of the EEC had said at the previous consultation that it was not prepared to amend the Protocol of Accession by changing the target date for the removal of restrictions, and that the EEC was disposed to consider acceleration of the liberalization of its quantitative restrictions, but within the constraints of economic conditions. With respect to the other proposal, the EEC had said that there was no need for the Community to demonstrate market disruption under paragraph 5 of the Protocol as there were no new discriminatory import restrictions applied. The representative of Hungary said that there were new discriminatory quantitative restrictions, and that these had been applied without resorting to the procedures agreed to in the Protocol of Accession; there had been no consultation with Hungary, nor any recourse to selective safeguard measures under paragraph 5. He asked whether the European Communities still maintained this position, or whether

it was prepared to take action in order to remove the discriminatory quantitative restrictions maintained by its member States on Hungarian imports.

24. The representative of the EEC said that he had listened with interest to the different statements made, which were very similar to statements that he had heard in past consultations. It was easy for some members of the Working Party to criticize the EEC's policy on Hungarian imports while their own imports from Hungary were very small. With the exception of imports by the United States, which had grown considerably and amounted to about ten per cent of what the EEC imported, those contracting parties who expressed so much concern over Hungary's exports had imported far less than the EEC and less than during the previous years. However it was the EEC at whom they pointed a finger. There was a contradiction in the fact that contracting parties urged the elimination of quantitative restrictions but imported less themselves. Some contracting parties were not even mentioned in the Hungarian paper on its trade statistics, so small were their imports from Hungary. With respect to the question of a bilateral agreement between the EEC and Hungary, the remarks that he had made at the previous consultation remained valid. The particular problems between the EEC and Hungary could be better pinpointed in the context of a bilateral agreement. A great number of bilateral agreements existed between the different countries, and he was surprised that rumours about a bilateral agreement between the EEC and Hungary could cause so much concern as to its conformity with the provisions of the GATT. When other countries intended to enter into bilateral agreements, the EEC took it for granted that these would be in conformity with GATT. Addressing the question of the suspension of quantitative restrictions under the textile agreement, the representative of the EEC confirmed that these were suspensions, and not definitive eliminations. These might be flagged as suspensions in the next notification. Concerning the results of the examination of the Greek restrictions he said that this was still under review, and not yet completed. He hoped to give a reply to Hungary very soon. Some of these restrictions were the result of errors and had no legal basis. He assured the Working Party that such errors would be corrected, and he would supply the representative of Hungary with a new list of products. Some of these might appear as increased quantitative restrictions. However, there had been some omissions in the 1981 notification, due to the fact that the NIMEX numbering within the EEC changed fairly frequently; as many as a thousand NIMEX lines could be added in a year. But in terms of NIMEX there were only twelve new lines restricted, compared to the list of 1981. Compared to the total this did not represent an increase. He had heard complaints about slow progress in elimination of restrictions. He pointed out that the EEC had liberated forty NIMEX positions in 1983 some of these of little economic impact. It was true that there were difficult economic conditions; the EEC had to resist internal pressures to restrict imports, and the fact that it had resisted protectionist pressures was equivalent to progress. It was also true that due to the economic situation, which had not changed since the last consultation, progress in eliminating restrictions had been slow. Nevertheless, the date of 1 January 1975 in the Protocol had been a target date; this was borne out by the accompanying sentence which referred to "with a view to their elimination". He reiterated that the EEC was examining the problem positively. If quantitative restrictions still existed it was not the result of ill-will; in fact the good-will of the EEC was demonstrated by its growing imports from Hungary. He hoped to be in a position to give better news at the next consultation.

25. Two members of the Working Party said that the fact that a contracting party imported little from another contracting party did not deprive it of its right to appeal for observance of the provisions of a multilateral agreement.

26. The representative of Romania said that he had noted the EEC statement to the effect that he hoped to have better news for the next consultation. Romania was particularly concerned at the existence of discriminatory quantitative restrictions and most interested in progress in their removal.

27. The representative of Hungary said that according to the terms of the Protocol of Accession, discriminatory quantitative restrictions after 1 January 1975 could only be in force for "exceptional reasons" and were to be examined under paragraph 6 "with a view to their elimination". The difficult economic situation invoked by the representative of the EEC was not a justification for discriminatory measures; difficult economic situation could be invoked only if the measures were directed towards all countries. Hungary's main concern was that the restrictions applied by the member States of the EEC were not in conformity with Article XIII. The Working Party did not receive any explanation regarding the exceptional reasons that called for the maintenance of such restrictions. Furthermore, nothing had been done since the last consultation in view of their elimination. At this consultation, the EEC was not indicating any progress towards elimination. He noted the statement of the representative of the EEC which confirmed that the attitude of the Community had not changed since the last consultation towards any of the proposals contained in the report of the Working Party. Referring to a possible bilateral agreement between the EEC and Hungary, the representative of Hungary stated that at no moment had Hungary considered that the EEC was seeking to conclude an agreement with it which would not be consistent with GATT rules and provisions. He noted the EEC representative's statement regarding the conformity of bilateral agreements with the GATT and understood from this that the EEC concurred with his view as to what constituted conformity with the General Agreement: any such agreement could only be based on the most-favoured-nation treatment and non-discrimination. Furthermore, no such agreement could call for a counterpart to be paid for the fulfilment of obligations under the Protocol of Accession and could legalize discriminatory practices."

28. One member of the Working Party asked for the justification for the restrictions maintained by the EEC. It was true that the EEC outweighed other markets in importance for Hungary. Nevertheless, in 1982 the EEC had had a considerable trade surplus with Hungary. On that basis it seemed hard to justify the maintenance of discriminatory quantitative restrictions.

29. The representative of the EEC said that in this case the trade balance was not relevant. The EEC had had trade deficits for many years with countries to which it applied specific quantitative restrictions. There was no link between the balance of payments and these restrictions. There were some 145 quotas applied by the EEC, ninety of them filled by less than 50 per cent; others by less than 80 per cent. These measures were of little economic impact. He reiterated his invitation to Hungary to examine the matter with the EEC, which was reflecting actively on the question. He also reiterated his hope that he would have better news at the next consultation.



Hungarian imports

30. In reply to a question concerning the rate of exchange of the forint with convertible currencies, the representative of Hungary said that the Hungarian forint was subject to a floating rate calculated on a weekly average. Thus for 1981, US\$1 was worth on average Ft. 34.43; 1982, Ft. 36.81 and 1983, Ft. 42.94.

31. One member of the Working Party called attention to the decline in Hungary's imports from contracting parties during the period since the last review. While Hungary's total imports by value had increased by 4 per cent in 1982, imports from contracting parties had declined by 10 per cent. In contrast, imports from non-contracting parties had grown by 14 per cent. The major part of the increase in Hungary's total imports appeared to be in the energy sector, while imports of agricultural and food products had dropped noticeably. She asked for an explanation of the principal causes of the decline in imports from contracting parties, and whether preliminary statistics existed which would indicate whether or not this trend had continued in 1983, and whether there were any forecasts for 1984.

32. The representative of Hungary said that his country had no obligation whatsoever regarding the geographical distribution of her imports. In spite of this, he was prepared to present some facts and figures concerning the question raised. He said that the figures were expressed in value. When looked at in volume, 1982 imports by Hungary from Annex A countries were stagnating, compared to 1981. Expressed in current prices there had also been no increase. Hungarian imports from industrially developed countries had shown a decline in volume terms of 7 per cent in 1982, compared to 1981, in 1983 the volume of Hungary's imports in convertible currencies, when compared to 1982, had also shown a decline of 0.9 per cent, while imports in non-convertible currencies had shown an increase of 3 per cent.

33. Questions were asked on the relative impact of the quantitative restrictions and import surcharges imposed by Hungary in September 1982 on imports from contracting parties; in particular how the volume and value of imports subject to quotas and surcharges (imposed for balance-of-payments reasons) had evolved during the first part of 1983, relative to the same periods in 1981 and 1982. One member of the Working Party sought confirmation of Hungary's intention to liberalize its import restrictions, in particular quantitative restrictions and import surcharges. In reply, the representative of Hungary said that imports of components and spare parts affected by the 20 per cent surcharge had shown a decline as follows: 1981 - US\$775 Million, 1982 - US\$706 Million and 1983 - US\$615 Million. He also confirmed that the import quotas established on 1 September 1982 for balance of payments reasons, which covered fourteen different product groups in 1983, had been reduced to six product groups on 1 January 1984.

34. In reply to questions on the Hungarian authorities' attitude to countertrade, the representative of Hungary recalled that at the Second Consultation he had presented an official communication of the Ministry of Foreign Trade, published in the Foreign Trade Gazette and reproduced in the Annex of the report (L/4633). He read out the relevant text. This communication had been addressed to all Hungarian firms on 8 November 1977. His authorities' position on the subject had not changed. The problem was familiar; he did want to point out that in many cases it had been firms in

market economy contracting party countries that had strongly insisted on countertrade and had made it a condition of sale. There had been such cases when state enterprises (in Greece) and important firms (in the United States, Netherlands and Sweden) insisted on such deals. Certain contracting parties (such as Malaysia, Turkey and Indonesia) were known to have issued orders not to buy from socialist countries unless these countries bought the same amount from them. He deplored such practices, especially when governments or enterprises controlled by government were involved. However, it would be less than fair not to mention that Hungarian firms also indulged in such practices. Sometimes it had been a matter of necessity, nevertheless the Hungarian authorities made efforts to discourage certain types of such practices.

35. The representative of the EEC recalled that at the last consultation (L/5303, paragraph 41) he had noted that the Hungarian authorities were prepared to approach their trading partners with a request to publish the lists appended to the trade agreements concluded with Annex A countries. This was a question of transparency. As there had been no publication of these lists, he assumed that Hungary's trading partners in Annex A countries had not agreed to publication. In reply, the representative of Hungary said that while it was legitimate for contracting parties to want to know what was happening in Hungary's trade, there was also a question of confidentiality and companies' proprietary information. The Hungarian authorities were prepared to give favourable consideration to any specific requests on items of a demonstrable interest to other contracting parties in such cases.

#### Developments in Hungary's trading regulations

36. A member of the Working Party enquired whether there had been any major changes since the last review in Hungary's trade practices as they applied to countries listed in Annex A to the Protocol. The representative of Hungary replied that there had been no major changes in this area. Trading methods and rules as they applied to countries listed in Annex A were published. The rules for determining prices in this trade were internationally known. He explained that Hungary's trade with Annex A countries was of a bilateral character and such trade agreements referred, inter alia, to fixed prices and fixed quotas. However, when Hungary bought or sold in convertible currencies from these trading areas, the same rules applied as to convertible currency countries. He pointed out that imports in convertible currencies from Annex A countries had also declined.

37. One member of the Working Party noted that his country's export performance with Hungary had been relatively stable, showing only small growth over the years. He noted that this was a difficult time for Hungary in terms of its balance of payments situation, and expressed the hope that there would be more scope for growth of trade with Hungary in the future, and that the elimination of trade restrictions taken for balance of payments reasons would contribute to this.

38. The representative of Hungary said that it was his country's intention to continue to conduct trade with Contracting Parties on the basis of non-discrimination, and it was his delegation's hope that there would be growth of trade with all Hungary's trading partners. Several members of the Working Party welcomed this statement and expressed the hope that Hungary

would be in a position to remove its import restrictions in the course of 1984. One member of the Working Party noted that, from the trade statistics submitted by Hungary, trade between Hungary and his country had grown between 1981 and 1982. Preliminary figures for 1983 showed that this trade had further improved, and he expressed his authorities' hope that this would continue to be the case in 1984.

39. The representative of Hungary concluded by expressing the hope that at the next meeting he would be able to report that Hungary in her import policy had re-established automatic licensing. He assured the Working Party that whatever developments there were in Hungary's trade policy, these would be in full conformity with the GATT.

ANNEX

Notifications submitted by contracting parties on discriminatory restrictions maintained on imports from Hungary.

<u>First consultation</u> (1975)	<u>Second consultation</u> (1977-1978)	<u>Third consultation</u> (1979-1980)	<u>Fourth consultation</u> (1981)
<u>No restrictions</u>	<u>No restrictions</u>	<u>No restrictions</u>	<u>No restrictions</u>
Argentina	Argentina	Australia	Argentina
Australia	Australia	Austria	Australia
Austria	Austria	Canada	Austria
Brazil	Canada	Finland	Brazil
Canada	Czechoslovakia	Japan	Canada
Cuba	Egypt	Malawi	Chile
Cyprus	Japan	Malta	Czechoslovakia
Czechoslovakia	Kenya	New Zealand	Finland
Egypt	Malta	Niger	Japan
Finland	New Zealand	Nigeria	New Zealand
Iceland	Poland	Poland	Poland
India	Portugal	Portugal	Romania
Ivory Coast	Romania	Romania	South Africa
Japan	South Africa	Chile	Spain
Kenya	Spain	Czechoslovakia	Switzerland
Korea	Switzerland	Egypt	United States
Malawi	Turkey	South Africa	Yugoslavia
Malta	United States	Spain	
New Zealand		Switzerland	
Pakistan		Togo	
Poland		Turkey	
Portugal		UK/HK	
Romania		United States	
Singapore		Uruguay	
South Africa		Yugoslavia	
Spain			
Switzerland			
Tunisia			
Turkey			
Uganda			
United States			
Yugoslavia			
<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>
European Communities	European Communities	European Communities	European Communities
Norway	Norway	Norway	Norway
Sweden	Sweden	Sweden	Sweden