ACCESSION OF HUNGARY

Replies to Questionnaire

A memorandum on the foreign trade régime of Hungary was circulated on 26 January 1970 in document L/3301. In that document contracting parties were invited to submit questions concerning the memorandum.

In reply to the invitation a number of questions were received and transmitted to the Government of Hungary. These questions and the replies received from the Government of Hungary are attached herewith.

The Director-General has received the following covering note from the Government of Hungary.

"Please find enclosed the replies of the Hungarian side to the questions of the GATT contracting parties. Though the Hungarian side has given a reply to every question, they wish to stress that they are prepared to discuss only those questions where the General Agreement prescribes contractual obligations or rights. Every other statement contained in the reply is to be regarded as having informative character only and must not be interpreted to the effect that the Hungarian side is prepared to discuss the merits of these questions.

"At the same time the Hungarian side reserves the right to put questions to the contracting parties concerning the problems raised in the questionnaire."
ANSWERS

to

Questions Submitted by Contracting Parties

I. General

1. What concessions does Hungary intend to offer in return for the benefits of GATT membership?

Answer:

So far as this question is concerned we would refer to the following statement Hungary's representative made at the 23 July 1969 GATT Council session:

"Having applied for full membership Hungary expects the full observance of the most-favoured-nation treatment as described in GATT from contracting parties and is ready to reciprocate it by the full observance of this most-favoured-nation treatment."

Moreover, according to Article XXXIII of the General Agreement, terms of accession will have to be agreed between Hungary and the CONTRACTING PARTIES. Hungary is prepared to enter into tariff negotiations with contracting parties in due course.

2. Is Hungary willing and able to undertake full GATT commitments?

Is the Hungarian Government able to accept existing GATT rules?

Will there be any reservations made regarding existing legislation? If so, what legislation is concerned?

Answer:

Cf. point 1. We desire, however, to define in a more precise manner the concept of full GATT commitments in the sense whether it relates to the unreserved adherence to the original text of the GATT Charter, or does it also include all reservations, exceptions and procedural possibilities that have come into force among the contracting parties.

3. What changes in the "new economic mechanism" can be anticipated that will affect foreign trade?

Answer:

Generally speaking, we do not wish to make fundamental changes in the system of economic management. Certain, occasional, modifications of a minor significance, however, may occur. For example, in 1971, the range of goods belonging to the free and maximum price categories will continue to widen, the State Budget will increasingly be replaced in investment financing by the assets accumulated by the enterprises possibly utilizing bank loans, etc.
4. Are the targets fixed in the foreign trade plan directive or indicative?

**Answer:**

The targets fixed in the foreign trade plan for the enterprises are not directive; they are indicative regarding both exports and imports.

5. What factors will determine the apportionment of foreign trade to market economy GATT countries?

**Answer:**

The apportionment of trade to GATT countries is influenced, basically, by the following factors:

(a) the shaping of demands on the home market at the prevailing price situation;

(b) the possible supply of goods on the foreign market at the prevailing price situation;

(c) Hungary's payment possibilities;

(d) the commercial policy measures taken by GATT contracting parties against Hungary.

6. In the five-year and annual plan foreign trade targets, what is the ratio of imports from, and of exports to convertible - and non-convertible - currency countries? The fourth (1971-75) plan reportedly anticipates a 7 to 8 per cent annual increase in foreign trade; how is this to be distributed among different groups of countries? Does Hungary plan to increase its trade with GATT contracting parties in value, in share of market and by what amounts, and over what period?

**Answer:**

As we expounded in the relevant part of our Memorandum, we do not have a foreign trade plan that would determine in advance the share of groups of countries. The foreign trade plans are estimates and targets, from which divergency is possible on the ground of economic considerations arising under given circumstances. The Memorandum contains detailed data in connexion with the pattern of Hungarian imports.
7. Can Hungary undertake to expand trade with GATT countries at a given rate, at least for an initial period of years?

Answer:

No.

8. Is Hungary in a position to submit statistics of its foreign trade for 1968 and 1969? Those statistics should be based on the one hand on items in the Customs Schedule and on the other hand arranged by countries.

Can the CONTRACTING PARTIES obtain detailed statistics on the foreign trade of Hungary in future?

Answer:

Yes.

9. What was the total amount of customs revenue in 1968 and 1969?

Answer:

4.5 billion forints in 1968
6.6 billion forints in 1969

10. What is the difference between the concepts "commercial treaty" and "trade agreement"? (page 6 of L/3301).

Answer:

There is no difference in principle.

11. If Hungary becomes a GATT contracting party, does it also intend to join the IMF? If not, does it intend to enter into a special exchange agreement in accordance with GATT Article XV, or to accept a provision similar to paragraph 8 of the Protocol for the Accession of Poland?

Answer:

At present the Hungarian Government does not consider it opportune to raise the issue of joining the IMF. We should like to point out in this context that for some years monetary relations have been assuming increased significance in the Hungarian economy. Hungarian authorities desire to continue to pursue this
policy consistently in the future. Due to the effect of the reform in economic management instituted 1 January 1968, the country's international balance-of-payments situation warranted an easing of the majority of foreign trade and currency restrictions. As to the further freeing of the turnover, we wish to pursue a resolute, but at the same time, cautious and circumspect policy in the future, too.

If Hungary becomes a GATT contracting party, in the Accession Protocol we intend to make a special statement concerning exchange questions.

II. Organization of foreign trade

(a) Bilateral agreements

preceding the answers to the questions hereunder, we would wish to draw the CONTRACTING PARTIES' attention to the following. A part of the questions submitted deals with the trade relations existing between Hungary and the socialist countries. The Hungarian side has studied in detail the agreements concluded with the GATT contracting parties by those socialist countries which may be considered as contracting parties with full rights. These agreements do not contain any special procedure or obligation regarding relations the socialist countries maintain among each other. Since the Hungarian side's relations with the socialist countries are built upon identical principles and methods, our answer in connexion with this question corresponds to the communications already made by the socialist countries in question.

12. What does the Hungarian Government see as the role for bilateral trade arrangements if their application to become a GATT Member is successful?

Answer:

Hungary has valid bilateral agreements with numerous contracting parties at present. The Hungarian side regards these bilateral agreements as useful, with a view to mutual advantages. The question, whether or not to maintain bilateral agreements, strongly depends on whether or not the contracting parties with whom such bilateral agreements exist, continue to wish to maintain them.

13. Are there provisions in bilateral trade agreements, and/or other trade commitments with other countries, which require given levels of bilateral trade? How is the level of Hungary's trade established? Does Hungary plan to request an exception in its accession protocol or a GATT waiver to accommodate its existing obligations? If it becomes a contracting party, how are provisions of bilateral agreements or other foreign trade commitments enforced on Hungarian firms?
Can the Hungarian Government explain their system of centralized purchasing procedures in their trading arrangements with certain foreign countries and its implications for other suppliers to Hungary?

Answer:

Bilateral trade agreements do not provide for compulsory levels; they establish quotas which are either directive or merely contain obligation for the two sides for issuing the necessary licences, or are merely indicative. Inter-State agreements are not binding on Hungarian enterprises, they are binding only on the Hungarian Government.

In connexion with the binding quotas of bilateral trade agreements we should like to point out that they represent in the first line an inter-State fixing of the contracts concluded by enterprises on the basis of market research. Consequently in these cases there is no question of giving orders by the authorities independently of the interests of enterprises. The actual situation is that everything agreed upon previously in the form of contracts between enterprises becomes an intergovernmental obligation.

So far as the question of a possible waiver is concerned, a definite answer can be given only following further examination.

14. In bilateral trading agreements with CMEA countries, we understand Hungary enters into bilateral obligations to export and import specific products and commodities in specified quantities and values. Since lists of items imported under the terms of these agreements amount to about two thirds of total Hungarian imports, it would appear that Hungary is in a position to extend real most-favoured-nation treatment to only about one third of Hungarian imports, i.e. imports not covered by these barter-type agreements. We would appreciate the views of the Hungarian authorities on how they intend to extend most-favoured-nation treatment to contracting parties on those items which have in the past been obtained primarily from non-GATT countries but which are also available competitively from GATT countries.

Answer:

We would refer to the introductory remarks in connexion to the answers pertaining to this chapter.

The last part of the question says that "We would appreciate the views of the Hungarian authorities on how they intend to extend most-favoured-nation treatment to contracting parties on those items which have in the past been obtained primarily from non-GATT countries but which are also available competitively from GATT countries".
In connexion with this part of the question the Hungarian authorities would like to note that in the future, just as in the past, there will be no obstacles which would prevent GATT countries from selling in Hungary their products offered under competitive conditions, regardless of the fact whether or not these items are also imported from non-GATT countries.

15. In several of Hungary's current bilateral trade agreements with market economy countries, quotas are in effect which provide limited access for Hungarian goods to these markets. In negotiation of annual protocols establishing these quantitative limitations, Hungary is presumably expected to make provision on a bilateral basis for improved access to the Hungarian market:

(a) What kind of bilateral trade concessions does Hungary extend in return for improved access to such market economy countries?

(b) To what extent does the Hungarian Government give direction to the foreign trade enterprises on sourcing of imports in order to take into account these bilateral trade obligations?

Answer:

Hungary does not wish to apply quotas of a restrictive nature. Quotas of a restrictive nature are only applied in cases where restrictions are applied against Hungarian exports. If the restrictions are removed, the country's imports will shape according to actual requirements and commercial considerations. In such cases, the quotas applied to market economy countries become indicative in nature.

In reply to paragraph (b) of the question we refer to the Memorandum that provides a clear information to the effect that the Hungarian Government does not give direction to the foreign trade enterprises on sourcing of imports.

16. Would Hungary be prepared to provide data on all current bilateral trade agreements as well as economic, industrial and technical co-operation agreements?

Answer:

Hungary is prepared to provide data on every bilateral agreement, on the conclusion of which the sides expressly or tacitly agreed on making the agreement public, or in those cases where the publication of the agreement does not violate the practice of the country concerned which concluded the agreement with Hungary.
(b) Tariff system (L/3301, pages 11 and 12 and Annex 1)

17. Which of columns I, II or III in the Hungarian customs tariff is applied for imports from (a) CMEA countries and (b) developing countries?

**Answer:**

Decree No. 48/1967. /XI. 19/ Kom. stipulates how the columns I, II or III in the Hungarian customs tariff are applied.

The tariff rates of column I have not yet been set by the Hungarian Government, the preferential tariff rates are under preparation. When they will come into force is not known yet (it depends on when the preparatory work finishes as well as on the international settlement of the general preferential system).

The same applies also to the publication and coming into force of the list of countries considered to fall under the application of column I.

18. What criteria will be used to determine which countries will be granted the preferential tariff rate? To which countries do the normal tariff rates apply, the maximum rates? If Hungary becomes a GATT contracting party, what steps does it intend to take to meet its GATT most-favoured-nation obligations in regard to the non-applicability of tariffs to imports from CMEA countries? How extensive are tariff exemptions? By whom are they granted? What criteria are used in granting them, and in what context have they been given? Is it intended that the exemption system be modified?

**Answer:**

In accord with the official statements made in UNCTAD, Hungary will offer preferential tariff rates to products originating or bought from those developing countries which

- maintain normal trade relations with Hungary;
- do not apply discriminations against Hungary;
- have a per capita national income that is lower than Hungary's;
- are able to prove convincingly the origin of the products that may be treated preferentially.

In connexion with the application of normal and of maximum tariffs we refer to our answer under Point 17.

We would deal separately with the following part of the question: "If Hungary becomes a GATT contracting party, what steps does it intend to take to meet its GATT most-favoured-nation obligations in regard to the non-applicability of tariffs to imports from CMEA countries?"
If Hungary becomes a GATT contracting party and should, at that time, the conditions continue to exist under which tariffs are not applicable to imports from socialist countries as goods are exchanged at fixed prices and quotas, the Hungarian side will inform the GATT contracting parties accordingly, pointing out that this circumstance does not put the non-socialist GATT contracting parties in a less advantageous position than hitherto and does not mean they are disadvantageously discriminated.

Our replies to the further part of the question are included in the answers given to Points 22, 23, 24, 25 and 26.

19. Has Hungary concluded any agreements providing for preferential rates?

Answer:

No.

20. Can Hungary at this stage state exactly when and to what extent its customs tariff will be amended?

Answer:

For the time being no. If the customs tariff system will be amended, we will inform the contracting parties in due time.

21. Is the system of customs quotas applied in a non-discriminatory manner?

Answer:

Yes.

22. What are the tariff quotas allotted for 1970? Do all countries benefit from them? Is there any guarantee that in future all the contracting parties of GATT will be informed in advance of the allocation of those tariff quotas?

Answer:

Tariff preferences ensured by tariff quotas can be requested for goods originating from any most-favoured-nation country and being imported within tariff quotas. No distinction is made among most-favoured-nation countries. Goods originating from non-most-favoured-nation countries do not enjoy preferences.
The list of the most-favoured-nation countries is laid down in Decree No. 4/1967 /XII.23/KKM, supplemented by Decree Nos. 1/1968 /V. 5/KKM and 8/1968 /XII.14/KKM together with Decree No. 1/1969 /I.15./KKM.

Annex 1 contains the tariff quotas allotted for 1970.

The tariff quotas are made public in the "Magyar Közlöny", the official journal of the Hungarian People's Republic, accessible to every contracting party.

23. What are the tariff concessions contemplated for 1970? (page 28 of L/3301)
Is there any possibility that in future information can be obtained in advance concerning those tariff concessions?

Answer:
Concerning goods liable to tariff concessions (permit-slip) procedure in 1970, see Annex 2.

Goods that may be drawn into the tariff concession (permit-slip) procedure are also published in the "Magyar Közlöny", the official journal of the Hungarian People's Republic.

24. In respect of which tariff headings have there been tariff concessions or duty suspensions? What is the value of imports benefiting by these measures? Do such measures apply to imports from all countries or only to those from certain countries?

Answer:
(a) The headings with regard to tariff concessions in 1970 are listed under Annex 2.

(b) Annex 3 contains the enumeration of headings the duties of which have been partly or completely suspended in 1970.

(c) Due to the fact that the volume of imports depends on demands, the value of imports in 1970 benefiting from the above measures is not known yet.

In 1969, tariff concession (permit-slip) procedure and duty suspension was applied in the clearance of goods in a customs value of 4,362,801,000 forints. (Customs value = price plus costs to be borne in connexion with the goods up to the Hungarian border, i.e. transportation costs, insurance, etc. taken together and converted into forints by means of the price multipliers.)
25. Which are the 14 headings on which the duties have been suspended?

**Answer:**

See Annexes 1, 2 and 3.

26. How many applications have been submitted in pursuance of Article 7 of Decree No. 31/1967/KKE 1/1968 and how many of those applications were approved?

**Answer:**


Of the applications accepted were:

ninety-one in 1968,

fifty in 1969.

27. Does Hungary guarantee that Decree No. 31/1967/KKE 1/1968, which ensures a certain flexibility in the operation of the customs tariff, will be applied without any adverse effect on the most-favoured-nation clause?

**Answer:**

Yes.

28. Document L/3301 yields an impression that a special price multiplier is applied for calculation of tariffs. What is the meaning of "customs rate of exchange"? (page 27 of L/3301)

29. What is the meaning of the expression "customs surcharge" introduced by Joint Decree No. 9 of 21 December 1968? (page 23 of L/3301)

30. Is the rate of exchange in force for customs operations (page 27 of L/3301) the same thing as the price multiplier or are those two separate processes, which would mean that when foreign currencies are converted into Hungarian currency, the price multiplier and the rate of exchange would be applied simultaneously?
Answer:

The basis of the calculation of the customs duty charged on goods imported in foreign trade transactions is the customs value of the goods. The customs value of the goods is its foreign price and the aggregate costs (transportation, insurance, packing, commissions) of delivering it to the Hungarian border.

The customs value of the goods expressed in foreign exchange is converted into forints on the basis of the foreign currency rate valid on the day of internal customs inspection.

The aggregate sum of the foreign currency exchange rate of the Hungarian National Bank, supplemented with surcharges, and of the customs surcharge totalling 100 per cent of the former, figures as foreign currency customs rate of exchange.

The customs surcharge is stipulated in pursuance to Decree No. 9/1968. /XII.21./ "KKM-PM. . ."

31. What are the inter-State agreements mentioned in L/3301, page 36, section (d)?

Answer:

These inter-State agreements are concluded with socialist countries with which trade is conducted in a régime of directive quotas and fixed prices; for details see Point 18.

(c) Licensing system and quantitative restrictions

32. What are the criteria governing the issue of licences?

33. Is the granting of import licences always subject to the same conditions? When such licences are granted, is account taken of the country of origin of the commodity which is being imported? In what circumstances is a "general licence" granted, and in what cases an "individual licence"?

34. Which products are subject to individual licensing?

Answer:

In judging licence applications, the Minister of Foreign Trade examines the necessity of a transaction from the technical point of view and its commercial terms only if it is necessary with a view to protecting the equilibrium of the home market or other national economic interests.

If a country enacts legislation or pursues a practice that is contrary to the agreements it concluded with the Hungarian People's Republic or that has a discriminatively adverse effect on trade with the Hungarian People's Republic, the Minister of Foreign Trade may restrict the validity of the licences already
granted in connexion with these countries, or may withdraw the licences already
issued. The Minister of Foreign Trade judges the licence applications considering
valid legislation, inter-State agreements and foreign exchange regulations.

The Minister of Foreign Trade grants a general licence

(a) for goods figuring in a list issued by him. Until this List is made public, the Annex to Decree No. 6/1955./Kk.E. 4/KKM (published in "Külkereskedelmi Ertesítő - official Foreign Trade Journal) enumerates the goods for which the Minister of Foreign Trade grants general import licence;

(b) for goods listed in the directive quotas of inter-State agreements;

(c) for the export of samples not exceeding the individual value of 1,000 forints;

(d) for the export or delivery of gifts not exceeding the individual value of 1,000 forints.

The Minister of Foreign Trade grants individual licences for the import, export, or any other trade transaction in connexion with goods that do not fall under general licensing.

The Minister of Foreign Trade additionally grants individual licences

(a) if the goods are imported on the basis of tender;

(b) for the conclusion of contracts in connexion with the protection of industrial property;

(c) some bilateral trade agreements contain directive ("compulsory") quotas and non-directive quotas as well. Individual import licences are required for imports under the non-directive quotas in these bilateral agreements.

(d) for goods delivered abroad or imported from abroad on commission basis;

(e) for purchasing at home goods brought in for exhibitions and displays, and for selling abroad goods exported for the same purpose;

(f) for jobwork and other servicing transactions;

(g) for specialization and production co-operation with foreign enterprises.

The Minister of Foreign Trade can order the granting of individual licences for goods that belong to the régime of directive ("compulsory") quotas.
35. In what order are licences issued? Are there any enterprises which enjoy priority?

Answer:

The order of issuing import licences does not depend on who the applicant is; there is no priority, the licences are issued in the sequence of applications.

36. Is it intended to retain the present import licensing system and import restrictions? Are charges for all import licences the same? If not, how do they differ by country of origin?

37. Is it true that an administrative tax of 2 per cent has to be paid when a request is made for an import licence from a country with convertible currency?

38. Do the Hungarian authorities in view of the provisions in Article XI intend to abolish import licences or is the intention to refer to balance-of-payment reasons according to Article XII or Article XVIII:B, providing for periodic consultations and provision of full data?

Answer:

For the present we do not intend to adopt any changes in the existing import licensing system.

The charges for the import licence are the same in all cases, pertaining to imports from non-ruble markets (2 per cent of the import value, instituted on 1 January 1969).

Here again, the Hungarian side is willing to discuss this question, like any other question, in the working party.

39. How does the licensing system make possible "influencing of the fulfilment of Government obligations assumed on a reciprocal basis in the bilateral agreements" (page 13 of L/3301).

Answer:

Quotas agreed upon in bilateral agreements concluded with market economy countries entail the obligation to issue import licences up to the value of the quota, in case of actual requirement. This obligation is taken into consideration in the licensing procedure.

40. Outline the characteristics of individual and general import licences and basic differences. Are global licences referred to in page 12 of document L/3301 the same as "general" licences and, if not, what are the differences?
Are "individual" licences issued on a country, on a geographical, or on a currency area basis? Are general and/or global licences automatically open on an equal basis irrespective of currency area and exchange availability?

**Answer:**

Decree No. 3/1967. /XI.26/KKM specifies two kinds of licences: individual and general.

The individual licence authorizes to the conclusion and transaction of the foreign trade deal it refers to. General licences cover a defined range of goods (see also our answer to Point 33) and they authorize to conclude and transact deals up to the value of the licence.

41. Despite decentralization of decision-making on imports through the various measures introduced in Hungary since 1 January 1968, the Hungarian Ministry of Foreign Trade will still have at its disposal the ability to maintain full control over sourcing of imports through allocation of import licences. What measures will the Government introduce which will ensure that contracting parties receive improved terms of access, on a non-discriminatory basis, to the Hungarian market for their products?

Some indication is requested as to the procedure by which Hungary decides what to import and whether or not a policy of export promotion in Hungary can influence this. Does the import licence system render export promotional activities superfluous?

42. The Hungarian Government has indicated that the holder of an import licence is entitled to buy the required amount of foreign exchange from the national bank. What is the basis for granting individual licences as between convertible currency and non-convertible or ruble-settlement countries respectively? Is any preference given to sources which do not involve convertible currency expenditure?

**Answer:**

We are not planning any essential changes in the licensing system.

No preference is given in granting import licences with a view to either the country of origin or country of transaction, nor with regard to the type of currency involved.

The foreign currency necessary to carry out trade transactions - on the basis of both individual and general licences - can be purchased without any special permit in accordance with foreign currency regulations.
43. May producing enterprises performing foreign trade activities retain foreign exchange earned from these activities? If so, what portion may be spent on their own import requirements; is this portion of their import subject to licensing? and if so, is the granting of licences facilitated by the fact that required currency is earned through the enterprises' own activities?

Answer:

There is no retention quota system in Hungary.

44. How does the Hungarian Government reconcile, on the one hand, the statement that the vast majority of imports are transacted on the basis of "global" licences empowering foreign trade transactions to take place with "any country", with, on the other hand, the use of licensing to control and influence the fulfilment of bilateral obligations as well as to safeguard the balance-of-payments situation?

Answer:

The value of general licences is higher than the value of the quotas figuring in the agreements concluded with market economy countries. Therefore the system of general licences is more liberal than the bilateral system; however, it has an autonomous nature.

45. What percentage of Hungarian imports from GATT countries is transacted on the basis of global licences?

Answer:

Approximately 60 per cent.

46. What are all the particulars included on the application form for import licences?

Answer:

- name and address of enterprise
- name and address of foreign buyer/seller
- country of origin
- contracting country
- terms and conditions of payment
- date of payment
- denomination of goods and heading number
- quantity
- unit price
- value of goods
- transportation costs
- origin of forint funds from which the necessary foreign exchange is bought (from central budget, bank credit, from own resources of enterprise).

47. It is stated on page 13 of L/3301: "There is no fixed time-limit for presenting applications or issuing licences." Does this mean that the authorities could take no action on a licence application for an indeterminate period, and without giving any reason?

Answer:

In Hungary there are no licensing periods by year, quarter, etc. so that an application for an import licence can be submitted at any time.

The time-limit for deciding on the licence applications is regulated by Law No. IV of 1957 dealing with the rules of State administration procedures. This Law stipulates a thirty-day time-limit which may be extended, in justified cases, to another thirty days. Thus, within a maximum of sixty days counted from the date of submitting the application, an answer must be given to the application.

48. Is the system of import licences used only for currency controlling purposes? What guarantees can be given that no other factors than best commercial conditions will decide the choice of buying source (exporting country)?

Answer:

The system of import licences is not used for currency control. If the contracting parties mean by currency control the safeguarding of balance-of-payments situation, then the contents of Point 32 answer this question.

49. What are the goods the importation of which to Hungary is subject to quantitative restrictions?

Answer:

Electric energy, automobiles, foundry and furnace coke, fertilizers, consumer goods.

The range of limitations has been gradually diminished compared with previous years.
50. What are the existing quotas for imports from free currency areas? (L/3301, page 14) How are these quotas allocated? Are the quota allocations and any amendments thereto published?

Answer:

- Foundry and furnace coke: 100,000 tons
- Fertilizers: $10,600,000
- Consumer goods: $28,700,000

51. Does not the Hungarian Government agree that the fact that imports of certain commodities are subject to quota only when they come from countries with convertible currencies is a form of discrimination against those countries? In particular, is Hungary prepared to indicate the consumer goods concerned and the amount of the quotas?

Answer:

The quotas of consumer goods cannot be taken as discrimination. In this connexion we should like to point out that during the last two and a half years we made several easing steps (increases).

In the course of the negotiations we are ready to indicate the quotas for consumer goods.

(d) Import deposit

52. Is the Hungarian system of import deposits operated on a most-favoured-nation basis?

Answer:

Yes.

For its application, see page 14 of document L/3301.

53. What is the present level of the import deposit? On what tariff items can it be charged? How does the system operate? If Hungary becomes a GATT contracting party, how would it justify such a system under the GATT?

Answer:

In 1968 the import deposit was 150 per cent, in 1969 100 per cent and in 1970 50 per cent of the price of the goods concerned, calculated into forints at the foreign exchange customs currency rates.
The deposit is tied up for a two-year period and no interest rate is paid on it.

The regulations concerning the deposit are the following: Decree No. 165/1967/PK.39./PM modified by Decree No. 103/1969/PK.7./PM enacted by a Circular of the National Bank of Hungary No. 2/1970.MNB (published in "Penzügyi Közlöny").

See also the remarks made in connexion with the country's balance-of-payments situation.

54. Can the Hungarian authorities indicate when the system of import deposits will be abolished? Is the intention to change this system in any way in case of accession to GATT?

Answer:

The maintenance of the import deposit system is temporarily needed because the development funds of the enterprises are beyond our foreign exchange possibilities.

(e) Price multipliers and exchange rates

55. Do Hungarian exchange rates and/or foreign trade price multipliers vary with country and/or product? Do they vary among GATT contracting parties? What exchange rate(s) and multiplier(s) apply now to contracting parties? If they vary, does Hungary intend to adopt uniform ones? If Hungary becomes a contracting party, and if it then applies any of its exchange practices in such a way as to discriminate among contracting parties, how does it intend to justify them under the GATT?

Answer:

For the time being Hungary is applying price multipliers instead of exchange rates in all areas of foreign trade transactions.

The price multipliers have been set on the basis of the effective costs of producing the foreign exchanges in the two main currency areas of Hungarian foreign trade: in ruble and dollar area. Within the value of the multipliers, the calculation of the various foreign currencies is done according to the official parities (i.e. expressed in forints, $2.40 is equal to £1, $1 is equal to DM 3.66, 26 shillings, Ft. 50, etc.) Accordingly, the price multiplier does not vary according to countries, to export or to import, to products; there is no discrimination among the contracting parties.

In the non-commercial turnover - particularly in tourism - instead of the multiplier a forint rate with a surcharge is valid. For the currencies of the non-ruble turnover this corresponds to a half of the value converted with the price multiplier, and it is not discriminative.
The difference between the two has its origin in the Hungarian system of internal taxation and reflects the difference between the price level of home, production and consumption.

56. What is the amount of the price multiplier for payments in rubles and for payments in dollars? Is this relationship liable to be changed in certain specific cases, and if so, in what cases?

Answer:

The amount of the price multiplier is 60 forints per dollar for payments in dollars and 40 forints per ruble for payments in rubles.

The above relationship of the price multipliers is constant and is used in all cases except the non-commercial turnover.

57. According to document L/3301, two basic price multipliers are applied for the forint, i.e., one with regard to the dollar and one for the ruble. Are all commercial transactions with the West effected in dollars? If not, what rules are applicable for establishing the relation between the forint and other convertible currencies? Is the same multiplier applied for imports as well as exports concerning the same country?

Answer:

Trade transactions with market economies can be effected in any currency that is convertible into dollars. Based on the price multiplier, the relation between the other currencies is established in accordance with the official gold contents.

As the same price multiplier is applied for exports and imports, consequently, the same export and import multiplier is applied to each country.

58. In connexion with the latter part of question 57 it would be interesting to have confirmed that the account given in the Memorandum regarding price components for imported goods in the Hungarian market is equally valid if the goods are sold in competition with domestic or other production from State-trading countries.

Answer:

The price components for imported goods is the same for every product, whether or not the given product is manufactured at home or is accessible from socialist markets.
59. On page 11 of document L/3301 mention is made of "calculated income". What does this concept represent?

Answer:

The concept of "calculated income" mentioned on page 11 of L/3301 represents the following:

A price reform was implemented when the new economic mechanism was instituted (1 January 1968) and at the same time the uniform foreign trade price multiplier was also introduced. Prior to the introduction of the price multiplier, calculations were made already on the new price basis to establish the level of the price multiplier to be applied. The domestic prices used in this process, since at that time they were not valid yet, contained a so-called "calculated income". The level of the foreign trade price multiplier thus corresponds to a domestic price level that contains "calculated income".

(f) Taxation

60. Is there available anymore detailed account of the turnover tax? Could the Hungarian authorities present information to GATT regarding the various rates of turnover taxation for various goods or groups of goods?

61. What is the amount of the ordinary turnover tax? Is it the same for imported commodities as for commodities produced domestically?

Answer:

The Hungarian domestic taxation system is made up of the hereafter enumerated components having been published in the official journal. These do not contain any kind of discrimination regarding imported or domestically produced products.

- Asset rent charged on the average amount of fixed and current assets used (stored) by enterprises
- Salary tax and social security charges calculated on the amount of wages and salaries paid
- Income tax, on the audited enterprise profit
- Production (commercial) tax in certain cases on the surplus income of enterprises originating from specially advantageous conditions
- Turnover tax according to the following:

   Turnover tax is charged on goods sold by the producer to the retail trade or directly to the consumers, ensuring desirable consumption prices against manufacturing prices. Turnover taxes for this reason do not have an influence on the producers' prices, not even in the trade among producers, as the turnover tax is only charged on consumer goods and only when they are marketed.

   Turnover tax rates are published in the official journal as a Ministry of Finance Decree. The data are available to anyone. Turnover tax does never make any kind of distinction according to the origin - domestic or imported - of goods.

   According to the final auditing figures for 1969, the turnover tax revenue amounted to 20,000 million forints.

62. What is the total value of the amounts charged in 1968 and 1969 under the heading of "special import turnover tax"? Which products were subject to this tax? What was the origin of those products? What is the rate of the tax for each of the products concerned?

63. What is the more precise meaning of "A special turnover tax is applied for goods and countries where the tariff system cannot ensure the internal harmony between the price of the foreign goods and the prices of Hungarian internal market"? (page 12 of L/3301).

   In more specific terms what is the meaning of the concept "internal harmony" as mentioned in section Ad(c) on page 12?

64. On the basis of what criteria is a special turnover tax charged on imports to Hungary? Does the origin of the commodity affect the matter, and if so, how?

65. How is the import turnover tax applied and calculated? Is it applied without discrimination as to source?

66. Does the Hungarian Government consider that the special import turnover tax is operated consistently with Article III of the GATT?

67. How is the price equalization tax applied and calculated? Is it applied without discrimination as to source?

Answer to questions 62 to 67:

   Only and exclusively those goods that originate from ruble market countries are subject to import turnover taxation. A Ministry of Finance Decree orders its levying, the individual tax rates are handed down to the concerned in memorandums. With an aim to facilitate understanding we called this type of tax "special turnover tax" in the Hungarian Government's Memorandum to bar confusing it with the domestic turnover tax (see Points 60, 61).
The introduction of the import turnover tax was necessitated, first of all, because of the harmony of domestic prices, to ensure the "internal harmony". By this we mean that the price of many raw materials and a lot of consumer goods purchased on ruble markets, calculated into forints using the ruble price multiplier, resulted in a lower price than the price of goods produced domestically or imported from dollar markets. It would not be desirable that this substantial difference should appear in the domestic prices for completely identical raw materials or semi-finished products, due to the different purchasing prices existing on the two main markets. For this reason, the substantially lower main market prices are elevated to the average level by applying import turnover taxation.

As is clear from what has been mentioned, the import turnover taxation primarily serves the interests of price unification, of normalizing market relations; it protects the domestic price level and not domestic production. Similarly to customs duty, the tax is charged on the value of the imported goods calculated on border delivery terms. Ruble prices are calculated into forints by the price multiplier.

68. What is the tax reimbursement system mentioned in the 5 February 1970 press conference by the Hungarian Minister of Foreign Trade, and how is it applied?

**Answer:**

The tax reimbursement system under preparation will give on the one hand the same terms of competition to the Hungarian exporters as to foreigners and will promote, on the other, the forming of an economical, unsubsidized system of Hungarian export.

This system will replace the present régime having only an experimental character.

(g) Price policy

69. How are "fixed" and "free" prices defined, especially regarding allowable limits of fluctuations? What is the schedule for the further freeing of consumer prices?

**Answer:**

Maximum prices fixed by the competent authority serve the interests of creating a consumers' price stability and regulating the real income of workers. As the equilibrium of the market of domestically produced consumer goods improves, an expansion of the free price forms is scheduled. The free price category is valid at present for imported manufactured consumer goods.
70. According to document L/3301, a free price mechanism is operating with regard to certain commodities. Does this mean that the same commodity can vary in price at different selling points in the same district?

Answer:

The Memorandum contains the range of free prices, see here Part Two, 2 ad(d). Varying commodity prices can exist in the same district for the same commodity; however, in the case of commodities that have price limits fixed by the competent authority, a price higher than the limit cannot be applied.

71. What degree of competition will be allowed between imported and home-produced goods?

Answer:

The conditions of competition between domestic and imported products are regulated by the existing customs tariff. As the balance of payments improves, a stimulation of foreign competition may be regarded as an objective.

72. Will the Hungarian Government in coming negotiations with GATT Members, be prepared to discuss and possibly bind factors affecting the relationship between internal and external prices, such as price multipliers, tariffs, turnover tax and government price policy?

Answer:

The Hungarian Government is prepared to discuss only questions regulated by the General Agreement on Tariffs and Trade and in the form it prescribes.

(h) Export subsidies

73. Are export subsidies granted? If so, will they be phased out? What is the purpose of State subsidies granted to certain branches of industry? What relationship is there between these subsidies and world market prices? If there is a distinction made between export subsidies and subsidies to entire industries, what is the practical effect?

74. Is the intention to accede to Article XVI which prohibits export subsidies? Will the subsidies be notified in accordance with this article?
75. Can the Hungarian authorities provide information in the form specified in the questionnaire on pages 184-185 and 193-194 of BI3D, Ninth Supplement?

76. How can the details given in Section 4, page 14 of L/3301, concerning the grant of subsidies, be reconciled with the provisions of Articles VI and XVI of the General Agreement?

77. In what cases does the State provide support for the prices of certain commodities intended for export? (page 14 of L/3301). Can Hungary quote a recent example?

78. Do State refunds affect the prices of the products of enterprises which receive them, and are export and domestic prices of the product concerned affected to an equal extent?

answer to questions 73 to 78:

Hungary grants State reimbursements to certain enterprises and co-operatives in the case of exports. This State reimbursement has two fundamental objectives:

- a reimbursement, on the one hand, of State taxes, etc. charged on the export products, due to the fact that the competing products on the world market enjoy various export encouragements such as tax exemptions, etc. For the above-mentioned reason this element should be regarded as a lasting one;

- it contains an element of subsidy, on the other hand, when a concrete export is needed for full employment and for the equilibrium of the balance of payments, but if the productivity and efficiency of the exporting enterprise do not come up to the world market level. We consider this element as a temporary and degressive category.

Of the above-mentioned two objectives of State reimbursement, the first one is in conformity with the practice pursued by GATT contracting parties. The only difference between the Hungarian system and the practice pursued by GATT contracting parties is that in GATT countries the tax reimbursement takes place at the border (Border Tax Adjustment) while in Hungary it is carried out in the production sector.

The State reimbursement granted to Hungarian enterprises aims to approximate the world market price level. The two fundamental points of establishing the reimbursement are the domestic and the foreign price; the aim is to eliminate the difference between the two, taking into account the average full export production of the enterprise concerned. Consequently its extent does not permit selling below the world market price and this is not in the country's interest, either.

The above-mentioned shows that the State reimbursement applied by Hungary is compatible with Article VI of the General Agreement.
If, in spite of the intentions of the Government, the exportation of Hungarian products would, in some cases, detrimentally affect other contracting parties, the Hungarian side, in case the existence of the injury caused is proved, is ready to subject itself to the relevant regulations of the General Agreement.

Up till now State reimbursements were stated on an individual enterprise basis with the aim that the enterprise should, by reorganizing its development and marketing structure, approximate the world level within a short time. In the future it is the intention to fix unified reimbursements by industrial branches for enterprises engaged in the same type of production and to restrain hereby the export activity of enterprises whose export is permanently not economical. The fact that in many cases an annually degressive extent of reimbursement is fixed at industrial branch level aims at reducing the effect of the second element.

On the basis of the aforementioned, the export subsidies defined in Article XVI of the General Agreement differ from the State reimbursement Hungary applies. The Hungarian side does not find it necessary to provide information in the form specified in the questionnaire on pages 193-194 of BISD, Ninth Supplement.

The questionnaire specified on pages 184-185 of BISD, Ninth Supplement calls for answers in connexion with State enterprises of the type that operate solely in market economy countries.

We refer to III/2 of the Hungarian Memorandum where we described that the majority of production, marketing, transportation activities and other services are carried out in Hungary by State and co-operative enterprises. These enterprises conduct their activities according to commercial considerations prescribed in the General Agreement.

In connexion with the State enterprises functioning in Hungary, the Hungarian side wishes to present a reservation to Article XVII, paragraph 3 of the General Agreement, as the Hungarian enterprises, due to their economic and legal structure, cannot pursue activities so as to create serious obstacles to trade. Hungarian enterprises cannot be considered as obstacles to the expansion of international trade since, by the very nature of their task, they work for the expansion of this trade.

The State reimbursement has an influence on the production conditions of manufacturing enterprises. The selling prices of commodities are determined by the enterprise itself, including the prices of products exported or sold on the domestic market.
(i) Other questions

79. Hungary is requested to provide, by means of one or more practical examples, a detailed and exact calculation of the actual customs charges and other taxes affecting a given product (e.g. No. 84.52 - calculating machines) imported by a firm in Hungary:

(a) from a country with State trading (price rubles 100)
(b) from a country with convertible currency (price $100);

it being understood that the same product is referred to in both cases. This calculation should be made by applying the rate of duty according to the customs schedule, the customs surcharge, the appropriate price multiplier (and possibly also the conversion rate), making allowance for any deposit, for a special turnover tax and for an administrative tax of 2 per cent for the granting of the import licence.

Answer:

Concerning this point, we have given reply in principle to every question. Nevertheless we are prepared to have an exchange of information on the basis of practical examples at the session of the working party on the Hungarian accession, the more so as the Hungarian side is interested to know how prices are fixed in case of firms in GATT countries when fixing different prices from the otherwise applied prices for the export to Socialist countries and for the import from there.

80. What assurances can the Hungarian Government give regarding its ability to comply with the obligations in Articles 11:4 and 17:4 of the General agreement and Articles XI-XIV and the note thereto?

Answer:

The import monopolies referred to in Article II paragraph 4 and Article XVII paragraph 4 of the General agreement operate in market economy countries (e.g. tobacco monopoly, salt monopoly, etc.). No such monopolies exist in Hungary.

Hungary's Memorandum (L/3301 page 19) describes the legal status of Hungarian enterprises. The Hungarian enterprises in State ownership and operating on the ground of commercial considerations pursue an activity of a sort which makes it unnecessary for the Hungarian Government to provide a special guarantee in regard of the observance of the aforementioned GATT provisions.

Regarding Articles XI-XIV Hungary wishes to meet the obligations prescribed there to the extent the GATT contracting parties do.
81. What elements of the Hungarian trade system should be regarded as temporary measures adopted for balance-of-payments reasons and what plans exist for their modification?

Answer:

The import deposit system can be regarded as a temporary measure.

82. What priority will be given to the import of consumer goods?

Answer:

The import of consumer goods falls under the same considerations as the products of a non-consumer type (means of production, investment goods). For this reason we do not wish to grant any priority to consumer goods in pricing, customs treatment and foreign currency regulations.

There is no distinction made in the sphere of consumer goods between domestic and imported commodities. The product that has a better price and quality will be successful in the competition on the market.

83. To what extent would imported products be allowed to compete with domestically-produced goods in Hungary? Would the availability of substitute products from domestic production or from non-convertible currency sources be a factor?

Answer:

Under the present conditions the import product has a possibility to compete with domestically-produced goods. Within the required customs protection and in accordance with our economic policy, we make it possible for the products imported from countries of dollar and ruble payment to compete with domestic goods.

84. Could the difference between enterprises financing with own-funds or bank credits on the one hand, and financing via the budget on the other hand, be more closely described?

Answer:

Practice in this respect corresponds to the practice pursued by the GATT contracting parties.
85. To what extent are "price deviations" existing at present? (page 15 of L/3301).

**Answer:**

The price deviations existing at present are regulated by the Decree issued by the Ministry of Finance on turnover taxes.

86. To what extent can exports be affected in one way or another by the measures referred to in Section 5(b), page 15?

**Answer:**

State preferences and subsidies are applied to primary consumer goods marketed domestically. If such products are exported, no subsidy is granted for these products, in accordance with the relevant Decree of the Ministry of Finance.

87. It is stated in page 10 of L/3301 (relations between internal and external prices) that "the aims of the economic policy is to guide the enterprises towards the competitive conditions of a normalized international trade". Do the Hungarian authorities consider that the measures listed under 2(a)-(d) are sufficient for this purpose? If not, what additional measures are considered?

**Answer:**

The measures mentioned in Part Two, paragraph 2 ad (d) of the Memorandum are sufficient for establishing a rational relation between domestic and foreign prices.

88. How would, in the view of the Hungarian authorities, "tariff facilities or drawback for the import" comply with the most-favoured-nation clause of the GATT? (page 17 of L/3301).

**Answer:**

The tariff facilities and drawback for import have a trade creating effect between Hungary and the GATT contracting parties.
89. To what extent do other elements not referred to in the preceding questions have an influence on the cost of imported commodities in Hungary?

Answer:

In Hungary, the price of the imported products is exclusively determined by the cost elements, tariffs and price gaps described in the Memorandum.

90. How do enterprises come to have their own financial resources? Out of total imports of machinery from convertible-currency countries, what proportion is made up of purchases from the enterprise's own financial resources? Are these resources in forints or in convertible foreign exchange?

Answer:

Since 1 January 1968 enterprises use their own funds to finance all investments, with the exception of investments required for new, major enterprises that have a fundamental influence on the structure of national economy, and the infrastructure investments, the purchases of State agencies financed by the State budget, the costs of which are financed by the State budget. The so-called development fund that is allocated from enterprise profits, and the portion of the amortization funds that remains at the enterprise, serve the purpose of financing enterprise investments. Banks may grant loans by way of advance on these funds.

91. What are the credit-granting institutions, and what criteria do they use in granting preferences for development of foreign trade? Hungarian media have reported that preferential medium- and long-term credits will be made available beginning in 1970 for machinery imports from Socialist countries. Is this a correct statement of policy and, if so, would this policy be continued after Hungarian accession to GATT? If so, how would Hungary justify it under the GATT?

Answer:

In accordance with the monopoly of the banking system in Hungary, only banks can grant medium- and long-term credits for development purposes. Generally the Hungarian Investment Bank grants credits for State enterprise investments and the Hungarian National Bank for investments of co-operatives.
The principles and main conditions of granting credits are defined by the Credit Policy Principles as a part of the overall national economic plan. These principles are approved by the Government and are made public. They also give guidance concerning granting credits for the development of foreign trade.

92. Has Hungary already entered into co-operation agreements with certain countries by which it grants them advantages when importing goods to Hungary, such as, for example, in case of deliveries within the framework of such agreements, tariff reductions, the abolition of quantitative restrictions or exemption from making deposits as against imports coming from western countries?

Answer:

In different international economic organizations Hungary, in concert with many other countries, has adopted the view that the governments should promote and support with the means at their disposal the mutually advantageous co-operations among enterprises. In accordance with the aforementioned view, Hungary has concluded and wishes to conclude in the future, too, inter-State co-operation agreements. Hungary's accession to GATT may also provide favourable conditions for concluding such agreements in a multilateral framework.

III. Legal set-up

93. What are the possibilities for a foreign firm of establishing its own agency and market research office in Hungary, independently of the agencies established by the Hungarian Government?

Answer:

Recently several Hungarian enterprises have founded agencies in the form of corporations or limited liability companies to carry out foreign trade transactions. Agencies of this type have not been established by the Hungarian Government. In the past years Hungarian authorities have not issued a permit to a foreign enterprise for establishing a special agency. Should such permits be issued, the most-favoured-nation countries may request an identical treatment.

94. What are the rules for foreign participation in supplying large-scale Hungarian development projects? Are they the same for firms from all countries?
Answer:

The enterprise realizing the projects in question selects the supplier on the basis of commercial considerations. Participation is open for all countries.

95. What restrictions are there on direct contact between Hungarian end-users, or supplying manufacturers, and businessmen from market economy countries? Will any such restrictions be modified?

Answer:

The contacts between Hungarian end-users or exporting manufacturers are not restricted by any regulation. The end-users and manufacturers may pursue only the activity that belongs to their sphere of operation, consequently, they may pursue foreign trade activity only if they are authorized to do so.

96. Is a separate foreign exchange permit required for imports from convertible currency areas? If so, how is such a permit obtained, and what criteria determine whether one shall be granted? Are there charges for such permits and, if so, are they the same for remittances to all countries? Are exchange controls applied non-discriminatory?

97. Are there any cases in which the importer has to request a foreign exchange allocation?

Answer to questions 96 and 97:

If the enterprise has the forint sum necessary for the import at its disposal and obtained the import licence, it can transact the import without any separate foreign exchange permit.

98. What is the rôle of the Technical Development Commission in determining imports of the Planning Office?

Answer:

The National Technical Development Commission elaborates, in the form of recommendations for the National Planning Office, the concepts of technological development. The Commission follows the main trends in international technical progress and on this ground outlines the preferable trend for developing Hungarian industry. It also draws the attention to the most important licences and know-hows.
ANNEX 1

In 1970 the following tariff quotas are to be applied:

ex 48.01 B/II  Gravure press paper  15,500 tons
               India-paper  500 tons
               Offset paper  3,000 tons
               Illustration paper  1,500 tons
               Novel press paper  2,500 tons

ex 48.07 a/  Coated paper and cardboard, with the exception of chromopaper  4,000 tons

ex 59.04  Sisal string and rope  1,350 tons

ex 84.05  Turbine parts  $580,000
          84.06 A/II  $2,300,000
          84.06 a/  $1,845,000
          84.12  $200,000
          84.17  

ex 84.63 a/  Bearing bushes and cardan shafts  $100,000
ex 84.63 3/  
            90.17 a-0/  
            90.18 a-Z/  
            90.19 a-G/  
            90.20 a-2/  $1,600,000
Goods under the following tariff numbers are liable for tariff concessions (permit-slip) procedure:

ex 15.11 C/

ex 17.02 B/ Dextrose 400 tons 30 per cent

ex 19.05 A/ Oat flakes

22.05 B/I. ) Up to a 40,000 hl. quota 20 per cent

22.05 B/II. )

22.06 Up to an absolute quota of 30,000 hl.

ex 28.02

ex 28.15 B/

29.01 B/

ex 29.06 Phenol 5 per cent

ex 29.30 Basic agents of polyurethane foam

30.03 A/

30.03 B/II.

ex 30.03 B/II. ) Synerco-Mate veterinary products 30 per cent

ex 30.04 B/

ex 32.07 Litophone 5 per cent

ex 34.02 B/ Organic surface acting basic materials and semi-products 25 per cent

ex 38.19 Basic agents for polyurethane foam

39.02 C/

ex 39.03 Basic film agents 20 per cent

41.02 A/ Up to $400,000 5 per cent

ex 41.02 B/ Tanned and processed cow and lamb hide up to $600,000 value

41.03 A/ Up to $1,000,000 value

41.04 B/ Up to $40,000 value

41.05 B-C-D/ Up to $20,000 value

43.01 Up to $500,000 value

43.02 Up to $450,000 value
<table>
<thead>
<tr>
<th>Ex</th>
<th>Description</th>
<th>Quantity</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>44.18 A</td>
<td>Wood-fibre panels, wood-wool sheets</td>
<td></td>
<td></td>
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<tr>
<td>44.23 B</td>
<td>Door panels</td>
<td></td>
<td></td>
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<tr>
<td>44.23 D</td>
<td>Photo-trimming paper</td>
<td></td>
<td>10 per cent</td>
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<tr>
<td>48.01 C/I.b</td>
<td>Decorative paper overlay and underlay</td>
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<tr>
<td>48.15 F</td>
<td>Cellulose wool basic material for the production of paper diapers</td>
<td>50.09 A</td>
<td>Up to $50,000 value</td>
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<td></td>
<td></td>
<td>51.01</td>
<td>Up to 1,000 tons</td>
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<td>51.02</td>
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<td>51.04</td>
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<tr>
<td>55.09</td>
<td>Women's yardgoods</td>
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<td>Up to 4,000 tons</td>
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<td>64.05 C</td>
<td>Up to $60,000 value</td>
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<tr>
<td>68.12 A</td>
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<tr>
<td>70.20 A</td>
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Page 36

70.20 B/
70.20 C/
ex 73.15 B/VI.  GO wire
83.01 
83.02 A/ Up to $230,000 value
83.29 A-B/ 
ex 84.36 A/ Machines and equipment for production of
synthetic and artificial fibres
94.01 A/ 5 per cent
94.01 B/ 5 per cent
94.03 A/ 5 per cent
94.03 B/ 5 per cent
94.03 C/ 5 per cent
98.01 Up to $30,000 value
98.02 Up to $80,000 value
20 per cent
20 per cent

20 per cent
20 per cent
ANNEX 2

The duties belonging to the following headings have been partly or completely suspended in 1970:

23.01 a/
23.01 B/
23.01 C/
25.10
27.01 a/III.
27.04 a/III.
28.19 12 per cent
28.23 7 per cent
28.25 10 per cent
28.27 a/ 12 per cent
28.27 B/ 12 per cent
28.27 C/ 12 per cent
ex 29.01 C/ Dodecibelzon, biologically decomposable 10 per cent
29.04 10 per cent
29.14 10 per cent
29.15 10 per cent
39.01 a/ 15 per cent
39.01 B/ 15 per cent
ex 39.07 B/II. Child-size bath tubs 30 per cent
48.01 a/ 10 per cent
48.01 B/ 20 per cent
ex 48.07 a/ Baryted paper 10 per cent
48.07 B/ 20 per cent
ex 48.15 F/ Film protection band 50 per cent
49.08 a/ 30 per cent
51.01 a/ 5 per cent
51.01 B/ 5 per cent
51.02 a/III. 5 per cent
51.02 a/IV. 5 per cent
51.02 3/III.
ex 53.11 A-B/ Worsted woollen cloth 20 per cent
56.01 A/ 5 per cent
56.01 A/ 5 per cent
56.03 A/ 5 per cent
56.04 A/ 5 per cent
56.05 5 per cent
60.04 3/I.b.1. 20 per cent
60.04 3/I.b.2. 40 per cent
60.05 4/III.a. 10 per cent
60.05 4/III.a. 20 per cent
60.05 3/III.a. 10 per cent
60.05 B/III.b. 20 per cent
64.02 3/I.a. 20 per cent
ex 69.07 A/ Stoneware floor tiles 25 per cent
ex 69.08 A/ Stoneware floor tiles
ex 69.08 B/ Polished wall tiles
70.11 B/ TV glass tube 25 per cent
ex 82.11 B/ Basic material for razor blades 35 per cent
ex 83.01 Door and gate locks 25 per cent
ex 83.02 3/ Door and window iron fittings 25 per cent
84.51 3/ Blind typewriter
ex 84.61 3/ Household water taps, bathroom taps, taps and facilities