

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Working Party on Trade with Hungary

OPENING STATEMENT BY THE REPRESENTATIVE OF HUNGARY

This is the first time the Working Party meets since Hungary became a GATT member on 9 September 1973. The tasks and the mandate of this Working Party are defined in the Protocol of Accession. It seems obvious that I sum up the development of the trade between Hungary and the contracting parties in the spirit of the objectives of the General Agreement.

1. In the course of the procedure of accession to the General Agreement, Hungary entered into tariff negotiations with 14 delegations. The tariff concessions granted as a result of these negotiations covered 41.7 per cent of imports from market economy countries, contracting parties to the GATT. Between 1973 and 1974, imports of commodity groups for which tariff concessions have been granted on Hungary's accession rose by 63.8 per cent. This growth is by 27.6 per cent higher than the increase of all imports from contracting parties with market economies.
2. Between 1973/74, Hungary's total imports increased by 44.1 per cent, in which the growth of imports from market economy countries, contracting parties to the GATT, amounted to 57.2 per cent. This exceeds by 29.7 per cent the rate of general import growth. In Hungary's imports the share of GATT contracting parties with market economies was 48 per cent in 1973 and 52.3 per cent in 1974.
3. In 1973 the value of total Hungarian exports amounted to Ft 157,213.3 million. Total exports in 1974 rose by 12.6 per cent as compared with 1973. In the same period Hungarian exports to market economy countries, contracting parties to the GATT, increased by 12.4 per cent.

As indicated by the above figures, in the course of 1974 the increase of Hungarian imports from GATT contracting parties with market economies exceeded considerably the rate of growth of total imports on the one hand, as well as the increase of Hungarian exports to market economy countries on the other hand. It has also been stated that the rate of growth of Hungarian exports to GATT contracting parties with market economies was lower than that of the total Hungarian exports.

4. In the period since the accession, the commodity composition of Hungarian exports and imports has developed in the following way:

HUNGARIAN EXPORTS

Commodity	In 1973		In 1974	
	To countries listed in Annex A to the Accession Protocol of Hungary	To market economy GATT countries	To countries listed in Annex A to the Accession Protocol of Hungary	To market economy GATT countries
	(Per cent)			
Energy sources	0.2	0.9	0.2	0.9
Materials, components	21.7	34.0	20.2	34.2
Machinery	40.2	7.4	42.1	9.1
Industrial consumer goods	23.0	16.7	22.1	17.3
Agriculture and food products	14.9	41.0	15.4	38.5
Total:	100.0	100.0	100.0	100.0

HUNGARIAN IMPORTS

Commodity	In 1973		In 1974	
	To countries listed in Annex A to the H. Accession Protocol	To market economy GATT countries	To countries listed in Annex A to the H. Accession Protocol	To market economy GATT countries
	(Per cent)			
Energy sources	11.2	2.6	9.9	4.3
Materials, components	45.6	58.1	41.9	61.5
Machinery	27.0	13.4	31.9	11.0
Industrial consumer goods	13.1	5.6	13.2	4.2
Agriculture and food products	3.1	20.3	3.1	19.0
Total:	100.0	100.0	100.0	100.0

5. As regards quantitative restrictions inconsistent with Article XIII of the General Agreement applied to Hungarian export products the situation is as follows:

In 1973 quantitative restrictions which are inconsistent with Article XIII affected 49 per cent of Hungarian exports to the European Economic Community.

According to the notification by the European Economic Community, in 1973 the Community removed the said restrictions in respect of 1.2 per cent of Hungarian exports to the EEC.

In 1973, EEC imports from Hungary in products to which the Community applies discriminatory quantitative restrictions against Hungary amounted to \$357.2 million. This volume constitutes only 0.47 per cent of the corresponding EEC world imports. This means that Hungarian exports subject to discriminatory restrictions accounted for less than 0.5 per cent of the total EEC world imports in the same commodities.

If in addition to the analysis of the above data we also examine the tariff items to which these discriminatory quantitative restrictions are applied, we can state that the European Economic Community applies discriminatory quantitative restrictions in a manner inconsistent with Article XIII of the General Agreement altogether to 305 tariff items, of which no export from Hungary is effected to the EEC in the case of 137 items.

6. The above-mentioned data do not include the Hungarian turnover in commodities which come under the scope of the Arrangement regarding International Trade in Textiles under the auspices of GATT, as it is the position of the Hungarian party that an understanding on such commodities and their turnover should be reached with the partner countries concerned within the framework of the said Arrangement.

7. In the period under review there was no case of market disruption caused by Hungarian exports.