

Trade Policy Review Body

TRADE POLICY REVIEW

HUNGARY

Report by the Secretariat

Corrigendum

Please note the following corrections to be made to document WT/TPR/S/40:

Summary Observations

Paragraph 9, line 3-4 should read "reorientation of its trade towards the EU, EFTA and CEFTA partners,"

Paragraph 13, lines 13-16 should read "erga omnes basis. Products still subject to the quota, and hence retaining additional protection, include new and used automobiles, and footwear; imports of textiles and clothing from WTO Members have been liberalized as from 1 January 1998."

Paragraph 14, lines 3-4: delete the words "exemptions or".

Paragraph 15, lines 13-17 should read "Certain other investment incentives have been conditional upon the scale of investment and production or exports: for example, until end-1997, corporate tax was halved for companies investing Ft 1 billion or more and increasing exports by at least 25%."

Chapter I

Paragraph 20, last line: delete "largely".

Paragraph 23, line 8: replace "foreign owned" by "having foreign participation".

Paragraph 25, final sentence should read "Some other investment incentives have been conditional upon export performance; for example, until 31 December 1997, corporate tax was halved for companies investing Ft 1 billion and increasing exports by at least 25 per cent. Since 1 January 1998 this measure has been modified to take account of increase in sales, rather than exports."

Paragraph 27: add at end "as a consequence of the price formulae built into concessional contracts for privatized utilities".

* English only.

Chapter II

Paragraph 12, last line: delete the phrase "all tariff and non-tariff".

Paragraph 13, lines 3-4: replace "contradict commitments to multilateralism" by "lead to trade diversion".

Table II.1 please note revised sections as below:

Table II.1
Selected notifications to the WTO, 31 May 1998

WTO Agreement	Document	Main content
Agreement on Agriculture		
(Article 18.2)	WTO doc.G/AG/N/HUN/1 of 28 April 1995, G/AG/N/HUN/5 of 7 August 1996, G/AG/N/HUN/8 of 28 May 1997, and G/AG/N/HUN/13 of 23 April 1998	Administration of tariff quotas (Table MA:1)
	WTO doc.G/AG/N/HUN/12 of 6 April 1998	Imports under tariff quotas (Table MA:2) during calendar year 1996
(Article 5.7)	WTO doc.G/AG/N/HUN/1 of 2 February 1998	Special safeguard provision (Table MA:5)
Agreement on Trade-Related Aspects of Intellectual Property		
(Article 63.2)	WTO doc.IP/N/1/HUN/1/Rev.2 of 17 April 1997	TRIPS-related legislation
Agreement on Import Licensing		
(Articles 1.4(a) and 8.2(b))	WTO doc.G/LIC/N/1/HUN/2 of 13 February 1998	Laws and regulations concerning import licensing procedures
(Article 7.3)	WTO doc.G/LIC/N/1/HUN/2 of 19 February 1998	Replies to the questionnaire on import licensing procedures

Paragraph 15, line 5: delete "some".

Paragraph 17: replace first sentence by "Hungary's notifications to the WTO are specified in Table II.1".

Paragraph 24, second-last line: replace "2% administration fee" by "2% customs clearance fee".

Paragraph 34, line 3: delete "except for agricultural products".

Paragraph 40, second-last line: delete "an officially registered company in".

Paragraph 46, line 2: replace "Ft 1 million" by "Ft 3 million".

Paragraph 46, line 4: replace "Ft 10 million" by "Ft 20 million".

Paragraph 52, line 5: delete "some of".

Paragraph 52, line 6: delete "although not retroactively".

Chapter III

Paragraph 1, line 5: replace "notably" by "as well as".

Paragraph 4, line 1: insert "technical" before "regulations".

Paragraph 4, lines 9-11: replace sentence by "However, as noted in Chapter III(2)(iii)(b), although the incidence of piracy has been declining, it is too soon to fully judge the effectiveness of the new legislation in combatting it."

Paragraph 5, line 10: add footnote after "of goods and services": "A price preference of 10% is granted in government procurement to companies registered in Hungary".

Paragraph 9, line 2: change sentence to "Hungary is a member of the Common Transit and Single Administrative Document Conventions".

Paragraph 10, line 4: replace sentence by "There are no special courts dealing with customs matters."

Footnote 4, line 3: replace "no such" with "lower".

Table III.1: in the "U.R." column, replace line 1 by "95.7".

Paragraph 15, line 3: delete "largely".

Paragraph 19, line 5-6: delete "thereby potentially impeding the industrialization of developing countries exporting to Hungary".

Paragraph 29, line 2: replace the sentence by "On 1 January 1995, the 1% licensing fee was abolished; in 1 January 1996, the 3% statistical fee and the 2% customs clearance fee were reduced each to 1%".

Paragraph 35, line 4: replace "produced within Hungary" by "of Hungarian manufacture".

Paragraph 36, line 6: delete "clothing and footwear".

Paragraph 37: delete last sentence.

Paragraph 39, footnote 22: add "The Hungarian authorities note, however, that the global quota is usually underutilized and that there is no grey market for import licences".

Paragraph 44, line 6: replace "it is not the practice of" by "the law does not permit".

Paragraph 45, line 1: delete "which is based on paragraph 5 of its Protocol of Accession to the GATT".

Tables III.7 and III.8: please see attached revisions.

Table III.7**Global import quota on consumer goods, 1994-97**

(US\$ million, unless otherwise specified)

Product groups	Abolished	1994	1995	1996	1997	1998 (1st half)
Household detergent		18	25	35	45	24.8
Footwear made of leather and leather substitutes		46.5	65	70	77	42.4
Furniture	1.1.92	n.a.	n.a.	n.a.	n.a.	n.a.
Underwear	1.1.95	40	n.a.	n.a.	n.a.	n.a.
Outerwear		66	94	104	114.4	11.0 ^a
Second-hand clothing		19.5	27	28.8	31.6	n.a.
Other clothing and ready-made clothing		46.5	65	71	78	6.6 ^a
Haberdashery products		12	16.6	17.2	22.6	n.a.
Textile piece-goods		30	43	47.2	52	4.7 ^a
Other industrial products		90	126	133.1	146.4	80.5
Jewellery, precious metal objects		24	33	34.2	37.6	20.7
New cars ('000 units)		51	80.6	83.8	89.7	34.1
New caravans ('000 units)		1.5 ^b	0.2	0.2	0.2	0.1
Used cars and caravans ('000 units)		45 ^c	52.8	54.8	58.6	31.4
Canned products	1.1.95	16	n.a.	n.a.	n.a.	n.a.
Bakery products	1.1.95	4.5	n.a.	n.a.	n.a.	n.a.
Confectionery products	1.1.95	25	n.a.	n.a.	n.a.	n.a.
Beverages	1.1.95	33	n.a.	n.a.	n.a.	n.a.
Dairy products	1.1.95	37.5	n.a.	n.a.	n.a.	n.a.
Citrus fruit	1.1.95	48	n.a.	n.a.	n.a.	n.a.
Tobacco products	1.1.95	4	n.a.	n.a.	n.a.	n.a.
Fish, tinned fish		17	22.6	22.6	24.8	13.6
Total		467.0	517.2	563.1	629.4	269.8

n.a. Not applicable

a Applicable to non-WTO Members only. Abolished for WTO Members since 1.1.98

b Used and new caravans together.

c Used cars only.

Source: Hungarian authorities.

Table III.8
Share of selected trading partners in global import quota on consumer goods (1st half 1998)
(US\$ million, unless otherwise specified)

Product groups	Total value ceiling	EU	Czech Rep.	Slovakia	Poland	Romania	Iceland	Norway	Share of individual value limits	
									%	US\$
Household detergent	24.8	8.8	3.3	0.22	0.27	0.05				24,800
Footwear, leather	42.4	24.2	1.04	0.6	1.1	0.1				42,400
Outerwear	11.0 ^a									11,000
Outer clothing & ready-made clothing products	6.6 ^a								5	40,000
Haberdashery	-								5	
Textile piece-goods	4.7								5	40,000
of which carpets	1.5									10,000
Other industrial products	80.5	44.2	1.5	0.88	2.42	0.1			5	
Jewellery, precious metal objects	20.7	8.69			0.22				5	
New cars ('000 units)	34.1	22.6	1.4	0.1	1.5	0.18				32 pieces
New caravans ('000 units)	0.1									
Used cars and caravans ('000 units)	31.4	16.5								31 pieces
Fish and tinned fish	13.6				1.1	0.05	0.61	0.61		50,000

a Applicable to non-WTO Members only.

Source: Hungarian authorities.

Paragraph 66, line 1: replace the first sentence by "Law II of 1988 on Plant Protection and Law XCI of 1995 on Animal Health stipulate sanitary and phytosanitary import regulations".

Paragraph 69, line 5: replace "Commercial Code" with "Company Law".

Paragraph 70, lines 9-10: delete "a foreign company or by a Hungarian".

Box III.2: replace "507,712" by 519".

Paragraph 91, line 3: replace "export" by "production".

Paragraph 91, line 8: add footnote after "are Hungarians" reading "WTO document G/SCM/N/3/HUNG/Suppl.1, section 5.4.2.(iii)(c)". Delete last sentence of paragraph.

Paragraph 96, line 1: replace "domestic-based" by "all".

Paragraph 96, line 2: delete the two words "-owned".

Paragraph 100, line 5: replace "were still held by the State" by "still involved some State ownership".

Paragraph 113, lines 8-9: delete sentence beginning "All enterprises".

Paragraph 114: place footnote 67 after "debt forgiveness" in line 9. Footnote should read "IMF (1997), page 11; EBRD (1997), page 81".

Paragraph 120: delete last sentence.

Chapter IV

Paragraph 10, line 1: delete "from various agricultural funds".

Paragraph 10, lines 10-11: delete "owing to other measures, notably high import duties and export subsidies".

Paragraph 16, last line: replace ", which involves licensing" by "for companies to trade in such products".

Paragraph 18, line 8: delete "and automotive components".

Paragraph 22, lines 5-6: replace "non-tariff measures are currently less pervasive in this than in several other sectors" by "no quantitative restrictions remain, except on fish and preserved fish".

Paragraph 26, line 3: add after (Tables III.7 and 8) "Since 1 January 1998, the textile quotas no longer apply to imports from WTO members".

Paragraph 26, line 5: replace "liberalization" by "tariff reduction".

Paragraph 28, lines 4-6: delete sentence "Production...full" and footnote 21.

Paragraph 29, line 2: insert "mainly" after "cars".

Paragraph 34, line 2: replace "the Government" by "APV Rt.".

Paragraph 38, last two lines: replace "including ... branching" by "cross-border branching has been permitted since 1 January 1998".

Paragraph 57, line ": insert after "insurance services" ", except for reinsurance and retrocession".

Paragraph 59, lines 6-7: delete "a golden share of".

Paragraph 63, first line: delete whole line.

Paragraph 70, line 6: delete "state owned".

Paragraph 72, line 10: delete " a golden share of".
