

QUESTIONS CONCERNING THE NOTIFICATION PROVIDED
BY HUNGARY¹ OF LAWS AND REGULATIONS
UNDER ARTICLE 12.6 OF AGREEMENT

The following communication, dated 7 December 1995, has been received from the Permanent Mission of the United States.

General

Hungary's notification of Government Decree No. 113/1990 (XII.23.) Korm implies that new safeguards legislation is under development.

- If this is the case, what is the status of the new legislation? Will the new legislation replace the decree which Hungary notified to the WTO? What aspects of the legislation are being modified? Will the new legislation be consistent with the provisions of the WTO Agreement on Safeguards?

Section 1

Hungary cites "increased quantities" as one condition for applying a safeguard measure.

- What constitutes "increased quantities" for these purposes, and how is this condition tied to domestic production, if at all?

Section 2

The decree does not outline the administrative process governing the application of safeguard measures, including the investigation and determination as required by the WTO.

- What are the administrative procedures that the Ministry for International Economic Relations must follow when making a decision regarding the application of safeguard measures?
- What specific procedures dictate the manner in which government, producer and foreign interests are solicited and considered in this process?

¹G/SG/N/1/HUN/2

- How does the government determine that imports cause or threaten to cause serious injury?
- What factors are taken into account when conducting such an investigation? How is the level of import restriction determined?
- Are the regulations and procedures of such investigations published pursuant to Hungary's obligations under Article 3 of the WTO Safeguards Agreement and Article X of GATT 1994?

Duration of Safeguard Measures

No reference is made to how safeguard measures would be reviewed or phased out. There is also no reference to the application of provisional measures in critical circumstances. In addition, there are no provisions describing the time interval required before the re-application of a safeguard measure.

- Would Hungary elaborate on these points?

Section 2(c)

- Please elaborate what actions constitute an “undertaking from the exporter on the price and/or the volume of the product imported.”
- How is such a measure consistent with the provisions of WTO Agreement on Safeguards which prohibit voluntary export restraints and orderly marketing agreements outside the framework of the Agreement?

Section 3.6

Hungary notes that before a safeguard measure is adopted, the opinions of “consumers’ organizations” are sought.

- Are the views of all interested parties, including foreign firms, also considered prior to applying any safeguard measure? If so, how are such views solicited and considered?

Section 5

The legislation notes that the proceedings concerning safeguard measures shall be governed by the provisions of Act No. IV of 1957 on the General Rules of State Administration Procedures.

- What types of proceedings are covered by the Administrative Procedures? What do these Procedures provide, particularly in light of requirements of the WTO Agreement on Safeguards? Has Hungary submitted copies of the Procedures to the WTO?