



## Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie

Vu la proposition du DFEP du 16 février 1993

Vu les résultats de la procédure de co-rapport, il est

décidé

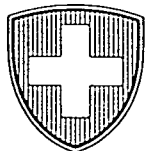
1. L'Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie est approuvé.
2. Le Chef du Département de l'économie publique, le Secrétaire d'Etat Franz Blankart ou un représentant de l'Office fédéral des affaires économiques extérieures désigné par ses soins, est chargé de signer l'Accord et ses annexes.
3. La Chancellerie fédérale est appelée à établir les pouvoirs nécessaires à la signature de l'Accord et ses annexes.
4. L'échange de lettres entre la Suisse et la République de Hongrie concernant le domaine agricole est approuvé.
5. Le Chef du Département de l'économie publique, le Secrétaire d'Etat Franz Blankart ou un représentant de l'Office fédéral des affaires économiques extérieures désigné par ses soins, est chargé de signer l'échange de lettres.
6. La Chancellerie fédérale est chargée le moment venu d'établir les pouvoirs nécessaires à la signature de l'échange de lettres.
7. Ces deux instruments pourront être appliqués à titre provisoire dès le 1er juillet 1993 à condition que la République de Hongrie les applique également à cette date et sous réserve de leur approbation ultérieure par les Chambres.

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Pour extrait conforme:

*Musael Meillet*





EIDGENÖSSISCHES VOLKSWIRTSCHAFTSDEPARTEMENT  
 DÉPARTEMENT FÉDÉRAL DE L'ÉCONOMIE PUBLIQUE  
 DIPARTIMENTO FEDERALE DELL'ECONOMIA PUBBLICA  
 DEPARTAMENT FEDERAL DA L'ECONOMIA PUBLICA

2515.5

Berne, le 16 février 1993

Au Conseil fédéral

## Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie

Nous vous soumettons par la présente une proposition vous invitant à approuver la participation de la Suisse à l'Accord de libre-échange entre les Etats de l'AELE et la Hongrie paraphé le 29 janvier 1993, ainsi qu'un arrangement - sous la forme d'un échange de lettres - entre la Suisse et la Hongrie dans le domaine agricole. La mise en vigueur de ces deux instruments est prévue pour le 1er juillet 1993.

### 1. Origine de l'Accord Etats de l'AELE-Hongrie

A la suite des bouleversements politiques et économiques intervenus en Europe centrale et orientale au cours de l'année 1989, les pays de l'AELE ont tenu à donner un signe politique important en signant, le 13 juin 1990 à Göteborg, des déclarations de coopération avec la Hongrie, la Pologne et la Tchécoslovaquie. Ces Déclarations marquent la volonté des pays de l'AELE d'établir des liens étroits avec les pays en transition et de soutenir leurs réformes durant le processus de transition vers une économie de marché. En fait, par une telle politique, les pays de l'AELE visent l'objectif à plus long terme d'intégrer les pays en transition dans le système européen de coopération économique, lui-même actuellement en profonde mutation. Des Déclarations similaires ont d'ailleurs également été signées avec la Bulgarie et la Roumanie. Le rapprochement entre l'AELE et les pays en transition s'effectue sur deux plans: la coopération économique dans des domaines étroitement liés au commerce international (politique commerciale, standardisation, etc.) et l'établissement d'une zone de libre-échange aussi compatible que possible avec les autres zones déjà existantes en Europe.

Les négociations de l'accord de libre-échange avec la Hongrie ont été particulièrement longues et difficiles: plus de 20 rencontres s'étalant sur plus de deux ans ont été nécessaires pour arriver à conclure. La position très dure et inflexible adoptée par la délégation hongroise, autant pour ce qui est des dispositions horizontales de l'accord que pour les concessions demandées dans le domaine agricole, en a été la cause principale. Tout en faisant preuve de plus de flexibilité, les pays de l'AELE n'en ont pas moins suivi une ligne claire et conséquente, avec comme résultat que le contenu de l'accord avec la Hongrie est pratiquement le même que celui des accords conclus avec la Pologne, la Tchécoslovaquie et la Roumanie.

Le rapprochement des pays de l'AELE avec les pays de "Visegrad" (Hongrie, Pologne, Tchécoslovaquie) s'est opéré au moment où la Communauté européenne commençait la négociation d'accords d'association avec ces mêmes pays, dont l'un des éléments centraux - avec l'établissement d'un dialogue sur un plan politique, la libéralisation graduelle de la circulation des travailleurs, des capitaux et des services - est également l'établissement de zones de libre-échange entre la CE et ces trois pays. Une concertation a eu lieu entre Genève et Bruxelles afin d'arriver à des accords aussi similaires que possible.

L'approche en parallèle des pays de l'AELE par rapport aux accords de la CE est cependant assortie d'un certain nombre de différences: la plus importante est le traitement du commerce des produits agricoles dans des arrangements bilatéraux distincts négociés simultanément entre chaque pays de l'AELE et la Hongrie; une autre différence concerne le contenu et l'application de certaines dispositions horizontales, comme les règles de concurrence et les aides gouvernementales, pour lesquelles la CE dispose de compétences étendues basées sur le Traité de Rome, alors que, dans le cas de l'AELE, ces mêmes compétences ne sont pas centralisées.

## 2. Contenu de l'Accord

L'Accord paraphé le 29 janvier 1993 couvre le secteur industriel, les produits agricoles transformés, les poissons et autres produits de la pêche. L'objectif de l'Accord est, d'une part, d'assister la Hongrie dans son processus de transition en facilitant l'accès des produits hongrois sur les marchés des pays de l'AELE. D'autre part, il permet de rétablir un traitement égal entre les exportateurs des pays de l'AELE et ceux de la Communauté européenne sur le marché hongrois.

L'Accord est de type asymétrique: au cours de la période transitoire se terminant au 30 juin 2003, les pays de l'AELE consentent à la Hongrie des concessions plus importantes que celles qu'ils obtiennent en échange de cette dernière. L'asymétrie porte à la fois sur le démantèlement des barrières douanières et sur l'application pleine et entière de certaines dispositions de l'Accord comme les articles sur les paiements, les achats publics et les aides gouvernementales. Cette approche, également suivie par la CE, a pour but de prendre en compte la situation de transition de l'économie hongroise, ainsi que les différences de développement économique entre les participants à l'accord. A la fin de la période transitoire, quand les droits et obligations qui relèvent de l'Accord seront identiques pour les deux parties, le libre-échange sera effectivement atteint.

L'Accord comprend un ensemble de dispositions conformes aux exigences actuelles d'un accord de libre-échange. Par l'étendue des domaines couverts, il va au-delà des Accords de libre-échange de 1972 conclus entre chaque pays de l'AELE et la CE. C'est ainsi qu'il porte sur des domaines tels que les obstacles techniques aux échanges, les achats publics, les monopoles publics et la protection de la propriété intellectuelle. Pour ce qui est de certaines dispositions horizontales comme les règles de concurrence et les aides gouvernementales, la Hongrie, adoptant une attitude de principe très alignée sur la CE, a eu beaucoup de peine à admettre que les différences entre le système juridique de la CE et ceux des pays de l'AELE (voir ci-dessus) rendaient impossible une reprise telle quelle des dispositions horizontales

contenues dans son accord d'association avec la CE dans l'accord négocié avec les pays de l'AELE. En pratique toutefois, les systèmes de règles liées à la concurrence contenus dans les accords de l'AELE et dans les accords de la CE sont largement compatibles. L'Accord intègre également les clauses de sauvegarde habituellement contenues dans tout accord de libre-échange. En plus des clauses standards, la Hongrie peut faire appel, pendant la période transitoire, à une clause de sauvegarde spécifique dans le cas où l'ajustement structurel de son économie serait gravement menacé.

Pour des raisons tactiques, la Suisse a tout d'abord été amenée à notifier une liste de produits sensibles; cette approche a été payante puisque la Suisse a obtenu satisfaction pour ce qui est du plafond pour les produits pharmaceutiques, alors qu'un résultat satisfaisant a été obtenu dans le domaine agricole. De plus, en contre-partie du retrait de la liste en question, la Suisse a obtenu le droit à une clause de sauvegarde particulière pour parer, pendant la période transitoire, à un éventuel détournement de trafic résultant de différences dans les droits de douane applicables pour les produits sensibles notifiés par les autres pays de l'AELE. L'Accord comprend également une clause évolutive classique. Les domaines étroitement liés au commerce des marchandises (services et investissements) sont mentionnés dans le protocole d'entente figurant à la fin de l'Accord (paragraphe 22).

Les produits de l'AELE feront l'objet à l'importation en Hongrie de droits de douane et de charges d'effets équivalents qui seront progressivement démantelés sur une période s'étalant de l'entrée en vigueur de l'Accord au 30 juin 2003 suivant des calendriers établis en annexe à l'Accord. Ces calendriers sont identiques à ceux contenus dans l'accord CE-Hongrie. La Hongrie s'est montrée nettement plus prudente que la RFTS, la Pologne ou la Roumanie pour l'abolition de ses droits de douane, puisque son démantèlement tarifaire est plus lent: l'accès à droit nul sur le marché hongrois, par exemple, ne sera accordé qu'au 1er janvier 1994 et ceci pour un petit nombre de produits seulement (les trois autres pays accordent un accès à droit nul pour certaines positions tarifaires dès l'entrée en vigueur de l'accord). Les produits sensibles pour la Hongrie feront l'objet d'une réduction progressive des droits de douanes au cours de la période transitoire. La conséquence est que le marché hongrois restera, pour les quelques années à venir, le marché le plus fermé de tous les pays en transition d'Europe centrale, y compris la Roumanie.

La Hongrie, qui applique en outre une politique commerciale des moins transparentes caractérisée par un recours fréquent à des mesures non-tarifaires, a cherché à faire avaliser son régime par les pays de l'AELE (p. ex. octroi de licences d'importation dans le cadre d'un quota global des biens de consommation). Ces derniers, grâce à une négociation habilement coordonnée, ont finalement réussi à détourner le problème; leurs requêtes ont en grande partie été satisfaites sans pour autant qu'il ait été nécessaire de donner pleinement suite aux demandes de concessions hongroises. La Suisse a notamment obtenu un plafond pour les exportations de produits pharmaceutiques soumis à l'octroi d'une licence d'une valeur de 30 mio de \$ (le plafond correspondant de la CE est de 40 mio de \$). Pour ce qui est des produits agricoles transformés, la Hongrie s'est engagée à octroyer à la Suisse un traitement équivalent à celui accordé à la CE ou à tout autre pays de l'AELE qui deviendra effectif au 1er janvier 1995. La concrétisation de l'équivalence devra intervenir d'ici là et au cas où la Suisse devait arriver à la conclusion que cette équivalence n'est pas respectée, elle aurait la possibilité de retirer certaines des concessions qu'elles a octroyées à la Hongrie pour ce qui est des produits agricoles transformés.

Les produits hongrois entreront à droit nul sur les marchés de l'AELE dès l'entrée en vigueur de l'Accord, à l'exception des produits sensibles (essentiellement textiles et acier) spécifiés par l'Autriche, la Norvège et la Suède.

Les deux Parties s'engagent à maintenir un certain parallélisme en ce qui concerne une éventuelle extension des concessions accordées au cours de la période transitoire dans le cadre des Accords de libre-échange pays de l'AELE-Hongrie et des Accords d'association CE-Hongrie. Les possibilités d'accélérer le processus de libéralisation des échanges seront examinées par le comité mixte.

### **3. Implications de cet Accord pour la Suisse**

#### **3.1. Les relations commerciales Suisse-Hongrie**

L'importance de la Hongrie dans le commerce extérieur de la Suisse est actuellement relativement modeste. Cependant, certains secteurs (machines, produits chimiques et pharmaceutiques, produits agricoles) sont fortement impliqués dans les échanges bilatéraux. Les échanges commerciaux entre les deux pays se sont soldés en 1992 par un surplus de la balance commerciale de 160 millions de francs en faveur de la Suisse.

Les exportations suisses vers la Hongrie se sont élevées à 374 millions de francs en 1992, en baisse de près de 10% par rapport à 1991. En 1992, les produits chimiques ont constitué avec 22.6% pour cent la part la plus importante des exportations suisses vers la Hongrie, suivies par les machines (22%), les produits pharmaceutiques (16%) et les produits agricoles (7%).

Les importations suisses en provenance de la Hongrie se sont élevées à 214 millions de francs en 1992, en légère baisse (-0.7%) par rapport à 1991. Elles sont pour près de la moitié constituées de produits agricoles (48%), suivies par les produits chimiques (11%), les machines (8%) et les textiles/habillement (6%).

#### **3.2. Les relations économiques Suisse-Hongrie**

Les relations économiques bilatérales entre la Hongrie et la Suisse sont réglées par les accords suivants:

- un accord commercial entré en vigueur le 1er janvier 1974, selon lequel les deux parties réaffirment leur volonté de conduire leur commerce sur la base des règles du GATT.
- un accord de double imposition entré en vigueur le 25 juin 1982.
- un accord de protection des investissements entré en vigueur le 16 mai 1989.

Sur le premier crédit de programme, huit millions de frs ont été attribués à la Hongrie pour des projets d'assistance dans le domaine de la protection de l'environnement (traitement des déchets spéciaux). Sur le deuxième crédit de programme, 25 millions de frs son prévus pour de l'assistance technique. Un projet est en cours dans le domaine de la promotion des investissements avec l'ONUDI à Zurich (contrats de coopération entre firmes suisses et hongroises) et un programme de formation pour acheteurs commerciaux a été mis sur pied en collaboration avec le Centre du Commerce international (CCI). La garantie des risques à l'exportation (GRE) a toujours été ouverte pour la Hongrie.

Un grand nombre d'entreprises suisses sont actives en Hongrie. Aussi bien en termes de volume des investissements directs (250 mio \$ à mi-1992) qu'en termes de nombre d'entreprises mixtes (350), la Suisse occupe la quatrième place parmi les investisseurs étrangers présents en Hongrie.

Si les échanges commerciaux entre la Suisse et la Hongrie sont à l'heure actuelle encore relativement modestes, leur potentiel de croissance est important. L'Accord de libre-échange entre les pays de l'AELE et la Hongrie va renforcer ce potentiel en facilitant l'accès des produits hongrois sur le marché suisse. Ces derniers seront cependant en concurrence avec des produits similaires provenant également de pays en transition et disposant des mêmes avantages. La réalisation du potentiel exigera donc des opérateurs hongrois des efforts concrets pour accroître leur part de marché en Suisse. L'Accord s'inscrit dans la politique d'ouverture et de soutien aux réformes suivie par le Conseil fédéral envers les pays d'Europe centrale et orientale.

#### **4. Arrangement bilatéral dans le domaine agricole**

Comme déjà indiqué, les produits agricoles sont traités en dehors de l'Accord, à l'exception des produits agricoles transformés. Ce faisant, des arrangements bilatéraux ont été conclus entre chaque pays de l'AELE et la Hongrie. L'arrangement concernant la Suisse a été paraphé le 29 janvier 1993. Vu l'importance du secteur agricole en Hongrie, la Suisse a fait tout son possible pour arriver à un accord avec ce pays sans pour autant porter préjudice à l'agriculture helvétique. Les concessions accordées à la Hongrie portent exclusivement sur des droits de douane dont le niveau sera soit abaissé, soit réduit à zéro. Etant donné que la quantité totale des importations de produits importants pour notre politique agricole reste réglée par des mesures non-tarifaires, ces concessions n'affecteront pas les prix indigènes des produits agricoles concernés. A titre exceptionnel et sans préjuger d'autres négociations bi- et multilatérales, les autorités suisses sont prêtes à maintenir les marges de concessions octroyées sur la base du présent arrangement, au moment où un nouveau régime serait introduit (par exemple suite à la mise en oeuvre des résultats de l'Uruguay Round).

L'arrangement avec la Hongrie comprend des règles d'origine et des méthodes de coopération administratives pour les produits couverts par celui-ci. Il comprend également une clause évolutive destinée à passer en revue les difficultés qui pourraient surgir dans les échanges de produits agricoles entre les deux pays et à développer ces échanges dans les limites fixées par leurs politiques agricoles respectives et par leurs engagements internationaux tout en tenant compte des résultats de l'Uruguay Round. Enfin, une déclaration

d'intention en matière de coopération dans le domaine agricole prévoit que des projets de coopération seront soumis à la partie suisse selon la procédure en vigueur pour la réalisation de notre deuxième programme d'aide en faveur des pays d'Europe centrale et orientale.

## **5. Relation avec les autres instruments de politique commerciale**

L'Accord pays de l'AELE-Hongrie et l'arrangement bilatéral Suisse-Hongrie portant sur les produits agricoles s'inscrivent dans le cadre de l'article XXIV du GATT.

L'Accord est par ailleurs compatible avec les objectifs poursuivis par notre politique d'intégration européenne. Du moment que son contenu est largement semblable aux dispositions de libre-échange de l'accord d'association conclu par la CE avec la Hongrie, la mise en vigueur de l'Accord n'entraînera pas de divergences nouvelles entre la politique commerciale pratiquée par la Suisse et celle de la CE vis-à-vis de ce pays. L'arrangement bilatéral pour les produits agricoles reflète les régimes différents appliqués actuellement par la Suisse et la CE dans le domaine agricole.

## **6. Signature de l'Accord et procédure d'approbation des Chambres fédérales**

La signature de l'Accord est prévue pour le 5 mars 1993 à Genève. D'ici là, la Suède et l'Autriche devront encore trouver une solution à certains problèmes d'ordre bilatéral. La Suisse, assurant la présidence de l'AELE pour cette occasion, sera représentée par le Chef du Département de l'Economie publique ou par le Secrétaire d'Etat Franz Blankart. La Suisse entend également procéder à cette occasion à la signature de l'arrangement bilatéral dans le domaine agricole.

Selon l'article 39 de l'Accord, l'entrée en vigueur est prévue au 1er juillet 1993. Etant donné l'intérêt économique et politique d'un tel Accord, celui-ci devrait être appliqué dès que possible. Ceci pourrait se faire moyennant une application à titre provisoire sur la base de l'article 2 de la loi fédérale du 25 juin 1982 sur les mesures économiques extérieures (RS 946.201), sous réserve d'approbation ultérieure par les Chambres.

Les Chambres fédérales seront appelées à approuver l'Accord de libre-échange pays de l'AELE-Hongrie et la participation de la Suisse à cet Accord ainsi que l'arrangement bilatéral concernant le domaine agricole par le biais d'un message qui leur sera soumis d'ici à la fin de l'année.

## **7. Résultat de la procédure de consultation des Offices**

La Chancellerie fédérale, la Division politique I, le Service économique et financier et la Direction du droit international public du DFAE, l'Office fédéral de la justice et l'Office fédéral de la propriété intellectuelle du DFJP, l'Administration fédérale des finances et l'Administration fédérale des douanes du DFF ainsi que l'Office fédéral de l'agriculture du DFEP ont été consultés et leurs éventuelles remarques prises en compte.

Nous vous proposons d'approuver le projet de décision ci-joint.

DEPARTEMENT FEDERAL DE L'ECONOMIE PUBLIQUE

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Annexes: 1 texte d'Accord paraphé  
1 échange de lettres  
1 projet de décision du Conseil fédéral

Pour co-rapport: DFAE  
DFF  
DFJP

Extrait du procès-verbal à: DFEP (SG 5, OFAG 5, OFAEE 10)  
DFAE  
DFF  
DFJP  
Chancellerie fédérale (pour exécution)

## Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie

Vu la proposition du DFEP du 16 février 1993

Vu les résultats de la procédure de co-rapport, il est

décidé

1. L'Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie est approuvé.
2. Le Chef du Département de l'économie publique, le Secrétaire d'Etat Franz Blankart ou un représentant de l'Office fédéral des affaires économiques extérieures désigné par ses soins, est chargé de signer l'Accord et ses annexes.
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7. Ces deux instruments pourront être appliqués à titre provisoire dès le 1er juillet 1993 à condition que la République de Hongrie les applique également à cette date et sous réserve de leur approbation ultérieure par les Chambres.

Pour extrait conforme:

- 1 -

PREAMBLE

The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation (hereinafter called the EFTA States) and the Republic of Hungary (hereinafter called Hungary),

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their readiness to co-operate in seeking ways and means to strengthen this process,

Having regard to the Declaration signed by the EFTA States and Hungary in Gothenburg in June 1990,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation in Europe, the Charter of Paris for a New Europe, and in particular the principles contained in the final document of the CSCE Bonn Conference on Economic Co-operation in Europe,

Reaffirming their commitment to the principles of a market economy, which constitutes the basis for their relations,

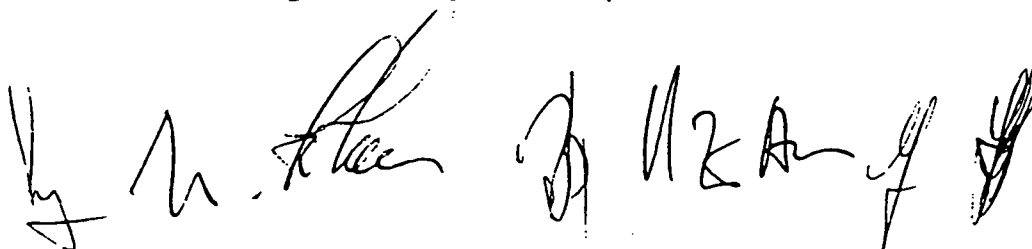
Noting the Memorandum of Understanding between the OECD and the Government of Hungary signed in Paris on 4 June 1991, and in particular that Hungary firmly committed itself to finalizing the setting up of the necessary economic, legal and institutional framework for a well-established market economy,

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights and fundamental freedoms and recalling their membership in the Council of Europe,

Firmly convinced that this Agreement will foster the creation of an enlarged and harmonious free trade area within Europe, thus constituting an important contribution to European integration,

Resolved to this end to eliminate progressively the obstacles to substantially all their trade, in accordance with the General Agreement on Tariffs and Trade,

Declaring their readiness to examine, in the light of any relevant factor, the possibility of developing and deepening their relations in order to extend them to fields not covered by this Agreement,



Considering that no provision of this Agreement may be interpreted as exempting the States, Parties to this Agreement, from their obligations under other international agreements, especially the General Agreement on Tariffs and Trade,

Have decided in pursuit of the above to conclude this Agreement:

### Article 1

#### Objectives

1. The EFTA States and Hungary shall gradually establish, during a transitional period ending at the latest on 30 June 2003, a free trade area in accordance with the provisions of this Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies, are:
  - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and Hungary and thus to foster in the EFTA States and in Hungary the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability;
  - (b) to provide fair conditions of competition for trade between the States, Parties to this Agreement;
  - (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

### Article 2

#### Scope

The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;

- (c) to fish and other marine products specified in Annex II, with due regard to the arrangements provided for in that Annex;

originating in an EFTA State or Hungary.

### Article 3

#### *Rules of origin and co-operation in customs administration*

1. Protocol B lays down the rules of origin and related methods of administrative co-operation.
2. The States, Parties to this Agreement, shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Articles 4, 5, 7, 8, 9 and 10 and of Protocol B are effectively and harmoniously applied, and to reduce, as far as possible the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

### Article 4

#### *Customs duties on imports*

1. No new customs duty on imports shall be introduced in trade between the EFTA States and Hungary.
2. Customs duties on imports shall be gradually reduced and ultimately abolished in accordance with the following timetable :
  - (a) On the date of entry into force of this Agreement, the EFTA States shall abolish all customs duties on imports for products originating in Hungary, except for products specified in Annex III for which customs duties on imports shall be progressively abolished in accordance with the provisions laid down in that Annex.

*By W. Steier of Hungary*

- (b) (i) Customs duties on imports applicable in Hungary to products originating in an EFTA State, which are listed in Annex IV shall be reduced progressively:

Upon entry into force of the Agreement: to one-third of the basic duty

On 1 January 1994: to zero.

- (ii) Customs duties on imports applicable in Hungary to products originating in an EFTA State, which are not listed in Annexes IV and V shall be reduced progressively:

On 1 January 1995: to two-thirds of the basic duty

On 1 January 1996: to one-third of the basic duty

On 1 January 1997: to zero.

- (iii) Customs duties on imports applicable in Hungary to products originating in the EFTA States which are listed in Annex V shall be reduced progressively:

On 1 January 1995: to 90% of the basic duty

On 1 January 1996: to 75% of the basic duty

On 1 January 1997: to 60% of the basic duty

On 1 January 1998: to 45% of the basic duty

On 1 January 1999: to 30% of the basic duty

On 1 January 2000: to 15% of the basic duty

On 1 January 2001: to zero.

3. The Joint Committee may agree on dates earlier than those set out in the above-mentioned timetable.

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Article 5*Basic duties*

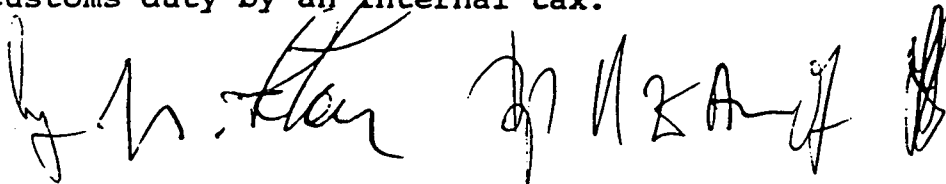
1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the Most Favoured Nation rate of duty applicable on 29 February 1992.
2. If, after the entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting from the Uruguay Round of Multilateral Trade Negotiations, such reduced duties shall replace the basic duties referred to in paragraph 1 as from the date when such reductions are applied.
3. The reduced duties calculated in accordance with Article 4 shall be applied rounded to the first decimal place or, in case of specific duties, to the second decimal place.

Article 6*Charges equivalent to customs duties on imports*

1. No new charge having an effect equivalent to a customs duty on imports shall be introduced in trade between Hungary and the EFTA States.
2. All charges having an effect equivalent to customs duties on imports shall be abolished not later than on the entry into force of this Agreement, except as provided for in Annex VI.

Article 7*Customs duties of a fiscal nature*

1. The provisions concerning the prohibition and the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature, except as provided for in Protocol C.
2. The States, Parties to this Agreement, may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.



Article 8

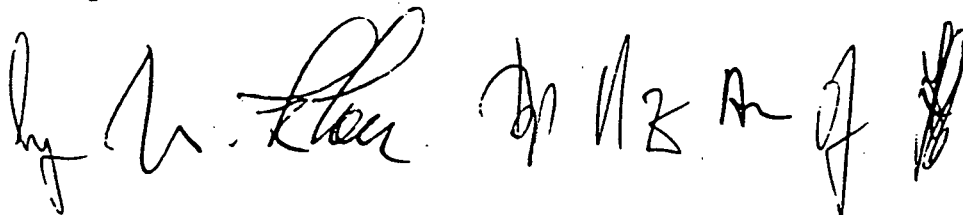
*Customs duties on exports and  
charges having equivalent effect*

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between the EFTA States and Hungary.
2. Customs duties on exports and any charges having equivalent effect shall be abolished not later than at the entry into force of this Agreement, except as provided for in Annex VII.

Article 9

*Quantitative restrictions on imports and measures having  
equivalent effect*

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced in trade between the EFTA States and Hungary.
2. Quantitative restrictions and measures having equivalent effect on imports into the EFTA States shall be abolished not later than on the entry into force of this Agreement, except as provided for in Annex VIII.
3. Quantitative restrictions and measures having equivalent effect on imports into Hungary shall be abolished not later than on the entry into force of this Agreement, except as provided for in Protocol A, Annex II and Annex IX.
4. From the date of entry into force of this Agreement Hungary shall open import ceilings for products listed in Annex X and on the conditions contained therein.
5. The Joint Committee shall periodically review the progress achieved in dismantling quantitative restrictions on imports.





Article 10

*Quantitative restrictions on exports and  
measures having equivalent effect*

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the EFTA States and Hungary.
2. Quantitative restrictions on exports and any measures having equivalent effect shall be abolished in the EFTA States not later than on the entry into force of this agreement, except as provided for in Annex XI.
3. Quantitative restrictions on exports and any measures having equivalent effect shall be abolished in Hungary not later than on the entry into force of this Agreement, except as provided for in Annex XII.

Article 11

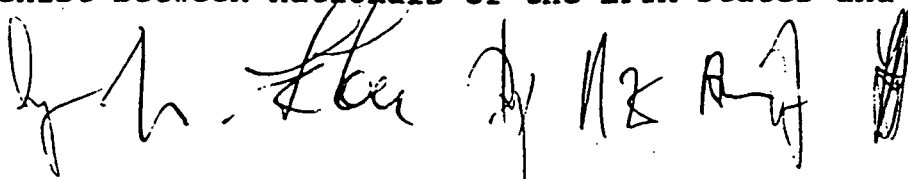
*General exceptions*

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants and the environment; the protection of national treasures of artistic, historic or archaeological value, or the protection of intellectual property, or rules relating to gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the States, Parties to this Agreement.

Article 12

*State monopolies*

1. The States, Parties to this Agreement, shall ensure that any State monopoly of a commercial character be adjusted, subject to the provisions laid down in Protocol D, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and of Hungary.



2. The provisions of this Article shall apply to any body through which the competent authorities of a State, Party to this Agreement, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the States, Parties to this Agreement. These provisions shall likewise apply to monopolies delegated by the State to others.

### Article 13

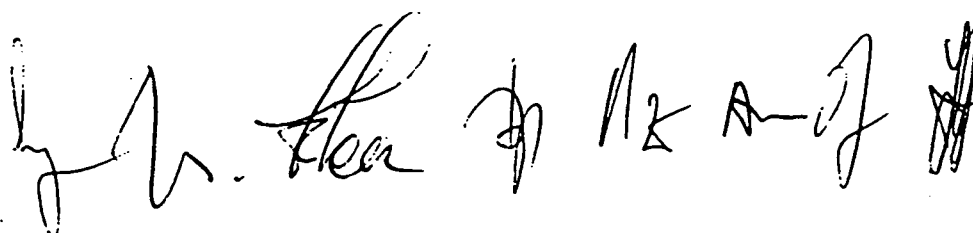
#### *Notification of draft technical regulations*

1. The EFTA States and Hungary shall notify each other, at the earliest practicable stage, in accordance with the provisions laid down in Annex XIII of draft technical regulations and draft amendments thereto, which they intend to issue.
2. The provisions of this Article and of Annex XIII shall start to be applied one year after the entry into force of this Agreement.

### Article 14

#### *Trade in agricultural products*

1. The States, Parties to this Agreement, declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products and to discuss this issue periodically in an appropriate forum among the States Parties concerned.
2. In pursuance of this objective each individual EFTA State and Hungary have concluded a bilateral agreement providing for measures to facilitate trade in agricultural products.
3. The States, Parties to this Agreement, shall not apply their regulations in veterinary, plant health and health matters as an arbitrary or unjustifiable discrimination between the States Parties where the same conditions prevail, or as a disguised restriction on trade between them.

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Article 15*Internal taxation*

1. The States, Parties to this Agreement, shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in an EFTA State and like products originating in Hungary.
2. Products exported to the territory of one of the States, Parties to this Agreement, may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 16*Payments*

1. Payments relating to trade in goods between an EFTA State and Hungary and the transfer of such payments to the territory of the State, Party to this Agreement, where the creditor resides shall be free from any restrictions.
2. The States, Parties to this Agreement, shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short and medium-term credits covering commercial transactions in which a resident participates.
3. Until a full convertibility of the Hungarian currency in the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund is introduced, Hungary maintains the right to apply exchange restrictions on the grant or acceptance of short and medium-term credits, provided that these restrictions are applied in a non-discriminatory manner as regards the origin of the products and that they are not applied only to specific products or kinds of products.

Article 17*Public procurement*

1. The States, Parties to this Agreement, consider the effective liberalization of their respective public procurement markets an objective of this Agreement.

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2. As of the entry into force of this Agreement, the EFTA States shall grant Hungarian companies access to contract award procedures on their respective public procurement markets according to the Agreement on Government Procurement of 12 April 1979, as amended by a Protocol of Amendments of 2 February 1987, negotiated under the auspices of the General Agreement on Tariffs and Trade.

3. Hungary shall, taking into account the restructuring and development process of its economy, gradually ensure that companies from the EFTA States have access on the same principles to contract award procedures on its market. In so doing Hungary shall notify to the Joint Committee the entities or agencies which it would have listed in Annex I to the Agreement referred to in paragraph 2 in case of accession thereto.

4. As soon as possible after the entry into force of this Agreement, the States, Parties to this Agreement, shall take a further step to expand their undertakings governing participation in public procurement contracts, so as to ensure free access and transparency, and that there is no discrimination between potential suppliers from the States, Parties to this Agreement. After a period of decreasing asymmetry in favour of Hungary, a full balance of rights and obligations between the States, Parties to this Agreement, shall be established not later than at the end of the transitional period.

5. The Joint Committee, acting in accordance with Articles 28 and 29, shall deal with the practical modalities for this development including, inter alia, scope, timetable and rules to be applied, and categories of entities awarding public procurement contracts.

6. The States Parties concerned shall endeavour to accede to the relevant Agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

### Article 18

#### *Protection of intellectual property*

The States, Parties to this Agreement, shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights. Protection of intellectual property shall, by 1 January 1997, be of a level similar to that prevailing in the area of the States, Parties to this Agreement. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against infringement thereof and in particular against counterfeiting and piracy. Particular obligations are contained in Annex XIV.

Article 19*Rules of competition concerning undertakings*

1. The following are incompatible with the proper functioning of this Agreement in so far as they may affect trade between an EFTA State and Hungary:

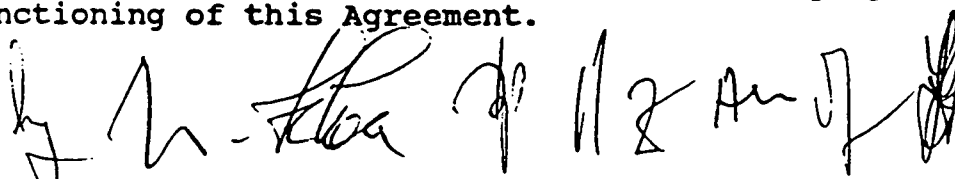
- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (b) abuse by one or more undertakings of a dominant position in the territories of the States, Parties to this Agreement, as a whole or in a substantial part thereof.

2. The provisions of paragraph 1 shall apply to the activities of all undertakings, including public undertakings and undertakings to which a State, Party to this Agreement, grants special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules contained in this Article, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them.

3. If a State, Party to this Agreement, considers that a given practice is incompatible with paragraphs 1 and 2, it may take measures it considers necessary to deal with the serious difficulties resulting from the practices in question, under the conditions and in accordance with the procedures laid down in Article 26.

Article 20*State aid*

1. Any aid granted by a State Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between an EFTA State and Hungary, be incompatible with the proper functioning of this Agreement.

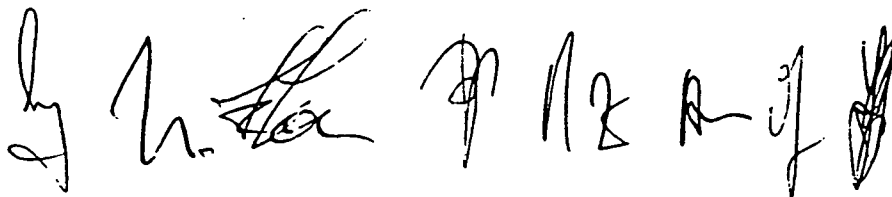


2. Any practices contrary to paragraph 1 should be assessed on the basis of the criteria set out in Annex XV.
3. For the purpose of applying the provisions of paragraph 1, Hungary may, during the first five years after the entry into force of this Agreement, grant aid with a higher intensity than would be tolerated for EFTA States according to the criteria set out in Annex XV.
4. The States, Parties to this Agreement, shall ensure transparency in the area of State aid, inter alia, by reporting annually to the Joint Committee on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by a State Party, the State Party concerned shall provide information on particular individual cases of State aid.
5. If a State Party to this Agreement considers that a given practice is incompatible with the provisions of paragraph 1, it may take appropriate measures against this practice under the conditions and in accordance with the procedures laid down in Article 26.
6. Such appropriate measures may, where the General Agreement on Tariffs and Trade applies thereto, only be adopted in conformity with the procedures and under the conditions laid down by the General Agreement on Tariffs and Trade and any other relevant instruments negotiated under its auspices which are applicable between the States, Parties to this Agreement.
7. The States, Parties to this Agreement, shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

#### Article 21

##### *Dumping*

If an EFTA State finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade is taking place in trade with Hungary, or if Hungary finds that dumping within this meaning is taking place in trade with an EFTA State, the State Party concerned may take appropriate measures against this practice in accordance with the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade and with the procedures laid down in Article 26.

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Article 22*Emergency action on imports of a particular product*

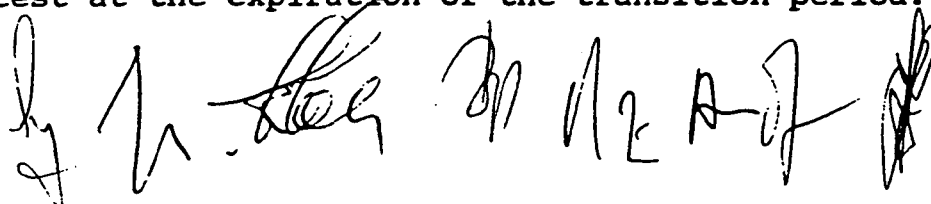
Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

- (a) serious injury to domestic producers of like or directly competitive products in the territory of the importing State Party to this Agreement, or
- (b) serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the State Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 26.

Article 23*Structural adjustment*

1. Exceptional measures of limited duration which derogate from the provisions of Article 4 may be taken by Hungary in the form of increased customs duties.
2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.
3. Customs duties on imports applicable in Hungary to products originating in the EFTA States introduced by these measures may not exceed 25% ad valorem and shall maintain an element of preference for products originating in the EFTA States. The total value of imports of the products which are subject to these measures may not exceed 15% of total imports of industrial products from the EFTA States, as defined in Article 2, during the last year for which statistics are available.
4. These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Committee. They shall cease to apply at the latest at the expiration of the transition period.



5. No such measures can be introduced in respect of a product if more than three years have elapsed since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.

6. Hungary shall inform the Joint Committee of any exceptional measures it intends to take and, at the request of the EFTA States, consultations shall be held in the Joint Committee on such measures and the sectors to which they apply before they are applied. When taking such measures Hungary shall provide the Joint Committee with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction, at equal annual rates. The Joint Committee may decide on a different schedule.

#### Article 24

##### *Re-export and serious shortage*

Where compliance with the provisions of Articles 8 and 10 leads to:

- (a) re-export towards a third country against which the exporting State, Party to this Agreement, maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting State Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting State, Party to this Agreement, that State Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 26.

#### Article 25

##### *Balance of payments difficulties*

1. Where an EFTA State or Hungary is in serious balance of payments difficulties, or under imminent threat thereof, the EFTA State or Hungary, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade, adopt trade restrictive measures, which shall be of limited duration

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and may not go beyond what is necessary to remedy the balance of payments situation. The EFTA State or Hungary, as the case may be, shall inform the other States, Parties to this Agreement, and the Joint Committee forthwith of their introduction and, as soon as possible, of a time schedule for their removal.

2. The States, Parties to this Agreement, shall, nevertheless, endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

### Article 26

#### *Procedure for the application of safeguard measures*

1. Before initiating the procedure for the application of safeguard measures set out in this Article, the States Parties concerned shall endeavour to solve any differences between them through direct consultations, and inform the other States Parties thereof.

2. In the event of Hungary or an EFTA State subjecting imports of products liable to give rise to the situation referred to in Article 22 to an administrative procedure having as its purpose the rapid provision of information on the trend of trade flows, it shall inform the other State Party.

3. Without prejudice to paragraph 7, a State, Party to this Agreement, which considers resorting to safeguard measures referred to in paragraph 4 shall promptly notify the other States Parties and the Joint Committee thereof and supply all relevant information. Consultations between the States Parties shall take place without delay in the Joint Committee with a view to finding a solution.

4. (a) As regards Articles 19 and 20, the States Parties concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the State Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee or if the Joint Committee fails to reach an agreement, in cases under Article 19 within three months, and in cases under Article 20 within thirty working days, of the matter being referred to it, the State Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.

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- (b) As regards Articles 21, 22 and 24 , the Joint Committee shall examine the situation and may take any decision needed to put an end to the difficulties notified by the State Party concerned. In the absence of such a decision within thirty days of the matter being referred to the Joint Committee, the State Party concerned may adopt the measures necessary in order to remedy the situation.
- (c) As regards Article 31, the State Party concerned may take appropriate measures after the consultations have been concluded or a period of thirty days has elapsed from the date of notification.

5. The safeguard measures taken shall be notified immediately to the other States Parties and to the Joint Committee. They shall be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures as will least disturb the functioning of the Agreement. The measures taken by Hungary against an action or an omission of an EFTA State may only affect the trade with that State. The measures taken against an action or an omission of Hungary may only be taken by that or those EFTA States the trade of which is affected by the said action or omission.

6. The safeguard measures taken shall be the object of regular consultations within the Joint Committee with a view to their relaxation as soon as possible, or abolition when conditions no longer justify their maintenance.

7. Where exceptional circumstances requiring immediate action make prior examination impossible, the State Party concerned may, in the cases of Articles 21, 22 and 24, apply forthwith the precautionary measures strictly necessary to remedy the situation. The measures shall be notified without delay and consultations between the States Parties shall take place as soon as possible within the Joint Committee.

#### Article 27

#### *Security exceptions*

Nothing in this Agreement shall prevent a State, Party to this Agreement, from taking any measure which it considers necessary:

- (a) to prevent the disclosure of information contrary to its essential security interests;
- (b) for the protection of its essential security interests or for the implementation of international obligations or national policies;
  - (i) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
  - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
  - (iii) taken in time of war or serious international tension constituting threat of war.

Article 28

*The Joint Committee*

1. The implementation of this Agreement shall be supervised and administered by the Joint Committee established under the Gothenburg Declaration.
2. For the purpose of the proper implementation of the Agreement, the States, Parties to this Agreement, shall exchange information and, at the request of any State Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the EFTA States and Hungary.
3. The Joint Committee may take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

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Article 29*Procedures of the Joint Committee*

1. For the proper implementation of this Agreement the Joint Committee shall meet whenever necessary but at least once a year. Each State, Party to this Agreement, may request that a meeting be held.
2. The Joint Committee shall act by common agreement.
3. If a representative in the Joint Committee of a State, Party to this Agreement, has accepted a decision subject to the fulfilment of constitutional requirements, the decision shall enter into force, if no later date is contained therein, on the day the withdrawal of the reservation is notified.
4. The Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his term of office.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

Article 30*Evolutionary clause*

1. Where a State, Party to this Agreement, considers that it would be useful in the interests of the economies of the States Parties to develop and deepen the relations established by the Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the States, Parties to this Agreement. The States Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the States, Parties to this Agreement, in accordance with their own procedures.



Article 31*Fulfilment of obligations*

1. The States, Parties to this Agreement, shall take any general or specific measures required to fulfil their obligations under the Agreement. They shall see to it that the objectives set out in the Agreement are attained.

2. If an EFTA State considers that Hungary has, or if Hungary considers that an EFTA State has failed to fulfil an obligation under this Agreement, the State Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 26.

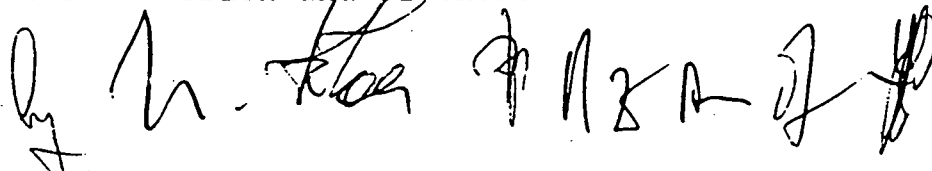
Article 32*Annexes and Protocols*

The Annexes and the Protocols to this Agreement are an integral part of it. The Joint Committee may decide to amend the Annexes, and Protocols A and B.

Article 33*Trade relations governed by other Agreements*

1. This Agreement applies to trade relations between the individual EFTA States, Parties to this Agreement, on the one side, and, on the other side, Hungary, but not to the trade relations between individual EFTA States unless otherwise provided for in this Agreement.

2. The Agreement between Finland and Hungary on the Reciprocal Removal of Obstacles to trade, signed on 2 May 1974, as amended (hereinafter referred to as the Finland-Hungary Agreement), shall remain in force until the substance of the mutual benefits granted by that Agreement to its Parties has been fully overtaken by the present Agreement. At that stage the Finland-Hungary Agreement will be terminated by a joint decision of Finland and Hungary. All necessary measures shall be taken in order to assure that no concessions are withdrawn through the termination of the Finland-Hungary Agreement. The other States, Parties, to the present Agreement shall be notified of this decision and of those measures without delay.



No concession given under the Finland-Hungary Agreement shall be withdrawn as a consequence of the entry into force of the present Agreement. If such a risk arises, Finland and Hungary will immediately consult each other in view of removing such a risk.

3. The provisions of Articles 8, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24 and 30 of the present Agreement shall also apply, *mutatis mutandis*, to trade between Finland and Hungary under the Finland-Hungary Agreement.

4. Specific rules on the implementation of this Article are contained in Annex XVI.

#### Article 34

##### *Customs unions, free trade areas and frontier trade*

1. This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade to the extent that these do not negatively affect the trade regime and in particular the provisions concerning rules of origin provided for by this Agreement.

2. Consultations between the States, Parties to this Agreement, shall take place, on request, within the Joint Committee concerning agreements establishing such customs unions or free trade areas.

#### Article 35

##### *Territorial application*

This Agreement shall apply to the territories of the States, Parties to this Agreement.

#### Article 36

##### *Amendments*

Amendments to this Agreement other than those referred to in paragraph 3 of Article 28 which are approved by the Joint Committee shall be submitted to the Parties to this Agreement for acceptance and shall enter into force if accepted by all the States Parties. The instruments of acceptance shall be deposited with the Depository.

Article 37*Accession*

1. Any State becoming a Member of the European Free Trade Association, may accede to this Agreement, provided that the Joint Committee decides to approve its accession, to be negotiated between the States, Parties to this Agreement, concerned, and the acceding State, on such terms and conditions as set out in that decision. The instrument of accession shall be deposited with the Depositary which shall notify all other States Parties.

2. In relation to an acceding State, the Agreement shall enter into force on the first day of the third month following the deposit of its instrument of accession.

Article 38*Withdrawal and expiration*

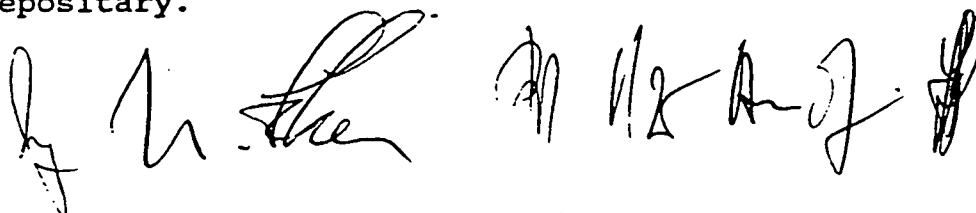
1. Each State Party may withdraw from this Agreement by means of a written notification to the Depositary. The withdrawal shall take effect six months after the date on which the notification is received by the Depositary.

2. If Hungary withdraws, the Agreement shall expire at the end of the notice period, and if all EFTA States withdraw it shall expire at the end of the last notice period.

3. Any EFTA Member State which withdraws from the Convention establishing the European Free Trade Association shall *ipso facto* on the same day as the withdrawal takes effect cease to be a State, Party to this Agreement.

Article 39*Entry into force*

1. This Agreement shall enter into force on 1 July 1993 provided that all Signatory States have deposited their instruments of ratification or acceptance with the Depositary.

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2. If this Agreement has not entered into force in accordance with the provision of paragraph 1 and provided that Hungary has deposited its instrument of ratification or acceptance, representatives of the Signatory States having deposited such an instrument shall meet before 1 August 1993 and may decide when the Agreement shall enter into force in relation to those States. As long as no such decision has been taken a meeting for the same purpose shall be held not later than thirty days after any further Signatory State has deposited its instrument.

3. In relation to a Signatory State depositing its instrument of ratification or acceptance after the meeting referred to in paragraph 2, this Agreement shall enter into force on the first day of the second month following the deposit of its instrument but not before the date decided upon in accordance with paragraph 2.

4. Any Signatory State may already at the time of signature declare that, during an initial phase, it shall apply the Agreement provisionally if the Agreement cannot enter into force in relation to that State by 1 July 1993, provided that in relation to Hungary the Agreement has entered into force.

#### Article 40

#### *Depositary*

The Government of Sweden, acting as Depositary, shall notify all States that have signed or acceded to this Agreement of the deposit of any instrument of ratification, acceptance or accession, the entry into force of this Agreement, of its expiry or of any withdrawal therefrom.

*By W. Flor 21 11 2 1993*



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IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorized thereto, have signed the present Agreement.

DONE at (Place and date) ....., in a single authentic copy in the English language which shall be deposited with the Government of Sweden. The Depositary shall transmit certified copies to all Signatory States and States acceding to this Agreement.

*By H. Eber M. H. M. J. J.*

Record of Understandings relating to the Agreement between  
the EFTA States and Hungary

1. The EFTA States and Hungary recognize that there is a certain parallelism between the levels of concessions regarding tariffs, quantitative restrictions, charges and measures having equivalent effect at the entry into force of the free trade Agreement EFTA States-Hungary and the Agreement establishing an Association between Hungary and the European Communities. The EFTA States and Hungary further recognize that this parallelism should basically be maintained during the whole transitional period. The possibility of applying such parallelism to concessions exchanged under special conditions will be considered in the Joint Committee.

2. The States, Parties to this Agreement, have taken note that under the Agreement concluded between EFTA States and the European Communities on the European Economic Area, obstacles to trade in certain industrial goods will be further decreased and free trade will be extended to some new products. After the entry into force of that Agreement, the possibility of liberalizing trade in these products in the trade between the States, Parties to this Agreement, will be examined in the Joint Committee, which will decide on corresponding adjustments to the relevant Annexes of this Agreement, taking into account any concessions exchanged under special conditions between the EFTA States and the European Communities. The EFTA States declare their readiness to discuss in the Joint Committee further liberalization of trade in goods if such liberalization were to occur in the relations between the EFTA States and the European Communities.

3. The EFTA States and Hungary agree that the provisions in Article 23 of Protocol B shall not apply until 1 January 1994. On the request of a State, Party to this Agreement, consultations should be held regarding any negative effect resulting from this derogation with the aim of reaching a satisfactory solution. This derogation, including the possibility of consultation, shall be prolonged by the Joint Committee on condition that the present practice applied between Hungary and the European Communities is not changed.

4. The EFTA States and Hungary agree to closely co-ordinate their efforts in training those concerned with the use of the simplified procedure laid down in Protocol B with regard to the issue, control and verification of evidence of origin, in order to enable them to be authorized to use this procedure. The simplified procedure shall be used in a restricted way and its implementation be subject to deliberations in the Sub-Committee on origin and customs matters.

- 2 -

5. Hungary shall notify the EFTA States of all the arrangements made to establish the administrative co-operation between Hungary, the Czech Republic, Poland and the Slovak Republic for the implementation of Protocol B and of changes thereto.

6. With regard to goods exported from an EFTA State for processing (outward processing) in Hungary and processed there (inward processing), or vice versa, the States, Parties to this Agreement, declare their readiness to discuss, as soon as possible, arrangements under which

- such goods would be admitted free of customs duties into Hungary or an EFTA State, as the case may be, for processing, subject to re-exportation;
- the products obtained from such processing would be admitted totally or partly free of customs duties and charges having equivalent effect on importation into an EFTA State or Hungary, as the case may be.

7. The States, Parties to this Agreement, have taken note of the unilateral declaration by Hungary in the Agreement establishing an Association between Hungary and the European Communities that the value of customs duty free imports into Hungary from the European Communities from 1 January 1994 will amount to at least 25 per cent of total industrial imports from the European Communities. Should Hungary, in order to fulfil this undertaking, add new products to the list of duty-free items, Hungary will, to the extent possible, take the trade interests of EFTA States into account when selecting such products. The Joint Committee shall decide on corresponding adjustments to the relevant Annexes to this Agreement, taking into account any concessions exchanged under special conditions between Hungary and the European Communities, as referred to in paragraph 1.

8. The States, Parties to this Agreement, have taken note that in accordance with Annex VIa to the Agreement establishing an Association between Hungary and the European Communities, Hungary shall, starting on 1 January 1995 and up to 31 December 1997, eliminate quantitative restrictions on imports originating in the European Communities of products still subject to such restrictions at 31 December 1994, up to an amount of 40 per cent of such imports into Hungary from the European Communities on the basis of last available annual statistics. Should products be deleted from Annex VIa to the Agreement establishing an Association between Hungary and the European Communities, Hungary will, to the extent possible, take into account the trade interests of the EFTA States. The Joint Committee shall decide on corresponding adjustments to the relevant

Annexes to this Agreement, taking into account any concessions exchanged under special conditions between Hungary and the European Communities, as referred to in paragraph 1.

9. Starting on 1 January 1998 and up to 31 December 2000 at the latest, Hungary shall eliminate all remaining quantitative restrictions relating to products contained in Annex IX to this Agreement.

10. In case any textile or clothing item imported into Hungary will be subject to quota arrangements as a result of negotiations between Hungary and the European Communities, Hungary is prepared to enter into negotiations on this subject with the interested EFTA States.

11. The right of Iceland to retain customs duties of a fiscal nature as set out in Table I of Protocol C, in accordance with Article 5, should not result in a less favourable treatment for Hungary as regards the products specified in that Table, than that accorded by Iceland to the European Economic Community.

12. The EFTA States and Hungary agree that measures referred to in Article 11 of this Agreement for the protection of the environment may be applied to the extent permitted under Article XX of the General Agreement on Tariffs and Trade and any other relevant instruments negotiated under its auspices which are applicable between the Parties and to the extent permitted under the Agreement establishing an Association between Hungary and the European Communities.

13. Hungary may apply restrictions in the sense of paragraph 3 of Article 16 only to the extent permitted according to its agreement under the IMF.

14. In defining categories of entities to be covered by Article 17 the States, Parties to this Agreement, will be guided by the definitions of the European Communities.

15. For the purpose of interpreting Article 20, paragraph 3, the States, Parties to this Agreement, agree that the term "higher intensity" refers to the level of aid granted by way of measures contained in Annex XV, paragraph (c) and that the application of normally inconsistent measures under paragraph (d), applied with a view to promoting the restructuring of Hungary's economy, shall be considered as not being inconsistent with Article 20, paragraph 1, provided that such measures are compatible with the rules on State aid in the Agreement establishing an Association between Hungary and the European Communities, as implemented under the rules referred to in Article 62, paragraph 3 of the said Agreement.

- 4 -

16. With regard to Article 20, paragraph 3, the Joint Committee shall decide on prolongation by further periods of five years of the application of that paragraph, provided that the Hungary/EC Association Council takes a similar decision as referred to in Article 62, paragraph 4(a) of the Agreement establishing an Association between Hungary and the European Communities.

17. The EFTA States and Hungary agree that the provisions of Article 20, paragraph 6 of this Agreement should be implemented in the same manner and for as long as applicable under Article 62, paragraph 6, second subparagraph, of the Agreement establishing an Association between Hungary and the European Communities.

18. The EFTA States and Hungary agree that in cases where the imports into the territory of a State, Party to this Agreement, of a textile product originating in the other State, Party to this Agreement, take place under the conditions and cause the damage defined in Article 8, paragraph 2 of the Additional Protocol to the Europe Agreement on Trade in Textile Products between the Republic of Hungary and the European Economic Community, the EFTA States or Hungary, as the case may be, may resort to the safeguard mechanism provided for by the said Article and in accordance with the procedure laid down in Article 26 of this Agreement.

For the purpose of this Understanding, appropriate measures may consist of

(a) the temporary reintroduction of the basic duty referred to in Article 5 of this Agreement or the actual MFN duty, whichever the lower, on imports exceeding a level which in no case may be lower than 110 per cent of the level of the importing State Party's imports during the twelve-month period terminating two months, or where data is not available three months, preceding the month in which the request for consultation is made, of the product in question originating in the other State Party,

or

(b) the imposition by Hungary of a quantitative restraint the limit of which may in no case be lower than 110 per cent of the level of Hungary's imports during the twelve-month period terminating two months, or where data is not available three months, preceding the month in which the request for consultation is made, of the product in question originating in the other State Party.

In no case may the aforementioned safeguard mechanism be invoked, or the measures taken pursuant to it be applied, after the period for the elimination of all quantitative restrictions and measures of equivalent effect on textile trade between Hungary and the European Economic Community, laid down in the said Protocol between Hungary and the European Economic Community, has elapsed.

The EFTA States and Hungary furthermore agree that in no case shall non-tariff barriers be applied in trade in textile products between the EFTA States and Hungary after the transitional period referred to in Article 1 of this Agreement.

At the request of either State, Party to this Agreement, consultations will take place without delay on any problem arising from trade in textile and clothing products.

19. If there is a disagreement with regard to the actual value of imports of industrial products referred to in Article 23, paragraph 3, international trade statistics such as those of UN/ECE, GATT and OECD will serve as a basis.

20. The EFTA States and Hungary consider that an arbitration procedure could be envisaged for disputes which cannot be settled through consultations between the States Parties concerned or in the Joint Committee. Such a possibility, inter alia regarding Article 19, will be further examined in the Joint Committee.

21. The States, Parties to this Agreement, in accordance with the General Agreement on Tariffs and Trade, in particular Article I, and its Protocols, Annexes and related Agreements which are applicable between the States, Parties to this Agreement, shall ensure as from the entry into force of this Agreement that measures are not applied in a discriminatory way vis-à-vis any State, Party to this Agreement, concerning all conditions, rules and formalities in connection with imports and exports, including import licensing procedures.

22. Taking into account developments in other international fora and in their respective relations with the European Communities and in view of the growing importance of areas closely related to trade in goods, the EFTA States and Hungary will periodically discuss, in an appropriate forum among the States Parties concerned, possibilities to extend their economic relations to areas beyond trade in goods. The States, Parties to this Agreement, will immediately notify each other of developments in this field, having occurred in particular in their relations with the European Communities.

28 January 1993

Sir,

I have the honour to refer to the negotiations concerning the trade arrangement for agricultural products between the Swiss Confederation (hereinafter called Switzerland) and the Republic of Hungary (hereinafter called Hungary), which have taken place in the framework of the negotiations on the Free Trade Agreement between EFTA States and Hungary, and aimed particularly at implementing article 14 of that Agreement.

I hereby confirm that the results of these negotiations are as follows:

- I. Tariff concessions granted by Switzerland to Hungary as set out in Annex I to this letter.
- II. For the purpose of implementing Annex I, Annex II to this letter lays down the rules of origin and methods of administrative co-operation.
- III. A declaration of intention on technical co-operation in the field of agriculture between Hungary and Switzerland as set out in Annex III to this letter.
- IV. Annexes I, II and III mentioned above constitute an integral part of this arrangement.

Furthermore Hungary and Switzerland shall examine in an expeditious way any difficulties that might arise in their trade in agricultural products and shall endeavour to seek appropriate solutions. They undertake to continue their efforts with a view to achieving progressive liberalization of their mutual agricultural trade, within the framework of their respective agricultural policies and their international commitments, i.a. taking into account the results of the Uruguay Round. To this end Switzerland and Hungary will carry out reviews of the conditions of trade in agricultural products.

Annexes I and II of this arrangement shall also apply to the Principality of Liechtenstein as long as this country is bound to the Swiss Confederation by a customs union treaty. Consequences following modifications of the relation between the Principality of Liechtenstein and the Swiss Confederation shall be subject of a review.

This arrangement shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force or be applied provisionally at the same date as the arrangement between the EFTA States and Hungary in relation to Hungary and Switzerland and shall remain in force as long as Hungary and Switzerland are Contracting Parties to the Free Trade Agreement between the EFTA States and Hungary.

I should be obliged if you would confirm that the Government of Hungary is in agreement with the content of this letter.

Accept, Sir, the assurances of my highest consideration.

For the Swiss Confederation.

28 January 1993

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follow: "I have the honour to refer to the negotiations concerning the trade arrangement for agricultural products between the Swiss Confederation (hereinafter called Switzerland) and the Republic of Hungary (hereinafter called Hungary), which have taken place in the framework of the negotiations on the Free Trade Agreement between EFTA States and Hungary, and aimed particularly at implementing article 14 of that Agreement.

I hereby confirm that the results of these negotiations are as follows:

- I. Tariff concessions granted by Switzerland to Hungary as set out in Annex I to this letter.
- II. For the purpose of implementing Annex I, Annex II to this letter lays down the rules of origin and methods of administrative co-operation.
- III. A declaration of intention on technical co-operation in the field of agriculture between Hungary and Switzerland as set out in Annex III to this letter.
- IV. Annexes I, II and III mentioned above constitute an integral part of this arrangement.

Furthermore Hungary and Switzerland shall examine in an expeditious way any difficulties that might arise in their trade in agricultural products and shall endeavour to seek appropriate solutions. They undertake to continue their efforts with a view to achieving progressive liberalization of their mutual agricultural trade, within the framework of their respective agricultural policies and their international commitments, i.a. taking into account the results of the Uruguay Round. To this end Switzerland and Hungary will carry out reviews of the conditions of trade in agricultural products.

Annexes I and II of this arrangement shall also apply to the Principality of Liechtenstein as long as this country is bound to the Swiss Confederation by a customs union treaty. Consequences following modifications of the relation between the Principality of Liechtenstein and the Swiss Confederation shall be subject to a review.


This arrangement shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force or be applied provisionally at the same date as the arrangement between the EFTA States and Hungary in relation to Hungary and Switzerland and shall remain in force as long as Hungary and Switzerland are Contracting Parties to the Free Trade Agreement between the EFTA States and Hungary.

I should be obliged if you would confirm that the Government of Hungary is in agreement with the content of this letter."

I have the honour to confirm that my Government is in agreement with the content of this letter.

Accept, Sir, the assurances of my highest consideration.

For the Republic of Hungary





ANNEX I

28 January 1993

**TARIFF CONCESSIONS GRANTED BY THE SWISS CONFEDERATION  
TO THE REPUBLIC OF HUNGARY**

---

As from the date of entry into force of the Free Trade Agreement between the EFTA States and the Republic of Hungary, Switzerland<sup>1)</sup> will grant to the Republic of Hungary the following tariff concessions<sup>2)</sup> for products originating in the Republic of Hungary.

A. : Full tariff elimination

Swiss tariff heading	Description
	Meat of bovine animals, fresh or chilled:
0201.1000	- Carcasses and half-carcasses
0201.2000	- Other cut with bone in
0201.3000	- Boneless
	Meat of bovine animals, frozen:
0202.1000	- Carcasses and half-carcasses
0202.2000	- Other cut with bone in
0202.3000	- Boneless

- 
1. These concessions shall be applied on imports from Hungary to Liechtenstein as long as the Treaty of 29 March 1923 between the Swiss Confederation and the Principality of Liechtenstein remains in force.
  2. For headings subject to non tariff measures, including charges and levies, Switzerland reserves the right to adapt the concessions in order to take into account any future change in the Swiss import regime for agricultural products i.a. as a result of negotiations (e.g. UR-negotiations). The concessional margins resulting from this Annex shall be maintained on current access opportunities when a new regime is introduced. The concessional margins shall be maintained for headings subject to customs duty only in case when Switzerland decreases partially its MFN duty as a result of the Uruguay Round of GATT.

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Swiss tariff heading	Description
	Meat of swine, fresh, chilled or frozen:
	- Fresh or chilled:
0203.1100	-- Carcasses and half-carcasses
0203.1200	-- Hams, shoulders and cuts thereof, with bone in
0203.1900	-- Other
	- Frozen:
0203.2100	-- Carcasses and half-carcasses
0203.2200	-- Hams, shoulders and cuts thereof, with bone in
0203.2900	-- Other
0204.1000	Carcasses and half-carcasses of lamb, fresh or chilled
0207.5000	Poultry livers, frozen
	Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers:
	- Feathers of a kind used for stuffing; down:
0505.1010	-- Bed feathers and down, unwashed
0505.1090	-- Other
	- Other:
0505.9010	-- Powders and waste of feathers or parts of feathers
0505.9090	-- Other

Swiss tariff heading	Description
0709.5100	Mushrooms fresh or chilled
0709.6011	Sweet peppers, fresh or chilled, from November 1 to March 31
0712.2000	Onions dried, whole, cut, sliced, broken or in powder, but not further prepared
ex 0712.3000	Mushrooms, dried, whole, cut, sliced, broken or in powder, but not further prepared
0713.1010	Peas, dried, shelled, whole, unprocessed
0713.3190	Beans, of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek, dried, shelled, skinned or split
0713.3310	Kidney beans, including white pea beans ( <i>Phaseolus vulgaris</i> ), dried, whole, unprocessed
0802.3200	Walnuts, fresh or dried, shelled
0808.1010	Apples fresh, in open packing
0808.2010	Pears and quinces fresh, in open packing
0809.1010	Apricots, fresh, in open packings
0809.1090	Apricots, fresh, otherwise packed
0809.2000	Cherries fresh
0809.4010	Plums and sloes, fresh, in open packings
0809.4090	Plums and sloes, fresh, otherwise packed
0810.1000	Strawberries fresh
0810.2000	Raspberries, blackberries, mulberries and loganberries, fresh
0904.2090	Fruits of the Genus <i>Capsicum</i> or of the Genus <i>Pimenta</i> , dried or crushed or ground, prepared
1001.9020	Wheat and meslin (other than durum wheat), denatured
1005.9000	Maize, other than seed

Swiss tariff heading	Description
1007.0000	Grain sorghum
1008.1000	Buckwheat
1008.3000	Canary seed
1104.3000	Germes of cereals, whole, rolled, flaked or ground
1108.2000	Inulin
1205.0000	Rape or colza seeds, wether or not broken
1206.0000	Sunflower seeds, wether or not broken
1212.9100	Sugar beet
1602.2010	Preparations of liver of any animal, with a basis of goose liver
2201.1000	Mineral waters and aerated waters
	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, of an alcoholic strength by volume exceeding 18 % vol:
2205.1020	- In containers holding 2 l or less
2205.9020	- Other
	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength:
2207.1000	- Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % or higher
2207.2000	- Ethyl alcohol and other spirits, denatured, of any strength

2

B. 50 % tariff reduction

Swiss tariff heading	Description	Duty rate	
		Current MFN (Fr./100 kg gross)	Concession
0207.2100	Fowls of the species Gallus domesticus, not cut in pieces, frozen	30.00	15.00
0207.2300	Ducks, geese and guinea fowls, not cut in pieces, frozen	30.00	15.00
0207.3100	Fatty livers of geese or ducks fresh or chilled	45.00	22.50
0207.4100	Cuts and offal other than livers, of fowls of the species Gallus domesticus, frozen	30.00	15.00
0207.4200	Cuts and offal other than livers, of turkeys, frozen	30.00	15.00
0207.4300	Cuts and offal other than livers, of ducks, geese or guinea fowls, frozen	30.00	15.00
0208.1000	Meat and edible meat offal of rabbits or hares, fresh, chilled or frozen	30.00	15.00
ex 0409.0000	Natural honey of acacia	60.00	30.00
0707.0000	Cucumbers and gherkins, fresh or chilled	10.00	5.00
0709.6012	Sweet peppers, fresh or chilled, from April 1 to October 31	10.00	5.00

2/5

Swiss tariff heading	Description	Duty rate	
		Current MFN	Concession
		(Fr./100 kg gross)	
0713.1090	Peas ( <i>Pisum sativum</i> ), dried other than whole, unprocessed	4.50	2.25
0807.1000	Melons (including watermelons) fresh	10.00	5.00
0808.1090	Apples fresh, other than in open packings	5.00	2.50
0808.2090	Pears and guineas, other than in open packings	5.00	2.50
0810.3000	Black, white or red currants and gooseberries, fresh	5.00	2.50
0811.9010	Bilberries, uncooked or cooked by steaming or boiling in water, frozen, wether or not containing added sugar or other sweetening matter	40.00	20.00
1602.1000	Homogenised preparations of meat, meat offal or blood	85.00	42.50
	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid, other than whole or in pieces:		
2002.9010	- in containers of a weight exceeding 5 kg	13.00	6.50
2002.9029	- in containers of a weight not exceeding 5 kg	23.00	11.50

- 7 -

Swiss tariff heading	Description	Duty rate	
		Current MFN (Fr./100 kg gross)	Concession
2009.6020	Grape juice (including grape must), unfermentated and not containing added spirit, wether or not containing added sugar or other sweetening matter, concentrated	100.00	50.00
2204.2120	Sweet wine, specialities and mistelles, in containers holding more than 2 l	35.00	17.50
2204.2920	Sweet wine, specialities and mistelles, other	30.00	15.00

C. 20 % tariff reduction

Swiss tariff heading	Description	Duty rate	
		Current MFN (Fr./100 kg gross)	Concession
ex 0409.0000	Natural honey, other than of acacia	60.00	48.00
0811.2010	Fruit and nuts, cooked or uncoked, frozen, wether or not containing added sugar or other sweetening matter: - Raspberries blackberries, mulberries, loganberries, black white or red currants and gooseberries: - - Raspberries, containing added sugar or other sweetening matter	40.00	32.00

Swiss tariff heading	Description	Duty rate	
		Current MFN (Fr./100 kg gross)	Concession
0811.2090	- - other	45.00	36.00
0811.9090	- Other, excluding bilberries and strawberries	45.00	36.00
1601.0090	Sausages and similar products, of meat, meat offal or blood, other than cotechini, mortadella, salami, salamini and zamponi; food preparations based on these products	75.00	60.00
2004.9011	Asparagus, prepared or preserved otherwise than by vinegar or acetic acid, frozen, in containers, of a weight exceeding 5 kg	42.00	33.60
2004.9021	Asparagus, prepared or preserved otherwise than by vinegar or acetic acid, frozen, in containers, of a weight not exceeding 5 kg	20.00	16.00
2009.8010	Vegetable juice, unmixed	20.00	16.00
2009.8091	Juice of other single fruit than citrus fruit, pineapple, grape or apple: - not containing added sugar or other sweetening matter	28.00	22.40
2009.8092	- Containing added sugar or other sweetening matter	70.00	56.00
2103.2000	Tomato ketchup and other tomato sauces	50.00	40.00
2204.1000	Sparkling wine of fresh grapes	130.00	104.00



## Annex II

**Rules of origin and methods of administrative co-operation on agricultural products referred to in this arrangement**

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1. (1) For the purpose of implementing this arrangement, a product shall be considered to be originating in Hungary if it has been wholly obtained there.  
  
(2) The following shall be considered as wholly obtained in Hungary:
  - a) vegetable products harvested there;
  - b) live animals born and raised there;
  - c) products from live animals raised there;
  - d) goods produced there exclusively from products specified in subparagraphs (2) a) to c)  
(3) Packing materials and packing containers presented with a product therein shall not be included with this product for the purpose of determining whether it has been wholly obtained and it shall not be necessary to establish whether such packing materials or packing containers are originating or not.
2. Notwithstanding paragraph 1, the products mentioned in columns 1 and 2 of the list in the Appendix to this Annex, obtained in Hungary and incorporating materials which have not been wholly obtained there, shall also be considered as originating, provided that the conditions set out in column 3 concerning working or processing carried out on such materials have been fulfilled.
3. (1) The treatment provided for under this arrangement applies only to products which are transported directly from Hungary to Switzerland without passing through the territory of another country. However, products originating in Hungary and constituting one single shipment which is not split up may be transported through a territory other than that of Switzerland or Hungary with, should the occasion arise, transshipment or temporary warehousing in such territory, provided that the crossing of the latter territory is justified for geographical reasons, that



the products have remained under the surveillance of the customs authorities in the country of transit or of warehousing, that they have not entered in the commerce of such countries or been delivered for home use there and have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

(2) Evidence that the conditions referred to in subparagraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country in accordance with Article 12 (6) of Protocol B to the Agreement between the EFTA States and Hungary.

4. Originating products within the meaning of this arrangement shall, on importation into Switzerland, benefit from the arrangement upon submission of either a movement certificate EUR.1 or an invoice declaration issued or made out in accordance with the provisions of Protocol B to the Agreement between the EFTA States and Hungary.
5. The provisions on drawback or exemption of duties, proof of origin and arrangements for administrative cooperation contained in Protocol B to the Agreement between the EFTA States and Hungary shall apply mutatis mutandis. It is understood that the prohibition of drawback of, or exemption from, customs duties contained in these provisions shall apply only in respect of materials which are of the kind to which the Agreement between the EFTA States and Hungary applies.

19.1.93



## Appendix

List of products, referred to in paragraph 2 of Annex II, subject to other conditions than the wholly obtained criterion

HS heading no.	Description of products	Working or processing carried out on non-originating materials that confers originating status
(1)	(2)	(3)
0505	Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers	Manufacture in which all the birds and parts thereof used must already be originating
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter	Manufacture in which all the fruit and nuts used must already be originating
ex 1001	Wheat and meslin, other than durum wheat, denatured	Manufacture in which all the cereals used must already be originating

R

HS heading no.	Description of products	Working or processing carried out on non-originating materials that confers originating status
(1)	(2)	(3)
ex 1105	Flour, meal and flakes of potato, denatured	Manufacture in which all the potatoes used must already be originating.
ex 1108	Inulin	Manufacture in which all the vegetable materials used must already be originating
ex 1601	Sausages and similar products, of meat, meat offal or blood, other than cotechini, mortadella, salami, salamini and zamponi; food preparations based on these products	Manufacture in which all the materials of Chapter 2 used must already be originating
ex 1602	Homogenised preparation of meat, meat offal or blood, preparations and preserves of liver of any animal, with a basis of goose liver	Manufacture in which all the materials of Chapter 2 used must already be originating

HS heading no.	Description of products	Working or processing carried out on non-originating materials that confers originating status
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(1)

(2)

(3)

ex 2002

Tomatoes prepared or preserved otherwise than by vinegar or acetic other than whole or in pieces, in containers of a weight exceeding 5 kg, or in containers of a weight not exceeding 5 kg (other than tomato pulp puree and concentrates, in airtight containers, of a dry extract content of 25 % or more by weight, composed of tomatoes and water, whether or not salted or otherwise seasoned)

Manufacture in which all the tomatoes of Chapter 7 used must already be originating

ex 2004

Asparagus, prepared or preserved, otherwise than by vinegar or acetic acid, frozen

Manufacture in which all the materials of Chapter 7 used must already be originating

R

A

HS heading no.	Description of products	Working or processing carried out on non-originating materials that confers originating status
(1)	(2)	(3)
2009	Vegetable juice, unmixed, juices of other single fruit than citrus fruit, pineapple, or apple, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	Manufacture in which all the materials of Chapter 7 and 8 used must already be originating
ex 2103	Tomato ketchup and other tomato sauce	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 2204	Sparkling wine of fresh grapes, sweet wine, specialities and mistelles	Manufacture in which all the grapes or any materials derived from grapes used must already be originating
ex 2205	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, of an alcoholic strength by volume exceeding 18 % vol	Manufacture in which all the grapes or any materials derived from grapes used must already be originating

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HS heading no.	Description of products	Working or processing carried out on non-originating materials that confers originating status
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(1)

(2)

(3)

2207

Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher, ethyl alcohol and other spirits, denatured, of any strength

Manufacture from materials not classified within heading no 2207 or 2208

19.1.93



## Annex III

**Declaration of intention  
regarding technical co-operation in the field of agriculture  
between  
the Government of the Swiss Confederation  
and  
the Government of the Republic of Hungary**

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The Government of the Swiss Confederation and the Government of the Republic of Hungary

- intending to establish and develop technical co-operation in the field of agriculture between their countries;
- in order to promote the process of economic development of Hungary in the field of agriculture;
- taking into account the common willingness to support this process by the means of concrete actions;

agree to co-operate as follows :

### **1. Areas of co-operation**

The co-operation between the two countries will be basically focused on the following areas:

- 1.1. Education and training
- 1.2. Research
- 1.3. Marketing of agricultural products
- 1.4. Agricultural policy issues
- 1.5. Sanitary and phytosanitary measures





## 2. Ways of co-operation

Both Parties are willing to support and facilitate within the framework of defined projects:

- 2.1. The exchange and donation of information, documentation and equipment for educational purposes;
- 2.2. The exchange of experts;
- 2.3. The reception of Hungarian teachers and trainees in Switzerland;
- 2.4. The co-operation between public research institutes from both countries;
- 2.5. The joint organization of seminars, conferences and other meetings.

## 3. Modes of implementation

- 3.1. With a view to ensuring the satisfactory development of the actions undertaken within the framework of agricultural co-operation, both Governments shall facilitate as far as possible the implementation of such actions and shall maintain contacts between them at the appropriate level.
- 3.2. The list of co-operation areas in which the various projects will be undertaken is not exhaustive. It may be altered and complemented whenever needed and according to the possibilities of the Parties, as well as with a view to taking into account actions taken at the multilateral level.
- 3.3. The concrete projects will be submitted through the channels in place for the implementation of Switzerland's second aid programme to countries of Central and Eastern Europe. In particular, the projects will be examined by the competent coordinating bodies in Hungary and Switzerland; they will have to be approved by these bodies to get the

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necessary financial support within the framework of the second aid programme.

#### 4. Final provisions

4.1. The following authorities shall be responsible for implementing co-operation:

a) on the Swiss side

**the Federal Office for Agriculture of the Federal Department of Public Economy of the Swiss Confederation**  
Berne/Switzerland;

b) on the Hungarian side

**the Ministry of Agriculture**  
Budapest/Hungary;

4.2. This instrument does not entail any legal obligation. It expresses the willingness of both Parties to co-operate in the field of agriculture. Moreover, both Parties consider that this instrument takes due account of the legislation in force in Switzerland and in Hungary and imposes no obligation whatsoever to legislative authorities.

As regards residence, account shall be taken of the legislation governing foreign labour and alien residents in each country.

4.3. This declaration of intention will be subject to review at two yearly intervals.

19.1.93





## LE CONSEIL FÉDÉRAL SUISSE

FAIT SAVOIR PAR LES PRÉSENTES

qu'il a autorisé

Monsieur Jean-Pascal D e l a m u r a z , Conseiller fédéral, Chef du Département fédéral de l'économie publique, ou Monsieur Franz B l a n k a r t , Secrétaire d'Etat, ou son suppléant, à signer l'Accord de libre-échange entre les Etats de l'AELE et la République de Hongrie.

En foi de quoi, les présentes ont été signées par le Président et le Chancelier de la Confédération suisse et munies du sceau du Conseil fédéral.

Berne, le 1<sup>er</sup> mars 1993

AU NOM DU CONSEIL FEDERAL SUISSE

Le Président de la Confédération:

Le Chancelier de la Confédération:



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Monsieur Jean-Pascal D e l a m u r a z , Conseiller fédéral, Chef du Département fédéral de l'économie publique, ou Monsieur Franz B l a n k a r t , Secrétaire d'Etat, ou son suppléant, à signer l'échange de lettres entre la Suisse et la République de Hongrie concernant le domaine agricole.

En foi de quoi, les présentes ont été signées par le Président et le Chancelier de la Confédération suisse et munies du sceau du Conseil fédéral.

Berne, le 1<sup>er</sup> mars 1993

AU NOM DU CONSEIL FEDERAL SUISSE

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