

No. 30373

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**MULTILATERAL**

**Agreement between the European Free Trade Association countries and Hungary relating to trade (with annexes, protocols, joint declaration and record of understandings). Signed at Geneva on 29 March 1993**

*Authentic text: English.*

*Registered by Sweden on 8 October 1993.*

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**MULTILATÉRAL**

**Accord entre les pays de l'Association européenne de libre-échange et la Hongrie relatif au commerce (avec annexes, protocoles et déclaration commune et procès-verbal d'interprétation). Signé à Genève le 29 mars 1993**

*Texte authentique : anglais.*

*Enregistré par la Suède le 8 octobre 1993.*

## AGREEMENT<sup>1</sup> BETWEEN THE EFTA-STATES AND HUNGARY

### *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 cooperate in seeking ways and means to strengthen this process,

Having regard to the Declaration signed by the EFTA States and Hungary in Gothenburg on 13 June 1990,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation in Europe,<sup>2</sup> the Charter of Paris for a New Europe,<sup>3</sup> and in particular the principles contained in the final document of the CSCE Bonn Conference on Economic Co-operation in Europe,<sup>4</sup>

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

Noting the Memorandum of Understanding between the Organisation for Economic Co-operation and Development 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,<sup>5</sup>

<sup>1</sup> Came into force on 1 October 1993 for the Signatory States which, by 1 August 1993, had deposited their instrument of ratification or acceptance with the Government of Sweden, in conformity with the decision taken by them, in accordance with article 39 (2):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Austria . . . . .	29 July 1993
Hungary . . . . .	28 June 1993
Norway . . . . .	28 June 1993
Sweden . . . . .	10 June 1993

In addition, the Agreement came into force provisionally on 1 October 1993 for the following Signatory States which had declared its provisional application, in accordance with article 39 (4):

Liechtenstein  
Switzerland

<sup>2</sup> *International Legal Materials*, vol. XIV (1975), p. 1292 (American Society of International Law).

<sup>3</sup> United Nations, *Official Records of the General Assembly, Forty-fifth Session*, document A/45/859, p. 3.

<sup>4</sup> *International Legal Materials*, vol. XXIX, No. 4 (1990), p. 1054 (American Society of International Law).

<sup>5</sup> United Nations, *Treaty Series*, vol. 55, p. 187.

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.

(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 Annex IV or 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 an EFTA State 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.

## 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 tariff agreement concluded as a result of 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 on 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 restriction 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 restriction 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