

No. 33519

**EUROPEAN ECONOMIC COMMUNITY
and
HUNGARY**

**Agreement on trade and commercial and economic cooperation (with annex, protocol and joint declaration).
Signed at Brussels on 26 September 1988**

Authentic texts: Spanish, Danish, German, Greek, English, French, Italian, Dutch, Portuguese and Hungarian.

Registered by the Secretary-General of the Council of the European Union, acting on behalf of the Parties, on 15 January 1997.

**COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE
et
HONGRIE**

Accord concernant le commerce et la coopération commerciale et économique (avec annexe, protocole et déclaration commune). Signé à Bruxelles le 26 septembre 1988

Textes authentiques : espagnol, danois, allemand, grec, anglais, français, italien, néerlandais, portugais et hongrois.

Enregistré par le Secrétaire général du Conseil de l'Union européenne, agissant au nom des Parties, le 15 janvier 1997.

AGREEMENT¹ BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE HUNGARIAN PEOPLE'S REPUBLIC ON TRADE AND COMMERCIAL AND ECONOMIC CO-OPERATION

THE EUROPEAN ECONOMIC COMMUNITY, hereinafter called "the Community", of the one part, and

THE HUNGARIAN PEOPLE'S REPUBLIC, hereinafter called "Hungary", of the other part,

CONSIDERING the traditional trade and economic links between the Community and Hungary;

TAKING INTO ACCOUNT the favourable implications for trade and economic relations between the Contracting Parties of their respective economic situations and policies;

DESIROUS of creating favourable conditions for the harmonious development and diversification of trade and the promotion of commercial and economic co-operation on the basis of equality, non-discrimination, mutual benefit and reciprocity;

HAVING REGARD to the particular importance of foreign trade for each of the Contracting Parties and for their economic and social development;

HAVING REGARD to the importance of giving full effect to the Final Act of the Conference on Security and Co-operation in Europe² and the Concluding Document of the Madrid Meeting;³

¹ Came into force on 1 December 1988 by notification, in accordance with article 16.

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

³ *Ibid.*, vol. XXII (1983), p. 1395 (American Society of International Law).

REAFFIRMING the international commitments of the Contracting Parties, in particular those arising from the General Agreement on Tariffs and Trade,¹ including the Protocol for Accession of Hungary² thereto;

RECALLING Hungary's membership of the International Monetary Fund and the World Bank;

BELIEVING that the time is opportune to give further impetus to the trading and economic relationship between the Community and Hungary;

RECOGNIZING that the Community and Hungary desire to establish extensive contractual links with each other which will complement and extend the relations already existing between them,

HAVE DECIDED to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE EUROPEAN ECONOMIC COMMUNITY:

Théodoros PANGALOS
Deputy Minister for Foreign Affairs,
President-in-Office of the Council of the European Communities

Willy DE CLERCQ
Member of the Commission of the European Communities

THE HUNGARIAN PEOPLE'S REPUBLIC:

József MARJAI
Deputy Prime Minister, Minister for Trade

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

¹United Nations, *Treaty Series*, vol. 55, p. 187.

²*Ibid.*, vol. 893, p. 236.

TITLE I

COMMERCIAL CO-OPERATION

ARTICLE 1

The Contracting Parties reaffirm their commitment to accord each other most-favoured nation treatment in accordance with the General Agreement on Tariffs and Trade (GATT) and the Protocol for Accession of Hungary thereto.

ARTICLE 2

1. This agreement shall apply to trade in all products originating in the Community or in Hungary with the exception of the products covered by the Treaty establishing the European Coal and Steel Community.¹
2. Unless otherwise specified in this Agreement, trade and other commercial co-operation between the Contracting Parties shall be conducted in accordance with their respective regulations.

ARTICLE 3

1. This Agreement shall not affect the provisions of the existing Agreements concerning trade in textile products between the Community and Hungary, nor of any such agreements subsequently concluded.

Furthermore, in the event that the Community invokes paragraph 24 of the Protocol Extending the Arrangement regarding International Trade in Textiles of 31 July 1986,² the provisions of the said Arrangement shall apply to the products in question.

¹United Nations, *Treaty Series*, vol. 261, p. 140.

²*Ibid.*, vol. 1441, p. 284.

Not later than six months before the expiry of the Agreements concerning trade in textile products referred to above, the Contracting Parties shall consult each other with a view to determining the arrangements to be applied to trade in textile products after the expiry of the said Agreements.

2. This Agreement shall not affect specific agreements or arrangements covering agricultural products in force between the Contracting Parties, or any successor agreements or arrangements.

ARTICLE 4

1. Each Contracting Party will accord the highest degree of liberalization which they generally apply to third countries to imports of the other's products taking into account all the provisions of GATT and of the Protocol for Accession of Hungary thereto.

2. To this end the Community undertakes to abolish the quantitative restrictions referred to in Article 4(a) of the Protocol for Accession of Hungary to the GATT in accordance with the provisions set out in the Protocol to this Agreement.

ARTICLE 5

The Contracting Parties undertake to examine the possibility of increasing their mutual trade by the abolition, reduction or other modification of tariffs in conformity with their obligations under the GATT.