

**CZECH REPUBLIC – MEASURE AFFECTING IMPORT  
DUTY ON WHEAT FROM HUNGARY**

Request for Consultations from Hungary

The following communication, dated 12 October 1998, from the Permanent Mission of Hungary to the Permanent Mission of the Czech Republic and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4. of the DSU.

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The Government of Hungary requests urgent consultations with the Czech Republic pursuant to Article 4.8 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article XXIII.1(a) of the General Agreement on Tariffs and Trade 1994 and Article 19 of the Agreement on Agriculture regarding the Government Decree 235/98 adopted by the Czech Republic which entered into force on 9 October 1998 and which increased the import duty of wheat originating in Hungary to Kč 2290/t.

The import duty applied on wheat (HS 1001.1000, 1001.9099) of Hungarian origin exceeds several times the respective bound rates as contained in the Czech Schedule for the year 1998. The only country subject to this measure is Hungary. The Government of Hungary is of the view that this measure is inconsistent with the obligations of the Czech Republic under the General Agreement on Tariffs and Trade 1994 and the Agreement on Agriculture. The provisions of the agreements with which this measure is inconsistent include, but are not limited to, the following:

- (i) General Agreement on Tariffs and Trade 1994, Article I
- (ii) General Agreement on Tariffs and Trade 1994, Article II
- (iii) Agreement on Agriculture, Article 4

Taking into account the clear inconsistency of this measure with the most fundamental obligations of the Czech Republic under the WTO and the severe economic and trade losses that are being caused by this measure and in view of the fact that the measure is expected to remain in force until 26 April 1999, the solution of this case is of extreme urgency. It is for this very reason that Hungary invokes the urgency provision of the DSU as indicated above.

The Government of Hungary reserves the right to raise additional claims, legal matters and any other matters regarding the measure of the Czech Republic during the course of the consultations.

We look forward to receiving your reply to this request within a short period of time so as to enable us to hold consultations before 22 October 1998 in line with Article 4.8 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.

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