

HUNGARY - EXPORT SUBSIDIES IN RESPECT OF  
AGRICULTURAL PRODUCTS

Request for Consultations by Argentina, Australia, Canada,  
New Zealand, Thailand and the United States

The following communication, dated 27 March 1996, from the Permanent Missions of Argentina, Australia, Canada, New Zealand, Thailand and the United States to the Permanent Mission of Hungary and to the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

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The Permanent Missions in Geneva of Argentina, Australia, Canada, New Zealand, Thailand and the United States wish to convey to you, on behalf of their respective governments, a request for consultations with the Government of Hungary pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes and Article 19 of the Agreement on Agriculture (to the extent that it relates to Article XXII of the GATT 1994) regarding the export subsidies that the Government of Hungary provides in respect of agricultural products.

Hungary appears to have provided subsidies in 1995 in respect of agricultural products not specified in Section II of Part IV of its Schedule annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 ("Schedule"). Hungary's export subsidies for 1995 also appear to have been in excess of the budgetary outlay and quantity commitment levels specified in Hungary's Schedule. On the basis of Hungary's budgeted export subsidies for 1996, both of these problems appear to be occurring again in 1996. Accordingly, these subsidies appear to be inconsistent with the Agreement on Agriculture, including Article 3.3 and Part V.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.