

EXCHANGE OF LETTERS

between the European Community and the Republic of Hungary on certain import arrangements for agricultural products

A. Letter from the Community

Brussels, 20 October 1998

Sir,

I have the honour to refer to the consultations that have taken place between the Government of Hungary and the European Community concerning the Hungarian export subsidies for agricultural products. Following the Hungarian request for a WTO waiver (as submitted to the WTO on 8 September 1997), under which it would be entitled to grant additional subsidies for agricultural exports, and in order to address the question of the possible effect of the waiver on the Community market, both parties have agreed to a fast track safeguard clause which reads as follows:

In the event of serious disturbance of the Community market due to imports of products on which export subsidies are granted by Hungary pursuant to the WTO waiver the parties shall enter into immediate consultations to find an appropriate solution. In advance of such consultations and until such a solution is found, the European Community may take such action as it deems necessary.

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

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council
of the European Union*



B. Letter from Hungary

Brussels, 20 October 1998

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the consultations that have taken place between the Government of Hungary and the European Community concerning the Hungarian export subsidies for agricultural products. Following the Hungarian request for a WTO waiver (as submitted to the WTO on 8 September 1997), under which it would be entitled to grant additional subsidies for agricultural exports, and in order to address the question of the possible effect of the waiver on the Community market, both parties have agreed to a fast track safeguard clause which reads as follows:

In the event of serious disturbance of the Community market due to imports of products on which export subsidies are granted by Hungary pursuant to the WTO waiver the parties shall enter into immediate consultations to find an appropriate solution. In advance of such consultations and until such a solution is found, the European Community may take such action as it deems necessary.

I should be obliged if you would confirm that your Government is in agreement with the contents of this letter.'

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

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Republic of Hungary*


