

**No. 18280**

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**PHILIPPINES  
and  
HUNGARY**

**Trade Agreement (with annex). Signed at Manila on 14 October 1976**

*Authentic text: English.*

*Registered by the Philippines on 11 February 1980.*

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**PHILIPPINES  
et  
HONGRIE**

**Accord commercial (avec annexe). Signé à Manille le 14 octobre 1976**

*Texte authentique : anglais.*

*Enregistré par les Philippines le 11 février 1980.*

## TRADE AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of the Republic of the Philippines and the Government of the Hungarian People's Republic, hereinafter referred to as the Contracting Parties,

Desiring to develop and strengthen direct trade and economic relations between them in accordance with their development and trade needs and objectives on equitable and mutually beneficial bases;

Mindful of the General and Special Principles governing international trade relations and trade policies conducive to development and of Resolutions 15 (II),<sup>2</sup> 53 (III)<sup>3</sup> and 95<sup>4</sup> (IV) adopted by the United Nations Conference on Trade and Development (UNCTAD), as well as of the Charter of Economic Rights and Duties of States adopted by the United Nations General Assembly;<sup>5</sup>

Have agreed as follows:

*Article I.* The Contracting Parties shall promote the development of trade and economic relations between the two countries in accordance with the laws, rules and regulations effective in either country, and within the framework of their respective participation in the General Agreement on Tariffs and Trade (GATT).<sup>6</sup>

*Article II.* The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to:

- (a) Customs duties and charges of any kind, including the method of levying such duties and charges, imposed on or in connection with importation or exportation, or imposed on the transfer of payments for imports or exports;
- (b) Rules and formalities connected with customs clearance;
- (c) All internal taxes or other internal charges of any kind imposed on or in connection with imported and exported goods; and
- (d) Issuance of import and export licenses.

*Article III.* The provisions of article II shall not apply to:

- (a) Special preferences or advantages accorded by the Government of the Republic of the Philippines to another country in replacement of previously existing preferences or advantages, in conformity with the General Agreement on Tariffs and Trade (GATT); as well as special trading regulations applied by Hungary to countries enumerated in the annex to this Agreement in conformity with the General Agreement on Tariffs and Trade (GATT);
- (b) Tariff preferences or other advantages which either Party grants or may grant to facilitate frontier/border traffic;

<sup>1</sup> Came into force on 30 May 1979 by the exchange of the instruments of ratification, which took place at Budapest, in accordance with article XIV.

<sup>2</sup> *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I, 1968, p. 32.

<sup>3</sup> *Ibid.*, *Third Session*, vol. I, 1972, p. 106.

<sup>4</sup> *Ibid.*, *Fourth Session*, vol. I, 1976, p. 34.

<sup>5</sup> See resolution 3281 (XXIX), in United Nations, *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 31 (A/9631)*, p. 50.

<sup>6</sup> United Nations, *Treaty Series*, vol. 55, p. 187.

- (c) Special preferences or other advantages accorded by either Party resulting from its association in a customs union or a free trade area or measures leading to the formation of a customs union or a free trade area; and
- (d) Tariff preferences or other advantages which the Philippines may grant to developing countries under any trade expansion or economic cooperation scheme in conformity with the principles of the United Nations Conference on Trade and Development (UNCTAD) and the decisions of the General Agreement on Tariffs and Trade (GATT).

*Article IV.* The import and export of goods, based on prevailing world market prices, will be carried out between authorized Philippine import and export enterprises and Hungarian foreign trade organizations in accordance with the laws, rules and regulations in force in either country.

*Article V.* All current payments between the two countries shall be made in freely convertible currency, subject to foreign exchange regulations effective in either country.

*Article VI.* The Contracting Parties shall allow the appointment of permanent commercial representatives in Manila and Budapest who will be attached to their respective missions subject to the laws, rules and regulations of the Contracting Parties.

*Article VII.* In order to develop further trade between the two countries, the Contracting Parties shall facilitate each other's participation in trade fairs to be held in either country, and in arranging exhibitions of either country in the territory of the other, subject to the laws, rules and regulations in force in either country.

Each Contracting Party shall exempt from customs duties or fiscal charges the following goods originating in the country of the other Party:

- (a) Catalogues, price lists, pamphlets, and other commercial advertising materials including films on goods offered for sale in the market of the importing country;
- (b) Goods and materials for temporary fairs and exhibitions, which are not intended for sale; and
- (c) Commercial samples which are not for sale.

The entry, sale or disposition of the articles referred to above shall be subject to the laws of the country of destination.

*Article VIII.* The Contracting Parties shall refrain from exporting goods originating from the other Contracting Party below prevailing world market prices or in such quantities as may cause unfavorable market disruption.

*Article IX.* Any dispute which may arise from or in connection with contracts concluded in pursuance of the present Agreement shall be settled by arbitration in accordance with the detailed provisions contained in the individual contracts.

*Article X.* The provisions of this Agreement shall not limit the rights of either Contracting Party to adopt or execute measures:

- (a) For reasons of public health, morals, order or security;
- (b) For the protection of plants and animals against diseases;

- (c) To safeguard its external financial position and balance of payments; and
- (d) To prevent injury to domestic industries or the threat thereof.

*Article XI.* Merchant cargo-bearing vessels of either country shall enjoy in respect of entry into, stay in and departure from the ports of the other country most-favoured-nation facilities granted by its respective laws, rules and regulations.

The crew members and passengers of merchant vessels within the territory of the other Contracting Party shall be accorded treatment subject to the laws, rules and regulations of that Contracting Party.

Each Contracting Party reserves to its own vessels the right to engage in the coastal trade, inland shipping and fishing.

*Article XII.* The Contracting Parties shall consult each other at the request of either of them on all matters of mutual interest as well as on the necessary measures aiming at the expansion of mutual cooperation and trade relations concerning the implementation of the present Agreement.

In the implementation of this article, each meeting held at the request of either Party shall be carried out at a place mutually agreed upon not later than 90 days after the date of receiving the request.

*Article XIII.* The provisions of this Agreement shall apply even after its termination to contracts entered into during the period of the validity of this Agreement but not fully completed on the day of the termination of this Agreement.

*Article XIV.* The present Agreement shall enter into force on the date of the exchange of instruments of ratification. It shall remain in force for one year and shall continue in force thereafter unless terminated by either Party through a three-month prior written notice.

At any time the Agreement is in force either Party may propose in writing amendments thereto and to which the other Party will reply within 120 days upon receipt of such notice. The terms of the Agreement may be modified by mutual consent of the Contracting Parties.

DONE AND SIGNED in the City of Manila, Republic of the Philippines, this fourteenth day of October nineteen hundred and seventy-six in two original texts in the English language, one for each Contracting Party, both texts being equally authentic.

For the Government  
of the Republic of the Philippines:

[Signed]

TROADIO T. QUIAZON, Jr.  
Secretary of Trade

For the Government  
of the Hungarian People's Republic:

[Signed]

SANDOR UDVARDI  
Deputy Minister of Foreign Trade

## ANNEX

LIST OF COUNTRIES REFERRED TO IN ARTICLE III (a) OF THE TRADE AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE HUNGARIAN PEOPLE'S REPUBLIC OF 14 OCTOBER 1976

1. People's Republic of Albania
  2. People's Republic of Bulgaria
  3. Socialist Republic of Czechoslovakia
  4. German Democratic Republic
  5. Democratic People's Republic of North Korea
  6. Mongolian People's Republic
  7. People's Republic of China
  8. People's Republic of Poland
  9. Socialist Federal Republic of Romania
  10. Union of Soviet Socialist Republics
  11. Socialist Republic of Vietnam
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