

service suppliers and investors in all WTO Members. However, we fear that the developing countries, and in particular, the least-developed ones would suffer disproportionately, because of their greater economic vulnerability.

Third, WTO Members collectively stumbled badly two years ago in Seattle when making the first attempt to launch a new round. There can be no doubt that another failure would have a lasting if not irreparable negative impact on the international standing, relevance and credibility of the WTO and, indeed, the multilateral trading system. In the resulting situation the already existing trends of pursuing liberalization in a regional context could become exclusive, lacking the needed parallel process of multilateral trade liberalization. We believe that the constantly growing Membership of the WTO testifies to the importance countries attach to this system and its principles of openness and non-discrimination. Therefore we have no other option but to make sure that the Doha Conference puts the WTO back on track.

Fourth, globalization, driven by the IT revolution and the flow of goods, services as well as investment, is with us whether we like it or not. Under the right circumstances this process can be a powerful engine of economic growth, but it can also have disruptive, undesirable effects, such as the possible abuse of dominant market positions, if left unregulated. In our view globalization offers a real opportunity to achieve higher economic growth and living standards throughout the world, but multilateral rules are needed to ensure that its benefits are distributed fairly. Accordingly, one of the key expectations of Hungary is that clear decisions will be made here in Doha to start devising multilateral rules for foreign direct investment and competition policy in order to harness globalization. For the same reason we attach considerable importance to the clarification of certain WTO rules in connection with sustainable development.

Let me also say a few words about why Hungary supports the start of new global trade talks. For our country the most important economic objective of the next years is to maintain a very dynamic rate of growth resulting in our effective catching-up with the member States of the European Union. Since Hungary is a small and open economy dependent to a very large extent on external economic relations, one of the most important preconditions of the attainment of this goal is a supportive and stable external economic environment. We are convinced that a well-functioning multilateral trading system, strengthened and updated by a new round that encompasses rule-making in addition to market access, will be a crucial element in ensuring this needed stability and supportiveness.

Hungary's commitment to the WTO system and to its strengthening is rooted in the experience we gained in the 1990s, during the successful completion of economic transition. In a decade, the Hungarian economic policy guided by WTO philosophy based on openness and liberalization yielded impressive gains in terms of economic efficiency, productivity and international competitiveness. Trade figures speak for themselves: the value of Hungarian exports grew by 400 per cent in the past decade whereby Hungary realized one of the fastest rates of export growth in the world and, as a result, the country doubled its share in world trade. Today, counting EU as one, Hungary ranks 25th and 23rd among WTO Members in the export of goods and services respectively. These positive trends and indeed the modernization of the Hungarian economy are closely connected with our success in attracting substantial and stable inflows of FDI, while Hungarian companies, though to a lesser extent, have also started to invest abroad. All this underlines the great interest Hungary has in maintaining and expanding the multilateral trading system.

In this spirit, our delegation has followed an inclusive approach during the preparation to the Doha Conference. We are determined to continue this approach during our work here and wish to pledge to you our full support for your efforts. We are convinced that under your able guidance the Doha Conference is destined for success.
