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HUNGARY

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Hungary considers that the first 50 years of the GATT/WTO system have been a formidable success and contributed to world-wide growth and prosperity. Our economic history bears clear witness to the validity of the fundamental GATT principles and to the enormous damage that regional autarchy, bilateralism and excessive State intervention can cause to an economy.

The reintegration of Hungary into the world economy and the general opening of our market in the past ten years led to the very significant modernization, deep-going structural changes and increased international competitiveness.

The process of economic transformation has arrived at its conclusion. As a result of consistent privatization and the necessary legislative and institutional changes a fully-fledged market economy has been established. The transformation process has been very painful for the population but the sacrifices weren't in vain: the macroeconomic equilibrium has been achieved and the country is on the path of sustainable, dynamic and export-led growth.

The international business community recognized the result of the Hungarian economic transition by a rather substantial inflow of FDI which contributed to improved efficiency and corporate governance as well as robust export performance. The prosperity of Hungary is largely dependent on a supportive external economic environment, therefore we attach high importance to a well-functioning multilateral system which offers stability and predictability in international markets.

To become a full member of the EU is the most important national priority for Hungary. The recent commencement of the Hungary-EU accession negotiations brought this full membership within reach. It is our firm belief that the present enlargement of the EU will be of considerable benefit not only to the participants but also to third countries and that the steps which are going to be taken will be in consistency with both the letter and the spirit of the WTO.

In this regard it is worth mentioning that:

- Within the framework of the preparation for

- the accession will necessarily lead to the further significant reduction of the Hungarian MFN-duty levels and the enlargement itself will effectively contribute to the market-oriented reform of the Common Agricultural Policy in accordance with the long-term objectives of the WTO Agreement on Agriculture.

Hungary has a clear interest in a strong, dynamic and credible WTO system. It is our view that this can be ensured only by the full, timely and faithful implementation of all the commitments and the adoption of an ambitious, dynamic and forward-looking WTO work programme. We strongly believe that these two basic conditions of success are not in conflict, on the contrary, they are mutually supportive, the artificial confrontation of these aspects would cast a dark shadow on the future of the WTO.

The Hungarian Government is convinced of the desirability of the commencement of a global, comprehensive round of negotiations to be started on the turn of the century which would encompass the elements of the Built-In Agenda, further reduction of industrial tariffs, the new issues identified in the Decisions taken at the Singapore Ministerial Conference, in particular regarding competition and investment as well as other trade-related issues such as electronic commerce which is figuring prominently among the areas which represent a huge trading potential.

As far as the issue of implementation is concerned we consider that the overall picture is satisfactory. In this respect let me just refer to the dispute settlement mechanism, one of the cornerstones of the WTO which functions well and significantly strengthens the credibility and image of the organization.

Hungary contributed to and welcomes the successful conclusion of the negotiations on basic telecommunications and financial services. Our own experience confirms that the attachment to the WTO principles and the resulting market opening led to the establishment of a modern competitive business infrastructure and led to the substantial inflow of