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HUNGARY

Statement by H.E. János MARTONYI
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On behalf of the government of Hungary let me express my most sincere appreciation to the government of Indonesia for the kind hospitality and excellent working conditions created in Bali for this Ministerial Conference.

Hungary is fully committed to the multilateral trading system and has a vested interest in the success of the WTO. This is natural, our relatively small economy is very open, demonstrated by the fact that the share of exported goods and services is growing and has reached 95% of our GDP.

We find it regrettable that the WTO's negotiating machinery has stumbled through the last decade. We have collectively failed to deliver on the bulk of the Doha Development Agenda and missed out on reaping the benefits that multilateral trade liberalisation can offer. We witness a visible shift towards bilateral preferential agreements and plurilateral initiatives. These are symptoms that need to be analysed in order that the underlying reasons are identified and approaches are developed that can make progress in the WTO possible.

In our view, at the heart of this challenge is the fact that the WTO have not been able to adequately reflect in its rules and activities the recent dramatic changes in the power lines of the world economy. Hungary welcomes the clear emergence of trading partners that resulted in marked changes in the relative competitiveness of WTO Members and further amplified the diversity and differences existing in the developing world. We are afraid that unless ways to translate these changes into differentiated expectations regarding market opening and available flexibilities under WTO rules are found, moving forward the multilateral negotiating agenda may remain very difficult.

In addition to ensuring that the WTO reflects the interests and individual circumstances of all its Members, it should also remain relevant for business. The longer negotiations on the DDA take, the higher the risk that our efforts become out of touch with economic realities. In our view, as part of the post Bali agenda we have to seriously look into the possibility of starting to address issues that our companies have identified, such as export restrictions and taxes, export financing, energy and investments.

Hungary hopes that by finalising the Bali package we will move in the right direction in addressing these challenges. The central element, trade facilitation, offers benefits to all and addresses bread and butter problems of business actors. We seek commitments of high ambition because these will lead to more benefits. At the same time, as the EU statement stressed, assistance for the implementation by LDCs and other developing countries most in need must and will be made available. On the other hand, we expect emerging partners to

announce already in Bali their intention to implement the agreement quickly, in full and without requiring financial or technical assistance. Tackling trade facilitation in a satisfactory manner will open the door to the acceptance of decisions in the field of development and agriculture.

Let me finish by recalling that, indeed, it was exactly 40 years ago when my country joined the GATT. Next year will be the 25th anniversary of the start of the systemic political and economic changes in Hungary. We have learned from our own experience that becoming part of the multilateral trading system is a powerful vehicle to prompt and anchor market based reforms no matter how difficult and lengthy they may be. This is why we attach particular importance to WTO accessions.

We welcome Yemen as the 160th Member of our organisation. We strongly support the prompt completion of accession negotiations that are in their final stage, including with Serbia, Bosnia and Herzegovina as well as LDCs.