

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

**MTN.TNC/MIN(94)/ST/10  
12 April 1994  
General Distribution  
(UR-94-0119)**

**Trade Negotiations Committee  
Meeting at Ministerial Level  
Marrakesh (Morocco), 12-15 April 1994**

**Original: English**

**HUNGARY**

**Statement by Dr. Béla Kádár**  
**Minister of International Economic Relations**

I would like to express the sincere appreciation of my delegation to the hosts of this important Ministerial Conference, to His Majesty King Hassan II for his personal interest and involvement, to the Government of Morocco for the warm hospitality and excellent organization provided to us. Let me also pay tribute to those who have spared no efforts in bringing the negotiations to a successful end, in particular to Mr. Peter Sutherland, Chairman of the TNC at official level for his perseverance, determination and relentless drive aiming to bridge the gaps between diverging positions, as well as to his predecessor, Mr. Arthur Dunkel to whom a great part of the laborious ground work necessary for shaping the final results can be attributed.

The Final Act incorporating the results of the negotiations represents an agreement of outstanding importance which lays the foundations for a substantially strengthened, more global and interdependent international trading system also for the beginning of the next century. Against the background of the deep recession and the important political and economic changes in the world that have taken place since the negotiations were launched, the conclusion of the Uruguay Round is in itself a major achievement, as it delivers the crucial political message that the world has chosen the way of strengthened multilateral cooperation, mutual confidence and openness instead of continued uncertainties, protectionism and unilateral, arbitrary measures. Strengthened multilateral cooperation in international trade also contributes to global political and economic stability, so much needed by each of us. It is a justified expectation that the overall agreement reached will significantly contribute to stimulating and generalizing economic recovery. Economic recovery, supported by a strengthened world trading system should lead to increased business confidence, should generate increased investment and more jobs, again a shared objective of all of our governments.

The Uruguay Round is generally regarded, and rightly so, as an historic event in multilateral economic cooperation. When taking stock of the process and its results, Hungary does it from the perspective of a country where equally historic events took place in that period. While trade negotiators from around the world put tireless efforts to draw up an improved multilateral framework for mutually beneficial trade relations, Hungary firmly embarked on the road to political democracy and free market economy. For Hungary, being one of those countries that have played a pioneer role in systemic and economic changes on an unprecedented scale, the outcome of the Uruguay Round is not simply a welcome development, but a vital factor to the success of the far-reaching economic transformation.

The Hungarian economy has changed dramatically between Punta del Este and Marrakesh. Let me illustrate this by some figures. The share of the private sector's contribution to GDP production now exceeds 50 per cent as against the bare few percentage points in 1986. In the course of privatization Hungary remains committed to market based methods, in order to identify real, at-risk owners. Foreign investors have played a crucial role in the privatization process. The stock of foreign direct investments grew from a 300 million USD level in 1986 to over 7 billion USD at the end of 1993. This shows

of confidence is largely attributable to the fact that Hungary succeeded in creating and consolidating the institutional frameworks of market economy and that widespread liberalization measures have been executed, covering all facets of the economy, including foreign trade, while inflation has been kept under control. The number of economic operators engaged in foreign trade increased from 350 to 50,000. Autonomous duty reductions undertaken since the launching of the Round diminished the nominal average tariff protection by more than 20 per cent.

On the basis of the achievements outlined above, we have reasons to expect that Hungary could be the first successful post-transition country in the region. To this end full integration into the world economy is also a prerequisite. Our integration efforts are manifested in regional association and free-trade agreements and in applications for membership in the European Union and the OECD. Regional integration processes would not, however, substitute for a credible multilateral trading system based on effective disciplines. Indeed, the Round created conditions whereby global and regional trade relations could develop in a consonant and mutually reinforcing manner.

Hungarian efforts for economic transformation have already yielded impressive results, but not without persisting difficulties in certain fields. Heavy social costs, including high level of unemployment are also inherent in the transition process. While recognizing that our own determination and policies provide the key to success, internal efforts should be assisted by a more favourable and more supportive external environment. As we enlist as an original member of the World Trade Organization we are confident that the implementation of the Uruguay Round results will make a substantial contribution in this regard.

It is imperative that a smooth transition to the new institutional structure be ensured and the negotiated results be implemented as soon as possible. Therefore the top priority should be now the quick completion of the required national ratification processes ensuring that the Uruguay Round agreements may be implemented from the beginning of 1995. The Hungarian authorities are prepared to act keeping this objective in mind. As to the institutional transition from the GATT to the WTO, the carefully drafted provisions of the Decision on the Establishment of the Preparatory Committee for the World Trade Organization provide an acceptable framework and define the important tasks ahead of us during the few months to come. The Preparatory Committee will have *inter alia* the important task of overseeing, in its sub-committee to be established, the negotiations in specific service sectors, as well as of initiating the implementation of the decision we are expected to take on trade and environment. I would like to express the satisfaction of my delegation with the proposed decision on this latter issue, as it lays down a meaningful work programme and agenda, reflecting the interests of different participants and it does so without prejudice to the possible outcome of the future deliberations.

With respect to possible additional issues to be discussed in the forthcoming period, my delegation is pleased with the last minute compromise solution worked out in Geneva. We share the view that possibility should be provided for parties so wishing to raise any new issue falling within the scope and functions of the WTO. Of course, this possibility should be made available to everyone and the simple fact of raising an issue should not prejudice its future treatment under the auspices of the WTO. Experiences confirm that possible decisions on the inclusion of new subject matters into the multilateral trade agenda require thorough preliminary exchange of views and an important amount of informal preparatory work. We take note of the repeated assurances that by proposing specific additional issues for the future work programme of the WTO no one is seeking a backdoor way to erect new trade barriers. There should be a basic understanding among all of us that none of the newly suggested subject matters can be and will be used a pretext for creating potential new protectionist tools. On the contrary, additional items to be proposed should consist of issues the work on which is capable to contribute to the strengthening of the system and of the momentum for liberalization resulting from the Round.

Marrakesh, this beautiful city of traditions and modern architecture is a most suitable place to conclude the Uruguay Round which, based on the traditions of GATT, creates the World Trade Organization - a new architecture of multilateral economic and trade cooperation. We hope that the WTO system will be as harmonious and appealing as the site of our present meeting.