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Let me start by expressing, on behalf of the Hungarian delegation, my deepest gratitude to the Emir H.H. Sheikh Hamad bin Khalifa Al Thani, to you Mr Chairman, the Government and the people of Qatar for hosting the Fourth Ministerial Conference of the WTO. We truly appreciate and enjoy the warm hospitality and the excellent working conditions provided.

The Hungarian delegation arrived with great expectations to this conference, which takes place at a crucial point of time. We strongly hope, and indeed believe, that during the Doha Conference the remaining differences between positions of delegations can successfully be bridged and the WTO will be able to launch an ambitious, inclusive and broad-based round of multilateral trade negotiations. The excellent draft texts prepared by Ambassador Harbinson, to whom we are extremely grateful for his invaluable contribution, provide a very good basis for this work. The new round, in our view, should combine negotiations aimed at improving market access for goods and services with the establishment of new WTO rules and the clarification and improvement of existing ones. We believe that a sufficiently broad negotiating package is needed to create an adequate possibility for trade-offs and share the view that the outcome of the negotiations should form a single undertaking. We are convinced that only such an approach can ensure that the important mandated negotiations on agriculture, services and geographical indications yield substantive results. For us it is beyond doubt that a new WTO round is necessary and that the time is ripe to embark on this great joint effort. Let me just briefly address some of the underlying reasons:

First, we think that a new round is needed to demonstrate, in the aftermath of the tragic events of 11 September, the determination of the international community to advance multilateral cooperation. Like, I trust, the entire WTO Membership we feel that the terrorist assault on the United States was a strike against openness and liberty, common values that are at the heart of the WTO system. For we share the view that trade is much more than economic efficiency and that it is an invaluable vehicle for promoting openness, freedom of choice, mutual gains through peaceful interchange and the rule of law. In our view, WTO Ministers should send an unmistakable signal through the launch of the new round that WTO Members are collectively committed to advancing these values and reject terrorism.

Second, the present situation of the world economy is becoming a serious concern for all of us; above all since recession is looming in all three of its major power centres. Any economic downturn increases the pressure on governments to resort to measures aimed at keeping out foreign competition, threatening in particular the smallest, weakest and the most open of countries. The current situation, because the business cycles in the major markets seem to be largely in sync, exacerbates these risks. In our view, the most effective way of forestalling this is through the launching of a new round and pledging to refuse the temptation of protectionist action. Our failing to do so would send a disastrous signal to economic operators and, in the end, every WTO Member would lose. The list of casualties could be very long, ranging from farmers and factory workers to

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.
