## WORLD TRADE

## **ORGANIZATION**

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## **HUNGARY**

Statement by H.E. Dr Peter Gottfried
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Let me express first of all our deepest sympathy with our Swedish colleagues for the death of Minister Anna Lindt. She was an outstanding politician, a great personality and a friend of my country as it was demonstrated many times including our accession negotiations to the European Union. We shall miss her.

On behalf of the government of Hungary let me express my sincere appreciation to the Mexican Government for the hospitality and excellent working conditions provided for the Ministerial Conference.

Hungary is committed to a liberal trade policy. Our accession to the European Union will result in further market opening and we will continue to be fully engaged to take our part in the multilateral efforts for reducing trade barriers and shaping a multilateral trading system responsive to new challenges and beneficial to all participants.

Let me note with appreciation the recent decision on the implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. It was encouraging that on the eve of our meeting, WTO Members demonstrated their collective responsibility by finding solution to a particularly important issue. Indeed, one may learn from this exercise, by identifying some key ingredients of success. May I mention four such as:

- balance of rights and obligations;
- contribution by all, but respect for the differences in economic development;
- focus on the development dimension by assisting those in need;
- and keeping the integrity of the multilateral system.

We hope that these elements will be duly borne in mind throughout the Doha Development Agenda negotiating process.

I would like to commend the efforts of the Chairman of the General Council, for he produced, in close cooperation with the Director-General, a Draft Ministerial Text that seems to provide us a suitable basis for discussion. Set against the above referred parameters, the text would, however, still need to be refined in some areas.

Concerning agriculture the proposed framework in the field of domestic support seems to some degree overlook the often considerable differences between various forms of subsidies in terms of their actual trade-distorting effects. In light of their envisaged significant limitation we do not see the need to reduce blue box types of support further than it is contained in the EC-US joint proposal. Neither do we see a justification for narrowing the scope of the Green Box. Regarding market access the suggested significant extension of special and differential treatment beyond lower reduction rates

and longer implementation periods to all developing countries irrespective of international competitiveness and level of development in the agricultural sector raises the question of equity and fairness. This is by the way a problematic aspect of the entire agricultural text. In respect of export competition we welcome the general approach of parallel treatment of various forms of export subsidization but we expect more clarity, in particular with regard to State trading enterprises where the export subsidy elements of their operation can be effectively addressed only through new and strong disciplines like the elimination of monopoly trading rights.

The suggested framework for establishing modalities in market access for non-agricultural products seems to be rather vague on the type of reduction formula to be used. We believe that the mandate of reducing or eliminating tariff peaks, high tariffs and tariff escalation cannot be achieved without a strong harmonization element and without disregarding the average national tariff rates in the formula. The need for a sectorial component applying to all Members also flows directly from the Doha mandate. This Round should bring the tariff levels of Members with a similar level of development closer irrespective of their status within the Organization. Concerning the Singapore Issues a careful reading of the Doha mandate leaves not much doubt about the fact that negotiations in all four areas are part of the single undertaking and our options can only relate to the elements of modalities to be agreed upon and not whether to start negotiations or not. We continue to believe that new or strengthened multilateral rules in the areas of investment, competition policy, transparency in government procurement and trade facilitation would significantly improve the ability of every Member of this Organization to successfully tackle the challenges of an increasingly globalized world economy as well as to improve, the economic environment their business community has to operate in.

There are areas where the lack of ambition causes us concerns. At this advanced stage of negotiations we can hardly afford to either enlarge the list of missed deadlines or to leave it as it is. If this however proves to be unavoidable at this stage we have to ensure that delays are kept to a minimum and that negotiators will have adequate guidance from this Conference to eliminate them. This applies both to the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits and to the extension of the protection of geographical indications as part of the implementation-related agenda. If we want to send the signal to the world, that the WTO is ready to pay its contribution to sustainable development, an objective all WTO Members have committed themselves to repeatedly in various international fora, I believe that the text should foresee progress in the area of environment.

My delegation has every hope that with the necessary political will and collective effort we will be able to agree on a Ministerial Declaration that envisages equivalent levels of ambition in all areas of the work programme, reflects the interests of the entire Membership and ensures an even progress throughout the remaining part of the Doha Round.