

GENERAL AGREEMENT ON TARIFFS AND TRADE

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HUNGARY: STATEMENT BY H.E. MR. PETER VERESS, MINISTER OF FOREIGN TRADE,
AT THE MEETING OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

May I begin by congratulating you, Mr. President, on the exemplary organization of this session of the CONTRACTING PARTIES, and thanking you for the hospitality offered to us.

I should like to extend my best wishes to you for success in carrying out the task of chairing this meeting.

I am convinced that we all have an interest in the restoration and revitalization of the multilateral trading system of the GATT. The system is in an advanced stage of disintegration. Its rules and disciplines are less and less respected in the national trade policies. Protectionism and competitive agricultural subsidization have gone beyond bearable limits. Politically motivated trade restrictions have gained ground, too.

Hungary, a small trading nation, is heavily dependent on foreign trade. Our domestic economic efforts, the market-oriented reform of the economic management system aim at increasing the efficiency of the economy and achieving a closer integration of Hungary into the world economy. We need a stable, predictable environment, free of discrimination to carry out our economic goals. Appropriate debt servicing requires the improvement of market access conditions to debtor countries.

We support therefore the launching of a New Round of multilateral trade negotiations as it seems to be the only way to halt protectionism, to reverse the erosion of the GATT system and to bring under effective discipline such vital sectors for Hungary as agriculture. Furthermore, the main objectives of the negotiations should be the strengthening of the rôle of GATT, giving full effect to its basic principles, most-favoured-nation treatment and non-discrimination, and bringing about a substantial liberalization on trade.

We consider that the New Round can be launched on the basis of mutual confidence. A firm commitment by CONTRACTING PARTIES on a "standstill" on new trade measures inconsistent with GATT obligations and on the "rollback" of existing inconsistent measures is the appropriate way to build confidence and make the New Round credible.

As to the New Round we share certain priorities with other contracting parties. We expect that sectors that have hitherto been excluded from the GATT will be brought within it. An almost total lack of discipline in

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trade in agriculture is a main source of inequity and a major burden for small, efficient producers. By looking for new, operationally more effective rules on market access and export competition, we expect the negotiations to create a contractual framework wherein the national agricultural policies take into account the legitimate interests of foreign suppliers and allow comparative advantages to prevail.

We look forward to a substantial reduction of MFN tariffs in order to improve the competitive position of our products.

We recognize the interest of some contracting parties in dealing with non-traditional issues in the New Round. In connection with them, we deem important that the legitimate national interests of all participants should be respected. Furthermore, the consideration of these issues should not go at the expense of the solution of the already recognized priorities in the field of trade in goods.

The challenges of the globality and complexity of the New Round necessitate the participation of as many countries as possible. Therefore, we are convinced that the multilateral trade negotiations should be open to all countries wishing to participate therein.