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HUNGARY

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In reflecting on GATT's activities since the previous session of the CONTRACTING PARTIES, my delegation has come to the conclusions that these so-called "regular" activities can hardly be separated from the other activity in which GATT is involved today, namely the ongoing multilateral negotiations. In fact, some of the salient features of our activities in late 1989 are the early fruits of the Uruguay Round. I am referring in particular to the strengthened dispute-settlement system and the establishment of the trade policy review mechanism, which is to be held for the first time next week.

One might ask whether the fact that GATT has had to deal with a large number of disputes recently is a good or bad sign. We believe that it is a good sign: it attests to the commitment of the parties concerned to the multilateral trading system, and may also be a harbinger of the system's enhanced effectiveness.

My country supported the launching of the Uruguay Round from the outset and has attempted to contribute to it in an energetic and constructive fashion. Hungary's commitment to the multilateral international trading system represented by GATT is demonstrated inter alia by the fact that in 1990 it will voluntarily undergo scrutiny by the trade policy review mechanism established by the decision taken at the Mid-Term Review.

The political and economic transformations taking place in Hungary, a small country that is highly dependent on international trade and would like to open its doors wider to the world economy, make it all the more important for us that these negotiations should be successful and be completed by the appointed date. The Hungarian Government is aware of the fact that the radical restructuring of the economy and the achievement of the objectives we have set ourselves in order to undertake that restructuring depend, in the first instance, on our own efforts and our own tenacity. It has been acknowledged, however, in the competent international bodies, such as GATT, that our efforts cannot be successful without a commercially and financially favourable external environment. In order to create these external conditions, Hungary is co-operating with all

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interested countries and groups of countries; and it is precisely such a substantial contribution to improving the external environment that we hope for from the Uruguay Round.

We would like the multilateral negotiations to lead to the restoring and strengthening of international trade discipline, which will enhance security and predictability in business relations. The negotiations should therefore result in a significant further liberalization of international trade. Improvements in conditions of market access should be such that even Hungarian products can benefit substantially from them.

The results of the negotiations should meet our economic and trade concerns in both the short and the long term. In the short term, the multilateral negotiations must make a substantial contribution to improving and expanding opportunities for exports of the products in which the Hungarian economy is already competitive. Accordingly, it is inconceivable to Hungary that the outcome of the multilateral negotiations could be considered successful without significant progress being made in terms of liberalization of international trade in agricultural products, including the progressive opening of markets, the elimination of export subsidies, and a significant reduction in the level of internal support. It is also imperative to succeed in substantially reducing customs duties and non-tariff measures.

If such results were achieved in the short term, they would certainly enhance our interest in undertaking commitments on international rules and disciplines in all areas, including those where Hungary may only have economic and trade interests many years from now.

A third aspect of the impact the multilateral negotiations will have on Hungary is that the strengthened international rules that will come out of the negotiations might serve as guide-posts for legislation to create the necessary conditions for a market economy to operate smoothly.

We also expect that the agreements arising from the negotiations will take due account of the current state and actual economic development level of the participating countries.

We have undertaken to complete the Uruguay Round before the end of 1990. In order to do so, much work must be done and effort expended during the short period separating us from the deadline we have set ourselves. In order to ensure the success of the negotiations, each participating country must put aside its tactical considerations as far as possible, and submit its proposals within the time-frame agreed upon in the Trade Negotiations Committee. It is necessary to refrain from using methods and measures incompatible with the General Agreement in carrying out national trade policies: this would foster the atmosphere of trust that is required in order to achieve substantial results.

Only under these conditions can the Uruguay Round culminate in a comprehensive agreement reflecting the interests of all participants in a balanced manner.