

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

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Montreal (Canada), December 1988

HUNGARY

Statement by Dr. Tibor Melega, Deputy Minister of Trade

On behalf of the Hungarian delegation, I would like to express our gratitude to the Government of Canada for its hospitality and for the excellent organization of this Ministerial meeting.

Hungary is a small trading nation relying to a great extent on international trade. We are therefore basically interested in a stable, rule-based and transparent trading system, that is in a well-functioning GATT.

Hungary considers the Uruguay Round as the only means with the potential to reverse the erosion of the GATT system and to bring under effective discipline vital sectors as for example agriculture.

The Uruguay Round is all the more important for us as the success of our domestic reform policy aimed at integrating Hungary into the world economy depends significantly on a supportive international economic and trading environment.

In order to keep the time-limit, I am going to address only those issues of the Round which are of primary importance to Hungary.

- Agriculture is the number one issue for us. We expect the Ministerial meeting to decide on a framework approach, including agreement both on long-term reform and short-term measures. We are convinced that the Cairns Group's proposal provides an appropriate basis for such an agreement. A political will is needed to depart from previously rigid negotiating positions.
- Of the market access negotiations the tariffs and non-tariff measures are of particular importance. We seek an agreement on modalities ensuring substantial reductions of all, including low duties, an increased level of bindings, keeping the exemptions to a minimum.

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The proposed set of principles and procedures for the negotiations on non-tariff measures seems to be acceptable to us. Negotiations should be transparent and the results should be implemented in accordance with the principles of most-favoured-nation and non-discrimination.

- We hope that some improvements in the dispute settlement procedures of the GATT, to be decided now, can be implemented on a trial basis as of 1 January 1989.

The remaining differences in matters related to the functioning of the GATT system can, in our view, be resolved. It is our firm conviction that the new trade-policy review process should duly take into account the external trading and economic environment facing the contracting party concerned.

- Though in services and intellectual property rights substantial differences are to be overcome, we still hope that this meeting can produce an acceptable basis for everyone for further work.
- The implementation of standstill and rollback commitments undertaken in Punta del Este is far from being satisfactory. The lack of political will in this respect cannot be substituted by improved procedures. We express serious reservation over offers, which maintain existing or create new discrimination vis-à-vis any contracting party. From this forum we invite again our partners to implement the standstill and rollback commitments observing fully the principles of most-favoured-nation and non-discrimination.

Hungary expects that the Mid-Term Review gives a clear political message - that trade issues can be handled on a multilateral basis and - that the co-operation and common efforts within the GATT can halt the bilateralization of trade relations and compartmentalization of the trading system.

I should like to ensure you that the Hungarian delegation will spare no efforts to contribute to the successful outcome of this meeting.