

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/212

19 October 1990

Special Distribution

Group of Negotiations on Goods (GATT)

Original: English

Negotiating Group on Agriculture

SUBMISSION BY HUNGARY

Cairns Group countries submitted a proposal on 15 October for a multilateral reform programme for agriculture. Hungary, as one of the proponents of the Group's proposal, shares the approach contained therein with respect to the reform process of agricultural trade. Still it is considered necessary to provide clarifications regarding the Hungarian position on some specific issues.

As it is spelled out in the Cairns Group's proposal the reduction undertakings must result in greater harmonization among participants of support and protection. In this respect, it is Hungary's expectation that the reduction commitments will bear a relationship to the initial levels of support and protection in individual countries. This should be achieved by using a harmonizing formula which ensures the gradual shrinking of differences among such national levels.

Paragraph 6 of the TNC Decision on Agriculture taken at the Mid-Term Review Meeting states that credit will be given for measures implemented since the Punta del Este Declaration which contribute positively to the reform programme. Therefore, in Hungary's view, the base period for commitments in all three areas of agricultural reform should be the average of the years 1986-1988 in order to suitably reflect the positive effects of such measures.