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Statement by Dr. Attila Chikán Minister of Economic Affairs

First of all, I would like to express how happy I am for the opportunity that I can address this important conference.

The fact that negotiating positions are still widely apart on several crucial issues does not augur well for a successful ministerial meeting. This is not the time to ponder why and how we got here. Instead we have to start a new page and find ways out of the present impasse in order to spare the multilateral trading system from a major setback. We share the view of the Director-General that we are condemned to success here at Seattle, because otherwise we would play into the very hands of those who came to this city with the aim to knock the WTO out and are eager to see us fail.

The WTO has recently become the target of criticism from all corners of the world. Events on the streets around this convention centre are just vivid examples. Our Organization became an easy scapegoat blamed for all real and perceived problems of globalization. This phenomenon, however, will remain with us whether we like it or not. Therefore, the question is if we are able to work out and enforce rules or leave the whole process unregulated.

I think we all share the common desire to see the world economy achieve more dynamic growth and stability through further trade liberalization. There is convincing evidence that in the past 50 years the multilateral trading system contributed immensely to sustained economic growth, world-wide prosperity and improved living standards. This fact is borne out by our own experience. Ten years ago as we changed the economic and political regime we opened up the Hungarian market to foreign competition. This brought significant results in terms of economic restructuring, modernization and improved competitiveness. The Hungarian economy is now firmly on the track of sustained, dynamic growth.

In our view, the best means to meet the objective of furthering economic growth worldwide is the launching of a new, ambitious round of trade negotiations. Here at Seattle the stakes are high, because through defining the scope and structure of the new negotiations the trading environment of the next decade will take shape. That in turn will have a considerable effect on the economy of the next century, on the conditions in which our working people, our consumers will live and hopefully prosper.

The more we listen to fellow delegations' differing views on the issues to be included in the new round, the more convinced we become that only a truly comprehensive negotiating agenda is viable. Only this creates the possibility of cross-sectoral trade-offs and may ensure that the apparently diverging interests of Members are reflected in a balanced way. In our view, a core market access agenda cannot serve this purpose.

As an agricultural exporting country we attach great importance to the reform process leading to a fair and market-oriented agricultural trading system. Hungary considers that Article 20 of the Agreement on Agriculture is the appropriate basis for the negotiations since it reflects the interests of the whole Membership in a balanced manner. We believe that the agricultural reform should proceed in an equitable way. In our view, it should include improved protection for geographical indications of wines and other traditional agricultural products and ensure that adequate attention is paid to the difficulties of countries encountered in the process of economic transition.

Hungary supports further substantial reduction of all industrial tariffs. We believe that due to new challenges the areas of investment and competition are indispensable elements of the negotiating package. Issues related to technical barriers to trade, trade facilitation, TRIPS and other rules work should also be part of the upcoming tasks.

Let me briefly touch on environment and labour. While the WTO's primary objective is not the protection of the environment, we – like other WTO Members – believe that the process of multilateral trade liberalization is not incompatible with environmental objectives and that policies in these fields can be mutually supportive. We firmly believe that the objective of sustainable development should be appropriately reflected throughout the upcoming WTO round.

In our view, continued worldwide economic growth through trade and investment liberalization is the key to the improvement of social conditions in every country. However, we are not against the idea of having an active dialogue about the interface of trade and labour, provided that it is conducted outside of the WTO. We are convinced that the setting and enforcement of international labour standards should remain to be the job of the ILO.

We hope that in addition to launching the new round we will be able to take decisions already at Seattle in a number of key areas. In particular, we attach great importance to immediate action in favour of the least-developed WTO Members, the improvement of the DSU and to ensuring transparency in government procurement.

We believe that it is imperative for every WTO Member to approach our work in the coming days in a constructive way and make all efforts to bridge the gaps between our positions. Let me assure all of you that my delegation is determined to follow this approach.
