

**STATEMENT**  
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Ministry of Economy and Transport, **Hungary**  
General Debate, UNCTAD XII  
(Accra, 22 April 2008)

Mr. President, Mr. Secretary General, Distinguished Delegates, Ladies and Gentlemen,

On behalf of the Hungarian delegation, I would like to express my deep gratitude to the government and to the people of Ghana for hosting UNCTAD XII. It is a great honour to be here and we truly appreciate the warm hospitality and excellent working conditions provided. Our thanks also go to Secretary General Dr. Supachai and to the President of the Trade and Development Board Mr. Draganov, as well as to the UNCTAD Secretariat for their dedication and intensive work in preparing for this important event.

Mr. President,

All along its history UNCTAD has sought to help developing countries to participate successfully in the world economy. UNCTAD has been working hard to assist these countries in using trade and investment as development tools with a view to promoting economic growth and reducing poverty. The organization has enriched our understanding of the relationships between trade and development enormously. It can make significant further contributions to our joint efforts to ensure that globalization becomes a positive force for all countries around the globe. The Accra Conference has a major role to play in the efforts of the UN Secretary General in strengthening the UN's role in development and in reaching the Millennium Development Goals. As you rightly stated in the Trade and Development Board in March, Mr. Secretary General, the eradication of poverty and economic growth are two sides of the same coin.

In the past four decades the world economy has profoundly altered: some developing countries have managed to close the development gap with the industrialized world and have even become major players in world trade. At the same time the marginalization of many developing countries continued, resulting in increased differentiation among them. We firmly believe that UNCTAD's activities need to reflect these deep changes and objective differences in an appropriate and just manner.

Indeed, the UN Secretary General dedicated the year 2008 to the "poorest of the world's poor" stressing the necessity to address the needs of the bottom billion with incomes of less than \$1 a day who have been left behind by global economic growth. This is an initiative that we welcome wholeheartedly. In a similar vein, we believe that UNCTAD should strengthen its focus of attention to those that are most in need, the poorest and the most vulnerable developing countries, in particular LDCs.

The recent UNCTAD Least Development Countries Reports argued that to achieve sustained development, economic growth and poverty reduction in the LDCs, policies must focus on the development of productive capacities. Hungary is committed to promoting pro-poor growth in LDCs to eradicate poverty. To demonstrate our commitment Hungary wishes to make a pledge of 400 000 USD this year to the Enhanced Integrated Framework with the aim of strengthening LDCs' trade capacities to better integrate them into the global economy.

The improvement of the international trading environment is another key factor for the development of weak and vulnerable economies. These countries are most in need of a stable, conducive and predictable multilateral trading system based on negotiated, binding and enforceable rules and commitments. Success of the ongoing Doha Development Round negotiations in the WTO framework can be a crucial instrument to foster development and reinforce multilateral co-operation. The DDA should also create new trading opportunities, in particular for the weak and vulnerable partners. Such an outcome would require strong commitment by all participants to reach ambitious and balanced results in all the fields of Agriculture, NAMA, Services, Rules and Trade Facilitation. The EU on its part has already demonstrated readiness to undertake substantial commitments. We sincerely hope that at this critical moment all other developed and emerging economies will be prepared to offer matching contributions to ensure the successful outcome of the Round.

While trade and investment flows among developing countries are growing steadily and bear enormous potential, it is regrettable that LDCs have not been able to adequately benefit from South-South trade. This is partly due to the high level of trade barriers still maintained by many developing countries. Opening their markets to fellow developing country partners would help in exploiting better the potential of South-South trade for the fuller integration of weak and vulnerable economies in the world economy. In this spirit, we encourage emerging developing countries to provide duty free and quota free market access to LDCs.

Yesterday in the special segment of the Conference devoted to Africa, almost all the speakers underlined the necessity for the Sub-Saharan African countries to strengthen their regional cooperation. Hungary is deeply convinced that the Economic Partnership Agreements negotiated between the EU and the ACP countries are excellent examples of this type of cooperation by fostering deeper regional integration and by contributing to the creation of prosperous regional markets.

The WTO rules should continue to provide for special and differential treatment to developing countries. We believe that countries, especially those that are at a lower level of development require adequate room for manoeuvre in formulating their national development strategies. The nature and degree of the flexibilities set out in international rules are to be designed in view of the needs and actual level of development of individual developing countries. They should not, however, become so general or wide that would in effect overwrite the basic rules and upset the established balance of rights and obligations.

Hungary is following with anxiety the tendencies in world trade in commodities. Increasing food and raw material prices in recent years have become a major challenge for many countries, especially for the small and vulnerable ones. The extremely negative effects of surging food prices and the resulting food shortage on the world's poor are causes of particular concern. It is even more worrisome to observe that some governments try to respond to this situation with an increased use of export restrictions and export taxes. We are absolutely convinced that this is not an appropriate answer and it may only further deepen the problem of soaring prices and scarcity of supply. There is an urgent need for international co-operative efforts to identify the right policy mix to alleviate these serious problems. In this respect we believe UNCTAD should play an important role.

Mr. President, in order to strengthen UNCTAD the organization should adapt itself to the continuously developing international economic environment. In line with the UN reform process and UN system-wide coherence, UNCTAD must undergo the necessary institutional reform without changing its original mandate. It should enable the organization to deliver

results which can be accurately measured for their effectiveness. Important decisions have already been taken to implement the reform following the recommendations of the Report of the Panel of Eminent Persons but further steps are needed. Because of the limited human and financial resources available to UNCTAD and of the substantive differences among developing countries, assistance to the least developed members of the international community should be the main focus in the reform process. UNCTAD's work on LDCs related research, policy analysis and technical cooperation is highly valuable and should be enhanced in order to further contribute to poverty reduction.

Hungary is also interested in ensuring that adequate attention and resources are devoted to assisting weak and vulnerable transition economies. Well targeted research and technical co-operation activities of UNCTAD would be useful and needed assets to these partners in going through the difficult process of economic transition and reforms.

Mr. President,

Hungary is determined to work together in a positive and constructive spirit with our developing partners to achieve a successful and strong outcome of the Ministerial Conference. We are convinced that under the excellent leadership of Dr. Supachai UNCTAD will gain further strength with a mandate and work program for the coming four years to achieve UNCTAD's key development objectives.

Thank you, Mr. President.