

STATEMENT BY HUNGARY

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STATEMENT

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**General Debate
(16 June 2004)**

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

On behalf of the delegation of Hungary, I would like to express my deep gratitude to the government and the people of Brazil for hosting UNCTAD XI. We truly appreciate the warm hospitality and excellent working conditions provided. Our thanks also go to Secretary General Rubens Ricupero as well as the UNCTAD Secretariat for their dedication and intensive work in preparing for this important event.

Mr. President, as the UNCTAD celebrates its 40th anniversary, we are happy to state the fact that the organisation enriched our understanding of the relationships between trade and development enormously. We believe that UNCTAD within its mandate has contributed and should continue to contribute significantly to the cause of development. To be able to do so UNCTAD needs to adapt even better to the profound changes that took place in the world economy in the past 40 years, which witnessed widely diverging national and regional patterns of development, resulting in an increased differentiation also among developing countries. Hungary wishes to congratulate all those nations that managed to close the development gap with the industrialised world and notes with serious concern the further marginalisation of far too many. We are convinced that this process of differentiation needs to be appropriately reflected in the activities of multilateral bodies addressing international trade and development, including UNCTAD, through strengthening the focus of attention to those that are most in need, the poorest and the most vulnerable.

Dynamic changes took place also in Europe in the past decades leading to the recent enlargement of the EU by ten countries, a historic event that changed markedly the characteristics of this integration. We are proud to participate in UNCTAD XI as a full EU Member. Mr. President, Minister Tom Kitt of Ireland addressed the Conference earlier, also on my delegation's behalf. Supporting fully his statement let me briefly focus on some of the salient issues Hungary attaches particular importance to.

Mr. President, Hungary supports the efforts to bring the DDA to a successful and timely conclusion primarily because we are of the view that openness of a country to trade and investments does offer great opportunities for economic growth and development. We sincerely hope that at this critical moment all WTO partners will show the necessary pragmatism, constructiveness and flexibility in order that the framework text can be agreed by the end of July. The EU has already made its contribution and we strongly hope that all the others will follow this example.

We are convinced that a balanced result in the DDA would improve resource utilisation, increase production efficiencies, lower prices and bring a broader choice for consumers worldwide. In our view this is important for all our countries, since open markets, rule-based trade and an enabling domestic environment are powerful engines to improve living standards and can contribute to the reduction of poverty.

Mr. President, in international negotiations countries give up part of their sovereignty, by agreeing to exchanging concession and adhering to jointly elaborated rules. They conduct such negotiations and create international instruments because they believe that these bring new market access possibilities, predictable and transparent rules that may be uniform or differentiated, which outweigh the loss of part of their sovereignty. It is up to each and every participant in such negotiations to strive to achieve such a result and determine, at the end of the talks, whether the outcome is worth this natural price. We believe that all countries need to have adequate room for manoeuvre in formulating national development strategies. This is particularly true for countries at a lower level of development. However, such room for manoeuvre set out in international instruments should not become absolute or so wide that would undermine their very value. We remain to be convinced that clear, predictable and balanced international rules setting out clear obligations for participants in line with their needs and actual level of development are in the interest of us all.

We commend UNCTAD for the efforts to adapt to the continuously developing international economic environment, including the evolving multilateral trading system. Consistently with the UN reform process UNCTAD must adapt to change, must continue its reform without changing its original mandate. The work of UNCTAD and other international organisations such as the World Bank, the IMF and the WTO should remain complementary. We are convinced that UNCTAD can best assist the ongoing multilateral trade negotiations by concentrating on the three pillars of its activity, namely research and analysis, intergovernmental discussions and technical cooperation. We must ensure that in the coming years UNCTAD continues to provide expert analysis of the challenges and opportunities of globalisation, remains a vibrant forum for international dialogue and consensus building and runs a vigorous programme of technical assistance with trade and investment-related capacity building at its heart. Let me add that Hungary is ready to share its own experience accumulated in the process of economic transformation, to assist in particular those partners that have started this difficult process. We all know that, unfortunately, the human and financial resources available to UNCTAD are limited. This and the substantive differences among developing countries and transition economies in terms of level of assistance needed, makes a markedly stronger focussing imperative: major emphasis on assisting the least developed, poorest members of the international community should be a key element for the organisation's reform. Hungary is particularly interested in ensuring that adequate attention and resources are devoted to assisting weak and vulnerable transition economies.

Mr. President, Hungary is convinced that not only UNCTAD but individual member governments too should put the specific problems of those in most need at the centre of their attention. We believe that all developed and more advanced developing countries should contribute to the improvement of market access for LDC products, by ensuring duty free and quota free market access.

We agree with those who point out that South-South trade has enormous still not adequately tapped potentials. Many studies conclude that with the growing importance of trade among developing countries and the relatively higher level of trade barriers in many of them, a large proportion of potential gains from liberalisation would come from the reduction of trade obstacles by fellow developing country partners. It is our firm view that these facts should not be lost sight of in the ongoing multilateral trade negotiations.

In conclusion, Mr. President, I would like to express our conviction that under the excellent presidency of Excellency Ambassador Sha Zhukang this conference will greatly contribute to the attainment of UNCTAD's objectives to which Hungary attaches great importance.