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Hungary invited to use Malaysia as base

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KUALA LUMPUR, Mon. - Inviting Hungarian investors to participate in Malaysia's development projects, the Prime Minister said tonight that Hungarian expertise relating to production of machinery, railway engineering, power transmission lines and timber-based products, was still useful.

Speaking at the dinner in honour of visiting Hungarian Prime Minister Gyula Horn at Sri Perdana, Datuk Seri Dr Mahathir Mohamad said Malaysia, strategically located in the fast growing East Asia region, could be used as a base by Hungarian businesses interested in gaining access to the lucrative market.

"On our part, we will continue to encourage Malaysian entrepreneurs to participate in economic projects in Hungary," he said, "particularly those related to its privatisation."

Dr Mahathir said Malaysian companies could also use Hungary as a distribution centre for the Eastern-Central Europe region for some of their products.

On the total volume of trade between Malaysia and Hungary, he said it amounted to RM157 million (US\$62.8 million) last year, which was still small.

Greater efforts had to be made towards increasing total volume and diversity of trade, he said.

"It is noted that Malaysian manufactured and semi-manufactured products have been unable to make significant inroads into the Hungarian market," he said. "I hope this can be remedied."

On the other hand, Dr Mahathir said Hungary's highly developed industrial and technological capacity was not widely known among Malaysian industrialists.

In this respect, he encouraged Hungary to hold exhibitions and seminars to enable local industrialists to identify areas for possible joint ventures.

Touching on the Agreement on Scientific and Technical Co-operation and the Memorandum of Understanding pertaining to the Promotion of Trade signed this morning, Dr Mahathir said these would broaden further the scope of bilateral co-operation.

Malaysia and Hungary, he said, had previously signed other agreements and they would provide a good framework for trade, economic co-operation, research and development and tourism.

The two countries also recognised the need to foster closer contacts between their respective private sectors to encourage them to exploit vast business potentials in the two countries and in third countries.

"I am confident that the complementarity that exists in our two economies will result in good private sector networking," he said.

Dr Mahathir said Malaysia had followed with great interest the economic transformation that Hungary had undergone since 1990.

The confidence expressed by international agencies like the International Monetary Fund in the economic reform process in Hungary underscored this transformation, he said.

"The admission of Hungary as a member of the OECD last year is commendable," he said. "We are confident that Hungary will continue to witness progress and prosperity."

Dr Mahathir said Malaysia noted Hungary's keen interest to join the

European Union.

"We trust that Hungary's membership will contribute to a European Union that will be more representative of all the openness that Europe believes in," he said.

On co-operation in international issues, Dr Mahathir said the conflict in Bosnia-Herzegovina required both countries to co-operate more closely.

"Malaysia, like Hungary, believes that the United Nations has a primary role in ensuring international peace and security," he said.

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