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Hungary PM determined to maintain contact

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HUNGARIAN Prime Minister Gyula Horn ended his two-day official visit to Malaysia yesterday determined to keep regular contact with what he described as the gateway for Hungary to this region.

In an interview with Business Times, Horn said despite smooth ties sans any political skirmish or even debate, Malaysia and Hungary "know little about each other".

This, he said, is reflected in the small bilateral trade. "Total trade turnover is very low and there is practically no Hungarian investment in Malaysia," he said.

Prime Minister Datuk Seri Dr Mahathir Mohamad on Monday also underlined the relatively small trade, which amounted to US\$62.8 million (US\$1 = RM2.51) last year.

"If we maintain regular and high level of contacts, it will also give impetus and impulse to the business and economic sectors," Horn said.

"There are vast business opportunities on both sides. Malaysia is a gateway to South-East Asia while Hungary can be the financial, commercial and distribution hub for the Central and Eastern European region," he said.

"We've got to start building up our bilateral relationship."

Horn said his visit to Malaysia, and also Singapore, signals a new phase in the relationship between Hungary and countries in this region.

He described both Malaysia and Singapore as "highly developed".

On the call by Dr Mahathir for the private sectors of both countries to foster closer cooperation to seize the opportunities and exploit vast business potentials in Hungary and Malaysia as well as in third countries, Horn said he noticed a very "strategic alliance" between the Malaysian Government and the private sector.

"This is extremely important. If Dr Mahathir can encourage the Malaysian businessmen to cooperate (with their Hungarian counterparts), this cooperation can be enforced," he said.

The Hungarian Prime Minister pointed out that 70 per cent of Hungary's GDP is contributed by the private sector and that most of the major companies are in private hands.

On Malaysia's manufactured and semi-manufactured exports, which are not making significant impact in the Hungarian market, Horn said there are virtually no restrictions on imports.

More than 90 per cent of the goods imported by Hungary are brought in under liberalised terms. "Only certain goods need special import licences," he said.

On Hungary's bid to join the European Union, he is of the opinion that Europe can only develop further through greater integration.

"It is natural for Hungary to want to join the Union as three-quarters of Hungary's trade is with the EU. It will bring about faster and broader development," Horn added.

At a press conference earlier, ADELINE ONG reports: Horn proposed that Malaysia look at more areas for cooperation to further strengthen bilateral ties. He also proposed that Malaysia open a trade office in Hungary.

"With the conclusion of my seven-day visit to Malaysia and Singapore, I have realised that there are vast opportunities to strengthen bilateral ties.

"The visit has convinced me that there is a need to encourage and stimulate cooperation with developing countries in South-East Asia. We share many similarities," he said.

Opportunities for Malaysia-Hungary joint ventures are wide-ranging, from the Trans-Asia railway project to the reconstruction of the former Yugoslavia, he said.

Hungary would like Malaysian companies to participate in the development of infrastructure, tourism and industrial park projects, he added.

As Hungary has aspirations to become an East European commercial hub, Malaysian investors can set up operations in Hungary to penetrate the large existing markets in the neighbouring countries.

Underlining the need for closer cultural and educational cooperation, Horn proposed that Malaysia actively participate in the teaching of English in Hungary.

He said that Hungary and Malaysia have an agreement for the mutual recognition of diplomas from the two countries.

Another potential area of cooperation is the reconstruction of Bosnia Herzegovina.

"We have spoken to the Minister of International Trade and Industry, Datuk Seri Rafidah Aziz, about this matter. She has assured us that Malaysia is interested in assisting in the reconstruction of Bosnia, especially in the restoration of infrastructure.

"Hungary can be the bridge for Malaysia because it is in the vicinity and has knowledge of the Bosnian environment," he said.

Horn added that concrete offers will have to be made as the biggest problem of helping to reconstruct restore normal economic life in Bosnia is that there have been no appropriate programmes and projects.

Here, the respective embassies will directly inform each other of project and cooperation opportunities, he said, adding that direct air links between Budapest and Kuala Lumpur will also have to be established.

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