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Hungary celebrates the millennium of its statehood

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THIS year, the National Day has particular significance for the Hungarians. We are celebrating the millennium of our statehood and the 10th anniversary of our democratic transition.

The Hungarian state was founded one thousand years ago by our first king, Saint Stephen. August 20, the National Day of Hungary, is dedicated to him. The young ruler, born as a pagan prince, with his far-sighted decisions took historic steps to integrate his people and country into mediaeval Europe. He converted to the Christian faith and laid the firm foundation of the then modern state and the rule of law. He was crowned King of Hungary on Christmas Day of 1000.

Ten years ago, Hungary, together with other countries of Central and Eastern Europe, embarked on another historic endeavour - the transition from communist rule to democracy. After regaining full independence from the Soviet dominance of the previous 42 years, in the first democratic elections in 1990, the people of Hungary expressed their clear desire to develop a pluralistic political system and to establish a parliamentary democracy as well as a free market economy. This required enormous efforts - setting up the democratic institutions and laws, managing the economic costs of the market transition and handling the inevitable social conflicts.

Successive governments have been giving priority to achieving the above goals and maintaining internal stability. Over the past 10 years, the ambitions came true. Parliamentary democracy and the rule of law are core of the political system. Human rights and freedom, including those of the minorities, are guaranteed and respected. Municipal and minority self-government as well as civic initiatives are well established. The once centrally planned and state owned economy has been successfully transformed into a market oriented and internationally competitive one. Private property is dominant with a large share of foreign ownership. The current high economic growth (5-6 per cent) is expected to continue in the coming years.

While conducting the internal transformation, Hungary has also been active to renew its ties and strengthen cooperation with its partners abroad, pursuing its main objective to join the European political, economic and security structures.

Over the past 10 years, Hungary gained membership in the Council of Europe, the Organization of Economic Cooperation and Development (OECD) and the North Atlantic Alliance (Nato). This was an acknowledgment of the success of our democratic and economic transition. Talks on Hungary's accession to the European Union (EU) are well under way, hopefully resulting in full membership in the first years of the new millennium.

It is our Government's declared objective to strengthen and diversify our ties with the countries of Asia. Malaysia is definitely a priority among them. After opening the Hungarian Embassy in Kuala Lumpur in 1991 (and the Malaysian mission in Budapest in 1993) bilateral cooperation gained momentum.

In addition to earlier bilateral agreements on trade and the avoidance of double taxation, new areas were covered to encourage investment, travel, scientific and technological cooperation. High-level contacts were established and maintained throughout the 1990s. Hungarian President Arpad Goncz visited Malaysia in 1993, followed by the Speaker of the Hungarian

Parliament in 1996, then Prime Minister Gyula Horn in 1997. The same year the Yang di-Pertuan Agong paid a state visit to Hungary in May, followed by the working visit of Prime Minister Datuk Seri Dr Mahathir Mohamad in June. The exchange of a number of ministerial visits also helped cement ties.

As a result, bilateral trade over the past years has been characterised by constant growth (in 1997 - US\$130 million, in 1998 - US\$175 million and in 1999 - US\$241 million).

Malaysia is among Hungary's 30 most important trading partners. The balance of trade is traditionally in Malaysia's favour but Hungarian exports are catching up. Last year, Hungarian sales quadrupled, registering US\$23 million. Foreign trade both ways is dominated by electronic and IT components and products. DRB-Hicom's stakes in one of Hungary's leading industrial firms, RABA, and the Budapest branch of the International Commercial Bank of Malaysia illustrate Malaysia's commitment to widening bilateral economic ties. Hungary continues to offer sound opportunities for foreign investors, with most of them finding green field, industrial zone, R&D and services development as the most promising.

In 1997, Hungary and Malaysia signed a bilateral agreement on scientific and technological cooperation to forge direct ties between scientists and researchers of our two countries. The intention was translated into concrete action the same year and since then, a number of joint research projects have been approved. It is particularly encouraging to see how much importance both countries attach to scientific, technological and human development as key to a knowledge-based economy. In this spirit Hungary has offered Malaysia its traditional capacities in higher education. Our universities and colleges receive an increasing number of foreign students from Europe and beyond because the courses are conducted in English in such knowledge-intensive academic fields as technical science, information technology and medicine.

In arts and culture, the contribution of the 13 Hungarian members of the Malaysian Philharmonic Orchestra is a special source of pride for us in Kuala Lumpur. It is truly an uplifting experience to witness the emergence of this world-class orchestra in Malaysia.

In the coming years, I hope to see more Hungarians and Malaysians visiting each other's country to discover the treasures and diversities both nations offer.

It is my pleasure to greet the readers of Business Times on the occasion of Hungary's National Day and to use this opportunity to sincerely congratulate Malaysia on its approaching Independence Day.

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