

In contrast to overall trade figures, Canadian investment in Hungary has been exceptionally strong in recent years. With over \$250-million worth of investment in some 200 projects, Canada is currently among the top 10 foreign investors in Hungary. More than 100 Canadian firms maintain offices in Budapest and major investments have been made in real estate, energy, manufacturing, and services, among others.

Sectors showing the greatest complementarity between Hungarian needs and Canadian capabilities include construction, energy, environmental equipment and technologies, telecommunications, auto parts, pharmaceutical and medical supplies, and consulting services. The country also holds promise for Canadian companies interested in working with Hungarian partners to develop business in the countries of the former Soviet Union.

Poland

Poland is Canada's largest market in Central Europe, and the third-largest market in the combined Central and Eastern European region. Canadian exports to Poland reached \$78.9 million in 1993, followed by a decline in 1994 to \$49.2 million. This decline is partly attributable to Poland's recent associate membership in the EU, which resulted in strongly growing EU exports to the country. Imports, on the other hand, almost doubled 1993 figures, to reach \$102 million in 1994.

Canada's main exports to Poland in 1994 were machinery parts, meat, wheat and oats, electrical equipment, plastic articles and auto parts. Imports from Poland consisted mainly of rolled iron and steel, electrical equipment, sugar and copper.

With market reform programs progressing rapidly, opportunities are expanding for Canadian firms. Indeed, the first two months of 1995 show trade growth has doubled over the same period in 1994.

Priority sectors in Poland include environmental equipment and services, construction, telecommunications, agri-food, informatics and geomatics. There are also substantial opportunities for Canadian firms in the privatization programs where Canadian investment is estimated at \$150 million and growing.

Czech Republic

The Czech Republic is one of the most successful and fastest-growing economies among the former communist countries in Central Europe. Over the past two years, the country has maintained effective control of its economy resulting in a budget surplus in 1993 and a repayment of its International Monetary Fund (IMF) debt in full, and ahead of schedule.