

News Release

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MACLAREN LEADS CANADIAN TRADE AND INVESTMENT MISSION TO HUNGARY

The Honourable Roy MacLaren, Minister for International Trade, leading the largest Canadian business delegation ever to visit Hungary, today met with his counterpart, the Hungarian Minister of Industry and Trade, Mr. Laszlo Pal, as well as the Minister of Transportation, Telecommunications and Water Management, Mr. Karoly Lotz, to promote Canadian trade and investment interests in that market. He also visited a number of local Canadian projects.

Mr. MacLaren delivered a speech on the theme: "Beyond The Blocs: Building The New Trade Architecture" to an audience of over 150 Canadian and local businesspersons at a luncheon hosted by the Canadian Chamber of Commerce in Hungary.

"Hungary has adopted several measures to move toward a market-based economy, including the recently announced privatization law," Mr. MacLaren noted. "Canada strongly supports these efforts which generate new trade and investment opportunities for Hungarian and Canadian businesses."

The Minister announced at a Trade and Investment Seminar hosted by Hungary's Investment and Trade Development Agency (ITD) that Canada and Hungary will jointly participate in a technical co-operation project. The project will establish a business intelligence unit at ITD, which will gather information on the Hungarian economy essential for investment promotion purposes. A Canadian advisor will work within ITD to assist in establishing the unit.

"This project is part of Canada's ongoing program of technical co-operation with Hungary and will assist ITD in fulfilling its mandate," Mr. MacLaren said. "By enhancing investment-related activities, Canada will foster market economics in Hungary and promote new Canadian-Hungarian business linkages."



Funding for this program was provided for in the February 1995 federal budget and is therefore built into the existing fiscal framework.

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A background document on Canada-Central Europe trade and investment relations is attached.

For further information, media representatives may contact:

Media Relations Office
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Backgrounder

CANADA-CENTRAL EUROPE TRADE AND INVESTMENT RELATIONS

The transition from former command economies to new free-market economies is one of the largest challenges the region is currently facing. In some countries, however, the pace of change is evolving rapidly with privatization programs creating excellent trade and investment opportunities for Canadian businesses.

Total bilateral trade with the region is substantial and growing, having reached nearly \$645 million in 1994, a 37 per cent increase over the previous year. Exports comprised almost \$210 million of this total, with key products including machinery, electrical equipment, and wheat.

Hungary

Hungary, with its strong legacy of market reforms, offers a strong and positive business environment for Canadian business. Bilateral trade, however, is relatively modest but increasing. Exports rose from \$6.5 million in 1988 to \$27.3 million in 1994. The market reform program is expected to stimulate additional trade opportunities.

In contrast to overall trade figures, Canadian investment in Hungary has been exceptionally strong in recent years. With over \$150-million worth of investment in some 200 projects with an additional \$100 million in the project pipeline, Canada is among the top foreign investors in Hungary. More than 100 Canadian firms maintain offices in Budapest, with major investments in real estate, energy, manufacturing, and services.

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. Canadian companies are also working with Hungarian partners to develop business in the countries of the former Soviet Union.