



Institute for World Economics  
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Institute for Economics and  
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# Eurointegration Challenges in Hungarian-Ukrainian Economic Relations

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# WORDS OF WELCOME

*Yurij Mushka*

## Eurointegration Challenges in Hungarian–Ukrainian Economic Relations

Ladies and Gentlemen!

It is my pleasure to take part in such a high-level scientific conference.

I think, the fact that the Institute for World Economics of the Hungarian Academy of Sciences and the Institute for Economic Forecasting of the Ukrainian National Academy of Sciences devote a conference to the study of the new challenges of Ukrainian–Hungarian economic relations proves the interest shown by the social, public, political and economic circles toward the impacts of recent changes in our countries.

Indeed, in the previous year as well as in this year we could witness two events that determined the short and long-term development of our countries and their bilateral relations.

Firstly, Hungary joined the European Union which means, among certain other things, that the European legal system dominates over bilateral relations, and the Ukrainian–Hungarian border section has become the frontier of the European Union, consequently, Ukraine borders the EU now.

The second event is connected with the internal affairs of Ukraine, more precisely, with the eurointegration endeavour, proclaimed by the new leadership of our country after the presidential elections at the end of 2004.

It is well-known that the EU–Ukrainian Action Plan was finally prepared and adopted as a result of the aforementioned events. Besides, the main guidelines of the new EU policy towards the neighbouring countries were also approved that will influence the cooperation framework and principles for the forthcoming years. These documents will also promote the gradual

optimization of bilateral economic relations and Ukraine's entrance to numerous EU development programmes.

I believe that the geographically neighbouring position of our countries, the historically excellent political, cultural and economic relations will provide a good basis to employ the relations between our countries as a determinative and positive factor in the further development of Ukrainian–EU relations. Being a priority issue in our foreign policy, the aim of these relations is clear and unambiguous for us, *i.e.* to achieve full membership in the EU. Therefore, taking into consideration the aforementioned events, we have all the rights to speak about the considerable appreciation of our bilateral relations as well as the innumerable possibilities for new developments and improvements.

Numerous steps have already been taken to make the most of these possibilities both in the political and economic spheres. Among other things, we signed the governmental agreement on economic cooperation between our countries, succeeded in achieving the understanding about the text of the document concerning the common development of the 5<sup>th</sup> Transeuropean Transport Corridor, prepared and approved the common plan about the development of the border areas. Considerable efforts are also made to create the institutional background for our bilateral relations.

In my opinion, the Donbass Industrial Union – DUFERCO Consortium which comprises Ukrainian interests is a modern answer to the challenges of the new times. Its activity in Hungarian metallurgy and steel manufacturing can serve as a model in the field of mutual capital investments and production cooperation. There is no doubt that the greater part of the enterprises that carry on bilateral trade are also overcoming the difficulties, raised by the new situation, successfully. At least, this statement is supported by the fact that the turnover between our countries for the last five years has doubled and, according to the data of the Ukrainian Statistical Office, it reached the level of one and a half billion US dollars including services in 2004.

At the same time, I should also mention one of the emerging problems in bilateral trade, *i.e.* in contrast to the previous years when the turnover rise was well-balanced, in the first quarter of the current year statistical data show a slight decrease in Ukrainian exports beside Hungarian export rise.

Thus, we are aware that beside the possibilities, offered by the new situation, there are a lot of challenges we should face. The gradual ceasing of the surmounting differences between our national economies would serve best the eurointegration aims and economic rise of Ukraine.

Honourable Ladies and Gentlemen!

The existing economic relations between our countries form a far-reaching complicated system. In addition to trade in products and services this sys-

tem comprises other fields for cooperation, *i.e.* energy, water management, transport, shipment, ecology. Especially the issues concerning the further development of transborder regional cooperation are of great importance.

On the other hand, there is not a segment in our cooperation which is not influenced by the aforementioned changes. Therefore, appropriate measures should be taken in order to prevent negative influences, caused by these changes, as well as to exploit the possibilities, hidden in them.

It is obvious that the most appropriate measures can be taken only after a thorough scientific analysis of the particular problem.

Therefore, let me express my strong belief that this scientific conference which is devoted to consider an especially current theme will bring us closer to a better understanding of the problems that emerge within bilateral economic relations as well as help us to formulate answers to current challenges.

Finally, let me wish you a successful work during the conference!

Budapest, May 26, 2005