

HUNGARY



Potential of Hungary



Population (2002) – 10 166 000

Square – 93 000 sq. km

Main fossils minerals:

- ◆ Coal
- ◆ Bauxite
- ◆ Copper ore
- ◆ Zinc ore
- ◆ Manganese ore

RUSSIA



Potential of Russia



Population (2002) – 143 700 000.

Square – 17 075 000 sc km

Main fossils minerals:

Natural gas	Gold
Oil	Platinum
Bauxite	Iron Ore
Coal	Nickel
Diamonds	Woods

Initial conditions

Hungary economy

- Structure was “normal”
- Strong state institutions
- Average education and scientific potential
- Institution of private property
- Postindustrial stage (the beginning)
- Relations with foreign countries
- Shortage

Russian economy

- Structural disproportions
- Weak state institutions
- High education and scientific potential
- Absence institution of private property
- Industrial stage
- Release the resources from Defence sector
- Shortage

Reform policy

Hungary

- The beginning of transformations in 1968
- Gradual liberalization of prices since 1980s
- Realization stabilization program (1990)

Russia

Rebuilding (1980s)

- Reform of enterprises: economic accountability and self-repayment
- Cooperative movement
- Trying reformation of state institution

Reform policy (continued)

- External privatization with foreign capital (since 1991)
- Active stimulation of investment

- Liberalization of prices and foreign trade (since 1992)

Privatization (since 1992)

- Voucher and internal privatization (*stage 1*)
- Monetary privatization (*stage 2*)

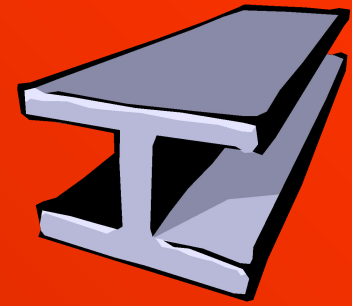
Stabilization (1995-1998)

Macroeconomic indicators (Hungary)



<i>Relative indicators (1989 – 100%)</i>	<i>1992</i>	<i>1995</i>	<i>1997</i>	<i>2001</i>
Growth rate GDP, %	82,4	85,6	97,7	104,5
Industry production, %	82,3	104,6	111,1	-
Investment, %	81,0	88,9	103,6	-
Inflation rate, %	23,0	28,3	18,3	9,2
Unemployment rate, %	-	10,4	10,4	5,8

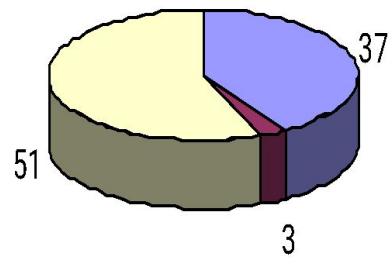
Macroeconomic indicators (Russia)



<i>Indicator</i>	<i>1992</i>	<i>1995</i>	<i>1997</i>	<i>2001</i>
Growth rate GDP, %	-14,5	-4,1	0,8	3,4
Industry production, %	82,0	96,7	101,9	-
Investment, %	-	90,0	95,0	108,0
Inflation rate, %	897,0	297,0	114,7	121,5
Unemployment rate, %	-	9,0	11,2	8,9

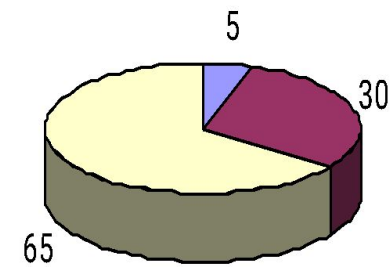
GDP structure

Russia



Industry Agriculture Service

Hungary



Industry Agriculture Service

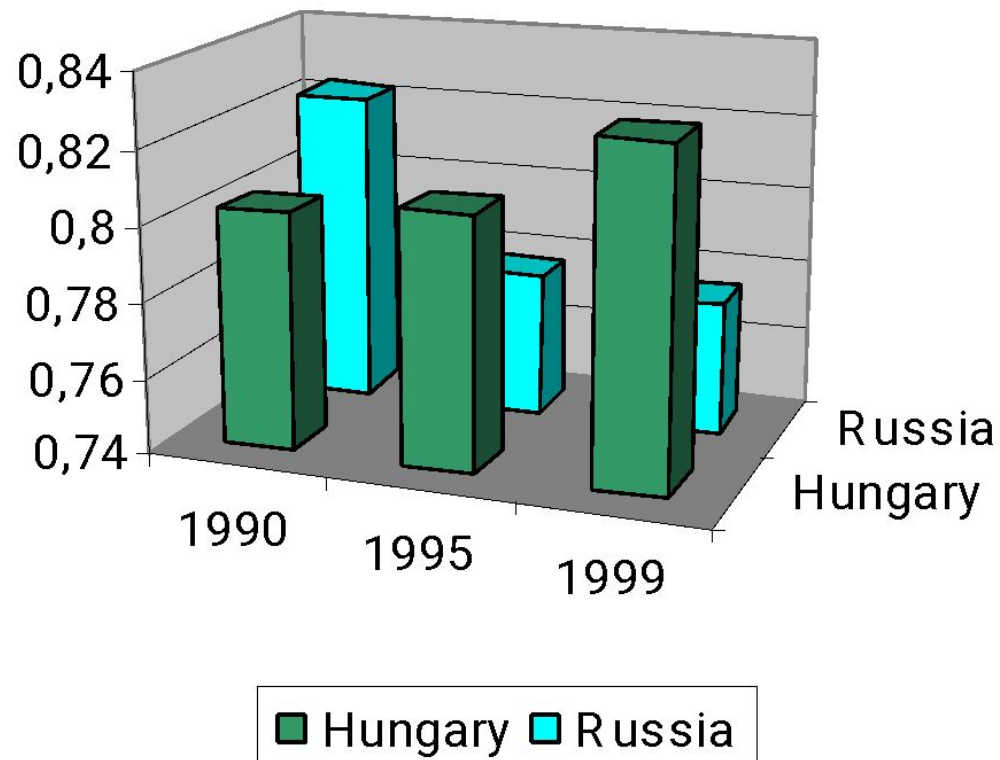


Human developments



<i>Indicators</i>	<i>Hungary</i>	<i>Russia</i>
HDI (1999)	0,829	0,775
Gini index (1998)	24,4	48,7
Richest 10% to poorest 10 % (1999)	5,0	23,3
Education index (1999)	0,93	0,92
Life expectancy (1999)	71,1	66,1
GDP per capita, \$ (1999)	11430	7473

Dynamics of HDI





Monetary indicators



Indicators	Hungary		Russia	
	1992	2000	1995	2000
M2 / GDP, %	53,0	69,0	9,7	16,0
M0 / M2, %	36,0	22,0	36,0	35,0

Reform summary (pluses)

Hungary

- Ужесточение бюджетных ограничений на предприятиях
- Преодоление трансформационного спада

Russia

- Формирование частного сектора
- Ликвидация дефицита
- Формирование рынка труда



Reform summary (minuses)



Hungary

- Бюджетный дефицит из-за крупных платежей по процентам МФО
- Трудности долгосрочного кредитования из-за преобладания иностранных банков

Russia

- Бегство капитала
- Рост доли теневой экономики и коррупции
- Инфляционный налог на средства население
- Финансовый кризис 1998

AP





Web-publications

- World Bank
- International Monetary Fund
- UN
- National Bank of Hungary
- Банк России
- Госкомстат
- Сайты правительств России и Венгрии
- Yandex
- Rambler
- Апорт
- Yahoo

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