



Introduction

ICEG European Center presents its first Newsletter in 2005, in which we report on our latest working papers and other publications, give a brief overview of recent projects and events, draw readers' attention to the past and upcoming conferences. Further detailed information about our activities, publications is available from our web-site at www.iceg.org.

We would be pleased to receive comments on the Newsletter, the web-site and also on our programs, publications. In case you wish to write us, please send technical information to the technical editor at efrecot@iceg.hu, while the remarks, notes and questions to the office address at office@iceg.hu.

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Selected Projects

ICEG European Center has participated in various international and national research projects. Some of them are presented briefly below.

Floating Exchange Rate Arrangements and EMU Membership in Pre-Accession Economies

The project described the first experiences with the operation of free and managed floating regimes and the main challenges these regimes face prior to EMU-accession. The program assessed the relevance of the major fears concerning the use of flexible arrangements, the links between the exchange rate regime and macroeconomic variables (inflation, capital flows, real and nominal exchange rates, etc.) and the changes in monetary and fiscal policies in pre-accession economies.

The program included 2 country studies on Poland and Hungary, and a comparative paper which brought in other economies and makes some region specific conclusions on the operation of floating regimes and challenges faced by them prior EMU membership.

Think Tank Partnership on Russian Economic Reforms

ICEG European Center together with Tinbergen Institute (Amsterdam) and New Economy School (Moscow) carried out a project on Central European and Russian economic reform in three topics. The first was related to the analysis of the restructuring of financial sector and the process of financial deepening. The second research area was associated with the institutional and macroeconomic aspects of disinflation in the Central European economies and Russia. The final question addressed was the trade integration of Central European economies and Russia.

Analysis of the energy sectors of neighbouring countries

The analysis of the economic development and energy market trends was undertaken for three countries (Croatia , Romania and the Slovak Republic). Following an overview of the main trends of industrial development and foreign

direct investments, the electricity and gas markets were analyzed. A description of the regulatory framework and a short description of market structure were also included. The project lasted from March to May 2005; the final study was written in Hungarian and English.

Lessons from Privatization in Central and Eastern Europe

The project focused on assessing the lessons from the privatisation experiences of various Central and Eastern European economies with the goal of comparing them to Hungary . The country studies analysed the various privatisation techniques, the sequencing and speed of privatisation measures in individual countries, the effect of privatisation on fiscal balances and on the evolution of major macroeconomic indicators. The summary study gave a comparative assessment of the Hungarian privatisation practices vis-a-vis the other Central and Eastern European economies, highlighting the positive and negative elements of this process in comparative way.

Factors and Impacts in the Information Society: a Prospective Analysis in the Candidate Countries

ICEG European Center and partner institutions of the consortium have been awarded a contract from the European Community represented by the Institute for Prospective Technological Studies (IPTS) of the Joint Research Center (JRC) to carry out a project on Factors and Impacts in the Information Society: a Prospective Analysis in the Candidate Countries.

Network of European News Agencies

Development of a web-based information service through a Network of European News Agencies to enhance integration and convergence of Candidate Countries (NENA) is an international project supported by the eContent Programme of the European Union.



Publications

QUARTERLY REPORTS AND FORECASTS

ICEG European Center prepares short-term forecasts on growth, inflation, internal and external balance and major macroeconomic trends in the eight new EU member states and in the South Eastern European countries. It has prepared until June 2006 six reports:

- Quarterly Report on the Eight New Member States 2005/1
- Quarterly Report on the South-Eastern European States 2005/1
- Quarterly Report on the Hungarian economy 2005/1

South-Eastern European Monitor

SEE Monitor 2005/1.

The first publication in 2005 contains end-year evaluations and prospects for the Balkan countries for next year, deals with the Hungarian companies' investments in the region and gives informs on the end-2004 radical tax reform in Romania.

SEE Monitor 2005/2.

This year's second publication deals with the developments in the four "bigger" countries in the region. In this issue you can find articles on the origin and structure of FDI inflows into Bulgaria and Romania; the initializing of the Stabilisation and Association Agreement in Croatia; the procedure of bank privatisation in Serbia and the growing external imbalances in Romania.

SEE Monitor 2005/3.

This year's third publication contains four articles on the World Bank strategy for Croatia between 2005-2008; the estimated budget revenues surplus in Bulgaria for 2004; the growing importance of privatisation in Macedonia's economic policy and the status of European Integration in Montenegro one year after application.

SEE Monitor 2005/4.

This year's fourth publication contains four articles on the record foreign trade deficit of Bulgaria in 2004; Romania's macroeconomic targets for 2005 and on Montenegro's 2005 budget and the prospects of Albania's EU Accession in 2014.

SEE Monitor 2005/5.

This year's fifth publication contains four articles on tax reduction suggested in Bulgaria; delays in Croatia's starting accession negotiations; tourism in Croatia and Montenegro's struggles to lead its fortune under its own hand.

SEE Monitor 2005/6.

This year's sixth publication contains four articles on the development of inflation in South Eastern European countries; the relations between IMF and the Romanian Government; the 8.3% GDP Growth in Romania in year 2004; and on the macroeconomic developments in Serbia.

Events

MONETARY SUMMIT – 10 YEARS AFTER „BOKROS-PACKAGE”

The conference organised on 4 March 2005 in Budapest evaluated the developments in the three main pillars (macroeconomic equilibrium, competition, public finance reform) of Bokros-package during the past ten years, as well as the present determinative processes of these fields in the economy, pointed at the most important tasks of Hungarian economic policy. Company leaders, politicians, ministers, senior economists and monetary experts, academicians, and the media attended this high level conference.



EASTERN EUROPE AFTER EU ENLARGEMENT AND BEFORE ACCESSION

ICEG European Center, the Hungarian Economic Association and the Confederation of Hungarian Employers and Industrialists organized an international conference in Budapest on: „South Eastern Europe after EU Enlargement and before Accession” on 4-5 April, 2005.

The purpose of the meeting was to discuss the key policy issues facing the South Eastern European countries after the recent Enlargement of the European Union and prior their future accession to the EU. The conference was divided to following three topical sessions:

- Macroeconomic difficulties and challenges for policy makers in South-Eastern Europe
- Liberalization, integration and foreign trade of the region
- Privatization, Capital Flows, Competitiveness and Productivity in the Region