



Introduction

ICEG European Center presents you its first Newsletter in 2004, in which we briefly report on our latest working papers and other publications, give a brief overview of recent projects and events, draw readers' attention to the upcoming regional conference among other news and issues. More information about the activities, including most of the research output in downloadable format can be obtained from our web-site at www.icegec.org.

We would be pleased to receive comments on the newsletter, the web-site and especially on the programs and their outputs. In case you would like to write to us on these issues, please send the technical information to the technical editor at bkovacs@icegec.hu, while the remarks, notes and questions to the office address at office@icegec.hu.

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Events

Economic Prospects and Threats in 2004 on the Threshold of EU Accession

(14 January 2004)

The opening event of the series of seminars planned for 2004 organized by the German – Hungarian Chamber of Commerce and Industry in co-operation with ICEG European Center was held on 14 January 2004 in Budapest. The seminars focus on the highlighted topics of the EU Accession in order to provide help with the preparation. At this event three presentations were made by ICEG EC researchers.

Public Private Partnership: domestic experience and future prospects

(20 January 2004)

ICEG European Center and the Hungarian Economic Association together with the Research and Development Institute of the State Audit Office and in co-operation with the West Pannon Regional Development Agency organized a joint conference on domestic experience and future prospects of PPP on 8 October 2003 in Győr. The conference focused on the experience gained so far, the advantages and potential disadvantages from public and private points of view.

Economic and Political Relations after the EU Enlargement: The Visegrad Countries and Russia, Ukraine, Belarus and Moldova

(5-6 February 2004)

ICEG European Center and the Foundation for Research into the World Economy organized a conference on 5-6 February, 2004 in Budapest, under the auspices of Mr. Péter Medgyessy, Prime Minister of Hungary.

The conference was a first event of a research program funded by Freedom House and UNDP that focused on the future of economic relations between the Visegrad countries and the CIS countries. The conference featured both plenary sessions with invited keynote speakers and sessions devoted to special topics including the political and macroeconomic developments in the regions and the relation between them in political and security issues, finance, investments, shadow economy, foreign trade and corporate sector. The conference featured presentations from political scientists, researchers, representatives of business organizations and governments as well as international financial organizations.

EU Accession and the Competitiveness of the Hungarian Economy: competition policy, tax burdens, productivity costs...etc.

(11 February 2004)

The second event of the series of seminars planned for 2004 organized by the German – Hungarian Chamber of Commerce and Industry in co-operation with ICEG European Center was held on 11 February 2004 in Budapest. The seminars focus on the highlighted topics of the EU Accession in order to provide help with the preparation. At this event three presentations were made by ICEG EC researchers.



Publications

ICEG EC Opinion Croatia's EU Accession - When and How?

The European integration process will not take an end with the 2004 enlargement, and according to the plans the integration of Romania and Bulgaria may come truth in the next round of enlargement. However, besides these two countries Croatia does its best to be the member of the EU. The country has already submitted its request for accession, and on my opinion there is a real chance for Croatia to be EU-member in the next round. This is explained at large in the study.

ICEG EC Opinion Bulgaria's and Romania's progress towards EU-Accession

The 2003 Country Reports differed from the earlier's, because this was the last one for the now accessing countries. The earlier type of report only remained in case of Romania and Bulgaria, who have not yet closed the negotiation process. There are craggy differences between the two countries, which are summarized in this study.

ICEG EC Opinion The Ten Members and the Single European Market

In the last Country Reports before accession the EU surveyed the state of readiness of the newcomers. This release of ICEG EC Opinion examines the deficiencies connected to the Single European Market, and delineates its conclusions.

News of the Month

The following reports were published in recent month in **News of the Month** series

News of the Month April, 2004

Contents: Croatia: Closer to EU membership -- Hungary: 100 basis points rate cut in three steps -- Tax competition and EU-accession

News of the Month March, 2004

Contents: Strengthening economy and rising inflation expectations in Poland -- Worsening trade balance and increasing current account deficit in Romania -- Attempts at reducing public deficits in Central and Eastern Europe

News of the Month February, 2004

Contents: Unexpected 25 bp rate cut, the way forward is uncertain -- Soaring current account deficit in Estonia -- General elections in Croatia - Interventions on both sides within two weeks by the Croatian National Bank

News of the Month January, 2004

Contents: Poland on the way to recovery, but still in the need of structural reforms -- New Minister of Finance in Hungary, New Fiscal Strategy? -- Ukraine: foreign trade trends in 2003
News of the Month Summer



Projects

Regional Patterns of FDI Inflow in Hungary

The project focused on comparing the pattern and dynamics of foreign direct investment inflows to one advanced and underdeveloped region of Hungary with the goal of detecting the possible linkages between FDI and SME development. The project included an overall assessment of the FDI inflows to Hungary, the analysis of the regional patterns of investments, the links between the foreign multinationals and local subcontractors. The project was used to assess government policies as well as to make proposals for their improvement. ICEG EC was partner in this project, which was co-ordinated by OTP Bank Rt.

The project had two major parts, which were built on each other. The first part of the project consisted of preparing the overview on the regional features of FDI inflows and their effect on the SME sector in two Hungarian regions. The second part included the contribution to the summary study and policy proposals.

Privatization Lessons 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. ICEG EC was partner in this project, which was co-ordinated by the Research and Development Institute of the State Audit Office.

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

The main goal of the project was to discover and analyze the current state of IST in the 13 candidate countries as well as to assess the likely effects in the future on the economic and social development of the candidate countries.

The project had two major parts, which were built on each other. The first part of the project consisted of preparing 13 national monographs related to the possibilities and potential of the Information Society Technologies (IST afterwards) in the Candidate Countries and their expected effects on these economies and the enlarged EU 25+ in general. The second part combined the 13 studies to an integrated and prospective report assessing and discussing the future outlook of IST in the Candidate Countries and in Enlarged Europe 25+.

Think Tank Partnership on Russian Economic Reforms

ICEG European Center together with Tinbergen Institute (Amsterdam) and New Economy School (Moscow) has been awarded a grant to carry out a project on Central European and Russian economic reforms.

The partnership carried out research in three areas: analysis of restructuring of financial sector and the process of financial deepening, institutional and macroeconomic aspects of disinflation in Central European economies and Russia, trade integration of Central European economies and Russia.

The research was based on extensive review of the existing literature, on country studies followed by comprehensive summary studies with conclusions and policy suggestions.