

HU Statement Steering Committee on Trade 21 June 2021

General debate on issues discussed under agenda items 4 and 5

Good afternoon Ladies and Gentlemen,

I would like to make a statement first under **agenda item 4**.

Hungary congratulates Serbia for the extensive reforms undertaken to consolidate a competitive market-based economy.

Trade plays an important role in economic development and the structural transformation of Serbia. Especially, as Serbia has an open economy with a trade-to-GDP ratio estimated at around 110 percent.

We welcome the recommendations of UNECE aimed at improving trade facilitation conditions in Serbia, the implementation of which can further increase the development of trade and regional integration of Serbia.

The recommendations cover cornerstones of modern trade like transparency of measures, paperless trade and trade facilitation, non-tariff barriers, and technical assistance to MSMEs.

Hungary is ready to assist the Government of Serbia in implementing the recommendations for example in the framework of the Hungarian-Serbian Joint Economic Commission.

Trade and investment relations have grown dynamically between Hungary and Serbia even during the COVID pandemic. While global trade fell by 5 percent last year, trade between Hungary and Serbia increased by 3 percent, and another 16 percent increase is reported for this year.

Attracting foreign direct investment is an integral part of Serbia's trade-led growth. Hungarian FDI plays an important role in the development of the Serbian economy. Thanks to the latest acquisition, the Hungarian bank OTP has become the second-largest participant in Serbia's banking sector. Furthermore, the oil and gas company MOL holds a 20 percent stake in the fuel market.

The Hungarian government has granted furthermore 57 million EUR support to 16 Hungarian companies for carrying out investment in Serbia following the pandemic, and an economic development program for Vojvodina helps more than 14,000 businesses.

On June 3, 2021, at the meeting of the Hungarian Serbian Joint Economic Commission, our countries agreed to further develop bilateral trade relations and to make crossing borders easier.

The Hungarian Foreign Minister, Mr. Péter Szijjártó pledged furthermore Hungary's full support to speed up Serbia's accession process to the EU when he met Prime Minister Ana Brnabic and Jadranka Joksimovic, the European integration minister, in Belgrade in June this year.

We encourage Serbia to step up its negotiations to join the WTO. Serbia will need to become a WTO member before joining the EU. Furthermore, the Serbian economy would benefit significantly from anchoring Serbia into the multilateral trading system.

Finally, concerning agenda item 5 we welcome the findings and recommendations of UNECE emerging from the COVID-19 impact assessments targeting MSMEs and we congratulate

Armenia, Belarus, Georgia, and Moldova for their support programs during the pandemic provided for MSMEs to mitigate the negative economic consequences of the pandemic.

I thank you.