

Hungary's parliament warned of country's 'economic crisis'

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Susan Viets in Budapest

THE leader of the Hungarian Democratic Forum, Jozsef Antall, yesterday targeted the economy as the country's chief problem, when he was invited to form Hungary's coalition government.

In his first address to parliament Mr Antall referred to the current "economic crisis" and warned that the financial danger facing Hungary is similar to other East European Balkan countries.

Bulgaria's recent skimping on debt repayment has caused some concern in investment circles about central Europe. Mr Antall emphasised that

Hungary intended to meet its repayments on \$20 billion (£12.2 billion) external debt and said he believed that maintaining the confidence of the international financial community was one of the country's biggest tasks.

"We want more and more capital coming in, more and more investment . . . but we shouldn't have any illusions. We can only proceed if the international investment world helps us," Mr Antall said.

Privatisation is one way being considered to pay off the external debt. Foreign investment is crucial because Hungary's domestic savings are insufficient to purchase state enterprises.

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