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## **PRIORITY DIRECTIONS OF BILATERAL COOPERATION BETWEEN UKRAINE AND HUNGARY**

Bilateral international relationships of Ukraine and Hungary as both independent states during the 1990s of the 20<sup>th</sup> century and the beginning of the 21<sup>st</sup> century sets an example and a pattern of civilized and pragmatic cooperation in the region of Central Europe.

The standpoints of Ukraine and Hungary regarding the majority of acute international issues are practically the same or very close.

Due to the considered, coordinated and purposeful joint foreign policy activities of Ukraine and Hungary during the 1990s and especially at the beginning of the 21<sup>st</sup> century there was a possibility to develop a background for integral system of mutually beneficial trade and economic partnership and good-neighbourly relations that cover the whole complex of the cooperation between Ukraine and Hungary in all spheres without exception. To implement it an effective mechanism of activity coordination of both countries was developed on the bilateral level and international scene (Neighbourhood programme: Ukraine – Slovakia – Ukraine, the cooperation regarding the development of trans-European transport network and international transport corridor, building of energy and transport cooperation, development of cooperation in military sphere concerning the strengthening of trust and safety, scientific and technical, cultural and educational cooperation etc.). Hereby we can witness the uniting of geopolitical and economic interests of Ukraine and Hungary, their standardization and mutual support.

The current stage of cooperation is taking place under the conditions of world financial and economic crisis, extension of globalization and integration processes. It is characterized by the intensification of economic relations between the countries (first all it concerns industrial and scientific spheres), and also convergence of macroeconomic proportions of both countries (*Table 1*).

According to the data both countries have negative balance indicators of natural increase, however Ukraine is located in deep “depopulation peak”, losing 0.8 million of residents annually while a slight population increase has been taking place in Hungary since 2005 (mainly due to the migrants). For the last years the rates of GDP increase of both countries have been slowing down: in Hungary this process began in 2005 and it annually made from 4 to 2%, in Ukraine only in 2008 it was from 5 to 3%. Though for 16 years of independence and a high level of openness GDP of Ukraine has reached only 72.4% in 2007 that is the level of 1990, and the

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share in the world export has reached 0.3%. According to the calculated data of the United Nations Economic Commission for Europe, GDP of Ukraine in comparable prices and purchasing power parity made 303.86 Bln dollars in 2007 that accounted only for 15.5% of GDP in France.

*Table 1*  
*General indicators of social and economic development*  
*of Ukraine and Hungary, 2007 [1]*

Indicator	Ukraine	Hungary
The area including territorial waters (km <sup>2</sup> )	603,700	93,030
Land area that is cultivated with regard to general area (%)	69.7	86.2
Population (1000 of people)	46,568	10,062
Rate of population increase per 1000 persons	-6.4	-3.2
Level of urbanization (%)	68	67
GDP (billion USD)	303.9	180.6
GDP per capita (USD)	6,559	17,977
Percentage of employed population (%)	46.7	42.0

Ukraine and Hungary have two stable tendencies of trade and economic cooperation (*Table 2*). It is stipulated by neighbouring economic, geographical and geopolitical location, community of natural and historic preconditions of development and also the desire of both parties to extend cooperation in different spheres of social and economic life.

*Table 2*  
*Foreign trade of goods between Ukraine and Hungary in 2002-2007 [2]*

Indicator	Year	Export	Import	Balance
Volume, Million USD	2003	850.38	270.062	580.318
	2004	820.15	470.11	350.04
	2005	688.76	647.71	41.05
	2006	946.13	802.24	143.89
	2007	1234.08	1240.86	-6.78
Rate of increase, % according to the previous year	2004	-3.6	74.1	
	2005	-16.0	37.8	
	2006	37.4	23.9	
	2007	30.4	54.7	

From 2003 till 2007 foreign trade turnover between the countries increased up to 2.5 times. In 2007 in comparison with the previous year, the volume of export increased by 30.4%, import by 54.7% and for the first time the balance of foreign trade with Hungary was negative for Ukraine. Since 2000 the range of 80% of

Ukrainian export has increased up to 4 times. The volume of traditional trade groups of export remained the same such as chemical industry production (10.8%), polymer and plastic materials made about 40%, the volume of timber export reduced from 312.7% to 80.7%, the products of vegetable origin reduced from 6.5% to 1.5% and mineral products from 25.6% to 17.2%.

At the same time the share of electrical equipment and its parts increased significantly from 12.9% to 42.4%.

Hungary shows permanent increase in the export volume of process products. Mechanical products, first of all electrical engineering (40.31%), polymer and plastic materials (13.2%), pharmaceutical products (6.7%) occupy a leading position in the import structure in Ukraine.

At the current stage of cooperation the collaboration direction in the sphere of material production is becoming more and more intense. The parties have set a goal to participate in the process of economic integration, providing favourable conditions for the development and diversification of trade, strengthening commercial and economic cooperation.

The priority directions of economic cooperation of both parties have been defined. They are the following:

- improvement of the principles of international cooperation, infrastructure development of boundary regions;
- development of new calculation mechanisms between business entities;
- possibility of the extension of joint production and cooperation;
- extension of concept development of all means of transport according to the “European transport policy till 2010: time for making decisions” (White Paper);
- efficiency upgrading of transport services, quality improvement and transportation safety;
- energy and transport cooperation with the EU;
- development of European monitoring system of shipping industry and information.

The most perspective directions of cooperation between both countries are the branches of cultivation industry and high technologies of mechanic engineering and chemistry. These types of material production are characterized by high profitability, investment attraction and innovations.

The indicators of bilateral trade of services are constantly increasing. In 2007 their turnover made 227 million dollars with negative balance for Ukraine over 25 million dollars. The services of transit transport facilities and freight transportation by different means of transport are the top of the list. According to the viewpoint of Ukrainian experts in order to enhance their efficiency it is necessary to find the solutions of the following issues:

- organization of shipping on the Tisza giving it the status of international artery;
- further development of pan-European corridor № 5, where a major problem is the Beskyd single-rail tunnel that hampers an independent functioning of this important traffic artery. The solution of this problem requires international efforts for the building of new line of tunnel Beskyd- Skotars’ke;
- development of combined freight transportation by land means of transport;
- overall application of transport potential of the Danube. Today Ukraine is supported by the Republic of Hungary regarding the building of MTK №7 – the Danube and the increase of volumes of its transit carriage;
- increase in safety transportation of passengers and freight by different means of transport.

The fact that the Hungarian party is highly interested in bilateral cooperation is proved by the volume of Hungarian investments in the economy of Ukraine.

From 2004 till 2009 the volume of investments increased up to 4.6 times and made 595.5 million dollars on the 1st of January [1]. The main Hungarian investors at the Ukrainian market are the firms: "Dunapak Ltd", "Pannonplast Ltd", "Babolna Ltd", "Richter Gedeon Ltd". Chemical, engineering, packaging and food industries are the main attractions for the Hungarian investors. Almost half of the investments are directed to boundary regions that are of utmost importance for both countries. The perspective directions of cooperation are the participation of Hungarian investors in the preparation stage for the 2012 European football championship and the building of the projects of water power engineering in the Transcarpathian region.

There are almost 400 enterprises with Hungarian capital that are operating in Ukraine, 220 of them are joint ventures. The main regions of their concentration are Kyiv and metropolitan region, the Transcarpathian region and Lviv region.

A range of joint projects of trans-border cooperation has been developed and implemented. It is caused by favourable geopolitical locations of the regions, the similarity of economic structure and the problems of development, the existing production capacities from both sides of the border, wide-spread occurrence of the Hungarian language and the presence of potential work force on the territory of Ukraine.

The main directions of this cooperation are the following:

- development of cross-border and transport infrastructure;
- solution of ecology problems (warning and mitigation of consequences of flood, forest restoration, improvement of water utilization system in the Carpathians);
- development of foreign economic relations, cross-border trade and tourism;
- expanding of contacts in the sphere of science, education and culture.

Neighbouring location of Ukraine with the EU opens great possibilities for business organizations of both countries, particularly for one of the sites of the transportation of passengers in the direction "East-West" – Zakhonsko-Chopskyi railway and autotransport region.

Direct investments from Ukraine to the Republic of Hungary are coming from such companies as "Dunayske Paroplavstvo", "Chemopetrol", "Autoports - Auto-terminals", "Nadra". Ukrainian companies invest mainly in energy sector, metallurgic and woodworking industries, construction and transport sphere.

Banking sectors are collaborating at a sufficient level. The subsidiaries of such Ukrainian banks as the VABANK, the NADRA BANK are working fruitfully in Hungary. The evidence of dynamic development of strengthening of trade and economic relations between Ukraine and Hungary in financial and banking sphere is the agreement between the Ukreximbank and the Hungarian Community on insurance against export risk "On cooperation concerning insurance against export risk and international bank lending". Hungarian insurance companies Allianz and Generali Providencia enter the list of the biggest insurance companies of the region according to the conclusions of work in 2007. Unfortunately Ukrainian banks and insurance companies are not in the list.

It should be mentioned that according to the results of 2007 the Hungarian bank OTR ranked third among 15 leading banks of Eastern Europe according to the volume of assets – 33.4 Bln Euro.

It is important not to slow down the positive trends of bilateral cooperation in conditions of the world financial crisis, which is felt both in Ukraine and Hungary.

In the economic development of Ukraine and Hungary one can trace common problems and trends (*Table 3*), connected to the necessity of structural changes of state finance and restructuring of the balance of payments, which is negative in both countries.

Both in Hungary and Ukraine the rates of GDP growth signify the influence of the world crisis on the countries' economies. According to IMF data in Hungary it is forecasted the decline of the economy by 1%, in Ukraine – by 3%. If the existing dynamics go on Hungary will need more than 20 years to reach the average European level of population welfare. And the domestic economy, if it is able to restore 7-8% of annual growth, will need 5 years more.

*Table 3*  
*The main macroeconomic economy's indicators of Ukraine and Hungary [10]*

Indicator	Country	2005	2006	2007	2008	2009
Increase of real GDP, %	Ukraine	2.7	7.3	7.6	6.0	-3.0
	Hungary	4.1	3.9	1.1	1.8	-1.0
Balance of current account, % relative to GDP (“-” signifies negative balance of trade)	Ukraine	2.9	-1.5	-3.7	-6.2	-2.0
	Hungary	-7.5	-7.5	-6.4	-6.2	-2.0
Gross External Debt, % relative to GDP	Ukraine	45.1	49.7	57.8	54.3	78.2
	Hungary	75.0	90.4	97.2	106.4	115.8
Unemployment level, %	Ukraine	7.2	6.8	6.4	6.0	9.5
	Hungary	7.2	7.5	7.4	7.8	8.5
Consumer price index, growth rates %	Ukraine	13.5	9.1	12.8	25.6	21.0
	Hungary	3.6	3.9	7.9	6.3	4.5

The consumer dominance of the Hungarian budget actively stimulates the import of goods and services, which provokes stable foreign trade deficits. Negative balance of the operating account of balance of payments is 6-8% of GDP. Insufficient level of national savings and foreign investments stipulate the need in foreign borrowing, the annual volume of which is estimated to be 5-7% of GDP. The problems of budgetary and general currency-financial stability are transformed into significant state and foreign indebtedness. The level of gross foreign debt of Ukraine exceeds 78% of GDP. The foreign debt of Hungary is about 116% of GDP. Meanwhile we can observe the stable growth of both domestic and foreign debt burden.

In this regard Hungarian experience is very close to Ukrainian reality. The stable growth of welfare is impossible without investment and savings. But in Ukraine the volumes of investment in fixed capital are on the level of crisis 1994. Ukraine needs changes for the better in economy and investment, which form the basis of public welfare. Instead of this, the system focused on private consumption is being built. It is very representative that this model has already proved its inefficiency in Hungary. And the reason is not the population credit boom; indebtedness to domestic banks has grown by more than 7 times for the last 4 years. The problem is in the structure of credit use. If mortgage encourages growth of employment in domestic construction and related branches, mass borrowing for import of domestic appliances and convenience goods encourage employment abroad and make higher Ukraine's foreign debt.

*Table 4*  
*The activity of banking sector in Ukraine and Hungary [4]*

Indicator	Country	2004	2005	2006	2007
Bank credits to persons and legal entities, % relative to GDP	Ukraine	27.3	34.4	47.4	60.2
	Hungary	45.8	51.1	55.4	n.a.
Ratio of term deposits, mobilized on the domestic market relative to credits given by the banks to businesses, %	Ukraine	61.8	62.2	53.4	47.3
	Hungary	58.4	51.6	51.3	n.a.

For three years (2004 – 2006) personal income and costs of Ukraine's population grew 2.2 times. Rates of investments in fixed capital were two times less. The most odious in this regard was the year 2005: 24% increase of real population income was accompanied by 1.9% growth of investment in fixed capital. No wonder that due to such disproportions, inflation rate till the middle of 2005 increased to 15% [4, p.5]. The government explained this jump prices by the low exchange rate of Hryvnya and consumer import deficit.

In the Hungarian economy we can observe the similar imbalances. In 2006 the volume of investment in fixed capital decreased by 2%, and in 2007 inflation exceeded 8%. It is notable that sharp increase of prices took place in spite of the flexibility of Forint exchange rate and inflation targeting, used in EU.

Trying to establish the balanced level of banking credits relative to GDP in the countries with transitional economy, the IMF specialists determined the dependence between the amount of credits, given to the economy, and the size of incomes, calculated according to the parity of purchasing power of currencies. According to this method, balanced indicator of banking credits in the country with 6941 parity dollar GDP per capita (actual indicator of Ukraine in 2007) had to be 37% of GDP. That is, the volume of actually given by Ukrainian banks credits is 60.2% - 1.6 times higher than the balanced indicator. In this regard Ukraine is close to the Hungary's level (55.4% of GDP in 2006), but the average level of income per capita in Hungary is 2.6 times higher than in Ukraine.

Despite the fact that in 2007 the volume of nominal GDP of Ukraine exceeded Hungary's GDP by 3862 Mln USD [5], the volumes of income per capita are on the level of the countries with the income levels lower than the medium one.

To withstand the mentioned problems both countries had to apply to international organizations. Almost at the same time the consent was given by the IMF for Stand by credit (D). Besides, Hungary got 1.3 Bln USD from the World Bank and 8.4 Bln USD from EU.

Comparing the measures, taken by both countries to overcome the crisis, experts of IMF recognized the progress of Hungary and gave it the second tranche of 3.2 Bln USD in March 2009 [6, p.9]. Ukraine hasn't been able to meet the necessary requirements yet, that's why the study of Hungary's experience of economy development is very important for our country.

*Table 5*  
*Comparative analysis of IMF loan terms, November 2008\**

Indicator	Hungary	Ukraine
Volume of credit, Mln USD	15.7	16.4
Volume of credit, % of IMF country's quota	1.015	0.802
Credit period, months	17	24
First tranche, Mln USD	6.3	4.5
Purpose of loan	<ul style="list-style-type: none"> <li>• state finance reformation support;</li> <li>• recapitalization of the banking system</li> </ul>	<ul style="list-style-type: none"> <li>• stabilization of the country's financial system;</li> <li>• overcoming of crisis of distrust to the banking system;</li> <li>• adaptation of the economy to the shocking changes of international trade terms</li> </ul>
Terms of loan	<ul style="list-style-type: none"> <li>• reformation of the pension system and labour remuneration policy;</li> <li>• implementation of anti-crisis programs in the banking sector</li> </ul>	<ul style="list-style-type: none"> <li>• transition to the policy of flexible exchange rate;</li> <li>• inflation targeting;</li> <li>• stabilization of macroeconomic indicators</li> </ul>
IMF forecast of results	Renewal of 3% GDP growth by 2011	Renewal of 5-6% GDP growth by the end of 2011 with inflation rate of 5-7%

*\* Made by the author according to the data of IMF's official press-releases. [10]*

The important steps to develop the competitive potential of the economy were made by Hungary before the entry into EU. By the estimations of World Economic Forum experts, Hungary is on the stage of the transition from the economy oriented to productivity to innovative economy, and the structure of Hungary's GDP reflects this fact (*Table 6*).

The portion of Hungary's service sector in 2007 was 66.7% and it continues to grow. In contrast to Ukraine, where transport services dominate, in Hungary the dominant ones are business services which account for 18% of GDP. Industry structure has more progressive structure: the portion of extractive branches with high energy, gas and water consumption accounts for slightly more than 3%, whereas in Ukraine they account for almost 8.5% of GDP.

*Table 6*  
*Structure of GDP of Hungary and Ukraine according*  
*to main directions of economic activity [5, 8]*

Branch	Ukraine			Hungary		
	1995	2001	2007	1995	2001	2007
Agriculture	15.02	16.12	8.45	6.75	5.26	4.00
Industry, including	41.75	34.17	33.41	30.90	30.59	29.60
Extractive branches (including electricity consumption, etc)	15.14	10.77	8.48	3.76	3.27	3.10
Processing branches	19.10	19.42	20.02	22.53	22.29	21.90
Construction	7.51	3.98	4.91	4.62	5.03	4.60
Services, including	43.24	49.71	58.14	62.35	64.14	66.40
<i>trade and tourist services</i>	7.56	12.86	14.59	13.29	13.15	13.60
<i>transportation, communication</i>	13.10	13.41	12.40	8.98	8.23	8.20
<i>other services</i>	22.58	23.43	31.15	40.08	42.77	45.60

According to *Financial Times* data, among 50 leading companies of Central and Eastern Europe, which developed stably in 2007, there have been mentioned 8 industrial and 1 service company of Hungary, volume of their profit from sales exceeded 32.4 Bln Euro and 7 Ukrainian companies with annual profit of 22.2 Bln Euro.

And though the portion of agriculture in Ukraine's GDP exceeds two times the same indicator of Hungary and 4 times – average world one, Hungary is a world leader in gardening and according to production of crops, meat and eggs per capita holds the leadership among Eastern European countries.

Thus, Ukraine and Hungary are significantly dependent on the fluctuations of economic situation due to high orientation of their economies to the world market. But if Ukraine is, first of all, dependent on Russian fuel and raw material market and metallurgical world market, Hungary's economy mainly depends on Germany, which concentrates more than one fourth of Hungarian exports.

Hungary's achievements are presented in Global Report about IT development in 2008-2009 of the World Economic Forum. It ranks 41, being ahead of even Italy and China. In Hungary's export structure high technological products account for 20.06%, including profit from IT companies' export which account for 9.05 Mln Euro in 2007, this profit grew by 7.6% comparing to the previous year. The profit from IT services and software accounted for 3.38 Bln Euro, the production of electronic components, cellular phones and telecommunication equipment accounts for 62.7%.

One should mention that 89.6% of total production in the IT-sector is manufactured and exported by multinational companies (69% of expenses for investigations is financed by international corporations), while in the service sector a share of big companies accounts for only 8,1%. Hungarian small and medium-sized enterprises which specialize not in resale but in software development provide the major part of services in this sector of economy [9].

For the period from 2007 to 2013 three new programs have been developed in Hungary. The priority directions of these programs are: first, equalization of devel-

opment with other EU countries taking into account use of EU budget means; second, preparation of Euro introduction (so called convergence program); third, the achievement of Lisbon protocol standards as to growth conditions, competitiveness and employment in science and industry. A new feature of planning is implementation of seven operational regional programs. Judging by the volume of resources, the biggest operational program is the transport one, a total of about 6.3 Bln Euro during seven years. The other biggest in terms of financing (about 3.9 Bln) is the program of environment protection and development of power engineering. About 80% of overall means are due to these programs, i.e. the most attention is paid to ecologization of development, infrastructure maintenance and reforming of public administration.

Implementing the experience of Hungary in the economy of Ukraine one should pay attention to the crucial issues that are to be solved with the view to increase national economy competitiveness, namely, the institutional reform, regulatory policy development, innovative and technological component of growth. It must be admitted that misemployment of budget means by authorities remains the main obstacle in passing to the innovative model of development. Ukraine is slowing down in high-tech industries, i.e. the main points of increasing demand for scientific investigations and developments. In developed countries, especially in countries with high-grade state institutions (Finland, Sweden, Norway) business covers up to 60% of expenditures for scientific research and development, that is why the budget support of innovative development consists first of all in putting things in order from the standpoint of quality and effectiveness of budget services, but not in privileges to certain economic players.

Our countries must apply every effort in order to solve problems of further activation of cooperation on the level of regional Chambers of industry and commerce of both countries, attracting Ukrainian enterprises – members of Chambers of industry and commerce to participate in tenders, business-forums, seminars, exhibitions held in Hungary, as well as establishing information exchange between the Chamber and the Embassy. Also, the scientific relations between establishments and enterprises of National Academies of Sciences of Ukraine and Hungary as well as cooperation of higher educational establishments should be constantly developed.

The basis of scientific and technical cooperation of our countries were investigation of geology problems in Ukraine and Hungary, ecologic problems of the Danube basin, the Carpathian region, the Black Sea, steady development of urban ecosystems, work in joint conferences, ecological forums, seminars EUROMAB.

The cooperation between our countries as to development of international law and codification of legal norms of the Ukrainian legislation to the European one is being extended. Now, ten multilateral European conventions as well as bilateral state agreement on legal redress in civil cases are functioning. The joint agreement on cooperation between justice authorities of our countries has been concluded.

One of the effective instruments for further development of bilateral trade and economic relations between Ukraine and the Hungarian Republic is intergovernmental Committee on Trade and Economic, Scientific and Technological Cooperation.

The most important aspects of cooperation according to Ukrainian party are the following:

- creating on the territory of Ukraine a reloading terminal, ZAT “LUKOR” for further departure to the Western European countries;

- possibilities for establishing mutually beneficial cooperation in machine building sphere: modernization of rolling mills (ZAT “NKMZ”, VAT “SKMZ”);
- cooperation in the field of agribusiness;
- in the field of construction (broadening of the motor transport bridge across the Tisa river in the point of the state frontier “Chop-Zakhon”);
- increase of the number of Hungarian free permits for Ukrainian motor terminals;
- conclude an agreement between KMU and the government of the Hungarian Republic on the junction points of motor roads on Ukrainian-Hungarian border within the framework of transport corridor #5;
- processing of an agreement project between KMU and the government of the Hungarian Republic on international combine transportation;
- cooperation on problems of adaptation of Ukrainian legislative and regulative base in the sphere of construction and city planning to the EU legislation;
- realization of a joint project in the sphere of territorial development of borderlands Ukraine-Hungary;
- cooperation in the sphere of standardization, metrology and conformance evaluation;
- cooperation in the sphere of anti freshet protection and steady use of the basin of the Tisza river;
- cooperation in natural gas transportation across the Ukrainian territory and providing services on preservation of natural gas for Hungarian needs by the Ukrainian party;
- cooperation in the framework of the operating agreement between DK “Ukrtransgas” and AT “MOL”;
- development of cooperation in the sphere of enterprise support;
- activation of cooperation in finance and credit sphere;
- cooperation between chambers of industry and commerce.

The indicated problems can be solved by means of:

- acceleration of works on opening the border crossing Bereghsuran’–Luzhanka for cargo carriage;
- taking measures as to the timely customs clearance of cargo, equipping special auto terminals for customs clearance, increase of customs officers number;
- creating of a predictable, harmonized and stable economic environment with quite a high standard of quality of commercial relations regulation;
- reducing the level of utilization of import tariffs;
- wide use of a joint market developed institutions under conditions of formation and carrying out of cooperation projects between countries.

Afore said suggests that Hungary is a traditional economic and trade partner of Ukraine in the sphere of material production. For the purpose of further formation and development of Ukrainian-Hungarian cooperation in the sphere of material production between two countries over 15 commercial, customs and foreign economic agreements have been concluded. Annually about two thousand of Hungarian enterprises make trade contracts with Ukrainian partners. Nearly 280 Hungarian firms have been working in the Ukrainian market for over four years. In exported goods by Hungary in Ukraine the portion of pharmaceutical products, medical equipment, means of transport, machinery and foodstuffs regularly increases. Ukrainian high-tech equipment, electrical engineering and energy resources export

to Hungary continues to grow in. The commercial relations on borderlands and in the capital are particularly fast growing.

Summarizing the present day Ukrainian-Hungarian relations we should emphasize that bilateral cooperation has really approached the best level under these historical conditions of neighborliness, friendship and mutually beneficial cooperation.

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**MAZARAKI, ANATOLIJ A.**  
***The priority directions of bilateral  
Ukrainian-Hungarian cooperation***

*The article describes the status of the Ukrainian-Hungarian cooperation in the new millennium, some economic indicators of foreign trade between the Ukraine and Hungary in 2002-2007, and re-ranks the priorities of the various spheres of cooperation between the two countries. The article also presents issues that require joint-governmental bilateral efforts to resolve them. Particular attention is given to the subject of joint projects and cross-border cooperation opportunities for enterprises of both sides.*

*Citing the example of the structure of the Hungarian GDP, the author speaks of the need to examine the experience of Hungary in the Ukraine's economic development. By naming the most important aspects of cooperation, the Ukrainian side lists the ways in which these issues can be resolved.*

*Summing up the modern Ukrainian-Hungarian relations, the end of the article emphasizes that the bilateral cooperation at this historic juncture, is really close to be the most effective.*