

Hungary Wants to Increase Trade Ties with Indonesia

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Hungarian Economic Minister, Mr. Mihaly Varga, said that the Hungarian government would continue to strengthen bilateral cooperation with Indonesia. The diplomatic ties that have been in place for over 60 years would be increased by strengthening trade cooperation that involve many business players. "The Hungarian government pays special attention to Indonesia. For Hungary, the diplomatic ties with Indonesia are very potential, giving benefits for economic development in both countries," said Mr. Varga during a studium generale at the Senate Hall of Universitas Gadjah Mada (UGM) on Tuesday (2/2).

In the lecture that is led by UGM Rector and joined by academic community, Mr. Varga said that Hungary sees Indonesia in the future would have a strategic role and position in global politics and economy. Moreover, currently Indonesia is one of G-20 member states. "We continue to observe how far Indonesia builds the international relations. We want to integrate that cooperation from the experience that has been carried our so far," he explained.

According to the Minister, the trade ties between Indonesia and Hungary, have increasingly grown. He said the total volume of bilateral trade in 2015 reached USD139 millions.

"We are focusing on increasing our trade ties. We continue to promote this by involving many

businessmen," he said.

Hungary, Mr. Varga said, expected that the cooperation with Indonesia can be made in various areas, such as technology innovation, creative industry, ICT, pharmaceutical, food technology, education and training.

He further recounted the experience of Hungary when they dealt with the economic crisis in 2008. The crisis that hit many European Union countries damaged their economies. They had to get indebted to agencies, such as IMF, EU and the World Bank. The bank rate had even soared to 73%. But finally they were able to revive the economy through four measures, including reduction of debt percentage from 30% to 16% - now it is 15%. "We also opened many job opportunities that increased the number of welfare family," he said.

Even so, Hungary has to deal with problems in terms of HR as many of their citizens would soon be of non-productive age. Therefore, Hungary is investing their resources to the next generation in the form of tax deduction for citizens who will soon become senior citizens. Also, Hungary is focusing on energy. "We are developing solar technology because energy price in a country determines the welfare of a nation. Hence, we're developing a system to enable our citizens enter the energy sector," he said.

Rector of UGM, Prof Ir. Dwikorita Karnawati, M.Sc., Ph.D., said the Hungarian experience in dealing with the economic crisis in 2008 should present a learning for students. "Through this general lecture, we learn how Hungary can deal with global economic crisis," she said.

While Hungary has issues with energy and HR, Indonesia on the other hand is facing the problems in food, energy, and health. UGM is, therefore, conducting researches for the benefit of society, government, and industry. "We want the UGM research outcomes and community service can benefit all members of society," she concluded.

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