

## Hungarian Ambassador to the U.S. says privatization is key

Ironies abound as former Communist country becomes example of capitalist reform

BY GABRIEL PARRA BLESSING

During a four-day official visit to Puerto Rico on March 5 to 8, Hungarian Ambassador to the U.S., András Simonyi, met with Gov. Aníbal Acevedo Vilá, Secretary of Economic Development Jorge Silva Puras and Secretary of State Fernando Bonilla, along with leading academics from the University of Puerto Rico and Universidad del Este to discuss issues of trade, economic cooperation and academic exchange. The ambassador, who holds a Ph.D. in political science from the Karl Marx University of Economics (now the Budapest Corvinus University), somewhat ironically provided an object lesson to his island hosts on how to institute economic reform based on the free market ideals of open competition, free trade and privatization.

"We've made a lot of progress," Simonyi told CARIBBEAN BUSINESS. "I think we're in very good shape. We started changing the country 15 years ago. If you think of it, it's an amazing transformation from a socialist economy to a free market system. Fifteen years later we're members of NATO and full members of the European Union (E.U.). We've rebuilt our economy, while attracting \$27 billion of foreign direct investment from the West in the last 12 years."

'We cut back in spending, started selling off state-owned assets, froze wages and cut back on social spending. That's the way you fix the economy. You have to be very courageous.'

— András Simonyi,  
Hungarian Ambassador to the U.S.

Simonyi said a key element in creating one of Central Europe's strongest economies was his government's willingness to make a series of tough economic decisions. In 2004, the Hungarian economy grew by 4.2%, a faster rate than the E.U. average. "Although we were in a better position than most other former Soviet-block states after the collapse of Communism, we became complacent. We started overspending, we did not go through privatization quickly enough and we almost



Hungarian Ambassador to the U.S., András Simonyi, said privatization has been key to Hungary's successful transition to a market-based economy.

crashed in 1995. So we had to introduce some very tough measures in 1995 in order to fix the economy and start privatization for good. We cut back in spending, started selling off state-owned assets, froze wages and cut back on social spending. That's the way you fix the economy. You have to be very courageous. I think the biggest lesson we have learned is, don't fall into the complacency trap."

The ambassador outlined a series of economic steps many economists in Puerto Rico have been encouraging the commonwealth government to emulate, including the privatization of utilities and other government-run interests. "We have privatized the economy," Simonyi asserted. "We have gone from 85% state ownership to 95% private ownership. We have the presence of 150 Fortune 500 companies. General Electric is the single most important employer in Hungary. We have just sold off our airport to the British for \$2.5 billion. Meanwhile, this year was so far the best year in terms of attracting foreign investment to the tune of almost \$4 billion. What I'm trying to say is that transition is doable, it needs a lot of tough economic leadership and you can turn an economy around 180 degrees while sustaining growth and creating wealth through private sector involvement."

Simonyi also said the government of Hungary, which like Puerto Rico has a strong multinational pharmaceutical presence, was interested in encouraging a series of partnerships with local corporations in order to advance research on both sides of the Atlantic that could foment growth in the pharmaceutical supply chain sector. "One very concrete plan Gov. Acevedo Vilá and I agreed to is to have the very substantial delegation we are sending to the BIO conference in Chicago meet with the Puerto Rican delegation and get talking," the ambassador revealed. ■

### TWO PUBLIC AUCTIONS

#### AVATAR ELECTRONICS & PLASTICS

AN ALLIANCE PRESENTATION OF

**THE BRANFORD GROUP LLC &  
A.R. PAGÁN AUCTION GROUP**

**SALE ONE**

#### ELECTRONIC ASSEMBLY PLANT (PCB-SMT)

#### AVATAR ELECTRONICS

URB. LA VEGA, CALLE PRINCIPAL 301  
VILLALBA, PUERTO RICO

**TUESDAY, MARCH 21 AT 11:00 A.M.**

PREVIEW: MONDAY, MARCH 20, 9:00 A.M. TO 4:00 P.M. AND ON THE MORNING OF THE SALE FROM 8:00 A.M. AND FOR APPOINTMENT CALL (787) 780-6464

—OVER 750 LOTS—

(4) JUKI & DEK PCB SMT LINES AS LATE AS 2000 • THROUGH-HOLE, IN-CIRCUIT TESTING EQUIPMENT • TRAILERS • FORKLIFTS • 750 KVA DIESEL GENERATOR • MICROSCOPES • OVER (50) TEST AND MEASUREMENT PIECES • ELECTRICAL SUBSTATION • COMPRESSORS • PARTS CABINETS • LABEL PRINTERS • (2) FORKLIFTS • VACUUM PUMPS • ESD WORKBENCHES • STRETCH WRAPPERS • PALLET RACKS • WAREHOUSE EQUIPMENT • MODULAR OFFICES AND OFFICE ELECTRONICS  
PLUS ADDITIONAL EQUIPMENT LOCATED AT AVATAR IN SAN GERMAN

**SALE TWO**

#### AVATAR PLASTICS - RIO GRANDE

CARR. 3 KM 23.3 URB. INDUSTRIAL LAS FLORES, CALLE A, RIO GRANDE, PR 00745

**THURSDAY, MARCH 23 AT 11:00 A.M.**

PREVIEW: WEDNESDAY, MARCH 22, 9:00 A.M. TO 4:00 P.M. AND ON THE MORNING OF THE SALE FROM 8:00 A.M. TO 9:30 A.M. AND FOR APPOINTMENT CALL (787) 780-6464

—OVER 450 LOTS—

(27) VAN DORN INJECTION MOLDING MACHINES 85 TO 500 TON, AS LATE AS 1995 • OVER (20) GRANULATORS & ULTRASONIC WELDERS • (25) YUSHIN ROBOTS • DRYERS & BLENDEES • TRAILERS • OFFICE TRAILER • FORKLIFTS • COMPLETE MACHINE SHOP • AIR COMPRESSORS • PALLET RACKS • (3) BRIDGE CRANES • WAREHOUSE EQUIPMENT • OFFICE EQUIPMENT • CONVEYORS

THE AVATAR PLASTICS AUCTION WILL BE CONDUCTED LIVE FROM THE WESTIN RIO GRANDE HOTEL

6000 RIO MAR BLVD., RIO GRANDE, PR 00745

**BID LIVE ON-SITE AT BOTH FACILITIES OR BID VIA THE INTERNET**

FOR COMPLETE SALES DETAILS, INCLUDING LOT CATALOGS, BROCHURES, PHOTO GALLERY, EQUIPMENT LISTINGS, WEBCAST REGISTRATION, RIGGER INFORMATION & MORE VISIT OUR WEBSITES:

[WWW.TheBranfordGroup.Com](http://WWW.TheBranfordGroup.Com)

(203) 488-7020

[WWW.ARPAGAN.COM](http://WWW.ARPAGAN.COM)

(787) 780-6464