Hungary: membership application and partnership, 1st April 1994

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PURPOSE : to present the 1999 Regular Report on Hungary's progress towards accession. CONTENT : In line with the conclusions of AGENDA 2000 and the Vienna European Council, the Commission presents the 1999 regular report on Hungary's progress towards accession. The Report describes relations with the Union. It analyses the situation in terms of the Copenhagen criteria, and covers judicial and administrative capacity. Relations with the Union: Hungary's trade with the EU has continued to increase. In March 1999, the EU imposed a definitive anti-dumping duty in respect of some Hungarian imports. The report examines developments in the Europe Agreement and Accession Partnership. With regard to pre-accession aid, total financial aid in the years 2000-2002 will be 96M EUR for Phare, 38.1M EUR for Sapard and between 70M and 1000M EUR for Ispa, per year. Copenhagen political criteria: Hungary fulfils the Copenhagen political criteria, but two areas still need attention. The first is the situation of the Roma. Roma people continue to face widespread discrimination in access to education, employment, health services, housing and public institutions. The government has adopted a medium-term action plan aimed at improving the living conditions of Roma. It needs to make available adequate budgetary resources. The other area is widespread corruption, and recent efforts to combat this need to be further enforced. Copenhagen economic criteria: Hungary is a functioning market economy and the structures which underpin a market economy have been further strengthened. It should be able to cope with competitive pressures in the medium term, provided it continues to make further progress. A key area needing attention is pension reform. The deterioration of the fiscal deficit needs to be dealt with, and, in this respect, priority should be given to health sector reform. Hungary has acquired good credentials for macroeconomic management, which has allowed high inflows of foreign direct investment. Urgent measures are needed to put public finance on a sounder footing. Ability to assume the obligations of membership: Hungary continues to make progress aligning and implementing the acquis in most areas. Notable progress has been made in adopting legilation on self-employment which removes restrictions on EU-individuals wishing to establish in Hungary. Aside from the fight against organised crime, the pace of alignment has been slow in the area of justice and home affairs, particularly with respect to border management and asylum. There has been no progress on customs and a slow down in the adoption of environmental legislation. In regional development, the legislative framework is in place but implementation has been limited due to a lack of financial and human resources. Administrative capacity to apply the acquis: Steady progress has been made, yet administration still needs to be strengthened in specific areas. These include state aid control, and market surveillance. Hungary needs to allocate enough resources to regional development and environment andimprove capacities to use and monitor funds from the EU. Both short term and medium term priorities under the Accession Partnership have been satisfactorily addressed.