Hungary today adhered to the OECD Declaration and Decisions on International Investment and Multinational Enterprises with the same rights and obligations as the OECD Member countries. An exchange of letters between the OECD and the Government of Hungary took place in Paris with Mr. Béla Kadar, Minister of International Economic Relations, signing for Hungary and Mr. Robert Cornell, Deputy Secretary-General, representing OECD.

Hungary has thus adhered to the following four major OECD instruments of international cooperation in the investment field:

-- **The National Treatment instrument** which calls on participants to treat foreign-controlled enterprises operating in their territories no less favourably than domestic enterprises in like situations, i.e. to accord them "National Treatment";

-- **The Guidelines for Multinational Enterprises** which establish voluntary standards which multinational enterprises are expected to follow to ensure that their operations are in harmony with the national policies of their host countries;

-- **The instrument on International Incentives and Disincentives** which promotes transparency and provides for consultations and review procedures and strengthens international co-operation in this area; and

-- **The instrument on Conflicting Requirements** which sets out a co-operative approach for avoiding or minimising the imposition of conflicting requirements on multinational enterprises.
Hungary is the first non-Member to commit itself to the disciplines of the OECD investment instruments. Its adherence to them strengthens its ties with the Organisation in a field where Hungary has important economic interests. It endorses Hungary’s efforts to apply policies favourable to foreign direct investment and recognises that Hungary is able to meet OECD standards in this field. It may also be expected to enhance Hungary’s ability to attract foreign investment and the accompanying benefits which it needs for economic transition and development.

By today’s signing Hungary has also become a full participant in the OECD Committee on International Investment and Multinational Enterprises (CIME) which is responsible for the implementation of the above mentioned instruments. The Committee found that Hungary’s foreign investment policies are liberal, with no general screening mechanism and few sectoral restrictions on air transport and real estate. The National Treatment principle is embodied in Hungary’s foreign investment law. Foreign investment is playing a major role in Hungary’s privatisation programme. Hungary is already a significant host country for international direct investment, notably among the countries of central and eastern Europe, and is a base for investment in other countries of the region.

Until now, Hungary has taken part in CIME activities as an observer under the terms of the OECD’s Partners in Transition Programme established in June 1991. Henceforth, as a participant in the National Treatment Instrument, Hungary’s policies will be subject to periodic examination by the CIME.

Under the follow-up arrangements for the Guidelines for Multinational Enterprises, Hungary will also establish a National Contact Point to undertake promotional activities, handle inquiries and deal with all other matters concerning the implementation of the Guidelines.

Further information is available from Marie-France Houde, Capital Movements, Investment and Services Division, Directorate for Financial, Fiscal and Enterprise Affairs, OECD, 2 rue André-Pascal, 75775 Paris cedex 16; Tel: (33-1) 45 24 91 26; fax (33-1) 45 24 78 52.