Hungarian Eastern Opening to Grow Stronger in Kyrgyzstan

The footprint of Hungarian companies is set to increase in Kyrgyzstan following the 4th meeting of the Kyrgyz–Hungarian Strategic Council on Bilateral Political, Trade, Economic, Cultural, and Humanitarian Cooperation.

On 19 September 2024 Hungarian Minister of Foreign Affairs and Trade Péter Szijjártó arrived in Kyrgyzstan to meet with his counterpart the Minister of Foreign Affairs of Kyrgyz Republic, Jeenbek Kulubayev and attend the 4th meeting of the Kyrgyz-Hungarian Strategic Council. The discussion included the preparation for the upcoming bilateral visits between the leaders of the states, the cooperation in the field of education, through the continuation of the Stipendium Hungaricum programme, the cooperation within the international organizations, such as the United Nations, OSCE and the Organization of Turkic States (OTS), and the economic cooperation and continuation of the Hungarian investments in the fields of 'green' projects, agricultural and transportation in Kyrgyzstan. Both ministers recalled the results and evaluated the success rate of implementing the agreements reached during the 3rd meeting of the Kyrgyz–Hungarian Strategic Council, which took place in Budapest on 24–25 July 2023. Similarly to the discussions in 2024, during the 3rd meeting the priority investment areas included projects focused on the green transition, agriculture, and transportation.

During the 4th meeting, Péter Szijjártó expressed Hungary's clear intent to further increase its economic presence in Kyrgyzstan. Ever since the Prime Minister Viktor Orbán announced the Eastern Opening policy in 2010, Hungarian companies have been actively engaged in entering and exploring the emerging market in Central Asia, with Kyrgyzstan being no exception to this strategic policy. The cooperation between Hungarian and local Kyrgyz companies primarily occurs through the collaborative efforts of the Hungarian–Kyrgyz

Development Fund. At present, there are 98 member companies affiliated with the fund, 31 of which are Hungarian companies, while 67 are local Kyrgyz ones. The sectors in which Hungarian companies operate include the manufacturing industry, mining and metallurgical industry, infrastructure development, the agro-industrial complex, trade, science, research, technology, water management, information technology, and various other fields.

The establishment of the Hungarian–Kyrgyz Development Fund under the 2017 agreement, aimed at fostering economic cooperation and sustainable development in Kyrgyzstan, shows Hungary's strong commitment to deepening economic ties and supporting long-term regional growth.

The Hungarian–Kyrgyz Development Fund was established as a result of Article 3 of the Agreement between the Government of Hungary and the Government of the Kyrgyz Republic on Economic Cooperation, signed on 11 July 2017 in Mauerbach, Austria. This agreement, along with a Memorandum of Understanding between the two governments, was signed by the respective foreign ministers of the two countries. The primary objective behind the creation of this fund is to enhance economic cooperation and foster trade relations between Hungary and Kyrgyzstan. Additionally, the fund seeks to mobilize extra financial resources to ensure the sustainable socio-economic development of the Kyrgyz Republic.

> *'Hungary's strategic focus on Central Asia positions it as one of the key players in strengthening economic ties between the EU and the region'*

To support projects in the key sectors identified for bilateral cooperation, an initial sum of 16 million US dollars was allocated to the Fund in 2021. The fund is directed toward projects in critical areas, such as manufacturing, infrastructure, and water management, with the goal of significantly boosting Kyrgyzstan's economic progress. Notably, the

Hungarian Government has also retained the right to increase its contribution to the Fund and has already expressed its intention to raise the financial input to as much as 50 million US dollars. This potential increase in funding demonstrates Hungary's strong commitment to further strengthening economic ties with Kyrgyzstan and supporting long-term development initiatives in the region.

Hungary's strategic focus on Central Asia positions it as one of the key players in strengthening economic ties between the EU and the region. As outlined in the programme of Hungary's presidency of the Council of the EU, the country has been planning to further strengthen its economic ties with Central Asia, building on the New EU Central Asia Strategy adopted by the EU in 2019, which aligns closely with Hungary's own regional interests. Central Asia, as an emerging market increasingly open to economic partnerships with new players, presents a growing consumer base for Hungarian goods and offers significant opportunities for Hungarian companies to operate in. Despite the region's competitive landscape and the relatively small size of Hungary's economy, Hungarian firms have successfully established a strong presence in Central Asia. Kyrgyzstan, as part of this region, has benefitted from Hungary's strategic focus, with notable increases in investment in key industries critical to its economic development. By continuing to foster these ties, Hungary can serve as a vital bridge for economic cooperation between the EU and Central Asia, positioning itself as a pivotal European actor in the region.

Source. Hungarian Conservative