

**Opening remarks by
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Good morning, Ladies and Gentlemen.

Let me first of all welcome you on behalf of the Ministry of Economy and Transport of Hungary to Budapest for the Fifth International Export Control Conference. We are delighted that our partners in the United States and in the like-minded countries going along with our initiative have chosen Budapest for hosting this conference. We consider it as recognition of the political, social and economic development in Hungary including the results achieved at the field of export controls.

I would like to extend my sincere thanks and appreciation to Government of the United States for sponsoring and co-managing this conference. I also would like to express my gratitude to all the representatives of the US State Department, Department of Commerce and other governmental and non-governmental entities involved in preparing and organizing our meeting, because they have been a driving force and it was through their great efforts that we can be together here today.

Last but not least I would like to thank each of you for including this event into your busy schedule and coming to Hungary.

Ladies and Gentlemen,

In full agreement with what my colleague, deputy state secretary Mr. Bródi said a few minutes ago on globalization I would like to elaborate a little more on this topic. I know that sentences like “we live in a global era” and “export controls continue to be a critical element of our common effort to control the proliferation of weapons of mass destruction, advanced conventional weapons and sensitive dual-use technologies” may sound trite. But economic globalization in reality presents several serious challenges to export control. Some of these are

First, the number of international suppliers of high technology items has over the past decades increased significantly. In other words, there is always the opportunity for a proliferating state to turn to alternative suppliers of sensitive technologies and items. This means, as you know, that the efficiency of the nonproliferation control is determined by the weakest link.

Second, since weapons-related technologies that require control no longer emerge primarily from government-funded research, but from civilian sector research, there are increasing numbers of companies that produce and sell technologies or goods that can be used both for civilian purposes and as components for weaponry.

Third, some decades ago, it was easier to track technology transfers, but today, enormous quantity of data can be exchanged in seconds via e-mail. This means that states must also increase their efforts to find the way how to control effectively intangible technology transfers. And these efforts are further complicated by the fact that the pace of technological change and development has greatly accelerated as well. This has been true not just for computers and software, but for all forms of weapons-related technology.

Since a rather long list of challenges could be compiled I would stop here emphasizing one more aspect we must pay special attention onto when speaking of strengthening nonproliferation efforts and that is the war against terrorism.

Now, in the light of the above factors, I think my earlier statement on globalization does not sound trite any more. On the contrary it must mean for us that we should both further strengthen national export control systems and enhance multilateral export control co-operation. And indeed these are the strategic goals the Hungarian Government bears in mind when developing our nonproliferation and licensing system.

Hungary being member of all the relevant international nonproliferation agreements and regimes has built up a stringent export control system since the fundamental political changes took place in the country thirteen years ago. We have continuously been developing it utilizing the knowledge and experiences gained from the bilateral co-operation with the EU member states, among them with Germany, with the United States and Canada and naturally with our neighboring countries like Austria and Romania. The Hungarian Government has furthermore included into the legal basis for export control most of the relevant recommendations contained in the best practice guidelines of different international regimes and institutions.

Nowadays we are adjusting our national legal system with special attention to our accession to the European Union in just a few months time. Beyond that we are strengthening administrative structures, furnishing them according to our means with modern computers, training the licensing and law enforcement officers in order to be able to implement and enforce the high standards of the European Union both in the field of dual-use items and conventional arms right on the first day of our membership. Taking into consideration all this I am confident that the Hungarian export control system can stand and will stand the most meticulous international test and from another point of view only having these prerequisites makes Hungary able to effectively implement and enforce its multilateral commitments.

Enhancing regional co-operation on export control is another priority for the Hungarian Government since it makes not only our immediate vicinity more stable and secure, but it also can advance the elimination of those weakest links in the multilateral nonproliferation efforts I mentioned before. Applying this approach in practice Hungary has organized numbers of seminars and conferences over the last years. As a most recent example, let me refer to the seminar held in Szeged, Southern Hungary, in June this year. The Regional Export Control Seminar for the Countries of South Eastern Europe was initiated by Hungary as a kind of outreach activity and co-sponsored by the United States. In my assessment the seminar successfully assisted the countries of the region, namely Bosnia-Herzegovina, Croatia, Macedonia and Serbia-Montenegro, to develop, implement and enforce export controls over strategic items by presenting the basic building blocks for establishing an effective export control system.

I hope I could clearly illustrate how we are looking from a practical point of view at the interdependencies of a tight national licensing policy, the regional co-operation and the implementation of multilateral commitments in the field of export controls.

In conclusion I wish that our discussions at this conference provide all of you with a clear picture of the proliferation environment, changes already in place in some countries, and ideas on how to face other changes.

Finally I would encourage everyone to take full advantage of our time here together, both during the discussion sections and even during the breaks to discuss relevant issues on how to make our common nonproliferation efforts more efficient. With this in mind, I wish all of us fruitful exchange of views. At the same time I also wish each of you a most pleasant stay in Budapest. As a personal contribution to that we prepared some information booklets you have received at the registration and I can only hope that you will find in them more a dozen reasons to come again to Hungary.

Thank you for your kind attention.