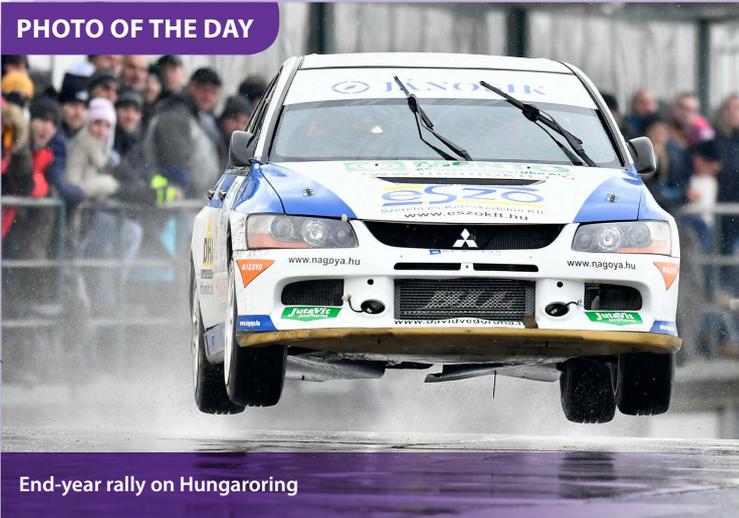


PHOTO OF THE DAY



MTI/Tibor Illés

End-year rally on Hungaroring

UPCOMING EVENTS

Candles lit at former location of Imre Nagy Memorial

TOP STORY

VARGA SEES GDP GROWTH OF 4.6% IN 2018

Hungary's economy is likely to grow by 4.6% this year, after the country posted a 4.9% growth rate in the first three quarters of the year, the finance minister said.

The public debt-to-GDP ratio is seen falling to below 72% from last year's 73.3%, Mihály Varga told a press conference. The government's plan is to reduce the public debt to 60% of GDP by 2022. It also wants the amount of government securities held by retail investors to double within the next five years, he said.

Varga said Hungary's economy in 2018 grew at a rate not seen for two decades, noting that GDP increased by 5.2% in the third quarter. Growth has been lifted by consumption and investments. Consumption has been supported by wage gains while the investment rate exceeded 20%, he said.

Inflation continues to remain below 3% and thanks to the government's disciplined fiscal policy, Hungary's budget deficit as a percentage of GDP will remain below 2.4% this year, Varga said.

György Barcza, the head of the Government Debt Management Agency (ÁKK), said the ÁKK hopes to increase the amount of government securities held by retail investors by 800 billion forints (EUR 2.5bn) this year. In addition, the ÁKK plans to issue a bond targeted at Hungarians who want to save for retirement.

BAKONDI: MIGRATION TO BE DECISIVE FACTOR IN EP ELECTIONS

The issue of migration will be the deciding factor for voters in next May's European parliamentary elections, the prime minister's chief domestic security advisor said. Judging by the national elections held in Europe over the past few years, public opinion on migration has shifted significantly, and this will likely have an impact on the composition of the next European Parliament, György Bakondi told a press conference.

He said illegal migrants were still making their way to Europe through three main channels: via Spain, Italy and the Balkan route that starts from Greece.

A total of 62,479 migrants arrived in Europe via Spain this year, a more than 120% increase over last year's figures, Bakondi said. Most of the migrants coming through here are from Morocco, Mali, Guinea, the Ivory Coast, Algeria, Republic of The Gambia and Senegal, he said.

The flow of migrants coming in through Italy has decreased by 80% this year thanks to the government's strict immigration policy, Bakondi said. The strict measures meant that only 23,192 people arrived in Europe through Italy, he added. Greece saw 31,874 arrivals this year, a 5% increase over 2017, the PM's advisor said, adding, however, that the authorities have not been successful in registering every

migrant that entered through the Turkish-Greek "green border".

Most migrants entering Europe via this route are Syrians, Afghans, Iraqis, Congolese, Palestinians, Iranians, Algerians and Pakistanis, Bakondi said. At present, there are some 16,000 asylum seekers on the Greek islands, he added. Bakondi said there are some 3.9 million refugees in Turkey, of whom 3.5 million are Syrians, 170,000 Afghans, 142,000 Iraqis, 57,700 Somalis and 39,000 Iranians.

As regards Hungary, Bakondi said some 5,900 migrants attempted to breach Hungary's border fence this year, of whom 1,700 were caught before they entered the country, and 4,200 were escorted back over the fence.

SZIJJÁRTÓ REJECTS SWEDISH FOREIGN MINISTER'S CRITICISM OF HUNGARY

Foreign Minister Péter Szijjártó rejected remarks by his Swedish counterpart Margot Wallström criticising Hungary for being "problematic" when it comes to European unity.

Wallström told the online edition of Swedish daily Dagens Nyheter that Hungary by itself had prevented the European Union from presenting a united front on multiple occasions.

Szijjártó said in a statement that Sweden's "pro-migration government" had governed Sweden into an uncertain domestic situation. It is unknown when Sweden will have a

new government, yet Wallström feels it important to criticise Hungary, he added. The minister noted that Viktor Orbán's government this year was elected to a third consecutive term with a substantial majority, adding that stability was a major asset "in these challenging times".

Szijjártó said Wallström was holding Hungary accountable for the state of Europe's unity when it was Sweden that was divided. "We know that the pro-migration forces cannot tolerate any dissenting views, but we can assure the Swedish foreign minister that we will keep Hungary Hungarian under all circumstances," the minister said.

OPPOSITION EXPECTS SPECIAL PARLT SESSION TO REACH QUORUM

The opposition parties said they were confident that a special session of parliament they have initiated to discuss how the amendments to the labour code were approved and opposition lawmakers at subsequent demonstrations were treated earlier this month would reach quorum.

Speaking at a joint press conference by parliament's opposition parties, Párbeszéd lawmaker Sándor Burány said they had been told by Fidesz MP György Balla that the ruling parties plan to take part in the special session.

Burány said the session would be aimed at discussing the "unacceptable legal violations" that he said had taken place in recent weeks. He said the

opposition hopes to discuss two draft resolutions at the session. These would declare that parliament's December 12 session, which saw the approval of the labour code amendment, had been conducted unlawfully and that the immunity of several MPs at the headquarters of public broadcaster MTVA was breached when they were "physically assaulted" by security guards during their protest on Dec 16-17.

The Democratic Coalition's Ágnes Vadai said the opposition would use every tool at its disposal to express its views. Ildikó Borbély Bangó of the Socialist Party called on House Speaker László Kövér not to be "selective" in his assessment of the events of the last three weeks in parliament. She called on Kövér to also look into whether deputy speaker Sándor Lezsák had the right to cut off the microphones of opposition MPs in the general debate of the labour code amendment. Jobbik's Gergely Farkas said Jobbik would also support all extra-parliamentary means through which people can voice their opposition to the "slave law" and the government's policies.

IMRE NAGY MEMORIAL REMOVED FROM MARTYRS' SQUARE

The memorial of Imre Nagy, Hungary's prime minister during the 1956 revolution, was removed from Martyrs' Square near Parliament in the early hours of Friday morning.

Tamás Wachsler, the chief coordinator of reconstruction on the area around Parliament, said in a statement that the square's rehabilitation has got under way in line with the relevant government decision. The scheme's first step was the removal of the Imre Nagy memorial for restoration, he said.

Hungary's committee in charge of major memorial sites gave its preliminary consent to the square's reconstruction on December 7. The project involves the relocation of the Imre Nagy memorial to nearby Jászai Mari Square, at the Pest head of Margaret Bridge, which Wachsler said could happen before June 16 next year, the anniversary of Nagy's execution in 1958. Wachsler has said then that the Imre Nagy memorial will be replaced by a reconstructed post-WWI monument dedicated to the martyrs of the communist Red Terror in 1919.

The decision to relocate the statue has received criticism by Katalin Jánosi, Nagy's granddaughter, as well as by the Imre Nagy Association. Sándor Burány, an MP of opposition Párbeszéd, called it "unacceptable" that the government had "cowardly" removed the statue "under the cover of the night". Nagy's statue, depicting the martyred prime minister on a bridge, was inaugurated on June 6, 1996, his birth centenary.

HUNGARY RETAIL SEES RECORD SPENDING IN 2018

Retail sales in Hungary are expected to reach a record 11,500 billion

forints (EUR 35.8bn) in 2018, the daily Magyar Idők said. Thanks to year-end discounts, household consumption has continued to soar after the Christmas break as retailers try to clear out leftover inventory and families prepare for New Year's Eve. Retail sales this year are up around 1,000 billion forints from last year, a more than 6% increase, the paper said.

In December alone, retail sales came to around 1,200 billion forints, up 10% compared with 2017, György Vámos, chief secretary of the National Commerce Association (OKSZ), told the paper. "It is a reflection of the improvement in the income situation of families that, calculated at current prices, they have spent around 8% more on consumer durable and non-durable goods in 2018," he said.

NUMBER OF JOBSEEKERS FALLS IN NOVEMBER

There were 243,900 registered jobseekers in Hungary at the end of November, down 5.5% from a year earlier, the National Employment Office (NFSZ) said. The NFSZ said 27% of the total, or around 65,900 people, had been seeking work for more than one year. The ratio was down 8.7 percentage points from a year earlier. Around 134,100 jobseekers, or 47.7% of the total, were eligible for some kind of unemployment or social support during the month.

FOREIGN COMPANIES HAD HUF 47,000 BN REVENUE IN HUNGARY LAST YEAR

Foreign-owned non-financial companies had 47,000 billion forint (EUR 146bn) sales revenue in Hungary in 2017, 6.95% more in current prices than in 2016, research findings based on preliminary data released by the Central Statistical Office (KSH) shows. Foreign owned companies and the subsidiaries of foreign companies employed 26.4% of all corporate employees, but they accounted for 50.2% of all revenues. Foreign companies provided 56.2% of all production value, 50% of all added value and 43.9% of all gross investment in the corporate sector.

Foreign owned companies derived 84% of their revenue from the three sectors of manufacturing, commerce and logistics in 2017. Foreign companies accounted for 56% of all revenues in the IT sector and 72% in the manufacturing sector. In current prices added value from foreign owned companies' production reached 9,900 billion forints in 2017, up 8.7% compared to 2016 while in the whole business sector it was up 12% on average. Foreign companies employed 715,000 workers last year,

4.1% more than in the year before that. Employment growth throughout the entire business sector was 1.5%.

SLOVAK CRIMINALS SENTENCED FOR MULTIPLE COUNTS OF ROBBERY, THEFT

The Békéscsaba District Court in south-eastern Hungary has sentenced the five members of a Slovak criminal gang for multiple counts of robbery and theft, the Békés County Chief Prosecutor's Office said. The gang, consisting of four men and one woman, broke into some 50 different facilities, mainly retirement homes and nursing homes, between spring and autumn of 2017, the prosecutor's office said in a statement.

The gang's leader was sentenced to 4 years in prison. The other three men were sentenced to 40 months, 34 months and 28 months, respectively. All of them were expelled from Hungary for six years and banned from participating in public affairs also for six years. The gang's female member was given a two-year sentence suspended for five years.

The group had been charged with 84 counts of robbery and 273 counts of theft. The gang's leader is believed to have picked out their targets online, after which the gang travelled to

Hungary to carry out the crimes. They broke into social care facilities all over the country, often making off with hundreds of thousands, and at times millions of forints in cash.

Three of the gang's members were arrested in November last year in Komárom, in northern Hungary. The other two were caught in Slovakia under a European arrest warrant and were later handed over to the Hungarian authorities.

GOVT EARMARKS HUF 3BN TO HOST SOLAR DECATHLON EUROPE 2019

Hungary's government has allocated 3.0 billion forints (EUR 9.3m) in funding to host Solar Decathlon Europe 2019, a resolution published in the official gazette Magyar Közlöny shows. The funding comprises 1.5 billion forints for infrastructure investments and 1.2 billion for the contest's implementation. Modelled after the United States Department of Energy's Solar Decathlon, the Solar Decathlon Europe is an international competition that challenges university teams to design and build houses that are powered exclusively by the sun. The first Solar Decathlon Europe took place in Spain in 2010.