

## PHOTO OF THE DAY



MTV/Balázs Mohai

Polish dancers at the SzólóDuó International Dance Festival in Budapest

## UPCOMING EVENTS

**Commemorations on the anniversary of the WWII Don battle**

**Socialist presser on youth**

**Presser on women's pension scheme**

**Anti-government demonstration in Békéscsaba**

## TOP STORY

### VARGA: HUNGARY PERFORMING BETTER

Finance Minister Mihály Varga said that Hungary could have around 2.0% of GDP deficit for the full year, better than the original 2.4% target.

Government debt could fall to around 71% of GDP with 4.9% GDP growth between Q1-Q3 2018 and 4.6% expected for 2018, he told a press conference. Varga attributed the good economic performance to government measures such as a six-year wage agreement and steps taken to whiten the economy.

Hungary's cash flow-based general government budget, excluding local councils, ran a 1,445.1 billion forints (EUR 4.5bn) deficit at the end of December, the finance ministry said in a first reading of data. The deficit reached 106.2% of the 1,360.7 billion forint full-year target.

Hungary's government has been pre-financing European Union-supported projects to avoid a backup at the end of the 2014-2020 funding cycle. The lag between payouts to recipients and EU transfers had lifted the general deficit over 135% of the full-year target by November, but some 890 billion forints from Brussels that arrived in December shored up the gap. The central budget deficit reached 1,368.8 billion forints while separate state funds had a 7.6 billion surplus and social insurance funds a 83.9 billion deficit.

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## **SZIJJÁRTÓ: MAY EP ELECTIONS MOST IMPORTANT YET**

Never have the stakes of European parliamentary elections been as high as they will be this May, Foreign Minister Péter Szijjártó said.

As the polls show, immigration is clearly the central issue of the elections, and it continues to be the most threatening challenge faced by the European Union, Szijjártó told public news channel M1. These elections will be the platform Europeans can use to decide whether they entrust pro-migration or anti-migration parties with shaping the future of Europe, the minister said. In Hungary, the people have had multiple opportunities to express their views on this matter, he added.

Szijjártó said there were only two parties in Hungary that oppose immigration: the co-ruling Fidesz and Christian Democrats. "The rest have basically signed on with George Soros and signed up for the platforms of the parties that support immigration." He said the traditional division of parties was being replaced by a new division based on specific issues -- primarily immigration. Both the pro- and anti-immigration parties are looking for ways to cooperate internationally, he added. Szijjártó said it was no accident that demonstrations against governments that oppose migration were being organised around the same time and in the same manner in central, southern and south-eastern Europe.

## **FIDESZ MEPS WELCOME EP CTTEE VOTE ON ROAD LEGISLATION AFFECTING HAULAGE COMPANIES**

Fidesz MEPs welcomed a vote by the European Parliament's Transport and Tourism Committee (TRAN) rejecting the draft report on legislation affecting the road haulage industry, saying that it was a positive development for central and eastern European companies. "Road haulage is one of the sectors where the region has some competitive advantage," Andor Deli, an MEP of the ruling party, said. "Western politicians and trade unions have been trying to curb that by employing protectionist measures."

"They may well profess to protect the interests of long-haul drivers but their proposals actually put the jobs of hundreds of thousands at risk," he added. One of the focal points of the debate was the issue of extending regulations regarding posted workers to the haulage industry, in which case their wages would have to be adjusted to those paid in the country they work in as opposed to the home country of their companies.

The Hungarian ministry for innovation and technology said earlier that the planned measures would put all road haulage companies based in the EU at a competitive disadvantage. Officials from the transport ministries of Hungary, Bulgaria, Poland and Lithuania took a unified stand

against the measures. "A realistic, balanced and implementable compromise is necessary, one that ensures protection for lorry drivers at the same time as fair competition and free movement of services," said Hungarian state secretary for transport policy László Mosóczi. Exempting lorry drivers who make cross-border deliveries from new directives on posted workers can boost the productivity of European companies, he added.

## **GOVT OFFICIAL: DON DISASTER 'BLACK DAY OF HUNGARIAN ARMY'**

The Don disaster is remembered in history as "the black day of the Hungarian army", a government official said at a commemoration marking the anniversary of the 1943 Don disaster, one of the gravest defeats of the Hungarian armed forces. István Szabó, the defence ministry's state secretary, said that the Don disaster, like many other events in history, showed that Hungarian soldiers do not run away from their task. Historical documents and memorials have revealed that Hungarian soldiers fought till the very end at the Don River, even when their situation seemed hopeless, he added. In January 1943, the poorly equipped 2nd Hungarian army fought amid bitter conditions against the Soviet Red Army near the Don River. According to some reports, Hungarians lost 93,500 lives, while other sources put that number at 148,000.

## **SOCIALISTS-PÁRBSZÉD CALLS ON GOVT TO PULL OUT FROM EBRD AGREEMENT ON FX LOANS**

The opposition Socialist-Párbeszéd party alliance called on the government to pull out from an agreement signed with the European Bank of Reconstruction and Development (EBRD) on the financing of loans taken out in foreign currencies, saying that it did not serve Hungarian people's interests.

Signed in 2015, the agreement guaranteed that FX loans, which suffered greatly after the forint plummeted during the 2008 economic crisis, could be converted to forint-based loans "without any cost on the banks' part" and that the Hungarian government would not stand in the way of evictions, László Szakács, the deputy head of the Socialist party, said. Prime Minister Viktor Orbán "sold FX loan borrowers to the banks for money," Szakács said, noting that on Thursday Orbán pledged Hungary would keep the agreement. The parties will submit the proposal to parliament, so "Fidesz can also vote on it", he said.

In another proposal, Socialists-Párbeszéd will state that the banks have misled prospective borrowers, a claim loan holders currently have to prove individually in court, he said. Párbeszéd board member Beáta Hegyesi said Orbán's "unfair laws" turned demographic groups against each other, and called for widespread

unity "because strength is the only thing this regime understands".

Commenting on the initiative, ruling Fidesz said in a statement that the first Fidesz government's home subsidy scheme was scrapped under the subsequent Socialist governments. Those "bringing up forex loans are the ones who led the public amass FX debts," it said. These parties never supported proposals to make banks accountable, to convert FX loans to forint-based ones or to launch home subsidy schemes, Fidesz said.

## **BOSCH TO INVEST HUF 14.1 BN AT HUNGARY BASE**

German engineering giant Robert Bosch will invest 14.1 billion forints (EUR 43.8m) at its automotive unit in the northeast Hungarian city of Miskolc, company executives told a press conference. Hungary's government is supporting the investment with a 2.65 billion forint grant, Foreign Minister Péter Szijjártó said at the same event. He noted the "outstanding" performance of the Hungarian economy in an "extraordinary economic environment". Companies announced 98 large investments at a record value of 1,380 billion forints, bolstered by a total of 135 billion forints government grants, he said. Robert Bosch Energy and Body Systems makes vehicle parts, relays and electric drives. Among the parts it makes are next-generation products such as brake servomotors and ESP systems used

in hybrid and electric cars. The current investment will add production lines for next-generation products as well as testing systems by 2021.

## **TAKÁCS: STRONG CENTRAL EUROPE IN HUNGARY, SLOVENIA'S INTEREST**

Hungary and Slovenia have a shared interest in a politically and economically strong central Europe within the European Union that is pro- rather than anti-EU, a government official said. A strong EU cannot exist without strong member states or regions capable of developing, Szabolcs Takács, state secretary for EU Affairs at the Prime Minister's Office, told MTI after bilateral talks with Dobran Božič, state secretary for foreign affairs, and Igor Mally, state secretary at the prime minister's office. On the agenda of talks were the European parliamentary elections, European integration, the future of the EU, the EU budget and illegal migration. EU projects aimed at improving links between Europe's northern and southern regions, including Hungarian-Slovenian infrastructure and energy links, were also discussed.

Takács said cross-border cooperation was a fundamental aspect of the EU. "Cooperation between Hungary and Slovenia is excellent, not only as regards EU affairs, but also for Hungarians living here," he told MTI by phone, noting the opening of a consulate-

general in Lendava (Lendva) in 2016 and referring to a Hungarian government economic development scheme backed by the Slovenian government.

Countries that represent fundamental principles and values like national identity, strengthening EU security and competitiveness, the free movement of workers, and the EU without internal border controls can be successful, he said. "Neither Slovenia nor Hungary accept that some of our EU partners ... want to maintain border controls within the Schengen area over the long term," he said. Takács urged the Romanian EU presidency to take the views of all member states into consideration.

Regarding migration, Hungary respects the positions of member states that want theirs to be a multicultural society. But they should also respect the decisions of Hungarian and Slovenian citizens, he said. The state secretary noted that Slovenia will

take up the EU presidency in 2021, and integration of the western Balkans will be a priority for the former Yugoslav state. Both countries, said Takács, were confident that the new European Commission would be enlargement-friendly. "Western Balkan countries must become EU members as soon as possible for the sake of our political, economic and security interests," he said.

Concerning the EU budget, he said Hungary and Slovenia agreed that a reduction in the size of the next seven-year budget could not be justified by Brexit alone. Goals, he added, must be set first and then the financial resources allocated to them. The European Commission's current proposals penalise central European countries, he said. Takács told his Slovenian partners that Hungary was against supporting illegal migrants from the common budget while the poorest regions received less money.

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## **AUSTRIAN MAN ATTACKS PARTNER'S FAMILY, KILLS ONE, COMMITS SUICIDE IN W HUNGARY**

An Austrian man shot dead the father of his common-law wife and injured three people in the same family before committing suicide in the western Hungarian village of Káptalanfa, the Veszprém county police spokesperson said. The 57-year-old man went to the home of his partner's parents on Thursday evening after the woman had moved back there, Virág Aradi said. They got into an argument and the man started a fire, then shot the family members with a gun. The father died on the spot, the common-law wife and her younger sister suffered life-threatening injuries and their mother got seriously injured from the gun shots. Another sister suffered injuries in the fire. The man then committed suicide, the spokesperson said.