

## PHOTO OF THE DAY



Liberation of Budapest ghetto commemorated

MTI/Szilárd Koszicsák

## UPCOMING EVENTS

**Farm minister opens Hungarian stand at International Green Week in Berlin**

**Events marking Budapest ghetto liberation anniversary**

## TOP STORY

# FIDESZ: SOROS BEHIND EP NGO FUNDING VOTE

The European Parliament's decision to increase funding for "Soros groups" once again makes it clear that "[US billionaire] George Soros is in effect dictating Brussels' migration policy," ruling Fidesz's communications chief said.

Balázs Hidvéghi reacted to a resolution passed by the European Parliament on tripling funding in the 2021-2027 financial period for NGOs dedicated to preserving democratic values. Under the resolution, eligible civil groups would get 1.8 billion euros in support instead of the originally planned 642 million euros. Hidvéghi insisted that Brussels wanted to increase funding for "Soros organisations" so that they could "bring even more migrants to Europe". He said the vote was "yet more evidence that the EP's pro-migration majority is following the Soros plan step by step". He added that Brussels was also preparing to reduce funding for "member states that go against Brussels's migration policy" so that the money they withhold from those countries can be distributed among "the pro-migration Soros groups".

The opposition Democratic Coalition (DK) said in response that setting up a mechanism tying EU funding to observance of the rule of law in a member state would "harm criminals aimed at looting EU monies", and the measure was backed by the vast majority of the European People's Party.

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## **SZIJJÁRTÓ URGES CONTINUED PUSHBACK AGAINST MIGRATION PRESSURE**

Contrary to the claims of United Nations and European Union officials, migration pressure on Europe has increased in the recent period, and the continent must continue to stand firm in keeping the Western Balkan migration route closed, the foreign minister said. "UN and EU officials in Brussels and New York want to put us to sleep and give the impression that the migration crisis is over," Péter Szijjártó said, noting that Turkey had apprehended 50% more illegal migrants last year than in 2017. Meanwhile, Spain stopped 57,000 illegal entrants, double the number it registered the previous year, he said, adding that Cyprus had seen a similar rise in the number of illegal migrants. The number of people attempting to breach the Greek-Turkish land border is also rising, the minister added.

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## **FIDESZ: 'SOROS ORGANISATIONS ALL OPERATE ALONG SAME STANDARDS'**

Organisations around the world linked to billionaire George Soros "all operate according to the same standards of aggression, violent protests and destabilisation", Fidesz party director Gábor Kubatov said in an interview to business weekly *Figyelő*. In contrast,

Fidesz and the government are patient and sober-minded, he said. "There wasn't a single member of Fidesz who gave in to [opposition] provocations," Kubatov said, adding that "we are the only calm, level-headed force". Kubatov said last month the opposition "launched its European parliamentary and municipal election campaigns on a sham pretext".

"It's about joining forces and forming a joint election list," he said. "The opposition is in Soros's pocket," Kubatov said. "He's the one pulling the strings." Referring to a possible joint opposition list for the EP elections, Kubatov said: "I think there'll be a Soros list". He said the opposition parties were now jockeying for position in a potential joint campaign. "Nothing other than gaining power and money matters to them," he insisted, adding that the opposition parties were filled with people who used politics to feather their beds.

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## **OFFICIAL: WAGE INCREASE SHOWS IMPROVING ECONOMIC PERFORMANCE**

The 26% increase in average wages in the past two years has demonstrated Hungary's improving economic performance, a finance ministry official said. Thanks to a six-year wage agreement initiated by the government, incomes have been continually increasing in the public sector, as well as in the business sector, state secretary in charge of employment police and company relations Sándor Bodó

told a press conference. In line with the agreement, the minimum wage increased by 15% and the minimum wage for skilled workers increased by 25% in 2017, he said. Last year, the increase was 8% and 12%, respectively, he added. In euro terms, Hungary reported the second fastest gross minimum wage growth within the Visegrad Group in both 2017 and 2018, he said. In the same period, the growth in wages' purchasing power parity grew the fastest in Hungary within the V4, he added.

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## **PUBLIC SERVICES WORKERS' UNION ANNOUNCES STRIKE**

The union of public service workers (MKKSZ) will call a nationwide strike for March 14 unless it can reach a deal with the government on better pay and work conditions for workers, the head of the union said. MKKSZ plans to carry out its strike in support of the demands of local government and public administration workers on its own, but will organise a joint strike with the union of social sector workers (SZAD) on behalf of public service workers in the social sector, Erzsébet Boros told a press conference. Other labour unions are also set to participate in the work stoppages, she said. Boros lamented what she called the "extremely poor treatment" of public service workers by the government, pointing out that some 17,000 local government workers have not seen a pay rise for 11 years. She called the recent amendment

to the labour code which raised the annual threshold for overtime from 250 to 400 hours “unacceptable”, adding that MKKSZ was calling for its repeal.

She said the main reasons behind the problems facing public service workers were the sector’s “unsustainable, disorganised and professionally uninterpretable wage policy” and the “completely chaotic wage system”. She said MKKSZ wants the minimum wage to be the starting point for all public service wage systems, while workers with vocational training backgrounds should be paid the minimum wage for skilled workers. A new minimum wage for jobs that require higher education qualifications should also be introduced, she added. Boros said she had informed the prime minister of the planned strike on Wednesday and had asked him to appoint a delegation for talks with the union.

### **JOBBIK WANTS BANKS TO PASS ON TAX SAVINGS TO CUSTOMERS**

Despite the government’s Jan. 1 abolishment of the duty on banking transactions below 20,000 forints (EUR 62.5), many banks have not reduced customer fees accordingly, an opposition Jobbik official said. The government is letting banks keep the small amount of relief customers deserve, the conservative party’s deputy leader, Dániel Kárpát Z, told a press conference. Banks pay over 200 billion forints each year in transaction duties, he said. Either the banks should

pay these without transferring the cost of transactions on to their customers or the levy should be scrapped altogether, he added. Concerning a separate special tax on banks, he said the original rate should be reinstated.

Jobbik also calls on the government to pull out of the agreement with the European Bank of Reconstruction and Development (EBRD) in which the government agreed to exempt banks from all costs related to compensating customers who took out loans in foreign currency, Kárpát Z said. Further, he said the central bank should pay all its accumulated profits into the state treasury.

### **TAKARÉKBANK RAISES 2019 GDP FORECAST TO 4.2%**

Takarékbank forecasts Hungary’s economy growing by 4.2% this year, fuelled by rising consumption linked to strong wage growth. Takarékbank forecast 4.1% growth in its previous release in October. The government’s latest target is 3.9%. Takarékbank analyst Gergely Suppan said that improving productivity, efficiency and competitiveness may offset any challenge to growth due to the labour shortage. Meanwhile, annual inflation is expected to average 3%, up from 2.8% last year, the bank forecast. Gross wages are expected to increase by 9% this year after growth of 11.3% in 2018. Takarékbank estimates GDP grew by 4.8% in 2018. A favourable global environment this year may bring growth close to 5%, Suppan said.

### **RADICAL MI HAZÁNK PARTY TO STAGE DEMONSTRATIONS ON JAN 22**

The radical Mi Hazánk (Our Homeland) party will organise demonstrations with the union of rubber industry workers in support of their demands at eight facilities of foreign-owned rubber companies on Jan. 22, an independent lawmaker representing the party in parliament said. János Volner, a former politician of conservative Jobbik, told a press conference that the government had failed to enforce the interests of Hungarian workers at talks with the multinational companies that he said would still keep wages low. Mi Hazánk said on Facebook that demonstrations would be held at the plants of Continental, Michelin and Hankook in protest against low wages, the government’s recently adopted labour code amendment on overtime rules and poor working conditions.

### **OPPOSITION PARTIES STAGE ANTI-GOVT DEMO IN C HUNGARY**

Opposition parties staged a demonstration against the government’s policies in Székesfehérvár, in central Hungary, on Wednesday. Democratic Coalition (DK) board member Judit Földi Rácz told a crowd assembled in the city’s downtown that the event was about protesting against the recently passed labour code amendment – which she referred to as “the slave law” – the exploitation of workers and “the Orbán government’s

brutal austerity measures". She said the municipal council will debate an opposition motion to repeal the labour code amendment on Friday. "We must reject all efforts that render our city's residents vulnerable, in other words, reduce them to slavery," Földi Rácz said.

Other local politicians of the Socialist Party, DK, conservative Jobbik, the Momentum Movement and LMP also addressed the protesters. The demonstrators carried a banner that read "Resistance!" and chanted anti-government slogans.

## **UNIONS, MANAGEMENT SEEK BIGGER WAGE RISES AT STATE-OWNED COMPANIES**

Unions and employers at Hungary's state-owned postal, railway, bus and utilities companies are pressing for a wage rise of at least 10% this year, daily Magyar Idők said on Thursday. A three-year agreement signed in 2017 would raise wages at the companies by 5%, but unions and management want another 5% or even 8% increase on top of that to reduce staff turnover, unions told the paper after consultations with management and the government. The sides also seek to reach an agreement on wage increases for 2020.

## **SZIJJÁRTÓ MEETS BULGARIAN COUNTERPART, INTERIOR MINISTER IN SOFIA**

Foreign Minister Péter Szijjártó, who met Bulgarian Interior Minister

Mladen Marinov and Foreign Minister Ekaterina Zakhareva for talks in Sofia, said they were all in agreement that the European Union "continues to apply double standards" when it comes to ties with Russia and energy policy. Szijjártó told MTI all agreed that the means for transporting Russian gas through Turkey to Europe should be guaranteed and Bulgaria pledged to implement the necessary developments accordingly. The three ministers also agreed that bilateral ties "are on the right track". Bilateral trade turnover in the first three quarters of 2018 exceeded 1.2 billion euros, Szijjártó said. He added that Hungarian bank OTP is preparing to buy another bank in Bulgaria, making itself one of the two largest banks in that country. Concerning Brexit, the three ministers expressed regret over the move and agreed that "both Budapest and Sofia would have preferred to see the UK remaining a member [of the European Union]", Szijjártó said.

## **KOROM INAUGURATED AS COMMANDER OF THE HUNGARIAN ARMED FORCES**

Lieutenant General Ferenc Korom was inaugurated as Commander of the Hungarian Armed Forces, the official gazette Magyar Közlöny said. Korom's mandate is from January 15, 2019, until May 15, 2023. Since May 2018, Korom has served as Chief of Staff of the Hungarian army.

## **MOMENTUM: SUSPENSION OF FUNDING POLITICALLY MOTIVATED**

The Hungarian Audit Office (ÁSZ) has suspended state funding for the opposition Momentum Movement due to political pressure, a Momentum official said. ÁSZ initiated the suspension of the funding of opposition Párbeszéd and Momentum parties on Wednesday, citing irregularities in accounting for campaign funding.

Momentum's Miklós Hajnal told a press conference held in front of the ÁSZ headquarters that their report on campaign funding had been published late in the official gazette because, after the party elections, the report had to be approved by the new leadership. He said that the party has sent the relevant documents to ÁSZ over two months ago and received no request of further proof. Momentum therefore assumes political influence is behind the move, he added. The party will continue to carry out its work, financing its activities from donations, Hajnal said.

ÁSZ communication head Bálint Horváth insisted the office was an independent body that acted free of political influence. Momentum failed to comply with campaign legislation, which says that it must submit a report on the use of campaign funds within 60 days after the election, he said. Neither were Momentum or Párbeszéd available at their respective

addresses registered with ÁSZ, making it impossible to prove lawful spending of campaign funds, he said. ÁSZ has filed a complaint with the prosecutor's office as well, he said. If the parties are able to prove that they used state funding lawfully, the office will lift the suspension, Horváth added.

### **MAZSIHISZ: HALT SEARCH FOR HOLOCAUST VICTIMS' DANUBE REMAINS**

Mazsihisz, the federation of Jewish communities in Hungary, has asked the Hungarian and Israeli governments to drop joint efforts to recover the remains of victims that were shot into the River Danube in central Budapest during the Holocaust. Mazsihisz said that the search was "pointless" while plans to take the recovered remains to Israel were "disturbing" for the Jewish community.

Reuters reported on Monday that an Israeli team of forensic experts had arrived in Hungary to search the Danube for remains of Holocaust victims, with Hungarian permission and assistance. A member of the delegation said the remains would be buried in accordance with Jewish rites.

In its statement, Mazsihisz noted that thousands of people had been shot into the river during the Holocaust, while the bodies of many other people that died during the siege of Budapest during the second world war may be resting in the river. "Their bones have probably been scattered during the past 75 years, and the river

may have washed some of them away as far as the Black Sea," the website said, adding therefore that the goal of the project was questionable. "Disturbing the resting site of the dead is a complicated and sensitive issue; searching for the bones that could be recovered is pointless. It would disturb the peace of the dead, whether Jewish or not, and would also violate the halakha [Jewish religious laws]," Mazsihisz said.

According to Israel's Yad Vashem Memorial Center, some 565,000 Hungarian Jews were killed in the Holocaust. The majority of them were deported to the Auschwitz death camp between May and July 1944. In October of that year, thousands of Jews were shot into the Danube by Arrow Cross militiamen. A memorial known as "Shoes on the Danube Bank" was erected in their honour in April 2005.

### **COURT TO RULE ON FEB 1 ON LAWSUIT AGAINST GOVT FILED BY SYRIAN MIGRANT**

A Budapest court will soon give its verdict on a civil lawsuit filed against the government by a Syrian migrant who spent 40 months in prison for inciting a riot in 2015 on the Hungary-Serbia border.

Ahmed H. sued the prime minister's cabinet office, saying a 2017 government survey on public attitudes to migration referred to him directly and gave the impression he had already been convicted when

the court had not yet produced a final ruling. Arguing that the government had violated his personal rights in so doing, the Syrian is seeking damages of 8 million forints (EUR 25,000) and a public apology. The sum is based on one forint for each of the 8 million households the government questionnaire was sent to.

In a hearing on Thursday, Ahmed H. said that he had been "trapped in a foreign country while the media was full of false reports about me which the survey seemed to confirm". In the absence of a court ruling, he was depicted publicly as a terrorist, he argued, adding that this "sent a clear message to the court", which had yet to hand down its verdict.

The Syrian migrant was sentenced to five years in prison in a repeat procedure in 2017 for illegally crossing the border as part of a rioting crowd and throwing objects at police, which the court regarded as complicity in terrorist activities. According to a recent ruling, he will be released from prison on Jan. 19 after serving two-thirds of his term, taking into account time spent in pre-trial detention. Under the same ruling, he will be expelled from the country upon his release.

### **PALKOVICS PRESENTS GOVT PLAN FOR RESTRUCTURING R+D+I**

Innovation and Technology Minister László Palkovics has presented

the government's plans for revamping the country's research, development and innovation system to the heads of the research institutions of the Hungarian Academy of Sciences. Palkovics noted the government's aim to hike spending on R+D to 1.8% of GDP by 2020 and to tease out financing for the sector.

A new Research Fund and an Innovation Fund will be financed by the central budget and research addressing social challenges will be hived off from innovation research. A National Scientific Policy Council will decide on aspects of funding and which areas should receive support, he added. The National Research, Development and Innovation Office will be in overall charge of the funds and will also operate the system of tenders for European Union support.

The restructuring of the state network of research institutions will follow the German model

of separating basic and applied research and how these serve the economy, he said. Division of tasks among the Academy, the ministries network and higher education institutions will be properly delineated and overlaps eliminated, Palkovics added.

### **VARGA MEETS IIB CHAIRMAN IN BUDAPEST**

Finance Minister Mihály Varga met with International Investment Bank (IIB) chairman Nikolay Kosov in Budapest on Thursday, the Finance Ministry said. IBB's Budapest headquarters is expected to open in the second half of 2019, but the entire relocation will take 2-3 years, Varga said after the meeting. The IIB's board of governors took a unanimous decision in December to relocate the lender's headquarters to Budapest. IIB is headquartered in Moscow at present.

### **HUNGARY'S VULNERABILITY TO CYBER- ATTACKS UP IN Q4 2018, REPORT FINDS**

Hungary's vulnerability to cyber-attacks increased in the fourth quarter of 2018 compared with the third quarter, according to a report by Moscow-based company Kaspersky Lab. Hungary was the 38th most vulnerable country during the period, with 27.6% of Kaspersky antivirus software users were subject to attacks via web browsers, according to the latest quarterly Kaspersky Security Bulletin. Meanwhile, Hungary was in 43rd place on the list of countries from where most cyber-attacks originated. Altogether 123,000, or 0.02% of all attacks came from Hungarian servers, the report said. That ranking was led by the United States, with 45.12% of all cyber-attacks coming from there. It was followed by the Netherlands with 21.48% of attacks, with Germany coming third with 6.45%.