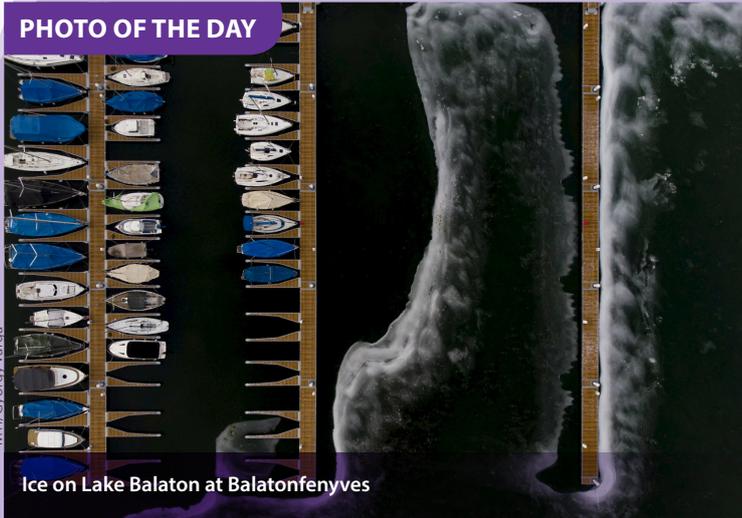


PHOTO OF THE DAY



MTI/György Varga

Ice on Lake Balaton at Balatonfenyves

UPCOMING EVENTS

EP plenary debate on Hungary

EU defence ministers meet in Bucharest

Stats Office prelim report on jobs in Oct-Dec 2018

Szijjártó opens Diehl Aviation service centre in Debrecen

TOP STORY

ORBÁN WARNS OF 'FAKE NEWS' AHEAD POMPEO VISIT

"Fake news" is doing the rounds of the international and Hungarian media with the aim of creating confusion ahead of the approaching visit of US Secretary of State Mike Pompeo to Budapest, Prime Minister Viktor Orbán said.

"Hungary is a NATO member state and an ally of the United States. The Hungarian people made their decision [on NATO membership] in a referendum," Orbán told MTI in response to a question. "The Hungarian government aims to further strengthen its existing alliance with the US. We are preparing for [Pompeo's] visit to Budapest in this spirit," he added.

Foreign Minister Péter Szijjártó told the press that Hungary was a reliable NATO member state and those that question Hungary's dedication do so with bad intentions. Hungary is in talks with the US about the modernisation of defence cooperation and this takes time but consultations are ongoing, he said, adding that Pompeo is visiting central Europe in mid-February but details are still being discussed.

In the meantime, the opposition Párbeszéd has called on Orbán to sign a Hungarian-US inter-governmental agreement on defence cooperation without any delay. Co-leader Tímea Szabó said that following 18 months of talks, Orbán was still "unwilling to sign" the document.

SZIJJÁRTÓ: BRUSSELS MIGRATION POLICIES DANGER TO EUROPE

The policies of Brussels that handle migration as a given fact, and even encourage it, present a danger to Europe and they are harmful to Africa, Foreign Minister Péter Szijjártó said after talks with Osman Saleh Mohammed, the foreign minister of Eritrea. Szijjártó told a joint press conference that Africa needed peace, security and economic development in order to retain its population. Hungary disagrees with the European Union position that migration is an unavoidable consequence of the situation in Africa and that it is right to encourage migration trends. Hungary is in agreement with Eritrea that mass exoduses from Africa put development there at risk, he said.

Africa must be helped so that people stay there instead of going to Europe. Eritrea has done much for the interests of security and peace. In order to help economic development in Eritrea, Hungary supported the lifting of European Union sanctions against the country last year, the minister said. Additionally, Hungary made it clear in the UN Human Rights Council that it appreciated efforts by Eritrea to guarantee human rights, he added.

Neither Hungary nor Eritrea support the UN Global Compact for Migration, which fails to distinguish between illegal migrants and refugees, Szijjártó said.

Eritrea had a long-lasting conflict with Ethiopia but the two countries started a process of reconciliation, which has resulted in significant progress in regional stability. Africa's stability is important for Europe and therefore Hungary has always supported this process, Szijjártó said.

The ministers signed an intergovernmental economic and technical cooperation agreement. Hungary has offered university scholarships for ten students from Eritrea and talks are under way about a tied aid credit scheme for the construction of a cancer diagnostics centre in Eritrea, Szijjártó said.

The Eritrean foreign minister said he wanted Africans to stay in their homelands rather than being invited to Europe. He said African and European countries could complement each other and their cooperation could be mutually beneficial, he said.

In response to a question Szijjártó said there were attempts to make people believe that the pressure of migration was over but the figures did not support this. "The pressure of migration is here with us" and it is therefore important for Africa and Europe to cooperate, he said.

STATE AUDITOR: 2016/17 RULING PARTY FINANCES IN ORDER

The finances of allied ruling Fidesz and Christian Democrats (KDNP) complied with regulations in 2016 and 2017, and the two parties ensured transparency

in their use of public monies, the State Audit Office (ÁSZ) said. In its 2016 financial asset declaration, Fidesz reported income of 1.84 billion forints (EUR 5.8m) and spending of 1.57 billion forints, ÁSZ said on its website. In 2017, the party's income totalled 1.57 billion forints and spending 1.25 billion. In each of those years, Fidesz received central budget funding of 876.6 million forints, the office said. The Christian Democrats reported income in 2016 of 172.2 million forints and spending of 166.2 million. In 2017, income totalled 210.3 million forints and spending 171 million. The party received central funding of 152.7 million forints in each of those years, ÁSZ said.

The auditor said Fidesz had established a system of financial control but in 2017 it did not set up a relevant supervisory board as new basic rules prescribed. ÁSZ asked the party's head to prepare an action plan within 30 days to address the issue. The audit revealed a weakness in KDNP's accounting and ÁSZ also asked the party's head to prepare an action plan within 30 days to address them.

NAGY CALLS FOR GMO-FREE PROTEIN CROPS

Hungary is committed to GMO-free feed and crops, István Nagy, the farm minister, said in Brussels at a meeting of the Agriculture and Fisheries Council. Nagy said the European Union should reduce its reliance on soya imports for feed and replace it with non-GMO

high-protein crops. EU ministers discussed the Protein Plan proposed by the European Commission at its meeting. Research and innovation schemes for developing high-protein crops may play a key role. Encouraging the development of new types of feed formulas, tapping into industrial by-products and high-protein grains would be steps forward. In addition, the new Common Agricultural Policy should also support the cultivation of protein crops. Accordingly, Hungary sees funding payments directly linked to production as an appropriate and well-established mechanism which should be retained after 2021, he said.

Nagy told the meeting that demand for GMO-free products around the world is growing and consumers should have guarantees they can choose the products they prefer. They have the right to know what the product they buy contains, and Hungary therefore urges the clear labelling of meat products that are produced using GMO-free feed, he said.

Meanwhile, Nagy said Hungary opposes the European Commission's proposal to authorise wine production using grape varieties that have been banned for decades, and a further 12 EU member states back Hungary's initiative to maintain the ban. EU agriculture ministers discussed the proposals in connection with CAP and the wine sector at the meeting of the Agriculture and Fisheries Council in Brussels on Monday, the ministry noted. The 12 member states

that support Hungary's standpoint account for more than 90% of EU grape production for wines.

CRIME AUTHORITY IN 'ONE RING' PHONE SCAM WARNING

People in Hungary may fall victim to an international phone scam conducted by criminal gangs, the communications director of the National Crime Prevention Council told public media. A call is placed from a phone number with a three-digit international area code and disconnects after one ring, László Garamvölgyi said. Users are then charged an exorbitant fee if they call the number back. The scammers usually use a number with a 200 international dialling code, Garamvölgyi said, noting that up to 12,000 such calls are made per day.

AUDI HUNGARIA STRIKE CONTINUES; INGOLSTADT SHUTDOWN EXTENDED

A strike at German carmaker Audi's plant in Hungary will continue on Tuesday after union leaders and management failed to reach an agreement over wages, a leader of the Audi Hungaria Independent Union (AHFSZ) told MTI.

AHFSZ started the week-long strike on Thursday, bringing production at the plant in Győr (NW Hungary) to a "practical halt". Audi employs some 13,000 people at the base. AHFSZ counts more than 9,000 of those

workers among its members. The union is demanding a wage increase of at least 18%, but no less than 75,000 forints a month. They also want the annual threshold for non-wage benefits raised to 787,000 from 620,000 forints.

Tibor Szimacsek, a member of AHFSZ's governing body, told MTI that the management had made an offer on Monday to raise wages by 18%, or at least 75,000 forints a month, and to ensure all workers have at least one free weekend a month, while reducing the threshold for non-wage benefits to an annual 300,000 forints. He said the union had rejected the offer as a "forced draw". Audi was forced to put production on hold at its headquarters in Ingolstadt on Monday after deliveries of engines from Győr stopped. An Audi spokesperson told MTI that the forced shutdown in Ingolstadt would last at least until Wednesday, a day longer than earlier planned.

NBH POLICY MAKERS KEEP BASE RATE ON HOLD

The National Bank of Hungary's Monetary Council decided to keep the central bank's key rate on hold at 0.90% at a monthly policy meeting. The council has left the base rate on hold since signalling an end to an easing cycle at a policy meeting in the spring of 2016. However, the rate-setters have made use of "unconventional, targeted" instruments to ease monetary policy further.

After recent policy meetings, the council has said it is “prepared for the gradual and cautious normalisation of monetary policy” but has signalled any tightening would start with adjustments to unconventional policy tools, before any changes to the base rate. The council also left the O/N central bank deposit rate at -0.15% and the O/N collateralised loan rate at 0.90% at the meeting. The two rates demarcate the central bank’s “interest rate corridor”.

In a statement released after the meeting, the council said that the probability of core inflation excluding indirect tax effects - a gauge that captures “persistent inflationary trends” - rising over 3% had increased. At the same time, market expectations about the timing of interest rate increases by the world’s leading central banks have “shifted to an ever later date”, suggesting loose monetary conditions may remain “for a longer period of time than earlier expected”, the council added.

HUNGARY MOVES UP TWO SPOTS IN TRANSPARENCY INTERNATIONAL RANKING

Hungary is in 64th place in Transparency International’s 2018 Corruption Perceptions Index ranking, moving up two spots from a year earlier, the Berlin-based organisation said in its annual report. Hungary’s score on the index -- 0 to 100, with 0 being the most corrupt -- was 46, up from 45 a year earlier. With this result, however, Hungary was among the worst performing European member states with Bulgaria losing one point to 42 and Greece losing three points to 45. Transparency International said that the less democratic a country, the more serious corruption is reported from it. In the case of Hungary and Turkey, it also saw a link between corruption and autocracy. As it did last year, Transparency International said that Hungary’s figure “reflects a ... rapidly shrinking space for civil society and independent media”.

Commenting on the report, MEP Benedek Jávor of the opposition

Párbeszéd party attributed Hungary’s long-term fall in the ranking to Prime Minister Viktor Orbán’s measures designed to “put his cronies in good positions and curb the work of anti-corruption bodies”.

LMP TO LAUNCH EP CAMPAIGN AT FEB PARTY CONGRESS

Opposition LMP is launching its European Parliament election campaign at its party congress on February 23 and 24, party board secretary Máté Kanász-Nagy said. The party celebrates its tenth anniversary this year, he noted. At the congress, the party will approve its EP election programme and finalise its list of candidates, he said. The participants will also discuss possible strategies at the election, he said. Options include running independently, fielding a list of its own but seeking opposition allies for the campaign, participating in a joint all-opposition list, or entering into an alliance with conservative Jobbik, Kanász-Nagy said.