

PHOTO OF THE DAY



MTI / Balázs Mohai

Visitors at the Iparterv 50+ exhibition in Ludwig Museum

UPCOMING EVENTS

Presser on wage increase for local council civil servants

Stats office 2nd estimate prelim report on foreign trade in Nov 2018

Court ruling on Ahmed H vs PM's Cabinet Office concerning personality rights

TOP STORY

SZIJJÁRTÓ WARNS OF CHANNELISED MIGRATION

Foreign Minister Péter Szijjártó, on the sidelines of an informal meeting of European foreign ministers, said the European Socialists planned channelised migration to Europe.

Szijjártó labelled this as “dangerous” and something to be prevented by voters in the European parliamentary elections. The minister was reacting to comments on Wednesday by commission vice-president Frans Timmermans, the left-wing’s EC presidential candidate, who commented on a commission policy paper he co-authored that addresses the issue of migration. “Migration should be stopped rather than organised,” Szijjártó said in Bucharest. Referring to billionaire George Soros, he said: “It is clear that Frans Timmermans and the European Socialists are following the orders of the Soros network and want to further intensify migration trends in the direction of Europe.” The strengthening of migration trends can be prevented only if anti-migration forces gain a majority in the EP elections, he said. “This is a big debate taking place in the council of foreign ministers, too, because several governments in Europe have taken a pro-migration stand,” Szijjártó said. “But I believe that voters will be able to decide in the EP elections which direction Europe should follow on this matter.”

TIMMERMANS' REMARKS 'ALARMING'

Foreign Minister Péter Szijjártó said the EU foreign ministers at their Bucharest meeting reviewed challenges affecting Europe such as “frozen conflicts” to the east and “crisis areas” to the south and south-east. “Unfortunately, no progress has been made regarding the crises that surround us to the south, neither in the Syrian nor the Libyan crises,” the minister said. “On top of that, taking together the migrants from sub-Saharan Africa arriving in north Africa and those in the Middle East, some 30-35 million people live in the direct vicinity of Europe who might decide at any point, due to their living conditions, to set off for Europe,” he added.

In light of the above, Timmermans' Wednesday remarks are especially alarming, he added. “We are clearly talking about Soros's man, otherwise he would not have received Soros four times and the head of George Soros-funded organisations numerous times,” Szijjártó said. “He has made his plan clear: he wants to develop a dedicated channel, a new opportunity to bring migrants to Europe if pro-migration forces retain their majority in the EP and the European Commission,” he added. “This is very dangerous for Europe; the security risks of migration trends have been clear in recent years,” he added.

HUNGARY, ROMANIA MINISTERS DISCUSS MIGRATION-RELATED HEALTH RISKS

The topic of health risks connected with illegal migration was discussed at a meeting between Foreign Minister Péter Szijjártó and Sorina Pintea, Romania's health minister, in Bucharest.

Szijjártó told MTI they were in agreement that illegal migration carried considerable health risks as migrants may harbour tropical viruses or pathogens that are rare or uncommon in Europe. The two officials agreed on purchasing vaccines against rare pathogens and viruses in partnership, adding that the two countries will coordinate their positions on health care in international organisations.

Also, Hungarian pharmaceutical company Richter's presence in Romania was discussed. Richter operates a plant with 560 employees in Târgu Mureş, Szijjártó noted, adding that Hungary's annual pharmaceutical exports to Romania total 360 million euros. Szijjártó is attending an informal meeting of EU foreign ministers in Bucharest.

OECD: HUNGARY ECONOMY 'PROSPERING' BUT RISKS REMAIN

The Organisation for Economic Co-operation and Development (OECD) acknowledged Hungary's strong GDP growth, but warned that the economy

faces risks such as a labour shortage. Hungary's economy is “prospering”, OECD said in the report published on Thursday, citing strong domestic demand supported by income gains as well as dynamic business and housing investments, declining unemployment, and broad-based wage increases. Productivity growth has accelerated, but remains “well below” real wage growth and the rate in the decade before the global financial crisis, it added. The OECD earlier projected Hungary's GDP growth would reach 3.9% in 2019 and 3.3% in 2020.

Outlining external and domestic risks, the report noted Hungary's vulnerability to the escalation of international trade disputes and their impact on exports, particularly exports of the automotive sector. Continued high wage growth could erode cost competitiveness and unhinge inflation expectations, requiring abrupt policy change, it said. On the other hand, stronger-than-expected productivity gains would bolster the economy's capability to absorb rapid wage gains, the OECD added. Hungary continues to attract large inflows of foreign direct investment (FDI), but these have mostly benefited the western and central regions of the country, the OECD said, adding that upskilling, mobility and strong regional growth are needed for securing equitable growth.

Hungary's ageing population will weigh on public finances and create challenges for service provisions, the OECD said. It recommended completing the ongoing increase of the

statutory retirement age to 65 by 2022, and link it to gains in life expectancy in the period thereafter. The OECD said Hungary's fiscal policy has become "pro-cyclical" and recommended tighter policy to avoid overheating in the economy. It also faulted the government for continuing to rely on social security contributions, while the structural deficit widens and the tax wedge remains high. It recommended lowering the tax wedge and increasing reliance on consumption taxes. It urged a move towards a single VAT rate and the phasing out of reduced rates for tourism services. The OECD also recommended extending the duration of unemployment benefits and providing support for geographical mobility to improve labour allocation. Building more crèches and enhancing incentives for mothers to participate in the labour market, would also add more Hungarians to the workforce as well as support gender equality, it added. The OECD acknowledged measures introduced to address problems of corruption, but said corruption perceptions "remain high" and recommended the establishment of a dedicated anti-corruption agency.

ORBÁN: HUNGARY SUPPORTS SPAIN'S STANDPOINT ON VENEZUELA

Pablo Casado, President of the Spanish People's Party, phoned Prime Minister Viktor Orbán on Thursday to discuss the situation in Venezuela, the prime

minister's communication's chief said in a statement. Casado, speaking to Orbán in his capacity as leader of the ruling Fidesz party, said that Nicolas Maduro, Venezuela's president, should leave the country forthwith, and European countries should recognise Juan Guaido's temporary presidency, Bertalan Havasi said. As members of the European People's Party, there was full agreement on the matter, he said, adding Orbán told Casado that Hungary shares the Spanish People's Party's standpoint.

HIGH-RANKING OFFICERS SENTENCED FOR BRIBERY

A Debrecen military tribunal sentenced thirteen high-ranking military officers to prison terms on charges of bribery and other crimes and acquitted four others in a repeat procedure of what has become known as the "trial of generals". In its non-binding ruling, the Military Tribunal of the Debrecen Court found the 13 officers guilty of demanding and accepting bribes to the tune of over 200 million forints (EUR 632,000) between 2002 and 2010 from Defence Ministry suppliers and bidders.

The tribunal sentenced Brigadier-General Attila L., the primary defendant, to three years in prison, while Brigadier-General János O., a co-defendant, was handed a two-year sentence. The other 11 defendants were each given two-year prison terms, suspended for three years. Four defendants, including former defence

ministry state secretary László Fapál, were acquitted of all charges. In 2013, a Kaposvár military tribunal acquitted all of the officers of the charges, on the grounds that their indictments had been incomplete, and the evidence against them controversial and based on suppositions. But in 2014, the Budapest Court of Appeals threw out that ruling and ordered a new procedure.

GOVT OFFICIAL URGES EU REGULATIONS TO PREVENT DOUBLE FOOD STANDARDS

European Union regulations are needed to eliminate the double standards of food products sold in western and eastern Europe, a government official said. Róbert Zsigó, the farm ministry's state secretary for food chain supervision, noted that a 2018 European Commission review of 64 products found 20 products with quality discrepancies between the products sold in eastern and western Europe. Zsigó quoted the EC commissioner's opinion on the results as saying that "double standards in food quality are not a myth".

The EC's Joint Research Centre in December 2018 expanded the review to involve 100 products from 19 countries, Zsigó said. "The farm ministry advises citizens to buy products grown and processed in Hungary until the EU regulates production in a satisfactory manner," he said.

In March 2017, Hungarian food authority Nébih tested 68 comparable Hungarian and Austrian products, 18 of which showed minor differences. The national federation of food processors rejected in a statement at the time that the differences indicated discrimination against Hungarian consumers. Sensory tests yielded excellent results in both groups, they said.

SO FAR OVER 16,000 BUDAPESTERS VOTE IN PRESELECTION OF LEFT-WING MAYORAL CANDIDATE

So far over 16,000 people have voted in the preselection of the left-wing opposition candidate for mayor of Budapest, the Socialist Party's Budapest president said on Thursday. The preselection, which runs through February 3, pits Csaba Horváth of the Socialists against Gergely Karácsony of Párbeszéd. Speaking at a press conference, Zsolt Molnár called the autumn municipal elections "the most important milestone" on the road to the 2022 general election. Molnár encouraged Budapest's residents to cast their vote in the preselection and urged them to back Horváth. He added, however, that after Sunday the Socialists will get behind whichever candidate wins the preselection with a view to bringing about change in the capital in October. Asked about Párbeszéd's and his own party's plans for after Sunday, Molnár said

the winner of the preselection will put together a campaign team to prepare for the mayoral election, or, if necessary, another preselection round in June. Whether another ballot will be held in June depends on the other opposition candidates, he said. If another candidate says they have more support than the winner of this week's preselection, another round of voting will be organised for June, he added.

HUNGARY PPI FALLS TO 4.7% IN DEC

Producer prices rose by an annual 4.7% in December, as price growth slowed for the sixth month in a row, the Central Statistical Office (KSH) said. Prices for domestic sales were up 6.2% while export prices rose by 3.9%. In a month-on-month comparison, industrial producer prices edged down 0.4% as domestic prices fell by 0.5% and export prices dropped 0.4%. For the full year, PPI reached 5.5%, up from 3.3% in 2017. Domestic sale prices rose by 6.0% and export prices rose by 5.2%.

REAL ESTATE PRICES SET TO RISE FURTHER

Real estate prices are set to rise in every category in the next 12 months in Hungary with the price of building plots rising the most, economic research institute GKI said based on its representative survey conducted in January. The survey shows that the price of resale homes should rise by 5.7% in the next twelve months

from January, the price of new homes should be up by 5.0%, office building prices should rise by 2.3% and store facility and warehouse prices could be up by 2.0% each. GKI expects price rises for residential housing to be higher in East Hungary than previously estimated. GKI said around 150,000 households are planning on building or buying a home during the next twelve months, the highest number it has on record. GKI's gauge of plans and prospects of real estate companies as well as households in the property market reached 9 points in Budapest, down by 2 points from the previous survey in October while the national index was up by 3 points at 11 points.

SURVEY: MORE HUNGARIANS VOLUNTEERING

Fully one million people engage in voluntary work at least once a month in Hungary, and the share of volunteers has risen to 45.1% from 32.9% since 2013 in the country, a survey presented at a conference showed. Almost half of Hungary's adult population have taken up voluntary work at least once in their life, a deputy state secretary of the human resources ministry said at the event, presenting the Volunteering in Hungary 2018 survey. Altogether one-third of the survey's respondents said they have never engaged in any volunteer work, as they have never been asked to help, Boglárka Illés said, adding that opportunities for volunteering had expanded

considerably since 2013 when the last survey was conducted.

According to a summary distributed at the conference, as many as 3.6 million adult Hungarians have taken up voluntary work at least once in their life and 36% expressed future commitment towards such an activity. Fifty-seven percent of active volunteers are women with an average age of 46, the summary said, noting that the proportion of youth volunteers has increased over the past years. The survey of 2,000 people aged over 18 was conducted between September and October last year.

NBH JOINS “GLOBAL SANDBOX” FOR FINTECH COMPANIES

The National Bank of Hungary (NBH) has joined the Global Financial Innovation Network (GFIN), a “global sandbox” for fintech companies established by regulators on an initiative by the Financial Conduct Authority (FCA) of the UK. GFIN is expected to “act as a network of regulators to collaborate, sharing

experience and best practice, and communicate to firms; provide a forum for joint policy work; and provide firms with an environment in which to trial cross-border solutions”, according to the FCA. In addition to the NBH, regulators from Abu Dhabi, Australia, Bahrain, Bermuda, Canada, Dubai, Guernsey, Jersey, Hong Kong, Hungary, Kazakhstan, Lithuania, Singapore, the UK and the US have joined the GFIN. The NBH invited fintech companies to register to try out its own regulatory sandbox in the framework of the GFIN until Feb. 28.

FARM MINISTRY DOUBLES FUNDING AVAILABLE FOR LATEST SMALLHOLDERS GRANTS

The Agriculture Ministry has doubled the available funding to 2.4 billion forints in its latest tender for grants for smallholders, deputy state secretary József Viski said. The ministry called the tender in December, initially with a funding framework of 1.2 billion forints. The deadline for submitting applications

for the funding is February 11, 2019. The tender was the eighth such one called since 2011. Smallholders were awarded almost 9 billion forints in the earlier tenders.

NEW 500 FORINT BILL ENTERS CIRCULATION

Hungary's new 500 forint banknote (EUR 1.6), upgraded with enhanced security features, will enter circulation on Feb. 1, the National Bank of Hungary (NBH) said on Thursday.

The old 500 forint bills will be withdrawn from circulation on November 1, 2019, but may still be exchanged, free of charge, at banks and post offices for a period of three years, and at the central bank for twenty years. The bill will continue to display a portrait of Ferenc Rákóczi II, a Hungarian nobleman who led an uprising against the Habsburgs, on its obverse side and the Castle of Sárospatak on its reverse side. The 500 forint banknote is the last bill to be upgraded in the framework of a programme launched by the NBH in 2014.