

PHOTO OF THE DAY



MTI/Zsolt Czeglédi

Excavation on BMW plant's future site in Debrecen

UPCOMING EVENTS

Presser by head of Prime Minister's Office

Presser on 2019 Veszprém Spring Festival

Stats office releases December 2018 trade figures

TOP STORY

ORBÁN: NO MAJOR DECISIONS BEFORE EP ELECTIONS

No major decisions should be made before the EP elections "when European citizens will make their choice", Prime Minister Viktor Orbán said at a meeting of Visegrad Group prime ministers and German Chancellor Angela Merkel.

V4-Germany cooperation must continue after the May elections, he said after what he called talks marked by "a positive and sincere tone". Orbán said the participants had been the EU's "core states" that "stand out with their performance". Based on their public debt, budget deficit, exports, unemployment rate and structural reforms, they constitute Europe's core states and, together with Germany, the economic engine of Europe, he said.

The EU "will not be the same as it was before" once the elections have taken place. "We want a democratic EU whose character and directions will be decided upon by the people," he said.

"We can discuss whether democracy should be liberal, illiberal or Christian, but the people cannot be omitted from its formula. Should we neglect the will of European citizens, we would not be building a European Union but an empire and would go back to where we started off 30 years ago when we revolted against having to act on instructions from that empire's headquarters".

US SECRETARY OF STATE POMPEO TO VISIT BUDAPEST ON FEB. 11

US Secretary of State Mike Pompeo will visit Hungary next week, National Security Adviser John Bolton said on Twitter, according to news portal Origo.

The visit is scheduled for Monday, the Hungarian prime minister's press chief told the portal.

Asked about the visit at a V4-Germany summit meeting, Prime Minister Viktor Orbán said he would meet US Secretary of State Mike Pompeo for talks, with "military and security issues on the agenda" with special regard to Ukraine. He said Ukraine was an "important neighbour" but added that "Hungary's position is causing difficulties in cooperation between Ukraine and NATO". He also said that "while Hungary has a pro-Ukraine government, the Ukrainian government is anti-Hungarian, which generates conflicts."

Foreign Minister Péter Szijjártó said Pompeo's visit demonstrated that Hungary is a trusted NATO ally. Hungary's political relations with the US have been improving since a Republican administration entered office, he said. "One could say that our political relations are slowly reaching the level of [our] economic and defence cooperation," he said.

Hungary is committed to strengthening the North Atlantic alliance and supporting the United

States in its global efforts to fight terrorism and the Islamic State terrorist organisation as the leader of an international coalition, he said. The Hungarian government's foreign policy has been guided by the principle of mutual respect which has been reflected in bilateral political cooperation since Donald Trump was elected US president, Szijjártó said. "Hungary has never joined the chorus of the European political mainstream that keeps criticising the Trump administration's foreign and domestic affairs decisions," he added. The foreign minister said he would hold a joint press conference with the US secretary of state. Pompeo will also meet Defence Minister Tibor Benkő.

SZIJJÁRTÓ MEETS US ENERGY SECRETARY PERRY IN WASHINGTON

Minister of Foreign Affairs and Trade Péter Szijjártó discussed the opportunity to diversify Hungary's gas imports with United States Secretary of Energy Rick Perry in Washington, DC. Szijjártó said he had asked Perry to intercede with ExxonMobil with the aim of starting offshore production in Romania with Austrian partner OMV. If Hungary can buy gas from fields in the Black Sea, it would be a significant opportunity to diversify the country's gas supply, he added.

Hungary has taken all necessary steps in the interest of reducing its dependence on gas from Russia, practically the country's only

foreign source of supply at present, Szijjártó said. The next step toward diversification depends on one of Hungary's NATO allies and on a fellow European Union member state, he added. It is in Hungary's strategic interest for the consortium of ExxonMobil and OMV to start gas production in the Black Sea and for that gas to be made available to Hungary to buy, he said. The gas could be delivered through a pipeline Romania has already started to build and enter Hungary through an interconnector that is being made bidirectional, he added.

Szijjártó said he had met with Assistant Secretary of State for European and Eurasian Affairs Wess Mitchell in Washington as well as a number of visiting foreign ministers, among them Ivica Dačić from Serbia, Mevlüt Çavuşoğlu from Turkey, Pavlo Klimkin from Ukraine, Igor Crnadak from Bosnia, Mohammed Ali al-Hakim from Iraq and Khalid bin Ahmed Al Khalifa from Bahrain.

VARGA: GOVT COMMITTED TO TAX CUTS

The Hungarian cabinet wants to remain "the government of tax cuts" and over the coming years wants to introduce the biggest cuts in administrative burdens related to taxation, the finance minister said. Hungary's economic indicators have been positive for years now, and last year's growth rate may even exceed 4.6 percent, Mihály Varga said at an event

reviewing the activities of the National Tax and Customs Authority (NAV) over the past year.

The minister said the 5.2% growth registered in Q3 was the third largest rate in the European Union, adding that certain analysts project growth to exceed expectations again this year. But Varga warned that global economic growth was beginning to pass its peak, and said it was worth preparing for a slowdown. Measures should be introduced to preserve the country's economic achievements, he added.

The minister said NAV would have an important role to play in this, noting that taxes account for 95% of budget revenues. Though the government introduced a number of tax cuts last year, this has not put a dent on revenues, Varga said, pointing out that budget revenues last year were up by 851 billion forints (EUR 2.7bn) from 2017. And this year NAV will have to find a way to take in 1.065 billion forints more, he said, pointing out that a planned 2 percentage point reduction in the social contribution tax alone would leave more than 130 billion forints with businesses.

ZSOLT NÉMETH: IMMIGRATION NO SOLUTION TO EUROPE'S PROBLEM

The European Union's enlargement rather than migration could offer a solution to "Europe's problem", Zsolt Németh, the head of parliament's

foreign affairs committee, told MTI over the phone from Podgorica. Németh, who arrived in Montenegro at the invitation of his counterpart Andrija Nikolić, also met President Milo Đukanović.

Németh and his negotiating partners surveyed the European situation, with special regard to the upcoming European parliamentary elections, which they said would be especially important to Montenegro and other western Balkans states. They agreed that the EU, along with the Western Balkans and Montenegro, would need a successful EU enlargement rather than immigration.

TAKÁCS: EU'S FLAWED MIGRATION POLICY INCREASES THREAT OF ANTI-SEMITISM

The flawed migration policy of the "pro-migration forces" and "Brussels bureaucrats" increases the threat of anti-Semitism in Europe, the state secretary for European affairs said in Brussels. Szabolcs Takács spoke to MTI over the phone after attending a conference on combatting anti-Semitism.

Takács said European Commission First Vice President Frans Timmermans, who is the Spitzenkandidat of the Party of European Socialists, had "forgot" to mention in his address that besides right-wing and left-wing anti-Semitism, another major threat facing Europe was anti-Semitism related to "radical Islam", which he said had risen recently due to immigration.

ARMED FORCES COMMAND TO MOVE TO SZÉKESFEHÉRVÁR

The Command of the Hungarian Armed Forces will be relocated to Székesfehérvár, in central Hungary, the defence minister said. Tibor Benkő told reporters that an amendment to the defence law which came into effect on Jan. 1 had created a "modern senior strategic leadership" in Hungary's military. Well-trained soldiers and modern equipment are worth little if leadership methods are obsolete, Benkő said after attending a closed-door meeting of the Székesfehérvár municipal assembly. The minister noted that in the past, the Hungarian Armed Forces had been headed and controlled by the defence minister. But, he said, military organisations should not be headed by a political leader, but rather by the military's newly-inaugurated commander, Lieutenant General Ferenc Korom.

EC RAISES HUNGARY GDP GROWTH FORECAST

The European Commission raised its projection for Hungary's GDP growth this year to 3.4% in a quarterly forecast. The projection was raised from 3.2% in a forecast published in November, but is still well under the government's latest forecast for growth of 3.9%. The EC puts 2020 growth at 2.6%.

In a country note, the EC acknowledged that Hungary's GDP

growth had accelerated to almost 5% in 2018 but said the domestic cycle “has reached its peak”. Investment growth is forecast “to stabilise at a high level” relative to GDP in the coming years as the absorption of EU funds peaks and a temporary VAT reduction on home construction expires. The EC sees consumption growth “moderating” as the economy absorbs its labour reserves and employment and income growth slow. The EC said strong demand and labour cost growth is fuelling core inflation, but subdued oil prices are expected to keep headline inflation near 3% in 2019 and 2020.

INDUSTRIAL OUTPUT CLIMBS 5.4% IN DECEMBER

Hungary’s industrial output rose by 5.4% year-on-year in December, the Central Statistical Office (KSH) said in a first reading of data. Adjusted for the number of work days in the month, industrial output increased 5.7%. In

a month-on-month comparison, output was up a seasonally and workday-adjusted 2.5%. For the full year, industrial output rose by 3.6%.

KSH said most branches of the manufacturing sector had contributed to the December growth. Output of the biggest branch, vehicle manufacturing, rose at a faster pace than in the previous month. Output of the computer, electronics and optical equipment branch expanded significantly, while output of the food, drink and tobacco branch rose to a smaller degree, KSH said.

ING Bank chief analyst Péter Virovác said the December increase was higher than expected, especially in light of seasonal shutdowns. Industrial output growth could reach 4 to 5% in 2019, though weaker output in Germany and a slowdown of global growth are downside risks, he added. Takarékbank analyst Gergely Suppan also said the high December growth was a positive surprise and may have lifted Q4 GDP growth to 5%. The introduction of new

car models and added manufacturing sector capacities, along with robust domestic demand, could raise industrial output growth to 4.8% this year, he added.

SEMJÉN OPENS INTERNATIONAL HUNTING, FISHING FAIR IN BUDAPEST

Deputy Prime Minister Zsolt Semjén opened the 26th Fishing, Hunting and Arms International Exhibition (FeHoVa) at the Hungexpo fairgrounds in Budapest. He said efforts were needed in order to resume Hungary’s hunting “superpower” status. The arms law needs to be rationalised, the role of the hunters’ chamber strengthened and a game management fund of several billion forints needs to be set up, he added.

This year’s fair, which boasts 300 exhibitors from 17 countries, is expected to draw more than 50,000 visitors. The exhibition will last from February 7 to February 10.

