

PHOTO OF THE DAY



Zoltán Petöcz and Péter Takács, students of the Bánki High School, building a solar panel-driven ship

MTI/Ózsef Balaton

UPCOMING EVENTS

Heads of state of Bucharest Nine meet NATO chief in Košice, Slovakia

Stats office releases 2018 Q4 investment, 2019 Jan industry output figures

Szijjártó announces Bosch investment in Hatvan

TOP STORY

ORBÁN: MIGRATION WILL COMPLETELY RESHAPE WORLD

“Migration will completely reshape the world in which we live, and everything that happens in 2050 and beyond will be a consequence of what is happening now,” Prime Minister Viktor Orbán said.

Speaking at a conference organised by the Hungarian Chamber of Commerce and Industry (MKIK), Orbán said that those who fail to protect themselves now will no longer have the chance to do so in 2050-60. “The effects of migration on Europe ... is about our children and grandchildren and their safety,” he added. Addressing business representatives at the conference, the prime minister said: “Your economic success will be pointless if your grandchildren and children take over your companies in a world which is not a good place to live in.”

Upcoming tasks, he said, include designing a strategy for supporting Hungarian companies’ outward investment. Hungarian companies must join the global economic competition, he said, but added that it requires generating resources. Central bank governor György Matolcsy has been tasked with preparing a strategy, he said, adding that Hungarian companies must make at least as much abroad as foreigners make in Hungary. Orbán told the chief executives present that Hungary was now in a rising phase.

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ORBÁN: GOVT AIMS FOR SUSTAINABLE GROWTH, DEMOGRAPHIC CHANGE

At a conference organised by the Hungarian Chamber of Commerce and Industry (MKIK), Prime Minister Viktor Orbán identified turning around Hungary's population decline and setting the economy on a path of sustainable growth that exceeds the European Union average by 2 percentage points as key objectives. The government's family support initiatives will help to halt population decline in the country, he added. Further, vocational training would be "radically reformed", Orbán said. He insisted that anyone who strove for a united states of Europe was pro-migration and wanted a Europe altered by immigrants. Meanwhile, he said goals to be reached by 2030 included making Hungary one of the top five EU countries and among the five most competitive states.

Further, the Carpathian Basin must be reconstructed in both the physical and economic sense, and central Europe must become a real economic area, Orbán said. True energy independence must also come about, requiring the development of the Paks nuclear power plant, increasing the amount of solar energy and making fossil fuels available by new means such as gas extracted in Romania and the Turkish Stream pipeline being routed to Hungary. Also, pending an agreement with Slovenia, Italian LNG should also be made available in Hungary, he added.

ORBÁN OUTLINES HUNGARIAN ECONOMIC MODEL

A work-based economy, a family support system, full employment and industrial reforms have been the pillars of the Hungarian economic model, Prime Minister Viktor Orbán said at a conference of the Hungarian Chamber of Commerce and Industry (MKIK). Orbán warned, however, that unless Hungarian companies renewed their activities, boosted their efficiency and responded to the increase in wage costs, they may fail. Since Hungary's population is unlikely to grow significantly in the near future, the economy will have 5 million workers at its disposal, so no expansion will be possible due to new employees entering the job market. But labour reserves are still available in cross-border formations, he added.

He underlined the importance of keeping the budget deficit below 3% of GDP, reducing government debt and ultimately making the debt Hungarian. "Indeed, it would be better in the end for Hungary to be a creditor rather than a debtor," he said. Orbán identified farming and the food industry based on it, as well as sport and culture, as prime areas on which domestic businesses can grow. Addressing the relationship between the National Bank of Hungary (NBH) and the government, Orbán said the independence of the central bank as laid down in the constitution did not

exclude the possibility of working together. A lack of cooperation would mean the separation of the real economy and the financial sector, he added. Economic policy, he said, should be based on two kinds of vision simultaneously: one innovative and courageous, represented by central bank governor György Matolcsy, and the other rooted to the ground, as represented by Mihály Varga, the finance minister.

HUNGARY PRODUCTIVITY GAINS "MODEST", EC SAYS

The European Commission (EC) said productivity increases in Hungary have been "modest", adding that strong economic growth has created favourable conditions for policies that would support improvements in a country report released on Wednesday. "Productivity growth has improved, but remains below pre-crisis rates, limiting the possibility for income convergence," the EC said in the report. "[Productivity growth] has been slow for a decade compared to Hungary's regional peers. Large productivity differences persist between larger, more capital-intensive foreign firms, and smaller, more labour-intensive domestic counterparts. Only few firms innovate, reflecting weaknesses in the entrepreneurial culture and product market competition," it added.

The EC acknowledged that policy stimulus has supported productivity-enhancing investment, but noted that labour costs continue to outpace

productivity growth. "In the course of the last decade, the mobilisation of labour market reserves has helped income per head catch up with the EU average, while output per worker has barely grown," the EC said. As labour reserves have diminished and the working-age population is set to decrease in the medium term, higher productivity is "essential if living standards are to be brought closer to the EU average", it added. The EC said Hungary's economy is enjoying a "strong cyclical upswing", but warned that economic growth is set to level off after pent-up consumption unwinds.

"The external environment is also providing less support to export growth, while the major role played by the car industry creates vulnerability to trade disputes and to regulatory and technological change," it added. The EC said a big increase in public investment is aggravating capacity shortages in construction, leading to cost overruns and project delays, and contributing to rapid house price increases. The EC said Hungary had made "limited progress" overall to address 2018 country-specific recommendations. While it acknowledged "some progress" in reducing the complexity of the tax system, cutting the number of fostered workers and reducing the tax burden on pensioners who return to work, it said "limited progress" had been made in improving the public procurement framework. The EC said "no progress" had been made to address recommendations on reinforcing

the anti-corruption framework and strengthening prosecutorial efforts. "The regulatory environment in services has not improved. The quality and transparency of decision making and social dialogue has not advanced," it added.

SZIJJÁRTÓ: BRUSSELS BUREAUCRATS WAGE REVENGE CAMPAIGN AGAINST HUNGARY, POLAND

The "pro-migration bureaucrats" in Brussels are pursuing a campaign of revenge against Hungary and Poland, but the two countries "can rely on each other", Foreign Minister Péter Sziijártó said after talks with his Polish counterpart. Hungary and Poland stand up for their national interests and take a fair and honest position in international debates, Sziijártó told a joint press conference with Jacek Czaputowicz. Both countries also believe that Europe's Christian heritage must be protected, he added. "The bureaucrats in Brussels have launched a campaign of revenge" against Hungary and Poland but the two countries "will not give in", he said. Both countries want a strong Europe, which can only be built on strong member states, he added.

The attacks by Brussels lack an authentic reason, they are only based on political motivation because Hungary and Poland do not want to become a country of immigrants and go against Brussels' migrant policies,

he said. Hungary and Poland were the first countries in Europe that made it clear that they would not vote for the United Nations global migration compact and now they are joining forces to fight off all attempts to "push the compact down countries' throats" bit by bit, he said. He added that they were in agreement about border protection issues and both believed that it was a task of the state. Hungary and Poland believe that help needs to be taken to where the trouble is, which is why an orphanage is being built with the support of the two countries' governments in Homs, Syria, he said. Hungarian and Polish soldiers are fighting side by side and they are involved in a UN mission in Lebanon to secure the country's stability, Sziijártó said. Some 50 Hungarian soldiers will be serving there, he added.

Sziijártó noted that Poland is Hungary's fifth most important trading partner, with bilateral trade reaching 10 billion euros last year. A joint plan is to build a fast railway link between Budapest and Warsaw, he said. Hungary will be opening a consulate in Wroclaw in March, he added.

Czaputowicz said the EU was going through an important period, with a European parliamentary election coming up, new institutions to be set up and new budgetary frameworks to be developed. "So it is important to strengthen cooperation" between Hungary and Poland, he added.

In response to a question, Sziijártó reacted to press reports about the cancellation of a meeting by Winfried

Kretschmann, minister president of the state of Baden-Württemberg. He said Baden-Württemberg was an important trading partner and added that he would hold talks in Stuttgart about economic issues, also meeting Mercedes management. He said the minister president of Baden-Württemberg was “an extremely biased, pro-migration green politician” and “it is not a problem” that the meeting would not take place.

SZIJJÁRTÓ: HUNGARY, MALTA GRASP SEVERITY OF MIGRATION CRISIS

Hungary and Malta fully grasp how severe the migration crisis is and what responses are needed, Péter Szijjártó, the Hungarian foreign minister, said after talks with Carmelo Abela, his Maltese counterpart. Speaking at a joint press conference after the meeting, Szijjártó said the two countries had agreed that decisions on services provided for migrants should be left in the hands of member states. Malta and Hungary both view illegal border crossing as a crime rather than as an administrative matter and neither considers migration a fundamental human right, he said. Both argue that illegal migration should be stopped as far from the borders of Europe as possible by helping where the trouble is, Szijjártó said. Although they differ on the UN migration compact which Malta accepted and Hungary rejected, Malta also attached a declaration showing many similarities with the

Hungarian stance to the UN pact, he said.

Szijjártó noted that sea borders are much more difficult to protect than land borders. The “starting point” should be that the EU dispenses with its migration policy, which amounts to an invitation for migrants, inspiring masses to risk their lives to get to Europe, he said. Malta and Hungary both view sovereignty as of paramount importance and are ready to settle any disputes with mutual respect, he said. They cooperate within the UN, with Hungary supporting Malta’s aspirations to become a non-permanent member of the Security Council. Over 3,000 Hungarians live in Malta currently, and 28,000 spent their holidays there last year, he noted. A direct flight between the eastern Hungarian city of Debrecen and Malta will be launched on April 1 and is expected to further lift visitor numbers, he said. To deal with the growing flow, Hungary will open a consulate in Valletta, Szijjártó said. Bilateral trade jumped by 88% in 2018, reaching 50 million euros, he said. Abela said that migration is a global crisis that countries must find a solution to together. The two countries do not always see eye to eye but always respect each other, he said.

KÖVÉR HAS TALKS IN ETHIOPIA

House Speaker László Kövér voiced his appreciation for Ethiopia’s supporting nearly one million refugees in the country, during talks

in Addis Ababa, parliament’s press office reported. Kövér arrived in Ethiopia at the invitation of Tagesse Chafo, his Ethiopian counterpart, and was received by Ethiopian President Sahle-Work Zewde and Abune Mathias, head of the Ethiopian Orthodox Tewahedo Church. During talks with Chafo, Kövér noted that Ethiopia was the second recipient of refugees in Africa, and added that Hungary seeks to support Ethiopian efforts through its Hungary Helps programme. Talks with the Orthodox patriarch focused on providing help to persecuted Christians. Kövér said that Hungary’s financial aid would be focused on four refugee camps in Tigre state, accommodating some 60,000 Christians from Eritrea and South Sudan.

HUNGARY JOBLESS RATE 3.7%

Hungary’s rolling average three-month jobless rate was 3.7% in November-January, inching up from the previous three-month period, the Central Statistical Office (KSH) said on Wednesday. The rate covers unemployment among those between the ages of 15 and 74. In absolute terms, there were 169,800 unemployed, 2,600 more than in the previous period and 3,900 fewer than a year earlier. The unemployment rate in the 15-24 age group was almost unchanged at 11.4%. The unemployed in this age group account for more than one-fifth of all jobless, KSH noted.

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Commenting on the data, the finance ministry's state secretary for employment, Sándor Bodó, said the government's aim was to bring the unemployment rate down to around 3%. The Hungarian economy still has labour reserves of about 500,000, he told public news channel M1, adding that specific measures and training schemes were needed to push those people back into the workforce. The finance ministry said in a statement that Hungary has the fifth lowest jobless rate in the European Union. The economy has gained nearly 800,000 jobs since 2010, and Hungary has enjoyed the third fastest growing employment rate after Malta and Lithuania during this period, it said.

Analysts interviewed by MTI said Hungary has "reached full employment" and any further reductions in unemployment would require labour market reforms. ING Bank chief analyst Péter Virovác forecast an unemployment rate of 3.6% for the full year. He said a saturated labour market could further boost wage growth and corporate investment. Takarékbank senior analyst Gergely Suppan said the jobs market was reaching its limits for expansion, adding that further meaningful changes would require policy intervention. Orsolya Nyeste of Erste Bank said the data still reflected a strong labour market. This is expected to promote further wage growth, albeit at a slower pace than last year, she said.

GYURCSÁNY ACCUSES MERKEL OF OVERLOOKING ORBAN'S 'ANTI-EUROPE POLICIES'

Democratic Coalition leader Ferenc Gyurcsány accused German Chancellor Angela Merkel of "turning a blind eye to [Prime Minister] Viktor Orbán's anti-Europe policies that create authoritarian rule". In an open letter to Merkel, which he also posted on Facebook, Gyurcsány called on the German chancellor to stand up for her principles and beliefs "as you have done so many times". The former prime minister said Merkel also shared responsibility for the Hungarian government's "efforts aimed at dividing rather than unifying Europe". He speculated that Merkel's disregard of Orbán's policies was part of how she represented the interests of German investors and had to do with her wanting to preserve the unity of the European People's Party, of which both her CDU and Orbán's Fidesz are members.

Gyurcsány said that though it was not Merkel who kept Orbán in power, her "protective and indulgent" approach to the Hungarian prime minister made her complicit in it. "Terrible years lie ahead for both Europe and Hungary if Germany turns a blind eye to the Hungarian government's policies and only stands up for Europe rhetorically," Gyurcsány said.

FIRST TENDERS FOR HUNGARIAN VILLAGE FUNDING SCHEME CALLED

The government called the first tenders in the Hungarian Village Programme, a 150 billion forint (EUR 473m) development scheme that aims to slow depopulation in communities with fewer than 5,000 residents. The aim of the tenders is to "strengthen local identity by developing public spaces" with the involvement of churches as well as local community and cultural centres. The tenders allocate 7 billion forints in funding for churches and 6 billion for community and cultural centres. The monies may be used for the upgrade of buildings, the organisation of community programmes and wage support for people to staff such schemes. The funding is capped at 15 million per project for building upgrades, 5 million for community programmes and just under 3 million for wage support. In the case of churches, the funding for building upgrades may be used for disused buildings and public spaces owned by churches but not for churches and chapels. Funded projects must be completed in a period of 18 months, but no later than the end of 2020.

Patriarch of Melkite Greek Catholic Church Expresses Appreciation for Hungary's Solidarity

The help and solidarity received from Hungarians means a great deal to Christians in the Middle East, Youssef Absi, the patriarch of the Melkite Greek Catholic Church, said. "The Hungarian people live according to Christian values, and Hungary is open to helping all persecuted nations," the patriarch, invited for a visit to Hungary by Prime Minister Viktor Orbán, told public news channel M1. He said the purpose of his visit was "to work together with the Hungarian government" and discuss how the government can work together with Christians in the Middle East. He added that his community had suffered greatly, and many ruined schools and hospitals needed to be rebuilt.

New Rules Introduced for Restitution of Artworks in Public Collections - Paper

Hungary has introduced new, temporary measures affecting the restitution of artworks held in public collections, replacing the rules introduced in 2013, daily Népszava said, citing the official gazette Magyar Kozlony. The restitution measures introduced in 2013 stated that if the state cannot reasonably prove its ownership of an art object, then the object must be returned to the person whose proof of ownership carries the greatest credibility. After the state surrenders its rights, the person making a claim submits proof of ownership.

Under the temporary measures introduced on Wednesday, the order of actions to be taken has been changed and the National Asset Manager first

assesses if the claimant's ownership can be reasonably proven. Even if this is the case, however, the head of the prime minister's office can still decide to place an artwork under protected status, which means it cannot be taken out of the country, the paper said.

SK Innovation to Build HUF 239 Bn Battery Plant in Hungary

Minister of Foreign Affairs and Trade Péter Szijjártó announced a 239 billion forint (EUR 755.5m) investment in the northern Hungarian town of Komárom by South Korea's SK Innovation. SK Innovation's plant will turn out batteries for electric vehicles and employ 1,000 people, Szijjártó said. Construction will begin in March and production could start late in 2021 or early in 2022, he added. Hungary's government will contribute to the investment, but the scale of the grant is still under negotiation, Szijjártó said.