

## PHOTO OF THE DAY



Swimmers ringing in the New Year with pálinka, the national fruit brandy, in Lake Balaton

MTI/György Varga

## UPCOMING EVENTS

Coronavirus updates

Events marking New Year

## TOP STORY

## RÉTVÁRI HAILS 'TURNAROUND' IN FERTILITY RATE

Owing to the government's consistent family support measures over the past ten years, the number of children Hungarian families are raising has returned to pre-1995 levels, a government official said.

Bence Rétvári, parliamentary deputy state secretary of the ministry of human resources, told daily Magyar Nemzet's Friday edition that the increase in Hungary's fertility rate was "a potential turnaround". Referring to Central Statistical Office (KSH) data, Rétvári noted that the rate was 1.59 in the January-November period this year, up from 1.57 in 1995, before austerity measures introduced by Lajos Bokros, the then finance minister. The fertility rate had been declining since 1979, when Hungary's fertility rate was above 2.0. It declined to 1.8 at the time of the 1989-90 change in political system before dropping even further, to an all-time low of 1.2 after the 2008 "crisis management" of the previous Gyurcsány-Bajnai left-wing government, Rétvári said. Rétvári, a lawmaker of the co-ruling Christian Democrats, said their government "strongly believes in families", which is why, he added, it had introduced a multitude of schemes to help couples wanting to raise children.

## FINMIN: PUBLIC DEBT SET TO DECLINE

Finance Minister Mihály Varga, said there is a high chance that Hungary's public debt may be put back on a declining path. The finance minister said in an interview to the daily Magyar Nemzet that the economy was likely to grow by more than 6% this year and the employment numbers were better than before the epidemic. Owing to the backdrop of a decade of fiscal discipline combined with measures to boost growth, when the pandemic hit, the government had the means to provide wage and investment subsidies to offset the economic downturn, and without any external financial aid, the public finances raised 3,000 billion forints (EUR 8.1bn), he said. Like in other European countries, the corollary was a spike in deficits and the public debt, he added.

Addressing criticism by former central bank governor György Surányi that the balance indicators had deteriorated, Varga noted that all EU countries were still under the cloud of the 2020-2021 economic downturn which, he said, was far worse than the previous global crisis in 2008-2009. Comparatively, "Hungary isn't doing badly," he said, noting a debt-to-GDP ratio well below the EU average. Moreover, efforts are now being made to return it to a declining path, the minister said. Having got off to a good start relaunching the economy, financing for public investments can

be tapered, and the government has set a year-end spending ceiling while boosting this year's financial reserves by 350 billion forints, Varga noted. Further, 755 billion forints has been bracketed in next year's budget by postponing several public investments, with a smaller deficit and debt stock achieved as a result, he added. He said postponing public investments would not dampen economic growth next year, which, he added, would be over 5%. With an investment rate of 27.5%, Hungary has the highest in the European Union, he added. The government's determination to improve Hungary's balance indicators will stand the country in good stead when it comes to global economic risks ahead while improving the outlook of investors, Varga said.

## HUNGARY STATE DEBT RATIO AT 80.3% IN Q3

Hungary's state debt relative to GDP rose to 80.3% in Q3 from 77.4% in the previous quarter, the National Bank of Hungary (NBH) said in a second reading of data on Friday. The Q3 debt ratio was a fraction under the 80.5% figure in a preliminary reading of the data released on November 17. State debt was lifted by the issue of the equivalent of 4.5 billion euros of FX bonds in September to bridge finance delayed transfers from the European Union's Recovery and Resilience Facility (RRF), to finance other discretionary expenditures in

2021, and to pre-finance some 2022 budget expenditures. Those issues lifted the share of FX debt within state debt to the equivalent of 18.1% of GDP in Q3, up from 15.1% in Q2. The finance ministry expects state debt to fall to 79.9% of GDP at the end of 2021.

In absolute terms, Hungary's state debt reached 42,106 billion forints (EUR 113.8bn) at the end of Q3, up from 38,418 billion at the end of 2020. FX debt came to 9,486 billion forints at the end of Q3. The NBH data show the budget's net financing requirement – a good approximation for the general government deficit – reached 517 billion forints in Q3, equivalent to 3.7% of quarterly GDP. Households had a net financing requirement – for the first time in more than a decade – of 66 billion forints in Q3, equivalent to 0.5% of quarterly GDP.

## GULYÁS TO TAKE OVER FAMILY MINISTER'S TASKS

Gergely Gulyás, the head of the Prime Minister's Office, will take over the tasks of Katalin Novák, the minister of family affairs, who tendered her resignation to accept a nomination to serve as Hungary's next president, a decree published in the latest issue of the official gazette Magyar Közlöny shows. Prime Minister Viktor Orbán said late in December that ruling Fidesz would nominate Novák for president. President János Áder's mandate expires on May 10, 2022. He has served two five-year terms, the most allowed under Hungary's Constitution.

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## **GOVT OFFICIAL PRAISES HUNGARY HELPS SCHEME**

The Hungary Helps humanitarian scheme has been a success and is set to continue next year, the state secretary in charge of the programme said on Thursday evening. Hungary's government has supported communities in more than 40 countries through the programme and has helped more than half a million people stay in their homelands, Tristan Azbej told public news channel M1. Among the programme's contributions this year, Azbej noted the inauguration of a vocational training centre in Kenya, support for Armenian churches in Iraq and Syria and the donation of 100,000 doses of coronavirus vaccine to Armenia. Hungary also negotiated the release of five prisoners of war by Azerbaijan to Armenia, he added.

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## **HUNGARY RECORDS 82 COVID DEATHS, 3,360 NEW INFECTIONS**

Altogether 82 patients died of a Covid-related illness over the past 24 hours, while 3,360 new coronavirus infections were registered, koronavirus.gov.hu said on Friday. So far 6,266,064 people have received a first jab, while

5,981,569 have been fully vaccinated. Fully 3,176,553 Hungarians have received a booster jab. The number of active infections went down to 105,553, while hospitals are treating 3,492 Covid-19 patients, 334 of whom need respiratory assistance. Since the first outbreak, 1,256,415 infections have been registered, while the number of fatalities has risen to 39,186. Fully 1,111,676 people have made a recovery.

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## **FULL-EV OWNERSHIP IN HUNGARY UP 50%**

The number of fully electric vehicles in Hungary grew by 50% in January-October, to 18,800, the Future Mobility Association said on Friday. The association projects the number of full EVs on Hungarian roads will reach 30,000 at the end of next year, then increase to 75,000 after three years, and to 125,000 by the end of 2026.

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## **KARIKÓ RECEIVES GOLDEN PLATE AWARD**

Hungarian biochemist Katalin Karikó has been awarded this year's Golden Plate Award granted by the American Academy Achievement, the Szeged University said on Friday. Karikó, a vice president of BioNTech, which has led research on mRNA-based medicine

since the 1990s, has played a major role in developing new vaccination strategies which have been used in the fight against Covid-19. Karikó was nominated for the Golden Plate by Nobel laureate scientists Frances Hamilton Arnold, Jennifer Anne Doudna, Robert Joseph Lefkowitz and James Patrick Allison, Szeged University said. She received the award at a gala dinner in Los Angeles on December 23, it added.

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## **RENOWNED POET AND WRITER MÁRTON KALÁSZ DIES AGED 87**

Renowned poet, writer and literary translator Márton Kalász, holder of the Kossuth and József Attila prizes and full member of the Hungarian Academy of Arts (MMA), has died at the age of 87, the MMA said on Thursday evening. Kalász, born Márton Krisztmann in Somberek, in southern Hungary, spoke only German until the age of ten. He worked at the Hungarian Cultural Institute in Berlin from 1971 to 1974 and served as the director of the Hungarian Information and Cultural Centre in Stuttgart from 1990 to 1994. He was awarded the József Attila Prize in 1971 and 1987 and the Kossuth Prize, the highest state award, in 2013.