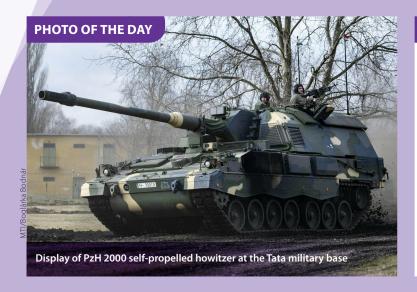
# HUNGARY

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#### **UPCOMING EVENTS**

Stats office prelim report on construction in Jan-Dec 2023, first estimate on 2023 Q4 GDP

Events related to the wars in Ukraine, Middle East

**TOP STORY** 

### SZIJJÁRTÓ CALLES FOR RADICAL CHANGES IN EU MIGRATION POLICY IN ORDER TO PROTECT EUROPE'S FUTURE

Radical changes are needed in Brussels' migration policy in order to protect Europe's future, international law should be respected and those that act in line with it must not be punished, the foreign minister said in Madrid on Tuesday.

The ministry cited Péter Szijjártó as saying after talks with Spanish counterpart José Manuel Albares that Madrid would help Budapest in several areas under the arrangement of the current presidency trio of the Council of the European Union made up of Spain, Belgium and Hungary. Szijjártó said Europe was currently facing some very serious challenges, such as illegal migration. Last year, the number of migrants arriving in Spain went up by 82% on 2022. At the same time, pressure was also increasing in Hungary, with 170,000 illegal border crossing attempts thwarted by the authorities last year, he added. "Taking into consideration that the threat of terrorism is more severe than ever before in Africa, and economic development cannot progress at the pace of population increase, we can expect a migratory pressure to toughen on Europe," the foreign minister said. "If Brussels maintains its pro-migration policy, then there will be a realistic danger that Europeans lose Europe because Brussels' migration policy attracts people to the continent," he added.



### PM'S PRESS CHIEF DECRIES MEDIA REPORTS ON ORBÁN, BALOG

The prime minister's press chief on Monday decried "left-wing press reports" saying that Prime Minister Viktor Orbán "also held [Reformed Bishop] Zoltán Balog responsible for the clemency" granted by President Katalin Novák to a man convicted for helping to cover up child abuse. Several news websites alleged on Monday that "Balog's seat as a bishop may be in danger". Bertalan Havasi called the reports "fake news" and "stupid". The government and the prime minister do not interfere with matters of the church, and respect their autonomy, he said.

#### SZIJJÁRTÓ MEETS SPANISH COMPANY EXECS

Around 200 Spanish companies employ some 50,000 people in Hungary, and continue to invest in0the country, the minister of foreign affairs and trade said on Facebook. Péter Szijjártó met the heads of Spanish car manufacturing, tourism, traffic, air transport, finance and energy companies for talks on further investments in Hungary earlier on Tuesday in Madrid. "It was good to hear the feedback of Spanish companies, many of whom see Hungary's economic strategy and the government's economic policy as an example. Hungary's attraction lies in its low taxes, an investor-friendly economic environment and well-trained workforce," Szijjártó said. Hungary has overcome last year's economic difficulties created by the war, sanctions and the resulting inflation, Szijjártó said. "We have broken down inflation, maintained energy security and record employment, and proved that Hungary's economy is operational without EU funds. The trust and investments of Spanish companies has been a great help," he added.

After talks with Spanish counterpart José Manuel Albares later on Tuesday, the ministry cited Szijjártó talking about Hungarian-Spanish economic relations, and welcoming last year's record trade volume of 6 billion euros. He said he had met the leaders of several Spanish companies that had made investments in Hungary and they all expressed satisfaction about the business environment. Szijjártó also said that over 300,000 Hungarians had visited Spain last year, and more than 200,000 Spanish tourists had come to Hungary, both numbers increasing over 40%.

### SZIJJÁRTÓ: HUNGARY-CROATIA TIES WEAKEST ON ENERGY

Croatia and Hungary's relations are weakest in the field of energy, Péter Szijjártó, the minister of foreign affairs and trade, told Croatian news agency HINA in an interview published on Tuesday. Szijjártó attended on Monday

the inauguration of a local primary school in Petrinja that had been damaged in an earthquake and rebuilt with 8.7 billion forints (EUR 22.5m) of Hungarian government support. He called the fully rebuilt school "proof of the friendship between Hungary and Croatia and their people".

In the interview to HINA, Szijjártó said the two countries' relations were strongest on the protection of the identity and cultural heritage of each other's national minorities, which he said "could be used as a benchmark in Europe." At the same time, energy cooperation is the "weakest link" in bilateral ties, he added. Szijjártó said he understood that regaining ownership of the INA oil company was a key issue for the Croatian government, but "this should not be considered as an issue between the two states". Talks on this, he said, should be carries out with Hungarian oil and gas company MOL, which is a Hungarian company, but not state-owned. The minister said he had told his Croatian partners on multiple occasions that Hungary understood that this was a problem, but it had to be kept separate from every other aspect of bilateral cooperation. He added that the Croatian government seemed not to be ready for this. According to MOL, Croatian oil pipeline operator Janaf was charging a "disproportionately high and unfair" transit fee for its services.

Szijjártó said that the situation should not be "ideologised or politicised" because the matter was a technical one. Hungary, he noted, can



only buy natural gas from Russia via Ukraine or from Janaf operating the Croatian section of the Adria pipeline.

Janaf does not have the capacities to be able to make up for a potential shutdown of the pipeline delivering oil from Russia, Szijjártó said. He said that if there had been a "real will" to increase the pipeline's capacity, there would have been progress in the two years since the start of the war in Ukraine, "but nothing has happened", adding that Budapest was concerned by this.

He pointed out that supply security was a key issue for Hungary, and Janaf had only offered a threemonth agreement and raised prices significantly since the start of the war. As regards European Union enlargement, Szijjártó said the project would remain incomplete until all Western Balkan countries are EU members. Hungary believes the EU needs the Western Balkans more than the other way round, he added. He said the bloc was suffering from losing its competitiveness, war fatigue and from becoming less relevant in global politics. Enlargement would give the EU "freshness" and new momentum, he said, adding that Hungary will put significant emphasis on speeding up the process during its presidency of the Council of the EU in the second half of the year.

Hungary has a vested interest in the stability of the Western Balkans, so the Hungarian government opposes EU sanctions against Bosnian Serb leader Milorad Dodik, Szijjártó said. He said European sanctions had never been effective anywhere, so there was no point in sanctioning a democratically elected leader as that "would only make the situation worse". Instead, Budapest urges dialogue, he said, adding that his discussions with Dodik made it clear that he was committed to a European path for his country.

The minister said the acceleration of Bosnia and Herzegovina's EU membership should be used as a "common denominator" that would unite the country's leaders and nationalities and ease tensions. Meanwhile, he said Serbia "can join the European Union easily tomorrow", and as the "biggest and strongest" country in the region, there could be no stability in the Western Balkans without it.

He said Serbia was a proud nation, adding that the "bureaucracy in Brussels" should change its approach to the country, and that instead of "lecturing", they should communicate "eye to eye". He said linking Serbia's EU membership to the normalisation of ties with Kosovo was unfair to Belgrade, arguing that this was not solely up to Serbia. Meanwhile, Szijjártó expressed disagreement with recent remarks by certain Western military leaders, citing Denmark's defence minister as saying that a Russian attack on a NATO country in a few years could not be ruled out. "Why would they do so? NATO is much stronger than Russia ... Why would one attack someone who is much

stronger? Why would that make sense for Russia?" Szijjártó said. "I do not see Russia as a security threat to any NATO member state at all."

### GOVT OFFICIAL: HUNGARY SUPPORTS UKRAINIAN REFUGEES, REJECTS WAR

While Hungary is aiding Ukrainian refugees, it will not back steps threatening to escalate the conflict or to end in "Hungarians' money ending up elsewhere", the state secretary for aiding persecuted Christians said on Monday. Speaking after a meeting of the European Union's Foreign Affairs Council in Brussels, Tristan Azbej said the meeting had given an opportunity to discuss issues "simultaneously important for Hungarian interests and generally for peace and stability". Hungary had been the subject of "unfair attacks" over its solidarity to the Ukrainian people, he said. "The truth is that Hungary has opened its borders to more than one million Ukrainian refugees in the past two years, providing medical care, food, accommodation and education." At the same time, Hungary will not support steps that would "support Ukraine in an uncontrolled and not transparent fashion," he added. He said Hungary also condemned the terrorist attacks of Hamas, supported Israel's right to self-defence and called for the freeing of all hostages. At the same time, Hungary is supporting the civilians in the conflict zone through



the Latin Patriarchate of Jerusalem, he said. "We do not accept that the Brussels dialogue on human rights avoids the issue of religious freedom. We continue to stand by religious freedom in the EU, especially the freedom of persecuted Christians," he said.

# ECONMIN: GOVT TO ANNOUNCE SCHEMES AIMED AT BUSINESS DEVELOPMENT, BOOSTING ACTIVITY RATE

Hungary's government will next week announce a business development scheme and one aimed at boosting the labour market activity rate, Economy Minister Márton Nagy said on Tuesday. The government will allocate 130 billion forints (EUR 335.7m) to the business development programme and 130-150 billion to the labour market activity programme, Nagy told a press conference, adding that more schemes will be launched later in the year. A total of 900-910 billion forints is available within the Economic Development and Innovation Operative Programme Plus (GINOP Plusz) for these two goals, Nagy said. The business development programme will involve loan schemes and non-refundable resources that will support asset purchases, investments in green energy and digitalisation, he said, adding that these will be zero-interest loans. Most of the funds available for the activity rate scheme are nonrefundable resources, the minister said. The government's aim in 2024 is to push economic growth to 4%, he noted. This requires restoring domestic consumption, production and investment, and stimulating the economy by raising the activity rate, he added.

### PÁRBESZÉD SUBMITS PROPOSAL TO STRIP PRESIDENTS NOT SERVING FULL TERM FROM ALLOWANCES

The opposition Párbeszéd - Greens party is submitting a proposal to parliament and starting a petition to strip former presidents from allowances if they haven't finished their term, the party's spokesman said on Tuesday. Presidents resigning due to health condition would be exempt from the legislation, Richárd Barabás said. Barabás said "a failed president" should not receive the same respect as a "president taking their mandate decently to term". "Katalin Novák shouldn't have luxury circumstances ... and a gross five million forint (EUR 12,9000) allowance guaranteed by taxpayers," he said.

### LMP URGES BOOSTING CHILD PROTECTION

The opposition LMP party has submitted a draft resolution to parliament aimed at reinforcing Hungary's child protection and welfare system. Máté Kanász-Nagy, LMP's deputy group leader, said "the current scandal shows the need for serious government intervention" adding that the proposed measures would "ensure children's right to welfare, security, a safe environment and education." The proposed include mandatory measures psychological screening for jobs involving work with minors, including foster parents. Under the proposals, both child-care institutions could benefit from increased normative subsidies and their employees from a payrise. LMP would double the family benefit, which has not been raised since 2008, and index it with the rate of inflation each year, Kanasz-Nagy said. He also urged stricter punishment for "people approaching minors in their care with the intent of abuse or make statements to that effect."

### AGRI MINISTER DISCUSSES HUNGARY EU PRESIDENCY ISSUES WITH EU HEALTH, FOOD COMMISSIONER

Agriculture Minister István Nagy held talks with the EU's health and food safety commissioner Stella Kyriakides and discussed issues such as foodwaste, GMO-free agriculture, animal welfare and lab-grown meat which will feature on Hungary's agenda for its upcoming EU presidency in the second half of this year, the ministry said. At the meeting in Budapest, Nagy discussed the issue of "the anxiety of European farmers" and



called for "credible and plausible solutions" for them, the ministry said in a statement. As regards food-waste, the minister unveiled Hungary's plan to host an international conference in October to discuss good European practices and programmes. He called it a great achievement for Hungary that food-waste in domestic households had dropped by 27% over that past six years. On the issue of GMO regulations, Nagy underlined Hungary's full rejection of GMO products, noting that the protection of the GMO-free agricultural sector is enshrined in the country's basic law. "We expect a fierce debate on the new EU regulations," he said. As regards lab-grown meat, Nagy said that "there is a sweeping rejection of this product in Hungary".

### INDUSTRIAL OUTPUT DOWN 13.7% YR/YR IN DEC

Industrial output in Hungary was an annual 13.7% lower in December 2023, the Central Statistical Office (KSH) said on Tuesday, reporting its second estimate. Output dropped by 8.7% when adjusted for the number of workdays. Month on Month, output fell by 0.3%, according to seasonally and working day-adjusted data.

Industrial output in 2023 was 5.5% down from the previous year, the KSH said.

## V4 AGRICULTURE CHAMBERS PROTEST AGAINST EU POLICIES

Agriculture chambers from the Visegrad Group -- Hungary, Czechia, Poland and Slovakia -- along with ones from Lithuania and Latvia protested against the European Union's agricultural policies at a meeting on the outskirts of Warsaw, the Hungarian Chamber of Agriculture (NAK) said on Tuesday. The chambers called on decision-makers in Brussels to stop "making things impossible" for European farmers, NAK said. The V4 chambers decided to organise a protest on Feb 22 against the dumping of Ukrainian agricultural import products at the shared border between Slovakia, Poland and Czechia. European Commissioner for Agriculture Janusz Wojciechowski was present at the two-day meeting in Otrebusy.

### CIVILIAN VICTIMS OF WW2 SIEGE OF BUDAPEST COMMEMORATED

The National Heritage Institute on Tuesday held a commemoration in honour of the civilian victims of the siege of Budapest during the second world war, which ended 79 years ago. Addressing the commemoration,

Miklós Dukai, state secretary at the public administration and regional development ministry, said the nation was still feeling the deep scars left by the siege.

He said this day was meant to honour those Budapest residents, mainly women, children and the elderly who were caught between the warring sides. During the siege, the capital's food supply stopped and the city was threatened by an epidemic, Dukai said. The destruction of the bridges on the River Danube made it almost impossible to cross between the city's Buda and Pest sides, he said, adding that some 500 civilians died in the destruction of Margaret Bridge alone. More than 38,000 civilians died during the siege of Budapest, and more than 15,000 Jewish Hungarians were victims of persecution by the Nazis and Hungary's Arrow Cross party, he said. Gábor Móczár, director-general of the National Heritage Institute, said the siege had done "inconceivable" damage in the city as well as in families, as it caused the meaningless deaths of mothers, fathers and children. After the commemoration, the event's participants laid wreaths at the two symbolic graves honouring the memories of those who died in the destruction of the Regent House in the 2nd district and residential buildings in Vitéz Street 2 and Fő Street 59.

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