

PHOTO OF THE DAY



Flowers sold in Budapest on International Women's Day

MTI/Zsolt Szegedvári

UPCOMING EVENTS

EU ministers for social affairs meet in Brussels

EP plenary

Events related to the wars in Middle East, Ukraine

TOP STORY

NAGY MEETS EU INTERNAL MARKET COMMISSIONER

National Economy Minister Márton Nagy on Friday held talks with Thierry Breton, the EU Commissioner for the Internal Market, in preparation for Hungary's EU presidency in the second half of the year.

Nagy and Breton discussed the economic challenges brought on by the war between Russia and Ukraine, the EU's competitiveness and industry policy, issues of the internal market and the Hungarian presidency's priorities, his ministry said in a statement. Nagy said Hungary would aim to boost the common market and industry, cut supply chains, and bolster digitalisation and modernisation. It would especially support small and medium-sized businesses, the establishment of an internationally competitive financial services sector and the mobilisation of labour market reserves, he said. Nagy told Breton that Hungary saw developing the EU's industry as a priority, and was open to picking up talks on a comprehensive EU industrial strategy, which were discontinued in 2020 excepting details such as the Green Deal, which had been adopted separately. Hungary wants to foster connectivity and avoid blocs forming within the EU, Nagy added. He also called on the EU to develop a response to the US's Inflation Reduction Act.

Hungary Matters is an English-language newsletter produced and distributed by the Media Service Support and Asset Management Fund (MTVA) with content provided by Duna Media Service Provider exercises copyright over all content. No part of this publication may be copied, reproduced, redistributed or transmitted without prior written permission from the publisher, with the exception of copies made by individuals for private use, educational purposes or scholarly research, provided that such transmissions do not exceed the extent justified by the purpose and are not aimed at financial gain, even indirectly, and the source name are indicated at all times.

All rights reserved. Enquiries should be made to the English Help Desk at +361 441 9340
For MTI's real time coverage please visit <http://english.mti.hu>, <http://econews.hu>



ECON MINISTER: EU SHOULD INVOLVE SECTOR PLAYERS IN DEVELOPING INDUSTRY STRATEGIES

At a meeting with EU Commissioner for the Internal Market Thierry Breton in Brussels on Friday, National Economy Minister Márton Nagy said that since the EU had no leading role in tech-driven new industrial sectors, it should apply an approach where the government works to “create a coherent framework” for proposals from industry players. The strategy should focus on sectors such as electric vehicles and AI, he said. Nagy and Breton agreed that promoting the EU’s competitiveness was a priority, and that was only possible through cooperation, the ministry said. The bloc will have to bring down energy prices and curb its energy dependency. The bloc’s green transition should be bolstered by a transitional use and development of nuclear energy, he said. Nagy and Breton also pledged to strengthen cooperation in cutting red tape for economic players and member states’ governments, and said that the internal market should be kept free from new limitations, the statement said.

FINMIN: EU TRANSFERS ANOTHER HUF 30 BN OF FUNDING TO HUNGARY

Another 30 billion forints (EUR 75.2m) of previously blocked European

Union funding has arrived in Hungary, Finance Minister Mihály Varga said on Facebook on Friday. The funding will be used as pre-financing for investments to advance the green and digital transition, the finance minister said. “These funds will be used in the framework of an operative programme for environment and energy efficiency, Varga said. He said the transfer brought the amount of funding drawn down from the 2021-2027 cohesion funds to 1.22 billion euros, placing Hungary 11th among member states in terms of drawdown. “Since the end of December, Hungary has received more than 550 billion forints from the previously blocked EU funding,” Varga said.

DK CALLS ON BALOG TO RESIGN FROM POSITIONS IN CHURCH

The opposition Democratic Coalition has called on Reformed Bishop Zoltán Balog to resign from his positions in the church. Olga Kálmán, the spokeswoman for the party’s parliamentary group, told a press conference that Balog is responsible for 23 kindergartens and 23 schools as the head of a church district. She called for an independent investigation of “whether there have been instances of child abuse in the church-run kindergartens and schools under Balog’s supervision”. Balog resigned as president of the Synod of the Reformed Church in Hungary in February, after his role

was questioned in a decision of former President Katalin Novák to extend a presidential pardon to a former deputy director of a children’s home, who had been sentenced to prison for trying to cover up sexual abuse committed by the home’s director. Novák and Judit Varga, the justice minister at the time, resigned from all their political positions in the wake of the issue.

JOBBIK PROTESTS AGAINST CHINESE POLICE PATROLS IN HUNGARY

The opposition Jobbik - Conservatives is rejecting an agreement between Hungary and China allowing Chinese police officers to patrol in Hungary, a Jobbik lawmaker told a press conference on Friday. Koloman Brenner, who also serves as the deputy head of parliament’s foreign affairs committee, said “extremely worrisome press reports” on the matter were confirmed by the interior ministry on Thursday. Calling the measure “[ruling] Fidesz’s worrisome step towards a one-party autocratic regime”, Brenner said Chinese officers would probably use the “same methods they are used to at home, which are wholly foreign from our European culture”. Meanwhile, Brenner said Jobbik had also raised its voice against the ruling party’s “dangerous plan to bring half a million Asian migrant workers to Hungary.” According to the Central Statistical Office, the number of guest workers in the country has already reached 120,000, he added. “Half a

million migrant workers would drive down Hungarians' wages, take away their jobs and put Hungary's cultural integrity at risk," Brenner said. Jobbik's top candidate for the European Parliament, Péter Róna, will work for "a normal Hungary, prosperity and freedom" in the EU, he added.

HUNGARY FEB INFLATION 3.7%

Annual inflation in Hungary was 3.7% in February, the Central Statistical Office (KSH) said on Friday. Month on month, prices rose by 0.7%. Food prices increased by 2.2%, while household energy prices went down by 9.0%. Services prices were up 10.0%, while consumer durables fell by 2.0%. Commenting on the data, National Economy Minister Márton Nagy said in a statement that real wages had been rising again since the September turnaround, thanks to the continuous fall in inflation and the December minimum wage increase, further strengthened by the teachers' wage increase and general wage dynamics. In 2024, real wages could grow by more than 5-6%, he added. Having brought down inflation, the government will now focus on "the main task of 2024" of restoring economic growth.

To achieve this, the activity of the labour market must be boosted further, the ratio of investments must be maintained above 25%, and household consumption must be restored by strengthening consumer confidence.

BUDGET POSTS HUF 1,704 BN DEFICIT IN FEBRUARY

Hungary's cash flow-based budget, excluding local councils, posted a deficit of 1,704 billion forints (EUR 4.321bn) at the end of February, the finance ministry said on Friday, citing preliminary data. The central budget had a deficit of 1,760 billion forints and the social security funds were 23.5 billion forints in the red but separate state funds were 79.0 billion forints in the black. The budget had a 54.4 billion forint surplus in January. The ministry noted that revenue in February was "several hundred billion" forints lower than in an average month because of VAT seasonality. It said that the fiscal impact of pension payments, including an annual bonus equivalent to a full month's pension, had reached 1,041 billion forints in February. In addition to covering extraordinary expenditures, the budget has ensured the resources for protecting pensions and family

subsidies as well as maintaining regulated household utilities prices, the ministry said. "The government's aim is to gradually reduce the deficit and state debt," it added. The government targets a deficit of 4.5% of GDP in 2024, 3.7% in 2025 and 2.9% in 2026, the ministry said. The full-year deficit target in the 2024 Budget Act is 2,514.8 billion forints.

NUMBER OF VEHICLES WITH GREEN PLATES NEARS 91,000

There were 90,823 vehicles registered in Hungary with green number plates at the end of February, up from 88,229 at the end of January, the energy affairs ministry said on Friday. The green number plates, launched late in 2015, are for fully electric vehicles as well as plug-in, full and range-extender hybrids, depending on the distance they can travel using batteries. The number of fully-electric vehicles rose by 1,704 to 51,461. That number included 48,108 fully-electric cars. Almost 35,500 vehicles with green plates were registered in the capital. The number of vehicles with green number plates was up from 67,285 at the end of February 2023, according to data from the interior ministry.