

## PHOTO OF THE DAY



Defence minister at the filming of a new TV series on the Hungarian army

MTI/Zsolt Szegedvári

## UPCOMING EVENTS

**Budapest Municipal Assembly meeting**

**National Election Cttee meets**

**Stats office publishes employment data for Feb 2024**

**Events related to the wars in the Middle East, Ukraine**

## TOP STORY

# SZIJJÁRTÓ: CENTRAL EUROPE FULLY BACKS HUNGARIAN EU PRESIDENCY ENLARGEMENT POLICY

Central European countries fully support Hungary's policy of promoting the EU integration of Western Balkan countries during its EU presidency in the second half of the year, the minister of foreign affairs and trade said in Ljubljana on Tuesday.

Security must be reinforced and the European Union needs new vigour, and enlargement will be centre stage during Hungary's presidency starting in July, Péter Szijjártó told a press conference after a meeting of the foreign ministers of the C5 format of the Central European countries, Austria, Czechia, Hungary, Slovakia and Slovenia. Integrating countries of the Western Balkans could energise the EU, and central European member states should take on special responsibility accordingly, a ministry statement quoted Szijjártó as saying. He added that whereas they openly and genuinely backed enlargement, others elsewhere merely gave the impression of doing so in public while actually blocking the process. Genuine supporters, he said, were in the minority, and so he urged central European countries to join forces and "promote the cause". He said all sides at the meeting supported Hungary's related goals. Szijjártó noted that the five Western Balkan countries had been waiting to join the EU "for 14 years and 10 months on average".

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**SZIJJÁRTÓ CALLS FOR INCREASED EFFORTS TO STOP ILLEGAL IMMIGRATION**

Foreign Minister Péter Szijjártó called for increased efforts to stop illegal immigration after a meeting of the foreign ministers of the C5 format of the Central European countries in Ljubljana. He told a press conference that its causes should be dealt with in the countries of origin, while protection of the external borders should be intensified “just as Hungary has done”. He said the Hungarian government considered border violations as attacks against the country’s sovereignty, adding that rounding up people smuggling gangs was crucial. “Criminals and migrants have fired shots at border guards on several occasions, which is completely unacceptable... We do not need such people in the EU,” he said. The minister said pull factors of illegal migration should be reduced, adding that mandatory distribution quotas “act in just that way”. Answering a question, Szijjártó confirmed the government’s support for any initiative aimed at freeing hostages held in Gaza, including a Hungarian national. The success of Israel’s anti-terrorism operation, he said, was of global importance, but “saving the civilians should also be an important aspect.” Regarding Ukraine, he mentioned that over one million refugees had crossed into Hungary since the outbreak of the

war. He said “neither side can win on the battlefield” and the armed conflict could only be resolved through negotiations; “the question remains when, and it would be sooner than later.” “The sooner there is a ceasefire and peace talks, the fewer people will die and destruction will be less detrimental.”

**FORMER JUSTICE MINISTER ACCUSES EX-HUSBAND OF ‘BLACKMAIL, TERRORISING’**

“Péter Magyar has blackmailed and terrorised me,” Judit Varga, the former justice minister, said on Facebook, referring to her ex-husband who on Tuesday published a recording of a conversation between them which he made secretly in their family home. “Shocking. Péter Magyar has now done it. He has been blackmailing me with that for a year,” Varga said, noting that Magyar had secretly recorded the conversation between them when she was justice minister. Magyar alleges that the contents of the recording provide evidence of government wrongdoing. “And now he has used it for political purposes,” Varga said. “A person like that is not worthy of any kind of trust,” she added. Varga also said she had given him “a number of chances to start over during the terrible years of domestic violence”. Referring to an interview to camera that Magyar gave which was streamed online on Monday, Varga said: “I was just watching that cruel face ... and I was chilled to the bone;

he lies and manipulates, and it brings back everything I had to endure over the past 16 years.” She added that she could recall “plenty of examples of verbal and physical violence”. Varga recalled one evening when she had gone to bed her husband came home in a drunken state and threw books and clothing at her. “I felt the buckle of his belt hitting my back. I tried to crouch smaller and waited for the next blow; I was afraid that it would hit my spine, but I didn’t dare move.” “At that time I decided that I would divorce him,” she said, adding that when she told him, “he begged me and made promises as he had done so many time for 16 years... He used all the old tricks and methods through which he had always managed to put me back on the rollercoaster of domestic violence ... but this time I was determined to find a way out.” She said Magyar had started threatening her when she insisted on a divorce. “This was the context for this footage... He was preparing to blackmail me. He was provoking me by reading out gossip from the press.” “Since he had been terrorising me for days, I told him what he wanted to hear so that I could get away as soon as possible... In a state of intimidation people say things they do not mean,” the former minister added. Varga said she was “proud” of having been the justice minister of the government led by Viktor Orbán and of being a member of the ruling Fidesz party. She said that according to Magyar she was being discredited in the press. “I see

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it differently. Former colleagues and close friends tell us who he really is. Péter Magyar has caused much pain not only to his own family but also to his friends... Now having to watch this vile manipulation causes renewed pain for many," she wrote.

The Central Investigation Prosecutor's Office (KNYF) said in the afternoon that Magyar had been heard again as a witness by the Metropolitan Investigation Prosecutor's Office in an ongoing criminal case. Prior to the interview, Magyar made public a recording of a private conversation he had with his ex-wife.

The office acknowledged as correct a statement in the recording that Chief Public Prosecutor Péter Polt did not lord over the prosecutor's office. "The chief public prosecutor heads and manages Hungary's public prosecutor's office where the rule of law is in force," it added. The prosecutor's office will analyse, assess and further verify all statements made in the recording and during the testimony by Magyar, it said in a statement. "It must be pointed out again that the disappearance or revision of documents at the prosecutor's office is not just legally, but also physically, impossible" the statement said. "All data processed at the office is documented from the time of receipt and is not stored in a single location, but appear in the databases of other organisations, including those of investigating judges and authorities involved in covert operations," it added. "The history

of all the documents pertaining to the so-called Völner-Schadl case is known and all of the activities revealed from the available data have been or are being investigated, in line with the law," it said. The authority said it would provide further details at a press conference on March 28.

### **GULYÁS ON MAGYAR: 'THE BALLOON HAS BURST'**

Gergely Gulyás, the head of the prime minister's office, responding to allegations made by one-time government insider, Péter Magyar, who has turned against the Fidesz-led administration, dismissed Magyar as "the new Márki-Zay", the one-time prime ministerial candidate of the joint opposition. "The only difference is that Péter Márki-Zay did not terrorise his wife," Gulyás said in a Facebook post. "Much ado about nothing," he wrote, adding that "the balloon has burst!" "A family dispute involving an intimidated wife doesn't have a bearing on public life," he added.

### **HUNGARY CBANK CUTS BASE RATE BY 75 BPS**

Hungarian central bank rate-setters reduced the base rate by 75 basis points, to 8.25%, at a regular policy meeting. The Council also decided to lower the symmetric interest rate corridor in tandem, bringing the O/N deposit rate to 7.25% and the O/N collateralised loan rate to 9.25%. At the previous policy meeting in February,

the Council had cut the base rate by 100 basis points. In a statement released after the meeting, the Council said that "over the past few months, disinflation in the Hungarian economy has been stronger than expected, while external and domestic demand pressures have remained persistently low. However, in the volatile international sentiment, the risk premium on Hungarian assets has also risen recently". "According to the assessment of the Monetary Council, the continued strong and general disinflation allows a further reduction in the base rate, while the increasing financial market risk aversion justifies a slower pace than in February," the Council added.

At an online briefing after the meeting, central bank deputy governor Barnabás Virág said the slower pace of easing was justified by increasing risk aversion. He added that the policy makers had discussed three options, a 50bp, 75bp and 100bp cut, and decided unanimously on the 75bp one. The decision on Tuesday marks the end of a phase of monetary policy operating with "large steps" and the start of a new phase, said Virág. He said the pace of rate cuts would slow in the second quarter, adding that maintaining a tight monetary policy stance was necessary. Financial stability plays a "key role" in the sustainable achievement of the inflation target, Virág said. The deputy governor said expectations for the base rate to reach 6.5-7% at the end of the first half were "realistic

based on information at present". In the second half of the year, an increasingly cautious monetary policy approach will be necessary with a view to changes in the global risk environment, he added. Virág pointed to the slower pace of external inflation, "volatile" risk perceptions of emerging markets, the potential inflationary effect of geopolitical tensions and an upward shift of the expected interest rate paths of big central banks among international risk factors. He acknowledged "strong and broad-based" domestic disinflation, but noted that the risk premium on Hungarian assets had risen recently.

In the coming months, Virág said the Council would take decisions on further base rate cuts and their optimal pace "in a data-driven manner". The policy makers discussed the central bank's latest quarterly Inflation Report at their Tuesday meeting. In the report, to be published in full on Thursday, the NBH lowered its forecast for 2024 average annual inflation to 3.5-5.0% from 4.0-5.5% in the previous report published in December. The central bank sees inflation falling to the 2.5-3.5 in 2025. Virág said inflation would temporarily rise in the middle of 2024 because of retrospective pricing of market services and base effects. He added that the 3.0% inflation target would be reached in a sustainable manner in 2025. The fresh report forecasts GDP growth of 2.0-3.0% in 2024 and augurs an acceleration to 3.5-4.5% in 2025.

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## **DEFMIN ATTENDS RHEINMETALL GROUNDBREAKING IN S HUNGARY**

"We are working to win the future for Hungary," the defence minister said at the groundbreaking ceremony of a new Rheinmetall plant near Szeged, in southern Hungary. Kristóf Szalay-Bobrovniczky said in his address that although the German company "is known as a defence investor, and the project is linked to the defence industry, it goes beyond it." The new plant creating 300 jobs will produce equipment for electric and hydrogen-fuelled vehicles, he added. The minister also said the project would be dominant in Europe's research and development sector, adding that he was proud the company had chosen Szeged for the investment. In cooperation with Szeged University, Rheinmetall will build "an ecosystem and knowledge base offering unique opportunities for many Hungarian and foreign youths," he said. "Hungarians doesn't need to go elsewhere as the world is coming here," the minister added.

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## **JOBBIK TURNS TO SOVEREIGNTY PROTECTION OFFICE OVER PLAN ON CHINESE POLICE OFFICERS**

The opposition Jobbik-Conservatives party will submit an inquiry of public interest to the Sovereignty

Protection Office in connection with the government's plan to assign Chinese police officers a patrolling task in Hungary, the leader of the party said. The party requests the authority's position on whether or not "the participation of persons employed by an autocratic state, a 'dictatorship' controlling their citizens, in maintaining public order and public security is a gross violation of Hungary's sovereignty", Márton Gyöngyösi said. He said that the party would like to know "what is the guarantee of preventing access to the personal data of Hungarian citizens by Chinese police officers who might misuse them". Under Hungary's fundamental law, ensuring public security and public order is the duty of domestic authorities, Gyöngyösi argued, insisting that such a duty "cannot be outsourced to anybody".

"National sovereignty for us is not a political product, but a very important question," he said.

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## **LMP SAYS GOVT SHOULD SUPPORT EU'S NATURE RESTORATION LAW**

Hungarian opposition LMP-Greens has called on the government to come out in favour of adopting the European Union's Nature Restoration Law. The European Parliament adopted the law in February after "a difficult process", Erzsébet Schmuck, the party's co-leader, noted at an online press briefing on Tuesday, adding that the final version had been watered down.

Whereas the European Commission's original proposal targeted restoring 90% of degraded habitats by 2030, the final version contains a goal of 20%. Nevertheless, the adoption of the law "is important", she said, adding that, at the very least, the process of restoring Europe's natural environment would get under way. She said Fidesz MEPs backtracked on their initial support of the law and joined those opposed to nature restoration. "Prime Minister Viktor Orbán no longer even bothers

to greenwash his government," she said, and she called on the government to stand up for the protection of Hungary's natural environment and its fertile soil.

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### **BUDAPEST TRANSPORT CENTRE EXTENDS FREE TRAVEL FOR UKRAINIAN REFUGEES UNTIL SEPT 30**

Budapest transport centre BKK has extended the option of free

use of the city's public transport services for Ukraine refugees until Sept 30. BKK said in a statement that the condition of eligibility is the presentation of a Ukrainian travel document that is suitable for personal identification. After April 1, the free travel option will however no longer apply to suburban buses and railway HEV, the airport express 100E bus service, the Buda Castle funicular, on "nostalgia services" and boats, BKK said.