

## PHOTO OF THE DAY



Bulgarian President Rosen Plevneliev wraps up a two-day visit to Budapest at an exhibition launch in Budapest's Holocaust Memorial Centre

László Beliczay

## UPCOMING EVENTS

**Central bank rate-setters to hold extraordinary meeting**

**Statistical Office publishes industrial prices**

**KOPINT-TÁRKI publishes report on economy**

**German-Hungarian business forum**

**Defence Ministers of Hungary, Georgia to hold talks**

## TOP STORY

# UN RAPPORTEURS CRITICISE, FIDESZ DEFENDS CONSTITUTIONAL AMENDMENT ON HOMELESSNESS

Two United Nations special rapporteurs have criticised Hungary's recent constitutional amendment for "criminalising the homeless" who they estimated numbered about 30,000 in the country. Hungary's ruling Fidesz party rejected the criticism.

Magdalena Sepulveda, special rapporteur on extreme poverty and human rights, said the Hungarian government has institutionalised making homelessness a crime and advanced stigmatisation. The amendment was fit for stoking up prejudice and infringing on the basic rights of homeless people, she said. Raquel Rolnik, special rapporteur on adequate housing, said the amendment's ban on sleeping outdoors "goes against the human rights of equality and non-discrimination" hurting rough sleepers. Rolnik said Hungary lacked adequate shelters and the government had no contingency for providing for the 30,000 people living on the streets.

They urged the government to withdraw the amendments. Hungary's ruling Fidesz party rejected the criticism, insisting the new amendments encouraged care for the homeless and were in line with European norms. Fidesz said that while in 2006-2010 up to 130 people froze to death on the streets of Budapest, this number has fallen to a minimum since. New shelters opened in the capital and 3.3 million euros of funding is available for homeless care. Other countries in Europe also apply bans on living on the streets, such as Belgium and the Czech Republic, Fidesz said.

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## **BULGARIAN PRESIDENT HOLDS TALKS WITH DEPUTY PM, VISITS HOLOCAUST MUSEUM**

Hungarian Deputy Prime Minister Tibor Navracscics and Bulgarian Prime Minister Rosen Plevneliev agreed on closer cooperation of central and eastern European members within the EU. Navracscics said the two countries seek to create an EU in which the central and eastern European nations are not considered second-rate members. He added that Hungary backs Bulgaria's quest to join the open-border Schengen area.

Later in the day, Plevneliev opened an exhibition marking the 70th anniversary of the rescue of Bulgarian Jews at the Budapest Holocaust Memorial Centre. "Remembering and learning from the past is the only way for the coming generations to build a better future," he said. Although in 1943 the Axis Powers exerted huge pressure on Bulgaria, their ally, to deport its Jewish population, Bulgaria managed to do what other nations failed and rescued their nearly 50,000 compatriots of Jewish origin, he said. He added, however, that the 11,000 Jews living under Bulgarian rule on what are now Greek, Macedonian and Serbian territories could not be saved.

## **CHANCES ARE HIGH HUNGARY CAN EXIT EXCESSIVE DEFICIT PROCEDURE THIS YEAR**

Hungary has a good chance of exiting the European Union's excessive deficit

procedure this year, Zoltán Cséfalvay, state secretary in charge of economic strategy, said. "If they [in Brussels] look at the numbers only," then Hungary must be released from the deficit procedure. The deficit of the public sector came to 566.7 billion forints in 2012, or 2% of the economic output, he said. Hungary must be able to demonstrate also that it can keep the budget deficit under 3% in the long term, he said. The European Commission forecasts 3.4% of gross domestic product in 2013. The government's forecast is 2.7% for 2013 since it projects 0.9% economic growth, more than the Commission, Cséfalvay said.

Contested items include revenues from the e-toll system and from hooking up cash registers directly with the tax office, but the government has made the necessary steps in both areas and therefore the risks quoted by the EC can be avoided, he said.

## **GOVT SIGNS STRATEGIC COOPERATION AGREEMENT WITH CONTINENTAL**

Hungary's government on Wednesday signed a strategic agreement with German tyre maker Continental. Economy Minister Mihály Varga, who signed on behalf of the government, said the government offered predictability on the basis of mutual trust, adding that two-fifth of Hungary's economic growth was produced by foreign companies,

mainly the Germans, with every sixth job offered by German investors.

Continental board member Heinz-Gerhard Wente said the agreement contained cooperation with Hungarian research centres in its product development projects and pledged creating new jobs and increasing the number of its suppliers.

Continental employs 5,900 people in Hungary. The Continental group recorded revenue of 1.45 billion euros in Hungary last year. It invested 334 million euros in Hungary over the past 8 years and this year's plan is to invest 50 million euros which would create 300 new jobs.

## **MATOLCSY CALLS CENTRAL BANK PRESSER**

NBH Governor György Matolcsy will hold an extraordinary press conference late Thursday morning, and an analyst meeting discussing the "possibilities for central bank lending incentives" will follow later, NBH invitations sent to journalists later in the day revealed.

The forint strengthened to 300.24 to the euro in the first half of Wednesday's session, boosted by comments of economy minister Varga, but weakened until 302.6 to the euro early afternoon on press reports that the National Bank of Hungary (NBH) may decide on measures to prop up growth on Thursday.

The central bank's recently appointed governor, Gyorgy Matolcsy, has suggested the NBH has room to manoeuvre to foster economic



growth, but must be cautious given the country's high level of foreign-currency debt and jittery markets.

## **HUNGARY DEFAULT INSURANCE COST FALLS**

The cost of insuring Hungary's sovereign debt against default fell in markets in London on Wednesday as the forint strengthened. According to CMA, a market monitor that is part of S&P Capital IQ, Hungary's five-year credit default swaps (CDS) fell to around 367 basis points on Wednesday from 388.4 points at the previous close. Hungary's CDS spreads were over 395 basis points at the beginning of the week.

A CDS contract valued at 367 basis points means that the cost to insure every 10 million euros-worth of bond exposure against default is 367,000 euros a year for the benchmark five-year horizon.

## **WILLINGNESS TO VOTE RISES TO TWO-YEAR RECORD HIGH**

47 % of Hungarian voters would certainly turn up for next year's general elections, the news website hvg.hu said on Wednesday, citing a recent poll by Medián. This is the highest proportion of voters stating participation registered over the past two years, it said.

Among decided voters, the ruling conservative Fidesz party had a backing of 45 % in March, while the

Socialists garnered 24 %. Backing for the radical nationalist Jobbik party stood at 17 % and that of the Together 2014 - Dialogue for Hungary (PM) alliance at 8 % in the decided voters group. The Democratic Coalition and the green-tinged LMP party would get 2 % of votes in this sample, each, below the 5 % threshold of entry to parliament.

Among all voters, Fidesz registered 27 % support (up from 26 % in February), against the Socialists' 15 % (up from 12 %) and Jobbik's 11 % (up from 10 %). The Together 2014 - PM alliance scored 8 % (down from 6 %) in the whole sample. Medián found 37 % of voters had no party preference.

## **HUNGARY TO DEEPEN TURKEY ECONOMIC TIES**

The government has taken the necessary political steps to deepen Hungarian-Turkish cooperation, and its goal is to double trade turnover between the two countries within a short period of time, Péter Szijjártó, state secretary for external economic relations, said. Speaking at the Hungarian Chamber of Commerce and Industry (MKIK), he said that last year trade turnover between their countries was worth over 2 billion dollars, with the balance in Hungary's favour: 1.6 billion dollars-worth of exports was destined to Turkey. Szijjártó said Turkish-Hungarian trade relations helped Hungary reach the whole Arab world and the Caucasus. Currently 38 Hungarian companies operate in Turkey, while 293 Turkish companies have units in Hungary, he said.

## **GUARDIAN EDITORIAL DEFENDS ORBÁN**

Western Europe's "hysterical" media should take note of a message: "Hungary knows what a dictator looks like, and Viktor Orbán is not one," Tibor Fischer, British writer and journalist, said in an editorial which appeared online in the Guardian on Wednesday. He called criticism directed at Orbán from western media in the past year "ignorant nonsense and condescension", noting that Orbán won the last election with a landslide, which is "almost impossible in a democracy".

## **UTILITIES SCHEME REVEALS ALLEGED UNLAWFUL PRICE CALCULATION, SAYS FIDESZ**

The government's scheme to cut public utility bills has revealed consumer-protection shortcomings, including alleged unlawful price calculation and faulty bills in 2007-2008, ruling Fidesz party expert Szilárd Németh said. He has submitted a report to the public prosecutor and the energy office on alleged shortcomings such as overpriced district heating fees in 2007-2008.

## **OMBUDSMAN WELCOMES MORE ETHNICITY DATA IN NEW CENSUS**

Major progress has been made in terms of people's willingness to state their



ethnic identity in the latest census, the ombudsman for basic rights said. Many more people, nearly 50%, stated their ethnicity in the 2011 census than in 2001, and there was an increase of over 50% in the number of Roma who gave this data. It is a welcome development that more people endorse their ethnic identity freely and voluntarily, Máté Szabó said.

### **ENI CONFIRMS BUYOUT OF RWE FROM HUNGARIAN GAS COMPANY TIGÁZ**

Italian oil and gas company ENI purchased German electric utility company RWE's 44.2% stake in Hungarian regional gas company Tigáz on February 15, ENI told MTI on Wednesday, confirming press reports published in March.

ENI's purchase of RWE's minority share in Tigáz raises the Italian oil and gas company's stake in the Hungarian gas company to around 97%, ENI said.

ENI declined to reveal the purchase price. ENI could not provide MTI with information regarding Tigáz's final 2012 financial results. Tigáz sustained losses of HUF 12.3bn in 2011, public records show.

### **AIRLINES PLANNING SUMMER SCHEDULES**

Several airlines are returning to Budapest's Liszt Ferenc

International Airport at the start of the summer season, business daily Napi Gazdaság said. SAS will start operating nine flights a week between Budapest and Copenhagen and Oslo from April 4, Budapest Airport spokesman Mihály Hardy said. Aegean Airlines will fly to Athens four times a week from April 9 and UTair will fly to Saint Petersburg from April 28. Airberlin will fly twice daily between Berlin and Budapest on weekdays from May. Jet2.com is adding destinations from Budapest and talks are ongoing on a Tehran-Budapest flight operated by Mahan Air, Hardy said.

Budget airline Wizz Air will also launch a direct flight from Budapest to Dubai in the autumn, sales director György Abrán said. Wizz Air will also fly to Dubai from Bucharest, Sofia and Kiev. The airline expects 50,000 passengers on the flights and a load factor of over 80%.

### **EXHIBITION ON FIRST HUNGARIAN SPACE TRIP OPENS**

An exhibition of special objects of Bertalan Farkas, the first Hungarian astronaut, including photographs and memorabilia will be on display at the Matrica Museum in Százhalombatta, north Hungary.

The exhibition opens in honour of the 33rd anniversary of the first Hungarian trip to space. Exhibits include Farkas space suit, sleeping bag, gloves and even food packed for the space flight. Farkas, 64, will guide visitors through the exhibition.

Farkas and Valery Kubasov departed Star City aboard the Soyuz-36 on May 26, 1980. Hungary was the seventh nation to send a man to space.

### **VIETNAMESE SALESIAN MONKS ORDAINED IN HUNGARY**

Two Salesian monks from Vietnam have been ordained by Diocesan Bishop András Veres of Szombathely in the local Salesian church on Easter Monday. Nguyen Hai Ly Jakab and Tran Dinh Biet Pál were ordained in honour of the 79th anniversary of the canonisation of Saint John Bosco, the founder of the monastic order.

In his sermon, Veres encouraged them "to remain valiant Soldiers of Christ as millions of people are calling for God even today." Hungary's Saint Stephen Salesian Province is the order's smallest province globally, composed of 35 monks, including 11 foreign missionaries.

