Hungary

By some accounts – mainly, those of a government bent on re-election – Hungary 'turned a corner' in 2013, returning to modest growth and paying down an International Monetary Fund (IMF) credit that has eased the country through the seemingly interminable economic nadir that followed the global financial crisis. Credit goes to Viktor Orban, the country's maverick prime minister, whose unique policy approach is wont to run afoul of both the European Commission (EC) and democratic principles, and not necessarily in that order.

Say what one will – and from Brussels to Berlin to bank boardrooms across Europe, they do – the Hungarian leader gets results. Whether those results, which include an unyielding effort to make good his Fidesz-Magyar Polgári Szövetség (Fidesz) (Fidesz-Hungarian Civic Union) party's declared goal of remaining in power for two decades, are entirely beneficial is a matter of some debate.

Not only did the populist prime minister direct the IMF to shutter its Budapest office, he also likened criticism of his policies by German Chancellor Angela Merkel to a second coming of the *Wehrmacht*. And by having party deputies to submit private-members bills on a raft of constitutional changes, he thumbed his nose at the European Commission (EC), which had shot down similar caveats approved in 2011.

Meanwhile, a three-year-old tax on bank profits – imposed ostensibly to force lenders of foreign-currency mortgages to shoulder the burden of recovery – has opened the door to still more levies, forcing many European financial conglomerates to withdraw from lending and others from the market altogether. The collapse in credit for corporate borrowers has led Orban to posit a state-run banking system that ostensibly would be overseen by the Fidesz crony he installed at the helm of the Magyar Nemzeti Bank (MNB) (National Bank of Hungary) (the central bank).

While the low interest-rate environment and still lower demand for imported goods have worked to keep the trade balance in positive territory, the economic downturn since

KEY FACTS

Official name: Magyar Köztársaság (Republic of Hungary)

Head of State: President János Áder (from 2 May 2012)

Head of government: Prime Minister Victor Orbán (Fidesz) (from 29 May 2010)

Ruling party: Fidesz-Magyar Polgári Szövetség (Fidesz) (Fidesz-Hungarian Civic Union) (from 25 Apr 2010)

Area: 93,033 square km

Population: 9.96 million (2012)*

Capital: Budapest

Official language: Hungarian (Magyar)

Currency: Forint (Ft)

Exchange rate: Ft225.95 per US$ (Jul 2013)

GDP per capita: US$12,736 (2012)*

GDP real growth: -1.66% (2012)*

GDP: US$126.87 billion (2012)*

Labour force: 4.39 million (2012)

Unemployment: 10.99% (2012)*

Inflation: 5.70% (2012)*

Balance of trade: US$2.87 billion (2012)

* estimated figure

the onset of the crisis in 2008 and correspondingly high unemployment rate has left around 40 per cent of the population at subsistence level. As a result, the upward trend produced by what observers deem an *ad hoc* approach to taxation, must be built upon and in dramatic fashion if it is to provide a foundation for Fidesz success in parliamentary elections set for 2014.

Flickers of growth

For so-called Orbanomics – an approach exemplified by the subsuming of second-pillar pension assets effected in 2010 to offset the recessionary bailouts of industry and individuals burdened by high levels of foreign-currency borrowing – sustainability appears a primary hurdle. Predicated on transferring private-sector revenues to consumers via the implementation of so-called 'crisis taxes' on banks, energy companies, telecoms providers and supermarkets, the tactic has shored up government finances. Even if corresponding declines in loan volumes have worked against a stronger recovery.

The combination of improving government finances and an 0.7 per cent rise in gross domestic product (GDP) in the first quarter of 2013 saw Hungary removed from the EC's Excessive Debt Procedure, a classification placed on member states whose government budget deficits and ratios of debt-to-GDP exceed the respective 3 per cent and 60 per cent caveats contained in the Treaty of Maastricht that governs economic and monetary union within the European Union (EU). While not a member of the euro-zone, Hungary's debt-to-GDP ratio stood at around 80 per cent in August 2013, when the government repaid an IMF credit worth €2.3 billion (US$3.1 billion) that completed remittance of an €20 billion (US$26.7 billion) facility issued in 2008, at the height of the global financial crisis. The early repayment saved Hungary nearly €12 million (US$16 million) in interest and officials from the Államadósság Kezelo Központ Zrt (ÁKK) (Government Debt Management Agency) said they expected the ratio of debt-to-GDP – the highest among the region's EU member states – to slip still further below the EU average of around 90 per cent.

However, that forecast was based on maintaining the upward trend. Hungary's economic growth slowed in the second quarter, falling to 0.1 per cent. This even as the euro-zone economies that comprise the country's primary trading partners snapped six quarters of contraction in the three months ending in June 2013. With the Központi Statisztikai Hivatal (KSH) (Hungarian Central Statistical Office) reporting that imports outpaced exports in the period, GDP growth trended in line with Organisation for Economic Co-operation and Development (OECD) expectations of 0.5 per cent growth for the year.

Back to the bond market

The positive performance saw the Orban government tout its achievement in a leafleting campaign in May, citing the success of policies aimed at ending 'foreign domination' in the country's economic affairs. The numbers bear out that assertion, in particular an IMF report issued in March that said foreign direct investment (FDI) in Hungary had fallen to a 10-year low at year-end 2012. This occurred against a backdrop that saw 2012 GDP growth end the year off by 1.8 per cent as the Orban administration moved to rein in deficit spending.

In the interim, the government returned to international bond markets after a 20-month hiatus, cutting a US$3.25 billion issue in February that came in tranches with maturities of five years (at 325 basis points above US Treasury bonds of comparable tenor) and 10 years (at 335 basis points above comparable US Treasuries). This followed a domestic issue of €1 billion (US$1.3 billion) that was aimed at retail investors. Some of the proceeds of the domestic paper were applied to a so-called Funding for Growth programme, announced in April, that is aimed at helping small and medium-sized enterprises (SME) to pay down the foreign currency loans that undermined the economy when exchange-rates for the forint slumped against major denominations in the wake of the 2008 crash.

The MNB expanded the programme in May, to Ft425 billion (US$1.9 billion) for new loans and including a 50 per cent rise on the refinancing facility, to Ft325 billion (US$1.4 billion). Some 40 partner institutions are responsible for disbursing the capital at a discounted interest rate of 2.5 per cent. The MNB reported over-subscriptions in both segments, the reason for increasing the programme, which the central bank estimates could add upwards of 2 per cent to GDP by the end of 2014. SME loans under the programme are expected to generate Ft150 billion–Ft250 billion (US$664 million–US$1.11 billion) for new investments in the period. The MNB valued the refinancing available under the scheme at some 20 per cent of total SME lending stock.

International bond ratings agency Fitch cited the dollar bond – the first since 2011 and aimed at paying down the IMF loan – as evidence the government possesses the ability to finance its foreign-currency commitments through 2014. It earlier had lifted the country's BB+ rating from negative to stable, a move that in part helped ease the government's borrowing costs. It noted that the country had met its growing fiscal financing requirement in 2012, which jumped to 11.3 per cent of GDP from 4.4 per cent in 2011, without recourse to external borrowing.

KEY INDICATORS — Hungary

	Unit	2008	2009	2010	2011	2012
Population	m	10.05	10.03	10.01	*10.00	*9.96
Gross domestic product (GDP)	US$bn	155.50	129.40	129.00	140.30	*126.87
GDP per capita	US$	15,477	12,927	12,879	14,050	*12,736
GDP real growth	%	0.6	-6.8	1.3	1.7	*-1.7
Inflation	%	6.1	4.2	4.9	3.9	*5.7
Unemployment	%	7.8	10.0	11.1	11.3	*11.0
Coal output	mtoe	1.9	1.9	1.9	2.0	1.9
Exports (fob) (goods)	US$m	106,644.0	82,095.0	93,294.0	98,955.9	90,234.0
Imports (fob) (goods)	US$m	106,469.0	76,418.0	87,082.0	95,203.9	87,369.1
Balance of trade	US$m	175.0	5,678.0	6,212.0	3,752.0	2,865.3
Current account	US$m	-11,172.0	-282.0	1,371.0	1,320.4	*2,160.0
Total reserves minus gold	US$m	33,788.0	44,074.0	44,849.0	51,383.0	44,506.0
Foreign exchange	US$m	33,620.0	42,479.0	43,581.0	50,224.0	44,028.0
Exchange rate	per US$	172.11	202.34	207.94	191.46	218.50

* estimated figure

Temporary permanence

Thus emboldened, MNB Governor György Matolcsy suggested that Hungary would best be served by the IMF closing its offices in Budapest once the government's repayment cheque cleared. Given that the IMF's presence in member countries is by invitation, the agency, based in Washington, DC, said it would comply with the request and in August declined to renew the appointment of representative Iryna Ivaschenko.

Still, the pointed nature of the directive highlights increasing tensions as the Orban administration seeks to portray itself to voters as a defender of Hungarian sovereignty ahead of the 2014 parliamentary polling. A long-time political ally of the prime minister, Matolcsy's move from the economy ministry to the MNB in March sent up red-flags among critics both at home and abroad over independence at the central bank, which through July 2013 had cut interest rates more than a dozen times without an increase, sending them to 4 per cent.

Private-sector banks, hit with a 0.53 per cent tax on total assets in 2010 and regardless of profitability, saw the assault on their earnings continue in 2013. Initially forecast to last three years, Orban said in July that the tax – along with a levy on telecoms companies and the discounted rates that energy companies are compelled to offer customers – may stay in place for as long as a decade, or until the country's debt-to-GDP ratio reaches 50 per cent. And while banks that act to distribute government loans and refinancing under the Funds for Growth programme do so at no cost, they were forced to accept a 7 per cent discount on principal value when the government absorbed the foreign-currency debts of Hungarian municipalities in June.

Taken pre-crisis by local authorities, most of which have struggled with those burdens in the wake of a string of devaluations, loans worth a total of €2.1 billion (US$2.8 billion) were shifted to the national government under the plan. In addition, a 0.2 per cent transaction charge also hit bank profits, forcing some to reconsider their local commercial activities. Among them: ING of the Netherlands gave up on investment banking and BNP of France sold its private-banking operation to Austria's Erste, while Caylon, also of France, exited the market. Together, the taxes on banks alone are expected to raise more than €450 million (US$600 million) in 2013.

Backdoor bluster

Equally combative are relations with the EC, which in 2012 acted to address what it saw as deficiencies in the country's newly crafted constitution regarding judicial representation and curbs on media criticism. Budapest backed down then, only to see private members bills pushed through the Fidesz-controlled parliament aimed at restoring those amendments.

Coupled with the installation of staunch political ally at the helm of the MNB, György Matolcsy, critics charge the amendments adopted early in 2013 again threaten judicial independence by preventing the high court from annulling amendments that reintroduce measures previously deemed unconstitutional. They increase the potential prosecution of government critics and make recognition of religious groups dependent on government co-operation. The changes also apply conservative definitions of marriage and family and place limits on political advertising.

Orban said his government had nothing to do with the reintroduction of the amendments, which prompted renewed threats of action by EU officials. When Mrs Merkel suggested the cavalry needn't yet be called upon to effect more EU-friendly policies, Orban said the last time it had been – referring to the Second World War – things hadn't worked out so well for her country.

He added that European approaches had failed Hungary, among other sovereign governments in the Group of 27, in the recent past. And averred that in times of crisis, governments need to examine what's best for their citizens in negotiating the path out. Citing his administration's Action Plan for Job Protection, in which social taxation is reduced for companies that hire women re-entering the workforce, unemployed youth and long-term jobless, he said that government intervention in the broad economy in extraordinary circumstances is by no means unprecedented.

Such comments may play well to the Fidesz supporters. And a bickering, divisive cadre of opposition parties may well assist the government in winning re-election. However, with fully half of the electorate undecided ahead of the 2014 vote, it will take more concrete progress – namely reducing an unemployment rate that continues to hover around 10 per cent – to ensure Orban a second term.

Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Good

COUNTRY PROFILE

Historical profile

The Hungarian (Magyar) peoples settled on the Hungarian plains in the seventh century AD, arriving from the Black Sea coast and southern Russia. The Hungarian language belongs to the Finno-Ugric family and is one of the few languages of the European Union that are not of Indo-European origin.

From the mid-eighteenth century, Hungary, together with Austria and a large area of central and Eastern Europe, was part of the dual monarchy ruled by the Habsburgs.

1914–18 After the assassination of Archduke Ferdinand, the heir to the Austro-Hungarian throne, Austro-Hungary declared war on Serbia in June 1914, with the support of Germany. In November 1918, after the Austro-Hungarian Empire was defeated in the First World War, Hungary declared its independence, King Karl IV stood down as head of state of Hungary and the Entente powers carved-up Hungary as a punishment for its role in the First World War, taking two-thirds of its territory and nearly 60 per cent of its pre-war population.

1919 Communists seized power and declared the Hungarian Soviet Republic but were defeated by Admiral Miklos Horthy, who governed as Regent from 1920 until 1944.

1920 Hungary signed the *Treaty of Trianon*, confirming its territorial losses to Romania, Yugoslavia, Czechoslovakia and Austria.

1939–45 During the Second World War Hungary initially allied with Germany and acquired territory through the partitioning of Czechoslovakia and the Axis invasion of Yugoslavia. Having sought to break the alliance, Hungary was occupied by Germany in 1944 before being invaded by the Soviets later in the same year. Following the end of the Second World War, Hungary's territory was reduced to pre-war boundaries and severe reparations exacted.

1947 Communists were the largest single party in the general election.

1949 The Communist, People's Republic of Hungary was established. With Matyas Rakosi as prime minister, purges and political trials on the Stalinist model followed. Agriculture was collectivised along the Soviet pattern and industry was nationalised.

1953 The more liberal Imre Nagy became prime minister, but fell out of favour with the Soviet politburo and was ousted in favour of András Hegedüs in 1955.

1956 During a period of anti-Soviet agitation, Imre Nagy returned, by popular demand, as prime minister. He moved to

introduce multi-party politics and then announced Hungary's withdrawal from the Warsaw Pact. He appealed to the West for Hungary to be recognised as a neutral state. Soviet tanks rolled into Budapest and crushed the Hungarian Revolution. Nagy and others took sanctuary in the Yugoslav embassy but he was subsequently arrested by Russian forces and taken to Romania. The communist Magyar Szocialista Mukaspart Partja (MSzMP) (Hungarian Socialist Workers' Party), returned to power with János Kádár as prime minister.
1958 Nagy was executed in Romania. Árpád Szákasits, as chairman of the Presidential Council, became the Head of State.
1960s Kádár introduced a number of minor liberal reforms such as dismantling collective farms, raising wages and introducing some intellectual freedom.
1988 Dissatisfaction among party members with the remoteness of the leadership led to the resignation of Kádár and moves towards 'Socialist Pluralism'.
1989 In May the border with Austria was opened and thousands of East Germans fled to the West, breaching the 'Iron Curtain'. The Communist state of Hungary was dismantled and a transition to a multi-party democracy begun. The MSzMP was re-named the Magyar Szocialista Párt (MSzP) (Hungarian Socialist Party). Mátyás Szürös became Hungary's interim president.
1990 First free multi-party parliamentary elections for 43 years resulted in the formation of a coalition government led by József Antall of the Magyar Demokrata Fórum (MDF) (Hungarian Democratic Forum). Mátyás Szürös was replaced as president by Árpád Göncz
1994 The general election resulted in a coalition government led by Gyula Horn of the MSzP.
1998 The centre-right Fiatal Demokraták Szövetsége-Magyar Polgári Párt (Fidesz-MPP) (Federation of Young Democrats-Hungarian Civic Party), led by Viktor Orbán, unexpectedly won the general election.
1999 Hungary became one of the first former Soviet satellite states to join NATO.
2000 Ferenc Mádl was elected president by parliament, replacing Árpád Göncz.
2001 The government introduced the Status Law, giving the four million ethnic Hungarians in neighbouring countries the right to work and study in Hungary.
2002 Péter Médgyessy (MSzP) became prime minister of a coalition government, comprising MSzP and Szabad Demokratak Szovetsege (SzDSz) (Alliance of Free Democrats).
2003 In a referendum with a 46 per cent turnout, 84 per cent voted in favour of EU membership.
2004 Hungary joined the EU. After the ruling MSzP withdrew support for him, Prime Minister Péter Medgyessy resigned. Ferenc Gyurcsány became prime minister.
2005 László Sólyom became president.
2006 Prime Minister Gyurcsány was re-elected. Rioting followed his admission that he had lied about the economy during the election, but he defied demands for his resignation. He later won a vote of confidence in parliament.
2007 Hungary became a member of the European Union Schengen area whereby all travellers may cross borders without a passport or visa.
2008 An agreement for visa-free visits of citizens to the US was signed. The IMF led a consortium to lend Hungary US$25.1 billion to aid the economy.
2009 Prime Minister Ferenc Gyurcsány resigned. His government's popularity had plummeted and he declared that he was an obstacle to the changes necessary to rectify the economy and bring about social reforms. Gordon György Bajnai (an independent), became prime minster. A new political party, Lehet Más a Politika (LMP) (Politics Can Be Different), was founded, espousing environmental protection and sustainable development.
2010 In parliamentary elections, the opposition coalition of Fidesz won an overwhelming majority of 262 seats out of 386. This was enough to enact major changes without relying on the support of other political parties. The outgoing MSzP won 59 seats in total, and the far-right nationalist Jobbik Magyarországért Mozgalom (Jobbik) (Movement for a better Hungary) won 47 seats. Prime Minister Victor Orbán (Fidesz) took office and parliament voted for Pál Schmitt (Fidesz) as president, by 263 votes (out of 386).
2011 In April, parliament voted to change the constitution and bring to an end the transitional government implemented after the fall of Communist rule in 1989. Two opposition political parties boycotted the vote, claiming the ruling Fidesz were imposing divisive right-wing ideology on the country. Other critics characterised the constitution as 'socially and fiscally conservative', while human rights campaigners opposed articles that limited freedoms, banned same-sex marriages (although partnerships may be legally registered) and awarded legal protection for foetuses from conception. Economic analysts, however, were supportive of the articles that provided for the national deficit to be kept below 50 per cent of GDP and an opening of government operations to private enterprise.
2012 The national airline Malév was declared bankrupt and ceased operations on 3 February, after it was unable to pay running costs and planes were held in foreign airports *in lieu* of debts, it was also unable to repay a number of state aided packages (2007–10) of €130 million (US$171 million), as demanded by the European Commission. Around 7,500 passengers were stranded aboard. On 2 April, President Pál Schmitt resigned after losing his doctorate, which had been shown to have been largely plagiarised. László Kövér became acting president on 2 April. On 2 May János Áder was elected president by parliament (262 votes out of 386). He was sworn in immediately but took office on 10 May. On 6 September, Prime Minister Orbán rejected the conditions set out for a new US$19 billion IMF loan in 2012. He said that they included pension cuts and a withdrawal of taxes on banks and that he would present alternative proposals for the loan repayment.
2013 In a move hoped to both improve the health of Hungarians, and raise revenue, the government imposed taxes on salt, sugar and the ingredients in energy drinks. The IMF closed its office in August, on the suggestion of central bank governor, György Matolcsy.

Political structure

Constitution

In 1989 the 1949 constitution was amended so that Hungary was formally re-titled the Hungarian Republic, concluding 40 years as a People's Republic. Under the amended constitution, Hungary has a multi-party system.
Supreme power is vested in parliament. The Constitutional Court has the power to overturn decisions or decrees that are considered unconstitutional.
On 18 April 2011, parliament voted to change the constitution and bring to an end the transitional government implemented after the fall of Communist rule (1989). Among the articles adopted were a limit on the powers of the Constitutional Court and the head of the central bank, any changes to tax and pension laws to require a two-thirds majority in parliament, government operations to be opened up to private enterprise, the national deficit to be kept below 50 per cent of GDP, legal protection for foetuses from the time of conception, a ban on same-sex marriages (although partnerships may be legally registered), discrimination to be outlawed (but excluded age and sexual orientation).

Form of state

Parliamentary democratic republic

The executive
The prime minister is chosen by the National Assembly and heads the executive Council of Ministers or cabinet. The prime minister's control of the cabinet has been enhanced by the creation of a minister for the prime minister's office.
The president is also elected by the National Assembly for a five-year term. The president has no executive power, and is not able to dissolve parliament.
National legislature
The unicameral Országgyüles (National Assembly) has 386 members in total, of which 176 are elected in single seat constituencies; 152 by proportional representation in multi-seat constituencies and 58 for what are called compensation seats. Voting for the national assembly is in two rounds. In the first, voters vote for an individual candidate and one from the party list. Any candidate failing to win 50 per cent in single seat constituencies must enter the second round. In round two, the process is repeated but the candidate who wins most votes wins the seat. Any constituency that has a less than 25 per cent vote for the leading candidate is added to the compensation seats.
Legal system
The legal system is based on the amended 1949 constitution.
Civil and criminal cases are brought before district and county courts and the Supreme Court in Budapest. District courts are courts of first instance whereas county courts may act either as courts of first instance or as appeal courts. The Supreme Court is usually an appeal court, but can also take cases submitted to it by the Public Prosecutor and act as a court of first instance. All courts of first instance have one professional judge and two lay assessors. Appeal courts have three professional judges. The district and county judges are elected by district or county councils. All members of the Supreme Court are elected by parliament.
Last elections
11 and 25 April 2010 (parliamentary, first and second round); 29 June 2010 (presidential – indirect)
Results: Presidential: Pál Schmitt won 263 votes, András Bologh 58.
Parliamentary (first round): Fidesz - Magyar Polgári Szövetség (Fidesz) (Fidesz - Hungarian Civic Union) won 52.73 per cent of the vote (206 seats), Magyar Szocialista Párt (MSzP) (Hungarian Socialist Party) 19.31 per cent (28), Jobbik Magyarországért Mozgalom (Jobbik) (Movement for a better Hungary) 16.67 per cent (26), Lehet Más a Politika (LMP) (Politics Can Be Different) 7.44 per cent (five); 15 other political parties failed to win enough votes to gain any seats. Turnout was 64.42 per cent. Second round: Fidesz 60 seats (total 262 seats out of 386), MSzP 29 (total 59), Jobbik 21 (total 47), LMP 11 (total 16) independent one. Turnout was 46.52 per cent.
Next elections
2015 (presidential); 2014 (parliamentary).

Political parties
Ruling party
Fidesz-Magyar Polgári Szövetség (Fidesz) (Fidesz-Hungarian Civic Union) (from 25 Apr 2010)
Main opposition party
Magyar Szocialista Párt (MSzP) (Hungarian Socialist Party)

Population
9.96 million (2012)*
Last census: February 2001: 10,198,315
Population density: 110 inhabitants per square km. Urban population 68 per cent (2010 Unicef).
Annual growth rate: -0.2 per cent, 1990–2010 (Unicef).
Ethnic make-up
The population is almost entirely made up of ethnic Hungarians. Small groups of Germans, Slovaks, Romanians, Serbs and Gypsies (Roma) make up about 4 per cent of the population. Roma are not recognised as an official ethnic group, although they are estimated to number between 360,000 and 600,000.
Religions
There is no official national religion. Roman Catholic (67.5 per cent), Calvinist (20 per cent) and Lutheran (5 per cent). There are approximately six million Roman Catholics, two million Calvinists, 430,000 Lutherans, and 80,000 Jews in Hungary.

Education
Compulsory education starts at six years of age and most children complete secondary education. There are four types of secondary school, offering either academic or vocational education. Apprentice training schools are attached to factories and agricultural co-operatives. There are 57 higher education institutes, including 10 universities and nine technical universities. Some privatisation of education is taking place as church and other private schools are created. Public expenditure on education is equivalent to around 5 per cent of annual gross national income (GNI), and includes subsidies to private education at the primary, secondary and tertiary levels.
Literacy rate: 99.4 per cent total, 99.2 per cent female, adult rates in 2002 (World Bank).
Compulsory years: Six to 18
Enrolment rate: 89.7 per cent net primary enrolment, 84.9 per cent net secondary enrolment (World Bank 2003).
Pupils per teacher: 12 in primary schools.

Health
The health system is run by the State Health Fund, an entity with substantial operational autonomy and no effective accountability. It is financed by payroll taxes of 15 per cent from employers and 4 per cent from employees, although transfers from the budget have been necessary due to a large funding gap.
Service delivery remains poor. Although healthcare is free in Hungary, patients regularly hand over cash bribes to poorly-paid medical staff in order to gain proper access. There are reports of doctors recommending dangerous treatments in exchange for bribes. A major area of concern is the heavy subsidisation of medicine, which patients often obtain freely and then sell on.
HIV/Aids
HIV prevalence: 0.1 per cent aged 15–49 in 2003 (World Bank)
Life expectancy: 73 years, 2004 (WHO 2006)
Fertility rate/Maternal mortality rate: 1.4 births per woman, 2010 (Unicef); maternal mortality 15 per 100,000 live births (World Bank).
Child (under 5 years) mortality rate (per 1,000): 6 per 1,000 live births (WHO 2012)
Head of population per physician: 3.33 physicians per 1,000 people, 2003 (WHO 2006)

Welfare
Economic reforms have included a pioneering reorganisation of the pension system, with a new 'multi-pillar' system launched in 1996, supported by a World Bank US$150 million loan. Employees make mandatory contributions to the existing pay-as-you-go (PAYG) system and to a fully funded second pillar, based on a system of personal savings accounts held in privately managed pension funds. Those joining the work force after June 1998 were obliged to participate in the new system. In 2001, the government made both systems voluntary. The new scheme has proved highly popular. The largest private pension fund is managed by Nationale-Nederlanden (NN), with 257,000 members and Ft4 billion (US$16.4 million) in managed assets. Social security contributions on salaries are paid by the employer (39 per cent) and by the employee (10 per cent). Employer contributions must also be made to the unemployment solidarity fund (4.5 per cent) and by the employee (1.5 per cent).

Main cities
Budapest (capital, estimated population 1.6 million in 2012), Debrecen

(204,383), Miskolc (171,843), Szeged (160,766), Pécs (153,696), Györ (130,724), Nyíregyháza (114,508), Kecskemét (104,816), Székesfehérvár (104,599).

Languages spoken
Slovak, Croatian, Serbian, Slovene, Romani are also spoken.
The main foreign language is German, followed by English, Russian and French.
Official language/s
Hungarian (Magyar)

Media
Press
Foreign ownership dominates the print media and all newspapers are privately owned. While the market in tabloid news is growing, quality newspapers are in decline.
Dailies: There are over 30 dailies of which 10 are national newspapers. Local newspapers have a strong market lead and national broadsheets are considered partisan.
In Hungarian, the most popular national newspaper is the free issue *Metro* (www.metro.hu); the most popular quality newspapers are the *Népszabadság* (www.nol.hu) and *Magyar Nemzet* (www.mno.hu), with *Magyar Hírlap* (ww.magyarhirlap.hu), *Népszava* (www.nepszava.hu) and *Reggel* (www.reggel.hu), which include articles on business and finance.
Weeklies: In Hungarian, magazines for news and current affairs include *168 Óra* (www.168ora.hu), *Hírek* (www.miep.hu), *Magyar Demokrata* (www.demokrata.hu) and *HVG* (http://hvg.hu); for women, *Hölgyvilág* (www.holgyvilag.hu), *Nok Lapja* (www.nlcafe.hu); *Hócipo* (www.hocipo.hu) is a satirical magazine.
Business: In Hungarian, the leading business and financial newspapers are the *Napi Gazdaság* (www.napi.hu), *Magyar Tokepiac* (www.magyartokepiac.hu) and *Világgazdaság* (www.vilaggazdasag.hu). Magazines include *Adó* (www.ado.hu) and *Bank & Tözsde* (www.bankestozsde.hu).
In English, the weekly *Budapest Business Journal* (www.bbj.hu), has a round up of news and comprehensive industry and company information.
Periodicals: In Hungarian the monthly *Közéleti Krónika* (www.kronika.matav.hu) covers general interest.
Broadcasting
The state-owned media has lost its monopoly and, since 1996, most of its market. Its reputation has been damaged with accusation of political interference by government.
Radio: The state-run Magyar Rádió (www.radio.hu) operates three national public stations, Bartok (www.mr3-bartok.hu), Kossuth (www.mr1-kossuth.hu) and Petofi (www.mr2.hu), which include specialist interest broadcasts of parliamentary proceedings and religion. The two private, national commercial stations Danubius (www.danubius.hu) and Sláger (www.slager.hu) are also those with the highest listener figures. There are many local radio stations, either private, public and community, with intense competition for listeners.
Television: Television is the most popular medium for news, information and entertainment.
Magyar Televízió (MTV) (www.mtv.hu) has two channels M1 and M2. Funding for these services is provided by government grants and advertising revenue. MTV is chronically under-funded and the quality and quantity of programming is weak. Private commercial TV is led by RTLKlub (www.rtlklub.hu) and TV2 (http://tv2.hu), which offer a wide range of locally produced programmes and well as imported TV shows. Hir TV (www.hirtv.net) is a 24-hour news channel. There are dozens of pay-to-view TV channels offering programmes in most genres.
National news agency: Magyar Távirati Iroda (MTI) (Hungarian News Agency): http://english.mti.hu
Other news agencies: Havaria Press (in Hungarian): www.havariapress.hu

Economy
Hungary has an open market economy, built up since the mid-1990s, and can boast one of the most successful growth rates in Central Europe. It has a large industrial base including automobile manufacturing, mining and metallurgy, energy production and food processing. The Great Hungarian Plain and Little Hungarian Plain together make up 75 per cent of the land available for cultivation, and with their rich farming soils enable the production of, among other crops, grapes, fruit, grain, as well as providing pastures for livestock. However over 60 per cent of Hungary's economy is based in the tertiary service sector, with tourism comprising a major component. The private sector accounts for around 80 per cent of GDP, with a high level of foreign ownership and foreign investment.
Exports, the backbone of the economy, fell sharply in 2008 and continued in a slump until 2010 when world trade picked up. However in 2007, as world fuel and food costs soared, GDP growth fell to 0.1 per cent (down from 3.9 per cent in 2006), with a slight improvement to 0.9 per cent in 2008. Low domestic consumption and government austerity measures meant the economy fell into recession in the first quarter of 2009 with annual GDP growth of -6.8 per cent for the year. Growth picked up to 1.3 per cent in 2010 along with global expansion and was estimated to have remained positive at 1.7 per cent growth in 2011.
In November 2011 the government asked the IMF and the EU for financial assistance as government debt had risen, to 82 per cent of Hungary's output; annual public debt was estimated to be 77.7 per cent of GDP in 2011.
The currency had weakened – over 2008–11 the florin fell by 40 per cent against the Swiss franc. On 23 January 2012, both lenders agreed in principal to a new funding deal of €17–20 billion (US$21.9–25.8 billion) by March–April. The IMF and the EU used the loan to apply pressure on the government to change newly introduced laws on the courts, the central bank and the media, which were said to undermine their independence and breach EU rules.
On 1 January 2012, the rate of value added tax (VAT) was raised from 25 per cent to 27 per cent (reduced rates on certain goods and services remained at the same rate).
On 13 March 2012, the EU decided to suspend €495 million (US$655 million) from its funding due to Hungary's budget deficit. The EU gave Hungary three months to initiate further budget cuts before a review of the decision. The EU's excessive deficit procedure (EDP) requires member states to keep budget deficits below 3 per cent of national output and government debts below, or significantly declining towards, 60 per cent of GDP. Prime Minister Orban accused the EU of 'colonial' interference and said that Hungarians 'will not live as foreigners dictate it, (they) will not give up their independence or their freedom'.
The prime minister rejected the conditions set out for a new US$19 billion IMF loan, in September 2012. He said that they included pension cuts and a withdrawal of taxes on banks and that he would present alternative proposals for the loan repayment.

External trade
As a member of the European Union, Hungary operates within a community-wide free trade area, with tariffs set as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide.
The economy is dependent on export trade, of which 75 per cent goes to the EU, mainly Germany. Major sectors include vehicle assembly and electronics which account for a third of exports. Hungarian wine and fruit are consumed throughout the EU.

Imports
Principal imports are capital goods, machinery and equipment, fuels and electricity, food products, raw materials, energy (natural gas and electricity).
Main sources: Germany (24.6 per cent of total in 2012), Russia (8.7 per cent), China (7.3 per cent).
Exports
Principal exports are machinery and equipment, manufactured goods, foodstuffs and agricultural produce, raw materials, energy (refined oil and electricity).
Main destinations: Germany (24.7 per cent of total in 2012), Romania (6 per cent), Slovakia (5.9 per cent).

Agriculture
The agricultural sector contributes 7 per cent to GDP and employs around 12 per cent of the workforce. Agriculture and animal husbandry dominate in the Great Plain in central and eastern Hungary. The western region of Transdanubia – which includes Lake Balaton, the largest lake in Central Europe – is dominated by intensive agriculture and animal husbandry. Farming is largely socialised; co-operatives are the dominant form of production. The agriculture and food industry produces on average 50 per cent more food than is consumed domestically. Principal crops include wheat, maize, barley, sugar beet and potatoes. The livestock sector is also important. Crop cultivation, especially wheat, maize, potatoes, fruit and vegetables, accounts for around half of Hungary's agricultural output. Processed and unprocessed meat, dairy products and wine are the other main products. The agriculture and food industry produces, on average, 50 per cent more than is needed for domestic consumption. After EU accession in 2004, Hungary is eligible for EU agricultural subsidies and rural development through the Common Agricultural Policy (CAP). However, it will only receive the full amount by the end of a 10-year transition period in 2013. During its transitional entry stage Hungary has decided to implement the reform of the CAP in January 2009. The reform was introduced throughout most of the EU in 2005, when subsidies on farm output, which tended to benefit large farms and encourage overproduction, were replaced by single farm payments, not conditional on production. The change is expected to reward farms that provide and maintain a healthy environment, food safety and animal welfare standards. The changes are also intended to encourage market conscious production and cut the cost of CAP to the EU taxpayer.
Hungary is a landlocked country and although there is some fishing from lakes and rivers, most of the country's consumption needs are met through imports. Fish production in Hungary is mostly concentrated in the available 140,000 hectares (ha) of natural water and 20,000ha of man-made fishponds. The fish production sector primarily involves common carp and African catfish and remains a small and special sub-sector of agriculture. The sector traditionally supports less than 0.5 per cent of the total labour force and contributes below 2 per cent of the total for agricultural production. Annual consumption per capita is typically less than 3kg.
Forests account for a fifth of Hungary's land area but the industry amounts to only 0.3 per cent of GDP. Forestry agriculture largely concentrates on production using hardwood species of trees, mostly being used for energy purposes. Oak and black locust are most prevalent. The state owns about 58 per cent of forests and and employs 20,000 workers on this land. Hungary is a net importer of all primary forest products as a result of not undertaking softwood and pulp production.

Industry and manufacturing
Mechanical engineering, chemicals, pulp and paper industries, as well as the iron and steel industry and metal processing are particularly successful sectors. Other industries include building materials, food processing and textiles. One of the fastest growing sectors in Hungary, as the country moves away from heavy industry, is motor vehicle components and assembly. Foreign direct investment (FDI) has contributed greatly to industrial output in Hungary, concentrating in areas such as machinery, vehicles, computers, telecommunications equipment, electrical and electronic goods. These successes have been concentrated in a relatively small number of capital-intensive companies. Analysts warn that Hungary could be in danger of developing a two-tier economy, with a prosperous, predominantly foreign-owned sector of larger enterprises and a struggling, locally- owned sector of small- and medium-sized enterprises (SMEs).
In the past, government policy focussed on the development of heavy industry and agriculture. In the late-1990s, this shifted towards the development of SMEs. These account for 45 per cent of GDP and represent 69 per cent of employment. The main problem facing smaller enterprises is the growing black market. This is due to a constantly changing and, thus far, largely unfavourable tax system in which evasion is widespread. Law-abiding SMEs are finding it difficult to compete with black market labour. In order to help compensate for this, the government has tried to promote entrepreneurial SMEs through tax cuts and better access to credit.

Tourism
Hungary has a long cultural history. Its capital Budapest was Central Europe's most important city during the Austro-Hungarian Empire. It has many thermal springs that were first built during the Roman Empire, which developed spa baths, and through the ages visitors have enjoyed their hot mineral waters. There are seven cultural sites and one natural site on Unesco's World Heritage List, from historic buildings to the Caves of Aggtelek Karst.
Travel and tourism constituted 10.4 per cent of GDP in 2011. Around 10 per cent of the workforce is engaged in the tourism industry (373,200 jobs in 2011), a figure that mirrors the sectors' growth, so that in 2009 employment in the industry was 11.1 per cent (420,700 jobs).
Since 2009, the National Tourist Office has established a policy of decentralisation for tourism related issues and of fostering initiatives to encourage greater local participation in decisions in tourism development. The ultimate plan is to have individual, identifiable regional strategies so that marketing can be targeted at specific tourists and groups.

Mining
The mining sector accounts for 5 per cent of GNP and employs 3 per cent of the workforce.
Hungary is a major European producer of bauxite, and also a small-scale producer of lignite and manganese ore. In the Northern Hills, iron ore and copper are mined.
Hungary is a small-scale producer of coal, oil and natural gas. In the Great Plain in central and eastern Hungary, there are natural gas and oil deposits while brown coal is mined in the Northern Hills region.

Hydrocarbons
Proven reserves were 102 million barrels of oil in 2007, producing around 33,000 barrels per day (bpd), with consumption at 163 billion bpd the balance is provided by imports. There is one oil refinery with a capacity of 161,000bpd; US$59 million has been invested to create a new hydro-desulphurisation unit in line with EU standards for low sulphur petrol and diesel.
Proven reserves of natural gas was 34.3 billion cubic metres (cum) in 2007. Consumption was 12 billion cum and production some 3 billion cum per annum. Imports of natural gas come primarily from Russia. Gas storage capacity is well developed and can hold 120 days of peak winter imports.

In February 2012, the multinational, South Stream Transport group, announced the expected construction of the South Stream pipeline, to transport Russian natural gas to Western and Central Europe (and bypassing Ukraine) would begin in December 2012.
Coal reserves totalled 3.3 billion tonnes in 2007; coal production was 2 million tonnes oil equivalent. Hungarian coal is the less valuable sub-bituminous and lignite composition that is typically used in power stations, but is a large atmospheric pollutant.

Energy
Total electricity generating capacity was over 8,000MW in 2008. Electricity generation has moved away from large, central production sites to small to medium locally placed cogeneration plants, of less than 50MW, producing electricity and heat, which in 2008 provided 25 per cent of the country's total generating capacity. Power stations are predominately fuelled by natural gas, 3,000 million tonnes oil equivalent (mtoe) per annum, as lignite coal has fallen (from over 25,000mtoe in 2003 to less than 17,000mtoe in 2005). Hungary has one nuclear power plant, near Paks, producing 3.3mtoe in 2007. The plant provides 40 per cent of domestic energy needs and is dependent on enrichment and processing facilities from the Russian Federation. Renewable wind energy has been growing in use but in 2008 provided less than 600mtoe per annum; there are plans to implement geothermal energy.

Financial markets
Stock exchange
Budapesti Értéktõzsde (Budapest Stock Exchange) (BSE)

Banking and insurance
Hungary has the most developed financial sector in Eastern Europe, with the Magyar Nemzeti Bank (MNB) (National Bank of Hungary) (central bank) playing an important role in economic and financial management of the economy. The country privatised banking services from 1994–97 in order to attract foreign investment. About 30 of the 38 banks in Hungary are foreign-owned and are led by the OTP Bank (formely known as the National Savings Bank). Foreign-owned banks control 90 per cent of the country's total banking assets. OTP Bank, with an extensive branch network, offers banking for the general public, and also foreigners needing foreign exchange accounts.
Foreign trade and currency transactions are conducted by the Magyar Külkereskedelmi Bank (MKB) (formerly the Hungarian Foreign Trade Bank) and by some other banks.
The Central-European International Bank is an internationally active offshore bank owned by the central bank and six foreign banks.
Hungary adopted a German model for the banking system in 1999, allowing banks to engage in both commercial and investment banking.
Central bank
Magyar Nemzeti Bank (MNB) (National Bank of Hungary)
Main financial centre
Budapest

Time
GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

Geography
Hungary is a landlocked country in central Europe surrounded by the Alps, the Carpathians and the Dinaric Mountains. The Danube and Tisza rivers run through the country, which is bounded by Slovakia to the north, Ukraine to the north-east, Romania to the east, Serbia, Croatia and Slovenia to the south and Austria to the west.
The River Danube forms Hungary's north-western border with Slovakia and then flows south through Budapest, bisecting the country. More than half of the land surface consists of plains less than 200 metres above sea level. The highest point is Kekes at 1,015 metres in the Matra hills to the north, while the lowest point is on the southern edge of Szeged along the River Tisza (the longest tributary of the Danube) at 77 metres.
The major regions of the country are: the Pannonian or Great Hungarian Plain (central and eastern Hungary), east of the River Danube and also drained by the Tisza; Transdanubia (western Hungary, including Lake Balaton, the largest lake in central Europe); the Little Hungarian Plains in the north-west between the mountains and the Danube; and along Hungary's northern border are the Matras, foothills of the Carpathian Mountains.
Hemisphere
Northern

Climate
The temperate continental climate of Hungary is under the varying influence of three climatic zones: continental, Atlantic and Mediterranean. The annual median temperature in Budapest is 11 degrees Celsius (C). The warmest month is July, with an average of 22 degrees C, the coldest January, with minus 1 degrees C. Averaging 1,988 hours of sunshine a year, Hungary experiences more sun than most of the countries in Western Europe. Average annual rainfall is 630mm, but distribution is unpredictable. Most rain usually falls in May and June, but the south-west regions may have more in October. May is the wettest month, and September the driest. The central parts of the Great Plains are the driest with 200–500mm, the hilly western area of Koeszeg and Sopron the wettest with 900–1,000mm.

Dress codes
Hungarians used to dress more formally than West Europeans, but blazers, sports coats and flannels are as acceptable as lounge suits for visiting businessmen. Do not be offended if Hungarians ask where you bought your clothes or how much they cost.
Advisable clothing: medium to heavyweight and heavy topcoat for winter; lightweight clothing for summer. A raincoat will be needed in spring and autumn.

Entry requirements
Passports
Passport required by all; must be valid for six months beyond date of departure.
Visa
Required by all, except nationals of EU and Schengen area signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest embassy. A Schengen visa application (offered in several languages) can be downloaded from http://europa.eu/abc/travel/ see 'documents you will need'. Business trips may be made visa-free, or on short-term visas. For terms and conditions see: www.mfa.gov.hu/kum/en/bal/ and follow links to consular services.
Transit passengers must have onward/return passage.
Currency advice/regulations
The import and export of local currency is limited to Ft200,000, provided the amount is declared. The import of foreign currency is unlimited, although amounts over Ft1 million must be declared. The export of foreign currency cannot exceed the amount imported and must be exported no later than three months after import. There is no compulsory money exchange on departure, however only 50 per cent of a visitor's forints can be re-exchanged (up to a limit of US$450, and with exchange receipts) at any authorised *bureaux de change*, or branch of the National Savings Bank.
Customs
Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

Health (for visitors)
Nationals of the European Economic Area (EEA) countries and Switzerland can

access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries, which joined the EU in 2004, whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

Mandatory precautions

There are no special requirements.

Advisable precautions

There are no specific precautions necessary although a hepatitis A immunisation might be useful.

Hotels

There is a full range of hotels in Budapest. Reservations can be made in advance directly or through IBUSZ.

All hotels charge a 1–2 per cent tourism tax for guests staying more than one night. Tipping usually 10–15 per cent. Good hotels are concentrated in Pest, the business half of Budapest.

Credit cards

Credit cards are accepted and can be used for cash advances.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 15 Mar (National Day), 1 May (Labour Day), 20 Aug (National Constitution/St Stephen's Day), 23 Oct (Remembrance Day), 1 Nov (All Saints' Day), 25–26 Dec (Christmas).

Variable dates

Easter Monday, Whit Monday.

Working hours

Banking

Mon–Thu: 0800–1500; Fri: 0800–1300.

Business

Mon–Thu: 0800–1600.

Government

Mon–Fri: 0800–1630.

Shops

Mon, Tue, Wed & Fri: 1000–1800, Thu: 1000–2000, Sat: 1000–1300.

Shops may have varied opening hours. Food shops open at 0600–0700 and may not close until 2000.

Telecommunications

Mobile/cell phones

There is a GSM dual band of 900 and 1800 with coverage throughout the country.

Electricity supply

220V AC, 50 cycles

Social customs/useful tips

Business people are expected to dress smartly. Local business people are generally friendly and hospitable and it is usual for visitors to be invited to lunch or dinner in a restaurant. Business cards are widely distributed and visitors are advised to have a supply available in Hungarian.

Best months for business visits are September to May and appointments should always be made. Interpreter and translation services may be booked through travel agents. In business Hungarians expect people to speak their mind. Giving and receiving gifts is very common; take promotional gifts with you.

Punctuality is appreciated.

If you are invited to a Hungarian home, take flowers for the hostess and wine or liquor for the host.

Hungarian law requires visitors to carry passports or other ID at all times.

Security

There has been an increase in street crime in Budapest, although levels are still below those in many Western capitals. Bag-snatching and pickpocketing are common in Budapest. Criminals at times pose as police officers, and credentials should be requested for inspection.

Getting there

Air

National airline: Malév (Hungarian Airlines) (defunct February 2012)

International airport/s: Budapest-Ferihegy (BUD, 16km from city; duty-free shop, restaurants and bar, bank/bureaux de change, tourist information centre, post office and car hire. Scheduled bus services run to the city centre; minibuses run to and from any address in the city. The 93 bus runs an express service between the underground terminus at Kobánya-Kispest and the Ferihegy terminals; a pre-purchased or season ticket is required. Taxis are available at all times.

Airport tax: None

Surface

Hungary is included in the Pan-European Corridor 5 scheme. The project has some 3,270km of railways, linking Kiev in the Ukraine with western Europe via Italy, and 2,850 of new and upgraded roads.

Water: A hydrofoil service is available on the Danube between Vienna and Budapest in the summer. Ships provide regular passenger service and cruises starting at Passau and Regensburg (Germany) to Budapest, passing through Austria and Slovakia. There are also links with the rivers Rhine and Main and the Black Sea.

Getting about

National transport

Road: Generally the road system is good. Tolls are payable on some roads and all motorways for which season tickets can be purchased. There are eight arterial roads: all but the M8 start from central Budapest. From Budapest the two main highways are the M1 to Györ (then to Austria) and the M7 along Lake Balaton. The M3 connects Budapest with eastern Hungary.

Buses: Budapest is linked to all major towns. Tickets are available from Volán offices throughout the country.

Rail: Services are operated by MÁV. All cities are linked by efficient services, but facilities are often inadequate. Supplements are payable on intercity (IC) and express trains and reservations are compulsory on IC trains and recommended for express trains, particularly in summer. Tickets and seat reservations can be bought 60 days in advance at domestic railway stations.

Water: Ferries run several times daily between Budapest and Visegrád over the summer; one service extends to Esztergom.

City transport

Most government offices, business centres and main hotels are located in Pest, on the eastern side of the Danube. The public transport system is good and it is rarely necessary to take a taxi, especially as the city centre is quite compact.

Buda, the hilly, western part of the city, is more difficult to get around without a car.

Taxis: Taxis are available from ranks, by telephone or can be hailed in the street. Taxis are metered. Avoid all unmarked cabs as they not only demand payment for mileage covered, but also for the return journey to their starting point.

A taxi from the airport to the centre of Budapest takes between 40 minutes and one hour; always agree your fare in advance. Non-airport taxis are plentiful and inexpensive although rates vary widely (watch out for meters being on the 'night' rate during the day). Tipping of 15–20 per cent is expected.

Buses, trams & metro: There is good public transport in all the main towns, including tramways in some.

Budapest has bus, trolleybus, tramway, suburban railway (HEV), a three-line metro and boat services. The metro has ticket barriers at all stations. The bus-trolleybus-tramway system has pre-purchase flat fares with ticket puncher on board. Day passes and season tickets are available for all the transport modes in the city. Trams and buses generally run from 0430–2300. Some night services also operate. The metro runs from 0430–2310; stations are identified by a large 'M'.

Trains: Main railway stations: Déli Pu (Southern RW Terminal), Krisztina krt 37/a, Budapest I.

Keleti Pu (Eastern RW Terminal), Baross Tér (tel: 142-9150).

Nyugati Pu (Western RW Terminal), Teréz krt 111 (tel: 122-7860).

Ferry: The Danube provides a ready highway for ferries and sightseeing cruises.

Car hire
Hire cars are available from the airport, hotels and IBUSZ travel company. The speed limit is 50kph in built up areas, 90kph on main roads, 110kph on highways and 130kph on motorways. There is an absolute ban on drinking and driving, headlights must be kept dipped, mobile phones can only be used with headsets and seat belts are compulsory. An international driving licence is recommended. For travel on the M1 and M3 motorways, drivers require a motorway *vignette*, obtainable from the Hungarian Auto Klub, petrol stations, post offices, and some motorway access points; without one, drivers may be fined.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling code (IDD) for Hungary is +36, followed by area code and subscriber's number:
Budapest1Pecs72
Debrecen52Salgotarjan32
Gyor96Szeged62
Miskolc46Szekesfehervar22
Nyiregyhaza42Szombathely94

Useful telephone numbers

Ambulance, Police, Fire: 112
24-hour emergency service (English-speaking): 118-8212
24-hour multi-lingual crime reporting service: 0800—2000: 438-8080; after hours: 06-80-660-044
Fotaxi (tel: 222-2222)
City Taxi (tel: 211-1111)
Volantaxi (tel: 166-6666)

Chambers of Commerce

American Chamber of Commerce in Hungary, 10 Deak Ferencu utca, 1052 Budapest (tel: 266-9880; fax: 266-9888; e-mail: info@amcham.hu).

Borsod-Abauj-Zemplen County Chamber of Commerce and Industry, 1 Szentpali u, 3530 Miskolc (tel: 328-539; fax: 328-722; e-mail: bokik@mail.bokik,hu).

British Chamber of Commerce in Hungary, 6 Bank utca, 1054 Budapest (tel: 302-5200; fax: 302-3069; e-mail: bcch@bcch.com).

Budapest Chamber of Commerce and Industry, Krisztina krt 99, 1016 Budapest (tel: 488-2000; fax: 488-2119; e-mail: bkik@bkik.hu).

Czongrád Chamber of Commerce and Industry, 2-4 Tisza Lajos krt, 6701 Csongrád (tel: 426-343; fax: 426-149; info@csmkik.hu).

Fejér County Chamber of Commerce, 4-6 Hosszusetater, 8000 Székesfehérvár (tel: 510-310; fax: 510-312; e-mail: fmkik@mail.fmkik.hu).

Gyor-Moson-Sopron County Chamber of Commerce and Industry, 10/A Szent Istvan ut, 9021 Gyor (tel: 520-202; fax: 520-291; e-mail: kamara@gymskik.hu).

Hajdu-Bihar County Chamber of Commerce and Industry, 10 Petofi ter, 4025 Debrecen (tel: 500-721; fax: 500-720; e-mail: info@hbkik.hu).

Hungarian Chamber of Commerce and Industry, 6-8 Kossuth Lajos ter, 1055 Budapest (tel: 474-5101; fax: 474-5105; e-mail: mkik@mkik.hu).

Pecs-Baranya Chamber of Commerce and Industry, 36 Majorossy I ut, 7625 Pécs (tel: 507-149; fax: 507-152; e-mail: pbkik@pbkik.hu).

Pest County Chamber of Commerce and Inustry, 40 Vaci utca, 1051 Budapest (tel: 317-7666; fax: 317-7755; e-mail: titkarsag@pmkik.hu).

Sopron Chamber of Commerce and Industry, 14 Deak ter, 9400 Sopron (tel: 523-570; fax: 523-581; e-mail: k-kamara@sopron.hu).

Vas County Chamber of Commerce and Industry, 2 Honved ter, 9700 Szombathely (tel: 312-356; fax: 316-936; e-mail: vmkik@vmkik.hu).

Veszprem Chamber of Commerce, 3 Budapesti u, 8200 Veszprém (tel: 429-008; fax: 412-150; e-mail: vkik@iveszpremikamara.hu).

Zala County Chamber of Commerce and Industry, 24 Petofi Sandor ut, 8900 Zalaegerszeg (tel: 550-514; fax: 550-525; e-mail: zmkik@zmkik.hu).

Banking

General Banking and Trust Co Ltd, Markó ut 9, H-1055 Budapest (tel: 269-1450; fax: 260-1440).

Magyar Külkereskedelmi Bank (commercial bank), St István ter 11, H-1821 Budapest (tel: 269-0922; fax: 269-0959).

OTP Bank, Nádor ut 16, H-1876 Budapest (tel: 153-1444; fax: 112-6858).

Raiffeisen Bank, PO Box 173, H-1054 Budapest (tel: 484-4400; fax: 484-4444).

Central bank
Magyar Nemzeti Bank (National Bank of Hungary), 1054 Szabadság tér 8-9, 1850 Budapest (tel:428-2752; fax: 302-3000).

Stock exchange
Budapesti Értéktõzsde (Budapest Stock Exchange) (BSE)
www.bse.hu

Travel information

Ferihegy International Airport flight enquiries (tel: 157-7155); passenger service (tel: 157-8555; fax: 157-8993).
Hungarian Automobile Club, Francis ut 38, Budapest XIV (tel: 691-8310).
IBUSZ – Hungarian Travel Agency (main Budapest office), Tanács krt 3/c, Budapest VII (tel: 142-3140).
Lufthansa Airport Office (tel: 157-0290, 157-6506; fax: 157-6192); town office, V ci utca 19-21, Budapest (tel: 266-4511; fax: 266-8669).

Malév Hungarian Airlines, (headquarters), 1097 Könyves Kálmán Krt 12-14 (tel: 235-3535); (customer service) Váci út 26, Budapest 11532 (tel: 235-3222; fax: 235-3244; email: centrum@malev.hu).

Police Tourinfo Office (service in English and German), Vigado Utca 6, 1051 Budapest.

Secretariat of the Hungarian Tourist Council, 6th floor, Margit krt 85, H-1024 Budapest (tel: 1175-1682; fax: 1175-38190).

National tourist organisation offices
Tourinform (Hungarian Tourist Board), Suto ut 2, H-1052 Budapest (tel: 117-9800; fax: 117-9578; e-mail: tourinform@mail.hungarytourism.hu; internet site: http://www.hungarytourism.hu).

Ministries

Ministry of Agriculture and Regional Development, Kossuth Lajos tér 11, H-1055 Budapest (tel: 302-0000; fax: 302-0402).

Ministry of Defence, Balaton ut 7-11, H-1055 Budapest (tel: 332-2500; fax: 311-0182).

Ministry of Economic Affairs, Honved U 13-14, H-1055 Budapest (tel: 302-2355; fax: 302-2394; internet site: http://www.gm.hu/english).

Ministry of Education, Szalay U 10-14, H-1055 Budapest (tel: 302-0600; fax: 302-2002).

Ministry of Environmental Protection, Fo ut 44-50, H-1011 Budapest (tel: 457-3300).

Ministry of Finance, József Nádor tér 2-4, H-1051 Budapest (tel: 118-2066, 138-2633; fax: 118-2570).

Ministry of Foreign Affairs, Bem rkp 47, H-1027 Budapest (tel: 458-1000; fax: 155-9693).

Ministry of Health, Arany János u 6-8, H-1051 Budapest (tel: 332-3100; fax: 302-0925).

Ministry of Home Affairs, József Attila u 2-4, H-1051 Budapest (tel: 331-3700, 332-5790; fax: 118-2870).

Ministry of Justice, Kossuth Lajos ter 4, H-1055 Budapest (tel: 268-3003).

Ministry of Transport, Telecommunications & Water Management, Dob ut 74-81, H-1077 Budapest (tel: 322-0220, 341-4300; fax: 322-8695).

Office of the President, Kossuth Lajos Ter 3-5, Budapest (tel: 268-4000).

Pressinform (information bureau for foreign journalists), Budakeszi ut 41, H-1021 Budapest (tel: 175-1890; fax: 175-1178).

Prime Minister's Office, Kossuth Lajos tér 1-3, H-1055 Budapest (tel: 268-3000; fax: 268-3050).

Other useful addresses

Allami Biztosító (state insurance company), Ullöi ut 1, H-1813 Budapest (tel: 117-8566).

Amex, Deak Ferenc ut 10, 1050 Budapest (tel: 117-8008).

British Embassy, 6 Harmincad utca, Budapest 1051 (tel: 266-2888; fax: 429-6360).

Budapest Stock Exchange, Deak Ferenc ut 5, H-1052 Budapest (tel: 117-5226; fax: 118-1737; internet site: www.fornax.hu/fmon/index.html).

Central Statistical Office, International Relations Department, Keleti Károly utca 5–7, , PO Box 51, H-1525 Budapest (tel: 212-6136; fax: 212-6378; internet site: www.ksh.hu/eng/index.htm).

Federation of Scientific and Technical Societies (MTESZ), Kossuth Lajos tér 6–8, Budapest V (tel: 153-3333).

Hungarian Aluminium Industrial Co Ltd (Hungalu), Privatisation Directorate, Room 419, 85 Margit krt, Budapest 1024 (tel: 175-6528; fax: 175-5802).

Hungária Biztosító (Hungária Insurance Company), Bánk ut 17–6, H-1115 Budapest (tel: 182-0750).

Hungarian Embassy (USA), 3910 Shoemaker Street, NW, Washington DC 20008 (tel: (+1-202) 362-6730; fax: (+1-202) 686-6412; e-mail: office@huembwas.org).

Hungarian Foundation for Enterprise Promotion, Etele ut 68, Budapest H-1115 (tel: 203-0348/60; fax: 203-0377).

Hungarian Investment and Trade Development Agency (ITD), Euro Information Correspondence Centre, Dorottya ut 4, 1051 Budapest (tel: 118-1712/6064; fax: 118-6198; e-mail: itdheicc@mail.datanet.hu; internet site: www.itd.hu/index.htm).

Hungarian Privatisation and Foreign Investment, APV, Pozsonyi ut 56, H-1133 Budapest (tel: 269-8600; fax: 267-0079).

Hungary EU Energy Centre (Thermie), Konyves Kalman Krt 76, 1087 Budapest VIII (tel: 269-9067, 133-1304; fax: 269-9065).

Hungexpo International Fair Centre, Dobi Istvan ut 10, Budapest X.

Magyar Tavirati Iroda (Hungarian news agency) (MTI), Fem utca 507, 1016 Budapest (tel: 155-6722).

Mineralimpex Hungarian Oil and Gas Co, Benczur u 13, 1068 Budapest (tel: 131-6720; fax: 153-1779, 142-3584).

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