

# **Extraordinary announcement by Prime Minister Viktor Orbán**

*6 April 2020, Budapest*

Good afternoon Ladies and Gentlemen,

Everyone is aware of the situation, so there's no need for me to describe it in detail. After ten years of hard, persevering work, we were about to find our feet when the coronavirus epidemic arrived in Europe – endangering everything that we have worked for. The situation in which we have suddenly found ourselves is an unjust one. It is true that we are not to blame, but the fact remains that we are confronted by a major challenge. The situation is unjust, but this does not relieve us of our responsibility: we must not resign ourselves to it, we must not accept it, and we must fight it. Furthermore, we must simultaneously fight both the epidemic and its economic consequences: we must save lives and provide for the future. We must now adopt economic measures which will help us through the difficult phase which lies ahead of us. We have therefore developed an economy protection action plan. The goal is to create as many jobs as are destroyed by the virus. We will implement this action plan in three phases. We have already progressed beyond the first phase, which included reductions in social security contributions, assistance for those paying Small Business Tax [KATA], and suspension of repayments on bank loans.

Today we are launching the second phase. The action plan's three phases will reallocate a total of 18 to 20 per cent of GDP, of gross domestic product, including programmes launched by the Central Bank. The altered circumstances mean that we must depart from our original budget for 2020. The decree on this will be released today. We are increasing the budget deficit from 1 per cent to 2.7 per cent. As you are aware, for ten years we have anchored ourselves to financial stability and responsible fiscal management; and we are not about to raise that anchor. Today we are launching five programmes, each one of which contains a number of sub-programmes. I will mention some of these many sub-programmes. Our first programme is aimed at job preservation. As part of this, we are ready to compensate employers for some of their wage costs related to shortened working hours. This will be a specific Hungarian form of wage support. Our second programme focuses on creating jobs. In this we are offering a total of around HUF 450 billion to support investment projects. Our third programme is aimed at

priority sectors, sectors of the national economy which we will now have to relaunch – such as tourism, the health industry, the food industry, agriculture, the construction industry, transport, the film industry and creative industries. Our fourth programme centres on funding for businesses. We will provide Hungarian businesses with a total of more than HUF 2,000 billion in loans with subsidies on interest and guarantees. And finally our fifth programme launched today is the “protection programme for families and pensioners”. If I have to mention one element in this programme, perhaps the most important is that we will reintroduce the “13th month’s pension”. We will do this in four instalments: in February 2021 pensioners will receive an extra week’s pension in addition to the normal amount for January. This will be repeated in 2022, 2023 and 2024. Naturally now we must create jobs, but we must not forget pensioners. We must not forget our parents and grandparents, who in the present situation are most at risk.

My ministers are standing here because they will implement this programme. I’ve asked Minister Palkovics to coordinate it, to direct this whole programme. Minister Andrea Mager’s task will be to galvanise state-owned companies and to link them to this economy protection action plan. At the same time, we all expect Mihály Varga to make available the necessary funds, and to guarantee fiscal discipline.

Ladies and Gentlemen,

This is where we stand on the twenty-sixth day of the “state of danger”. We are living through difficult times, but you can see that not a single Hungarian is being left behind. If we look out for one another, we will succeed.

Thank you for your attention.