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Hochwürdigster Herr Abt,
Herr Landeshauptmann,
Exzellenzen,
meine Damen und Herren,

guten Tag!

Zuerst möchte ich meinen guten Freund Sebastian, dem Bundesminister, danke sagen, mich hier eingeladen zu haben. Sebastian, danke schön, dass Du mich hier eingeladen hast. Das ist für mich eine große Ehre. Ich war Student der Hochschule der Benediktiner in Győr und ich möchte Ihnen, hochwürdigster Herr Abt, sagen, dass die vier Jahre, die ich dort verbracht habe, hatten auf mein Leben einen Rieseneinfluss. (Applaus)

Wenn Sie mir erlauben, möchte ich meine Rede auf englisch bringen, weil das für mich einfacher wäre und für Sie besser (verständlich). Ich habe dieses Deutsch bei den Benediktinern studiert, das muss ich sagen.

Dolmetsch:

Ladies and Gentlemen,
dear Sebastian,
Excellencies,
dear colleagues,

it is really a privilege to be here. This is the 20th Europa Forum Wachau and last year it was the 10th anniversary for Hungary to join European Union. If we look back to this last ten years we do have to admit that so many things have changed in the world – politically, economically, defence-wise –, but not only in Europe rather than in Hungary as well. I am pretty sure you are aware that this government I represent here has taken office in 2010 and has regained the authorization of the Hungarian people in 2014.

As you have followed the words of Herrn Lendvai just prior to my speech you know that the achievement and measures and decisions of this government have been attacked and criticised a lot during the last five years which is not a problem for my perspective because I understood at least democracy is about freedom of speech, freedom of opinions, freedom of criticism and we always try to draw the conclusions of the criticism we received during the last five years.

But in order to understand what and why we have made during the period from 2010 and 2015 I just would like to come back to the situation we have inherited in 2010 for a minute.

When we have taken office we have inherited a country at the edge of a cliff with a very high state debt, with a very high deficit of budget, with a high unemployment and being hopeless regarding the future.

At that time Hungarian government had to make a very clear decision whether we follow the path of our predecessors which actually has led to the crises or we try something really new. And you have to know that that was really not an exaggeration. You have spoken about Greece Mme. President, and at that time in 2010 Hungary was in a worst shape than Greece at that time. Thanks God, I have to say it here, no one, maybe no one remembers that in 2008 Hungary had to ask for an IMF-assistance in order to survive prior to Greece. That is the situation we have inherited in 2010 and no one speaks about that when criticising the achievement of the government being in office since 2010.

So, what we have decided at that time is that we try something new. We say new, some friends of ours say unorthodox, some of our friends say even worse words about what we have done. We have renewed the country and we have restructured the major systems. We have introduced a totally new regime of tax, we have introduced a totally new system of high education, social and healthcare and labour regulations.

And, of course, we can have a debate whether it is correct or fair in the 21st century of Europe to introduce a flat tax, whether it is fair or correct to introduce special crises taxation on banks, on energy companies, on retail or telecommunication, we can debate whether it is fair or correct to have

unemployment date period for three month and then afterwards offer a public job and in case of refusal no social aid.

We can debate whether it is fair or not to introduce a system where social aid only goes to families who send the kids to school but what we cannot or should not debate about is the current situation of the country because figures are telling and figures are not lying. And if a country has the second highest growth rate of the European Union at the being at the edge of the cliffs in 2010 having a growth rate of 3.6 per cent in 2014 and having a growth rate of 3.5 per cent in the first quarter of 2015.

If a country was able to reduce unemployment rate from 12 per cent to 7 per cent within five years, if you were able to reach a situation where 4.2 million people in the country have a job maybe it is not that telling but if you compare to the situation in 2010 when we inherited the governance, there were 1.8 million people having job and paying tax in Hungary. 1.8 million taxpayers in a country with a population of ten million.

How could we have afforded that situation? 1.8 million taxpayers at that time, 4.2 million taxpayers this time. Maybe this is an achievement. But, of course, we are not satisfied yet because there is the economy of the Czech Republic. We have the Vice Prime Minister which is an honour to sit next to him, in the Czech Republic with a similar size of economy there are 5 million people having job and paying tax. We cannot be satisfied until we reach the level of Czech Republic in this respect.

We always face the criticism of mainly everything, I just don't want to quote, I don't want to strengthen those criticism, but what I can tell you is that what we have experienced in 2014 we had not experienced in the last 17 years that the investments into Hungary have been increased by 14 per cent, that has not been the case in the last 17 years, maybe that shows something.

Ladies and gentlemen, we really do believe in Central Europe in corporation, we understand that the countries here, the Visegrád-countries – Austria, Slovenia, Croatia – we have our strength in our corporation. That's why we put a lot of emphases in building friendship and strategic cooperation.

We understood that Central Europe is, has been and will be the growth engine of Europe because if you look at the figures which again, they are not lying, you know. Political statements, opinions, even sometimes articles in newspapers can have a dubious relationship to reality but figures are not lying.

If you put into consideration the growth rates of Central European countries you can see that in the last couple of years we have always been just about the European average, we have always been just about the average of the growth rates of the European Union member states. This shows something. It shows that these countries here in Central Europe can really contribute to the success of European Union.

That's why I think it was a good decision from both sides ten years or eleven years ago that these countries became members of the European Union, I mean, of course, the Visegrád-countries this time.

So, ladies and gentlemen, we do know that we have a great luck and this is one of the factors why we became the growth engines of Europe is – in the Central European countries I mean – that we have a very strong connection and cooperation with Germany and we are connected to Germany on the winning side, because we are connected to German economy regarding industry and we really do know that we can be successful if Germany is successful. That's why we are pretty much interested in a strong and successful Germany because that means for Hungary and the Central European countries growing and strengthening economies.

Here I was not only invited to speak about or explain what and why we have done rather than to express the position of our government what we think would be the greatest challenges for Europe in the upcoming couple of years.

Well, in a summary I can say that since the conclusion of the Second World War I think Europe did not have to face to many and such serious challenges at one time like now. I think that we have five very complicated challenges ahead of us:

1. There is a war in the Ukraine.
2. There are “frozen” territorial conflicts around European Union in the

neighbourhood.

3. There is a thread of terror we had not experienced before.
4. There are the economic challenges and the dependency on energy.
5. Pressure of migration.

And if you allow me just a couple of sentences about these five challenges:

First regarding the Ukraine. We are a neighbouring country. If there is a country on the globe which is interested in a quick and peaceful solution of the crises in the Ukraine than it is Hungary, regardless what is said about us. We have a community of 150.000 Hungarians in the Ukraine. The major energy line that supplies Hungary is coming from the Ukraine and, once again, we are neighbours. We are interested in a strong and democratic Ukraine and we are interested in a quick and peaceful solution.

We do know that the only way that leads to a quick and peaceful solution is through the 100 per cent implementation of Minsk Agreements by all sides as it had been said by the European Council as well.

Of course we do know that Ukraine can only be strong and stable in case the country and its government is going to be able to execute those structural reforms that are necessary regarding economy, public administration and regionalisation. We are of their assistance and we will help them because we have been through a transition period, thanks God peacefully, more than two decades ago and we do know that it must be very complicated to go through transition when there is war in a country.

But in the meantime I have to tell you that as Europe is suffering Hungary is suffering of this war economically. Last year we have lost more than 800 million dollars of our export to Russia and the Ukraine because of the war and then the sanctions and then the Russian decisions.

This year until the end of March, Europe and the European countries have lost on the average 29 per cent of their exports to Russia. Hungary has lost almost 40 per cent. For such a country with such an open economy like Hungary this is a huge loss and the Hungarian economy started to suffer because of that. We do see that the Ukrainian economy and Ukrainian industry have lost a lot as well.

About 20 per cent of the industrial capacities have been lost, and we see that the Russian economy is suffering as well.

Because of that I cannot say anything else that it must be an interest of Europe, Ukraine and Russia to find a peaceful solution as soon as possible and to implement the Minsk Agreements 100 per cent as soon as possible.

Allow me just one sentence about the cooperation between Europe and Russia. I think that Europe will be able to gain back its lost competitiveness if the Eastern and Western part of the continent will be able to cooperate pragmatically and on the basis of mutual trust and mutual respect and respect to international law because territorial sovereignty and integrity of the Ukraine cannot be questioned.

Ladies and gentlemen, a second challenge ahead of us are the “frozen” conflicts and territorial debates in our neighbourhood. We just recently have concluded there are some of it in the European Union and Eastern partnership countries and actually there is only one out of the six having no territorial debates or Russian troupes on their soil. This is Belarus.

I think that it is high time to think about in changing our attitudes to this country not simply because of the capital is called Minsk – which gives us hope – rather than because if it is allowed to have a new approach to Cuba than I don't see the reason why we should not put into consideration at least to have a new approach to Belarus.

I think that Eastern partnerships should be strengthened and we really have to be ambitious from the European side to have a much tighter and stronger cooperation with the Eastern partnership countries. Of course, we have to respect their levels of ambition regarding European integrations.

The third challenge is terrorism. I think that now everyone understands in Europe that a stable situation in North Africa and a stable situation in the Middle-East region is vital from the perspective of ours. After Paris and Copenhagen we just don't have to explain that too long. I think that we have to understand that the Islamic State has launched a brutal attack against the civilization and all of us who are belonging to this community of values we have

to address this challenge and we have to fight back, not only by words rather than by actions. That's why Hungarian government has recently decided to send 150 troops to Iraq, to the Iraqi Kurdistan, to Erbil, to act as a force protection unit, to ensure the security of the American, German and Italian troops who are training the future troops of the Iraqi army.

I think we have to see that stabilization or a stable situation of Middle East plays a vital role in the everyday security of the people living in Europe and that's why we urge the international community to successfully conclude the negotiations with Iran as well because our understanding is that if there is a pragmatic cooperation between the international community and Iran that gives us a much better chance and hope to reach finally a stable situation in the Middle East.

My fourth point, ladies and gentlemen, Excellencies, is our dependence on energy, which is a hot topic, maybe the hottest one in Central Europe and a question of economic competitiveness. Well, the European Union has a share of seven or eight per cent of gross population, we create 15 to 16 per cent of gross GDP, and we distribute 50 per cent of the world's welfare social spending. I think the question is obvious, is it affordable on the long run or not? We really do agree when the German Chancellor says that all countries have to do their homework and that's what we have done in the last five years.

What we have to see here is that there is an increasing race, increasing global race of regional trade and economic integrations. The European Union must not be left behind.

We see United States negotiating TTIP – Transatlantic Trade and Investment Partnership with Pacific partners, we see Russia organising the Eurasian Economic Union, we see Russia's and China's stronger intention to cooperate with African and Latin American countries. We see the very tight economic and trade cooperation between China and the United States, and I think here the European Union should be much more ambitious and much braver and much quicker and come to a quick conclusion of TTIP and I think it really makes sense and I think that the former position or opinion expressed by the German Chancellor to put into consideration a dialogue between the European Union and Eurasian Economic Union is correct.

Regarding energy: You know we are dependent on Russia. 95 per cent of our gas demand is being supplied by Russia, 100 per cent of our oil demand is supplied by Russia. I think that energy security in Central Europe is not a Central European responsibility, it is a European responsibility. That's why European institutions have to help Central European countries to find their security of energy supply.

There was Nabucco – dead, there was South Stream – dead! What's next? How we can ensure energy security of our region? What if President Putin sticks to his former statement, saying that from 2019 onwards there will be no gas deliveries through the Ukraine. Than what about the energy securities of Hungary and Slovakia?

I think that in this case it is a European responsibility to find ways of diversification of routes and diversification of sources of supply in this respect, but very, very quickly.

My last point, ladies and gentlemen, is migration. We face a pressure, a huge pressure, Europe faces a huge pressure. We have a very clear understanding. European Council has made a decision recently. In the conclusions of the European Council it was said that everything has to be made on a voluntary basis, and I think we have to stick to this decision of the European Council.

We still think that it is a better idea to have obligatory quotas on certain countries regarding the migrants. We think that the solution of this issue is not inside rather than outside of the European Union, because we think that there are three things that are necessary in order not to have such kind of a pressure in Europe.

1. Peace
2. Economic stability, and
3. an operating State in Libya.

If we have these three things peace in Middle East and in Africa, economic stability in these regions and an operating State in Libya than the pressure would be much lower because we think that we have to reach that those people who are now forced to leave their homes they must not be forced to leave their homes

either by political either by economic reasons because we think that the first violation of human rights is not when these people are packed on boats hundreds and hundreds rather than the first violation of human right is when they are forced to leave their homes. I think that we have to address these chance and have to reach a situation when these people are not forced to leave their homes regardless it has economic or political reasons.

Ladies and gentlemen, lieber Sebastian, nochmals danke sehr für diese Einladung. Ich hoffe, dass Du nach meiner Rede du nicht denkst, dass Du eine schlechte Entscheidung getroffen hast.

Danke sehr!

(Applaus)