



# Country profile – HUNGARY

<b>NAME:</b>	<i>conventional long form:</i> Republic of Hungary/ Magyar Koztarsasag <i>conventional short form:</i> Hungary/ Magyarorszag
<b>CAPITAL CITY:</b>	Budapest, (Population: 1 800 000)
<b>POPULATION:</b>	10 197 000 (preliminary result of the census of February 2001)
<b>AREA:</b>	93 030 km <sup>2</sup>
<b>BOUNDARIES:</b>	<i>Land boundaries:</i> Total 2239 km <i>Border countries:</i> Austria 356km, Croatia 329 km, Romania 432 km, Serbia and Montenegro 151 km, Slovakia 654 km, Slovenia 102 km, Ukraine 215 km <i>Coastline:</i> 0 km (landlocked)
<b>REGIONS/ ADMINISTRATIVE DIVISIONS:</b>	19 counties and the capital/ 7 regions and the capital
<b>ETHNIC GROUPS:</b>	Hungarian 97.6 %, Roma 1.4 %, German 0.3 %, Serb 0.3 %, Slovak 0.1 %, Romanian 0.1 %, other 0.2 %

## GOVERNMENT

### FORM OF GOVERNMENT

Republic - parliamentary democracy. Present constitution adopted on 20 August 1949, revised in 1989 with changes necessary for the transition.

### HEAD OF STATE

President (Ferenc MADL - sworn in on 4 August 2000). The President is elected by the Parliament in a secret ballot for a term of five years and may serve a maximum of two consecutive terms in office. Although the presidential role is largely ceremonial, the President does have considerable rights in terms of foreign and domestic politics, and he is the head of the armed forces. The president appoints the members of the Cabinet and, based on his recommendation, the Prime Minister is elected by the Parliament.

### PRIME MINISTER

Peter Medgyessy (since May 2002). Members of the Cabinet are nominated by the Prime Minister and appointed by the President.

### LEGISLATURE

Unicameral. Of the 386 members of the National Assembly (Orszaggyules), 176 are elected from individual constituencies, 120 from regional lists and 90 from national lists.

### GOVERNMENT - ELECTIONS

Last parliamentary elections took place in April 2002. The governing coalition consists of the Hungarian Socialist Party (MSZP) and Alliance of Free Democrats (SzDSz).

## COMPOSITION OF PARLIAMENT: (2002 ELECTIONS)

PARTY	%	SEATS
Federation of Young Democrats (Fidesz)	42,49%	164
Hungarian Democratic Forum (MDF)	6.22%	24
Hungarian Socialist Party (MSZP)	46,11%	178
Alliance of Free Democrats (SZDSZ)	5,18%	20
	100%	386

## ECONOMY

Main Indicators of Economic Structure in 2001		
Population (average)	Thousand	10,190
GDP per head <sup>a</sup>	PPS	11,900
	per cent of EU average	51
Share of agriculture <sup>b</sup> in:		
- gross value added	per cent	:
- employment	per cent	6.1
Gross fixed capital formation/GDP	per cent	23.4
Gross foreign debt of the whole economy/GDP <sup>c</sup>	per cent	44.6
Exports of goods & services/GDP	per cent	60.5
Stock of foreign direct investment	Million €	:
	€ per head <sup>a</sup>	:
Long term unemployment rate	per cent of labour force	2.6

<sup>a</sup> Figures have been calculated using the population figures from National Accounts, which may differ from those used in demographic statistics.

<sup>b</sup> Agriculture, hunting, forestry and fishing.

<sup>c</sup> Data refer to 2000.

Source: European Commission, Progress Report, October 2002

## EU RELATIONS

### EUROPE AGREEMENT

Signed 16 December 1991, entered into force 1 February 1994

### EU MEMBERSHIP APPLICATION DATE

31 March 1994

### EUROPEAN COMMISSION REPORTS

[COM \(2002\) 700](#)

[COM \(2001\) 700](#)

[COM \(2000\) 705](#)

[COM \(1999\) 505](#)

[COM \(1998\) 700](#)

### EUROPEAN PARLIAMENT RESOLUTIONS ON EC REPORTS

[20.11.2002 \(A5-0371/2002\)](#)

[13.06.2002 \(A5-0190/2002\)](#)

[05.09.2001 \(A5-0257/2001\)](#)

[04.10.2000 \(A5-0248/2000\)](#)

[15.04.1999 \(A4-0154/1999\)](#)

### NEGOTIATIONS

Began 31 March 1998. All 31 chapters closed (December 2002). The EU Treaty of Accession was signed on 16 April 2003.

### PRE-ACCESSION FUNDING

Over the period 2000-2002, Hungary's annual allocation is € 96 million for Phare, € 38.1 million for SAPARD (agriculture and rural development) and between €72.8 and 104 million for ISPA (infrastructure: environment and transport).

## HISTORICAL AND POLITICAL BACKGROUND

### EARLY HISTORY

Magyar tribes migrated west and settled in the Carpathian basin under the leadership of Árpád towards the end of the 9th century AD. In 1000 AD, the Hungarian leader Vajk, who had converted to Christianity and was known as Stephen, received a royal crown from the Pope. The country was rapidly christianised and endowed with administrative structures and a legal code. In the middle ages, Hungary was often under military pressure and, after the Hungarian army was defeated at the first battle of Mohács in 1526, the lands were divided between the Ottoman Turks and the Habsburgs, with Transylvania surviving as a principality. Following the defeat of the Ottoman forces at the second battle of Mohács in 1687, the Austrian Habsburgs gained all of Hungary by the Treaty of Karlowitz in 1699. After a number of victories an uprising against Habsburg rule led by the Prince of Transylvania at the beginning of the 18th century eventually failed.

### 19TH CENTURY

The first half of the 19th century saw the growth of a national reform movement in which Count István Széchenyi was a leading figure.

- 1848-49: The revolt and war of independence in Hungary against Habsburg rule and the national government established by Kossuth were brought to an end only with Russian military assistance.
- 1867: A compromise (*Ausgleich*) was achieved under which a dual monarchy of Austria and Hungary was created. An economic boom followed and Pest, Buda and Obuda were unified to become the Budapest metropolis.

### 20TH CENTURY

- 1918-19: Following the collapse of the Austro-Hungarian monarchy, a communist revolutionary government held power for a few months.
- 1920: Under the terms of the Treaty of Trianon, following the defeat of Austria-Hungary in World War I, Hungary's territory and population were reduced by about two-thirds, leaving sizeable Hungarian minorities in Slovakia and Romania.
- Interwar years: Hungary was ruled by conservative governments under the regency of Admiral Horthy. It was unable to recover fully from the territorial losses, and social tensions grew. Following

the 1938 Munich agreement, some territory lost to Czechoslovakia in 1920 was returned to Hungary. Initially neutral, Hungary joined the war in alliance with Germany in 1941.

- 1944-49: In 1944, Nazi forces occupied Hungary. In 1945, the Soviet army occupied the country. The Yalta Conference assigned Hungary to the Soviet sphere of influence. The post-war, multi-party democracy was gradually eliminated in 1947-48 and a communist constitution was adopted in 1949.
- 1956: In October, revolution erupted in Budapest. The prime minister, Imre Nagy, declared Hungarian neutrality and withdrawal from the Warsaw Pact. On 4 November 1956, the Soviet Army moved to re-establish military control and by mid-December the final resistance was crushed. Nagy and others were executed. Janos Kadar became party leader.
- 1960s: Kadar's government began to moderate its policies and, in 1963, an amnesty was declared for the revolutionaries. Major economic reforms followed, with the introduction of the New Economic Mechanism in 1968, and, in 1982, small-scale private cooperative ventures were legalised. However, these reforms took place against a backdrop of unrest within the party between reformers and hardliners and, progressively, from outside opposition groups.
- 1988-89: Mr Kadar was replaced as party secretary by Karoly Grosz. In a peaceful transition, round table negotiations on new political institutions were started with opposition parties. In October 1989, the Hungarian Socialist Workers Party became the Hungarian Socialist Party (MSzP).

#### RECENT EVENTS

- 1990: Parliamentary elections took place in March, from which the Hungarian Democratic Forum (MDF) emerged as the largest party. MDF President Joseph Antall formed a coalition government in May 1990 with two other conservative parties. The two liberal parties joined the MSzP in opposition.
- 1994: In the May elections, the Socialist MSzP, won a clear majority and, following a coalition agreement with the liberal SZDSZ, Gyula Horn became Prime Minister.
- 1998: In the May elections, the centre-right Fidesz-MPP formed a governing coalition with the Smallholders Party and Hungarian Democratic Forum.
- 2002: In the April elections, the Socialist MSzP won the largest share of the vote and formed a coalition government with the Alliance of Free Democrats.
- 2003: In the April referendum a majority voted in favour of EU membership. The EU Accession Treaty was signed on 16 April.

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#### Useful links

European Commission

DG Enlargement - Hungary webpages

<http://europa.eu.int/comm/enlargement/hungary/index.htm>

European Commission Delegation in Hungary

<http://www.eudelegation.hu/>

Hungarian Government: EU Integration website

<http://www.mfa.gov.hu/kulugy/>

Media

Budapest Sun (in English)

<http://www.budapestsun.com>

Budapest Business Journal (in English)

<http://www.bbj.hu/user/index.asp>

Budapester Zeitung (in German)

<http://www.budapester.hu/>