



MINISTRY  
FOR NATIONAL ECONOMY

MINISTER

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**Mr. Olli Rehn**  
Vice-President of the European Commission  
European Commission  
B-1049 Brussels  
Belgium

"4" November 2012

**Dear Mr. Vice-President,**

We have carefully studied the Autumn Forecast of the Commission published on 7 November.

Our assessment is that the Autumn Forecast for Hungary constitutes an important step towards reaching our goal to have the EDP abrogated in the first half of 2013.

As indicated in my letter of 19 October, the Government is strongly committed to provide for any additional revenue in the 2013 budget that will counter-balance the budgetary gap to be identified by the Commission in its Autumn Forecast.

In order to close the gap of 0.2% of GDP between our 2013 deficit target of 2.7% of GDP and the Commission's projection of a deficit of 2.9%, the Government has decided on the following additional corrective measures to be included in the 2013 budget proposal:

- raising the rate of the income tax for energy providers from 11% (as planned so far) to 31% (budgetary impact: HUF 40 billion),
- extending the scope of the on-line gambling tax (HUF 10 billion),
- increasing the dividend payment obligation of Szerencsejáték Zrt., the state-owned gambling company (HUF 10 billion).

The total balance improving effect of these measures is HUF 60 billion, i.e., 0.2% of GDP.

In addition, the modalities of the planned buildings tax on wires and pipelines will be amended in such a way that a further 0.1% of GDP increase in the budgetary buffers for the forthcoming years will be ensured. The Government also decided to maintain the bank levy at its 2013 level as a permanent element of the Hungarian taxation system.

I trust that you will assess these decisions as the reinforcement of our commitment expressed in the letter by Prime Minister Orbán to President Barroso stating that the Government will do whatever is necessary to take the country out of the EDP.

Yours sincerely,



György Matolcsy