



MINISTRY  
FOR NATIONAL ECONOMY

HUNGARY  
MINISTER

Ref. no.: NGM/11032/3/2012.

"15." May 2012

**Ms Margrethe VESTAGER**

*Minister for Economic Affairs and the Interior*

Slotsholmsgade 10  
DK-1216 København K  
DENMARK

**Dear Minister,**

As you know, the Spring 2012 forecast of the Commission was made public on 11 May. The budgetary projections for Hungary have a particular importance in the context of the ongoing EDP and with a view to the assessment of the compliance with Council recommendation of 13 March addressed to Hungary.

Following the general government surplus of 4.3% of GDP in 2011 (which was, undoubtedly, largely due to one-off items), the Commission now projects for Hungary deficits below the reference value over the forecast horizon which is unprecedented since our accession to the EU. The structural deficit is reduced by more than 2% of GDP in 2012 and further improves next year. The Spring forecast also confirms that the public debt-to-GDP ratio has been put on a permanently declining path. It has to be noted that even with the assumption of a more muted GDP growth in 2013 than our growth projection in the Convergence Programme, the Commission projects a deficit below the reference value. Furthermore, in the course of the continuing exchange of views conducted after the cut-off date of the Spring forecast, we have provided the Commission services with more detailed analysis of the budgetary impact of the additional measures included in our Convergence Programme which could and should be taken into consideration when assessing the compliance with the EDP recommendations.

Based on the above considerations, let me share with you my view that the budgetary projections in the Spring forecast for Hungary constitute an important step toward reaching our goal with respect to lifting the partial suspension of Cohesion Fund commitments already in this Semester.

Yours sincerely,

*Matolcsy*  
MATOLCSY György