

HoReCa industry to qualify for state-aid under new piece of legislation

Prime Minister Ludovic Orban announced on Sunday evening that the government will introduce forms of state aid for the HoReCa sector and for the private cultural area.

"The HoReCa industry has indeed been badly affected. But for the HoReCa area, in addition to the measures we have already taken, we will introduce a form of state aid that we have seen is already used in two other European countries. It is a scheme under which losses will be compensated to the tune of 20% of 2020 turnover losses over 2019. Indeed, money is given - 20% of the turnover loss," said the prime minister.

Orban explained that this aid will be done through the Ministry of Economy, Energy and Business Environment, which also deals with tourism.

"We are already preparing the state-aid scheme; we are preparing a piece of legislation. We will apply to the European Commission because any form of state aid we give must be previously approved by the European Commission, because otherwise, if we give away money to companies and the scheme is not approved by the European Commission, the companies will have to give the money back afterwards," Orban explained.

He announced that the government is also preparing a state-aid scheme for the private cultural area, which is "very complicated to generate."

"We look at what other countries have used in the private cultural area as well. (...) The scheme is very complicated to generate, because there is a great variety of forms of organisation. Some are non-governmental organisations, others are companies, others work independently and many do not even operate as authorised individuals. So, it is difficult to find a way to provide support, compensation for the losses they have sustained during this period due to the restrictions set by the authorities. But we attach great importance, because the cultural life has been affected and many of the freelancers or those who are creators, who are validated by the market, have virtually not been able to have the income they used to have. And so, we have to devise some form of support," said Orban.