

Hungary: Investment Plan – Commuters to enjoy safer, more comfortable and eco-friendly buses as EIB lends EUR 47m to Volán

- EUR 47m is the first tranche of a EUR 140m loan to Volán Buszpark Kft for safer and more eco-friendly buses on regional and city lines across Hungary;
- Covered by the Investment Plan guarantee, the loan supports Hungary in its ongoing transition towards more energy-efficient and lower-emission public transport;
- The loan will have a positive effect on the environment as the EIB delivers on its role as the EU climate bank: Volán to modernise half of its bus fleet and reduce CO₂ emissions by 38%.

Commuters in Hungary will enjoy new, faster, safer and more eco-friendly buses on regional and city lines across Hungary as a result of a EUR 47m loan the European Investment Bank (EIB) signed today with Volán Buszpark Kft, the country's biggest bus fleet management company. This is the first tranche of a EUR 140m loan approved by the EIB, which combined with commercial bank finance, will help to upgrade nearly half of Volán's bus fleet. The loan is provided under the Investment Plan's European Fund for Strategic Investments (EFSI) as it addresses the EFSI objective of smart and sustainable urban mobility in the European Union.

With the EIB's support, Volán plans to add 3 200 new buses over the next four years and improve the energy efficiency, safety and quality of public transport in Hungary, where two-thirds of towns are reachable only by bus. In 2018, Volán transported 700 million commuters across Hungary.

Financing from the EIB, the EU's climate bank, will make a positive impact on climate and the environment. More than 450 buses, purchased under the loan for inner city routes, should run on alternative fuels, reducing pollution in Hungarian cities. The rest of the bus fleet will run on the latest EURO VI technology engines. With its new buses, Volán will reduce CO₂ emissions by up to 38% over the next four years.

EIB Vice-President **Lilyana Pavlova** said: "The loan we signed today will make travelling around Hungary more enjoyable, safer and faster. I am particularly happy to see the positive impact this project will have on the environment and pollution in Hungary and Europe alike. I would like to thank Volán for the opportunity to make everyday life better for Hungarians and, as the EU's climate bank, for the opportunity to do something tangible for our environment."

European Commissioner for the Economy **Paolo Gentiloni** said: "This financing under the Investment Plan is a great example of how the EU is helping Member

States in their transition to low-emission mobility. Our support will not only reduce CO₂ emissions in Hungary's transport sector, but also make travelling safer and more comfortable for commuters on new eco-friendly buses."

CEO of Volánbusz Zrt. and Volán Buszpark Kft. **Ilona Dávid** said: "The main objective of Volán Buszpark Kft. is to support VOLÁNBUSZ Zrt., the company providing interurban public passenger transport services, with a fleet of vehicles meeting the requirements of the modern age, and thus to continuously improve the quality of community road transport. In addition to increasing the comfort of passengers, the main consideration is to improve working conditions, so when selecting buses we also make certain that the buses support bus drivers as efficiently as possible in order for them to drive safely and comfortably. We also consider it our duty for our fleet of vehicles to be as low-emission as possible which can only be achieved by purchasing new vehicles."

Towards a more eco-friendly Hungary!

The EIB loan supports the Government of Hungary in the ongoing transition towards more energy-efficient and lower-emission public transport in the country and complements current efforts to create an efficient public transport network through an integrated bus and railroad network. The loan also contributes to national strategies on transport and environment and helps Hungary meet the requirements set in the Paris Climate Agreement. Hungary was the first EU Member State to ratify the Paris Climate Agreement in 2016.

Note to editors:

EIB in Hungary:

EIB lending commitments in Hungary since the start of the Bank's activity in the country are currently close to EUR 21.6 bn. Between 2008 and 2018 alone the EIB signed for support worth EUR 13.2 bn. EIB operations cover important sectors of the Hungarian economy, including transport, the environment, energy infrastructure, manufacturing and services. Another key component of the Bank's activity in Hungary is the promotion of small and medium-sized enterprises (SMEs) by increasing SME access to long-term financing through local financial institutions. Since 2001, the EU bank has supported 5 172 Hungarian SMEs sustaining 263 767 jobs in the process.

About Volán:

Volánbusz Zrt. is a passenger bus company founded more than 90 years ago, which now provides its services with nearly 6 500 vehicles. In terms of the number of employees, it has grown into the third largest state-owned company in Hungary. The core business activity of the company is to provide regular public bus transport services nationwide. VOLÁN Buszpark Kft. is a state-owned for-profit company operating as the main fleet management company of VOLÁNBUSZ Zrt. The company aims to renew its fleet of vehicles in the framework of a coordinated bus purchasing strategy and to manage the

financing of vehicle purchases, thereby contributing to the improvement of service levels.

About Hungarian National Strategy:

The need for bus replacement enabled by the law is set out in Hungary's National Transport Strategy (NTS) towards sustainable public transport growth and is one of the main policy measures of the Transport Energy Efficiency Improvement Action Plan (TEEIAP) and the National Energy Efficiency Action Plan (NEEAP) for 2020. Hungary was the first EU Member State to approve the Paris Agreement early in 2016, and since then the State has already adopted (in May 2017) the new National Climate Change Strategy (NCCS-2).