

PHOTO OF THE DAY



Budapest's new Puskás Aréna

UPCOMING EVENTS

President Áder receives Hungarian Permanent Conference participants

First soccer match at new Puskás Aréna in Hungary-Uruguay face-off

Szijjarto in talks with Malaysian counterpart

Matolcsy opens NBH, EBRD conference

Karácsony marks Budapest Day

TOP STORY

VÁRHELYI MUST REPLY TO FURTHER QUESTIONS

Olivér Várhelyi, Hungary's nominee for European commissioner, has been asked to answer further written questions, the spokesman of the European Parliament has said.

Coordinators of European Parliament's parliamentary groups on Thursday failed to reach agreement over Várhelyi's approval for the post. EP's foreign affairs committee has set a Monday deadline for Várhelyi to return his answers, Jaime Duch said on Twitter.

Earlier, the PM's chief of staff, Gergely Gulyás, said that hopefully the European Parliament would do its job in assessing the professional competence of the candidates. "Várhelyi's professional qualifications are unimpeachable". Commenting on Várhelyi's remark at the hearing that he would carry out his duties independently of the Hungarian government, Gulyás said a commissioner would be breaking the rules by doing otherwise, so Várhelyi's standpoint was welcome.

Várhelyi vowed in the EP hearing to carry out his duties as commissioner independently of any government, emphasising his intention to follow the EU's policy objectives.

VÁRHELYI: NATIONAL, EUROPEAN INTERESTS COINCIDE

Olivér Várhelyi, Hungary’s nominee for European commissioner, told a hearing in the European Parliament that national and European interests need not be mutually exclusive. A common aim is to create a strong and successful bloc, he said. The commissioner candidate for enlargement and neighbourhood policy told the foreign affairs committee that in his post he would seek to act as a link between the main European institutions and neighbouring countries. The situation of the European Union’s neighbours is of strategic importance to the bloc, he said, underlining the importance of maintaining stability, security and prosperity in these areas, as well as of reducing gaps in their levels of development. Different targets and approaches are needed for the various partner countries, and it is not possible to apply a standardised solution, he added.

Accession talks must be started with Albania and North Macedonia as soon as possible, as the credibility of the European Union is at stake, Várhelyi said, adding that the possibility of opening an integration process must be given to eligible states. The EU must be prepared to accept new member states if they meet the requirements, he said, adding that the accession talks must be made more effective. Várhelyi underlined that, if appointed,

he would work towards concluding dialogue between the Serbian and Kosovo governments next year. The Western Balkans is an integral part of Europe and it is in the bloc’s interest to maintain the prospect of accession, he said. Várhelyi expressed the view that no choice should be made between deepening and expanding the European Union.

He called Turkey the EU’s key strategic partner in many areas. This cooperation must be strengthened, while “negative developments in the rule of law and human rights and an increasingly assertive foreign policy in Ankara must not be ignored”, Várhelyi said. There are close to four million refugees in Turkey, Várhelyi said, urging continued assistance to be provided to that country in catering for them. Turkey must also be helped in curbing illegal migration, he said. Ankara is clearly moving away from European values and norms, so plans must be put forward on developing future cooperation with the country, said Várhelyi. Concerning foreign policy, Várhelyi mentioned the Turkish government’s “provocative and illegal” oil drilling off the coast of Cyprus along with the country’s military incursion into Syria.

He also talked about the importance of strengthening cooperation with partner countries in southern Europe as regards migration, emphasising the need to further enhance security, stability and prosperity in the region.

Concerning measures relating to migration, Várhelyi underlined

the importance of quelling illegal migration, eradicating people-smuggling rings, supporting border defence and increasing the number of illegal migrant repatriations. Várhelyi also said it was important to facilitate the voluntary and safe return of refugees to Syria once conditions there have improved. Humanitarian conditions in Libya must also improve first, he said. Europe needs allies such as the United States in its stabilisation efforts, he added.

The European People’s Party (EPP) said after the morning hearing that they will support the Hungarian candidate. Others, however, expressed concern over Várhelyi’s ability to work on promoting the rule of law in prospective member states “with his own country having enacted a number of questionable laws in recent years”.

Momentum MEP Anna Donáth said in a tweet that there was “no guarantee” that Várhelyi would act independently of Hungarian Prime Minister Viktor Orbán. Márton Gyöngyösi of nationalist Jobbik said at the hearing that although Várhelyi’s professional qualifications had not been called into question, many saw him as a “partisan soldier of [ruling] Fidesz”. The Greens and several Social Democrat and liberal centrist MEPs, however, said they would vote against him. Some of the MEPs proposed a portfolio swap.

Várhelyi was nominated by Hungary after the EP’s legal affairs committee established a conflict of interest between the post of commissioner to



which Hungarian MEP László Trócsányi had been designated and state orders awarded to his law firm.

ORBÁN: HUNGARY TO MAINTAIN ANTI- MIGRATION POLICY

Hungary needs to maintain an anti-immigration policy because “only Hungarians can replace Hungarians”, Prime Minister Viktor Orbán told the 9th plenary session of the Hungarian Diaspora Council in Budapest. “A country affected by population decline must not live under the illusion that it can solve demographic issues without making its own efforts,” Orbán said. The government will continue its fight against migration because it is a global phenomenon which “will stay with us”, considering that “Africa has only started moving”, he said, adding that the supporters of migration accused Hungarians of having a “heart of stone” but Hungarians were actually willing to help. “Help must be taken to where the trouble is instead of bringing the trouble here.” He cited the examples of Iraq, Syria, Jordan, Lebanon, Nigeria and Ethiopia as migration-hit areas where Hungary had provided help.

Commenting on domestic politics, he said that despite some losses that the ruling parties had suffered at the recent local elections, they had received a mandate to continue a programme focusing on a “strong Hungary”. Hungary’s strength rests on financial stability and the Hungarian economy is financially stable, Orbán

said. Public debt has decreased, growth is around 4-5% annually and even though the Hungarian economy, because of high exports, is prone to react sensitively to external trends, the Hungarian government has introduced an “action plan” to combat an international “cooling” of economic conditions, he added. The government aims to ensure that Hungary’s economic growth stays around 2% above average European Union growth, he said.

Fighting poverty and the integration of the Roma have been among the most important undertakings of the government, he said. Citing the results of recent research in social disparities, he said the number of Hungarians suffering from serious economic hardship has dropped to record low compared with recent decades. Last year, more Hungarians repatriated than left to work abroad, he added. The cabinet has launched a dedicated development scheme for the 30 poorest villages in Hungary and a considerable modernisation scheme has been started for the 300 poorest villages where people live under “ghetto-like” conditions, he said.

Many efforts have been made to make families strong, because “a strong Hungary cannot exist without strong families,” he said. In order to stop population decline, a ratio of 2.1 children born per woman should be achieved, he said. But this can only be done with long-term family policies, and the results will only become noticeable in around ten years, he

added. A second family protection action plan is currently in the making for next year, he said.

Orbán said national culture was also a vital element of a strong Hungary. “It’s the state’s task to nurture it,” he said. Regarding culture policy developments, he cited the example of a project to revamp Buda Castle, another to restore public spaces around Parliament to their pre-war state and the Liget museum-construction scheme in the City Park. Commenting on the latter, he said “thank god, we have accomplished around three-quarters of the plans” and the recent changes in power relations in Budapest will effect only the remaining one-quarter or one-third, albeit seriously. Budapest belongs not only to its residents but to all Hungarians, Orbán said, expressing hope that Budapest would not lose its “capital of the nation prestige” in the years to come.

Orbán also argued for the need for a strong army, adding that NATO in addition to a strong national defence force together would underpin security. By 2026, Hungary’s army will be able to guarantee the country’s security -- even without NATO -- if there’s a regional conflict, he said. He reiterated that Hungary must pursue policies that make Berlin, Moscow and Istanbul equally interested in Hungary’s success, and good relations must be maintained with all three powers.

Orbán said Hungary had enough strength to convince Hungarians to stay in their place of birth. This

is the reason why a responsible neighbourhood policy has been launched, because it is in Hungary's interest that the country's neighbours should develop at a similar pace. To serve this aim, common economic development schemes have been launched with several neighbouring countries, he said.

Commenting on diaspora Hungarians, he said their number was estimated at 2.5 million, with the majority living in the US and Canada. The Hungarian government has several schemes to help diaspora communities "join the blood circulation of the Hungarian nation", he added. Plans are afoot to set up a Hungarian emigration and diaspora centre, he said.

Commenting on Ukraine, he said that despite several attempts, he had still not managed to meet the new president, Volodymyr Zelensky. He expressed hope, however, that following the former anti-Hungarian government in Ukraine, the political elite under the new president's leadership would accept Hungary's "reaching out".

GULYÁS: NO EU FUNDING LOSSES

Hungary is not losing a single cent of European Union funding and transfers are ongoing, the head of the Prime Minister's Office, Gergely Gulyás, told a regular government press briefing. Gulyás said EU funding totalled 7,500 billion forints (EUR 22.5bn), and thanks to a favourable exchange

rate, this amount was now worth up to 8,000 billion forints. Operational programmes, however, are receiving a total of 9,100 billion forints, as the Hungarian state is providing more than matching funds. He said disputes with Brussels over funding only accounted for a small percentage of programmes, and a resolution was highly likely in these cases. Gulyás said so far 41% of EU funds had been drawn down, "an especially very good ratio". Hungary is ranked ninth in this respect and is top of the list of Visegrad countries, he added.

Meanwhile, regarding the issue of migration, the PM's chief of staff said currently 100,000 migrants are travelling along the Balkan route. Hungary is committed to defending the external border, he said. Given the high reputation of Hungarian border protection, hopefully as few people as possible will make the attempt to cross the border illegally, he said, adding that nevertheless the threat was real and would continue to grow if Turkey-EU ties destabilise.

Asked about reports of a hiring freeze, he said the freeze had been imposed by the government in the public administration sector and did not affect hospitals or social institutions. The government's aim was to suspend recruitment in public administration, but no other sectors, Gulyás said. Commenting on reports of a hiring freeze in place in the health-care sector, Gulyás said health-care institutions were free to hire new staff at any time. He noted that the

government will lift the hiring freeze in public administration on Dec. 1. Gulyás also said that recent staff layoffs had left Hungary's ministries with significant amounts of unspent funds which will be paid out to workers in the form of bonuses before the end of the year.

On another subject, he said the government had no plans to change the rules concerning the distribution of funds to local councils, unless the councils initiated such an amendment.

As regards public transport in Budapest, Gulyás noted that the government will plough 15 billion forints into subsidies for student and pensioner BKV passes and earmark 12 billion forints in blanket subsidies for the sector. He reiterated that all public transport funds promised to former Budapest mayor István Tarlós will still be made available to the new city leadership.

Meanwhile, Gulyás said the government had already finalised its decision not to set up a separate system of public administration courts before last month's local elections.

On the topic of a new athletics stadium planned to be built in Budapest, Gulyás said the government was waiting to hear the opinions of the districts concerned. He called the stadium "the government's greenest project", saying that if the capital did not want it built, the project would be scrapped. The PM's chief of staff said the stadium would be built on an area close to downtown Budapest that is currently "unsuitable for anything else".



If the project went ahead, this area would be converted into a 44-hectare public park, he noted. "If someone considers themselves green, it's not really clear why they don't support the project," Gulyás said.

In response to another question, Gulyás said Fidesz's leadership has discussed the mayoral by-election in Győr to replace Zsolt Borkai, who was recently implicated in a sex scandal, but the nominee would have to be chosen by the party's Győr chapter. The PM's Office chief declined to comment on reports that Fidesz planned to nominate cardiologist and current city councillor Csaba András Dézsi.

Asked about a statement by György Soros that he dare not set foot in Hungary, Gulyás said Soros possessed Hungarian citizenship, and if he felt good here, then "we welcome him". He added, however, that Soros's statement was in line with previous statements he had made condemning Hungary.

On the subject of the establishment of an office in Budapest by the Turkic Council, the PM's chief of staff said Hungary welcomed any international organisation opening an office in Budapest as this would hopefully lead to business opportunities and increase Budapest's "political weight".

SZIJJÁRTÓ: DEBRECEN TOP INVESTMENT TARGET IN C EUROPE

Thanks to "strategically planned development" Debrecen, in eastern

Hungary, has become "the number one investment destination not only in Hungary but in central Europe, too", Foreign Minister Péter Szijjártó said. Speaking at the inauguration of a new service centre for electronics producer National Instruments Hungary, Szijjártó said that the government had subsidised its construction with a grant of 2.5 billion forints (EUR 7.5m). Construction of the new facility cost a total 5.5 billion forints and has created 216 new jobs.

Szijjártó said that the Hungarian economy has benefitted from a total 1,481 billion forints in FDI since the beginning of the year, noting that both investments and exports reached a record high in 2019. He said new technologies have intensified competition in the global economy but Hungary was "doing well" in that respect.

Concerning the Hungarian government's endeavours to shift the economy's focus from production to innovation and development, Szijjártó said that those efforts required significant measures. For example, he said that job creation is no longer the sole criterion for receiving central subsidies. Moreover, the government has reduced social contributions paid by businesses and introduced tax benefits to promote research and development.

Szijjártó noted the average gross monthly wage linked to jobs created by investments in Hungary has risen to 460,000 forints from 304,000 forints over the past 18 months. The higher

wage is a reflection of a higher number of high-tech, value-added jobs, he added.

This is also proven by NI's 18-year history in Debrecen, he said. The US-based company has continually increased production at its eastern Hungarian base, upgrading its production technology. It has now inaugurated a department specialising in IT, research and technological development, Szijjártó added.

Output of Hungary's electronics sector grew by 11% last year to 5,100 billion forints, the minister said, adding that the sector's output rose by a further 10% in the first nine months of 2019. The sector employs 145,000 people and has an export rate of 93.4% he said. The 1,700 US-based companies doing business in Hungary employ around 105,000 people, Szijjártó noted.

SEMJÉN: DIASPORA HUNGARIANS 'FORM PART OF NATION'

Since 2010, diaspora Hungarians have formed a part of the Hungarian nation "with equal weight and respect" as ethnic Hungarians in the Carpathian Basin, Deputy Prime Minister Zsolt Semjén told the 9th plenary session of the Hungarian Diaspora Council in Budapest. Semjén, who is in charge of Hungarian communities abroad, said that diaspora Hungarians had been regarded as "enemies" during the communist era and neglected afterwards between 1990-2010. But since 2010, when the Fidesz-Christian



Democrats came to power, all members of the diaspora have been welcome in Hungary, he said. Semjén welcomed that more than 1.1 million Hungarians have become citizens of the country as a result of simplified citizenship procedures launched by the Fidesz government.

FINMIN TO SCRUTINISE KATA TAX

Finance Minister Mihály Varga on Thursday said he will review the Itemised Tax for Small Businesses (KATA) and weigh recommendations on the tax form made by the Hungarian Chamber of Commerce and Industry (MKIK). Speaking after a meeting of MKIK's leaders, Varga said the chamber had made proposals that aim to eliminate elements of KATA that hurt competitiveness as well as prevent abuses in the area of employment

using the tax form. Businesses that opt for KATA pay a flat monthly 50,000 forints (EUR 150) instead of corporate or payroll tax. The annual revenue threshold for KATA companies is 12 million forints.

GDP GROWTH ACCELERATES TO 5% IN Q3

Hungary's GDP rose by an annual 5% in the third quarter, the Central Statistical Office (KSH) said in a first reading of data. Growth accelerated from 4.9% in Q2. KSH said the industrial and construction sectors as well as market-based services contributed the most to growth in Q3. Adjusted for seasonal and calendar year effects, Q3 GDP growth was 4.8%.

Finance Minister Mihály Varga noted that Hungary's Q3 GDP growth was well over the 1.4% average of European Union member states. He said growth

was supported by government measures to boost employment, improve competitiveness, support home construction and better utilise EU funding, as well as by investment incentives. Varga said the government is following closely economic and geopolitical developments in Europe and the rest of the world and has already initiated measures to shield the Hungarian economy from their impact. More steps to protect the economy are expected to be taken next spring, he added.

ING Bank chief analyst Péter Virovác said that, in spite of an expected slowdown in the fourth quarter, Hungary's full-year GDP growth could remain very close to 5%. Takarékbank senior analyst Gergely Suppan put full-year GDP growth at 4.9%. Next year, growth could slow to 3.7%, he said, but noted that domestic demand presents upside risk for that projection.