

PHOTO OF THE DAY



MTI/György Varga

Pilgrims on an 85-kilometre route north of Lake Balaton

UPCOMING EVENTS

Parliament starts autumn season

Coronavirus updates

Parliamentary committees meet in session

TOP STORY

GOVT TO EXTEND LOAN REPAYMENT MORATORIUM

The government will extend for another six months the moratorium on loan repayments, Prime Minister Viktor Orbán said.

The moratorium was introduced last spring to ease the economic fallout from the novel coronavirus crisis. Jobs and the living standards of families must be protected during the epidemic, the prime minister said in a video posted on Facebook after a meeting of the Economic Operative Corps. The automatic opt-in moratorium will be extended for families raising children, pensioners, people without a job and those participating in public work schemes, the prime minister said. Businesses will have to apply for an extension and if they suffered a more than 25% revenue loss during the crisis, they will be granted the option, Orbán said.

Furthermore, the government will impose a six-month termination ban on all retail and business loans taken out before the start of the coronavirus pandemic, the prime minister added. The repayment moratorium has so far helped 1.6 million families and 60,000 businesses, leaving 2,000 billion forints (EUR 16.6bn) with debtors until December, Orbán said.

Hungary Matters is an English-language newsletter produced and distributed by the Media Service Support and Asset Management Fund (MTVA) with content provided by Duna Media Service Provider exercises copyright over all content. No part of this publication may be copied, reproduced, redistributed or transmitted without prior written permission from the publisher, with the exception of copies made by individuals for private use, educational purposes or scholarly research, provided that such transmissions do not exceed the extent justified by the purpose and are not aimed at financial gain, even indirectly, and the source name are indicated at all times.

All rights reserved. Enquiries should be made to the English Help Desk at +361 441 9340
For MTI's real time coverage please visit <http://english.mti.hu>, <http://econews.hu>



FINANCE MINISTER: GOVT TO INTRODUCE FURTHER ECONOMY PROTECTION MEASURES

Hungary's government will introduce further economy protection measures because the economy must be kept functional during the second wave of the pandemic, Finance Minister Mihály Varga said in an interview published in daily Magyar Nemzet on Saturday. The planned measures include targeted tax reductions and supporting construction businesses, Varga said.

One of the priorities of the government is to keep the economy functioning, the minister said. This will require stimulating demand in certain sectors such as tourism and construction, protecting jobs, and providing new production opportunities by supporting investments, Varga said. Finally, care must be taken to ensure that the billions of public spending on crisis management support efficient and competitive economic solutions, he added.

In the first wave of the pandemic, targeted tax cuts were successfully implemented in crisis-hit sectors. There is also scope for reintroducing such solutions now, and extending the credit repayment moratorium can help families and companies facing temporary difficulties, he said.

Regarding the financing, he indicated that it is possible to use EU funds for a number of public investments that were going to be financed from the national

budget, including a wide range of developments from road constructions to hospital renovations. "One of the most important tasks of the current period is to accumulate reserves as much as possible because today no one can see and know for sure how long the economic impact caused by the pandemic will last," Varga said.

Three scenarios are projected for next year: if the vaccine is already available in the second quarter of 2021, Hungary's economy could grow by 4-5%, the minister said, noting that this is an optimistic scenario. "If the vaccine is not available by the middle of next year, our pessimistic calculations suggest we could see economic growth of just over zero. We also consider a third option possible: assuming there is a vaccine, but due to a protracted, slow recovery, GDP growth could be around 3-4%," he said.

Speaking about this year's figures, Varga said that although the spring economy protection measures have yielded results, they are not sufficient for Hungary to avoid the negative trends of the global economy. This year, Hungary's GDP could contract by 5-6%, with a central budget deficit of 7-9%, and the government debt could rise from 66% at the beginning of the year to 76-78% of GDP.

PARLIAMENT TO START AUTUMN SEASON ON MONDAY

Hungary's National Assembly is scheduled to start its autumn season

on Monday. The three-day session will begin with Katalin Novák taking her oath of office as minister without portfolio for family affairs. Lawmakers will discuss a report by the State Audit Office on its work last year as well as independent MP Ákos Hadházy's immunity affair. Further issues on the agenda will include protection of the victims of domestic violence.

On Tuesday, Parliament will discuss the situation of ethnic minorities in Hungary. The session will end on September 28 with questions from the floor.

INCOMING FAMILY AFFAIRS MINISTER NOVÁK BRIEFS PARLT CTTEE ABOUT PLANS

Katalin Novák, the candidate for the new post of minister without portfolio for family affairs, said in parliament that she was preparing for drafting Hungary's largest-scale home-creation programme of all time. "I will shortly submit a proposal to the government," she told a hearing of the welfare committee, adding that it aims to cover the broadest possible scope of people.

She said the drafting of a second family protection action plan was also under way, the details of which would be made public at a later time. Family will continue to be a priority issue for the government and related measures will be aimed at restoring the trust of families and encouraging them to have the children they plan, Novák said.

She cited statistics showing results of the family supporting measures the

government had implemented so far. "They show that 20% more families plan to raise children, the number of marriages stands at a 43-year high whereas the number of divorces is at a 60-year low. In addition, the number of abortions has dropped by more than 30%," Novák said.

Answering a question, she said she would continue to work with her current staff and also consult representatives of family organisations and churches as well as scientists.

The committee backed Novák's appointment with nine votes for and three against.

SOCIALISTS ELECT KUNHALMI, TÓTH CO-LEADERS

The opposition Socialist Party elected Ágnes Kunhalmi and Bertalan Tóth co-leaders in an online congress. Kunhalmi used to be the head of the party's national board while Tóth had led the Socialists since 2018. The two co-leaders were supported by 225 of the 261 delegates. István Hiller was elected chairman of the national board.

The Socialists amended the party's rules earlier this year to introduce male and female co-leaders.

Addressing the congress, Kunhalmi said the last time Hungary had made a good decision was upon its EU accession in 2004. "We had to realise, however, that the European Union cannot solve all problems of Hungary and will not save us either. But we, Hungarians, can save the European

Union from [Prime Minister Viktor] Orbán, in 2022," she said, referring to the date of the next general elections. The European Union is in transition rather than in crisis, and should be transformed on the basis of the federal German model, Kunhalmi said. "We need a European solution rather than an American one," she added.

Kunhalmi called for close cooperation between the opposition parties, suggesting that they should field a single candidate in each constituency to challenge ruling Fidesz, along with a single list and a single prime minister-candidate.

Tóth said that the congress had confirmed the Socialists' goals of replacing the government and starting a new epoch. He accused ruling Fidesz of introducing an autocratic regime, eliminating the republic and the rule of law, limiting prosperity to the selected few and allowing the ruling elite to exploit the majority. The Socialists will fight to restore democracy, fundamental freedoms and the rule of law, he said. Further goals include guaranteeing the independence of the judiciary, as well as the freedom of the press, arts and education, and putting an end to the fear that prevails in Hungary, he said.

KARÁCSONY: MUNICIPALITIES OUTDO GOVT IN SERVING PEOPLE

Hungary's municipalities are serving the public more efficiently in the current economic and social crisis

caused by the novel coronavirus epidemic than the central government, Budapest Mayor Gergely Karácsony said in a message to the Socialist Party's online congress.

The municipal authorities may play a major role in managing the crisis, even if the government makes every possible effort to hinder their work, Karácsony said on the Socialists' Facebook page.

The municipalities led by opposition parties demonstrate the benefits of social governance which "is a great hope for Hungary and a serious threat to the government", he said.

Karácsony, who is also co-leader of the Socialist ally Párbeszéd party, called on the Socialists to put an end to their internal disputes.

The Socialist party is the sole opposition force to pursue a Social Democratic policy, he said, adding that there would be no opposition victory without a Social Democratic party.

FORMER JOBBIK DEPUTY LEADER FORMS NEW PARTY

Independent MP János Volner, former deputy leader of the conservative opposition Jobbik party, has announced the formation of a new party named after him.

The Volner Party strives not only for parliamentary representation but a decisive influence in Hungary's public life, Volner said at a press conference. He said their goal is to remain in opposition with their

acquired parliamentary seats, create a programme to promote the country's sustainable development and help "Hungary become a democracy again". The new party, he said, sees Europe's strength in the diversity of nation states and rejects the idea of a United States of Europe and the plan for a multicultural society to be created through migration, just as all forms of extremism.

JUSTICE MINISTER: WEB CONFERENCE ON EU'S FUTURE TO BE HELD NEXT WEEK IN PARLT

A webinar in the Hungarian Parliament next Monday will be held as part of a series of conferences on the future of the European Union, with high-ranking politicians attending, Justice Minister Judit Varga told MTI. The two-year series of conferences, dubbed Conference on the Future of Europe, will tackle necessary reforms in the bloc with the involvement of EU citizens, Varga said.

Monday's webinar will be entitled "Dialogue on the future of Europe: How to build a more effective and genuinely strong Union?"

The novel coronavirus pandemic highlighted institutional problems of the EU, which was already facing serious challenges, Varga said. "Already before the pandemic, it was clear the EU had to be renewed. But the vision of a strong Europe cannot come true without strong nation states," she said.

Along with Varga, the webinar will be attended by Dubravka Šuica, the Vice-President of the European Commission for Democracy and Demography, former EP President Antonio Tajani, and Fidesz MEP József Szájer.

SZIJJÁRTÓ ATTENDS V-HÍD ÉPÍTŐ ANNIVERSARY

A strong national economy requires strong domestic companies, the foreign minister said at a ceremony marking the 5th anniversary of construction firm V-Híd Építő in Debrecen, in eastern Hungary.

In his address, Péter Szijjártó said that "a national economy could only be built on national foundations rather than on the basis of class struggle". He said that "while we are on government left-liberal groups will equally receive all assistance such as the ventures of Tamás Leisztinger or János Kóka, but we will not discriminate against businesses clearly associated with the national, conservative camp".

The Hungarian government aims to use the country's geographical potential and develop one of central Europe's most modern transportation networks, Szijjártó said, adding that "incessant railway development" was needed to retain investors. He also added that the government was planning to spend a total 5,000 billion forints (EUR 13.7bn) on road and rail projects by 2024, including 300 billion forints in 2020.

Lőrinc Mészáros, the owner of V-Híd Építő, praised Hungary's construction industry as "closing a gap of 100 years compared to other countries just in the past 30 years". He said that the past decade had seen real development in construction, where "a lot of successful businesses grew up". Currently 60-70% of the domestic market is served by Hungarian companies, up from a ratio of 5-10% earlier. He said it was a "misconception" that "Hungarian businesses get contracts automatically" and insisted that each job is awarded in tenders.

László Palkovics, the innovation and technology minister, praised V-Híd Építő as a success story, a company which has participated in a number of railway projects. The company, employing 300 people, has become a dominant market player, the minister added.

V-Híd Építő posted revenues of nearly 33.8 billion forints last year, and is currently engaged in the renovation of the Debrecen-Füzesabony railway line to serve a new BMW car factory in the city.

CARDINAL ERDŐ HOPES INT'L EUCHARISTIC CONGRESS WILL BE HELD NEXT YEAR

Cardinal Péter Erdő, Archbishop of Esztergom-Budapest, has expressed hope in a video message that believers will be able to celebrate together next year at the 52nd International Eucharistic Congress, which has been

postponed by one year due to the novel coronavirus pandemic.

The cardinal posted his message on the YouTube channel of the International Eucharistic Congress on the occasion that the concluding mass of the congress, the Statio Orbis, was originally scheduled to be held this day.

The 52nd International Eucharistic Congress was due to take place in Budapest between September 13 and 20.

In the video message recorded on Budapest's Heroes' Square, the cardinal noted that back in 1991 Pope John Paul II had celebrated a mass on the same square, attended by over half a million people.

The congress postponed from this September will take place in Budapest between September 5 and 12 next year. In addition to liturgical events, its programme will include conferences, lectures and concerts. The Catholic Church usually holds the one-week congress celebrating the presence of Jesus in the Eucharist every four years.

CORONAVIRUS - EIGHT DIE, REGISTERED INFECTIONS UP 1,070 IN HUNGARY

Eight Covid-19 patients have died in the past 24 hours, while the number of registered coronavirus infections in Hungary has risen by 1,070 to 17,990, koronavirus.gov.hu said on Sunday morning. The number of fatalities stands at 683, and 4,391 people have made a recovery. There are 12,916

active infections and 404 Covid-19 patients are being treated in hospital, 32 on ventilators. Altogether 25,583 people are in official home quarantine and 615,999 tests have been carried out.

The website warned Hungarians to observe social distancing guidelines and hygiene regulations.

A cabinet meeting on September 16 decided to extend entry restrictions for travellers from abroad. In addition to shops and public transport, mask-wearing will be made mandatory in cinemas, theatres, health and social institutions and public offices, and clubs will have to close by 11pm to curb the spread of the virus.

Most infections have been registered in Budapest (7,472), followed by Pest County (2,455) and the counties of Fejér (899), Győr-Moson-Sopron (703), Hajdú-Bihar (694), Szabolcs-Szatmár-Bereg (667) and Csongrád-Csanád (666). Békés County has the fewest infections (134).

AVERAGE AGE OF COVID CASES NOW LOWER THAN DURING FIRST WAVE

The average age of Covid patients is lower now than in the first wave of the epidemic, when it mainly affected the elderly, the chief medical officer said at an online press conference. Currently, most positive cases come from the 20-29 age group, Cecilia Müller said. The "nature" of the second wave is different to that of the first so a different strategy should be followed to contain the

epidemic, she added. The combined average of the cases infected during the two waves is 41 years, but only 35 years for the past ten days.

Müller said hospitals are checked daily to see if the material and personal conditions necessary for treating the patients are available. There is an action plan for the care of Covid patients; the goal is to treat them in institutions where all the conditions are in place, she said. If an institution has reached 80% of its capacity, the National Centre for Public Health will designate more hospitals to provide care.

Regarding the reduction of the mandatory home quarantine from 14 days to 10 days, the chief medical officer said that international experience had been taken into account, as in ten days, including the incubation period of 5-6 days, the infection will be revealed. In many European countries the mandatory quarantine is already 10 days.

SOCIALISTS SLAM GOVT OVER PCR TEST PRICING

The government's putting a cap on the price of PCR coronavirus tests will drive several laboratories to bankruptcy because 19,500 forints (EUR 54) per test does not cover their expenses, Lajos Korózs, Socialist head of parliament's welfare committee, told an online press conference.

At the same time, Korózs warned that the tests are not free unless ordered officially, and said that tests

for a whole family could amount to 80,000-100,000 forints.

On another subject, Korózs said that the committee had interviewed Katalin Novák, who has recently been nominated for minister without portfolio for family affairs, and said that the candidate had “not come up with positive answers”. Based on the interview, Korózs said that Novák would not promote ratification of the Istanbul Agreement, or increase various family benefits.

ILLEGAL IMMIGRATION - ANOTHER TUNNEL DISCOVERED BELOW BORDER FENCE

Another tunnel has been discovered below the fence along the Serbian border in southern Hungary, local police said on police.hu. The tunnel leading from Serbian territory below Hungary’s border fence was discovered during a field search.

There is ongoing control along the border because migrants have been trying more frequently to enter the country illegally in the recent period. The new tunnel is located in the area of Csikéria in Bács-Kiskun County. Police officers will hold an on-site inspection at the opening and guard it until it is buried.

In August, police in Bácsalmás found a tunnel near the border fence. At that time, 25 illegal immigrants were arrested on the outskirts of Kunbaja and the opening was discovered a few kilometres away during a search.

BUDAPEST AIRPORT PROJECTS 80-90% DECLINE IN PASSENGER NUMBERS IN AUTUMN, WINTER

Passenger numbers plunged by more than 90% in the first two weeks of September at Budapest’s Liszt Ferenc International Airport compared to the same period of last year and a similar decline is expected for the autumn and winter months, Budapest Airport’s communications director said.

Speaking on public news channel M1, Katalin Valentinyi added that precautionary measures have been in place at the airport since March to ensure the safety of passengers.

Twenty-two flights took off on Saturday and twenty-eight are due to depart on Sunday, which is 3-5% of last year’s traffic. At the same time, cargo traffic is stable and performing well by European and international comparison, she said.

Due to the travel restrictions announced in September, airlines rescheduled their timetables and expect to see further flight cancellations in the coming weeks, she said. Airlines have already announced reduced capacities for October-November due to the sudden fall in demand so the airport operator projects an 80-90% decline in passenger numbers of the winter months as well, she added.

BUDAPEST-SHENZHEN AIR FREIGHT SERVICE LAUNCHED

The first Cargolux freight plane arrived in Budapest from Shenzhen, to be followed by a weekly flight in future, Budapest Airport told MTI. According to the airport operator’s statement, most Chinese products arrive in central and eastern Europe from Shenzhen, southern China’s largest financial and logistics centre. The new service could promote economic ties and add to the weight of Budapest’s Liszt Ferenc International Airport, the statement added. It also said that Budapest Airport would continue developments concerning freight traffic, which it considers a crucial area.

