

## PHOTO OF THE DAY



MTI/Noémi Bruzák

The 360 Design Budapest exhibition opens

## UPCOMING EVENTS

**Foreign minister Szijjártó holds talks with Kazakh counterpart**

**Stats offices releases prelim Aug foreign trade figures**

**Foreign minister addresses Nestle Hungaria groundbreaking in W Hungary**

**Coronavirus updates**

## TOP STORY

# ORBÁN: HOME CONSTRUCTION VAT TO REVERT TO 5%

The VAT rate on home building carried out before December 31, 2022 will revert to 5%, Prime Minister Viktor Orbán told Hir TV.

Referring to Wednesday's cabinet meeting, Orbán said Katalin Novák, the minister of family affairs, presented the key elements of a new home building programme. Also, the cabinet approved tax relief and economic recovery measures in connection with the coronavirus. Elective operations will not be postponed for the time being, he said, adding that although the epidemic was likely to continue intensifying over the next three weeks, there were no large-scale changes that would warrant any cancellations of regular health-care services. Covid patients are being treated in "frontline" hospitals designated to handle Covid patients, Orbán said, adding that the ratio of doctors and nurses to patients was still easily manageable. The prime minister said the public should not expect any further restrictions on day-to-day life for the time being, adding that this stance reflected the will of Hungarians who expressed their opinion through the National Consultation. The results clearly showed that people's top priority was to keep the country going, he added.

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## **ORBÁN: DOCTORS' WAGE HIKE TO KEEP DOCTORS IN HUNGARY**

Commenting on a vote by lawmakers on Tuesday to hike doctors' pay, the prime minister said there was "no time like the present". He said it was likely that the epidemic would endure for the next 7-8 months, and without a vaccine, doctors would continue to contend with a massive burden. Hungarian doctors "are among the world's best", he said, adding they were in demand abroad. In addition to decent wages, the atmosphere in hospitals and good career prospects play a role in a doctor's decision "whether to go or stay" in the country, Orbán said. The cost to the central budget of the wage hike would more than double, he said, putting the figure in excess of 200 billion forints (EUR 550m). Orbán said the wage scheme and the new rules on gratuity payments were drafted "meticulously", based on the proposal put forward by the Hungarian Chamber of Doctors (MOK).

Orbán was asked about the chamber's recent criticism of the measure passed by parliament on Tuesday which allows doctors to be assigned to different parts of the country. "We have a pandemic, assigning doctors is a matter of life and death," he said, adding that doctors "cannot be just dragged back and forth" on a daily basis. "Hospitals must be well managed" and doctors should be assigned only "if there is a problem" in a particular area.

Commenting on the European Court of Justice's ruling on Hungary's higher education law, Orbán said the court's judgments, regardless of lawmakers' opinions about them, were always implemented, and this would not cause much difficulty given "the many legal solutions possible".

Put to him that financier George Soros had "called on the EU to sue Hungary", Orbán said if someone wanted to do so, "that's fine". "We're not spoiling anything that's good," he said. "Soros is the kind patriot of whom nobody would be surprised when he attacks his own country abroad," Orbán added. The prime minister said attacks on Hungary came from European left wingers who were not in power in their own countries, and their motivation was to win power. Orbán called this "internationalist aid", and he likened it to times when Soviet troops were commanded to Hungary to protect the Communists.

He insisted that the situation was now the same. "The Hungarian left wing is weak and the people are against it; indeed, [left wingers] are against the people," he said. "International troops are used to provide internationalist help," he said, adding that help was at hand from Brussels to the Hungarian left wing in their bid to assume power. Commenting on the opposition, Orbán likened it to a sausage casing "with the meat ground up and stuffed from the far right to the Communists", and he accused financier George Soros of being "behind it". "That's why I call it the Soros sausage".

Referring to European commissioner Věra Jourová and her criticisms of the government, Orbán said: "This woman from the Czech Republic thinks Hungarians are dunces who are incapable of making their own decisions." He added that her remarks had been "so insulting" to the Hungarian people that it was time for her "to stop". "This is no longer politics but something that goes deeper, and we'd rather stop it," he said, accusing Jourová of being "Soros's creature" in the European Commission.

Commenting on the mayor of Budapest's observation that it's possible for the EU to finance local governments directly, Orbán noted that the EU budget contained large sums that are not distributed by EU member states but can be applied for through programmes, adding that Hungarian left-wing local governments could have done so, but they had not succeeded well so far. Local councils, he added, were "better off" leaving it to the state to "uphold the interests of the Hungarian people".

## **GULYÁS: GP WAGES TO CONFORM TO NEW PAY SCALE**

The government aims to guarantee that from next January general practitioners cannot be paid less than what is specified in the new pay scale for doctors approved by parliament this week, the head of the Prime Minister's Office said. The details of the rules on how doctors are paid are

still being finalised and consultations are ongoing between the government and the Hungarian Chamber of Doctors (MOK), Gergely Gulyás told a regular press conference. A resident doctor in practice for three years who has not yet completed graduate training will earn a monthly gross wage of 613,000 (EUR 1,700) while a doctor in practice for 40 years or more will earn close to 1.7 million forints, Gulyás said. From January 2022, the pay scale will range from 788,000 forints to 2.1 million and from January 2023 doctors will make between 875,000 forints and 2.4 million forints, Gulyás said. He added that under the law, doctors will be able to earn a maximum of 20% more than what is specified in the pay scale. He said the wage hike would also allow for a phasing out of gratuities. He added that clarity around wages in the sector could also persuade doctors who had left the country to work abroad to return to Hungary. He said that under the new pay scale doctors working 4, 6, or 8-hour shifts would still have the opportunity to work in private practices if they reach an agreement with their hospital. Concerning wage hikes for general practitioners, Gulyás said doctors whose wages do not reach a certain sum would receive wage supplements. He also noted that nurses would receive a 72% wage hike by 2022. Concerning the government's protective measures against the coronavirus epidemic, Gulyás said there were 36 hospitals treating Covid-19 patients in the country and less than 1% of health-care workers

have had to be transferred there from other institutions. He said Hungary was among the countries that had been more effective in combatting the virus. The number of fatalities in central Europe is significantly lower than in Western Europe, he said, adding that the death toll in Hungary was around the central European average, with 90 deaths per one million people.

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### **GULYÁS: ECONOMIC PROTECTION SCHEME PROTECTED JOB MARKET**

Hungary's economic protection scheme has been among the most successful in terms of the job market, with the unemployment rate showing a much better trajectory than in the European Union, the head of the Prime Minister's Office said. Gergely Gulyás said that protecting jobs and families and supporting businesses remained a priority for the government. Recently, the government has contributed to the protection or creation of 1.4 million jobs, he added. Partly thanks to these efforts, more than 4.5 million people hold jobs in Hungary, which is just shy of the all-time record employment rate, he said. The average unemployment rate in the EU is 7%, as against 3.9% in Hungary, he said. Regarding the loan repayment moratorium introduced as an economic protection measure during the coronavirus epidemic, Gulyás said the government would soon submit a proposal on prolonging the moratorium to parliament. The moratorium will be extended for

families raising children, pensioners, fostered workers and companies which lost over 25% of their revenues, he said. Regarding the government's latest "National Consultation" survey, Gulyás said the requirement to wear face masks had the largest public support among defence measures, with 83% of respondents backing the regulation. Fully 79% support cutting back public events and closing the borders, while 78% is in favour of social distancing, 64 percent of curbing the export of equipment, 62% supports shopping times maintained for the elderly, and 59% the introduction of curfews, Gulyás said.

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### **TWENTY-ONE FATALITIES, REGISTERED CORONAVIRUS INFECTIONS UP 932**

Twenty-one Covid-19 patients have died in the past 24 hours, while the number of registered coronavirus infections in Hungary has risen by 932 to 34,046, [koronavirus.gov.hu](http://koronavirus.gov.hu) said on Thursday morning. The number of fatalities stands at 898, and 9,187 people have made a recovery. There are 23,961 active infections and 804 Covid-19 patients are being treated in hospital, 56 on ventilators. Altogether 20,217 people are in official home quarantine and 792,485 tests have been carried out.

Most infections have been registered in Budapest (11,876), followed by Pest County (4,444) and the counties of Győr-Moson-Sopron (1,857), Borsod-Abaúj-Zemplén (1,697), Hajdú-Bihar

(1,509), Csongrád-Csanád (1,456) and Szabolcs-Szatmár-Bereg (1,444). Tolna County has the fewest infections (326).

Meanwhile, Chief Medical Officer Cecília Müller announced that a flu vaccine will be available free of charge to everyone from their GP from October 20 on.

**KARÁCSONY: BUDAPEST HAS NO ACCESS TO GOVT TOURISM SUPPORT SCHEME**

The mayor of Budapest has criticised the government, saying that the capital city that would need the most support for reviving its ailing tourism sector, has no access to the Kisfaludy tourism development fund. According to the Hungarian Tourism Agency, Budapest has received no funding because its tourism sector was believed “to recover” most rapidly, Gergely Karácsony said on Facebook. But the assumption was wrong, he said, arguing that Budapest is “the engine” of Hungary’s tourism, with its residents preferring to spend their holidays in the countryside, and fewer visitors coming to Budapest from there.

Meanwhile, the head of the Budapest Chamber of Industry and Trade (BKIK) has invited Karácsony and Finance Minister Mihály Varga for talks about possible financial aid to businesses hit by the pandemic, daily Magyar Nemzet said. “Budapest would need 40 billion forints (EUR 111m) to support ailing businesses in the tourism sector which will have to soon

dismiss several tens of thousands of their employees. We must take action without delay,” Elek Nagy said.

In response, ruling Fidesz said that the left-wing governments and city leaderships always considered tax increases as the only possible measure to tackle an economic crisis rather than easing the burden on economic players. “We, however, are in favour of tax cuts,” the party said in a statement. It said that the economic crisis triggered by the coronavirus pandemic “had surprised only Gergely Karácsony”, adding that a serious recession in the tourism sector was already to be foreseen in the spring.

**JUSTICE MINISTER: EC RULE OF LAW REPORT WRONG IN MANY WAYS**

The first rule of law report published by the European Commission last week is wrong in many ways and cannot serve as a basis for further discussion on the rule of law, Justice Minister Judit Varga said in an opinion piece on the news website EUObserver. The report is based on an arbitrary scope and the commission does not follow any benchmark document in it, Varga said. “The notion that there exists a generally accepted definition of rule of law that may serve as the basis of a comprehensive review remains the subject of serious debate,” she added. Varga said that media pluralism, as opposed to media freedom, was not a rule of law issue and the same applied to “transparent allocation

of state advertising” or “public information campaigns” where no well-established European standards may be identified. At the same time, protection of the rights of ethnic and national minorities and the national frameworks addressing anti-Semitism are notably absent from the report, she said. “Corruption appears in the report, but the text remains silent on money-laundering where systemic institutional failures have been exposed recently in some member states,” she added.

The commission claims that it evaluates all member states based on uniform and objective criteria, but a “tendentious interpretation of the rule of law results in a focus on a few pre-determined member states, namely Hungary and Poland”, she added. Varga said Hungary and Belgium were subjects of the same number of reports on the Strasbourg-based Council of Europe’s platform to promote the protection of journalism in the period of 2019-2020. “The commission’s interpretation? In Hungary there is a ‘systemic obstruction’ of independent media, while in Belgium, intimidation is ‘relatively rare,’” she added.

Varga highlighted that since the commission did not have the resources or the expertise to maintain its own monitoring system, its report was based mostly on external sources. “Its reliability and objectivity, therefore, depend on the selection and quality of these sources, the selection of which, unfortunately, is non-transparent and biased,” she

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added. During the course of this year, Hungary has provided the commission with detailed analyses to assist the preparation of the report but the commission has “essentially disregarded our contribution”, she said. The report “refers extensively and repeatedly to certain civil society organisations (CSO) – in the case of Hungary, 14 sources from 12 CSOs to be exact”, she said. Of these, 13 sources come from 11 CSOs that have recently received financial support from the Open Society Foundations, she added. “In fact, the report has been written by these CSOs, even the parts that seemingly come from other sources,” Varga said.

**SZFE LEADERS SWITCH FOCUS TO ‘REMAKING’ INSTITUTION AFTER TALKS WITH STRIKE CTTEE, STUDENTS BREAK DOWN**

The management of Budapest’s University of Theatre and Film Arts (SZFE) has vowed to “exclusively focus on tasks aimed at completely remaking the university” going forward, after the strike committee of university employees and students blockading the central campus rejected an agreement offered by the new leaders. Earlier in the day, the students prevented Gábor Szarka, the university’s recently appointed chancellor, from “starting his work in the chancellor’s office”, the management said in a statement. They said that they rejected the blockade “as an illegitimate form of

expression”, adding that they would “try to ensure operations through employees inside the building”.

Representatives of student union HÖK told a press conference that most students supported their blockade on the campus. Referring to a survey, they said that 95% of the students believed that the new board, tasked to run the university from last month, was illegitimate. Union head Mihály Csernai insisted that members of the university board had been “appointed on the basis of an unconstitutional legislation”, and demanded guarantees for the university’s autonomy.

**CPI FALLS TO 3.4% IN SEPTEMBER**

Hungary’s year-on-year consumer price index fell to 3.4% in September from 3.9% in August as pressure from prices for food, tobacco and spirits, the Central Statistical Office (KSH) said. Food prices rose by 7.3% in September, slowing from 7.9% in the previous month. The increase in prices of tobacco and spirits - boosted by excise tax changes in recent months - slowed to 6.3% from 6.8%, and service prices climbed 2.4%, following a 3.5% increase in August. Household energy prices edged up 0.3%, clothing prices rose by 0.6% and consumer durable prices increased by 2.6%. Prices for the category of goods which includes vehicle fuel were flat as vehicle fuel prices fell by 3.4%.

Core inflation, which excludes volatile fuel and food prices, stood

at 4.0%. Inflation calculated using a basket of goods and services used by pensioners was 3.8%. In a month-on-month comparison, consumer prices edged 0.4% lower.

**ORBÁN: V4 TO BE ‘INFLUENTIAL’ AS A BLOC**

The Visegrad Four countries must grow together as a bloc and if they succeed in that they are slated to become “a player” in global economy and politics, as they will also become influential in European politics, Prime Minister Viktor Orbán said. Opening a Budapest office of a Polish PR firm, Orbán said economic and trade relations between Germany and the Visegrad countries of Hungary, Poland, the Czech Republic and Slovakia are expanding at a faster pace than between Germany and China, he said at the R4S public relations and public affairs firm’s event. This means that “here is the dynamics and the future, and here is the prospect of growth” and “this is the moment the V4 must seize”, Orbán said.

The prime minister hailed the opening of R4S’s office in Budapest, expressing hope that it would help promote business cooperation. He highlighted the importance of personal business relations between Hungarians and Poles, saying that “there is a lot at stake right now”. Orbán argued that either central Europeans would organise the region “between the Russian and German world” or “someone else will and there are always takers for it”.

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**CARDINAL ERDŐ:  
CATHOLIC CHURCHES  
TO STAY OPEN IN HUNGARY**

Unlike in some other countries, Roman Catholic churches in Hungary stayed open during the first wave of the coronavirus epidemic and “believers did not stay away”, Cardinal Péter Erdő, Archbishop of Esztergom-Budapest, said, adding that a lockdown was not planned in the current wave, either. “Similarly to civilian life, we will maintain the everyday working routine,” he said. “Services will not be cancelled, with both priests and believers observing preventive measures, wearing masks, disinfecting their hands, and keeping a distance”. “A community mass means much more than following it on TV or the internet;

real participation requires a physical presence,” the cardinal insisted.

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**SZIJJÁRTÓ: ETHNIC  
HUNGARIANS IN SLOVAKIA  
CAN RELY ON HUNGARIAN  
GOVT’S CONTINUED  
SUPPORT**

Ethnic Hungarians in Slovakia can rely on the Hungarian government’s continuing support and help, Foreign Minister Péter Szijjártó said after meeting Party of the Hungarian Community (MKP) leader Krisztián Forró. “The Hungarian government continues to believe that it is not our job in Budapest to decide what’s best for ethnic Hungarian communities beyond the borders,” he said. “It is more useful to ask them what help they need.”

Szijjártó added that the Hungarian government’s relations with Slovakia

had never been as good as they were now and ethnic Hungarians benefited from this.

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**FINANCE MINISTER:  
ONGOING TALKS WITH US  
COMPANIES MAY RESULT  
IN 5,000 JOBS**

Talks are underway with companies from the United States on twelve big investment projects in Hungary that could create about 5,000 jobs, Finance Minister Mihály Varga said on Facebook after a meeting with the US-Hungary Business Council (USHBC). Varga noted that some 1,700 US-owned companies employ around 106,000 people in Hungary. These companies have invested more than 11 billion euros in the country over the years, he added. He said investments by Hungarian companies in the US total 1.5 billion euros so far.