

PHOTO OF THE DAY



MTV/Tibor Illyés

Hungary defeats Iceland 2:1 to qualify for Euro 2020

UPCOMING EVENTS

Coronavirus updates

TOP STORY

PM: 'EVERY LIFE COUNTS,' TAX CUTS IN PIPELINE

"Every life counts", Prime Minister Viktor Orbán said in a radio interview, while also flagging tax cuts next year.

The new restrictions introduced on Tuesday to curb the spread of Covid-19 were "timely" and "precise", Orbán said, adding that the health-care system was up to the task of ensuring that all Hungarians receive "decent care". In a step designed to help the hospitality industry, the government will reduce the VAT on takeout meals – the only form of service restaurants are currently allowed to provide – to 5%, Orbán said. The measure is being taken in consultation with the Hungarian Chamber of Commerce and Trade, he said. Also, the government is committed to "tangible" tax cuts next year, he said, adding that both the central budget local authorities would undertake them. Referring to the new partial lockdown, the prime minister said: "These kinds of decisions have to be made when there is a real danger of paralysis in health care." He said modelling indicated that in the absence of a curfew and other restrictions, and with the number of doctors and nurses available, "the limit" was "dangerously near". Currently 6,690 Covid patients are in hospital, 518 on ventilators, he noted.

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>



ORBÁN: HEALTH-CARE STAFF TO BE VACCINATED FIRST

Health-care staff will be the first to be vaccinated with the coronavirus vaccine, Prime Minister Viktor Orbán told public broadcaster Kossuth Rádió. Orbán said as many vaccines as possible should be made available. "This should not be made into a political issue." Vaccinations will be voluntary and people can decide which vaccine "to trust", he said. The prime minister also said that a total of 400 undergraduate students have been mobilised – and provided accommodation and meals – to drive medics to carry out tests. He also noted that 500 secondary schools have switched to teaching online and 208 kindergartens have shuttered. Online learning is taking place for 239 primary schools.

Meanwhile, temporary subsidies are in place to help businesses such as hotels and restaurants that are severely affected by the restrictions, he said. The prime minister said the government was sticking to its policy of invigorating the "work-based economy", ensuring that businesses can retain their workforce and make new hires. Commenting on a proposal to suspend business and corporate tax, Orbán said such a move would be going too far and "we need to get the proportion right", adding that the taxes must be reduced, however, in order to

preserve jobs. He added that the government was committed to making "significant" tax cuts next year.

On the subject of making EU funding contingent of meeting certain rule-of-law criteria, the prime minister said he spoke with German chancellor Angela Merkel on Thursday and she told him that "Hungarian money cannot be taken away". "The money will be there, the economy will function, and developments will get under way." Orbán added that the draft regulations under the German EU presidency "isn't really about the law but about politics". He said he had told Merkel that if the rule-of-law agreement made it into law, "we would turn the European Union into the Soviet Union" in which conditions were imposed from above "in the absence of any objective criteria", while "a committee holds people accountable on ideological grounds". "We should really be talking about the epidemic and giving immediate help to troubled southern states," he said. Addressing the issue of the European Commission's LGBTQ strategy, the prime minister said: "I wouldn't say this is needless; there should be such working groups". He added, however, that the timing was not right and decision-makers needed more time to evaluate the proposals. Meanwhile, Orbán praised Hungary's national eleven for its win against Iceland. "We can be proud of our sons," he said, adding that it

was not "just a football match" but "a fight". Defeating the Vikings in battle "is a big deal", the prime minister said.

NOVÁK: CONSTITUTIONAL AMENDMENT PROPOSAL SEEKS TO PROTECT FAMILIES

The government's constitutional amendment proposal aimed at ensuring that all children are brought up according to Christian values seeks to protect Hungarian families, Katalin Novák, the minister for family affairs, told commercial news channel HírTV. The reason why the bill specifies that "the father is a man" and "the mother is a woman" and that children have a right to their gender of birth is because "these things are now being questioned in many parts of the world," Novák said. Many countries allow parents to decide whether or not they want to change their child's gender, she said. "And if a girl in kindergarten plays with toy cars, she is taken to a psychologist to clarify if she is certain about her gender identity," the minister added. "This deprives the child of his or her fundamental sense of safety and this is not right."

Concerning the new regulations on adoption, Novák said their aim was to give every child a chance to be raised in a family. Because the interests of the child must come first when it comes to adoption, she said, the law primarily supports adoption by couples. But in the

event that no suitable couple can be found, a child may also be adopted by a single person, she added. Put to her that the new regulations make it impossible for same-sex couples to adopt, Novák said this was already a fundamental principle in Hungarian law. "This is nothing new," she said. "This is the practice in Hungary."

99 CORONAVIRUS FATALITIES, INFECTIONS UP 5,097

Fully 99 Covid patients, mostly elderly and suffering from an underlying illness, have died in the past 24 hours and coronavirus infections have risen by 5,097 to 131,887, koronavirus.gov.hu said on Friday. Altogether 2,883 Covid patients have died since the appearance of coronavirus in Hungary, while 29,802 have made a recovery. There are currently 99,202 active infections and 6,690 patients are in hospital, 518 on ventilators. Fully 36,166 people are in official home quarantine, while the number of tests stands at 1,306,887.

On Tuesday, lawmakers extended the government's special powers by 90 days, allowing the government to suspend the application of some legislation, diverge from legal provisions and take other extraordinary measures by decree. A major new rule is that face masks must be worn in public spaces in localities with more than 10,000 residents, though it is up to local mayors to

decide which spaces the rule applies to. Among other measures recently introduced: school classes from the eighth grade as well as universities are now holding lessons and lectures online. Also, a curfew is in force between 8pm and 5am, and work carried out beyond the home must be justified.

With the exception of pharmacies and petrol stations, shops can be open until 7pm. Hairdressers, masseurs and personal trainers must observe general curfew rules. Restaurants are limited to offering takeaways, while hotels are not allowed to cater to tourists, only guests arriving for business, economic or educational purposes. Sports events must be held behind closed doors. Also, leisure facilities such as fitness gyms, indoor swimming pools, museums, libraries, cinemas, zoos and skating rinks must suspend their services. Events, including cultural events and Christmas fairs, cannot be held under the special rules. The government has asked religious communities to make sure their conduct during ceremonies aligns with general coronavirus safety rules. The authorities have ordered the total suspension of classroom teaching in 208 kindergartens and 37 schools, while 22 schools have returned to digital education. Most infections have been registered in Budapest (32,302), followed by Pest County (17,423), and the counties of Győr-Moson-Sopron (9,796), Borsod-

Abaúj-Zemplén (7,219), Hajdú-Bihar (6,434) and Szabolcs-Szatmár-Bereg (6,405). Tolna County has the fewest infections (1,678).

EC EDUCATION AND TRAINING MONITOR: HUNGARY SPENDING ON EDUCATION ABOVE EU AVERAGE

The European Commission published its annual Education and Training Monitor for 2020, and said that Hungary spent 5.1% of its budget on the sector, exceeding the EU average, which was at 4.6% of GDP. The Human Resources Ministry said in a statement that, according to the report, the student-teacher ratio was also above the EU average. Hungary has one teacher per 10.6 children on average, the report said. In the EU, the average ratio is 13.6 students per teacher, it said. The report said the root of that difference was the declining number of students in Hungary, adding that there was a preponderance of ageing teachers in Hungary's public education system and "increasing free capacities".

Regarding pre-school education, the report found that 95.7% of four-year-olds are enrolled in kindergartens in Hungary, while the EU average is 94.8%. The ratio of Roma children attending kindergarten is the highest in the region, the ministry cited the report as saying. Fully 11.8% of students dropped out of education in 2020, a 0.7% improvement since last year, the report said.

Based on the OECD's 2018 PISA report, the EC highlighted substandard performances in mathematics, literacy and sciences. The ministry noted in its statement, however, that the students' performance had improved in every subject since 2015. The report praised the infrastructure development programme in schools launched in 2018. Regarding the switch to digital education during the pandemic, the report put the ratio of children remaining without education in the period at 20%, a figure at odds with the ministry's own data, the ministry said. In its report, the EC outlined recommendations regarding developing digital competencies, equal access to education and increasing capacities at crèches, the ministry said.

NAVRACSICS: MINORITY SAFEPACK OPENS NEW CHAPTER IN EUROPEAN INTEGRATION

Minority SafePack, an initiative urging European Union protection for indigenous national minorities in the bloc, has opened a new chapter in the history of European integration and is also relevant in European domestic politics, Tibor Navracsics, the head of the Europe Strategy Research Institute, has said. Up until now, European integration has been centred on economic unity, the internal market and the various related policies, Navracsics, a former European commissioner, said. All other political

decisions had been secondary, he said. But thanks to a successful campaign, Minority SafePack has become relevant to European domestic politics and "could change a great many things", Navracsics said. "Not just in the European Parliament and the Council of the EU but also within the European Commission itself."

European institutions must be confronted with the issues the initiative deals with and they have to come up with some kind of an answer, Navracsics said. Lóránt Vincze, the chairman of the Federal Union of European Nationalities (FUEN), which coordinated the initiative, said that nearly a decade after its initial launch, Minority SafePack could be considered a "success story". Vincze said FUEN's reasoning behind the initiative was that it had felt the protection of minorities was an unresolved issue. "The issue of Hungarian minorities has been unresolved for a century," Vincze said. "Hungarians in Transylvania today are having to protect their identity when they should be busy developing and modernising their society. The Hungarian community in Transylvania is right to pursue progress, but for that it needs its minority rights to be safe."

He said Europe should formulate standards that protect the rights of all minorities on the continent. No European or international organisation today has the power or the will to influence the minority policies of Europe's countries, Vincze said, criticising the EU's institutional system for failing to provide protection

for minorities. But Minority SafePack has helped bring the issue before Europe's decision-makers, he said, noting that FUEN presented its related policy proposals to the European Parliament last month. Vincze also noted that the EP will hold a debate on minority protection in December, after which it will pass a resolution. The EC will then have until mid-January to decide whether to initiate legislation in connection with the issue, he added. The Minority SafePack signature drive initiated by Romania's ethnic Hungarian RMDSZ party and coordinated by FUEN was launched in April 2017. A total of 1,128,385 signatures were certified across the 28 EU member states over the year-long campaign. The EC registered the signatures in January this year.

HUNGARY Q3 GDP UP 11.3% FROM PREVIOUS QUARTER, DOWN 4.6% YR/YR

Hungary's economy shrank by 4.6% in the third quarter, according unadjusted data, the Central Statistical Office (KSH) said. GDP fell by 4.7% in Q3 based on seasonally and calendar-adjusted data. The recovery from the economic effects of the epidemic started in the third quarter, with GDP up 11.3% from the second quarter, according to seasonally and calendar-adjusted data, with most sectors of the economy growing. In the first three quarters, GDP fell by an annual 5.6%, based on unadjusted data.

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.



Commenting on the data, the Finance Ministry said the government's economic protection measures had been successful in restarting the economy after the first wave of the coronavirus epidemic. The better-than-expected growth rate "shows that the government is correct in carrying on with its economic policy based on tax cuts and job protection" in the second wave of the epidemic, the ministry said in a statement. The third-quarter growth rate indicates that, even after a lockdown that lasted almost throughout the spring, the economy was able to rebound quickly, it added. Growth was mainly driven by the infocommunications and financial services sectors in the period and spurred on by a jump in home loans, given a boost by the government's home creation scheme,

the statement said. Industrial output reached its low point in April before going on to recover, exceeding last year's figures by September. The statement also highlighted the rebound of the domestic tourism sector during the summer, noting that foreign tourist arrivals had also started rising again before Hungary closed its borders in September. The ministry said Hungary's Q3 GDP growth rate was expected to exceed those of Germany and Austria, adding that the economy could again make a quick recovery after the November lockdown. It said a contraction of 6.4% of GDP projected for this year could be followed by a growth rate of 3.5% in 2021.

Analysts told MTI that the third-quarter GDP figure had outperformed expectations but risks lay ahead in the

fourth quarter. Gergely Suppan, lead analyst at Takarékbank, said another downturn was unavoidable due to the heavy second wave of the coronavirus pandemic, and so Takarékbank now expects annual GDP to shrink by 5.4% as opposed to its earlier expectation of 4.7%. Péter Virovác of ING Bank told MTI the strong rebound in the third quarter did not mean Hungary was out of the woods, with GDP still 4.6% lower than a year earlier and new restrictions and shutdowns weighing down the fourth quarter. Dávid Németh of K&H Bank said GDP would largely depend on availability of additional measures that have an impact on production, services and demand. One question concerns how many businesses and consumers will postpone big-ticket purchases, he added.