

PHOTO OF THE DAY



MTVA/Attila Balázs

Great white pelican being taken to its winter home at the Nyíregyháza Zoo

UPCOMING EVENTS

Plenary session of parliament

Coronavirus updates

Human resources ministry presser on holiday donation drive for families

TOP STORY

HUNGARY 'NOT THE CAUSE OF EU BUDGET VETO'

The veto of the European Union budget and recovery fund was not caused by Hungary but by those who created the conditions leading to it, the state secretary for international communications has said.

Budapest and Warsaw used their veto, saying new rules making the receipt of EU funding contingent on upholding the rule of law breached the EU's founding treaty as well as a deal in July not to tie funding to "political conditions".

Prime Minister Viktor Orbán approved the July agreement with "a mandate" from the Hungarian parliament, Zoltán Kovács told public news channel M1. "The European Parliament and current EU president Germany have overturned that July agreement," he said, adding that introducing any sort of new mechanism would require an amendment to the EU's founding treaty. Kovács said the EU's current institutional framework guaranteed the proper use of funding by member states, and linking payment to "ideological conditions" was unnecessary. "So what we're seeing is none other than a political whip being used to punish those who refuse to fall in line," he said.

Orbán has said that tying the EU's budget and the recovery package to conditions where "the nature of the alleged law violation is not precisely defined" put trust between member states at risk.

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GULYÁS: HUNGARY AMONG EU COUNTRIES BETTER PROTECTED AGAINST COVID

Hungary is one of the better-protected EU countries in terms of the coronavirus, with 317 deaths per million in Hungary as against 481 in the European Union as a whole, Gergely Gulyás, the prime minister's chief of staff, said in an interview published in Tuesday's issue of Magyar Nemzet. Gulyás insisted that every possible measure had been taken to prepare for the second wave of the epidemic, adding that the country's health-care system was up to the job of keeping pace with the transmission of the virus. He said the coronavirus epidemic would have a bigger impact on the global economy than the 2008 global economic crisis.

Gulyás said Hungary's currently favourable employment situation was a useful bulwark against the effects of the crisis, adding that there were now 900,000 more jobs during the coronavirus epidemic than when the country's left wing was last in power. Gulyás also noted Hungary's good standing on the international financial markets, noting that the government had slashed public debt by almost 20 percentage points over ten years, though some of these gains had been lost since. "We showed discipline in the good years," Gulyás said, adding that

this put Hungary in good stead in troubled times.

On the topic of the current standoff over EU funding, he said the EU was attempting to establish for itself the right to intervene in Hungarian domestic affairs and in the domestic politics of member states it did not sympathise with. Gulyás said issues such as whether Hungarians are free to decide who they want to live with are nothing to do with the rule of law but a question of "whether this country is governed from Brussels or in Budapest". Referring to Article 7 of the Lisbon Treaty, he said there was already a procedure for the rule of law. "If anyone wants a new procedure that's different, the treaty must be changed," he said. "The rule of law is not best served by trampling all over the rule of law."

Regarding the US presidential election, Gulyás said Hungary, as an ally of the United States in NATO, had a duty to work with the president who gained the trust of the American electorate. He added that the Democratic administration should reassess US foreign policy in the past few decades. "US prestige in central Europe waned until President Donald Trump's inauguration because democratically elected governments in the region were not shown respect," he said. Had an election been held in Hungary similar to the one that has just taken place in the US, people in the Democratic Party would have been "our loudest critics", he said.

SZIJJÁRTÓ PRAISES TRUMP FOR RAISING ISSUE OF PERSECUTED CHRISTIANS TO INTL POLITICAL AGENDA

Foreign Minister Péter Szijjártó praised the Trump administration on Tuesday for raising the issue of persecuted Christians to the international political agenda. Szijjártó said on Facebook during an online meeting of the International Religious Freedom or Belief Alliance that had US President Donald Trump not put this issue on the agenda, then the countries committed to protecting Christian communities could not have been as successful as they had proven to be. He highlighted the role of Secretary of State Mike Pompeo and expressed hope that cooperation between Hungary and the US in protecting Christian and other religious communities would continue.

Szjijártó said the world was facing great challenges including the novel coronavirus pandemic, terrorism and migration. He added that the latter two were closely linked because terrorist organisations had been forcing peaceful people to leave their home and uncontrolled migration flows had made it easier for terrorists to freely move around the world. "We in the European Union have sad experiences when it comes to the massive migratory flows" and the enormous risks they involve, he said, citing recent terrorist attacks in France and Austria.

Szijjártó said that unfortunately Europe had to face anti-Christian ideologies and attacks becoming increasingly accepted by the "liberal mainstream".

Hungary's government has helped more than 100,000 persecuted Christians in 27 countries to stay in their place of birth in the Middle East, Africa and Asia through a scheme dubbed Hungary Helps, he said. The government has allocated 44 million dollars toward providing accommodation, education and health infrastructure development in these countries, he added.

JUSTICE MINISTER: 'DOUBLE STANDARDS' ON RULE OF LAW 'UNACCEPTABLE'

Justice Minister Judit Varga told a meeting involving European affairs ministers that "double standards" regarding the rule of law were "unacceptable". Varga insisted that the European Commission applied different standards on the appointment procedure to media authorities. In Hungary's case, a qualified majority of MPs is required to make appointments whereas in Belgium and Denmark the government appoints officials directly, she said at a meeting of the Council of the European Union. Also, the Media Pluralism Monitor co-funded by the European Union only cites problems in Hungary while turning a blind eye to media concentration issues in Belgium and Denmark, Varga added.

Varga, meanwhile, objected to the justice ministers of Belgium and Denmark having the power to intervene into the affairs of the public prosecutor in individual cases. Further, in Denmark, she said, the selection of judges and the administration of the courts was not overseen by an independent body. Whereas the European Commission failed to raise this concern, it cited "at length" shortcomings regarding judicial oversight in Hungary, she added. Varga accused the commission of applying double standards. "For them the rule of law is only worth raising to blackmail [Hungary] politically and ideologically."

COE: HUNGARY MAKES PROGRESS IMPLEMENTING GRAFT RECOMMENDATIONS

Hungary's amended conflict of interest law concerning lawmakers improves clarity regarding the consequences of abuses, the Council of Europe said on Tuesday. Generally, however, Hungary falls short of meeting Group of States against Corruption (GRECO) recommendations on corruption prevention, it said, referring to GRECO'S Second Interim Compliance Report. Only five of the 18 recommendations made in 2015 have been implemented satisfactorily, it said, urging more determined measures to improve the level of transparency and consultation in the legislative process, including the introduction of rules on interactions with lobbyists. It also calls for the

adoption of a code of conduct for lawmakers so as to prevent conflicts of interest. The asset declarations of MPs should be based on unified rules and immunity regulations should be revised, the report said.

Regarding judicial matters, GRECO said no progress had been made in implementing three recommendations concerning the authority of the National Judicial Office's president to appoint and promote judges as well as re-assign judges in hearings. It welcomed changes regarding disciplinary proceedings related to the public prosecutor but said no progress had been made in implementing recommendations on extending the prosecutor's term of office or the broad immunity of prosecutors.

GRECO has called on Hungary to submit a progress report on the implementation of pending recommendations by September 30 next year.

SZIJJÁRTÓ: HUNGARY- INDONESIA TRADE TURNOVER UP 29% OVER TEN YEARS

The annual trade turnover between Hungary and Indonesia has risen by 29% over the last ten years, Foreign Minister Péter Szijjártó said, adding that this showed that the Hungarian government's policy of opening to the East was working. Szijjártó, who is currently in quarantine having contracted coronavirus, told an online forum that Hungary and Indonesia had

recently made progress in cooperation in the areas of water management and food processing. Hungary has opened a 36 billion forint (EUR 100.3m) credit line that will allow Hungarian companies to improve Indonesia's water management solutions, he said. Now the two countries are focused on improving their cooperation in the fields of cyber security and telecommunications, the minister said. Szijjártó encouraged Hungarian companies to make use of a new website, hunindotech.id, launched to boost business ties between the two countries. Hungary's Eximbank is prepared to provide the financial framework needed to advance cooperation between Hungarian and Indonesian firms, he said. Szijjártó encouraged Hungarian companies to be active on the Indonesian market, arguing that it was one of the largest markets in all of Southeast Asia and one of the fastest growing regions in the world.

The minister praised Indonesia's contributions to the resolution of global affairs, noting its role in peacekeeping missions. Szijjártó noted that Hungary had supported Indonesia's bid to become a non-permanent member of the United Nations Security Council. Commenting on bilateral ties, he noted that the two countries recently marked the 65th anniversary of the establishment of their diplomatic ties.

Indonesian Foreign Minister Retno Marsudi said that although the fight against the novel coronavirus

pandemic was still ongoing, it had helped highlight the potential in the digital economy. She cited UN Secretary-General António Guterres as saying that more than 95% of the world's population were now covered by mobile networks. Also, some 441 million people in the member countries of the Association of Southeast Asian Nations (ASEAN), or 65% of the region's population, are now using the internet, she added. The minister said Indonesia had a "very good" digital ecosystem, adding that its value could reach 133 billion US dollars by 2025. Indonesia registered 2,001 start-ups in 2019, the fifth largest amount in the world, she said. Retno praised the timing of the hunindotech.id website, saying it would provide significant opportunities for Hungary and Indonesia to strengthen their cooperation and present products and investments that serve them both.

LAWMAKERS PASS BILL ON FAMILY FARMS

Lawmakers on Tuesday passed the bill on family farms that eases taxes and cuts red tape for many farmers while providing "a working environment in line with 21st century expectations", István Nagy, the minister of agriculture, said in a statement after the vote. The new legislation aims to shore up family farms, support generational handovers and encourage cooperation between producers, the statement said. From Jan. 1, the tax exemption threshold will be raised for small producers,

with personal income tax dropped for income equal to five times the annual minimum wage -- this year worth 9.7 million forints (EUR 27,000). Other measures to ease the tax burden on farm producers are also included in the legislative package. Income from activities related to farming, such as rural tourism and the agricultural services, will also be subject to various tax breaks. Under the new law, primary producers can form a family farm, presenting opportunities for joint farming by at least two related farmers. Also, the law contains tax breaks for beekeepers with a view to helping protect biodiversity, the statement said.

91 CORONAVIRUS FATALITIES, INFECTIONS UP 5,203

Fully 91 Covid patients, mostly elderly and suffering from an underlying illness, have died in the past 24 hours and coronavirus infections have risen by 5,203 to 152,659, koronavirus.gov.hu said on Tuesday. Altogether 3,281 Covid patients have died since the appearance of coronavirus in Hungary, while 34,185 have made a recovery. There are currently 115,193 active infections and 7,477 patients are in hospital, 576 on ventilators. Fully 35,042 people are in official home quarantine, while the number of tests stands at 1,388,132. Most infections have been registered in Budapest (36,137), followed by Pest County (19,821), and the counties of Győr-Moson-Sopron



(10,895), Borsod-Abaúj-Zemplén (8,766), Szabolcs-Szatmár-Bereg (8,216) and Hajdú-Bihar (7,705). Tolna County has the fewest infections (2,060).

On November 10, 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. Family and private events including birthday celebrations can be held with a maximum of ten people attending. Funerals can be held with not more than 50 people in attendance. The government has asked religious communities to make sure their conduct during ceremonies aligns with general coronavirus safety rules.

From Monday, soldiers are helping the police in carrying out their duties in public areas. Soldiers have also been assigned to help out staff in 93 hospitals around Hungary.

SOCIALISTS, PÁRBSZÉD CALL ON GOVT TO 'STOP PUNISHING' LOCAL COUNCILS WITH TAXES

The opposition Socialists and Párbeszéd called on the government on Tuesday to "stop punishing" local councils with taxes in the current pandemic situation and return the resources withdrawn from them. Socialist board member and Deputy Mayor of Budapest Kata Tüttő told an online press conference that local municipalities were having an extremely difficult year, with falling revenues and increased tasks caused by the novel coronavirus. She accused the government of "shooting Budapest in the stomach" by imposing a special tax on the water pipe network. She called on the government to stop taking money away from local governments in order to spend it on building another stadium. The

government's more than 300 state secretaries should instead work hard to ensure that the 2,500 billion forints (EUR 7 billion) offered by the European Union for businesses and people hit by the crisis is received by Hungary, she added.

Socialist MP Sándor Szabó said the government was "waging a campaign against local councils" and cited the example of Szeged in southern Hungary which lost 8 billion forints in revenues this year, saying that government measures prevented the city from receiving half of this amount. Socialist MP László Varga said the city of Miskolc in north-eastern Hungary had lost 7 billion forints this year, including 450 million forints resulting from the transfer of vehicle registration tax revenues from the local government to the central budget.

Tamás Mellár of Párbeszéd cited the city of Pécs in southern Hungary which he said had lost 1 billion forints during the first wave of the pandemic and another 500 million forints during the second wave.

HUNGARIAN ARMY BUYS EMBRAER AIRCRAFT

The Hungarian army is purchasing two KC-390 military transport aircraft from Brazilian aerospace manufacturer Embraer, the secretariat of government commissioner Gáspár Maróth said. Representatives of the two partners signed the sale and purchase agreement on Tuesday, the statement said. The airplanes, which are capable of carrying

up to 23 tonnes of cargo, will arrive in Hungary in 2023-2024, the statement added. The transaction will complement the A319 and Falcon 7X aircraft, capable mainly of personnel transport, which were acquired in 2018, Maróth said in the statement. Embraer Defense and Security chairman-CEO Jackson Schneider noted that Hungary is the second European and NATO member country after Portugal to buy KC-390s.

**HUNGARY CBANK KEEPS
BASE RATE ON HOLD**

Hungarian rate setters on Tuesday kept the base rate at 0.60%, while they also left the interest rate corridor unchanged, the National Bank of Hungary said on Tuesday. In a statement released after the meeting, the council said it had performed a “technical revision” of its quantitative easing programme, pointing out that the stock of government securities on the NBH’s balance sheet had risen by more than 700 billion forints (EUR 1.95bn) since May 2020. The council noted that it has proceeded with the

programme without setting a total amount and said the next technical revision will be performed when the stock reaches 2,000 billion forints. The NBH will use the QE programme “to the extent and to the time necessary”, the council said, adding that its implementation will be “continuously monitored”. The council also decided to add another 1,000 billion forints to the original 1,500 billion forint allocation for the Funding for Growth Scheme Go!, noting that utilisation of the programme exceeded 1,000 billion forints by mid-November. FGS Go! “plays a key role in mitigating the adverse economic effects of coronavirus”, the council said, adding that 15,000 companies have availed of the programme’s cheap credit since its launch in April.

**NEW FUNDING AVAILABLE
UNDER HUNGARY-CHINA
JOINT R&D INITIATIVE**

Hungarian and Chinese government agencies fostering joint research and development projects have

opened up the latest phase in funding, focusing on areas such as health care and digitalisation. So far joint R&D projects have focused on biotechnology, materials science and energy, while the current call for bids builds on and complements areas where innovative solutions contribute towards handling today’s big challenges, Tibor Gulyás, a deputy state secretary for innovation said. The specified areas are epidemiology, neuroscience, physics and artificial intelligence.

The National Office for Research, Development and Innovation (NKFIH) and its Chinese partner, the Ministry of Science and Technology, have been encouraging R&D cooperation based on a bilateral science and technology pact concluded in 2002, according to an innovation and technology ministry statement on Tuesday. The latest tender finances Hungarian players that show promising joint initiatives with Chinese researchers and enterprises. Applications can be submitted by February 12, 2021.

