# HUNGARY

OCTOBER 8, 2021 AFTERNOON ISSUE

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#### **HUNGARY 'MUST STICK TO UTILITY PRICE CUTS'**

The Hungarian government must stick to its utility price cuts, Prime Minister Viktor Orbán said.

In his regular interview to public broadcaster Kossuth Radio, Orbán said several European countries were facing utility crises because "Brussels bureaucrats" believed rising utility prices were the way to transition to renewable energy sources. "They're deliberately raising the prices," Orbán said, adding that views on the issue were divided along political lines, and that Hungary's left wing wanted utility prices to be set by the market. If the government had accepted the energy prices favoured by the previous Socialist-liberal governments, an average family would be paying over 360,000-370,000 forints (EUR 1,000-1,031) more in utility costs annually, he said. Orbán said that unlike the government, Brussels believed that if utility prices are raised, economies could be forced to transition to greener energy sources. Hungary, Poland and the Czech Republic have put forward several proposals aimed at reducing utility prices, he said, adding that the issue must be discussed again at the next EU summit in two weeks' time.



#### ORBÁN ANNOUNCES SOCIAL, CULTURAL SECTOR WAGE HIKES

Hungary's nurses will receive a wage hike of 21% from January next year, while crèche workers and employees in the social and cultural sectors will see their salaries rise by 20%, Prime Minister Viktor Orbán said on Friday. In his regular interview to public broadcaster Kossuth Radio, Orbán said economic activity in Hungary had returned to pre-pandemic levels, giving the government an opportunity to enact measures that had not been possible until now. The prime minister noted that Hungary's pensioners will each receive a bonus of 80,000 forints (EUR 223), while families will receive refunds of their 2021 personal income tax payments. The government's personal income tax exemption for Hungarians under 25 will benefit around one million people, Orbán said. He also said the government was "fighting" to restore the 13th month pension in one go next year. The conditions for this are not yet in place, "but if everyone in the country does their job well over the coming months, it will be possible", he added. Orbán said that if the monthly minimum wage is raised to 200,000 forints, it would be higher than the average wage had been under the previous Socialist-liberal governments.

Meanwhile, he said the teachers' unions were right to be demanding higher wages, given that they were the

first sector to receive significant wage hikes around 2013-2014. However, taking inflation and the pay rises in other sectors into account, "they have now fallen down the order". "This isn't fair and the teachers are right to demand wage hikes," he said. Orbán said teachers could receive a wage hike of 10% next year and a more significant hike in January 2023 if the economy continues to perform as it has.

The prime minister said that although the Hungarian economy was in good shape, the public debtto-GDP ratio was between 75 and 80%. "When a country's public debt is between 75 and 80% of GDP, then it's on thin ice even if the economy is performing well," he said. "We have to be very careful here, because a flawed economic policy decision or poor timing could cause that ice beneath us to break." Orbán said the wage hikes and revenues resulting from the economy's strong performance needed to be used in a way that allowed the government to reduce the public debt and bring it back to around 50%.

#### ORBÁN: DELAY IN EU RECOVERY FUND PAYMENTS 'UNFAIR'

Prime Minister Viktor Orbán, in a regular interview with public broadcaster Kossuth Radio, said it was "unfair" that Hungary had still not received the funds it was entitled to from the European Union's post-pandemic recovery package. "This means that there's not a level playing field," he said. Orbán said the EU was making the transfer of funds conditional on Hungary allowing LGBTQ activists into schools. "Fortunately the Hungarian economy is performing well, and we don't want to accept the money at the cost of ceding our right to our children's sex education," Orbán said. "We are entitled to this money, it's just that this disagreement is causing a delay in the payments."

Meanwhile, Orbán said he will receive his Covid booster jab next week and advised Hungarians to also get their third jab. Given that the coronavirus is still new, no one knows anything certain about it, but several variants of it have already been identified and more are likely to emerge, he said. "But what all doctors are certain of is that the vaccine works and it's preferable to get a booster shot," Orbán added.

He said that despite not having received a Nobel Prize for her work with mRNA technology, Hungarian biochemist Katalin Karikó "is our hero and she saved millions of lives". "This may not be deserving of a Nobel Prize, but she has done heroic work and we are very proud of her," Orbán said.

#### SZIJJÁRTÓ: HUNGARY-SPAIN TIES REST ON MUTUAL RESPECT

Relations between Hungary and Spain can be characterised as resting on mutual respect, Foreign



Minister Péter Szijjártó said in Madrid after talks with José Manuel Albares, his Spanish counterpart. A social democratic government in the Mediterranean region and a conservative, civic government in central Europe naturally have differing views on relatively many issues, primarily in the area of social policy, Szijjártó said. "We are however in agreement that we will focus on issues we agree on and which serve both nations' best interest," he said. The two countries will in this spirit continue to strengthen economic cooperation in the area of car manufacturing with a focus on Spanish companies that are important suppliers in the Hungarian market, Szijjártó said.

The minister said there were common European Union-related issues Spain and Hungary could work together on in the coming years. These include the bloc's enlargement in the Western Balkans which both Budapest and Madrid supports, he said. They also agreed that the situation in regions south of the bloc needed to be monitored closely, given the importance of stability and security in north Africa, he added.

Szijjártó said they both supported free trade and agreed that the EU should conclude as many free trade agreements as possible. He said that cohesion policy and the common agricultural policy were important EU policies for both countries and they would jointly

endorse maintaining them. He said they also discussed the coronavirus pandemic and agreed that it highlighted the need for closer cooperation within the EU in health care, as "the pandemic is an attack on the whole world, including Europe". "If we have no clear strategic cooperation in the EU, our response will be less effective," Szijjártó said. The minister noted that Hungary will be in a "trio of EU Council presidencies" with Spain and Belgium. He said he agreed with his Spanish colleague to start preparing for their upcoming presidencies together as soon as possible. Spain will be EU Council president in July-December 2023, followed by Belgium and Hungary in 2024.

#### HUNGARY TO SEND 1,000 BOXES OF FAVIPIRAVIR TO ROMANIA

The Hungarian government will send 1,000 boxes of the antiviral drug favipiravir to Romania early next week to assist the neighbouring country's coronavirus pandemic defence efforts, the foreign minister said on Friday. "The fourth wave of the pandemic is, no doubt, here. Those who have not been vaccinated will easily get into trouble, as it has been the case around the world," Péter Szijjártó said on Facebook. "Countries with a low vaccination rate are facing more serious problems." In Romania "everything is happening

all at once", Szijjártó said, referring to the most recent hospital fire. He said Hungary aimed to provide help to its neighbours and is in regular contact with Hunor Kelemen, Romania's deputy prime minister. Consultations on further help will be continued, the minister said. "In a first step, we will send 1,000 boxes of favipiravir early next week. This medicine can help prevent or treat serious symptoms," Szijjártó said, adding that effective pandemic protection efforts in neighbouring countries would also benefit Hungary.

#### SZIJJÁRTÓ: HUNGARY-ANDORRA COOPERATION GAINING MOMENTUM

Cooperation between Hungary and Andorra has been gaining momentum in recent years and the two countries support each other in international organisations, particularly on the issues of minority protection and sovereignty on taxation, Foreign Minister Péter Szijjártó said in Andorra on Friday. Hungary and Andorra can rely on each other's support in international organisations, the foreign ministry cited Szijjártó as saying at a joint press conference with his Andorran counterpart Maria Ubach Font. This, Szijjártó said, was especially important "in the midst of structural disputes even on fundamental values".

Szijjártó said Andorra had always supported Hungary when it came to the protection of national minorities,



which he said was "a highly sensitive issue for the government given the millions of Hungarians living beyond the border". "This is especially important at a time when Brussels practically slammed the door on national minorities by ignoring the Minority SafePack initiative and when we're seeing a systemic restriction of the rights of ethnic Hungarians in Ukraine, a neighbouring country," Szijjártó said.

He said both countries had an interest in keeping corporate taxes low with a view to creating and preserving jobs and promoting investments. This was why, he said, both Hungary and Andorra rejected tax harmonisation. Szijjártó said the issue of the global minimum corporate tax demonstrated why it was worth fighting for national interests and engaging in debates, noting that a compromise was emerging in that matter that could be manageable for the Hungarian economy.

Szijjártó also said that Hungary and Andorra signed an agreement on avoidance of double taxation and prevention of tax evasion, which he said would contribute to greater financial security, predictability and the strengthening of mutual investments. He urged the signing of an association agreement between Andorra and the European Union, saying that the EU could only be strong if it gathers allies. Szijjártó also met with Andorran Prime Minister Xavier Espot in the morning on Friday.

#### GULYÁS: MORE AT STAKE AT NEXT YEAR'S ELECTION THAN EVER BEFORE

More is at stake in next year's general election than ever before, the prime minister's chief of staff told locals at a campaign stop in central Hungary on Thursday. Gergely Gulyás said at the event in Szolnok that the election would decide whether or not voters could protect the achievements made by the government and citizens over the past decade and as well as whether their interests would continue to be represented in Europe. If Hungary's left wing resumes power, "we could end up in the same situation as in 2006 and the years that followed," he warned. More than six months ahead of the elections, all polls show that "the civic side" represented by Fidesz and its Christian Democrat ally "is stronger than ever", he said, adding that this was despite an opposition that had joined forces "from the extreme right to the extreme left; from the Nazis to the Communists." Gulyás said that at the same time "the enemy must always be taken seriously, even when many of its actions are foolish". It must be made clear what voters can expect from the current cabinet and what they can expect from a left wing that has no consensus about anything except that it wants to grab power, he added.

### HUNGARY RECORDS SIXTEEN COVID DEATHS, 774 NEW INFECTIONS

Sixteen patients died of a Covidrelated illness during the past 24 hours, while 774 new coronavirus infections were registered, koronavirus.gov.hu said on Friday. So far 5,905,837 people have received a first jab, while 5,674,182 have been fully vaccinated. Fully 877,000 Hungarians have received a booster jab. The number of active infections stands at 9,121, while hospitals are treating 650 Covid patients, 100 of whom need respiratory assistance. Since the first outbreak, 827,410 infections have been registered, while fatalities have risen to 30,275. Fully 788,014 people have made a recovery. There are 8,006 people in official quarantine, while 7,032,329 tests have been officially carried out.

### HUNGARY INFLATION 5.5% IN SEPTEMBER

Hungarian inflation was an annual 5.5% in September, the Central Statistical Office (KSH) said on Friday. CPI was driven by higher cigarette, spirits and vehicle fuel prices, with spirits and tobacco prices rising 11.2%, lifted by a 17.8% increase in tobacco prices. Prices in the category of goods that includes vehicle fuel grew by 9.8%, as vehicle fuel prices jumped 21.6%. Food prices were up by 4.4%, household energy prices edged 0.6%



higher, consumer durable prices rose by 5.1% and clothing prices increased by 0.5%. Service prices rose by 3.2%. Core inflation, which excludes volatile food and fuel prices, was an annual 4.0% in September. CPI calculated with a basket of goods and services used by pensioners stood at 5.0%. In a month-on-month comparison, inflation was 0.2%.

## EXPORT GROWTH SLOWS IN AUG AMID AUTOMOTIVE INDUSTRY SHUTDOWNS

Hungary's export growth slowed further in August as shutdowns because of supply chain interruptions caused output of the automotive industry to fall, a first reading of data released by the Central Statistical Office (KSH) on Friday shows. Exports rose by an annual 5.2% to 8.404 billion euros. The pace of growth was halved from July. Imports climbed 16.0% to 8.871 billion euros, giving Hungary a rare trade deficit of 467 million euros.

#### HUNGARY BUDGET DEFICIT HUF 2,292 BN AT END-SEPT

Hungary's cash flow-based budget deficit, excluding local councils, was 2,292 billion forints (EUR 6.39bn) at the end of September, widening on stimulus measures, the finance ministry said in a preliminary reading of data on Friday. The central budget ran a 2066.7 billion forint deficit at the end of September, the social insurance funds were 253.9 billion forints in the red, and the separate state funds had a 28.6 billion forint surplus, the ministry said. The deficit widened by HUF 391.3bn from a month earlier. The ministry noted that expenditures during the period included 172.9 billion forints for road developments, 143.5 billion for public transport programmes and 134.5 billion forints were spent in the framework of the Hungarian Villages Programme. Subsidies to boost competitiveness came to 94.7 billion forints, spending on tourism developments came to 72.9 billion, railway developments got 60.2 billion forints and national farm subsidies added up to 52.4 billion forints.

#### POLICE RAISE CHARGES AGAINST HUNGARIAN SUSPECT WHO OFFERED BANK CARD DETAILS ON DARK WEB

Police have wrapped up an investigation into a 33-year-old Hungarian man who is suspected of trading in bank card data on the dark web. The man known as G. Adriaán, who lives in the western Hungarian city of Győr, obtained the data of 7,844 bank cards, most of them issued by foreign banks, as well as PayPal account data, and offered them for sale on the dark web, the National Office of Investigations said on police.hu on Thursday. Police working in cooperation with Europol carried out a search of his house and have raised charges. The man is also thought to have personally used the illicitly gained data to make online purchases.



