

PHOTO OF THE DAY



Jubilee Mindszenty pilgrimage in Budapest

MTI/Márton Mészáros

UPCOMING EVENTS

Events related to war in Ukraine

TOP STORY

GOVT TO EXTEND PRICE CAPS

Hungary's government has decided to extend the price caps on basic foodstuffs and fuel, the prime minister's chief of staff said over the weekend.

The freeze on retail mortgage rates, which was set to expire on Dec. 31, will also be extended by at least six months, Gergely Gulyás told a regular press briefing. The government is doing everything in its power to ensure that the economic situation allows for these measures to be prolonged and for utility bills to be kept low, Gulyás said, calling the measures "the biggest family support scheme in Europe". He also said that if the war in Ukraine ended or if the European Union were to lift the energy sanctions on Russia, the prices of oil and gas would "go down by half the next day". Gulyás said the war and the related sanctions had led to "a brutal rise in energy prices", which had caused inflation, particularly in the price of food products. This has in turn led to soaring fuel prices, he added. Gulyás noted that the government had introduced measures as early as last autumn to shield Hungarian families from price increases. He said the price caps needed to be extended because "as long as the sanctions are in effect, there is no realistic chance of the situation improving".

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GULYÁS: PROPOSALS AIMED AT ENDING EU CONDITIONALITY PROCEDURE TO BE SUBMITTED TO PARLT NEXT WEEK

The government will next week submit to parliament its proposals needed to end the procedure regarding the conditionality mechanism which links European Union funding to the rule of law, the prime minister's chief of staff said. Hungary has been conducting intensive negotiations with the European Commission over several months and there are no more unresolved issues, Gergely Gulyás told a regular press briefing. The government has accepted several of the EC's recommendations, Gulyás said, adding that the two sides had compromised on the proposals Hungary could not accept. The cabinet discussed and approved these proposals at its Saturday meeting and will submit them to parliament next Monday and Friday, Gulyás said. The laws in question will enter into force in November, paving the way for the end of the conditionality procedure, he said. The series of talks held between Hungary and the commission over the last two months can be considered "a step from mutual distrust towards mutual trust", Gulyás said. He urged lawmakers to approve the proposals so that the conditionality procedure could be concluded. Talks are also ongoing on the post-pandemic recovery fund

and the partnership agreement on the operative programmes of the EU's next seven-year budget, Gulyás noted.

GOVT ANNOUNCES SUPPORT SCHEME FOR ENERGY-INTENSIVE SMES

Hungary's government has approved a support scheme for energy-intensive small and medium-sized businesses, Márton Nagy, the minister for economic development, said over the weekend. The scheme, which will run from Oct. 1 until the end of 2023, is aimed at supporting operating costs and investments, Nagy told a government press briefing. As regards the operating cost support, Nagy said the state will cover 50% of the increase in the electricity and gas bills of energy-intensive manufacturing SMEs. The government is also launching a programme to support investments aimed at improving energy efficiency, Nagy said. SMEs will receive a maximum 15% subsidy on their own resources in order to maintain their long-term competitiveness, he said. Meanwhile, Nagy said SMEs are being asked to keep at least 90% of their staff employed until the end of 2023.

The government on Saturday also discussed a scheme to save factories and a new job protection action plan, he said, adding that these will be finalised over the coming weeks. The scheme will support investments aimed at improving energy efficiency in large energy-intensive factories, he said. Nagy said the programme may

affect about 10,000 small or medium-sized enterprises in 116 energy-intensive sectors. The government seeks to help SMEs remain viable and competitive even after the energy crisis and retain their workforce, he said. The minister said he had also supported the proposal for extending the price caps at the cabinet meeting, even though he maintained the position that these measures are not normal interventions in the market. He added, however, that the current market conditions are far from normal either as Hungary is amidst an energy crisis aggravated by sanctions, with inflation imposing a growing burden on families. Citing the central bank's forecast, Nagy said the rate of inflation would continue to increase in the coming months and only start to decrease next year. In view of the coming winter, phasing out price caps would make no sense, Nagy said. He added, however, that "price caps will not stay with us forever, we must get rid of them sooner or later". Meanwhile, he said the United States was one of the biggest winners of the sanctions imposed on Russia. The US price of gas is merely the sixth of the EU and Asian level, with the energy costs of US companies remaining by and large unchanged over the past year or two, he said.

GULYÁS: GOVT'S PLANNED BUDAPEST HEALTH-CARE INVESTMENTS NOT CANCELLED

Gergely Gulyás, the prime minister's chief of staff, told a press briefing over

the weekend that the government had not cancelled, merely postponed the start of its major health care-related investment projects in the capital, including the construction of a central hospital in southern Buda and the upgrade of the St. János Hospital. In response to another question, he said the government's intentions regarding the takeover of Liszt Ferenc International Airport had not changed. On another subject, he said the government will raise the wages of teachers once Hungary is given access to the EU funds it is entitled to. He said the government was also expected to approve a proposal that requires primary schools to limit their heating to 20°C and secondary schools to 18°C. Asked about government support for the utility bills of health institutions, Gulyás said that no hospitals or clinics would close because of utility costs. Meanwhile, he said the government would also approve a measure that will increase lignite production. He said Hungary has enough gas storage at present to cover 89 winter days.

Concerning Democratic Coalition (DK) MEP Klára Dobrev's decision to form a shadow cabinet, Gulyás said ruling Fidesz had been correct when it said that the "true leader of the left" was DK leader and Dobrev's husband, Ferenc Gyurcsány. There has not yet been an attempt to set up a shadow cabinet in Hungarian politics, "but there's already a shadow prime minister: Klára Dobrev, because it's actually Ferenc Gyurcsány who's controlling their executive branch", Gulyás said.

Meanwhile, Gulyás denied as "untrue" press reports that Prime Minister Viktor Orbán had raised the possibility of reviewing Hungary's EU membership in 2030 at an annual civic event held in Kötcse, in western Hungary. The government has always found that the advantages of Hungary's EU membership outweigh its disadvantages, mainly because of the common market, he said. Commenting on reports of opposition parties and politicians receiving funding from abroad, Gulyás said every such case would have to be investigated, adding that the ban on such financing needed to be respected by everyone. As regards abortion, he said the government has not tightened the relevant law in any way and women remained free to make their own decision in the matter. Gulyás said the government had approved provisions put forward by the College of Health Care Professions, adding that this did not impact women's freedom of choice.

EC PROPOSES SUSPENDING FUNDS TO HUNGARY

The European Commission has proposed suspending a part of the EU funds allocated to Hungary over concerns about their mismanagement. Johannes Hahn, the Commissioner for Budget and Administration, told a press conference on Sunday that the EC was proposing to the European Council a suspension of

65% of cohesion funds due to Hungary, amounting to an estimated 7.5 billion euros. The council will now have one month to approve the commission's proposals with a qualified majority, which can be extended by a further two months under special circumstances. According to the EC's press release, Hungary has committed to fully inform the commission about the implementation of its remedial measures by Nov. 19. Hahn said the EC had taken a unanimous decision on the next step in the procedure regarding the conditionality mechanism which links EU funding to the rule of law. "This is the first case ... which ... aims at protecting the financial interests of the Union," the commissioner said.

Hahn said the EC's decision had been based on the intensive dialogue conducted between Hungary and the commission over the last several months, which had led to Hungary committing to several remedial measures to address the commission's concerns. The commission assessed the measures put forward by Hungary to determine whether they will put an end to the breaches of the rule of law and/or the EU's financial interests as well as the identified risks to the EU budget, he said. It concluded that the proposed remedial measures "could in principle be capable of addressing the issues described in the notification, if they are correctly specified in relevant laws and rules, and implemented accordingly", Hahn said. However, until the key steps are implemented, "the Commission's assessment is that a risk

for the budget at this stage remains”, he said, adding that the EC’s decision takes into consideration the remedial measures proposed by Hungary.

NAVRACSICS: EC’S DECISION PAVES WAY FOR SWIFT CONCLUSION OF TALKS ON FUNDS

Tibor Navracsics, the minister in charge of the uptake of European Union funds, on Sunday welcomed as “progress” the European Commission’s decision on EU funds allocated to Hungary, saying it would allow for a swift conclusion of the talks on the post-pandemic recovery fund and cohesion monies. Navracsics told a press conference that the government was hopeful that negotiations could be concluded by the end of the year. Because the government intends to fulfil the commitments it made during the procedure regarding the conditionality mechanism linking EU funding to the rule of law, the sanctions proposed by the commission “are of secondary importance”, as “their approval cannot happen”, Navracsics said. He said the EC’s Sunday decision marked the end of the months-long talks on the conditionality mechanism procedure, which meant that no further criteria could be set for Hungary. Talks will, however, continue on the implementation of the measures Hungary has committed to, the minister said, noting that he will next meet with European Commissioner for Budget and Administration Johannes

Hahn on Wednesday. Navracsics noted that the government will submit the related legislative proposals to parliament on Monday and Friday.

Detailing the government’s commitments made to the EC, Navracsics mentioned the establishment of an anti-fraud “integrity authority” to oversee public procurement procedures using EU funds. Its head will be chosen by independent experts through an open application process, he said, adding that the authority could begin its work in the second half of November. Hungary has also promised to set up an anti-corruption working group that will be independent of the government and will be tied to the integrity authority, he said. The government will further strengthen anti-corruption systems, he said, noting changes to be made to the asset declaration system. Rules on conflicts of interest when it comes to foundations managing assets of public interest will also be tightened and be based on EU regulations, Navracsics said. Hungary’s commitments, he noted, also include ensuring legal remedy against the prosecutor’s decisions in corruption cases.

Navracsics said Hungary had begun implementing its remedial measures as early as last month in the interest of speeding up the process. He said that though there had been some distrust between Hungary and the commission at the early stages of the talks, cooperation between them had been normalised by the end of the

process. Navracsics said he believed it was possible that the EC itself would be the one to announce that Hungary had fulfilled its commitments, and move to end the conditionality procedure.

The European Commission on Sunday proposed suspending a part of the EU funds allocated to Hungary over concerns about their mismanagement.

PRESIDENT NOVÁK LEAVES FOR LONDON TO ATTEND QUEEN’S FUNERAL

Hungarian President Katalin Novák left for London on Sunday to attend the funeral of Queen Elizabeth II. “I am leaving for London with my husband, István, to pay my last respects at the queen’s bier on behalf of the Hungarian nation, and attend her funeral service along with world leaders tomorrow,” the president wrote on Facebook. Novák said that although she had never got the opportunity to meet Elizabeth II in person, she respected her for her attitude, wisdom and service of her nation. The Queen died on September 8 at the age of 96 at her summer residence of Balmoral Castle in Scotland after 70 years on the throne.

SZIJJÁRTÓ: HUNGARY SENDING 11,700 VACCINES TO MONTENEGRO

Hungary is sending 11,700 doses of coronavirus vaccine to Montenegro, the minister of foreign affairs and

trade said on Sunday. Due to the war in Ukraine there is much less talk about the pandemic nowadays but “coronavirus is still with us” and several countries are facing difficulties in access to vaccines, Péter Szijjártó said on Facebook. Some countries have requested assistance from Hungary and “we help those we can”, he said. The minister noted that the government had sent 41,000 doses of the Pfizer vaccine to Transcarpathia last week. Szijjártó said it is Hungary’s vested interest that there should be peace, stability and development in the Western Balkans, adding that the current vaccine shipment might contribute to that.

DOBREV: ‘CRISIS WILL LAST AS LONG AS ORBÁN IS IN POWER’

The cost-of-living crisis hitting Hungary has been caused first of all by Prime Minister Viktor Orbán, MEP Klára Dobrev of the opposition Democratic Coalition (DK) said on Sunday. “This crisis will last as long as Orbán remains in power,” she said in her first speech delivered as Hungary’s shadow prime minister. She said her party had formed a shadow cabinet as “Hungary is now farther from Europe than ever over the past thirty years. The crisis is deepening day by day and what we are witnessing is the beginning of collapse. If we fail to take this step now, it will be more difficult later.” Orbán has had “absolute power” for 12 years and during this

period he has always blamed others for Hungary’s ills, Dobrev said. Now he attributes all problems to the war in Ukraine, she added. The war, however, cannot explain that Hungary’s rate of inflation is twice that of the other European countries. Nor can it explain the weakening of the forint, the sharp increases in public utility costs, or the dramatic decline in the standards of health care and education, Dobrev said. “The answer is very simple: what the prime minister says is untrue,” she said, insisting that Orbán was hiding behind the war to avoid being blamed for what was happening in the country. The long-awaited peace, however, will not bring the life for Hungarians what they would otherwise deserve; it would not lead to improvements in health care and education, to higher wages and pensions, Dobrev said. She blamed Orbán rather than the war in Ukraine for the European Commission’s Sunday proposal for suspending a part of the EU funds allocated to Hungary.

In her view, the prime minister deceived the whole nation over the past 12 years and during the election campaign when he promised security. “He has deceived the nation, his own electorate, and lied about his plans and goals,” she said. Hungary has no access to the recovery funds as the EU no longer trusts Orbán, and sees no guarantee for the money granted to Hungary not to be stolen, Dobrev said. In her view, Hungary could more easily reach an agreement with the European Union, stabilise its economy and the forint and curb inflation if

Orbán was out of office by tomorrow. Calling the Orbán government the source of all ills, Dobrev said that DK had formed a shadow cabinet to be prepared for governing the country. She insisted that every possible effort should be made to pave the way for the soonest possible collapse of Orbán’s government. “There is no life for Hungary outside the European Union,” Dobrev said, adding that the country’s exit from the 27-nation bloc would bring about a euro exchange rate of over 500 forints per euro, bankrupt farms, huge unemployment, a lasting rate of inflation over 30%, travel restrictions and misery.

JUSTICE MIN: EP SHOULD FOCUS ON REAL PROBLEMS

The European Parliament should focus on real problems, Justice Minister Judit Varga told Portuguese daily *Diário de Notícias*. In an interview with the paper published online on Saturday, the minister branded the European Parliament’s recent rule-of-law report saying that Hungary was no longer a full democracy but rather an “electoral autocracy” as “nonsense”. “The European Parliament is, by definition, a political institution, therefore it operates with majorities of political ideologies,” Varga said. “There was a similar report four years ago and now, four years later, we have this one. Their political mission is to carry out a witch hunt against a country which doesn’t accept having its political ideology determined by the European Parliament.”

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“We are members of the European club, but national interests take priority for us,” the minister said. Varga noted that times were tough, with energy prices soaring, a war going on in Hungary’s neighbourhood and “a recession on the horizon”. “The European Parliament should therefore deal with the real problems,” she said. “You can’t cry wolf for 12 years. This Hungarian government came to power in 2010 and has been working in the interests of the Hungarian people ever since.” Varga said the government’s opponents would not be satisfied “until there’s a liberal government in power in Hungary”. She said the EP did not respect freedom, democracy or human dignity, and was disrespectful of the Hungarian people.

Meanwhile, the minister said Hungary was engaged in “very constructive talks” with the European Commission about “real issues”. She agreed that it was unfair to make the payout of post-pandemic recovery funds conditional on the respect for the rule of law. The European budget has nothing to do with how people raise their children or what they think about immigration, the minister said. “There should not be conditions just because we have a different mindset in relation to family policy,” Varga said. “I believe the Commission is part of the

solution, and the European Parliament is doing its political work.”

FIDESZ: BRUSSELS FAILING TO LIVE UP TO PROMISES ON SANCTIONS

When Brussels approved the sanctions against Russia this past summer, “this was not what they promised”, ruling Fidesz’s parliamentary group leader said on Sunday, adding that Europeans had been “deceived”. In addition to this being an economic problem, it is also a moral and political one, Máté Kocsis told public broadcaster Kossuth Radio. The European Union is facing a level of inflation not seen in decades, he said. This has a serious effect on the bloc’s eastern and southern member states, including the central European Visegrad Group, he said, adding that inflation, rising energy prices, the war in Ukraine and the related sanctions were all closely linked. “The Brussels elite even fails to realise that the sanctions have made Russia richer and Europe poorer,” Kocsis said. Rising energy prices have generated Russia 158 billion euros in revenues, half of which had been paid by the EU, he said. Kocsis said EU decision-makers had insisted that the sanctions would cause no harm to Europe, “yet Germany now has a foreign trade

deficit, which until now had only happened twice since the second world war”. In Hungary and other countries, the three to four-fold rise in energy prices has pushed inflation to 15-20%, he said. Concerning the government’s decision to extend the price caps on fuel and basic foodstuffs, Kocsis said that without the price caps, inflation could be up to 50% higher. These decisions protect the economy, businesses and the people, he added. European leaders, he said, should admit that the only solution would be to lift the energy sanctions.

NEARLY 15,000 REFUGEES ARRIVE FROM UKRAINE ON SATURDAY

Fully 6,931 people crossed into Hungary directly from Ukraine on Saturday, while another 7,949 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 277 people, ORFK told MTI on Sunday. Holders of such permits must contact a local immigration office near their place of residence within thirty days to apply for permanent documents, it added. Fully 155 people, 50 children among them, arrived in Budapest by train, ORFK said.