

## PHOTO OF THE DAY



MTI/Tibor Rosta

Renovated Slovak national minority country house inaugurated in Csorvás, in south-eastern Hungary

## UPCOMING EVENTS

**President Novák meets V4 counterparts in Bratislava**

**Stats office reports on Sept inflation**

**EU energy affairs ministers meet in Prague**

**War in Ukraine**

## TOP STORY

# ORBÁN: HUNGARY EMERGED STRONGER FROM CRISES

Since 2010, Hungary has emerged stronger from every crisis it has experienced, Prime Minister Viktor Orbán told an economic forum in Berlin on Monday.

Citing the global economic crisis of 2008, the migration crisis and the coronavirus pandemic, Orbán told the forum on Hungarian-German economic relations that there were political reasons for why Hungary had emerged stronger from every crisis. He said the debate on the global economic crisis in Europe had been about whether the crisis had been a structural or a cyclical one. Most European countries saw it as a cyclical crisis, he said, adding that "I never accepted this interpretation." The prime minister said he had considered the crisis to be structural in nature and one which had signalled that Europe would continually lose ground to Asia, including in terms of GDP, markets and technological competition unless it changed course. He said the answer to such a crisis was a deep structural reform, adding that his government had reformed the Hungarian economy accordingly after 2010. The Hungarian model is conservative when it comes to social policy and harkens back to the era of former German chancellor Helmut Kohl, he said.

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## **ORBÁN: TALKS WITH SCHOLZ 'FRUITFUL'**

Prime Minister Viktor Orbán met German Chancellor Olaf Scholz before addressing a forum focusing on Hungarian-German economic relations. Orbán said he had held "fruitful talks" with Scholz, adding that "every difficult and complicated issue" had been discussed during the two-hour meeting, and that "everyone can be satisfied" with its outcome. Orbán noted that he visited the chancellor and representatives of the German business community every two years.

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## **ORBÁN: SINGLE MARKET COULD COLLAPSE IF HUNGARY DOESN'T PROTECT BORDERS**

If Hungary does not protect its borders, the European Union's single market could collapse, Prime Minister Viktor Orbán told a forum in Berlin on Monday. As Hungary is an open country, border defence should be an integral part of its economic policy, Orbán told the forum focusing on Hungarian-German relations. The prime minister said that in the period to come there would be a pressing need for political security, energy security and physical security. Political security is guaranteed by the government's stability, physical security by a number of factors, including the country remaining an island of peace, and energy security by

Hungary's gas reserves being sufficient for six months, Orbán said. "Those who cooperate with us will benefit from it," he said.

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## **ORBÁN: HUNGARY ECONOMY 'HOLDS NO SURPRISES'**

Prime Minister Viktor Orbán, addressing a forum on Hungarian-German economic ties in Berlin, said Hungary's economy held no surprises and the government had its medium and long-term plans mapped out for each sector. The Hungarian government has agreements in place with several German companies on cooperation in areas like telecommunications, digitalisation and the green transition, Orbán said. He said the foundations of Hungarian-German economic cooperation were not economic but cultural in nature. He said there was a "positive prejudice" towards Germany in Hungary, partly for historical reasons and partly because of Germany's cultural performance. The fundamentals of bilateral cooperation cannot be torn down by any kind of political campaign or economic disagreement, Orbán said. He noted that there are 6,000 German companies doing business in Hungary employing some 300,000 people. Hungary has the world's fifth most high-tech economy and ranks higher in terms of exports than the size of its population would suggest. Hungary is also among the world's ten most open economies in terms of exports

relative to GDP and is one of the ten most complex economies, he said.

Orbán said the biggest challenge today was the threat of recession in Europe partly because of rising energy prices. The main question, he said, was whether Hungary could weather the downturn on its own if the continent were to slip into a recession. Orbán said that to this end, Hungary needed to focus on developments, investments and innovation. It was because of this effort, he said, that the Hungarian economy is growing by 5-6% this year after expanding by 7% in 2021.

He said the Hungarian government envisaged a labour-based society at the centre of which is the family. Hungary spends the most relative to GDP on supporting families, he said, adding that the government financed families through work. Whereas in 2010 the employment rate in Hungary barely reached 50%, it is now around 75%, Orbán added. The government also builds on national pride and wants it to be based increasingly on performance, he said. "There's no multiculturalism in Hungary," Orbán said.

He said a low tax rate was a key element of the economic foundation of the Hungarian model. Hungary is the only country in the world with a flat personal income tax rate, there is no inheritance tax and the corporate tax rate is 9%, he said. Orbán said that when it came to equality, it was education and jobs where people needed to be given equal chances. "But when it comes to the output, or performance, we tend to favour differences," he added.

## **SZIJJÁRTÓ: COOPERATION WITH GERMANY CRUCIAL FOR HUNGARY'S ENERGY SECURITY**

Cooperation with Germany is crucial for Hungary's future energy security, with several German companies playing an important role in the upgrade of the Paks nuclear power plant, Péter Szijjártó, Hungary's minister of foreign affairs and trade, said in Berlin on Monday. The significance of bilateral economic cooperation has become even clearer over the past few years when the global economy was turned on its head twice, he said. "This cooperation has helped both economies survive the post-pandemic situation and shows a great deal of resilience amidst the difficulties caused by the war," he said. Szijjártó said the Paks plant, the capacity of which would be more than doubled, would have a crucial role to play in the security of Hungary's energy supply in the long term. The minister said that the block control unit of the facility will be supplied by a German-French consortium, involving Siemens. Szijjártó noted that the latest sanctions package of the European Union would not apply to nuclear projects so the companies in question can participate in the Paks upgrade. Concerning the Hungarian-German talks in Berlin today, he said that priority should be given to restoring peace in Ukraine as soon as possible because the war is waged in Hungary's neighbourhood,

and the consequences are very serious, whether it is the economy, energy supply or the wave of refugees. "The war should be stopped and peace restored as soon as possible. Otherwise things may take a very bad turn and this is a scenario that neither of us want," he said.

## **SZIJJÁRTÓ: HUNGARY KEEPING KYIV EMBASSY OPEN**

Despite renewed attacks on Kyiv, Hungary will "for the time being" keep its embassy in the city open and ready to receive people in need of help, Foreign Minister Péter Szijjártó said on Monday. The embassy is so far unscathed, and the employees are conducting their duties there, except for instances when they have to retreat to shelters for their own safety, the ministry cited Szijjártó as saying in Berlin. The embassy is working despite occasional interruptions of internet, phone and electricity services, Szijjártó said, adding that "we are in as constant a contact with the mission's staff as possible". The missile attacks hitting Kyiv and other Ukrainian cities on Monday morning show that the war is escalating, and that brokering peace should be the sole focus of diplomatic efforts, Szijjártó said, calling for an immediate ceasefire and peace talks. "Our stance that we are in the 25th hour to do something for peace was anything but exaggerated. Unless

peace efforts replace efforts to escalate [the situation], this could spell serious trouble," he said.

## **NÉMETH: RUSSIAN ATTACKS ON CIVILIANS 'UNACCEPTABLE'**

The Hungarian delegation of the Parliamentary Assembly of the Council of Europe (PACE) "considers the brutal Russian attacks targeting civilians and completely ignoring humanitarian rights unacceptable", Zsolt Németh, the head of parliament's foreign affairs committee, said on Monday. The Hungarian delegation of PACE joined a statement issued by the three leaders of the CoE condemning Monday's Russian air strikes on Ukrainian cities, Németh told MTI. CoE Secretary-General Marija Pejčinović Burić, PACE President Tiny Cox and President of the CoE's Committee of Ministers Simon Coveney said that such a serious violation of international law could not go unpunished.

Németh said one of the main topics of this week's PACE session in Strasbourg would be the preparation of the fourth CoE summit. The organisation last held a summit in 2005, but was urging another meeting in light of the war in Ukraine, he added. Németh said he had called for a report to be issued on the relationship between the CoE and the European Political Community (EPC) set up under the initiative of French President Emmanuel Macron earlier this year. He underscored the importance of

the CoE acting as a supplementary organisation to the EPC rather than as a rival. He said one of the CoE's long-term tasks in the coming period would be to support the Western Balkan countries in shaping their rule-of-law norms.

### **KARÁCSONY EXPRESSES SYMPATHIES TO KYIV MAYOR**

Budapest Mayor Gergely Karácsony has expressed his sympathies and solidarity to the mayor of Kyiv over Russian air strikes on the city on Monday. "I have expressed my sympathies and solidarity in a message to Vitali Klitschko, the mayor of Kyiv, after the Russian aggressors started bombing the city again," Karácsony said on Facebook. Several civilians were killed in the attacks, Karácsony said. "Even in a war there can be no excuse for such a heinous step which was clearly not directed at military or logistical targets," he added. Karácsony said he continued to trust that peace would be achieved, "meaning that the Russian invaders will pull out of Ukraine as soon as possible". The Ukrainian army said Russia launched 75 missiles on Ukrainian cities on Monday. At least eight people were killed and 24 injured in the air strikes on Kyiv, the authorities said.

### **SZIJJÁRTO: HUNGARY MUST CONTINUE TO PROVIDE MOST COMPETITIVE INVESTMENT ENVIRONMENT IN EUROPE**

Hungary must continue to provide the most competitive environment for investors in Europe, Péter Szijjártó, the minister of foreign affairs and trade, told a forum on German-Hungarian economic relations in Berlin on Monday. Although Europe is facing the threat of economic recession, the Hungarian government is not giving up its goal of maintaining the most competitive investment climate in Europe in taxation and other fields, Szijjártó told the forum held on the occasion of Prime Minister Viktor Orbán's visit to Berlin. In this spirit, the Hungarian government continues to reject the idea of the global corporate minimum tax, whose introduction would bring about a 6 percentage point increase in Hungary's corporate tax rate, he said.

Minister of Technology and Industry László Palkovics said that the government "really dislikes" the extra profit taxes and introduced them only out of necessity. He added that these taxes do not discriminate against foreign-owned companies and would be phased out as soon as possible.

### **KAJÁRI ENDS TERM AS KFOR HEAD**

Major General Ferenc Kajári of the Hungarian Armed Forces finished his one-year term as the commander of NATO's international peacekeeping troops in Kosovo (KFOR) on Monday. Kajári was the 26th head of the mission and the first Hungarian on the post. In an interview given to KosovaPress.com, Kajári said the situation was "calm" in the country, after protests in the north of Kosovo over the summer, where ethnic Serbs protested regulations making Kosovan license plates mandatory. The situation was defused thanks to the "responsible behaviour" of the Albanian and Serbian partners, he said. Belgrade and Pristina have been in talks to regulate issues between the two countries for years, Kajari said, calling on the governments to keep using those channels to avoid tensions "like the ones in July".

Earlier in the year, the war in Ukraine brought tensions, but those have also abated by now, he said. KFOR is monitoring the situation carefully, and has seen no signs of security risks resulting from the war in the country, he said. Kajári said KFOR had protected peace and security in Kosovo in the past year as it did under previous commanders. The command will be taken over by Major General Angelo Michele Ristuccia of Italy.

## **ORBÁN LAUNCHES OFFICIAL TWITTER ACCOUNT**

Prime Minister Viktor Orbán has launched an official Twitter account, his press chief Bertalan Havasi said on Monday. The prime minister's latest social media account can be accessed at @PM\_ViktorOrban. Information on Orbán's work and policies will be published in English on Twitter, primarily targeting the international public, he said.

## **GULYÁS: PROTECTING FAMILIES, BUSINESSES GOVT'S TOP PRIORITY**

Hungary's government considers its top priority this year to be protecting Hungarian families and businesses from the effects of the energy crisis triggered by the war in Ukraine and Brussels's flawed sanctions, the prime minister's chief of staff said on Monday. Responding to an open letter from Budapest Mayor Gergely Karácsony and other mayors, Gergely Gulyás said the government's utility bill support scheme saves families over 2 million forints (EUR 4,700) a year. It also helps big families with their heating bills and has capped firewood and lignite prices, Gulyás noted. Further, the government is preserving the value of pensions, has reintroduced the 13th month pension and is again giving a bonus to pensioners this year, he added. Concerning job protection, Gulyás

said the government has launched a support scheme for small and medium-sized companies in energy-intensive manufacturing segments. It is also working on a programme aimed at saving factories and is prepared to launch another job protection action plan if necessary, he said.

Gulyás said that in recent years, the left, Karácsony and his party as well as "the capital's representatives in Brussels" had consistently opposed nuclear energy. "They have also done everything they could in Brussels to thwart the upgrade of the Paks nuclear power plant which is key to energy security," he added. "Yet in their open letter to the prime minister they write about the extraordinary potential in electricity generated by the Paks plant and the cheap energy that can be harnessed from nuclear power," he added. Energy generated by the Paks plant covers around a third of Hungary's annual electricity consumption, he noted. The remainder of the country's energy needs are covered by other power plants and energy imports, he added. Therefore, the Budapest mayor's request for the Paks plant to supply electricity to local councils rather than households would bring about the end of the utility price cap scheme, which the government rejects, Gulyás said. He said the government would accept any contributions offered by the richest local councils -- including Budapest -- to the utility protection fund aimed at protecting families and jobs.

## **BAKONDI: ILLEGAL ENTRY ATTEMPTS EXCEED 200,000 THIS YEAR**

The Hungarian authorities have apprehended 201,486 illegal migrants at the country's border since the start of the year, the prime minister's chief security advisor told MTI on Monday. Commenting on fresh data released by the government, Gyorgy Bakondi noted a "dynamic" increase to 194,040 during the period of January and October 5 from 121,956 recorded for the whole year of 2021. The figures show that the current wave of migrants can be likened to the one in 2015, affecting not only the Hungarian-Serbian border but the entire route running through the Balkans, Bakondi said. "Many are arriving in Turkey from Iran and Syria while many set off in the direction of Greece, Bulgaria, Serbia and Croatia," he added. The chief security advisor called people smuggling "a very dangerous branch of organised crime". He noted that the Hungarian authorities detained 1,497 people smugglers in Jan-Oct this year, up from 886 during the same period in 2021. Bakondi said that refugees fleeing the war are also arriving in large numbers at Hungary's border crossings with Ukraine and Romania which he said was putting increased pressure on Hungarian authorities and the civil aid organisations. He noted that so far 948,038 refugees have received various forms of support including accommodation, hospital

care, food supplies and arrangements in travelling further.

### **OPPOSITION PARTIES CALL FOR AD HOC CTTEE TO INVESTIGATE GOVT 'UTILITY LIES'**

The opposition Párbeszéd, Momentum, Socialist and Jobbik parties called for setting up an ad hoc parliamentary committee to investigate "government lies" concerning utility and energy prices and the "chaos" caused by the energy crisis, at a joint online press conference on Monday. Bence Tordai, Párbeszéd's deputy group leader, said the government had failed to explain to Hungarians why their country "had sunk into such a deep energy and cost-of-living crisis" compared with other countries. He noted that in 2010 the Fidesz government had pledged in its election programme to reduce Hungary's energy needs and bring about a "green energy revolution". "What we have received instead was a utility lie," Tordai said, arguing that "energy was sold at much higher prices than the price paid for them in the markets".

Ferenc Gelencsér, Momentum's group leader, accused the Fidesz-KDNP government of "lying to the people in its latest election campaign about the good shape of Hungary's economy and fixed utility prices". The governing parties knew already in December last year that the utility price cap scheme would be impossible to maintain, but

lied to people just to stay in power," he said. The ad hoc committee should investigate why Hungary is most exposed to Russian gas imports among EU member states and why the government continues to prevent the use of renewable energy sources, Gelencsér said. The committee should also investigate why the government had supported sanctions against Russia if it disagreed with them, he added. György László Lukács, Jobbik's group leader, called for the committee to investigate "the truth about cheap Russian gas" and contracts concluded by the government. Imre Komjáthi, a lawmaker for the Socialists, said the party would use "all tools in parliament and outside" to give answers to the people why they must pay more in usage fees for the maintenance and operation of the energy system than for their energy consumption and why the usage fees have been increased by 80% as of October 1.

### **DK CALLS FOR SCHOOLS TO BE RETURNED TO LOCAL AUTHORITIES' SUPERVISION**

The opposition Democratic Coalition (DK) is proposing that the government return the supervision of schools, along with the funds needed for the task, to local authorities willing to shouldering it, the party spokesman said on Monday. "There is no teacher, student or parent who cannot see that state education has imploded," Balázs Barkóczi, the party's shadow education

and culture minister, told an online press conference. Besides a nationwide shortage of teachers, those still trying to teach "are threatened by the education district", he said, referring to strikes and protests nationwide. Local authorities would "take better care" of schools and teachers would feel safer "because they would not be subjected to the education district", he said.

### **LMP PROPOSES 'NATIONAL CONSULTATION' ABOUT RENEWABLES**

The government should ask people's opinion in a public survey about renewable energy sources that could help Hungary tackle the energy crisis and "free the country from fossil fuels", the deputy group leader of the opposition LMP party said on Monday. The energy crisis is caused by the country's dependence on fossil fuel imports, not by sanctions against Russia, Máté Kanász-Nagy told a press conference, referring to the government's "National Consultation" public survey launched last week on the sanctions which features a question on sanctions against gas. "Every measure that increases, and not reduces, our dependence on fossil fuels, will exacerbate the energy crisis," he said. People should therefore be asked about solutions such as the authorisation of wind energy use, abolishing the tax on the use of solar energy and the implementation of building insulation programmes, Kanász-Nagy added.

"Instead of preparing people for the energy and climate crisis, which had been foreseeable, the government has exposed them to it," he said. Kanász-Nagy regarded remarks made by two ministers in connection with the country's energy policy as "self-critical". He said that Finance Minister Mihály Varga had called gas imports "unsustainable" and the energy-saving programmes implemented in the past years "modest". Kanász-Nagy also noted that Technology and Industry Minister László Palkovics had advocated the use of "a more diverse energy mix" in Hungary "now, when the era of cheap gas is over".

## **BUDGET RUNS HUF 181 BN SURPLUS FOR SEPTEMBER**

Hungary's cash flow-based budget deficit, excluding local councils, had a 2,691.7 billion forints (EUR 6.3bn) deficit at the end of September, after running a 181.0 billion forint surplus for the month, the finance ministry said in a first reading of data on Monday. The full-year cash flow-based budget deficit target is 3,152.7 billion forints. The central budget deficit reached 2,773.0 billion forints at the end of September. The social security funds were 171.3 billion in the red, while the separate state funds had a surplus of 252.6 billion.

## **HUNGARY TRADE DEFICIT REACHES EUR 1.3 BN IN AUGUST**

Hungary had a 1.3 billion euros trade deficit in August, a first reading of data released by the Central Statistical Office (KSH) on Monday shows. The gap, a hair over the deficit in July, was the largest one in a string of consecutive deficits running for more than a year, an anomaly for Hungary, an export-driven economy where trade surpluses are the norm. Exports rose by an annual 37.1% to 11.466 billion euros, while imports increased by 40.6% to 12.765 billion euros. Trade with other European Union member states accounted for 75% of Hungary's exports and 69% of its imports during the month. For the period January-August, Hungary's exports increased by an annual 18.6% to 91.941 billion euros, while imports rose by 29.0% to 96.716 billion. The trade deficit reached 4.775 billion euros for the period.

András Horváth, chief analyst at Magyar Bankholding, blamed the swelling trade deficit on higher energy and commodities prices, noting that energy prices alone accounted for more than three-fourths of the deterioration in the trade balance in January-July. He said the gap would grow at a slower pace in the coming months as consumption and investments moderate, and he put the full-year deficit at 7 billion-7.5 billion euros.

## **HUNGARY HOLDS POSITION IN GLOBAL INNOVATION RANKING**

Hungary has held on to its spot in 34th place in the latest annual Global Innovation Index of the World Intellectual Property Organisation (WIPO). Hungary ranked 23rd in the knowledge and technology outputs pillar of the index, 30th in terms of business sophistication and 35th with an eye to infrastructure. It was in 46th place in the creative outputs pillar and 67th considering market sophistication. Hungary was behind Czechia (30th place) in the ranking, but ahead of Poland (38th) and Slovakia (46th).

## **NEARLY 11,000 REFUGEES ARRIVE FROM UKRAINE ON SUNDAY**

Fully 5,601 people crossed into Hungary directly from Ukraine on Sunday, while another 5,345 crossed from Romania, the National Police Headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 184 people, ORFK told MTI on Monday. 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. Budapest received 273 people, 106 children among them, by train, ORFK said.