

PHOTO OF THE DAY



MTI/Zoltán Balogh

Budapest stadium, venue of next years World Track and Field Championships, under construction

UPCOMING EVENTS

Shadow PM Klára Dobrev addresses Democratic Coalition congress

Events related to the war in Ukraine

Days of International Education fair in Budapest

Events marking All Saints' Day

TOP STORY

HUNGARY 'CAN SECURE ITS OWN GAS SUPPLIES'

Hungary is able to secure gas supplies for itself, "unlike the westerners", Viktor Orbán told public radio.

"We're more adept at getting gas on our own than if we were to wait for others," the prime minister said in an interview, explaining why Hungary was opting out of joint European Union purchases of gas. Hungary would only lose out on such a programme, so it supports voluntary participation, he added. Orbán also criticised the EU's solidarity mechanism aimed at avoiding sharp disparities of gas supply across the bloc. Hungary rejects the idea of a mandatory mechanism as this would mean that after securing enough gas to cover its annual consumption, the country would have to turn over its supplies to countries that do not have enough gas owing to the sanctions imposed on Russia.

There is a "temporary lull" in the growth of gas prices, after European reserves have been refilled over the summer, Orbán said. Prices are expected to grow again as EU countries start to use their reserves in the winter, he said. Hungary has concluded long-term contracts with Russia to ensure gas supplies, he noted.

ORBÁN SLAMS EU SANCTIONS AS 'BAD DECISIONS'

Prime Minister Viktor Orbán slammed the European Union's sanctions against Russia, saying that Europe was paying a "sanctions surcharge" for energy. Hungary is "mostly successful" in avoiding the consequences of those bad decisions, he told public radio, "but we are on the same market as all other European countries, and Hungary suffers to some degree from the deteriorating situation there. That is why we are against the sanctions," he said. Sanctions were originally introduced as a tool to end the war swiftly and to punish Russia for launching the war, he said. "We made a plan and dug a hole for the Russians, but ended up falling into it ourselves," he said. "The EU is now proposing to dig further, while Hungary is saying we should try to get out." Those two stances clash at every EU summit, he added.

ORBÁN: GOVT TO INTRODUCE FURTHER PRICE CAPS

Prime Minister Viktor Orbán said the government is working to push inflation into single digits by the end of 2023, adding that high prices were driven largely by sanctions imposed in response to the Russia-Ukraine war. This is why the government is planning to introduce further price caps in the

coming weeks, he told public radio. Among anticipated the measures, interest on business loans will be capped at 7.7-8%, the prime minister said, adding that banks will have to absorb the related costs. Interfering with a complex economic system "is never good" but necessary to handle certain types of crisis, Orbán said.

Concerning the war, the prime minister said he expects calls in the European Union for a ceasefire and peace talks to grow. "Hungary is inhabited by sober-minded people," he said, adding that this was what Hungarians had been calling for from the start. The prime minister said the latest National Consultation public survey on sanctions imposed in response to the Russia-Ukraine war "is important to help everyone realise we are all in danger".

Orbán said tensions at last week's EU summit had run high, and the demand for peace was growing in all countries. "Common sense will prevail sooner or later," he said. Orbán said wars could end only with an agreement between the warring parties. "Taking the war to its conclusion would prolong it for years to come," he said. The prime minister said the "pro-war West" would have to foot the bill for rebuilding Ukraine and running the country. "The talk is of unimaginably large numbers," Orbán added. "Even before the war, Ukraine couldn't make enough money to fund the cost of living of the Ukrainian people," he said.

Orbán said Ukraine would need around 5 billion euros a month to avoid

a collapse, adding that the question was who would give them this money. Talks are ongoing about how the burden should be shared by Europe and the United States, he said. The discussions are also focused on how the burdens should be distributed among EU member states if Europe contributes to aiding Ukraine and whether even everyone wants to contribute, he added. Hungary will have to decide whether to participate in that process, Orbán said. Hungary is facing difficult decisions, including "whether we have money to give to the Ukrainians, and in what form we should give it: together with the others, separately, as a donation or a loan", he said. This will only become clear over the next two to three months of EU talks, he added.

PRESIDENT NOVÁK: EMPHASISING IMPORTANCE OF HUMAN LIFE KEY TO SUCCESSFUL FAMILY POLICY

Education and emphasising the importance of human life are key to a successful family policy, President Katalin Novák said at the ITI Catholic University in Austria in a talk focusing on the importance of the traditional family model, the role of grandparents, having children and ways to coordinate family life with a career. Hungary spends 5% of its GDP on family support and significant efforts are being made to enable everyone to have as many children as they wish, she said.

There has been a population decline since 1981 but thanks to government measures in the past ten years, the number of marriages doubled and the number of abortions halved, while the number of divorces also decreased, she added. Novák said that Hungary's constitution protects the institution of marriage as a union based on a voluntary decision between a man and a woman, as well as the family which forms the basis for the survival of the nation.

RULING PARTIES SUBMIT BILL ON IMPORTANCE OF GOLDEN BULL

The ruling Fidesz and Christian Democratic parties on Friday submitted to parliament a bill on the importance and day of the Golden Bull of 1222, an edict that established constitutional limits on the power of monarchs. The bill would declare that the members of Hungary's National Assembly "who respect the achievements of the country's historical constitution" believe that "the state has a fundamental duty to protect our identity rooted in our historical constitution". The sponsors of the bill say it would constitute a recognition by parliament that the ideas contained in the 800-year-old document can be considered the intellectual historical forerunner to modern democracy.

The Golden Bull, issued by King Andrew II on April 24, 1222, established the rights of the nobility and served as a pillar of Hungary's legal system for centuries.

GOVT OFFICIAL: HUNGARY BORDER FENCE TO BE FORTIFIED

The government will fortify the fence along Hungary's border with Serbia, an interior ministry official said in the border town of Röszke on Friday. Hungary is increasing the height of its border fence so that Europe does not have to bring back internal border controls, state secretary Bence Rétvári told a press conference. If Hungary did not protect its border, numerous European countries would have to reinstate checks on their borders, which would not only be an inconvenience when travelling but would also hurt the European economy, he said. Though the fence on the Hungary-Serbia border also protects the security of Europe and Europeans, the European Union has not even reimbursed 2 percent of the 600 billion forints (EUR 1.5bn) it cost to build it, Rétvári said. Hungary, he added, was a net contributor to the EU, arguing that it fulfilled all its payment obligations, while the EU was "using various procedures to block funds we are entitled to".

KARÁCSONY: EUROPEAN MONEY NEEDED FOR HUNGARY COST-OF- LIVING RECOVERY

European money is needed if Hungary is to emerge from its cost-of-living crisis, Gergely Karácsony, the mayor

of Budapest, said on Friday. But the government must comply with the rule of law and enforce strict anti-corruption measures to achieve this, he added. Further, it would be worthwhile for the European Union to boost the role of local governments, Karácsony said on Facebook. At the initiative of the European Commission and the ambassadors and representatives of 17 countries, EU funding was the subject of discussions in City Hall on Thursday, the mayor noted. "Given rampant inflation and skyrocketing energy prices, the majority of Hungarian people, businesses and municipalities are in severe financial straits." The country needs EU funds urgently, he added. The European Council will make the final decision on funding, he noted. Thursday's meeting of ambassadors was important, he added, because diplomats gained first-hand knowledge of the rule-of-law situation in Hungary as well as the straitened circumstances of local councils.

JOBBIK CONVENES EDUCATION ROUNDTABLE

Opposition Jobbik on Friday said it has called for a roundtable meeting to be held next week for holding "honest talks" about education. Jobbik has invited all parliamentary parties to the meeting, Balázs Ander, the party's deputy leader, told an online press conference. Education is not just an item in the budget, but the "most important guarantee of our future", Ander said, adding that Hungary

could only be successful if it created an effective, efficient and fair education system.

FINMIN: MORE SOUTH KOREAN INVESTMENTS EXPECTED IN HUNGARY

Asian companies see Hungary as an attractive investment site by virtue of its corporate tax being the lowest in Europe, secure energy supply and political stability, Finance Minister Mihaly Varga said after talks with Kim Young-joo, Deputy Speaker of the National Assembly of the Republic of Korea, on Friday.

All South Korean investments help Hungary evade economic recession emerging on the back of the sanctions-fuelled crisis, he said.

South Korea was the biggest foreign investor in Hungary last year, Varga said.

He noted that the Republic of Korea is second only to China among Hungary's Asian trading partners, with over 260 companies of South Korean involvement employing over 20,000 Hungarian workers. Thanks to Korean enterprises, Hungary has become the world's third biggest manufacturer and the fifth biggest exporter of batteries, he added.

Hungary offers competitive conditions for investors in terms of taxation, skilled manpower and infrastructure, Varga said, adding that the government had concluded strategic cooperation agreements with three large Korean companies.

BANKING GROUP SLAMS EXTENSION OF LENDING RATE FREEZE

Hungarian banks have warned of a fall-off in retail and corporate lending owing to extra burdens imposed on them by the government. "The high level of burdens on banks and the uncertainty caused by subsequent intervention in contractual relations has now reached a critical level, which can only result in a significant decline in retail and corporate lending activity," the Hungarian Banking Association said. The government decree extending a freeze on lending rates to SMEs "further distorts market conditions and questions the legal binding force of private law contracts. It is the fundamental interest of banks that their customers -- be they private individuals or businesses -- maintain their solvency, fulfil their contractual obligations, and develop," the association said. "Banks have so far also provided targeted assistance to customers in need, and remain partners in the development of all fair and proportionate solutions aimed at this. The lending rate freeze in its current form is neither proportionate, nor targeted," it added.

The banking association said the products of the Szechenyi Card Scheme have been some of the main pillars of SME lending during the pandemic, which significantly contributed to meeting the liquidity and investment needs of small and

medium-sized businesses. Adjusting these products to the higher interest rate environment would provide important help to businesses in the current period as well, it said. "Legal uncertainty results in distorted market conditions and reduced lending capacity, which weakens the banking sector's ability to protect and strengthen the economy," it added.

GOVT SPENDING HUF 103 BN ON ELECTRICITY GRID UPGRADES

Hungary's government is spending 103 billion forints (EUR 251.4m) on developing the country's electricity network, a technology and industry ministry official said on Friday, adding that the government was financing 50 percent of the upgrades carried out by electricity firms. The support scheme was originally set to be financed from the European Union's post-pandemic recovery fund, but because talks with Brussels are dragging on, the government has decided to pre-finance the programme, Attila Steiner, the state secretary for energy policy, told a press conference. Companies that will receive government support include state-owned transmission system operator Mavir and smaller transmission firms, Steiner said. Subsidiaries of state-owned energy company MVM, MVM Demász and MVM Emász, will receive a combined 35 billion forints in government support to boost the network's capacity for electricity from renewable sources by 600-700MW, Steiner said.

PPI EDGES DOWN TO 42.7% IN SEPT

Factory gate prices in Hungary rose by annual 42.7% in August, slowing down from a 43.4% increase in the previous month, the Central Statistical Office (KSH) said on Friday. "In addition to the steep rise in energy prices, dearer commodities prices and the weakening forint drove prices higher," KSH said. Prices for domestic sale climbed by 66.2%, boosted by energy prices, while export prices rose by 30.7%.

IOM: HUNGARIANS SEE HUMAN TRAFFICKING BIGGER PROBLEM THAN COVID - SURVEY

Hungarians see human trafficking as a bigger problem than the coronavirus pandemic, and they anticipate that the number of people exploited by traffickers would grow in the coming years, according to a recent survey by the UN's International Organisation for Migration (IOM). According to the representative survey conducted in the summer of 2022 by IOM Hungary, the Trauma Centre and the National Police Headquarters, 20% of Hungarians have knowledge of a case of human trafficking in their immediate surroundings. Among young people with only elementary education, the group most vulnerable to trafficking, that number was 28%, IOM said.

The most vulnerable group listed sexual exploitation as the third largest problem after economic issues and cost-of-living problems. Work exploitation was fifth on their list. Among the whole population, human trafficking was considered a more pressing problem than the war in Ukraine, the Covid pandemic, migration, housing and education, IOM said. Fully 48% of respondents said they expected the number of victims to grow in the coming years.

The survey also probed people's knowledge of the types of exploitation and forms of recruiting. Most respondents mentioned the trafficking of children, sexual exploitation and organ trade. The smuggling of illegal migrants across borders, which IOM considers people smuggling and not human trafficking, was the fourth most often mentioned. IOM said only 34% of respondents were familiar with the concept of domestic slavery, where the victim is forced to work without pay around the house. Work exploitation, the most frequent form of exploitation in Hungary, was seen as relatively rare.

The survey, conducted in the framework of an anti-trafficking campaign, showed similar results to its 2018 counterpart. In 2022, 39% of respondents said the problem did not appear in the media often enough.

DEATHS OUTPACE BIRTHS IN SEPT - KSH

Preliminary data show that 7,673 children were born and 10,016 people died in September 2022, while the number of live births fell by 2.6% in the October 2021-September 2022 period year on year, and deaths decreased by 8.1%, the Central Statistical Office (KSH) said on Friday. In the past 12 months, 89,724 children were born, down 2.6% from the same period of last year, while 144,998 people died, 8.1% fewer than in the previous year. The natural population loss came to 55,274 compared with 65,682 in the same period of last year, a drop of 16%. Between October 2021 and September 2022, 66,840 couples were married, 7.2% fewer than in the previous year.

OVER 11,000 REFUGEES ARRIVE FROM UKRAINE ON THURSDAY

Fully 5,840 people crossed into Hungary directly from Ukraine on Thursday, while another 5,177 crossed from Romania, the National Police Headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 242 people, ORFK told MTI on Friday. 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 54 people, 20 children among them, by train, ORFK said.