

PHOTO OF THE DAY



MTI/Péter Komka

Fog in Salgótarján (NE Hungary)

UPCOMING EVENTS

Plenary session of parliament

European Parliament holds plenary session

Stats office reports on Sept foreign trade, Oct inflation

Finance ministry releases Jan-Oct budget report

Events related to war in Ukraine

TOP STORY

FINMIN OPPOSES JOINT EU BORROWING FOR UKRAINE

Hungary is ready to support Ukraine but will not sanction further loans taken out jointly by European Union member states, Finance Minister Mihály Varga said in Brussels on Tuesday after a meeting with his EU counterparts.

Varga told Hungarian journalists on the sidelines of the meeting that Hungary will not support that form of aid "because it has bad experiences with the EU taking out loans." Hungary has yet to receive the funding it is entitled to from the loan taken out during the coronavirus pandemic, he said. The European Commission has proposed a 1.5 billion euro monthly aid package for Ukraine in 2023, to fund the country's financing costs. The EC is now asking member states for a mandate to take out a loan to cover that package, he said. It is also proposing that member states foot the bill for the interests, which will come to some 630 million euros, he added. Meanwhile, Hungary is ready to continue supporting Ukraine; it has so far accepted over one million refugees and spent over 31 billion forints (EUR 77.2m) aiding the worn-torn country, Varga added. It also supported Ukraine before the war, by accepting the macro-financial support and aiding ethnic Hungarians living in the country, the minister said.

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NAVRACSICS: HUNGARY HAS 'EVERY CHANCE' OF SIGNING DEALS ON EU FUNDING

The Hungarian government "has every chance" of signing the partnership agreements with the European Commission before the end of the year, Tibor Navracsics, the regional development minister, said on Tuesday. The agreements are necessary for the country to access cohesion and recovery funding from the EU. Speaking at a meeting of local mayors and public notaries, Navracsics said the negotiations were on schedule and the EC could make relevant decisions in the second half of November, paving the way for Hungary to access the funds next year. The Hungarian government expects to receive up to 561 billion forints (EUR 1.4bn) next year, 747 billion forints in 2024, and 1,047 billion forints in 2025, the minister said.

Navracsics noted that including co-financing, Hungary is entitled to around 14,000 billion forints in the 2021-2027 funding cycle. Fully 10,000 billion forints of it will go towards regional development and 4,000 billion towards rural development operative programmes, he added. The post-pandemic recovery fund is worth a total of 6,000 billion forints, he said, adding that with the signing of the partnership agreement, Hungary could be given access to the first instalments of the funds next year.

"Our ambitions are also supported by the fact that Hungary has traditionally been among the best when it comes to the efficiency of the utilisation of EU funds," the minister said, noting that this was also true for the 2014-2020 funding cycle in which Hungary had used up 80% of the funds it is entitled to compared with the EU average of 71%. Navracsics said Hungary aimed to utilise its own and the EU funds to be among the five most liveable countries in the bloc by 2030. The funds serve to develop the economy and infrastructure, improve competitiveness and support the green and digital transitions, he added.

Concerning regional development, the minister said the government is working on the institutional system and policy concepts that will define its regional development policy over the coming years. Meanwhile, he said that because the gap between the capital and the rest of the country in terms of GDP per capita was still big, the urban and rural parts of the country needed different types of regional development policies. Though Budapest and the country's rural regions "aren't in the same league", the capital "doesn't have it that easy either" because it has to compete with the likes of Prague, Vienna, Bratislava and Warsaw, Navracsics said. He highlighted the importance of creating regional hubs that could ease the burden on Budapest and play a positive role in the country's economic and regional development.

ORBÁN MEETS US POLITICAL SCIENTIST IN BUDAPEST

Prime Minister Viktor Orbán on Tuesday met John Mearsheimer, world-renowned political scientist and scholar of international relations, the PM's press chief has said. Orbán and Mearsheimer mainly discussed the roots, causes and possible outcomes of the war in Ukraine, Bertalan Havasi said. They agreed that the war is the most dangerous conflict of the past decades and that it should be ended as soon as possible, he said. Balázs Fürjes, the PM's political director, also attended the meeting.

SZIJJÁRTÓ: STALLED W BALKANS INTEGRATION 'EU FAILURE'

The "glacial progress" of the European Union's enlargement in the Western Balkans is clearly a failure of the bloc, Foreign Minister Péter Szijjártó said on Tuesday, warning that the EU should speed up the process after being "weakened by recent security crises". After meeting Montenegro's finance minister, Aleksandar Damjanović, in Budapest, Szijjártó told a joint press conference that the Western Balkans was key to strengthening the EU, and that enlargement should be a focal point of EU policy. "The extremely slow enlargement process weakens the EU further, which is very problematic amid various security crises," he said.

The EU has opened all chapters for Montenegro's integration but has closed none in the past five-and-a-half years, Szijjártó said. Hungary has called on the Czech presidency to convene an intergovernmental conference to "close several chapters", Szijjártó said. Hungary has a security and economic interest in the EU integration of the Western Balkans, he said.

Referring to migration, he said "defence lines" should be pushed further south thereby freeing Hungary's borders of "the siege of illegal migrants". Integration would also bring new economic opportunities, he added. A Hungarian-owned company is already market leader in Montenegro's banking sector, and another is the second largest in the telecommunication sector, he noted. Hungary's government continues to support the success of Hungarian companies abroad, a measure key to avoiding recession, he said.

Meanwhile, the EU is under double pressure from the war in Ukraine in the east and the fallout of illegal migration in the south, he said. Hungary itself has received 1 million Ukrainian refugees this year and thwarted 235,000 attempts of illegal entry in the south, he said. He also reiterated that, while Hungary is ready to continue supporting Ukraine on the basis of bilateral agreements, it will not agree to EU member states taking out loans jointly for that purpose. "We have seen how that works during the

coronavirus pandemic; we have seen what a joint loan looks like. It was a valuable experience, and we will not support it again," he said. Responding to a question, Szijjártó said the US midterm elections under way on Tuesday would have a big impact on the future of Hungarian-US cooperation. The government is following events there closely, he said. Regarding Hungary's gas supply contracts, he said "without harming trade secrets and national security interests, I can only say that the price calculation formula in the contract makes purchase prices sensitive to changes in European share prices."

LAWMAKERS VOTE TO SET UP CENTRAL PUBLIC DATA REGISTRY

Lawmakers voted on Tuesday to establish a Central Information Public Data Registry of key budget data of central and local government institutions accessible to the general public. The draft amendment was submitted by the government with the aim of reaching an agreement with the European Commission over rule-of-law issues. The registry will contain key budget data of central and local government institutions and minority self-governments. The legislation also modifies rules to streamline legal procedures in cases where the provision of public information is contested. The law was passed with 128 votes in favour, 23 against and 12 abstentions.

AGRICULTURE MINISTER HAILS EU APPROVAL OF HUNGARY CAP STRATEGIC PLAN

The European Commission's recent approval of the Hungarian government's strategic plan in connection with the Common Agricultural Policy provides the country with a "historic opportunity", István Nagy, the agriculture minister, told a press conference on Tuesday. The minister called the agreement on agricultural subsidies for Hungary for the period until 2027 "favourable", adding that the EU monies together with domestic funding would help renew the country's agriculture sector and the food industry in the next few years. Zsolt Feldman, the ministry's state secretary, said the EU funds could help increase Hungary's agricultural production by 50% and double its value-added by the end of the decade. He added that over half of the funds for rural development, nearly 1,500 billion forints (EUR 3.7bn), may go towards developments in the sector and 1,000 billion forints may be used to finance sustainability projects.

PRESIDENT NOVÁK MEETS FAMILY ASSOCIATION HEADS

President Katalin Novák met with the leaders of family associations at the presidential Sándor Palace on Tuesday. The meeting was attended

by Ágnes Hornung, the state secretary for families, Tünde Fűrész, head of the Hungarian Kopp Mária Institute for Population Growth and Families (KINCS), Katalin Gyurkó Kardos, head of the National Association of Large Families (NOE), Nóra Király, founder and head of young family association Ficsak, Zsuzsanna Márton, head of the Alliance of Family Organisations in the Carpathian Basin, Anna Nagy, chairwoman of the board of trustees of the Single-Parent Centre, Judit Regős, head of the Parents' House Foundation, Fruzsina Skrabski, chairwoman of the board of trustees of the Three Princes, Three Princesses Movement, Andrea Földi-Kovács, member of the board of trustees of the Safe Society Foundation, and Imre Bedő, founder of the Men's Club.

Speaking to public media after the meeting, NOE president Katalin Gyurkó Kardos said Novák intended to continue meeting with family associations on a regular basis. She said the president considered the situation of Hungarian and Carpathian Basin-based families important. She described Tuesday's meeting as constructive, saying it had covered the problems faced by family associations and potential solutions to them. KINCS chief Tünde Fűrész said Novák as president continued to pay special attention to the protection of families and strengthening a general pro-family approach. She said Hungary will again hold the Budapest Demographic Summit next autumn and that the president had asked the

family associations to help out with organising the conference. Ficsak founder Nóra Király said her association is organising the Advent Charity Fair of Family Associations for the seventh time, noting that Novák will again be the chief patron of the event.

SURVEY: MAJORITY OF HUNGARIANS REJECT EU PLANS TO 'FINANCE UKRAINE'

Fully 53% of Hungarians reject European Union plans to finance Ukraine's reconstruction after the war, and 69% reject EU member states funding social care and pensions during the war, according to a survey conducted by the Századvég Foundation. The survey was conducted among 1,000 Hungarian adults in November, after European Commission President Ursula von der Leyen and German Chancellor Olaf Scholz proposed a "21st century Marshall plan for Ukraine" in an article published in the Frankfurter Allgemeine Zeitung.

Setting up a platform to aid the reconstruction of the war-torn country has been on the EU's agenda since March, Századvég noted. Fully 79% rejected paying Ukrainian wages from EU monies during the conflict, the think-tank added. Also, Hungarians were opposed to donating military aid to the country, with 78% rejecting the training of Ukrainian armed forces in the EU, while 81% opposed the EU or member states purchasing arms for

the country. Fully 72% were against "Hungarian taxpayers funding Ukraine," Századvég said.

SECOND FRAMEWORK DEAL OF SWISS-HUNGARIAN COOPERATION PROGRAMME SIGNED

The framework agreement for the second phase of the Swiss-Hungarian cooperation programme on close to 40 billion forints (EUR 100.0m) of support was signed in Budapest on Tuesday. The agreement will allow for the implementation of developments over the next ten years that will contribute to Hungary's economic growth, the development of disadvantaged regions, job creation, the improvement of environmental protection and health care and the promotion of research, development and innovation.

Tibor Navracsics, the regional development minister, said before the signing of the agreement that the Swiss-Hungarian Cooperation programme had already brought "tangible benefits" to Hungary, adding that hopefully the second phase would be "similarly productive and fruitful". He praised ties Hungary has built with Switzerland in connection with the programme. The minister said the signing of the new agreement was symbolic and could further deepen bilateral relations and add value to European cooperation.

Jean-Francois Paroz, Switzerland's ambassador to Hungary, said the



signing of the agreement opened a new chapter in bilateral ties, intensifying cooperation between Switzerland and Hungary in several areas. Andrea Studer, deputy head of the Swiss Agency for Development and Cooperation, said the 87.6 million Swiss francs in funding for Hungary would be utilised in the development of health care, vocational training, research and innovation, the financing of micro, small and medium-sized companies, the fight against human trafficking, energy efficiency, water and sewage management and aiding disadvantaged groups.

Gergely Vartus, the deputy state secretary in charge of the coordination of EU developments, said the area of vocational training will receive 3.9 billion forints, research and innovation 4.5 billion, and the financing of small businesses and energy efficiency will each get 5.2 billion forints in support. A total of 1 billion forints will go towards the fight against human trafficking, while the area of water and sewage management will receive 7 billion forints, he said. Health care and the aiding of socially disadvantaged groups will receive 10-11 billion forints in support, Vartus added.

OFFICIAL: GOVT TO SPEND HUF 1,200 BN ON TEACHERS' WAGE HIKES BY 2025

The government aims to spend a total of 1,200 billion forints (EUR 3bn) on raising teachers' wages between now

and 2025, covering half of the amount from domestic resources and the other half from EU funds, the state secretary in charge of public education said in Eger, in northern Hungary, on Tuesday. "The government also sees clearly the need for a significant wage increase in the public education sector," Zoltán Maruzsa told the 24th conference of national public education and vocational training experts. He said that in a new development, European Union funds are available for implementing the measure in the framework of the 2021-2027 EU funding cycle. "We need that because the cabinet has limited financial resources to use particularly now, in the current utility costs situation," Maruzsa said. "It is now hard for the cabinet to see how many thousands of billions of forints it will need to burn up in the coming months by paying for gas bills that it did not have to cover last year."

Citing projected costs by the Klebelsberg school manager centre, Maruzsa noted that heating public schools was expected to cost 225 billion forints more in the coming winter season than last year's 26 billion. The state secretary underlined the importance of "involving EU funds to supplement domestic resources for settling the wages of teachers", noting the government's plans to raise teachers' wages to 80% of the average salary of university graduates by 2025. He said it meant that teachers would be likely to earn 777,000 forints on average in 2025, up from their current monthly salary of 440,000 forints.

Wages may be raised in a first phase by 10% this year, Maruzsa added.

LMP PROPOSES REFERENDUM ON BATTERY PLANT PROJECTS

Opposition LMP is proposing holding a national referendum on the construction of new battery plants in the country. "The government is contributing tens of billions of forints to multinational projects without consulting the people," LMP co-leader Erzsébet Schmuck told a press conference on Tuesday, adding that the battery plants "will destroy the environment and exploit the water base". Referring to a massive battery plant being constructed near Debrecen, in eastern Hungary, Schmuck said the plant would use 1,000 cubic metres of water per hour and emit high degrees of noise and heat. Residents were not consulted before construction began, Schmuck said, adding that similar projects were in a preparatory phase in Györszentiván and Tata, in the west, and insisted that "the government wants us to pay with our future".

ENERGY AUTHORITY WELCOMES NEW PIPELINES OFFERING ALTERNATIVE SUPPLIES

Recently completed pipelines between Greece and Bulgaria, between Poland and Slovakia, as well as the Baltic Pipe Project supplying

gas from Norway to Poland, will help Hungary further diversify its energy imports, a deputy leader of Hungarian energy authority MEKH said in a statement on Tuesday. Pál Ságvári said Europe was witnessing a “golden age” for infrastructure developments aimed at providing alternative energy sources for the region in wake of soaring energy prices and limited access to Russian supplies. He noted there is also a significant demand to upgrade existing pipelines, mentioning plans to double the capacity of the Trans Adriatic Pipeline and a “new momentum to complete EastMed”, a pipeline planned to transfer gas from the eastern Mediterranean to south-eastern Europe. The Greece-Bulgaria Interconnector started operating on Oct. 1, with an annual capacity of 3 billion cubic metres. Baltic Pipe was put to operation at the same time with partial capacity, the statement said, adding that its full capacity will be 10 billion cubic metres. The Poland-Slovakia connector was completed in August, as “the last missing component” in the north-south corridor connecting the Baltic Sea with the Adriatic, facilitating shipments between the LNG terminal on Krk island and the terminals of Poland and Latvia, the statement said. Gas from southern Europe, north Africa, the Caucasus, as well as Norway will now be available to all countries in Europe, the statement said. The new interconnector will facilitate shipping 4.7 billion cubic metres of gas to Slovakia and 5.7 billion in the reverse

direction, which will also provide Hungary an alternative supply route via the existing Hungary-Slovakia connector, the statement added.

SIEMENS ENERGY LAYS CORNERSTONE OF FACTORY IN BUDAPEST

The local unit of German-owned Siemens Energy laid the cornerstone of a factory at its power plant turbine parts manufacturing base in Budapest on Tuesday. The factory is part of a 30 billion forint (EUR 75m) investment at the base that will create 400 jobs, Péter Szigjártó, the minister of foreign affairs and trade, noted. Siemens Energy Kft also announced a 2.7 billion forint training programme, for which the state is providing 630 million forints in support. In the coming period, countries capable of producing most of the energy they consume are going to have a competitive advantage, he said. “Production capacity for energy production and knowledge of the sector give a huge competitive advantage, and Hungary is making a big step forward in that regard,” Szigjártó said. He added that major energy producers had “grown too comfortable” and neglected infrastructure improvements and diversification. “All they did was issue green ideology ... PR communications rather than taking effective environmental protection measures,” he said. “We in Hungary have proven that we can ensure the country’s energy supply even in the

darkest, most challenging times, based on rationality and common sense,” Szigjártó said.

HUNGARIAN TAX SYSTEM IN OECD’S TOP 10 ON COMPETITIVENESS

Hungary now ranks seventh out of 38 countries in this year’s OECD Tax Competitiveness Index, up 6 places compared with the previous year, global financial consultant EY said on Tuesday. Hungary is ahead of Germany (15th), Austria (18th) and the United States (21st) on the OECD list. Among the Visegrad Group, only the Czech Republic was ahead of Hungary (5th), while Slovakia was in 13th place and Poland ranked 28th. Estonia, which leads the 2022 tax competitiveness index, was followed by Latvia and New Zealand, while Portugal, Italy and France were bottom of the list.

MEDIA AUTHORITY READING AUCTION OF UNUSED FREQUENCIES

Hungary’s media authority is auctioning frequencies on the 32 gigahertz band in an electronic bidding procedure. Electronic bids can be submitted in a three-hour time slot, the NMHH communications department said on Tuesday. The identity and number of bidders will remain unknown to the applicants and the authority until the end of the auction, it added in a statement. The 32 GHz band is currently empty. A total of 672 MHz of frequency usage rights will be available sold in 24

units in two 28 MHz blocks. This will free up the 26 GHz frequency band for 5G services. Before the auction starts, the authority will hold a consultation for professional stakeholders on Nov. 22.

HUNGARY RETAIL SALES GROW 3% YR/YR IN SEPT

Retail sales in Hungary grew by an annual 3% in September, down from 3.3% in the previous month, the Central Statistical Office (KSH) said on Tuesday. Adjusted for the calendar year, sales also grew by 3%, up from 2.4% in the month prior. Adjusted food sales fell by 2.8% in September, while non-food sales grew by 2.7%. Vehicle fuel sales rose by 18.6%. Retail sales totalled 1,457 billion forints, with food sales making up 46%, non-food sales 36%, and vehicle fuel 18% of the total.

HUNGARY INDUSTRY OUTPUT UP 11.3% YR/YR IN SEPT

Hungarian industrial output grew by an annual 11.3% in September, the Central

Statistical Office (KSH) said on Tuesday. Adjusted for the number of working days, output increased by 11.6%, up from 9.1% growth in the previous month. Output of the automotive industry and the computer, electronics and optical equipment sectors showed robust growth, KSH said, while the increase in output of the food, drinks and tobacco products segment was less marked. In the Jan-Sept period, output grew by an annual 6.7%. Month on month, output increased by 1.6%, based on seasonally and working day-adjusted data.

SOME 7,600 REFUGEES ARRIVE FROM UKRAINE ON MONDAY

Fully 4,294 people crossed into Hungary directly from Ukraine on Monday, while another 3,308 crossed from Romania, the National Police Headquarters (ORFK) said. Budapest received 137 people, 44 children among them, who travelled by train, ORFK said on Tuesday.

HUNGARIANS WIN SILVER, BRONZE MEDALS AT WORLDSKILLS COMPETITION 2022

Hungarian Márton Offner won second prize at the WorldSkills finals in Germany in the water, gas and heating installation competition, and landscapers Péter Bokor and Péter Hutter won the bronze medal at the related WorldSkills competition in Tallinn, the Hungarian Chamber of Commerce (MKIK) said on Tuesday. Web designer Botond Sisák also won a WorldSkills silver medal, MKIK said. Besides the prizes, the Hungarian delegation has also received 11 excellence medals, it said. After the original venue, Shanghai, cancelled the competition due to the pandemic situation in China, the event was held in 26 cities of 15 countries. Fully 1,015 people competed from 57 countries, MKIK said. Hungary has entered 27 young people competing in 10 countries in 23 areas, it said.