

PHOTO OF THE DAY



MTI/Csaba Bús

Volunteers taking oath in Kecskemét

UPCOMING EVENTS

EP plenary session

Plenary session of parliament

Events related to war in Ukraine

LMP's presser on inflation

Cbank governor speaks at TEDx Budapest event

TOP STORY

GULYÁS: GOVT CAPS PRICES OF EGGS, POTATOES

The government is capping the prices of fresh eggs and potatoes sold in shops, delivery services and supermarkets at the retail price level of those products on Sept. 30, the prime minister's chief of staff told a government press briefing.

Marketplaces are exempt from the price cap, which will be in force until Dec. 31, Gergely Gulyás said on Wednesday. The measure is expected to bring the price of eggs down by 25% and that of potatoes by 10%, and curb inflation by 0.1-0.2%. At a meeting on Tuesday, the government pointed to sanctions-related inflation as the main cause of the Hungarian economy's ailments, Gulyás said. Gas prices jump every time the EU announces new sanctions, he said. That is then mirrored in growing food prices, but the government is committed to reducing inflation by half by the end of 2023, he said. Household energy bills will stay capped up to average consumption, as well as fuel and food price caps for private consumers and interest caps for SMEs. The government is committed to its scheme to cap energy bills, Gulyás said, adding that the network usage fee must not be passed on to households next year. The government will impose a tax on power producers that provide electricity balancing services, generating 80 billion forints (EUR 199m) over two years, he added.

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GULYÁS: HUNGARY MEETING EU REQUIREMENTS TO ACCESS FUNDS

Gergely Gulyás, the prime minister's chief of staff, said that in line with a request by the European Union, Hungary will clarify the jurisdictions of various judicial branches. Hungary has fulfilled several of the EU's requests so that Hungary can access the EU resources it is entitled to, but the EU keeps coming up with new requirements, he said. At the same time, the request to more clearly delineate the jurisdiction of particular branches of the judiciary is not against the interests of the country or the judiciary, so Hungary will comply, he added. Gulyás said the amendments will mainly pertain to the competencies of the National Judicial Council and the National Office of the Judiciary, "to remedy the last of the concerns of the EU and clear the last obstacles from the way of an agreement on the recovery funding," he said. As the judiciary is fully independent in Hungary, constitutionally as well as organisatorially, the government sees the EU's concerns as baseless, "but as the required changes are possible, they will probably be adopted in the spring session," he said.

Regarding EU sanctions imposed on Russia in response to the war in Ukraine, Gulyás said: "If the EU wants to impose [new] sanctions, they should

stay away from the energy sector and gas supplies." The Hungarian government is holding all negotiations on that requirement as a baseline, he added.

Regarding the midterm elections under way in the US, Gulyás said the Senate race was still undecided, but said it was unlikely that the Republican party would garner the majority there. Regardless of the results, Hungary will respect the American people's choice, he said.

Responding to a question on the "National Consultation" survey on EU sanctions, government spokesperson Alexandra Szentkirályi said about one-third of the questionnaires had not yet been delivered. The turnout will be published at regular intervals, she said.

GULYÁS: GOVT TO HELP RETAIL TRADE IN SMALL COMMUNITIES

The PM's chief of staff, Gergely Gulyás, said the government will announce on Monday support measures for shops in small settlements. Big retailers will not receive government support, however, he added. Various price caps will apply until the end of the year, he said, and any decision to prolong them will be made all in one go.

Gulyás said the rate of inflation was linked to a country's exposure to the energy market, and Hungary is highly dependent on purchases of gas and oil, which explained why the country's inflation rate was higher than the European Union average. Hopefully,

gas prices will be lower next year, Gulyás said, adding that electricity balancing service providers would still enjoy healthy profits in spite of the new tax on excessive profits targeting them.

The minister said the government shared the view that teachers' pay should be increased exponentially amid the current period of crises, and much of the European Union monies owed to the country would be channelled towards realising that goal should they be forthcoming. The budget will supplement the rest of the pay increase, while after 2025 it will assume the entire burden of paying teachers' salaries. Discussions with the European Commission concerning the matter will be limited to the issue of wages, while other aspects such as the so-called career model -- a pay scale linked to qualifications and experience -- will not be on the table, he said. No plans are afoot to change the status of teachers as state employees, Gulyás said.

Meanwhile, on the subject of financial support for Ukraine, Gulyás said Hungary had agreed to delivering funding but Hungary's contribution would be handed over bilaterally. Hungary opposed joint borrowing in 2020, and continues to do so, he said. On the subject of the judiciary, he said administration of the courts took place entirely independently from the government, and the government had no interest in the branch beyond ensuring its efficient administration.

Regarding ratification of Sweden and Finland's NATO membership, Gulyás

said parliament was working to adopt the legislation necessary to conclude an agreement on EU funding with the European Commission. "Once the EC stops voicing new requirements," parliament will have time to table the ratification, he said. Hungary supports Swedish and Finnish NATO membership, he said. "As we can count on them, so they can count on us," he added.

Responding to a question on the government's increased VAT revenues due to inflation, Gulyás said the surplus had been eaten up by increased inflation-related expenditures such as higher pensions. The government is also buying energy at higher prices, and so the excess spending will come to around 1,500-2,000 billion forints, he said. Commenting on German Chancellor Olaf Scholtz's visit to China, Gulyás said Hungary would benefit from "free markets expanding worldwide". The US's objections stem from an ideological disagreement with China, but the EU must look to its own interests, he said. Hungary has a vested interest on the freest possible trade, he said.

Meanwhile, he said inflation in Hungary was expected to recede in the first quarter of 2023, as it is not directly linked to an agreement with the EC, he said. Commenting on the opposition Democratic Coalition's campaign to collect money for households struggling to pay their energy bills, Gulyás said the price of electricity had doubled and gas tripled during the tenure of DK's leader Ferenc

Gyurcsány during his stint as prime minister between 2004 and 2009, while DK has also lambasted the current government's efforts to cut household energy bills. "So it seems unclear what they are collecting money for, unless it is for party financing," Gulyás said. He called the foreign funding of leftist parties "unlawful and a political outrage, which is being investigated by parliament's national security committee".

On another topic, Gulyás said that while Ukraine is a country under attack, its "biggest mistake is how it treats ethnic minorities". That is incompatible with European legislation, and should be changed, "especially after Hungary supported Ukraine's membership candidate status in the EU, and provided other aid," he said. Commenting on reports that NATO was mulling the installing nuclear weapons in Europe, Gulyás said the report was a clear sign that the situation was moving towards "a cold war-like situation rather than a thaw". Since the alliance's member states were in disagreement on the issue, "Hungary cannot influence the events," he said.

ORBÁN TO ATTEND TURKIC COUNCIL SUMMIT IN SAMARKAND

Prime Minister Viktor Orbán travelled to Samarkand, Uzbekistan, on Wednesday, to attend a summit of the Organisation of Turkic States, where he is also scheduled to hold

bilateral talks with the leaders of Turkic countries. Orbán is heading a delegation of government members, including Foreign Minister Péter Szijjártó, Economic Development Minister Márton Nagy and the PM's political director Balázs Orbán, and some 60 Hungarian businessmen. Besides current events in international politics, the summit will also touch on economic, trade and transport issues. Orbán is slated to hold bilateral talks with Kazakh President Kassym-Jomart Tokayev, President Sadyr Japarov of Kyrgyzstan, President Shavkat Mirziyoyev of Uzbekistan and President Recep Tayyip Erdogan of Turkey.

SZIJJÁRTÓ: 'HUNGARY'S FRIENDS HAVE WON'

All of Hungary's friends have triumphed in the midterm elections in the United States, the Hungarian foreign minister said on Wednesday. Péter Szijjártó noted that Idaho Senator Mike Crapo, and Congressmen Adrian Smith, Mike Kelly and Mike Waltz representing Nebraska, Pennsylvania and Florida, respectively, have won mandates in the vote. Those US politicians stood firmly by Hungary when the Biden administration had terminated its tax treaty with the country "in response" to the government's decision not to raise taxes, the foreign minister said. "Our friends have assured me that if a Republican majority returns, they will also restore our bilateral tax cooperation. Congratulations!"

SZIJJÁRTÓ: HUNGARY, MALDIVES AGREE TO DEVELOP MUTUAL COOPERATION

Hungary and the Maldives have concluded a cooperation agreement on economic ties, higher education and sports, the minister of foreign affairs and trade said on Wednesday in Male, after meeting his Maldivian counterpart, Abdulla Shahid. The Pacific region is an important focal point of geopolitical rivalry, which boosts the significance of "countries like the Maldives which are building their policies on common sense," Péter Szijjártó said.

The European Union and Hungary see the Maldives, a regional stabilising influence in a strategic geographical location, as a key partner in the region, he said, adding that Hungary supports the country's request for visa-free travel and tax exemptions for Maldivian fishing products. Under the agreement they signed today, Hungary will raise the number of scholarships offered for Maldivian students to 25 from 15, and extend it to athletes and trainers, he said. The government is also supporting Hungarian companies investing in the islands nation, especially in water management, waste management and tourism. Hungary is also sending Hungarian-made X-ray machines to the country, he added.

Szjijártó after in the day met President Ibrahim Mohamed Solih

and the ministers for higher education, economic development and sports. Shahid thanked Hungary for its help to Maldivian students stranded in Ukraine when the war started, and noted Szijjártó was the first Hungarian foreign minister to pay an official visit to the country. He called the talks "extremely fruitful" for boosting further cooperation, and he welcomed Hungary's commitment to supporting the Maldives, especially its health-care sector.

The minister appointed Hungarian honorary consul Mohamed Ali Janah as honorary consul-general, and thanked him for helping to enhance bilateral ties. Making further progress in cooperation relies on creating a physical representation and maintaining a personal presence, he said. An investment protection agreement is expected to be concluded, while cultural ties will be deepened and support for Hungarian tourists enhanced, he said. Hungary and the Maldives established diplomatic relations 47 years ago, Szijjártó noted, adding that Hungary-Maldives relations were based on mutual respect and mutual understanding.

PM'S OFFICE RESPONDS TO REPORTS OF TECHNOLOGY MINISTER'S RESIGNATION

The Prime Minister's Office will inform the public if any changes to the cabinet take place, the Prime Minister's Office

said on Wednesday, responding to press reports regarding the resignation of Technology and Industry Minister László Palkovics.

"The prime minister decides on the members of the government. If changes to the cabinet take place, we will inform the public," the office said in a statement.

PARLT SPEAKER: 1921 'CREATED FOUNDATIONS OF HUNGARIAN STATE'S REBIRTH'

László Kövér, the speaker of parliament, on Wednesday said in a message that the year 1921, the first year of then Prime Minister István Bethlen's tenure, "created the foundations of the rebirth of the Hungarian state and a national revival," at a conference organised by the Parliamentary Office.

In his address read out at the conference, Kövér noted that the Parliamentary Office had decided four years ago to launch a series of conferences on the "pivotal, tragic years of Hungarian history". Between the autumn of 1918 and the summer of 1920, Hungary was "subject to an attempt to annihilate it", Kövér said, referring to the Trianon Treaty after the first world war.

KARÁCSONY: LOCAL COUNCILS AGAINST FULL NATIONALISATION OF OUTPATIENT CARE

Hungary's local councils do not support the proposal by the

government aimed at the full-scale and mandatory nationalisation of outpatient care, Budapest Mayor Gergely Karácsony said on Tuesday. "We can't support a proposal that hasn't even been discussed with us," Karácsony said after a meeting of the alliance of local governments MÖSZ. "Even though the state secretary didn't even listen to the local government alliance's position during the talks at the Interior Ministry, MÖSZ is prepared for further consultations."

Karácsony said centralisation would not provide a solution to the health-care sector's lack of resources or shortage of professionals. "The problem isn't the lack of centralisation, but rather the lack of adequate wages and shortage of professionals," the mayor said. He said the proposal would also cut a significant amount of funding from health care, arguing that local councils currently supplement state funding for their own outpatient clinics, which in Budapest's case can cost up to 20 billion forints (EUR 50.0m) a year.

He noted that the government in 2019 signed an agreement with the Budapest city council under which Budapest had done everything it could for the construction of the stadium needed to host the 2023 World Athletics Championships in exchange for the government's commitment to spending 50 billion forints on the upgrade of outpatient care in the city over a period of five years. "We didn't conclude the agreement to then have the government nationalise

clinics," Karácsony said. "The proposal is effectively a violation of this agreement."

EU COURT SLAPS DOWN APPEAL AGAINST EC MINORITY SAFEPACK DECISION

The Court of Justice of the European Union has rejected an appeal by organisers of the Minority SafePack, a European citizens' initiative, against the European Commission's decision not to proceed with new EU legislation aimed at protecting national and linguistic minorities, the Luxembourg court said on Wednesday. The initiative aimed to improve EU protections of national and linguistic minorities and to strengthen the cultural and linguistic diversity across the bloc.

FINMIN: GOVT SUCCESSFUL IN TAMING BUDGET

After a surplus in September, the budget posted a surplus of over 100 billion forints (EUR 248m) in October, the third largest October surplus in the past 20 years, Mihály Varga, the finance minister, said on Wednesday. Varga said on Facebook the budget posted a surplus of 101.3 billion forints in October.

He added that the government was pursuing fiscal discipline in the face of the "sanctions crisis" while also guaranteeing the scheme to cap energy bills and preserving

family benefits as well as the value of pensions. The finance ministry said the monthly surplus brought the January-October deficit to 2,590.4 billion forints. The central budget deficit amounted to 2,683.9 billion at the end of October. The social security funds were 195.7 billion forints in the red, while the separate state funds had a surplus of 289.2 billion. The full-year cash flow-based general government deficit target is 3,152.7 billion forints.

HUNGARY TRADE DEFICIT NARROWS TO EUR 652 M IN SEPT

Hungary posted a trade deficit in September of 652 million euros, according to a first reading of Central Statistical Office (KSH) data published on Wednesday. The gap narrowed from 1.580 billion in August. Exports increased by an annual 27.5% to 13.214 billion euros, while imports were up 32.8% at 13.867 billion. Trade with other European Union member states accounted for 76% of Hungary's exports and 67% of its imports during the month. In the Jan-Sept period, Hungary's exports grew by an annual 19.6% to 105.132 billion euros, while imports rose by 29.7% to 110.839 billion. The trade deficit amounted to 5.707 billion euros in the period.

HUNGARY OCTOBER INFLATION 21.1%

Hungary's consumer price index in October was up an annual 21.1%

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and 2% higher month on month, the Central Statistical Office (KSH) said on Wednesday. Household energy and food prices were the key drivers, increasing by 40% and 64.4%, respectively. Durable consumer goods prices grew by 14.9%, while the price of services rose by 8.3%. Core inflation, which excludes volatile fuel and food prices, was 22.3%. CPI calculated with a basket of goods and services used by pensioners was 23.6%.

MORE THAN 8,000 REFUGEES ARRIVE FROM UKRAINE ON TUESDAY

Fully 4,737 people crossed into Hungary directly from Ukraine on Tuesday, while another 3,927 crossed from Romania, the National Police Headquarters (ORFK) said. Budapest received 27 people, 10 children among them, who travelled by train, ORFK said on Wednesday. Police issued 30-day residency permits to 145 people. These can be renewed until final permits are awarded.

HUNGARY REGISTERS 4,556 NEW CORONAVIRUS CASES LAST WEEK, 92 FATALITIES

Fully 4,556 new Covid-19 cases were registered last week, while 92 people died in connection with the virus, koronavirus.gov.hu said on Wednesday in a round-up of last week's data. Last week there were 22,928 active infections and 985 Covid patients hospitalised, 18 intubated on a ventilator. Altogether 6,419,567 have been vaccinated, with 6,205,968 having received a second shot, 3,900,325 a third, and 375,185 a fourth. Fully 2,153,564 Covid cases have been registered in Hungary since the start of the outbreak and 48,111 have died. So far 2,082,525 people have made a recovery.

MEARSHEIMER: WAR IN UKRAINE PROVOKED BY WEST

John Mearsheimer, world-renowned US political scientist and scholar of

international relations, in a talk on Tuesday said in Budapest that the war in Ukraine had been provoked by the United States and the West by mooted Ukraine's prospective NATO membership. In his lecture at the National University of Public Service, Mearsheimer said that Russian President Vladimir Putin's response had been to launch a war to prevent Ukraine's NATO membership and thwart the West's plan to use Ukraine as a base against his country.

He said Hungary was manoeuvring "wisely" between those two sides, motivated by its interest in maintaining its military and economic ties within NATO as a member of the western alliance while having no interest at all in provoking a country close to its borders. Neither is it in Hungary's interest that economic ties between Russia and the EU be cut, the professor said. Mearsheimer said the US had an interest in weakening China, its main rival, and will exert pressure on Europe, and Hungary, in an effort to prevent the strengthening of their economic ties with that country.