

PHOTO OF THE DAY



(L-R) Prime Ministers Viktor Orbán of Hungary, Petr Fiala of Czechia, Eduard Heger of Slovakia and Mateusz Morawiecki of Poland at the V4 summit in Kosice

UPCOMING EVENTS

KSH report on employment in October 2022

Events related to war in Ukraine

TOP STORY

ORBÁN: V4 'STILL HAS A FUTURE'

Specific and difficult issues tie the Visegrád Group of countries together, and it is easier to address them together than separately, Viktor Orbán said in Kosice.

So the V4 "still has a future", the Hungarian prime minister told a joint press conference at the summit meeting of the prime ministers of the Visegrád countries. Common challenges include illegal migration, the energy crisis, preventing a recession and protecting the external Schengen borders, Orbán said, adding that V4 cooperation amounted to "a success story of 30 years" based on the conviction the member countries had "common interests and many common positions".

Orbán said the war in Ukraine was expected to be drawn-out, so migration pressure from that direction would increase for the foreseeable future. The V4 demand that the EU take a share of this burden was a fair one, he added.

Migration pressure from the south, he said, would also grow. He noted that Hungary had joined with Serbia and Austria to help each other in border protection, and he had asked his counterparts to consider contributing to this initiative and had received a positive response. Orbán said he would recommend to his Serbian and Austrian counterparts that they accept support offered by the other V4 members.

ORBÁN: PARLT TO PUT FINLAND, SWEDEN’S NATO MEMBERSHIP ON AGENDA

Prime Minister Viktor Orbán underlined that Hungary backs Finland and Sweden’s NATO membership, and Hungary’s parliament will consider the matter in its first session next year. “The Swedes and Finns haven’t lost a single minute because of Hungary,” he told a joint press conference at the summit meeting of the Visegrád countries, adding that Hungary was committed to providing the necessary support for their accession to the alliance.

Meanwhile, asked about a Hungarian parliament resolution on the future of the European Union, Orbán said the issue had been swamped by the war in Ukraine, though at the time every country had expressed its opinion, including Hungary. After a debate, Hungary’s parliament voted for a resolution envisaging a European Parliament “with reduced powers”. Rather than being directly elected, MEPs would be selected on the basis of national delegations, he said, adding that this had been a declaration of war as far as the EP was concerned.

Regarding the issue of a pending agreement between the European Commission and Hungary on unlocking the country’s EU funding, Orbán said that “all blocks” to reaching a deal “have been removed”. He said Hungary had struck an agreement with the EC on 17 requirements which

“they told us they wanted”. “We have substantiated and implemented them,” the prime minister added. At a commission meeting on Nov. 30, it is expected that a decision will be forthcoming, Orbán said. “We have fulfilled everything we undertook and agreed on,” he said, adding that an “18th demand” had been made with an end-March deadline, and both sides had agreed that Hungary was on track to fulfilling this condition, too.

Addressing the question of military aid in connection with the war in Ukraine, the prime minister said the V4 comprises four sovereign states, “and decisions on military aid is the competence of the sovereign state”.

Orbán noted the V4 had a common stance regarding the strategic goals of Ukraine and Russia. Hungary concurs that Russia must not be allowed to threaten European security and there should be a sovereign Ukraine between the NATO member states and Russia that preserves its territorial integrity, he added.

Hungary backs financial support for Ukraine and has earmarked money in the budget for the purpose, the prime minister said. “But it doesn’t support European Union indebtedness.” The government told the European Commission “in advance that we support financial help for Ukraine”, and this was “fair and necessary”, he said, adding that it had also indicated that Hungary would bear its part of the financial burden. The portion of the 18 billion euros that Hungary has undertaken to provide has been

earmarked in the budget, the prime minister said. Hungary’s foreign minister has been empowered to discuss the handover of the monies, he added. “What we won’t support is a solution that pushes the European Union further into the debt community,” Orbán said. “We won’t ever support this”, regardless of whether the matter concerns Ukraine or any other financial issue, he said.

Asked about the scarf depicting the map of greater Hungary that he wore at a football match on Sunday, Orbán said: “Take it easy!” “Sport is sport, and politics is politics, and the two shouldn’t be mixed up,” he declared.

SZIJJÁRTÓ: HUNGARY COULD BE GIVEN EXEMPTION FROM EU’S OIL PRICE CAP

It appears that Hungary will be given an exemption from the European Union’s planned price cap on Russian oil imports, the minister of foreign affairs and trade said in Brussels on Thursday, adding at the same time that “several dangerous proposals are still on the table”. Under the current plan, the oil price cap would not apply either to pipeline deliveries or deliveries by sea if they became necessary due to unviable pipeline delivery, the foreign ministry cited Péter Szijjártó as saying after a meeting of EU energy affairs ministers. This latter exemption is important given the disruptions to crude deliveries via Ukraine, he said. If these exemptions

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were not applied the volume of Russian oil deliveries would drop, causing prices to rise, Szijjártó said.

As regards the European Commission's other proposals, the minister criticised the solidarity mechanism aimed at avoiding sharp disparities of gas supply across the bloc, calling it "yet more power aspirations on the part of Brussels aimed at eroding the energy-policy sovereignty of member states". He said member states had failed to reach agreement on the proposal at the meeting after "a significant number of them" resisted the idea. Szijjártó said Hungary had helped to ensure that the scheme for joint EU gas purchases would be voluntary, thereby preventing the country from "getting stuck on unfavourable platforms". He noted that under the scheme member states would have to notify the EC six weeks in advance of their intention to discuss gas deliveries, "at a time when quick decisions are needed". "This is obviously nonsense -- madness; we don't even understand how it could have made it into the proposal," Szijjártó said.

He also criticised the part of the proposal that would require member states that have enough gas in storage to turn some of it over to the countries facing trouble in times of crisis. "Imagine a situation in which someone from Brussels can order us to turn the gas purchased with the money of the Hungarian people for the Hungarian people and for operating the Hungarian economy ... over to another country," Szijjártó said. Given that gas prices are

higher when storages are being filled up than when the gas is being used, such a proposal would open the door to speculation, he said, arguing that no one would have an interest in buying gas when the storages have to be filled up, which would constitute a risk to energy security.

Szijjártó said member states had also begun talks on imposing price caps on gas imports, but had not reached a decision. The ministers will next meet on Dec. 13 to continue the talks. Szijjártó called the proposal "dangerous, pointless and inadequate", saying there was a risk of gas deliveries being withheld from Europe or diverted somewhere else. "Moreover, it does not fall in line with the decision reached at the European Council's last session," he added.

Szijjártó said the closing statement issued at the last European Council session declared that the price caps on natural gas would not apply to long-term gas supply agreements. Yet under the latest plan this would not be the case, which the Hungarian government considers "unacceptable", he said. Hungary will fight to achieve an exemption from the gas price cap as well, Szijjártó added.

SZIJJÁRTÓ: HUNGARY PREPARED TO HANDLE DRUZHBA PIPELINE DISRUPTIONS

The Hungarian government is prepared to handle disruptions of crude deliveries via the Druzhba pipeline due to Russian missile attacks on Ukraine's energy

grid, the foreign minister has said, adding that the disruptions would not impact the security of the country's oil supply. The disruptions are caused by damage done to the Ukrainian systems powering the pipeline, Péter Szijjártó said after meeting key energy sector representatives, according to a foreign ministry statement. He added that repairs one the pipeline are constantly being carried out. Szijjártó said the sanctions imposed by the European Union because of the war were "only aggravating the situation", arguing that "these obviously unsuccessful measures" had led to an energy crisis and were "hurting Europe more than those they have been imposed on".

Concerning Thursday's scheduled meeting of EU energy affairs ministers, Szijjártó, referring to proposed price caps on oil and gas imports, said it appeared that "Brussels has put forward more inadequate proposals that will cause problems for Europe". He said this plan was a "dangerous and bad idea", arguing that it would cause further problems on the European energy market.

The minister said he will make Hungary's position on the matter clear at the meeting. "We'll be fighting tomorrow in Brussels and then over the course of the legislative procedure in the coming weeks to ensure that Hungary gets exemptions from the implementation of both the cap on gas prices and the cap on oil prices," Szijjártó said.

Hungary buying its oil from Russia is "not some sort of political statement", he said, adding that this was the only



way currently to guarantee the security of the country's oil supply. This was why, the foreign minister noted, that Hungary had fought for the exemption of pipeline deliveries of Russian oil from the EU's embargo. Szijjártó said that this time he will fight for the exemption of pipeline crude deliveries and long-term gas supply agreements from the price caps. "If we can achieve these ... then Hungary's energy security will remain intact," the minister said.

SZIJJÁRTÓ: CLAIM HUNGARY BLOCKING EU SUPPORT FOR UKRAINE 'A LIE'

The claim that Hungary has been blocking the European Union from providing aid to keep Ukraine afloat "is a lie", Foreign Minister Péter Szijjártó said on Thursday, emphasising that the Hungarian government merely opposed taking out another joint EU loan. The government has made it clear that Hungary is prepared to provide its share of the 18 billion euros the bloc aims to raise for Ukraine, as part of a bilateral agreement with its north-eastern neighbour, the foreign ministry cited Szijjártó as saying after a meeting of EU energy affairs ministers in Brussels. "It is a blatant lie that Hungary has ever blocked or opposed the EU providing support to Ukraine to keep the country functioning," the minister said. "Those who claim that we've ever opposed or blocked this are lying." Joint indebtedness is not the way forward for Europe, he said, adding that it would go against both

the bloc's treaties and Hungary's vision. "The European Union was not created to become a debt union; this has never even come up in the past," Szijjártó said. "So this is once again a step that goes against the EU treaties and the vision that we have for Europe's future."

"We also recommend to the other member states that they choose a simpler way and support Ukraine from their own resources, their own budget, since they're so proud of how much they're helping the Ukrainians," Szijjártó said, adding that Hungary's ambassador to Ukraine is informing the Ukrainian foreign ministry of Hungary's stance today, and will propose that talks on the form of Hungary's support get under way.

NAVRACSICS: EU GREEN LIGHT FOR RECOVERY PLAN 'BIG STEP FORWARD'

EU approval of Hungary's recovery plan as reported in the press "is a big step forward", Tibor Navracsics told a press briefing on Thursday. The minister for regional development said it appeared that by the end of the year Hungary would be able to conclude agreements with the European Commission, and Hungary would not lose its EU funding. Hungary, he added, had met the 17 requirements stipulated by the European Commission, and pre-determined schedule for changing the power structure between the National Judicial Council and the National Judicial Office with a March 31 deadline was on course.

Navracsics said the government had not received official notification of the EC decision. However, press reports indicating that the commission may suspend payment of 65% of funding for the operational programmes implied that payments would be delayed rather than resources would be lost. A deal on the partnership agreement "will be reached by the end of the year", he said. Press reports indicate that the EC will recommend the adoption of Hungary recovery plan, he said, adding that reports of its position did not amount to "anything new". The minister said every step stipulated as part of the conditionality procedure had been carried out by the government in cooperation with the EC.

Gergely Gulyás, the prime minister's chief of staff, said at the roundtable that Hungary would only lose EU funding if the partnership agreement with the EC was not signed this year. He said that even if a decision referred to in press reports is passed, Hungary would still receive the 7.3 billion euros worth of funding it is entitled to in 2023 in framework of the EU's 2021-2027 financial cycle. The transfer of the amount would only be delayed if the EU's freeze on the payment of funds remained in effect also in 2024, he said.

Gulyás said "the EC's decision indicated in press reports only refers to a change in communication". He argued that, under pressure by the European Parliament, the European Commission would put the emphasis on sustaining the conditionality mechanism rather

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than on signing agreements, adding that it was a demonstration to Hungary of rigour, he said.

In connection with the EU plan to provide Ukraine 18 billion euros worth of assistance, Gulyás said "Ukraine must receive that money, either in common financing or in the form of individual support by member states". He noted, however, that a proposal on taking out a common EU loan had not been drafted. Gulyás said Hungary would not support raising a common loan.

At the same time, Gulyás ruled out Hungary supporting the adoption of the global minimum tax, arguing that if adopted by Europe, it would seriously hurt the continent's competitiveness against the United States.

JUSTICE MINISTER BRIEFES EU AMBASSADORS ON HUNGARY'S COMMITMENTS TO ACCESS EU FUNDS

Justice Minister Judit Varga on Thursday morning briefed the ambassadors of European Union member states to Hungary about the 17 commitments the country has made to access European Union funding, fulfilling all deadlines and content requirements of the European Commission. The meeting was proposed by Czech Ambassador Tibor Bial, Varga said in a video posted on Facebook. The government is currently awaiting the EC's official assessment, she said. "I also informed the diplomats that we will implement the amendments on judicial

issues by 31 March, based on the timeline agreed with the Commission," the justice minister said in her English-language post.

EP VOTES TO RECOMMEND FREEZING HUNGARY FUNDING

The European Parliament has proposed freezing European Union funding, saying that the 17 measures taken by Hungary aimed at unlocking its EU funding were not sufficient to offset the systemic risks to the bloc's finances. In a resolution adopted on Thursday with 416 votes in favour, 124 against and 33 abstentions, MEPs called on the EC and the European Council to "resist pressure from Hungary and go ahead with adopting the proposed rule-of-law conditionality measures to suspend EU cohesion funds." The measures should be lifted only "only after the Hungarian remedial measures have had a sustainable effect," a statement on the EP website said.

Regarding Hungary's recovery and resilience plan to access the funds set up to counter the fallout of the coronavirus epidemic, MEPs said "they deplore that, because of the government's actions, recovery funds have not yet reached the Hungarian people," the statement said. The risk that further funds would be misused remained, the statement said. "[The] Commission should not approve Hungary's [recovery] plan until the country has fully complied with all recommendations in the field of the

rule of law and all relevant judgments of the EU Court and the Court of Human Rights," it added.

The statement said Hungary was "exerting pressure" on EU bodies by blocking decisions such as aid for Ukraine and the introduction of a global corporate tax, and called on the EC and the European Council not to cave in to it. "This abuse of the rule on voting by unanimity should not have any impact on the decisions regarding the Hungarian recovery plan and the application of the rule of law conditionality legislation," the resolution said. At the same time, beneficiaries of the funding should not be deprived of the means due to their government's non-compliance, it said. The EP protested that the proposal to trigger the conditionality procedure against Hungary had long been overdue and did not go far enough. Also, it urged the commission to take action in connection with other breaches of the rule of law, particularly those relating to the independence of the judiciary, the statement said.

In a statement, the Fidesz European parliamentary group said Hungarian left-wing MEPs did not want Hungary to receive EU funds. Fidesz's MEPs, by contrast, had represented the interests of the Hungarian public by dismissing the text "condemning Hungary and Hungarians" which Hungarian left-wing opposition MEPs had "shamefully supported". Tamás Deutsch, the group's head, said that what was a stake was "EU money that is rightfully ours", and he declared the vote had been an act

of “political punishment”. Without the EU funds, teachers would not receive pay rises and municipalities, small and medium-sized firms, hospitals, transport, environmental protection and energy investments would all suffer as a result, too, he added.

Hungarian opposition MEP István Ujhelyi said in a statement that the Fidesz government and the homeland were not synonymous and “Hungary is not equitable to the Orbán regime”. The Fidesz government would bear sole responsibility were Hungary to lose a single cent of EU funding, he said, adding that in a democratic rule-governed state Viktor Orbán and his government “would resign today”.

FIDESZ MEPS, EP CONSERVATIVE PARTY GROUPS SIGN COOPERATION AGREEMENT

The European Parliament’s conservative party groups and MEPs of Hungary’s ruling Fidesz have signed a cooperation agreement on tightening their ties, Balázs Hidvéghi, a Fidesz MEP, said in Strasbourg. The signatories including members of the European Conservatives and Reformists group (ECR) and the Identity and Democracy group will be able to act jointly in the European political arena, he told Hungarian journalists. The signatories have defined challenges posed by illegal migration, energy security and the security and the standard of living as the main focus areas, Hidvéghi said. Fidesz MEP Ernő

Schaller-Baross said the agreement was the first example of several conservative political parliamentary parties, groups and MEPs coming together to define areas of cooperation. “Cooperation is particularly important, because there is a hegemony of left-wing opinion in the European Parliament which the signatories of the agreement want to break,” Schaller-Baross said.

MINISTER: HUNGARY TO BUY RADAR SYSTEM FROM ISRAEL

Hungary will purchase one of the world’s most modern radar systems from Israel, the defence minister told commercial news channel Hír TV. The radar system forms part of Israel’s Iron Dome missile defence system. The delivery of the system and Norwegian-US missiles, components of a rapid defence system, will start early 2023, Kristóf Szalay-Bobrovniczky said. The minister noted that Hungary had launched a large-scale military and defence upgrade programme in 2016-2017 which he said “has proven to be a good decision in light of the ongoing Russian-Ukrainian war”. Hungary is purchasing military hardware to strengthen its air defence system and its troops, he said. “The aim is to ensure that the Hungarian air defence system covers the country’s entire territory,” Szalay-Bobrovniczky said. The defence minister inspected the Iron Dome system with President Katalin Novák during their official visit to Israel last week.

ENERGY MINISTER NOMINEE: ENERGY SOVEREIGNTY NEXT YEARS’ KEY TASK

As Hungary is largely dependent on energy imports, creating the conditions for Hungary’s energy independence will be the most important task in the coming years, the incoming energy minister told parliament’s economic committee at a hearing on Thursday. Although energy industry investments cost a lot, Hungary must undertake them, Csaba Lantos said. He said he saw great opportunities in renewable energy resources including solar, biogas, biomass and geothermal solutions, adding that depending on geographical conditions, the setting up of wind farms was also feasible. Lantos said domestic energy supply could only remain secure by operating high-capacity power plants in addition to “weather-dependent” energy resources. The committee supported Lantos’s appointment as energy minister. The government has recently initiated setting up an independent energy ministry which parliament approved earlier this week. The new ministry is slated to start operating from Dec. 1.

PRESIDENT NOVÁK URGES BUSINESSES TO ADOPT FAMILY- FRIENDLY ATTITUDE

President Katalin Novák, addressing a business forum in Esztergom, in

northern Hungary, urged companies to adopt a family-friendly approach. The president said she was establishing a pro-family foundation aimed at supporting initiatives helping families. She invited the businesses at the forum to partner with the foundation. Novák highlighted the importance of family-friendly workplaces in helping employees balance work and their family lives.

MORE THAN 9,000 REFUGEES ARRIVE FROM UKRAINE ON WEDNESDAY

Fully 5,333 people crossed into Hungary directly from Ukraine on Wednesday, while another 3,817 crossed from Romania, the National Police Headquarters (ORFK) said. Police issued 30-day residency permits to 173 people. Budapest received 113 people, 42 children among them, who travelled by train.

CBANK: HUNGARY BANKING SECTOR 'HIGHLY RESILIENT' AMID CHALLENGES

The National Bank of Hungary (NBH) in a fresh report said the local banking sector's "significant" capital position and liquidity reserves would remain "robust" even in the case of a crisis more severe than the current forecasts. "The Hungarian banking sector is highly resilient and had significant capital and liquidity buffers when it entered

the complex, challenging period. Although banks' liquidity buffers fell slightly, ample reserves are still available. The sector would meet the regulatory requirements even in the case of a severe liquidity shock," the central bank and financial market regulator said in its biannual report on financial stability.

REAL WAGES FALL BY 1.9% YY IN SEPT

Real wages in Hungary fell by an annual 1.9% in September, as double-digit nominal wage growth couldn't keep up with a CPI that edged over 20%, the Central Statistical Office (KSH) said. KSH data for full-timers at businesses with at least five people on payroll show the average gross wage rose by 17.8% to 504,100 forints (EUR 1,235). The net wage climbed at the same pace to 335,200 forints. The gross median wage increased by 17.2% to 409,200 forints. Hungary's statutory minimum wage was raised by over 19% from the start of the year, while the salaries of many people employed in the public sector were also bumped up, putting wage growth in the double digits from January.

Commenting on the data, Economic Development Minister Márton Nagy said gross wages in January-September 2022 had grown by over 150% compared with the same period in 2010. Real wages were up by an annual 5.1% in the same period, thanks partly to minimum wage and skilled labour

minimum wage hikes, he said. The government has also introduced price caps to further protect wages from "sanctions-related inflation", he said.

SZEGED UNI SOLE CEE PARTICIPANT IN EU CLIMATE CRISIS RESEARCH PROJECT

The University of Szeged (SZTE) is the sole central European institution participating in the European Union's Phoenix project which explores solutions to climate change and the energy crisis. The Phoenix research project gauges the readiness of residents, decision-makers and economic players to respond to changes caused by climate change and the energy crisis in eleven regions in nine countries including Hungary, the university said. The first phase of the project is to explore opportunities in the natural environment and the appreciation, vulnerability and ways of using natural resources. Researchers in this phase will gauge the opinion of local societies on development options they may support in the areas of energy, environment protection and sustainability. The research in Hungary will focus in Szeged on energy, geothermal energy and alternative heating methods and in the Lake Balaton region on local food production and distribution. The research reports will be submitted to the EU decision-making bodies in January 2024 to help prepare a comprehensive action plan.