

PHOTO OF THE DAY



MTI/Zoltán Balogh

Katalin Karikó receives Semmelweis Budapest Award

UPCOMING EVENTS

EU summit closing day in Brussels

Budapest Mayor Gergely Karácsony opens Chain Bridge lanes after revamp

Events related to the war in Ukraine

TOP STORY

NOVÁK, VUČIĆ, BABIŠ INSPECT HUNGARY-SERBIA BORDER

The protection of the Hungary-Serbia border also serves the protection of Europe, President Katalin Novák said after inspecting Hungary's southern border with Serbian President Aleksandar Vučić and former Czech prime minister Andrej Babiš on Thursday.

The border is a symbol of sovereignty "which guarantees our ability to preserve our security", Novák told reporters in Kelebia. In order for Europe to remain "an island of peace" in the long run, a distinction must be made between illegal immigrants and refugees, Novák said. Hungary takes in the refugees fleeing the war in Ukraine and helps them in every way it can, she said, noting that over a million people have been admitted since the start of the conflict. But Hungary has been taking the firmest possible action against illegal immigration "from the very first moment", Novák said. Migration pressure is rising, she added, noting that 261,000 migrants had attempted to enter Hungary illegally this year, which was twice as many as last year. Novák said there was a growing number of human smugglers and those that want to cross the border illegally are more aggressive than ever before. Attacks against border patrols have become frequent. Some 90% of border violators arrive from the direction of Serbia which makes bilateral cooperation in border defence especially important, she said.

Hungary Matters is an English-language newsletter produced and distributed by the Media Service Support and Asset Management Fund (MTVA) with content provided by Duna Media Service Provider exercises copyright over all content. No part of this publication may be copied, reproduced, redistributed or transmitted without prior written permission from the publisher, with the exception of copies made by individuals for private use, educational purposes or scholarly research, provided that such transmissions do not exceed the extent justified by the purpose and are not aimed at financial gain, even indirectly, and the source name are indicated at all times.

All rights reserved. Enquiries should be made to the English Help Desk at +361 441 9340
For MTI's real time coverage please visit <http://english.mti.hu>, <http://econews.hu>



BABIŠ, VUČIĆ, NOVÁK ON ILLEGAL MIGRATION

Former Czech prime minister Andrei Babiš said after inspecting the Hungarian-Serbian border section that illegal migration was organised by human smugglers who collect billions of euros from those that flee their countries and are encouraged to leave their home with promises of a better life.

Serbian President Aleksandar Vučić said Serbia had introduced two measures against illegal migration. In line with an EU request, it stopped the issuance of visas for the citizens of four countries, and strengthened the protection of borders with North Macedonia and Bulgaria.

In response to a question, Novák said it was not in Europe's interest to keep Romania and Bulgaria outside the Schengen area. "This is also connected with migration because external borders are easier to protect if they are closer to the countries of origin," she added. In response to another question, Novák said the war in Ukraine posed a serious challenge to Europe and a great part of the world. In addition to the direct effects of the war, challenges include inflation, economic difficulties and hitches in energy supply, she said. One of the solutions is to strengthen Europe's energy independence, she said, adding that leaders who are able to effectively handle economic difficulties were needed. Novák said she agreed with a journalist's suggestion that stronger police presence was needed along the Hungarian-Serbian border.

ORBÁN: 'ARREST OF EP'S LEFT-WING VICE- PRESIDENT LEAVES MARK ON EU SUMMIT'

"It is high time that the swamp was drained here in Brussels," Prime Minister Viktor Orbán said in a video message on Facebook on Thursday.

The fact that "the left-wing vice-president of the European Parliament was arrested over corruption charges" has left its mark on the Brussels summit of the European Union, he said. Everyone knew that Brussels was full of corruption cases but now the matter "had reached such a level" that even the police had to take action, Orbán said. The corruption scandal has shaken the European institutions, house searches are being held, police are confiscating millions of euros, and everyone is speculating which other Brussels politicians could be involved, he said. Many believe that the links could go up to the highest echelons, Orbán said. He said that the summiters had heard the EP president on Thursday, and stressed the need of a "thorough and comprehensive investigation" of the corruption scandal.

SZIJJÁRTÓ: TALKS START ON OMAN CRUDE, GAS IMPORTS

Experts and companies have started talks on importing natural gas and crude oil from Oman to Hungary, the Hungarian minister of foreign

affairs and trade said on Thursday, after meeting his Omani counterpart, Sayyid Badr Albusaidi. At a joint press conference after the meeting, Péter Szijjártó warned of the dangers of slapping price caps on crude oil and natural gas in the European Union. Such a measure would harm supply security, investments into new energy resources would be delayed and prices would grow, Szijjártó said. "Instead, we would need to increase the production of fuels worldwide to curb prices and to ensure supply security," he said. Hungarian oil and gas company Mol and Oman's state oil company have built a strategic partnership over the past years, and they are in talks on launching joint trainings, on the manufacturing of sustainable fuels and on implementing Hungarian technology, he said. Oman, which is currently producing over one million barrels of crude daily, is working to become the world's primary green hydrogen producer, an opportunity for Hungarian companies, Szijjártó said. An agreement on investment protection between Oman and Hungary is now in force, and a mixed economic committee will also meet soon, while Oman is also planning to open an embassy in Hungary, he said. The two ministers signed a cooperation agreement on diplomatic training and water management, and Hungary is offering 50 grants for Omani students wishing to study in the country, Szijjártó said. Szijjártó called on the EU to scrap visa requirements for Omani citizens. In response

to a question, Szijjártó warned of “politicising” the issue of energy supplies. Hungary’s government sees diversification as a process of “involving as many resources as we can, rather than excluding others,” he said. “The excellent experts in Brussels and Budapest who are trying to spin energy supply as a political issue are either living in a dream world or have an interest in shaking Hungary’s energy security,” he said. On another topic, Szijjártó rejected the notion that Hungary was pursuing “veto politics”. “We support the [EU] decisions in line with Hungary’s interests and reject those opposing them,” he said.

SZIJJÁRTÓ ATTENDS CAE GROUP PROJECT OPENER

Péter Szijjártó, the minister of foreign affairs and trade, on Thursday attended an event at which Canada’s simulation technologies specialist CAE Group announced an investment project to be launched in Hungary. Referring to the project, using some 3.5 billion forints (EUR 8.6m), Szijjártó said he was certain that Hungary, similarly to previous years, would break an investment record in 2022. The minister said the agreement under which the government would provide a grant to the project, to be completed in Budapest and Veszprém, in western Hungary, was being finalised. Concerning investments in Hungary in general, Szijjártó said “the technological level of the projects, their digital content and their value added are all on the increase.” Hungary is a destination “for

the most up to date investments of the present, whether they are electric cars or research and development projects”, he said. Szijjártó added that the number of jobs in the R and D area has now exceeded 90,000. Bilateral trade with Canada increased by 28% in the first nine months of the year, while Hungarian exports to Canada were up by 30%, Szijjártó said.

ORBÁN MEETS THAI COUNTERPART

Prime Minister Viktor Orbán met the prime minister of Thailand, Prayut Chan-o-cha, for talks in Brussels on Wednesday, focusing mainly on strengthening economic cooperation. According to information from Orbán’s press chief, the two prime ministers agreed that their countries’ economies could contribute to each other’s performance rather than compete, which could facilitate much more dynamic cooperation in investment and trade projects. The Thai prime minister thanked Orbán for Hungary’s ensuring scholarships to 40 Thai students each year to study at Hungarian universities. The two prime ministers mutually invited each other for an official visit to their countries.

GOVT TARGETS 3.5% / GDP DEFICIT, 1.5% GROWTH IN 2023

Hungary’s government aims to reduce the budget deficit to 3.5% of GDP in 2023 from this year’s deficit

of 4.9% and expects the economy to grow by 1.5% following the 5% expansion expected this year, the minister of economic development said on Thursday. Energy prices impose an extremely heavy burden on the budget, Márton Nagy told a conference organised by the Oeconomus Foundation for Economic Research in Budapest, adding that the state’s energy costs were expected to come to 2,500 billion forints (EUR 6.1bn) next year. The budget would be balanced or would have a surplus without the drastic price increases, Nagy said, adding that the deficit could be attributed entirely to high energy costs. Hungary this year expects to pay a total of 17 billion euros for energy compared with 7 billion last year, even though consumption has not increased, Nagy said, adding that energy costs are expected to reach 17-18 billion euros next year. The Hungarian economy was stable when the crisis hit but the terms of trade deteriorated because of the energy costs, the minister said. Because of this, Hungary’s current account deficit could reach 8% by the end of the year, Nagy said, adding that if energy prices had not risen, the country would also have a trade surplus.

Meanwhile, the minister said inflation was expected to peak at 25-27% in January or February next year and reach the single digits by the end of the year. He put average annual inflation for 2023 at 15-16%, adding that average wage growth

was expected to be slightly higher. Concerning the long-term outlook, Nagy said gas and electricity cost five to six times more in Europe than in the United States, which he said put the continent at a further competitive disadvantage. The world and the European Union face a recession, he said, adding that the entire existence of energy-intensive industries in Europe was under threat.

SOCIALISTS CALL FOR BUDGETARY CTTEE TO HEAR FINMIN

The Socialist head of parliament's budgetary committee has initiated a session of the body with a hearing of the finance minister over the government's amending next year's budget. Speaking at a press conference broadcast on Facebook on Thursday, Zoltan Vajda slammed the government for "bypassing parliament" when changing the budget, saying that budgeting was "not the government's internal affair". Vajda insisted that the budget could not be amended through government decrees and that the government should submit a new draft "based on the real situation" to parliament. He also noted that he had called the original draft, submitted last summer, "fictitious" and had said it had "nothing to do with reality". Next year's budget was planned with an inflation rate of 5.2%, whereas "this figure could be three or even four times as high", he said, adding that the growth target was 4.1% while "the economy could even shrink".

DEFMIN: PLANNED AMMUNITION PLANT KEY TO 'INNOVATIVE, HIGH-TECH' MILITARY

The Hungarian government is building a "brave, innovative and high-tech military", the defence minister said on Thursday, at the groundbreaking ceremony of an ammunition factory in Várpalota, on Thursday. Kristóf Szalay-Bobrovniczky said the military should be a "self-supporting, independent system", and such projects as the new plant were instrumental in its development. The new plant will supply ammunition for weapons also produced in Hungary, thus "filling a great gap in domestic and European domestic capabilities", he said. The ceremony marks the beginning of the construction of a defence industry park with nearly 200 new jobs. The new plant will produce ammunition for Lynx tanks, as well as Leopard 2A7HU and PzH 2000 HU Howitzers from 2024 on, the minister said. The minister said the Rheinmetall Group would in future supply Hungary with an "arsenal" to equip infantry fighting vehicles and tanks, while the defence industry park's four square kilometres would incorporate five facilities producing a wide range of ammunitions and explosives for the Hungarian military. He added that large-scale developments in terms of the combat capabilities of the military would not only contribute to the country's security but would also increase NATO's stability. Rheinmetall AG chief Armin Papperger said the

new plant, built with a budget of 250-300 million euros, would significantly increase Hungary's role in ensuring security for the region.

MI HAZÁNK TO FILE COMPLAINT FOR FUEL MARKET 'SPECULATION'

The radical Mi Hazánk (Our Homeland) party is filing a complaint with the police over "speculation and dumping prices" in the fuel market, party head László Toroczka said on Thursday. The complaint will be filed against perpetrator(s) unknown but "primarily against [oil and gas company] Mol". "We think they were able to manipulate prices with the help of government officials," he said. By keeping prices low, the perpetrators have pushed small, mostly family-owned companies running petrol stations, then withdrew the product to hike the prices, he said. Unlike in Hungary, Mol petrol stations in Croatia, Serbia and Slovakia faced no fuel shortages, he said. Mi Hazánk will also propose to re-introduce speculation and price dumping into the Penal Code, he said.

UNIONS, EMPLOYERS, GOVT AGREE ON MINIMUM WAGE RISE

A forum of representatives from unions, employers and the government reached an agreement on Thursday on next year's minimum wage rise, state secretary for employment policy Sándor Czomba announced at a press conference.

Under the agreement, the monthly minimum wage for unskilled labourers will rise by 16% to 232,000 forints (EUR 573), while the minimum wage for skilled workers climbs 14% to 296,400 forints (EUR 731) next year, he said. Responding to a question from MTI, Czomba said all parties at the talks, including unions association MASZSZ, backed the deal. Czomba told MTI a government pledge not to raise the payroll tax next year was included in the deal. The government has paired payroll tax cuts with rises in the minimum wage for years, but signalled earlier that it couldn't repeat the practice in 2023. The state secretary noted that the payroll tax had been scaled down from 28.5% to 13% between 2017 and 2022, driving wage growth. He said unions and employers were asked to follow the example of the government and try to "stretch to the limit" during the difficult period at present. He added that the sides "did just that". Czomba noted that around 730,000 people are paid the minimum wage for skilled workers, while 230,000 get the minimum wage for unskilled labourers.

MORE THAN 9,400 UKRAINE REFUGEES ENTER HUNGARY ON WEDNESDAY

Fully 5,398 refugees entered Hungary at the Ukraine-Hungary border on Wednesday, while 4,005 came to the country via Romania, according to the

national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 157 people. Altogether 26 refugees, 5 children among them, arrived in Budapest by train, ORFK said on Thursday.

CONSTRUCTION SECTOR OUTPUT DOWN BY 2.5% YR/YR IN OCT

Output of Hungary's construction sector fell by an annual 2.5% in October, after edging up by 1.6% in the previous month, the Central Statistical Office (KSH) said on Thursday. Output of the buildings segment declined by 3.0% and civil engineering output slipped by 0.9%. In absolute terms, construction sector output reached 633.3 billion forints (EUR 1.6bn) in October. The buildings segment accounted for 60.5% of the total.

HUNGARY C/A DEFICIT REACHES EUR 1.556 BN IN OCT

Hungary's current account had a 1.556 billion euro deficit in October, preliminary monthly data released by the National Bank of Hungary (NBH) on Thursday show. Hungary had a 1.048 billion euro trade deficit for the month, the balance of a 1.483 billion deficit in trade of goods and a 435 million euro surplus in trade of services. The primary income balance showed a deficit of 371 million euros as

investors repatriated 544 million from direct investments. Capital transfers from the European Union came to 63 million euros for the month.

KARIKÓ RECEIVES SEMMELWEIS BUDAPEST AWARD

Hungarian-born biochemist Katalin Karikó, an adjunct professor at the University of Pennsylvania, received the Semmelweis Budapest Award on Thursday. Semmelweis University rector Béla Merkely said at the awards ceremony that thanks to Karikó, "today we live in a safer world because we have a weapon against the Covid-19 virus, which caused the pandemic, and it can be utilised much faster in case of a new pandemic". Karikó, who used to be vice president of BioNTech, which has led research on mRNA-based medicine since the 1990s, has played a major role in developing new vaccination strategies which have been used in the fight against Covid-19. "Founded in 2009, the Semmelweis Budapest Award serves to recognise the achievements of an international researcher working in the field of medical biology, whose research activities have produced internationally acknowledged results, contributed to the benefit of humanity, and opened up new ways of understanding living natural science," the university said on its website.