

PHOTO OF THE DAY



MTI/István Filep

Renewed game management collection of Sopron University

UPCOMING EVENTS

Signing of agreement on delivery of Azeri electricity to Hungary

Events related to the war in Ukraine

TOP STORY

FM: EUROPE SHOULD 'STOP ILLEGAL MIGRATION'

Growing migration pressure is mostly due to the European Union's pro-migration policy, and Europe will not be safe until it stops illegal migration, Hungary's minister of foreign affairs and trade said in Valletta on Friday.

After meeting his Maltese counterpart Ian Borg, Péter Szijjártó said both countries were under double pressure from illegal migration and the war in Ukraine. Hungary thwarted 263,000 illegal entry attempts this year alone, and Malta reported rising numbers of arrivals across the Mediterranean, he said. "We shall not be safe from illegal migration as long as Brussels doesn't change its pro-migration policy," he said.

Szjártó accused NGOs of colluding with people smuggler rings and working with them to pressure sovereign European states: "They want to decide who we should accept". "These organisations are presented as heroes in the West but they are actually members of criminal organisations," he said.

The war in Ukraine has also brought severe problems to Hungary and Malta, with the former suffering from the energy crisis and the latter from maritime restrictions, Szjártó said. The two countries agree that "peace is needed as soon as possible", and neither deliver arms to Ukraine, the minister said.

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SZIJJÁRTÓ: MALTA, HUNGARY AGREE ON ROLE OF EU

Malta and Hungary both see the European Union as an alliance of sovereign countries, Foreign Minister Péter Szijjártó told a press conference in Valletta after meeting his Maltese counterpart, Ian Borg. "We don't support the decision-making process to move towards qualified majority [replacing unanimous decisions]. We do not support the idea that the EU should take over further competencies from member states, and we want Brussels to respect all member states, regardless of their size," he said. Bilateral cooperation has been beneficial for both countries, he said. Trade volume grew by 60% and tourism also picked up last year. The number of nights Hungarian guests spent in Malta has jumped by 41% and twice as many Maltese guests have arrived in Hungary so far this year than they did all year in 2021, he said.

EUROPEAN COUNCIL FORMALLY ADOPTS LEGISLATION ON HUNGARY RRF PLAN, CONDITIONALITY PROCEDURE

The Council of the European Union on Friday adopted legislation on Hungary's Recovery and Resilience Facility (RRF) plan and the conditionality mechanism, as well as on an 18 billion euro aid for Ukraine and the global minimum

corporate tax. Heads of the member states approved the legislation as a package at a summit on Thursday and the Council adopted it in a written procedure the day after.

The Council adopted implementing decisions on the rule-of-law conditionality mechanism and approved the European Commission's assessment of Hungary's RRF plan. The assessment said Hungary's plan was in line with all relevant criteria and requirements of the RRF. The plan is comprehensive and offers a balanced response to Hungary's economic and social situation, it said. The legislation also amended the 2021-2027 budget to allow 18 billion euros in funding for Ukraine. The aid shall be used to ensure basic public services such as the operation of schools and hospitals and housing for deported citizens, as well as to preserve macroeconomic stability and the reconstruction of vital infrastructure destroyed by Russian forces, the legislation said. Member states have also adopted the introduction of the global minimum corporate tax and undertook to implement it in their own tax systems. As a result, large multinational and domestic corporations will have to pay 15% in corporate taxes.

MINISTER OF AGRICULTURE: PRESERVING BIODIVERSITY COMMON OBLIGATION

Hungary invested at an unprecedented level in environmental protection over the past decade in order to preserve its natural resources, Minister of Agriculture

István Nagy said at the UN Biodiversity Conference (COP 15) in Montreal late on Thursday, local time. Nagy told the meeting that Hungary's new agricultural support system involves several measures that promote preserving biodiversity. Thanks to new allocations entering force in January, a significant influence can be made on preserving the diversity of the flora and fauna, considering that over 50% of Hungary's territory is cultivated, he added. Over the past decade, Hungary has spent over 300 million euros on improving the condition of natural habitats on over 300,000 hectares, representing some 15% of protected areas which account for over one-fifth of the country's territory, he said. In the next five years, nature protection developments are planned on at least 100,000 hectares, with some 112 million euros allocated for the purpose, he added.

JUSTICE MIN: FAMILY SUPPORT FOCUS OF GOVT SOCIAL POLICY

The national conservative government sees family support as the bedrock of social policy, Justice Minister Judit Varga said on Friday, addressing a conference on children's rights. The government allocates 5% of GDP to supporting families with children, and has created legislation to help them, she told the conference organised by the Ferenc Mádl Institute of Comparative Law. The Civil Code in force since 2014 prioritises children's rights, especially in procedures on

parental custody and guardianship, Varga said. A 2022 amendment widened the concept of shared custody, enabling parents to share care duties equally, she added. The child protection alarm system is now four-tiered, with a local, district, county and national system in place, she said. The 2013 Penal Code provides stricter punishment for crimes against children in sexual abuse, paedophilia or human trafficking. Perpetrators of crimes against sexual freedom can be banned from certain professions, she added. Over the past decade, the number of crimes registered has plummeted by 70%, and Hungary has become one of the safest countries on Earth, she said.

HOLLIK: GOVT CAN REPRESENT HUNGARIANS' INTEREST IN BRUSSELS WITH DUE FORCE

The National Consultation survey, completed late on Thursday, will help the government represent Hungarians' interest in Brussels with due force, ruling Fidesz's communications director said on Friday. István Hollik said in a video message that the co-ruling Fidesz-KDNP had always considered it important to ask and listen to Hungarians' opinion about matters that affect their lives in the long term. The "left-wing financed from abroad" continues to be uninterested in Hungarian people's opinion, he said, adding that they had attacked the National Consultation survey once again. In

exchange for "dollars rolling in", they represent Brussels' interests instead of Hungarians' interests, he added. Hollik expressed thanks to all that filled in the survey and "expressed their opinion about the ill-advised sanctions imposed by Brussels".

LMP: HUNGARY SHOULD NOT REMAIN TAX HAVEN

Now that Hungary has been exempted from applying the global minimum tax, the country will remain a tax haven, the opposition LMP party said on Friday. "It is rather unpleasant to live in a tax haven, because only a thin layer of society, the ruling class is getting richer, while ordinary people remain poor," LMP spokeswoman Anna Süveg told a press conference. She welcomed the recent agreement that granted Hungary access to EU recovery funds but added that the country was still a loser of the deal. The only winners of the artificially generated race to cut taxes are the multinational corporations, Süveg said. LMP would therefore introduce a dual-rate system of corporate taxation, with large companies obliged to pay a 25% tax on profits above 500 million forints (EUR 1.23m), she said.

FINANCE MINISTER: GOVT TO AMEND 2023 BUDGET BY YEAR-END

The government is still working on the amendment of the 2023 budget, Finance Minister Mihály Varga said on Friday.

The minister said on Facebook that the protracted war and Brussels' sanctions policies had fundamentally changed economic trends. As a consequence, the economic and financial plans for 2023 have to be reviewed, he added. The government has started this work and the earlier approved 2023 budget based on projections of a different economic path will be amended by the end of December, he said.

The goal is to reduce the deficit and public debt despite the unfavourable international environment, and to protect the family support scheme, pensions and workplaces, he said.

"I agree with and support a proposal by Zoltan Vajda, head of parliament's budget committee, to inform the parliament's relevant committee about this. As soon the finance ministry finishes the amendments and the government approves them, I will be pleased to attend the budget committee meeting," Varga said.

MATOLCSY MADE CASE FOR PRICE CAP PHASEOUT IN EARLY DECEMBER

National Bank of Hungary (NBH) governor György Matolcsy argued for the phaseout of government-mandated price caps because of their indirect inflationary impact in a presentation delivered to parliament's Economy Committee on December 5, materials from the presentation posted on the central bank website on Thursday show.

In the presentation, Matolcsy said price caps on staples and motor fuel added 3-4 percentage points to inflation through indirect channels. He acknowledged price caps on some staples directly resulted in a 1.2-percentage-point reduction in headline inflation, but said the measure drove prices of substitute products higher, adding 1.2 percentage point to the headline figure. Passthrough to catering services contributed 0.2-0.4 percentage point to headline CPI, he added.

He noted that while the price of granulated sugar was capped from February 1, the price of powdered sugar rose 222% since the measure was introduced. The price of pork loin, a substitute for pork leg, which was also capped, climbed 152%, and the price of chicken thigh, a substitute for price-capped chicken breast, increased 167%, the presentation shows.

He also pointed to "serious disruptions" to some vertically integrated production, such as that for dairy products, as companies tried to compensate for revenue loss because of the price caps.

While the price cap on motor fuels cut headline CPI by 2.5 percentage

points, Matolcsy said the spillover effect on "market prices" added 0.4-0.6 percentage point to the headline figure, while persistent higher spreads added 0.6-0.8 percentage point.

He estimated that the impact on exchange rates of a deterioration of the current-account balance due to increased demand added 0.6-0.7 percentage point to headline CPI.

The government scrapped the motor fuel price cap on December 6, amid a surge in demand after European Union sanctions affecting Russian crude came into force. The price caps on staples, which apply to granulated sugar, BL 55 flour, refined sunflower seed oil, pork leg, chicken breast and back, UHT cow's milk with 2.8% fat content, fresh eggs and potatoes, were extended until April 30, 2023 in a decree issued on December 13.

MORE THAN 10,000 UKRAINE REFUGEES ENTER HUNGARY ON THURSDAY

Fully 5,553 refugees entered Hungary at the Ukraine-Hungary border on Thursday, while 4,754 came to the

country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 176 people, ORFK said on Friday.

ORBÁN GREETS JEWISH COMMUNITY ON OCCASION OF HANUKKAH

Prime Minister Viktor Orbán has greeted the Hungarian Jewish community on the occasion of the coming Hanukkah, the Festival of Lights, his press chief said on Friday. "The flames of the candles lit with respect for ancestors and hope for the future proclaim the triumph of light over darkness each year," Bertalan Havasi quoted Orban as saying in a letter addressed to the community. "And now when our everyday lives are overshadowed by the war in our vicinity and its economic effects, we have an even stronger desire for the miracle that the holiday can bring," the prime minister said, wishing for Hanukkah to bring joy, love and peace to the world.