

PHOTO OF THE DAY



Newly-inaugurated Kútvolgyi block of the Budapest's New Szent János Hospital

UPCOMING EVENTS

Prime minister holds international press briefing

Events related to the war in Ukraine

Events related to Christmas

TOP STORY

FINMIN: BUDGET FINANCING 'STABLE'

Hungary's financing needs can be met next year and the budget is on a stable footing, Mihály Varga, the finance minister, told a press conference.

Even amidst the poor international environment, the government will be able to continue cutting the budget deficit and the public debt, the minister said, adding that the former will be reduced to 3.5% in 2023 after 4.9% forecast for this year, while the public debt will fall from 76.8% at end-2021 to 74% by the end of this year. Varga said the 2023 budget will be redrafted by the end of the month -- though sticking to the same deficit target -- to take into consideration "a different economic path" ahead which envisages bypassing a recession and achieving growth of 1.5%. This would come after expected growth of 4.5-5.0% this year.

He said energy costs had added 4,000 billion forints (EUR 9.9bn) to the public finances. At the same time, he said there was record employment and a jobless rate which is among the lowest in the European Union. Growth, he added, was still above the EU average and Hungary's tax system was internationally highly competitive. Investments, he said, were robust and the balance indices have improved thanks to government action taken during the year.

FINMIN: HUNGARY PLANNING FX BOND ISSUES WORTH USD 4 BN NEXT YEAR

Hungary has a series of foreign currency bond issues worth 4 billion dollars planned for next year together with refinancing of foreign currency bonds worth 1 billion dollars, Mihály Varga, the finance minister, told a press conference. EU recovery funds are also expected to underpin Hungary's public financing, Varga added. The minister said that whereas 10 years ago, more than half of Hungary's debt was FX, today this has been lowered to 25%. Meanwhile, the level of foreign ownership in the country's businesses has fallen from 75% to 50%, he added. Whereas the amount of state bonds in the hands of Hungarians has fallen somewhat this year, domestic financing of the national debt is still the highest in Europe, at 20%, Varga said.

ORBÁN: HUNGARIAN FOOTBALL ON COURSE TO REDEEM ITS 'OLD GLORY'

Hungarian football is on course to redeem its old glory, Prime Minister Viktor Orbán said in an interview to Nemzeti Sport online, adding that by 2030 the national eleven would be great again. In the interview in Qatar, Orbán said: "Lionel Messi is the greatest; literally the smallest boy that has grown to be the greatest hero." He called the competition "unique" for being organised in an Arab country

for the first time. "Arab football flashed its real strength through the Moroccan team," he added. The prime minister said the Western world had had to learn how to behave according to different rules. "This time they weren't hosts but guests, yet they tried to force their habits on their hosts..." The Western world, with its "colonial instincts", has forgotten the adage: "When in Rome, do as the Romans do," he added. Qatar could have spent their money "on anything" other than the World Cup, but "it is good that they spent it on football," Orbán said. He said bilateral ties with Qatar were excellent, the country was "a friend of Hungary" with a number of large investments here.

Orbán praised Hungary's Sándor Csányi, FIFA's vice president, for his initiative to allow players to be in their home countries' teams even if they had played in the junior teams of other countries. That is why, he said, there were many players in the Moroccan and other African teams who had played, for example, in France as youngsters.

Orbán said the "Golden" Hungarian team of the 1950s had been "no doubt one of the best" but "we were not there in Qatar this time because we could not win when we should have." But Hungarian soccer was improving, he noted. In the 20 years after 1989, Hungarian football descended into darkness, "and it has taken another twenty years to emerge", but by 2030 it will have "regained its old glory", he said. Referring to "spectacular games" in soccer club leagues, Orbán said that ultimately national teams unsullied by corruption were of the greatest value.

Discussing sport more broadly, Orbán said it would take another year before changes in the government's sports management could be assessed. Seven-year development programmes the government launched for sports associations are being completed, he said. Those schemes will be evaluated individually, while new agreements with the associations for the next two Olympic cycles are being signed, he added.

Pointing to the war in Ukraine, the prime minister noted difficulties in running sports facilities and high energy costs. These problems will "stay with us" and Hungary will not be able to organise any major sports events in 2023 and 2024, Orbán said.

The Hungarian government has "built and organised everything possible" in the area of sports in the past 12 years, he said, referring to Budapest's new athletics stadium and the athletics world championships as "the crown" of those efforts. "We have organised all events possible that are worth organising -- apart from the Olympics," Orbán said.

AGRICULTURE MIN: EU STATES NEED PRECISE DATA BEFORE REDUCING PESTICIDES

Whereas Hungary agrees in principle on the need to cut down on the use of pesticides, consumers must be informed how much more food will cost as a result of the measure, the minister of agriculture said on Tuesday.

The European Union's proposals will lead to a fall in agricultural production and higher food prices, István Nagy said in a statement. Further, the proposed measure would open up the bloc to cheap imports associated with food safety risks. So the impact study should detail the effects of the proposal in numbers, he added. He noted that the majority of the EU Council has asked the European Commission to supplement its impact study with forecasts. In its June proposal, the Commission said pesticides should be cut by half in all member states, the minister noted, adding that the various positions and outcomes of each country in terms of pesticide reduction had not been taken into consideration. Another problem is that the proposal seeks a ban on certain pesticides in so-called sensitive areas, including nitrate-sensitive areas -- covering almost 80% of the bloc's cultivated areas. The resulting fall in crop yields would present an "unacceptable risk" amid the current war environment and would threaten food security, he added. Whereas society would benefit from reducing the use of pesticides, health, environmental and climate protection considerations must be finely balanced against competitiveness and the economy, the minister said.

EUROPEANS WANT PEACE, NOT SANCTIONS - SZÁZADVÉG SURVEY

Europeans want peace, not sanctions, according to a survey by the Századvég Institute published on Tuesday,

which found that Europeans expect leaders to try to secure a ceasefire in Ukraine and a peace agreement as swiftly as possible. The think-tank said the "Western political elite" had concentrated more on punishing Russia than on fostering peace talks, adding that EU sanctions and foreign policy had stalled the possibility of securing peace between Ukraine and Russia.

In Hungary 62% of respondents to Századvég's survey found the war "highly concerning", while 31% found it unsettling, while in Germany the corresponding ratios were 51% and 30%. The only EU member state where a majority did not find the war to be quite so worrying was Slovakia, (48% and 41%, respectively). One explanation for this is that Slovaks may be more preoccupied with domestic problems, the think-tank said. Fully 82% of respondents to the Europe-wide survey were in favour of prioritising peace and forcing Russia and Ukraine to negotiate an end to the war. Divisions are apparent along the lines of states which are pro-sanctions and anti-sanctions/pro-peace, Századvég said. There is a preponderance of southern states whose respondents were in favour of forcing negotiations (91% in Cyprus, 89% in Portugal and Greece) than rejecting sanctions. In Hungary, the corresponding ratio is 88%, the think-tank said. The think-tank said that whereas in all countries surveyed there was a majority for swift peace talks, "this proportion is lower in the pro-sanctions member states".

Fully 42% of Estonians, 36% of Latvians, 31% of Poles, and 29% of Lithuanians do not agree with forcing peace talks.

In addition to the EU member states, the research covered the United Kingdom, Norway, Switzerland, Moldova, Albania, Kosovo, North Macedonia, Montenegro, Serbia, Bulgaria and Bosnia-Herzegovina, with 38,000 randomly selected adults interviewed by phone between October 13 and December 7.

DK SHADOW CABINET 'READY TO GOVERN'

"We are ready for government and prepared to lead Hungary out of a crisis generated by Viktor Orbán," Klára Dobrev, the shadow prime minister of the opposition Democratic Coalition (DK), told an online press briefing on Tuesday. Dobrev said "the longer the Orbán government stays the bigger the problem will grow," and she insisted that DK's shadow government was "the only hope for Hungary to find a way out of the cost-of-living crisis". Dobrev said her shadow government was set up to present "a well-prepared and better performing alternative" to the incumbent government, and "to show that there is another approach in which the government takes responsibility for running the country." So far the shadow government has held consultations on necessary changes in education, on measures to help pensioners cope with inflation and higher utility costs, as well as suggesting ways the government could rein in inflation, mitigate the

effects of draughts, introduce a utility fee moratorium, and reduce fuel prices below 500 forints/litre, Dobrev said. DK's shadow government also has ideas on how to eliminate Hungary's dependence on Russian gas imports and promote renewable energies, Dobrev said. She added that DK is paying for the utility bills of 500 needy families before Christmas.

In response, ruling Fidesz said DK was "seeking power and dollars" in a bid to undermine Hungary. Ferenc Gyurcsány, the leader of DK and one-time prime minister, "recently made clear that he controls the entire left wing. He wants to return to power and he is capable of doing anything to that end," Fidesz said in a statement. DK, it added, would "buy up their opponents by the kilo", make agreements with foreign powers and "subserviently support the sanctions which are causing the crisis". Also, they would "toss Hungarians into an energy crisis", while "refusing to support measures to protect families, pensioners and businesses", Fidesz added. The leftist opposition, the statement said, wants to eliminate the cap on household energy bills, and "keeps intriguing against Hungary in Brussels to prevent the country from receiving the community funds it is entitled to."

BAPTIST AID SENDS 60 POWER GENERATORS TO UKRAINE

The Hungarian Baptist Aid has sent 60 power generators and eight power inverters to Ukraine

in collaboration with the Hungary Helps humanitarian programme, the organisation said on Tuesday. The Baptist Aid told MTI it will send 15 more high-performance generators to the neighbouring country over the coming weeks. It cited Tristan Azbej, the state secretary of the Prime Minister's Office responsible for helping persecuted Christians, as saying that the crisis caused by the destruction of Ukraine's energy infrastructure was getting worse. "This is why the aid that we're sending is so important," Azbej said. He said ten of the 60 generators were being sent to the western Ukrainian region of Transcarpathia, while 50 will be going to the suburb of Kyiv that has been heavily affected by the war. Meanwhile, the Baptist Aid said it has welcomed more than 30,000 refugees over the last ten months in Tiszabecs, in eastern Hungary. The organisation said it is providing accommodation, food and hygienic care to hundreds of refugees in several locations. It also helps refugees find jobs, offers dormitory placement for secondary school students arriving alone and organises camps for children.

OVER 8,500 UKRAINE REFUGEES ENTER HUNGARY ON MONDAY

Fully 5,100 refugees entered Hungary at the Ukraine-Hungary border on Monday, while 3,485 came to the

country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 136 people. Altogether 50 refugees, 16 children among them, arrived in Budapest by train, ORFK said on Tuesday.

HUNGARY CBANK LEAVES BASE RATE ON HOLD

Hungarian rate-setters on Tuesday left the base rate unchanged at 13%. The Monetary Council also decided at its policy meeting to keep the central bank's interest rate corridor unchanged. The decision was in line with expectations.

In a statement released after the meeting, the Council said tight monetary conditions would be maintained over a prolonged period so as to ensure that inflation expectations are anchored and the inflation target is achieved in a sustainable manner. The central bank will continue to focus on sustained shifts in financial market conditions, the Council said, adding that it would use the instruments introduced in mid-October until there was a trend improvement in risk perceptions. The Council said it was necessary to maintain the current level of the base rate for an extended period in order "to achieve the price stability objective over the monetary policy horizon". It said the current level of the base rate was adequate to manage fundamental inflation risks, adding that monetary tightening was

set to continue with the reduction of interbank liquidity.

The Council reviewed the central bank's latest quarterly Inflation Report at the meeting and published the main forecasts. The report puts average annual inflation at 14.5-14.7% for 2022 and at 15.0-19.5% for 2023. It said the scrapping of the price caps on fuel and "higher-than-expected food prices have pushed the inflation path significantly higher than expected in September". It added, at the same time, that from early next year, the slowdown of inflation would be supported by both internal and external factors. The central bank forecasts GDP growth of 4.5-5.0% for 2022 and 0.5-1.5% for next year. It puts economic growth at 3.5-4.5% for 2024 and at 3.0-4.0% for 2025.

At a press conference after the meeting, National Bank of Hungary deputy governor Barnabás Virág said global inflation had peaked and CPI in Hungary could fall into the single

digits by the end of 2023. He said inflation could remain at a "prolonged peak" in the early months of next year. In response to a question, Virág said inflation in Hungary was set to keep rising in December. He said the scrapping of the price caps on fuel could add 2 percentage points to headline CPI in December and another half a percentage point in January. He added that December inflation could climb to 26-27% and suggested CPI could remain that high through the first quarter.

BUDA CASTLE RECONSTRUCTION PRESENTED AT NEW VISITOR CENTRE

A visitor centre presenting the ongoing reconstruction of the Buda Castle with architectural models and digital displays opened

in the Hunyadi Courtyard on Monday. The exhibition presents preparatory work and more than 100,000 archived documents researched so far in connection with the project, Robert Gutowski, the project's chief architect, said at the opening. Krisztina Sikota, the deputy director of the Castle District Directorate for tourism, culture and communications, said the visitor centre provides up-to-date information about the reconstruction process and programmes in the Castle District. Tickets for these programmes are also sold at the centre. The Buda Castle and Castle District reconstruction is being carried out under the government's National Hauszmann Plan. As part of the scheme, the St Stephen's Hall in the Castle Building has reopened, visited by 110,000 people in the past year and a half, she said.