

PHOTO OF THE DAY



MTI/Noémi Bruzák

Installation in Budapest Lumina Park on Margaret Island

UPCOMING EVENTS

Events related to the war in Ukraine

Events marking year-end

TOP STORY

PRESIDENT PLEDGES TO WORK FOR FAMILY SUPPORT, VALUES

President Katalin Novák said she would continue to promote support for families and family values as a president, in a Christmas interview on Monday.

She told commercial broadcaster TV2 that she hoped Hungarian families would be able to “concentrate on their love for each other at least in these few days”, amid the economic fallout of the war that came hard on the heels of the two-year coronavirus pandemic. Regarding her recent trip to Kyiv, Novák said President Volodymyr Zelensky’s invitation had been to an event promoting the export of Ukrainian grain to hunger-stricken African communities. She accepted because “Hungary could get behind that goal”, she said. Besides a humanitarian campaign, Hungary also wanted to express its solidarity with a neighbouring country attacked by its own neighbour, she said.

Responding to a question on the teachers’ strikes in Hungary, Novák said “we can’t honour enough those entrusted with the education of our children”. Parents and teachers are key to “the sort of adults our children will become,” she said. She called for creating the framework for the “moral and financial appreciation” of teachers, “regardless of economic difficulties and EU resources”.

ORBÁN: GOGARY'S SIDE'

While "Hungary's government is supporting Ukraine and has a vested interest in its sovereignty and we have an interest in Russia not posing a threat to Europe's security, we have no interest in severing all economic ties with Russia," the prime minister told a paper.

In an interview published in Magyar Nemzet on Saturday, Viktor Orbán said "we stand on the Hungarian side of history". He said 2022 had been the "most dangerous year since the change of regime" in 1989, as Hungary was in danger of being dragged into the conflict. "Had left-wing parties won [in the general election] in April, we would be up to our necks in it. Hungary is the only European country to have managed to stay away from this war because Hungarians voted for that," he insisted.

Growing energy prices are another threat to Hungary, he said. The costs of energy imports have grown from 7 billion euros "before the sanctions" imposed by the European Union on Russia to 17 billion this year, he said. "If a Christmas angel wiped away energy-related sanctions, energy prices would fall immediately," he said, adding that Hungarian inflation would also plummet and the country could plan with 5% growth rather than the current 1.5%.

The war may be drawn out for decades, Orbán said. "But Ukraine can fight only as long as the United

States supports it with weapons and money... so if the Americans want peace, there will be peace," he added. Ukraine, as a sovereign state, cannot be expected to sacrifice part of its territory for European peace, energy security and welfare, he said. "But we can decide to what extent we support them. Hungary has decided to provide humanitarian aid as this war is not our war."

Orbán said the government planned to push inflation back into single digits by the end of next year. He called central bank governor György Matolcsy's recent criticism of the government's work "unusual", adding that the governor's job to handle inflation had put him "in a difficult spot". At such times, "it is understandable if one chooses unorthodox ways of behaviour in public," he said. Meanwhile, the government will make the home purchase subsidies for families (CSOK) more targeted in the second half of next year, Orbán said. The subsidies for home buyers in small localities will remain unchanged, he said. At the same time, women raising children will be exempt from personal income tax until the age of 30, he added.

In connection with a former Vice President of the European Parliament detained on suspicion of corruption, Orbán said it was time to "drain the swamp" and "revive" a proposal by Hungary to disband the current EP and replace it with an assembly of the representatives of national parliaments. "The root of the problems" is that

"Hungarians and Westerners" have different visions of their future, Orbán said. "We do not want to become a country of immigrants, we don't want to allow gender activists into our schools or dismantle the normal framework of family life, we don't want war or sanctions, and we want to maintain our connections with the non-Western parts of the world," he said. Referring to allegations that Hungarian opposition parties had accepted support from abroad during the spring election campaign, Orbán said "the Hungarian Left could be bought but not Hungary". "As long as our national and political community stand together, Hungary's independence will not be for sale," he said.

FISCAL COUNCIL RAISES NO OBJECTIONS TO DRAFT BUDGET AMENDMENTS

The Fiscal Council raised no objections to the government's draft of amendments to the 2023 budget, but acknowledged risks to achieving fiscal targets in an opinion issued on Tuesday. The Council said there were "no such fundamental objections that would justify signalling disagreement with regard to the draft amendments" in a resolution. "Russia's war against Ukraine, the sanctions introduced in response, the explosive increase in energy prices, and uncertainty connected to the external economic environment present risks to the achievability of fiscal targets laid down in the draft decree," the Council added.

Addressing the amended 1.5% GDP growth target for 2023, the Council said the assumption would depend “to a significant degree” on trends on foreign markets, as it would require exports to increase at a faster pace than imports. It said that the target, which is in line with the forecasts of international organisations, is achievable “if the impacts of the war do not worsen and other risks do not strengthen”, adding that a “conservative policy” with regard to using fiscal reserves is necessary.

The Council acknowledged that the amendments enable the government to achieve the main social-welfare policy goals, namely keeping utility prices low up until average consumption, supporting families, protecting the elderly and strengthening Hungary’s defence. Further, they create an opportunity for keeping pensions in line with the higher-than-expected rate of inflation, partially compensating public institutions for higher energy costs and financing the higher interests on state debt.

The Council acknowledged that the amendments raise the budget deficit target, calculated using the European Union’s accrual-based accounting rules, to 3.9% of GDP - from 3.5% in the budget act - and said any additional budget revenue resulting from GDP growth over the 1.5% assumption should be used to reduce the budget gap.

The Council said that the higher revenue target is based on a

“significant degree” of growth of wages and consumption and noted that some lines target an increase of revenue over the expected expansion of the respective tax bases. On the expenditure side, targets have been raised for financing energy costs, but targets for material expenditures have not been raised to the degree required by the expected increase in operating costs, it added. “In addition to extraordinary savings measures, this presents significant achievability risk,” the Council said.

The resolution shows the government targets a decline in year-end state debt from 74.0% in 2022 to 70.2% in 2023.

LMP CALLS FOR CHAIN BRIDGE TO REMAIN CAR-FREE

Opposition LMP called on the Budapest city council on Tuesday to keep Chain Bridge free of cars even after the bridge’s ongoing revamp is finished. Lawmaker Bernadett Bakos told a press conference that it would be a great step towards a “more liveable and likeable” city centre if only cyclists, buses and vehicles with special markings were allowed to use the bridge, and pedestrians, once the pavement is finished.

Making Chain Bridge car-free as a result of an ongoing revamp project “would not be a big loss to drivers but it would be a huge gain for public transport and cyclists”, she said.

The government is threatening the city council and the “car lobby” has also been exercising pressure, Bakos said. Yet, experience from before the revamp project showed that the narrow Chain Bridge hit by permanent traffic jams accounted for merely 4% of the total traffic of Budapest bridges, she added. It will cause no disruptions to car traffic in the city if Chain Bridge is kept car-free but it will be a great opportunity for “much greener public transport”, Bakos said.

GOVT EXTENDS MANUFACTURING SECTOR SUBSIDIES TO TOURISM SECTOR

The government has extended a 150 billion forint (EUR 370m) subsidy programme for energy costs and energy-efficiency investments for manufacturers to the tourism sector from December 23, the Hungarian Tourism Agency said on Tuesday. The agency noted that it had requested the scheme be extended to the country’s 16,000 catering establishments and 4,500 commercial accommodations. Tourism businesses may apply for subsidies to cover up to half of the increase in their electricity and gas bills from a year earlier if they also avail of support for credit for investments to boost energy efficiency that are completed by the end of 2024. A condition for the support is maintaining headcount at 90% of September levels minimum.

PAYOUTS OF LAST PRICE CAP RELIEF FOR INDEPENDENT PETROL STATIONS START

The transfer of the last motor fuel price cap relief for independent petrol station operators has started, the economic development minister said on Friday. Payment to 467 businesses of the 6.24 billion forints (EUR 15.6m) in relief, for the period July-September, has begun, Márton Nagy said in a statement. The government launched the HUF 20/litre relief in March to ensure the independent petrol stations' uninterrupted operation as they faced supply challenges while the HUF 480/litre price cap was in place. Altogether 17.15 billion forints in relief was awarded to 554 businesses in the course of the seven-month scheme, ensuring 934 petrol stations continued to operate.

The government scrapped the motor fuel price cap in early December.

MORE THAN 7,000 UKRAINE REFUGEES ENTER HUNGARY ON MONDAY

Fully 3,524 refugees entered Hungary at the Ukraine-Hungary border on Monday, while 3,864 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 151 people. Altogether 23 refugees, 10 children among them, arrived in Budapest by train, ORFK said on Tuesday.

HUNGARY HELPS, POLAND SEND FOOD PACKAGES TO LEBANESE CHILDREN

Food packages to some 1,000 children have left Warsaw for Lebanon in a move organised by the Hungarian embassy in Warsaw and supported by the Hungary Helps programme, the embassy told a press conference on Friday. Polish Education Minister Przemysław Czarnek thanked Hungary for its contributions to the

programme, adding that the Polish government would launch another similar programme early next year.

NYÍREGYHÁZA ZOO DRAWS OVER HALF A MILLION VISITORS IN 2022

The Nyíregyháza Zoo, in the northeast of Hungary, has attracted around 550,000 visitors this year, director László Gajdos told MTI. Close to 200,000 of those visitors were foreigners, Gajdos said. Most arrived from neighbouring Slovakia and Romania, but a number also arrived from countries in Western Europe, he added. The zoo gave Ukrainian refugees and children free admittance during the year. Gajdos said the election of the zoo's zoological deputy director, Endre Papp, as president of the European Association of Zoos and Aquaria (EAZA), is an acknowledgment of the Nyiregyhaza Zoo's professional standing. He noted that the zoo adopted two animals removed from zoos in Ukraine because of the war: a lioness and a marmoset.