

PHOTO OF THE DAY



MTI/György Varga

Aurora borealis above Nagykanizsa, SW Hungary

UPCOMING EVENTS

Stats office releases data on Sept industrial output

Plenary session of parliament

Events connected to the wars in Ukraine, Israel

TOP STORY

PAKS UPGRADE 'FUKUSHIMA-PROOF'

The upgrade of Hungary's Paks nuclear plant applies the most stringent safety and environmental protection standards, the minister of foreign affairs and trade has said.

The two new reactor blocks being built will be protected by a doubly reinforced concrete wall structure capable of withstanding even the most severe external pressures, Péter Szijjártó told parliament's sustainable development committee. "The two new blocks will be absolutely 'Fukushima-proof'," the minister said, explaining that the reinforced concrete structure protecting the nuclear facility was capable of withstanding external pressures even as big as a plane crash. Initial groundwork is under way at the site, and construction permits have been obtained for several buildings, Szijjártó said. Construction of equipment with long production times is also ongoing, and a German-American joint venture is building the diaphragm wall, he added. "I'd like to assure you that everything happening in Paks adheres to the most stringent safety and environmental protection standards," he told the committee. In addition to the 94 Hungarian companies involved in the project, there are American, French, German, Swedish and Austrian sub-contractors working at the construction site, he noted.

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SZIJJÁRTÓ: EMISSIONS HAVE DROPPED BY 32%

Péter Szijjártó, the minister of foreign affairs and trade, has said measures aimed at improving competitiveness and environmental protection must go hand-in-hand, arguing that upsetting the balance between those two objectives could do more harm than good. At a meeting of parliament's sustainable development committee, he noted that Hungary's National Energy and Climate Strategy calls for a 50% reduction in greenhouse gas emissions by 2030 compared with 1990 levels. Emissions, he added, had fallen by 32% so far, while the country was achieving "huge economic records" each year. Hungary is one of just 20 countries that has managed to increase its GDP while reducing its harmful emissions, Szijjártó said.

Meanwhile, the minister underlined the importance of guaranteeing energy security even during the country's transition to green energy. "This requires that we treat the green cause as a grounded issue rather than some sort of political and ideological monopoly," he said. Szijjártó said European Union member states were set to see a 50% increase in their electricity consumption by 2030. He said nuclear energy was the only source that allowed for a safe, cheap, and sustainable way of producing energy while helping the country to stay relatively independent of the

fluctuations of international energy markets. "There's a huge [divisive] debate about this in the European Union..." he said. Szijjártó said that while Hungary wanted to keep the debate rational, most of the issues raised were political and ideological in nature.

Fully 65% of Hungary's energy production is carbon neutral and 80% of that is provided by nuclear energy, Szijjártó said. He said the ecological footprint of nuclear plants relative to their lifespans was no greater than that of carbon-neutral technologies. Also, the upgraded Paks plant will enable carbon dioxide emissions to be reduced by 17 million tonnes and gas use by 3.5 billion cubic metres annually, he added, noting that Hungary's transport sector produces an annual 12 million tonnes in CO2 emissions, while the country's forested areas absorb 6 million tonnes of CO2 a year.

Concerning solar power, Szijjártó said the capacity of solar panels operating in Hungary reached 4,000 MW last year, accounting for 13% of electricity production, among the three best ratios in the EU. Solar power capacity has reached 5,400 MW by October this year, with over 2,100 MW generated by home solar panels, the minister said. He said this meant that Hungary was on pace to reach a solar power capacity of 6,000 MW well before the original target year of 2030, and that it could also move up its goal of achieving carbon neutrality by 2050 to 2040.

SZIJJÁRTÓ: SIX MORE COMPANIES RECEIVE SUPPORT IN PLANT RESCUE SCHEME

Six more companies are receiving total support of 2.5 billion forints (EUR 6.6m) to help energy efficiency investments under the arrangements of the government's plant rescue scheme, the minister of foreign affairs and trade said on Monday. Péter Szijjártó said in Pécs that the support will enable total investments worth 5.5 billion forints, securing more than 1,500 jobs at companies in south-western Hungary. The scheme was launched after the outbreak of the war in Ukraine to strengthen Hungarian companies' independence from the unpredictable fluctuations of the international energy market, he said. A sum of 150 billion forints has been paid so far to 143 companies, enabling developments worth 396 billion forints and rescuing 69,000 jobs, he added. Over the past seven years, Hungary's investment promotion system managed the largest number of investment projects compared with other countries of the Visegrad group, and last year more investment projects were managed by the Hungarian investment promotion system than in any of the other three V4 countries, he said.

BÓKA: EU UKRAINE STRATEGY 'HAS FAILED'

The European Union's strategy on the war in Ukraine "has failed", János Bóka, the minister of EU affairs, said on Monday. After briefing parliament's committee on European affairs on a European Council meeting held earlier in the day, Bóka noted on Facebook that the Council meeting discussed the war in Ukraine, the conflict in the Middle East, the review of the EU's multiannual financial framework, and migration.

Bóka said the EU should finance Europe's Ukraine strategy rather than Ukraine itself. "The European Union's current strategy on Ukraine has failed," Bóka said. The strategy was based on the presumption that Ukraine would win and Russia lose the war, ushering in a political reshuffle in Russia, he said. That, he added, "seems doubtful" in view of the events of the past months. Hungary has called for a debate on the EU's strategy regarding Ukraine, to be held before the review of the EU's 2021-2027 financial framework, he said. "We must know what we are financing and why before deciding on the how and what from."

Regarding the conflict in the Middle East, Bóka said the EU statement mirrored Hungary's priorities. "The European Council condemned terrorism and Hamas unequivocally, demanded the freeing of the hostages and recognised Israel's right to self-defence. Avoiding escalation in the

Middle East and curbing anti-Semitism in Europe are important," he said. Bóka said the European Council had also "conceded a fact Hungary has been repeating for almost a decade: that illegal migration is a security risk." The acts of terrorism in Belgium and France "are tragic reminders" of that, he added.

MINISTRY: HUNGARY SUPPORTS MORE DISCIPLINED EU FISCAL POLICY

The Hungarian government is committed to reducing the country's budget deficit and public debt, and supports measures aimed at more stringent financial management at the level of the European Union, the finance minister said on Monday. Mihály Varga spoke after a video conference with Spanish counterpart Nadia Calvino, the finance ministry said in a statement.

Varga said Hungary would support a draft concerning the community's economic government, which the EU's incumbent Spanish presidency "changed in line with Hungary's interests". The budget deficit and debt of EU members have considerably increased due to the coronavirus pandemic and the war, which call for a reform of community rules, Varga said.

"During the talks, we agreed that balance indicators should be improved, but consistently rejected giving the European Commission excessive powers in defining the

budgets of member states," the statement quoted Varga as saying. The Spanish presidency "has significantly" changed the commission's original proposal, with the new version "reducing the influence of the commission" while increasing the role of members in economic governance, he said. The new draft also includes a change Hungary requested, under which a member's increased defence spending should be taken into account when assessing its deficit according to Maastricht criteria, the statement said.

FINMIN: STABLE BANKING SYSTEM BOOSTS HUNGARY'S SOVEREIGNTY

Hungary's banking sector remains stable, which bolsters the country's resilience against crises, and the newly established MBH Investment Bank further strengthens competition, the finance minister said at the event marking the birth of the new bank. At the event celebrating the establishment of the Hungarian-owned bank, Mihály Varga said recent years had shown the importance of self-sufficiency and sovereignty in the economy and politics.

International surveys, Varga said, had shown that the Hungarian banking sector was resilient against crises. The ratio of non-performing loans has been consistently below 4%, and the sector's capital ratio is at 18%, well over the mandatory minimum, he said. Liquidity reserves are at 180% and the net stable funding ratio at 139%, both

comfortably over the mandatory 100%, he added.

The minister said Hungarian-owned banks must should a leading role at the country's market as they shared an interest in the country's good economic performance with the Hungarian corporate world. MBH was founded in multiple phases, and now it covers a large part of the Hungarian market along with OTP Bank as opposed to foreign-owned banks, he said. Varga said larger companies had the advantage in the globalised banking sector, and Hungarian banks still had room for progress in that area.

PRESIDENT: DEMOGRAPHIC ROUNDTABLE AIMED TO INCREASE HUNGARIAN POPULATION

The Demographic Roundtable has been formed to make Hungary "a country with a growing population out of a country whose population is shrinking", President Katalin Novák said at the new body's inaugural session in Budapest on Monday. Novák, who is also the head of the roundtable, said Hungary had "made moved in such a positive direction demographically in the past 13 years that is almost unprecedented in the highly developed western countries." "From the back rows, Hungary has come to the mid-field," she said, adding that whereas "we have succeeded in making a pro-family turnaround we

have not yet made a demographic one."

She said the roundtable would work to achieve a demographic turnaround to "raise the willingness to procreate the highest in Europe ... and to reverse an over four decade-long negative trend" of a decreasing population. "We may not be enough to do that, but I think we could start a movement, which, if supported by many, will achieve that turnaround..." Problems of a shrinking population could be "logically" remedied by "importing the necessary labour, relying in immigration rather than on promoting childbirth," the president said. While many countries will opt for that approach, "we in Hungary do not see the solution in mass migration but in promoting childbirth," she said.

Concerning the new body, Novák said the roundtable was not a government agency. Its members will make recommendations to the government and "encourage people to contribute to the dialogue," she added. The roundtable comprises representatives of the private and public spheres, as well as the scientific community, with Agnes Hornung, state secretary in charge of health services, as its secretary. The inaugural session was attended by the heads of the Hungarian Academy of Sciences, the Hungarian Art Academy, the Central Statistical Office, the State Treasury, the National Media and Broadcasting Authority, the National Public Service University, the Heim Pal Paediatric Hospital, and other officials.

DEFMIN: HUNGARY'S DEFENCE INDUSTRY MUST BE MADE COMPETITIVE

Hungary's military power must be effective and the defence industry competitive because in addition to guaranteeing the country's security, it also serves economic growth, Kristóf Szalay-Bobrovniczky, the defence minister, told a conference of the government's defence supplier development programme. The government aims to double the share of Hungarian defence industry suppliers and see more businesses certified as NATO suppliers. The grant programme will be coordinated by N7 Holding National Defence Industry Innovation Company, he added. He noted that Hungary had signed strategic agreements on defence industry development with a number of big foreign-owned companies, including Rheinmetall, Dynamit Nobel Defence, Airbus Helicopters and Nuroł Makina.

MPS APPROVE HUNGARY MILITARY MISSION TO CHAD

Parliament on Monday approved a Hungarian military mission to Chad, with up to 200 soldiers scheduled to serve from spring next year. MPs voted with 143 for, 30 against and two abstentions. The mission will underpin efforts to promote international peace and security as well as the fight

against terrorism. Also, the aim is to undergird the stability of the Sahel region with a view to curbing illegal migration pressure on Europe. The mission is in response to an invitation by Chad's president for Hungarian soldiers to be stationed there until Dec 31, 2025.

MPS PAVE THE WAY FOR GOVT TO EXTEND STATE OF EMERGENCY

Parliament on Monday approved an amendment that authorises the government to extend by 180 days the state of emergency declared last May in connection with the war in Ukraine. The motion passed with 131 votes for, 52 against and one abstention. The law is aimed at managing the fallout of the war and the humanitarian disaster in Hungary. The government first declared a state of emergency in connection with the war in Ukraine in May 2022, and MPs have voted to extend it several times.

MINISTER SACKS NATIONAL MUSEUM HEAD

The minister of culture and innovation has sacked László L Simon, the director of the National Museum, the ministry said on Monday. In reaction, L Simon denied that the museum had "deliberately violated any laws by hosting the World Press Photo exhibition" in connection with the law that bans

under-18s from viewing LGBTQ-related material.

In a statement, the minister said L Simon had "failed to adhere to the legal obligations of the institution ... and exhibited behaviour that rendered his continued employment unviable." Commenting on his dismissal, L Simon told MTI that he acknowledged "but could not accept" the ministry's decision. He insisted that the museum had acted on the ministry's earlier instructions by advising under-18s that they were not permitted to view photographs depicting life in an elderly home for LGBTQ people, adding that he rejected "the idea that our children should be protected from me or from the institution I lead".

NAGY: HUNGARY COMMITTED TO AIM OF BEING REGION'S TOP DESTINATION FOR CHINESE INVESTORS

Addressing the sixth China International Import Expo in Shanghai, Economic Development Minister Márton Nagy underlined Hungary's opposition to policies supporting the formation of geopolitical blocs, saying the country strived for connectivity between East and West. "We are proud that Hungary is the number one destination for Chinese investments in central Europe," Nagy said, according to a ministry statement. He said the fact that 34% of FDI now came from Eastern economies compared with

less than 10% in 2010 was a testament to the success of Hungary's strategy of opening to the East. Hungary is in the process of developing the ecosystem tied to electric vehicle manufacturing, which will involve Eastern and Western companies working together to make electric motors, batteries, solar panels, electric chargers and complete vehicles, the minister said. Nagy said Hungary's current FDI stock of 100 billion euros could double by 2030, pointing out the advantages of strong FDI inflows. He said that at a macro level, foreign direct investment bolstered production and foreign trade. By 2030, Hungary's export-to-GDP ratio could reach 100%, with export complexity remaining among the highest in the world, he said. All this could help Hungary's development level reach 90% of the European Union average by the end of the decade, he added. At a micro level, Nagy said, FDI inflows had a multiplier effect on the development of Hungarian businesses when it came to R+D and technological advancement. The government's aim is for there to be as many Tier1 Hungarian suppliers in the supply chains of the plants operating in Hungary as possible, the minister said.

Thirdly, he said, more intense trade could also boost the logistics sector. The sector currently accounts for 5% of GDP, Nagy said, noting the government's aim of doubling that share by the end of the decade. Meanwhile, Nagy said Hungary's ability to continue to attract FDI

at the current rate depended on infrastructure developments, cheap energy and an adequate supply of skilled labour. The minister hailed China's Belt and Road Initiative (BRI) as the world's most comprehensive project. He said that though Hungary and China had their joint priority investment projects like the Budapest-Belgrade railway line, Hungary's participation in infrastructure development projects under BRI was relatively low compared with other countries. He said Hungary should participate in bigger projects under the initiative in the interest of maintaining its level of Chinese FDI inflows, production and trade. On the sidelines of the expo, Nagy held talks with the leaders of the Industrial and Commercial Bank of China (ICBC), the world's largest commercial lender, emphasising Hungary's aim of becoming a regional financial hub in addition to being the meeting point for Eastern and Western capital and cutting-edge technology. The government is committed to having the ICBC open a branch in Hungary, he said. Nagy highlighted the strong development of Hungarian-Chinese relations in the recent period, noting Prime Minister Viktor Orbán and his delegation's visit to China last month.

SZIJJÁRTÓ INAUGURATES KÖRBER INVESTMENT IN S HUNGARY

Péter Szijjártó, the minister of foreign affairs and trade, on Monday inaugurated an investment of German-owned Körber Hungária in Pécs, in southern Hungary, and said that bilateral ties between Hungary and Germany would continue to develop "as long as they are rooted in reality". The 5.6 billion forint (EUR 14.7m) investment will increase the German-owned food and tobacco maker's capacity and improve effectiveness, Peter Szijjártó said. The investment is supported by a 850 million forint government grant, he said. The plant is the second largest of over 25 Körber centres on four continents, he said.

Bilateral trade with Germany, Hungary's "number-one economic ally", hit a record 67 billion euros last year, and is expected to reach 70 billion this year, Szijjártó said. Germany has been the second largest investor in Hungary behind China in 2023, he added. That is thanks to German executives, who "make decisions based on experience rather than media coverage. As long as Hungarian-German economic cooperation is rooted in reality, it will thrive, as we can see here in Pécs," he said.

ALMOST 13,000 UKRAINIAN CITIZENS ENTER HUNGARY ON SUNDAY

Fully 6,206 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Sunday, while 6,789 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 106 people, ORFK said on Monday.

DECLINE CONTINUES IN HOME CONSTRUCTION IN Q1-Q3

The number of home building permits issued in Hungary fell by 42.7% year-on-year to 14,894 in the first three quarters of this year, data released by the Central Statistical Office (KSH) on Monday show. The number of homes built in the first three quarters of this year totalled 10,808, representing a 21% drop from the same period of last year. The number of homes built in the capital was 3,234, representing a 29% drop. The number of homes built in country seats dropped by 37%, in smaller cities by 8.6% and in villages by 8.1%.