

## PHOTO OF THE DAY



MTI/PM's Press Office/Zoltán Fischer

PM Viktor Orbán meets Lorenzo Fontana, the head of Italy's Chamber of Deputies, in Budapest

## UPCOMING EVENTS

**PM addresses Permanent Hungarian Conference MAÉRT meeting**

**Events linked to wars in Ukraine, Israel**

**Events marking Budapest's 150th birth anniversary**

## TOP STORY

### MINIMUM WAGE DEAL REACHED

The government will raise the minimum wage by 15% to 266,800 forints (EUR 709), while the minimum wage for degree holders will increase by 10% to 326,000 forints from next month.

After agreement was reached by representatives of the government, employers, and employees, Márton Nagy, the economic development minister, said further measures to preserve the real value of wages would be needed in 2024, and he urged all businesses to implement further pay hikes in line with their financial and market position. He said the government would initiate talks aimed at reforming the wage system to ensure a protection to the real value of wages in the long run. The minister thanked participants in the talks for their cooperation, but slammed union federation MSZSZ for "neglecting the interests of employees" and "trying to delay the talks" as well as their declining to sign the agreement. Nagy said the government would continue "to counterbalance the impacts of the war and sanctions by reinforcing the economy and boosting the competitiveness of Hungarian businesses" while working to ensure that real wages rose by 4-5% next year.

## **SZIJJÁRTÓ: SPEEDING UP EU INTEGRATION OF W BALKANS KEY AIM OF HUNGARY'S EU PRESIDENCY**

Speeding up the EU integration of the Western Balkans, including North Macedonia, will be a key aim of Hungary's presidency of the European Union Council, Péter Szijjártó, the foreign minister, said in Skopje on Thursday. Speaking at a news conference held with North Macedonian counterpart Bujar Osmani, Szijjártó said the bloc's competitiveness had dived due to the war in Ukraine. He said "finally returning to common sense" would serve Europe by recognising that the bloc "needs the Western Balkans" and the fresh energy and rapid development that it would bring with its accession. Real negotiations with North Macedonia must start as soon as possible, he added.

Some member states, he said, were "stalling and obstructing" the process, and it was "outrageous" that Bulgaria had for weeks blocked the letter to be sent to Skopje. "This is unacceptable. North Macedonia has been a candidate for membership for eighteen years," Szijjártó said, adding that longstanding delays had been "disrespectful". The minister said obstructing the negotiations undermined the EU's

credibility. Meanwhile, addressing the issue of energy security, he said guaranteeing supply was a "national competence and duty" and "no one has any right to imperil the security of another country's energy supply." He said Bulgaria's unilateral decision to raise the transit fee of natural gas to Hungary, Serbia and North Macedonia was a "hostile move".

Szijjártó vowed to respond "with sufficient weight within the framework of the European Union". Hungary has asked the European Commission to launch infringement proceedings against Bulgaria and it is ready to take further steps, he said. He said North Macedonia and Hungary would consult and coordinate steps to ensure that Bulgaria does not imperil the energy supply "of any of us" with its decision. Asked about the extradition of former North Macedonian Prime Minister Nikola Gruevski, Szijjártó said the matter was not one of foreign policy and Hungary "cannot and doesn't want to interfere in legal proceedings", and the matter was not discussed in today's meeting.

Osmani praised bilateral relations, noting that Hungary is North Macedonia's tenth biggest trading partner and eighth largest investor, and he was upbeat about the future development of cooperation. He added that Hungary was steadfast in supporting his country's EU integration efforts, and Hungary's EU presidency may also be important in this respect as well.

## **ORBÁN MEETS DIASPORA COUNCIL MEMBERS**

Prime Minister Viktor Orbán has met members of the Hungarian Diaspora Council to discuss challenges around Hungary's security and sovereignty, the PM's press chief said. Orbán said "the next 10-15 years will be about protecting sovereignty, not only in Hungary but in a number of other regions of the world." Orbán said he expected much debate around the government's sovereignty protection bill, but "clear restrictions must be introduced to prevent foreign funds from influencing Hungary's elections." "Let us preserve Hungary as one of the most secure countries in the world amid current challenges posed by wars and migration," Orbán added.

Deputy Prime Minister Zsolt Semjén told a meeting of the Hungarian Diaspora Council that the time had come for Hungarian nationality to be seen as an advantage after its drawbacks of the past one hundred years. Since 2010, the Fidesz government has fully revamped the country's policy for Hungarians living beyond the borders and "turned challenges into opportunities", Zsolt Semjén told the 22nd meeting of the council. Preserving the nation and improving Hungarians' quality of life is a priority for the government, Semjén said. "Hungary will only fully survive if all parts of the nation are preserved," he said, noting that

support of Hungarians across the borders had increased tenfold every year, reaching a total of 1,300 billion forints (EUR 3.5bn).

## **ORBÁN: ITALY IMPORTANT ALLY**

Prime Minister Viktor Orbán met Lorenzo Fontana, the head of Italy's Chamber of Deputies, in Budapest on Thursday, the prime minister's press chief said. Italy is one of Hungary's most important allies, a key partner in bilateral cooperation as well as in the European Union and NATO, Orbán said. They agreed that Hungary and Italy were linked by their geographical proximity, history and shared views on ideological and social issues, the statement said. Economic ties are also strengthening, and Italy was Hungary's fifth largest trading partner in 2022, it added. "We're observing with concern the pressure illegal migration is putting Italy under," Orbán said, adding that Hungary also witnessed the situation worsening on the Western Balkans route. Both countries are committed to stopping illegal migration, reinforcing the EU's external borders and to developing more effective repatriation strategies, Orbán and Fontana agreed, according to the statement.

President Katalin Novák discussed European Union enlargement and the fight against terrorism with Fontana. A strong alliance between similar-minded states like Hungary and Italy was important, Novák said

on Facebook. "We will continue to fight for family values as we have done so for years," she said.

## **SZIJJÁRTÓ: SIX MORE HUNGARIAN CITIZENS LEAVE GAZA**

Six more Hungarian citizens -- four children and their two Palestinian family members -- have left the Gaza Strip, leaving only one Hungarian citizen in the area, who has decided to stay, Foreign Minister Péter Szijjártó said late on Wednesday. The security situation in the Middle East remains desperate, Szijjártó said after returning from Morocco. He noted that in recent weeks the ministry has been in contact with 15 Hungarian citizens who had been stuck in Gaza without the possibility of getting out.

Two weeks ago, foreign nationals were given the chance to leave the area, Szijjártó said, noting that he had spoken with his Israeli and Egyptian counterparts who had assured him that the Hungarians in question could leave Gaza via the Rafah border crossing towards Egypt. Not long after this, eight Hungarian citizens and their Palestinian relatives were able to leave, while seven people stayed in view of the security risks, the minister said, noting that several of the Hungarians had since been injured. Szijjártó welcomed that on Wednesday evening, six more Hungarian citizens were able to cross into Egypt, where staff members of

the Hungarian embassy in Cairo had been waiting for them. Staff at the embassy will handle the necessary paperwork, and they will be able to return to Hungary with a scheduled flight this week, he added. Meanwhile, Szijjártó said one Hungarian citizen had decided to stay in Gaza. "This individual, too, would have had the chance to reach the Rafah border crossing and enter Egypt, but ... decided to stay," the minister said. "We will, of course, remain in contact with this person."

## **GOVT SPOX: NATIONAL CONSULTATION SURVEY TO BE DELIVERED TO HOUSEHOLDS ON FRIDAY**

Delivery of National Consultation public survey questionnaires to households will start on Friday, according to Alexandra Szentkirályi, the government spokeswoman. The latest survey was, she said, "important, given our numerous disputes with Brussels in many areas". EU migration policy, foreign influence in Hungarian politics, and Ukrainian grain imports are among the issues voters will be asked about. The spokeswoman said the EU expected Hungary to increase its contributions for the purpose of financing the Russia-Ukraine war. Further, Brussels wanted to set up migrant ghettos and force the government to scrap schemes that ensure cheap household energy bills and an interest cap on loans. It

also wants to government to phase out tax on excessive profits, she said, adding that Brussels was also “pursuing its attack on the child protection law”.

The questionnaires will be mailed to every household by Christmas and can be returned by Jan 10, she said, adding that an online option will also be available.

**FINMIN: HUNGARY GROWTH EXPECTED AT 3-4% IN 2024**

Hungary’s economy is expected to grow by 3-4% in 2024, the finance minister told a meeting of the Official Monetary and Financial Institutions Forum (OMFIF). Hungary’s economy rebounded quickly after the coronavirus pandemic, Mihály Varga told the meeting of the London-based think tank for central banking, economic policy and public investment. In 2021, the country’s GDP jumped by 7.1%, he added. The conflict in Ukraine dampened growth, but Hungary is expected to expand again in 2024, he added. The labour market remained stable, with a low unemployment rate and a 75% employment rate, he said. Inflation peaked at 25.7% in January and fell to

9.9% in October, he said. The current account balance has improved in the first half of 2023, and the foreign trade balance is expected to hit a record. Hungary’s investment rate is the highest in the European Union, and it is expected to grow further, thanks to a 9% corporate tax, the lowest in the EU, he added. The ESA deficit is expected to come to 5.2% of GDP this year and fall to 2.9% in 2024, he said.

Barnabás Virág, the deputy governor of the National Bank of Hungary (NBH), told the forum that breaking down inflation has been a challenge in central Europe. The fact that it is around 3% in the euro zone and the US is a good sign, he said. Inflation is expected around 7% in Hungary in December, he added. Three-month core inflation has fallen below 4%, he added. The base rate is expected to be below 11% by year-end, and in single digits by February, he said.

**BIRD FLU DETECTED IN HUNGARY**

H5N1 bird flu has been identified at a turkey farm in Jász-Nagykun-Szolnok County, in eastern Hungary, food safety authority Nébih said on Thursday. Protection and surveillance zones have

been established around the farm in Tiszakürt and a process is under way to destroy 3,600 turkeys.

**WASION TO SET UP HUF 4 BN R+D, PRODUCTION BASE IN HUNGARY**

China’s Wasion Holdings Ltd. is building a 4 billion forint (EUR 10.6m) global R+D and smart meter production facility in Gödöllő, on the outskirts of Budapest, the minister of foreign affairs and trade has announced. The brownfield investment, which will be Wasion’s sixth such base, is being supported with a 390 million forint government grant and will create 300 jobs, Péter Szijjártó said. The plant will produce one million smart electricity meters a year starting in 2025. The project will help Hungary continue breaking its export records, he said, noting that Wasion exports its products to 50 countries. He said the investment proved that “pursuing a foreign policy based on common sense is worthwhile”. The Hungarian government sees opportunity rather than danger in cooperation with China, Szijjártó said, urging the European Union to also choose cooperation over hostility with the country.

