HUNGARY

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UPCOMING EVENTS

President Katalin Novák at COP28 in UAE

Events related to the wars in Ukraine, Israel

Stats Office second estimates on GDP in Q3, foreign trade in September

TOP STORY

GULYÁS: HUNGARY DOES NOT SUPPORT EU BUDGET AMENDMENT, UKRAINE ACCESSION

Hungary does not support the amendment of the European Union's budget, nor the start of accession talks with Ukraine, Gergely Gulyás, the head of the Prime Minister's Office, said at a regular press briefing on Thursday.

The government believes that the EU wants to amend the budget while it has not even implemented the current one, Gulyás said, adding that no impact study had been prepared on what effect the accession of Ukraine would have on the bloc as a whole. Concerning problems in implementing the community budget, Gulyás mentioned the EU's "failure to pay out to Hungary and Poland their due funding", delays in payments from the recovery fund and a generally low level of payments. He added that the European Commission's denying the funds from Hungary and Poland was unlawful. Concerning Ukraine's accession, Gulyás said no assessment of Ukraine's complying with the EU's entry criteria had ever been made. Furthermore, it is not clear what impact that country's integration would have on the community's cohesion funds, the common agricultural policy, and member states' contributions to the common budget, he added. Meanwhile, the integration of the "much better prepared" Western Balkans is being delayed, he added.



GULYÁS: GOVT TO EXTEND INTEREST RATE FREEZES

The government will extend interest rate freezes for small and mediumsized businesses, families and student loans, Gergely Gulyás, the head of the Prime Minister's Office, said at a regular press briefing on Thursday. The rate freezes affect 30,000 businesses and 300,000 families, he said, adding that they needed to be protected from "high interest rates caused by Brussels's ill-advised sanctions and the war". The rate freezes are being extended until April 1 for SMEs and until July 1, 2024 for families and student loan holders, he said. Gulyás said the measures have so far helped businesses save 2.5 million forints each, and left 420,000 forints with each family.

Meanwhile, Gulyás said that the government would provide companies a grant for setting up green energy storages. The cabinet launched earlier a scheme with 70 billion forints for households to install solar panel systems and energy storage capacity he said, adding that so far several tens of thousands of families had applied for and received grants under the scheme. The cabinet has now decided to expand the storage scheme for businesses, he said, adding that they could initially apply for central budget support and later for funding under the EU's Recovery and Resilience Facility. Businesses can submit their bids until February 5 next year and are required to complete their projects by April 30 in 2026, said Gulyás. Answering a question, Gulyás said minimum wages would increase on December 1, but some of the benefits would only increase in January or February. Concerning proposed changes to the election of the Budapest Assembly, Gulyás said both the current and the proposed system were democratic and district mayors would not be excluded from the assembly in the new system. Answering another question, he said the government supported Sweden's NATO accession, but added that "there have been many reasons for (ruling) Fidesz MP's to have concerns" and parliament would vote "when (the bill) has sufficient support". Answering a question about the leftist opposition's "attacking" the sovereignty protection law, Gulyás said "if somebody serves foreign interests and lets themselves be influenced by foreign interests they will not support an authority promoting the transparency of politics and ensuring its being free of influencing". "There are international forces rather than (Hungarian) voters behind the Left," Gulyás said, adding that critics of the new legislation could appeal to the Constitutional Court. Answering questions about cooperative efforts by the opposition ahead of next year's European Parliamentary elections, Gulyás said "on the left side Ferenc Gyurcsány continues to be the boss, it will happen as he wants." He slammed the Momentum Movement for MEP Anna Donath's supporting Budapest Mayor Gergely Karácsony "also supported by Gyurcsány's Democratic Coalition (DK)",

while Momentum had earlier rejected the possibility of cooperation.

"Momentum's MPs and mayors are now switching over to DK one by one," Gulyás insisted. In response to a question, Gulyás said the government expected Ukraine to restore pre-2017 national minority rights, especially in the area of education. He said the current Ukrainian bill introduced no further restrictions, but while it restores some of the rights taken away, "we are still not where we used to be". Commenting on the Russian-Ukrainian conflict, he said Hungary's position was persistently calling for an immediate ceasefire and peace talks. "The war is because Russia has attacked Ukraine, so Russia's responsibility cannot be questioned," he said. "It is another matter whether Ukraine acted wisely when it narrowed down the rights of nationalities," he added. In response to a question concerning recent talks between Prime Minister Viktor Orbán and President of the European Council Charles Michel, he said the EU budget, financing for Ukraine, and the potential EU accession of the country had been among the topics discussed. He said a German Green MEP's remarks following a visit in Ukraine stating that Transcarpathia Hungarians were in the best possible situation lacked seriousness. Commenting on hospital waiting lists, he said they were significantly shorter in Hungary than in some developed European countries. The ministry of the interior is preparing a programme to further shorten the lists, he added. In response to a question concerning why ruling Fidesz had not



yet appointed a candidate for Budapest mayor, he said the party board had not finalised its decision concerning this issue. Commenting on the law on guest workers, he said when anyone wants to fill a job with a foreigner, they must report this to the labour office. If Hungarians are available to fill the job then they must be given preference, he added. Meanwhile, Gulyás announced that the government would buy a stake in Budapest Airport "in a few weeks", adding that the necessary funds were at the government's disposal. He said the purchase was aimed at improving Hungary's economic position and added that the airport was "a hen laying golden eggs". He also added that more tourists could visit Hungary contributing to higher tax revenues. He also suggested that the facility would require major developments. While the Hungarian state will only partly own BA, collecting "some one half" of its revenues, "indirect revenues once the developments are completed will amount to several times as much," Gulyás insisted. The new sovereignty protection authority will not have powers over the press and "cannot curb the freedom of editors," Gulyás said.

SZIJJÁRTÓ ASKS ISRAELI COUNTERPART TO PROMOTE EFFORTS FOR RELEASE OF REMAINING HUNGARIAN HOSTAGES

Foreign Minister Péter Szijjártó has asked Eli Cohen, his Israeli counterpart, to promote efforts for the release of Hamas's two remaining Hungarian hostages. Speaking ahead of a meeting of OSCE foreign ministers in Skopje on Thursday, Szijjártó said the security situation in the Middle East remained concerning, as it was unknown how long the Gaza truce would last and how many more of the Hamas terrorist group's hostages would be released. "We consider it especially good news that a ceasefire agreement was reached, and we hope that as many hostages as possible will be freed from captivity," he said, according to a ministry statement. Concerning his talks with Cohen in Skopje, Szijjártó said he had thanked his counterpart for Israel having been a reliable partner since the start of the conflict when it came to the Hungarians who were in trouble. He noted that the Hungarian citizens who had been in Israel had been "evacuated relatively quickly" and that the Hungarian citizens who had been stranded in Gaza had also been among the first to get out. Also, all three of the Hungarian hostages who were women or children have gone free, he added. "I asked my counterpart for Israel's help in freeing the two male hostages with Hungarian citizenship as soon as possible, too," the minister said.

Szijjártó welcomed that one of the two hostages had been confirmed to be alive, saying "it would be good if the other hostage was also found and if they could both return home as soon as possible." He said Cohen had reaffirmed that securing the safe release of all of Hamas's hostages was also in Israel's interest, adding that they hoped the Hungarian hostage

confirmed to be alive could go free as soon as possible. "We have, of course, also asked Qatar's government for its help in the matter, and we hope to receive clear proof as soon as possible that the other Hungarian being held hostage is also alive," Szijjártó said.

SZIJJÁRTÓ: STABLE, FAIR COOPERATION BETWEEN HUNGARY, RUSSIA NATIONAL INTEREST

Hungary has a vested interest in preserving a stable, predictable and fair cooperation with Russia in certain areas, the foreign minister said on Thursday. The ministry cited Péter Szijjártó as saying after a meeting with Russian counterpart Sergey Lavrov in Skopje that the government rejected all forms of pressure aimed to force Hungary to stop all cooperation with Russia. "We pursue foreign policy on the basis of national interests and will not accept any pressurising from the outside, therefore we will cooperate with Russia in securing Hungary's energy supply in the upcoming period just like before," he added. He welcomed the progress of the expansion project at the Paks nuclear power station, saying that the construction of 2.7 kms of a slurry wall had been completed at record speed, making it possible to continue with ground works. "It remains a realistic goal to hold the so-called first concrete pouring ceremony next year and the new blocks ... could be connected to the system in the early



2030s," he added. He said Lavrov had assured him that Russia and Russian companies would fulfil their contractual obligations and supply natural gas and crude oil according to schedule. "As a result, Hungary's natural gas supplies will remain to be guaranteed, despite Bulgarians imposing extra tax on natural gas delivered to Hungary, Serbia and North Macedonia via Bulgaria," he said. The minister also said that he had told his Russian counterpart that Hungary would continue to support peace in Ukraine. "It is important to us that arms should not be fired in our region but peace talks should be started ... in every international organisation Hungary stands up for keeping the channels of communication open, and for ceasefire and the start of peace talks as soon as possible," he said.

SZIJJÁRTÓ: WORLD 'IN 24TH HOUR' TO RETURN TO ERA OF GLOBAL COOPERATION

The world is "in the 24th hour" and must return to the era of connectivity and global cooperation instead of splintering into blocs, Foreign Minister Péter Szijjártó said in Skopje on Thursday. Global security is at its worst since the end of the Cold War, and "this is especially true when it comes to Europe," Szijjártó told a foreign ministerial council meeting of the Organization for Security and Cooperation in Europe (OSCE), according to a ministry statement.

In his address, Szijjártó noted that Hungary, as a neighbour of Ukraine, felt the direct negative impacts of the war, such as soaring inflation, and noted that the country had welcomed more than one million Ukrainian refugees. Hungarians, he said, felt this impact even though they bore no responsibility for the war and even though "it is not our war". He also noted that many of the ethnic Hungarians living in Ukraine's Transcarpathia region had died in the conflict. "And we, Hungarians do not want more people to die," he said. "We don't want more Hungarians to die, but generally speaking, we don't want more people to die in our neighbourhood." Szijjártó said the Hungarian government was doing everything possible in the interest of a diplomatic settlement, arguing that peace was the only solution and the only way to save lives and avoid further destruction. He said it was "obvious that those who pretend" that there was a solution to the conflict in the battlefield "are not right" because there were only casualties and destruction there. He also said those who thought that the developments in the war would improve the chances for peace "are not right, either". "Every day spent in this war makes the hope for peace worse and worse," he said, adding that weapons deliveries also prolonged the fighting. He also underscored the importance of keeping communication channels open, saying that without this, the world would be giving up the hope

for peace. Szijjártó commended the foreign minister of North Macedonia, which holds the OSCE's rotating presidency, for his efforts to ensure the organisation's survival and restart East-West cooperation and dialogue. At the same time, he expressed regret over the fact that there would be no direct communication between the United States and Russia at the meeting, although "such a ... direct contact would be to the benefit of all of us, of Europe, and of the peace loving people". Meanwhile, the minister said Hungary had suffered 40 years of communist dictatorship in a world divided into blocs, which had been ignored by the West. "And we were the losers of a world which was divided into blocs. And we don't want to come back to a stage of history when we are going to be losers again," he said, warning against a return to such a time. Instead of the re-emergence of blocs, he said, the world needed cooperation and connectivity, and the restoration of mutual respect on the international political stage. Szijjártó warned that Europe's competitiveness had weakened significantly in recent years, saying that the economic model of growth built on the combination of advanced Western technologies and cheap Eastern energy had collapsed without being replaced by anything else. He said it was "really alarming and concerning" that certain politicians were talking about decoupling the European and Chinese economies. Szijjártó said



the Hungarian economy had seen considerable success by having become a meeting point of Eastern and Western companies with "the biggest German companies working together happily with the biggest Chinese companies". "And if it worked in Hungary, I do believe it could work regionally and globally as well," he said.

SZIJJÁRTÓ: 'CIVILISED EAST-WEST COOPERATION' IN HUNGARY'S INTEREST

Hungary's interest lies in there being "civilised cooperation" between East and West, Foreign Minister Péter Szijjártó said on Facebook on Thursday. The world is facing a number of serious security challenges, Szijjártó said, adding that "the global security situation has perhaps not been this bad since the end of the Cold War." "The world was once divided into blocs because of East-West relations turning hostile, which turned out very badly for us, Hungarians," the minister said. "Our interest lies in there being civilised cooperation between East and West, as that is something that benefits Hungary," he said.

GOVT OFFICIAL: AI CAN BE BREAKOUT POINT FOR HUNGARIAN ECONOMY

Artificial intelligence can be a breakout point for the Hungarian economy, and the government aims to make Hungary the bestprepared country for digitalisation in the region, the state secretary for industry policy and technology told a conference on Thursday. Al is estimated to boost GDP globally by 1 trillion dollars, and businesses that invest in it are seeing significant jumps in revenue, Gergely Fábián told the MBH business conference in Budapest. Fábián said Al improved operational efficiency, reduced risks and transformed production chains from trade to agriculture and industry. Al, he added, was also changing the labour market as it replaces hundreds of millions of jobs with higher value-added ones.

MOMENTUM TO SUPPORT RE-NOMINATION OF BUDAPEST MAYOR IN 2024 MUNICIPAL ELECTIONS

Opposition Momentum will support the re-nomination of Budapest Mayor Gergely Karácsony for the post in the 2024 municipal elections, the party's leader said on Thursday. The mayor is running Budapest against "a massive counteroffensive" by the government which wants "to destroy" the city, Ferenc Gelencsér told an online press conference. "But Budapest is still standing, it is functioning and prospering," he said. "It does not matter how the state party [Fidesz], or its actual proxy organisation -- this time Mi Hazánk -- seeks to change the election law. Budapest is a free city and will remain so." Gelencsér, who is Momentum's group leader

in the national assembly, said his party was ready for a compromise, adding that it was also ready to back the nomination of candidates on a joint list in constituencies where the opposition stood a good chance to win. Momentum MEP Anna Donath said her party and the mayor shared two fundamental values, namely liberalism and green thinking. "Our support behind Gergely Karácsony is a natural continuation of a values-based cooperation, not the result of back-door deals," she said. Thanking Momentum for its backing, the mayor said it was about a mutual support, adding that he could always count on the party's councillors "in fights" over the past four years. Karácsony called Momentum an important partner in the Budapest assembly's coalition, adding that in most strategic issues the party "was a bit closer" to his "will" than any other parties.

SZÉKESFEHÉRVÁR, LUXOR SIGN TWINNING AGREEMENT

The leaders of Székesfehérvár, in western Hungary, and Egypt's Luxor signed a twinning agreement in the latter city on Wednesday. Székesfehérvár mayor András Cser-Palkovics said at the ceremony that the agreement had been preceded by talks on cooperation opportunities in the areas of higher education, tourism, and farming. He called it a shared challenge that "while we are proud of



our history, we want to build modern cities". The agreement was signed in the presence of President Katalin Novák, who is on an official visit to Egypt. "We want to honour the support of the presidents of Egypt and Hungary through a prosperous partnership built on mutual respect," Cser-Palkovics said.

CLOSE TO 10,000 UKRAINIAN CITIZENS ENTER HUNGARY ON WEDNESDAY

Fully 4,510 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Wednesday, while 5,298 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 78 people, ORFK said on Thursday.

HUNGARY OCT PPI DOWN 6.6% YR/YR

The Hungarian industrial producer price index in October fell by an annual 6.6%, the Central Statistical Office (KSH) said on Thursday. Prices for domestic sale edged up by 0.4%, while export prices fell by 9.9%. Month on month, PPI edged down by 0.6%, with both domestic and export prices down 0.6%. Domestic energy prices inched up by an annual 0.4%, while manufacturing sector prices

were down 0.7%. Export prices of the manufacturing sector fell by 4.5%, while energy sector export prices dropped by 51.3%. In January-October, PPI was up 10.8% year on year, with domestic sales prices up 31.0% and export prices 0.9% higher.

ECON DEVELOPMENT MINISTER MEETS PM OF SERBIAN REPUBLIC OF BOSNIA

Economic Development Minister Márton Nagy held talks with Radovan Višković, the prime minister of the Serbian Republic of Bosnia, in his office on Thursday, his ministry said.

Nagy and Višković discussed strategically important global developments and further opportunities in boosting bilateral economic cooperation, the ministry said in a statement.

Bosnia and Herzegovina ranked as Hungary's 44th trading partner in 2022 importing substantial volumes of grain, chemical products and plastic components. Nagy told his partner that Hungary sought to strengthen its role "of an economic bridge" in order to protect jobs and refuel economic growth, adding that Hungarian investments in the Western Balkan region would be further promoted.

He supported Višković's proposal on strengthening bilateral economic ties primarily in the manufacturing, agricultural, financial and energy sectors, as well as on organising a joint economic forum.

DECLINE IN DEATHS IN OCT OUTPACES DECLINE IN BIRTHS

The number of births fell by 5.9% in October compared with the same month in the previous year, while deaths dropped by 6.7%, according to preliminary data published by the Central Statistical Office (KSH) on Thursday. Meanwhile, the number of marriages decreased by 9.6% in the same period. Fully 7,089 children were born in October, while there were 10,706 deaths. Altogether, 4,261 couples got married. The natural population loss was 3,617 people compared with 3,942 in October 2022. Fully 71,778 children were born between January 2023 and October 2023, 2.7% fewer than in the same period of last year. Altogether 104,404 people died between January 2023 and October 2023, 7.5% fewer than in the same period of last year. In the same period, 44,372 couples tied the knot, 24% fewer than in the same period of last year. There were 9.0 live births and 13.1 deaths per thousand inhabitants, the former 0.02 of a percentage point lower than in the January-October 2022 period, while the death rate was 0.09 of a percentage point lower.



