HUNGARY

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UPCOMING EVENTS

Two-day EU summit starts in Brussels

EP plenary session in Strasbourg

Defence minister addresses Leopard battle tanks' ceremony at Tata base

Events related to the wars in Ukraine, Israel

TOP STORY

EC: HUNGARY'S JUDICIAL REFORM ADDRESSES DEFICIENCIES IN JUDICIAL INDEPENDENCE

The European Commission has said that Hungary may start claiming reimbursements of up to around 10.2 billion euros in cohesion funding as it has adopted reforms related to judicial independence.

"The Commission considers that Hungary has taken the measures it committed to take in order for the Commission to consider that the horizontal enabling condition on the EU Charter of Fundamental Rights is fulfilled in what concerns judicial independence," the EC said in a statement issued in Brussels on Wednesday. "Hungary has adopted legislation which significantly strengthens the independence of the judiciary in the country," the statement said. "This reform corresponds to the commitments taken by Hungary in its Recovery and Resilience Plan," the EC said. "Member States must ensure the fulfilment of enabling conditions throughout the whole Cohesion Policy period," it said. "The Commission will closely and continuously monitor, notably through audits, active engagement with stakeholders and in monitoring committees, the application of the measures put in place by Hungary," it added. If, at any point in time, the body considers that this horizontal enabling condition is no longer fulfilled, it may again decide to block funding, the statement said.



EC: HUNGARY NOT ADDRESSED BREACHES OF THE PRINCIPLES OF RULE OF LAW

The European Commission said in a statement issued in Brussels on Wednesday that Hungary had not addressed the breaches of the principles of the rule of law that led to the adoption of measures by the Council in December 2022. Therefore, the Commission is not in a position to propose that the measures against Hungary be adapted or lifted, which means that three Cohesion Policy programmes, with a budget of 6.3 billion euros, remain suspended and that Hungary does not as of yet have access to those funds. In the Hungarian recovery and resilience plan (RRP), Hungary committed to 27 "super milestones" to ensure the protection of the EU's financial interests, and to strengthen judicial independence, the statement said. The 27 "super milestones" of the RRP include four on judicial independence, which correspond to the measures requested of Hungary by the Commission and 21 which correspond to the remedial measures under the budget conditionality mechanism. "Given that the super milestones have not been fully complied with, no payment request can be paid out for now," it said. "Overall, the funding that remains locked for Hungary amounts to around 21 billion euros," the statement said.

The EC said that despite Hungary's progress on judicial independence, the body maintains its concerns regarding other areas covered by the horizontal enabling condition on the EU Charter of Fundamental Rights. "These concerns relate to Hungary's so-called child-protection law, serious risks to academic freedom and the right to asylum," it said. "Until these concerns are addressed, the horizontal enabling condition remains unfulfilled, and the Commission cannot reimburse the related expenditure under several programmes," it added.

ORBÁN: NOT IN EU'S INTEREST FOR UKRAINE TO JOIN QUICKLY

Ukraine joining the EU quickly would have unforeseeable consequences and would serve neither Hungary nor the bloc's interests, Prime Minister Viktor Orbán told MPs on Wednesday. He said it was important to hold a substantive debate on Ukraine's accession in parliament in respect of the ruling Fidesz party's parliamentary draft resolution on Ukraine's accession talks. Orbán said the debate in the Hungarian parliament could have an impact on Hungary and the EU's future, yet a real debate in the EU had not taken place. Ukraine, he noted, was given candidate status last year, four months after submitting its application for membership. Normally, he added, three years passed after an application was made and candidate status granted. In the case of central and eastern European states, this process took four years, he said. Orbán noted that accession negotiations with North Macedonia were not currently taking place even though it had submitted its application for membership in 2004, while Montenegro submitted its application in 2008 and waited a year and a half to start accession talks and two years for membership. He also made similar observations about Serbia and Albania.

The prime minister said "naked partisanship" undermined authority of EU institutions, while the role of national parliaments was enhanced. National parliaments, he added, were needed for a debate on whether it was a good idea to start accession talks with Ukraine. The prime minister said the government's currently standpoint -- although the debate may convince it otherwise -- was that Ukraine joining the EU quickly would have unforeseeable consequences and would serve neither Hungary nor the bloc's interests.

The European Union should take its rules seriously, Orbán said. If European institutions did not take these rules seriously, the entirety of the EU would "simply cease to exist", he said. But Ukraine's swift accession, he said, would mean that EU institutions would be asking member states, including Hungary, "not to follow our own rules". The prime minister noted that the European Commission had set seven specific conditions for Ukraine to meet to be granted candidate country status. And unlike the existing member states,



Ukraine was granted candidate status before having met these conditions, he added. He listed the conditions as: reforming how constitutional judges are selected, vetting the supreme judicial council, stepping up action against money laundering, guaranteeing media freedom, taking action against corruption and oligarchs, and enforcing national minority rights. Orbán insisted that even the "biased" Commission had admitted that Ukraine had only met four of the seven conditions. "So the EU shouldn't even have granted Ukraine candidate country status, to say nothing of starting accession talks," he said, adding that independent assessments showed that even those four conditions had not been properly met.

The prime minister told lawmakers that when it came to a country at war, objections over current media rules and practices could not be objected to. "But this doesn't mean we Europeans should make the laughable claim that media freedom prevails in Ukraine," he said, adding that the Commission had made just such a claim. Referring to minorities in Ukraine, Orbán said it was as yet unclear what was contained in the law recently passed by the Ukrainian parliament. In 2015, he added, Hungarians and other national minorities in Ukraine were deprived of their rights. Orbán said neither Hungarians living in Ukraine or those in Hungary wanted more than for Ukraine's minorities to regain the rights they had enjoyed before 2015. "We're not asking for a new law, new solutions or complex procedures; all we ask is the restoration of the law that guaranteed Hungarians' rights ... to community life," the prime minister said.

Talks with Ukraine on possible EU membership "right now are absurd, ridiculous and unserious", and the government will not support them, Orbán said. Right now no one knows what Ukraine's accession would entail or how much territory or population would be integrated into the bloc, he said. He noted that the bloc opening accession talks with a country at war was unprecedented. Orbán said that when the EU partially opened up its market, member states had been forced on the defensive in the areas of agriculture and transport. "Tens or even hundreds of thousands of Hungarians could go bankrupt because of this," he said.

The country's accession would mean handing over 17% of the current EU budget, he added. Citing estimates by German analysts, Orbán said Ukraine's EU membership would cost the bloc an additional 190 billion euros. Ukraine would be entitled to 93 billion euros of agricultural funding from the sevenyear budget, Orbán said, noting this was more than what France, the largest CAP money recipient, receives now and ten times as much as what Hungary gets. "A large chunk of this money would make its way into the pockets of Americans, given the way the Americans have bought their way in to Ukraine's farm sector up to their jugulars," Orbán said. The start of accession talks would therefore mean that every member state, besides Ukraine, would become a net contributor or would lose 20% of their agricultural funding, he added. Ukraine would also be entitled to 87 billion euros in cohesion funds, "three times the amount Hungary is entitled to on paper", Orbán said.

He appealed to both the opposition left wing and the "national side" to consider Ukraine's EU membership not as a party political issue, but as a national one. Ukraine's EU membership in its current form would be starkly against Hungary's interests, Orbán said. "Ukraine can and should be helped, but no one could possibly want Hungary to be ruined in the process," he said. "Hungary is under pressure, but we mustn't be diverted away from being the voice of reason in Europe," the prime minister said. "Our interest lies in a peaceful and prosperous Ukraine, but this requires achieving peace as quickly as possible and a carefully considered deepening of the strategic partnership," he said. This, he said, could lead to Ukraine's EU membership "several years from now when the time for it is actually right". "There is a time for everything, but the time for Ukraine's European Union membership isn't here yet," Orbán said.

ORBÁN HOLDS TALKS WITH SERBIAN COUNTERPART IN BRUSSELS

Prime Minister Viktor Orbán held talks with Ana Brnabić, his Serbian counterpart, in Brussels,



on Wednesday, Orbán's press chief said. The two leaders praised the excellent political and economic relations between Hungary and Serbia and recently implemented joint development projects, highlighting the inauguration of the revamped Szeged-Subotica (Szabadka) line, Bertalan Havasi said. Orbán told his partner that it was "unfair" from Brussels to make exception "without any reason" and speed up Ukraine's EU integration, while slowing down integration talks with the Western Balkan countries "without any reason", he said. The meeting was attended by Hungary's EU affairs minister.

SZIJJÁRTÓ: CLEAR DISTINCTION MUST BE MADE BETWEEN REFUGEES, ILLEGAL MIGRANTS

The international community should make it clear that there is a distinct difference between refugees and illegal migrants, and act accordingly, the Hungarian foreign minister said in Geneva on Wednesday. The foreign ministry cited Péter Szijjártó telling the plenary session of the Global Refugee Forum that Hungary was under dual pressure, from the east by the war in Ukraine and from the south by the serious challenge posed by protecting the EU's external border from the direction of the currently busiest Western Balkans migration route. International law clearly states that people forced to flee a country have the right to stay temporarily in the first safe country they enter but they have no right to cross through several safe countries in order to reach the destination of their choice, he said. "Hypocrisy should be abandoned and it should be clearly stated that there is a distinct difference between refugees and illegal migrants," Szijjártó said. Those that flee from war and arrive in the first safe country must be regarded as refugees there who have the right to stay temporarily but those that cross through a series of safe countries by violating borders must be regarded as illegal migrants and they must be stopped, he said.

At the event co-hosted by the UNHCR, Szijjártó highlighted Hungary as the best example of respecting international law in this regard. Hungary lets in all refugees which is best illustrated by the over one million refugees arriving from neighbouring Ukraine since the start of the war there, he said. Those refugees have received all necessary services, and equal access to health care and education, with more than 1,500 Hungarian schools and kindergarten receiving refugee children, he added. At the same time, the authorities are making all possible efforts to stop illegal migrants, with 275,000 illegal border entry attempts registered last year and nearly 200,000 this year already, the foreign minister said. He expressed regret about the violent behaviour of certain migrants and people smugglers, saying that several of them were carrying weapons and fired shots at Hungarian border guards in several instances. "In order to protect the security of Hungary and Hungarians, we will never let in such people," Szijjártó said.

SZIJJÁRTÓ PRIOR TO MEETING OECD CHIEF: GLOBAL POLITICAL, ECONOMIC STATUS QUO UPENDED

Prior to meeting OECD chief Mathias Corman in Paris on Wednesday, Péter Szijjártó, the foreign minister, said the crises of recent years had upended the global political and economic status quo. There was a greater danger than ever of world being divided into blocs, he said on Facebook, with many Western politicians artificially putting up obstacles to cooperation between Eastern and Western economies which were traditionally to their mutual advantage. Hobbling such cooperation would deal a strong blow to the European economy, he added. Szijjártó said Eastern and Western companies worked together effectively in Hungary to the country's great benefit. "If this works well in Hungary, it should work globally, too," he said. The minister said that the Organization for Economic Co-operation and Development was among the last forums where "there's still hope for an approach based on common sense". He noted that Hungary was deeply embedded with Western structures such as NATO and the EU while also an observer in the Organisation of Turkic States and a strategic partner of China. "We're also keeping communication channels with Russia open, too," he added.



KOCSIS: 'WE MUSTN'T DANCE TO BRUSSELS ELITE'S TUNE ON UKRAINE EU ENTRY'

"We must not dance to the tune of the Brussels elite on the issue of Ukraine's European Union accession," ruling Fidesz's group leader said on Wednesday. In a parliamentary debate on a draft resolution concerning Ukraine's EU membership submitted by the ruling parties, Máté Kocsis said the European Commission's proposal on Ukraine's accession was ill-considered and untimely. He said there were several questions left to be answered in connection with Ukraine's membership, noting that the country was at war and it was currently impossible to tell whether its legal system was in line with the constitutional structure expected of EU member states. Kocsis said the draft resolution made it clear that "Hungary must not jump irresponsibly into this adventure". "Here is another issue on which we can't dance to the tune of the Brussels elite," he said. "We need consensus rather than imperial directives, but this is missing in Europe today."

PARLT ADOPTS ANTI-DISCRIMINATION REGULATIONS IN PUBLIC EDUCATION

Lawmakers on Wednesday adopted anti-discrimination regulations in public education. The law approved with 143 votes in favour, 6 against and 12 abstentions will enter into force in January next year. In line with the law, central budget support for the operator of primary schools could be reduced by 10% if they fail to offer education to disadvantaged students at the legally regulated level. Interior ministry state secretary Bence Rétvári said during the debate of the law that sanctions against those schools that failed to comply had not been "sufficiently resolute", as also pointed out by the European Union.

PARLT ADOPTS LAW ON DIGITAL CITIZENSHIP

Parliament on Wednesday adopted a law on a new scheme dubbed Digital Citizenship (DAP) to be launched in the autumn of 2024. The programme will allow citizens to conduct their businesses, show IDs and provide e-signatures using their mobile phones. Later on, the scheme will cover the payment of public utility bills. From September 1 next year, the DAP can be used for full identification, for submitting applications to authorities for certificates or for conducting the most common personal businesses. The circle of digitally accessible services will be significantly expanded in 2025 and, in a consecutive phase, in 2026. The DAP is a cloud-based application and optional for citizens, but older, conventional methods for using services would also remain in place. The scheme has been developed in line with the EU's new Electronic Identification, Authentication and Trust Services (eIDAS) regulatory framework.

The law was approved with 113 votes in favour, 37 against and 13 abstentions.

OFFICIAL: SURVEY RESULTS SO FAR INDICATE 98% REJECT UKRAINE JOINING EU

Partial results of the National Consultation public survey indicate that 98% of respondents say Ukraine has not met the conditions for joining the EU, according to a government official. Although forms are still being delivered and the deadline for returning questionnaires expires in a month's time, "it is by now clear that many people are expressing their opinions", and 280,000 questionnaires have been returned so far, Csaba Dömötör, state secretary of the Prime Minister's Cabinet Office, said during a debate in parliament on Wednesday of a draft government resolution regarding Ukraine's EU bid. Normally results are made public after the consultation ends, he said, but an exception had been made in light of the "intense" debate over Ukrainian EU membership.

EC CLEARS ACQUISITION OF BUDAPEST AIRPORT

The European Commission on Wednesday announced it authorised the acquisition of Budapest Airport, the



operator of Liszt Ferenc International, by state-owned Corvinus International Investment and France's VINCI Airports. The EC concluded that the transaction would not raise competition concerns as the parties are not present on the same or vertically linked markets.

ECONOMIC DEVELOPMENT MINISTER HELMS ECONOMIC CABINET MEETING

The Economic Cabinet met for the first time under the leadership of Economic Development Minister Márton Nagy on Wednesday, the Government Information Centre (KTK) said. Nagy recently took over as the head of the Economic Cabinet from Finance Minister Mihály Varga. The cabinet's scope of activities has been expanded with areas that were earlier under the purview of the Growth and Competitiveness Cabinet. On the agenda of the Economic Cabinet Wednesday's meeting were proposals to strengthen SMEs and the labour market, and to develop infrastructure.

The Economic Cabinet's permanent members include the agriculture minister, the energy affairs minister, the construction and transport minister, the culture and innovation minister, the minister of foreign affairs and trade, the head of the Prime Minister's Cabinet Office and the regional development minister, in addition to the economic development minister. The cabinet is responsible for tax policy, rural development,

the budget, managing state-owned assets, the domestic economy and competitiveness. It seeks to coordinate the interests of the government and society with regard to sectoral and national economy goals in the interest of advancing and growing the Hungarian economy. The economic recovery requires easing consumer caution, increased consumption and investments, and a further boost to the activity rate, the KTK said.

FINMIN: FINANCE COOPERATION MOST RAPIDLY DEVELOPING AREA OF HUNGARY-CHINA COOPERATION

Hungary aims to become a regional financial centre and a "bridgehead" for Chinese financial institutions that want to enter Europe's financial market, Finance Minister Mihály Varga said at a meeting with the chief executive of the Multilateral Cooperation Centre for Development Finance (MCDF), his ministry said on Wednesday. Hungary's cooperation with the MCDF strengthens its bilateral partnerships with countries in Asia and dovetails with the government's policy of opening to the East, the ministry cited Varga as saying at the meeting. The local operations of Bank of China, China Construction Bank and China Development Bank offer a good example of Chinese financial institutions finding success in Hungary, he said. Hungary has become the "number one" target

for Chinese investors in Central and Eastern Europe, Varga said, noting that Chinese investments in the country had reached 8 billion dollars last year. Hungary has diversified its government financing with green panda bond issues and it plans to launch its next Chinese bond issue programme in 2024, he added. With ties to the Asian Infrastructure Investment Bank (AIIB), the MCDF aims to provide financial resources for the preparation of infrastructure developments.

BUDAPEST ASSEMBLY ADOPTS 2024 BUDGET

The Budapest municipal assembly on Wednesday adopted the city council's 2024 budget, targeting revenue of 437.7 billion forints (EUR 1.1bn) and expenditures of 442.6 billion forints. The deficit will be covered from bonds and revenues from bank deposits. The budget, adopted with 17 votes in favour, allocates 6.94 billion forints towards the repayment of loans. The councillors of the ruling Fidesz-Christian Democrat alliance did not return to the assembly meeting after Budapest Mayor Gergely Karácsony called a recess over 1st district mayor Márta Naszályi's disciplinary hearing.

The assembly's group leader for ruling Fidesz said in response that Budapest's 2024 budget was "a budget of incompetence". "While the city can calculate with a record 300 billion forint revenue in business tax next year, it is still caught up in debt, and it has not even a single development project in



its budget draft," Zsolt Wintermantel said on Facebook. He said that the Budapest leadership "has spent all of the city's record revenues generated in taxes and consumed up the reserves while the city is not developing, but operating from day to day".

CITY ASSEMBLY VOTES IN SUPPORT OF 'GREEN' RÁKOSRENDEZŐ DEVELOPMENT

Budapest's City Assembly Wednesday voted in support of a green and sustainable mixed-use real estate development in the Rákosrendező area of the capital, with a view to addressing a "housing crisis" and expanding urban green spaces. The declaration of support states that the brownfield investment "responds to the urban development challenges of the 21st century". The proposal by (Socialist) mayor of the Zugló district, Csaba Horváth, was backed unanimously in the absence Fidesz-Christian Democrat representatives. It also states that the development should be climate neutral. At least 10,000 affordable homes must be built and the World Heritage status of the banks of the River Danube, the Buda Castle District and Andrássy Boulevard should not be put in jeopardy, it says, adding that buildings must be no taller than 90 metres. Further, the government or the investor should provide the funds for the renovation and extension of Metro 1, the extension of Metro 4, and the construction of overpasses. They must also finance the complete revitalisation of the Rákos stream, the creation of at least 30 hectares of green space, including the creation of a new public park, the declaration states.

DISTRICT MAYOR: ABANDONED INDUSTRIAL SITE AT DÉLI RAILWAY STATION MAY SOON BE REVAMPED

A project to revamp the abandoned industrial site next to Déli railway station on the Buda side of the capital and turn it into a recreational park may begin soon, the mayor of the 1st district said before a session of the City Assembly on Wednesday. The district municipality shares ownership of the area with national railway company MAV, which wants the entire area to have a single owner, Márta Naszályi (Párbeszéd) told a press conference, adding that MAV wants to offload 8,000sqm adjacent to Mészáros Street, half as part of an exchange deal and half for purchase at a discounted price. At a Dec 7 assembly meeting, the offer was accepted in a vote, paving the way for talks on the proposed deal. She said the area is Buda's most valuable development area and a recreational park would be created there. After community planning, the final design would be agreed on, she said.

MORE THAN 8,000 UKRAINIAN CITIZENS ENTER HUNGARY ON TUESDAY

Fully 4,210 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Tuesday, while 4,198 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 52 people, ORFK said on Wednesday.

HUNGARY OCT INDUSTRIAL OUTPUT DOWN 3.2%, AUTOMOTIVE AND ELECTRICAL OUTPUT UP

Hungarian industrial output in October fell by an annual 3.2%, while working day adjusted data show a decline of 2.8%, the Central Statistical Office (KSH) confirmed in a second reading on Wednesday. While most manufacturing posted a decline, heavy vehicles and electrical equipment showed an increase, KSH added. Output of the automotive industry grew by an annual 4.9% in October, up from a 1.2% increase in the previous month, while the electrical equipment segment rose by 9.0%. Output of the food, drinks and tobacco segment fell by 2.8%. Based on seasonally and working day-adjusted data, industrial output was 0.6% lower than in September.



