

## PHOTO OF THE DAY



Firework vendor in Gyál, on the outskirts of Budapest

## UPCOMING EVENTS

Events marking year-end

Events related to the wars in Ukraine, Israel

## TOP STORY

# GOVT AIMS TO PUSH GROWTH ABOVE 4% IN 2024

The government targets growth of 4% next year, Márton Nagy, the economic development minister, said in a video posted on Facebook on Friday.

To that end, Nagy said the government would work to restore consumption. Besides higher real wages, "people's trust must be strengthened and caution eased," he said. Domestic production must also be restored, Nagy said. To keep the investment rate above 25%, Nagy said the government plans to launch a new credit scheme. It is also working on a targeted programme to boost the labour market, and raise the ratio of active workers to 85% from 78% in the 16-64 age group, he said. He said the government this past year had taken firm steps to push inflation down and protect jobs, such as the introduction of mandatory price caps on some food products, the launch of an online price monitoring platform, encouraging the public to invest in government securities and "freeing businesses from bad energy contracts". Nagy said real wages had started growing again from September and economic growth had rebounded in the third quarter. He added that the focus in 2024 would be on restoring growth so that families and businesses "can take a step forward" and wages could continue rising.

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## **EU AFFAIRS OFFICIAL: EU LEADERS HANDLING CRISES POORLY**

The EU leadership has poorly handled various crises linked to the war in Ukraine, Barna Pál Zsigmond, the parliamentary state secretary of EU affairs, said on Friday. Almost two years since the outbreak of the war, the EU has failed to work out a strategic response to how the sides may advance towards peace and how to lessen the economic damage to the bloc, he said on Facebook. Meanwhile, EU leaders had nothing to say about the migration crisis, growing anti-Semitism and the threat of terrorism, he added. Hungary, the official said, would back all initiatives that get Europe moving in the direction of peace and prosperity but it would not support "irresponsible promises" concerning "EU institutional and financial issues" related to Ukraine. Ukraine's EU accession should not be forced through at any cost, he said. Rather, accession talks with Western Balkan countries should be concluded, as this would be in Hungary and the whole of Europe's interest, he added.

## **GOVT RELAXING RULES IN BID TO BOOST WIND POWER**

The government is relaxing rules with a view to boosting wind power generation, the energy ministry said on Friday. The new rules reduce the

protective radius around wind farms to 700 meters in line with European norms and it will be easier to obtain a permit from Jan 1, the ministry said in a statement. Also, the restriction on total power output will no longer apply.

Nevertheless, strong guarantees will obtain in respect of protecting localities, the environment, farmland and landscapes. The related decree published in the official Hungarian Gazette proscribes wind turbines and the border of their parks from being set up in an area intended for construction or within 700 meters of a protection zone. Exceptions can be made when it comes to industrial investments which are designated as of special importance in terms of the national economy.

Turbines must not be set up on farmland with great production potential or where the landscape is under national or World Heritage protection. In areas where wind energy at a height of 150 meters exceeds 500 watts per square metre, authorisation may be expedited, while environmental protection and construction authorisation deadlines are to be set at a maximum of 50 days.

The statement says that the future of the Hungarian economy lies in green energy, and wind power can complement the country's rapidly growing solar output. The goal is to triple the current wind energy capacity of around 330 megawatts by 2030, it added. The government also wants to boost storage: a fund totalling 137 billion forints will be open for

tender in mid-January for families and businesses building new energy storage capacities, the statement said.

## **GOVT EARMARKS MORE FUNDING FOR FOOD INDUSTRY SUPPLIER UPGRADES**

The government has decided to raise the allocation for a programme to support upgrades at food industry suppliers from 6 billion forints to 33 billion forints (86.3m), the economic development ministry said on Friday. Interest in the scheme, announced in September, is "huge", the ministry said. The higher allocation will support investments with a value of over 45 billion forints at 78 companies, it added. Those investments include ones in production lines, renewable energy developments and packaging and warehouse improvements. A total of 114 applications were submitted for the funding. Nine of ten applicants were 100% Hungarian owned and two-thirds had headcount under 100.

## **AGRICULTURE MINISTER: ENVIRONMENT PROTECTION INVESTMENTS AT RECORD HIGH IN 2023**

Environment protection investments in 2023 reached a 13-year high, István Nagy, the agriculture minister, said in a statement on Friday. Hungary's 10 national parks have implemented developments worth a total of 90

billion forints (EUR 235.2m), improving the condition of over 300,000 hectares of natural habitat, a ministry statement cited Nagy as saying. While over one-third of Hungary's territory has been preserved in its "near-natural state", those areas are fragmented and need constant intervention, Nagy said. Their maintenance is the responsibility of the country's ten national parks, aided by government operative programmes such as the KEHOP scheme, Nagy said. He said the operative programmes mostly focused on recultivating land and wetlands. Such schemes also contributed to developing infrastructure and tourism: half of the 700 eco-tourism centres in Hungary are in the hands of the national parks, he said. Visitor numbers have doubled in the past 13 years, to over 1.6 million people, he added. In December 2022, the European Commission approved the KEHOP Plus programme, allocating 42 billion forints to upgrade 100,000 hectares of natural habitats, he said.

### **97% OF COMPANIES SEE NEED FOR SUSTAINABLE ENERGY BUT FALL SHORT**

Most Hungarian companies see an increasing need for sustainable, renewable and alternative energy sources amid the current challenging

economic environment, though often intentions and actions were generally grossly mismatched, according to a survey by K&H Bank. Fully 97% either unambiguously expressed support for sustainable energy or did so with some qualifications, according to the results of the survey released on Friday.

Levente Suba, the bank's head of sustainability, said that whereas companies were more and more committed to environmental sustainability on paper, in practice they were woefully falling behind, noting that a mere half a percent purchased green energy, even though this would be the best way to cut their carbon footprint.

Use of renewable energy sources actually fell among the surveyed companies, as did various activities aimed at protecting the environment, with dwindling interest in energy saving, thermal insulation, and the development of environmentally conscious products. The only real positive for the environment was that companies consumed less and less paper, he said. Meanwhile, more and more companies see sustainability as a difficulty rather than an opportunity in the current economic environment, Suba said. Raising financing was the biggest hurdle to making the transition to sustainable operations, he added.

K&H carried out its phone survey of 360 medium-sized and large companies between Oct 9 and 31.

### **NEARLY 13,000 UKRAINIAN CITIZENS ENTER HUNGARY ON THURSDAY**

Fully 6,686 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Thursday, while 6,126 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 85 people, ORFK said on Friday.

### **HUNGARIAN VINTNERS EXPORT AROUND 3.5 M LITRES OF SPARKLING WINE**

Hungarian vintners export about 3.5 million litres of sparkling wine a year, the National Chamber of Agriculture (NAK) said on Friday. The most important export markets for locally produced sparkling wine are Canada, Estonia, Romania, Sweden and Latvia, NAK said. Most of the some 20 million litres of Hungarian sparkling wine produced each year is consumed in Hungary. Among imported sparkling wine, products from Italy and France are the most popular in Hungary.