

Hungary

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Slightly better
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased slightly
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	<ul style="list-style-type: none"> • Regulatory environment • Environmental policies • Tax regime

2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Dissatisfied
Question 9	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Very dissatisfied
Question 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 4,4 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. Pursue effective coordination and clear demarcation of macroeconomic policies in order to ensure fiscal and external sustainability. Phase out price and interest-rate caps in order to reduce distortive effects and to facilitate the smooth transmission of monetary policy. Target support measures in the housing sector to low-income households. Strengthen the mediumterm budgetary framework, align the preparation of annual budgets with the budgetary year and limit discretion in the implementation of annual budgets.</p>	Extremely important	No progress	The Hungarian government do not cease the support of households energy bills, it causes 3-4 billions euro expenditure

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Urgently fulfil the required milestones and targets related to strengthening judicial independence and safeguarding the protection of the financial interests of the Union in order to allow for a swift and steady implementation of its recovery and resilience plan. Swiftly finalise the REPowerEU chapter with a view to rapidly starting the implementation thereof. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Extremely important	Satisfactory	The corruption is still alive in Hungarian budgetary system (e.g.: buildings of motorways, railways)
CSR 3	Improve the adequacy of the social assistance system, including unemployment benefits. Improve access to effective active labour market measures, in particular upskilling opportunities for the most disadvantaged groups, and ensure effective social dialogue. Improve the regulatory framework and competition in services by avoiding selective and arbitrary administrative interventions and the use of tailor-made legislation providing undue advantage or disadvantage to specific companies, by applying competition scrutiny systematically to business transactions and by reducing the use of emergency measures to what is strictly necessary, in line with the principles of the single market and of the rule of law.	Important	No progress	There is no action from Government

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	<p>Reduce overall reliance on fossil fuels by accelerating the deployment of renewables, including wind energy, geothermal and sustainable biomethane, in particular by streamlining permitting procedures, while conducting regular environmental impact assessments, and by creating a supportive and predictable regulatory environment. Phase out subsidies for fossil fuels. Reform the rules on the balancing of the energy market and tariff setting in order to allow for cost recovery and an optimum use of the grid. Where necessary, upgrade the electricity infrastructure, including grid and storage capacities. Diversify imports of fossil fuels in order to significantly decrease dependence on Russia, including by strengthening cooperation with other Member States, including, where necessary, on infrastructure. Improve energy efficiency, in particular in buildings, and continue efforts to reduce overall gas consumption. Adjust the current system of regulated energy prices in order to encourage energy saving while providing targeted support for low-income households. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.</p>	Important	Unsatisfactory	<p>In the new Energy Plan the government 50% higher energy consumption calculates</p>

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	No progress
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour supply measures for specific groups (older workers, women...)	Improvement of labour force (who are willing to work, but they are out of workplace)	yes
Priority 2	Active labour market policies	Problem of workforce from abroad	yes
Priority 3	Pension and health care reforms	New pension system	yes
Priority 4	Consolidation of public expenditures	Decrease budget deficit	no
Priority 5	Sector specific regulation (telecom, energy)	Abolish excess taxes	yes
