

**Speech of Mr. János Bóka, Minister for European Union Affairs of
Hungary at the Meeting of the Chairpersons of COSAC**

Budapest, 29 July 2024

Dear Members,

Dear Colleagues,

Ladies and Gentlemen,

What are the changes our presidency will work to facilitate?

First, we need a New European Competitiveness Deal.

In the current international context of multiple challenges, where Europe is lagging behind its global competitors, it is vital to improve the productivity and thus the competitiveness of the Union and its member states, and to stimulate growth.

It is in our common interest to address the effects of the difficult economic circumstances of the recent years, such as high inflation, increased public debt, high energy prices, fragmentation of international supply chains, or lower European productivity and slower economic growth compared to our competitors, and to put the EU economy back on an upward trajectory.

Therefore, the Hungarian presidency will place a strong emphasis on improving European competitiveness, integrating this objective into all policies, by applying a holistic approach.

Our aim is to contribute to the development of a technology-neutral industrial strategy, a framework for boosting European productivity, an open economy and international economic cooperation, as well as a flexible labour market that creates secure jobs and offers rising wages in Europe, which is a crucial factor to growth and competitiveness.

The adoption of a New European Competitiveness Deal is a key priority of the Hungarian presidency in order to restore economic development and create the conditions for sustainable growth, deepen the internal market, focus on supporting small and medium-sized enterprises, promote the green and digital transition in

partnership with European economic stakeholders and citizens, international cooperation, and ensure the stability and sustainability of jobs.

Second, we will work on the Reinforcement of the European Defence Policy.

The ongoing and emerging conflicts on the continent and around the world clearly demonstrate that Europe needs to significantly improve its defence capabilities, international crisis management responsiveness, and capacities. Beyond defence policy alliances and cooperation, the European Union must play a greater role in guaranteeing its own security by strengthening its resilience and capacity to act.

Bearing this in mind, the Hungarian presidency will place particular emphasis on strengthening the European Defence Technological and Industrial Base, including defence innovation and the enhancement of defence procurement cooperation between member states, beyond the implementation of the Strategic Compass that defines the main directions of EU defence policy.

Third, we will maintain a Consistent and Merit-Based Enlargement Policy in respect of all accession countries.

Enlargement is one of the most successful policies of the European Union. To preserve this favourable tendency, it is essential to keep enlargement policy merit-based, balanced and credible.

The case of Ukraine is special in the sense that besides its accession process, the European Union provides wide ranging and complex support for Ukraine in its fight against aggression to restore its territorial integrity and international legal order. The Hungarian presidency will do its part through the speedy management of related files including the proposed loan to Ukraine by using the windfall profit on certain Russian frozen assets as collateral.

EU support complements national assistance measures to Ukraine. In this context, it is worth mentioning that Hungary implements the biggest humanitarian assistance programme in Ukraine. Hungary received more than 1.4 million Ukrainians since the outbreak of the war. More than 40% of Ukraine's electricity import goes through Hungary as it has the largest interconnector to Ukraine and provides frequency control for its electricity grid. Hungary has the only pipeline connection to Ukraine where refined oil products are shipped towards Ukraine and we provide more than 10% of the

Ukrainian diesel oil consumption and also more than 10% of its natural gas consumption.

Now, I turn to the Western Balkans. The European Union has long been engaged in ensuring a European perspective for the Western Balkans, as the Community cannot be complete without the accession of this region. We promised a European perspective to the Western Balkans more than 20 years ago.

The region's integration benefits the EU in economic, security and geopolitical terms. To further broaden and deepen our cooperation, we will invite our partners to consultations both in the framework of the EU-Western Balkans Summit and the European Political Community.

Besides the management of the accession process, we will continue exploring the possibilities of the concept of gradual integration, i.e. allowing access to and participation in EU programmes, projects, networks and initiatives pending full membership. This is of course not a substitute for membership but a tool to promote convergence and build political trust and political ownership needed to accelerate the accession process. In addition, we will continue implementing the Ukraine Facility as well as the Growth Plan for the Western Balkans, hopefully with the first advance payments happening already during our presidency.

Fourth, we will work on the challenges of Illegal Migration

The migratory pressure that Europe has been facing for several years is not only a challenge to the Union as a whole but also places a huge burden on individual member states, especially those at the external borders of the Union. It has been a long-term objective of the EU to tackle this, which requires effective instruments and immediate intervention.

In order to find the appropriate solutions, closer cooperation with countries bordering the EU is indispensable, as well as with the key countries of origin and transit. In addition, illegal migration and human smuggling must be curbed. In this respect, the Hungarian presidency will pay particular attention to the external dimension of migration, including efficient cooperation with relevant third countries, more effective returns, and innovative solutions for rules on asylum.

In addition, during the follow-up on the implementation of the annual priorities of the Schengen cycle, we intend to highlight the importance of external border protection and the need for EU funds for this purpose.

Fifth, we will facilitate discussions on Shaping the Future of Cohesion Policy.

To ensure harmonious and balanced development in the Union, it is essential for Europe to reduce regional disparities as well as to enhance economic, social, and territorial cohesion.

A well-structured and balanced cohesion policy is the key instrument in this regard. Cohesion policy, as the main investment policy of the European Union, has proven successful for decades in achieving the objectives enshrined in the Treaties.

However, as the 9th Cohesion Report points out, there are still significant development gaps between member states and even within regions, considering that more than a quarter of the EU's population lives in regions not reaching 75% of the Union's average development level.

The convergence of these regions is not only crucial in terms of fully utilising the competitiveness potential of the EU, but it is also essential for the proper functioning of the Single Market.

The Hungarian presidency will aim for a high-level strategic debate on the future of cohesion policy, including its role in promoting competitiveness and employment, as well as in addressing demographic challenges.

Sixth, we initiate a refocussing of the CAP as A Farmer-Centered EU Agricultural Policy.

European agriculture may have never faced as many challenges as it does today. Extraordinary weather conditions caused by climate change, growing input costs, increasing imports from third countries, and overly stringent production rules have significantly decreased the competitiveness of the sector.

The accumulation of these challenges led to a situation where the livelihood of European farmers is threatened. It is essential to view agriculture not as a cause of climate change, but as part of the solution, by engaging farmers in adopting more sustainable production practices.

While guaranteeing food security, European farmers provide all EU citizens with basic public goods. Therefore, a long-term guarantee of food sovereignty and food security should be part of the strategic autonomy of the EU.

In the semester ahead, the Hungarian presidency will encourage the Agriculture and Fisheries Council to take advantage of the institutional transition period and guide the new Commission in formulating the rules of the Union's post-2027 agricultural policy for a competitive, crisis-proof and farmer-friendly agriculture.

Promoting sustainable agriculture is a key priority to find a rational balance regarding the strategic objectives of the European Green Deal, the stabilisation of agricultural markets, and a decent standard of living for farmers.

Finally, we will contribute to a discussion on Addressing Demographic Challenges.

The accelerating ageing of European societies, unsustainable social welfare systems, and labour shortages are long-standing and intensifying problems in all of Europe that need to be addressed urgently and effectively.

Ageing society, green and digital transition, rural depopulation, increasing pressure on fiscal resources, and the changing world of work generate demographic issues and challenges that need to be put into the spotlight.

These problems have become increasingly important for the competitiveness of the EU and the sustainability of public finances. The Hungarian presidency, fully respecting the competences of member states, wishes to draw attention to these challenges, and the Commission's demographic toolbox, published in October 2023, provides a good basis for that.

Besides the core priorities of our presidency, we will be active in all areas where the European Union is called upon to act.

The malicious incidents that have recently affected our democracies have highlighted the need to take appropriate steps to protect our citizens and our electoral processes from foreign interference. The Hungarian Presidency is ready to take this dialogue forward, while fully respecting the competences and sovereignty of the Member States.

In light of the disturbing events that took place in Europe recently, it is also appropriate to strengthen the fight against antisemitism in all its forms and manifestations. Therefore, the Hungarian Presidency will also take up the fight against antisemitism

especially by focusing on fostering Jewish life and will pay special attention to regular exchanges of views on this issue. Beyond justice and home affairs, the Hungarian Presidency intends to continue cooperation in the fields of education and culture involving a wide range of actors, in particular Jewish communities and their international organisations. The Hungarian Presidency will review the progress of national strategies against antisemitism and plans to adopt a Council declaration on the subject.

The Hungarian Presidency aims to promote the protection of the rights individuals belonging to national minorities. The Presidency will organise discussions on how the European Union can make better use of the available instruments and opportunities within its competences, e.g. in the framework of cooperation with the Council of Europe. The Presidency aims to pay particular attention whether the rights of persons belonging to national minorities in the candidate countries are respected and enforced, with the understanding that the enlargement process must contribute substantially to the improvement of the situation of national minorities.

The Hungarian Presidency will also aim to facilitate the finalisation of the Schengen enlargement process, in particular by fostering a consensus in the Council on the lifting of border controls at the internal land borders of Romania and Bulgaria.

The Hungarian Presidency is to adopt the COP29 Council conclusions that form the basis of the European position at the UN Framework Convention on Climate Change 29th Conference of the Parties. In representing the coordinated position of the EU and its Member States at COP29, the Hungarian Presidency will strive to put as much emphasis as possible on encouraging climate action by third countries, as well as to take into account the security aspects of climate change, and to facilitate that the conference delivers a tangible, ambitious, and realistic result.

Hungary will work as an honest broker, in the spirit of sincere cooperation between member states and institutions, for the peace, security and prosperity of a truly strong Europe. I cannot promise you miracles, but I can promise you that we will work for creating the conditions to take small steps forward. And in the European Union this is already a kind of miracle.

I thank you for your attention and I am at your disposal for questions, comments and suggestions.