» NEWSLETTER
CONFINDUSTRIA UNGHERIA

CONFINDUSTRIA UNGHERIA
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NO. VI
JUNE 2026

FRONT PAGE

SAFEGUARDING EUROPEAN STEEL

On 8 June the Council of the EU gave final adoption to **the regulation reshaping the protection of the European steel market** from the effects of global production overcapacity. The text enters into force on **1 July 2026** and replaces the safeguard measure expiring on 30 June, ensuring continuity for **a sector strategic for the European industrial base**, the green transition and the Union's economic security.

At the core of the reform is a revised system of **tariff-rate quotas (TRQs)**: the duty-free import volumes are reduced and duties on quantities above the thresholds are raised, with the new **«melt and pour»** rule to curb circumvention. A joint declaration by the institutions also reaffirms the commitment to **reduce dependence on Russia** by 30 September 2028.

It is a measure that speaks directly to the industrial fabric of Central and Eastern Europe and to the steel-using supply chains — **automotive, construction, mechanical engineering** — in which many member companies operate: a delicate balance between protecting a strategic sector and the cost of the raw material downstream.

TOP NEWS

- **Association activity**
  Single-use plastics: a ban made proportionate, alongside SEDA.
- **Economic Focus • UniCredit**
  Moderate growth, inflation down, MNB's first rate cut.
- **Brussels Focus**
  EU budget 2028–2034, Omnibus IV, defence, tech sovereignty.
- **Member Focus • Kometa**
  Italian roots, Hungarian success, a European vision.
- **Legal insight**
  EU pay transparency: obligations and what to do now.
- **SIMEST**
  Subsidised-finance tools for internationalisation.

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SINGLE-USE PLASTICS: CONFINDUSTRIA UNGHERIA'S ACTION FOR A PROPORTIONATE BAN

With **Government Decree 98/2026 (29 June)**, published in Hungary's Official Gazette (Magyar Közlöny), the Government amended the earlier Decree 301/2021 on the restriction of certain single-use plastic products. From **1 July 2026** the market-placement ban is no longer absolute for paper cups with a minimal plastic content: it now applies only to beverage cups containing plastic **above 10% by weight**. A proportionate and narrowly defined ban, therefore — an outcome to which Confindustria Ungheria actively contributed.

The background. In its original version, Decree 301/2021 banned, from 1 July 2026, the placing on the market of paper beverage cups containing plastic. The measure transposed the SUP Directive (EU) 2019/904 — in particular Article 4, on consumption reduction — and had to be read together with the PPWR Regulation (EU) 2025/40 on packaging. The critical point: an absolute ban was consistent with neither Article 4 of the SUPD nor the PPWR, which distinguish between products to be banned and products subject to reduction targets, taking into account the availability of mature alternatives.

The action. At the request of SEDA International Packaging Group — a member company of Confindustria in Italy — Confindustria Ungheria intervened formally on 24 April 2026 with the Ministry of Energy and, on 29 April, with the Ministry of the Environment and the Ministry of Foreign Affairs, given the uncertainty over competences during the post-election transition. The action was aligned with the dialogue already under way in Brussels between the EPPA (European Paper Packaging Alliance) and the Hungarian authorities. The arguments: technological maturity — plastic-free solutions are not yet ready for large-scale industrial deployment, as confirmed by a November 2025 report of the French government; consistency with EU law; and the French model, which adopted a conditional mechanism with a 2030 deadline, subject to a 2028 progress report on technical feasibility.

The result. The review, conducted under an urgent procedure, concluded with a proportionate ban aligned with the European framework. It is a concrete example of how representation — at national and European level — can translate into more balanced rules for business: Confindustria Ungheria, too, played its part in securing the result.

MACROECONOMIC DEVELOPMENTS — JUNE 2026

A strong start to the year, but an uphill road

Hungary's economy delivered **stronger-than-expected growth** in the first quarter of 2026, but much of the performance was **driven by temporary factors**, including extraordinary household transfers and inventory accumulation. We expect full-year GDP growth of approximately **1.3%**, with private consumption remaining the primary engine of expansion and services continuing to outperform.

The report highlights **a persistent structural weakness**: domestic demand growth increasingly leaks into imports rather than supporting local production. Industrial domestic sales remain significantly below 2022 levels, while domestic manufacturing has struggled to keep pace with rising consumer demand. Although major export-oriented investments such as BMW, CATL and BYD provide medium-term support, implementation delays and a challenging global environment limit near-term upside.

Net exports are expected to remain a drag on growth, as imports benefit from stronger consumption, fuel-stock rebuilding and EU-funded investment projects. Meanwhile, construction and fixed investment are likely to stay subdued because of fiscal constraints and cautious corporate behaviour. Faster disbursement of EU funds and the release of RRF resources represent the key upside risk.

Fiscal developments remain a major focus. The budget deficit has improved relative to the annual target, aided by strong labour-market revenues and moderating interest expenditure. However, pre-election overspending (tax cuts and social transfers) and newly announced policy initiatives of the Tisza cabinet continue to pose risks. The government is still working on this year's supplementary budget and, according to the latest news flow, Prime Minister Péter Magyar has communicated a budget deficit of around **8% of GDP** versus the original 5%: worse than the fiscal developments known so far would suggest.

Inflation surprised on the downside in May, with headline inflation slowing to **1.8%** and core inflation to 1.9% (lower food prices, a stronger forint, moderate service-sector repricing); it is expected to move back gradually toward 3% by year-end. Against this backdrop the National Bank of Hungary **has begun an easing cycle**, cutting the policy rate to **6.0%**, with a base rate expected to reach 5.0% by the end of 2026, supported by benign inflation dynamics and a stable currency.

The Economic Focus is produced in collaboration with UniCredit Bank Hungary – Macroeconomic Developments, June 2026.

FROM THE WORK OF THE EUROPEAN INSTITUTIONS

The month's main dossiers of interest to business

EU budget 2028–2034: the course on Horizon Europe. Work continues on the next Multiannual Financial Framework (MFF) 2028–2034. The Council has agreed **its partial negotiating position** on the Horizon Europe regulation — the tenth framework programme for research and innovation — and on the new «performance framework» for monitoring results. Horizon Europe is one of the pillars of the next budget: it targets scientific excellence, economic competitiveness and major societal challenges, and remains a central reference for companies investing in innovation.

Omnibus IV: the new «Small Mid-Caps» category. On the simplification front, the agreement on Omnibus IV introduces Small Mid-Caps (SMCs) and extends to them several exemptions so far reserved for SMEs. SMCs are defined as companies with fewer than **1,000 employees** and, alternatively, up to **EUR 200 million in turnover** or up to **EUR 172 million in total assets**. The exemptions will cover, among others, low-risk GDPR record-keeping, the Prospectus Regulation and the Batteries Regulation.

European Semester: the 2026 spring package. On 3 June the Commission published the spring package of the 2026 European Semester: a general communication, country-specific recommendations, the spring economic forecasts and in-depth reviews. The recommendations sit within the Competitiveness Compass, steering reforms and investment toward productivity, innovation, decarbonisation, economic security and a simpler business environment.

Defence: the agreement on the Defence Readiness Omnibus. On 10 June the Council and the European Parliament reached **a provisional agreement on the Defence Readiness Omnibus package**, aimed at simplifying the sector's regulatory framework, facilitating investment and strengthening the European industrial base. Part of the White Paper for European Defence Readiness 2030, it addresses procurement, authorisations, intra-EU transfers of defence products and permit acceleration.

Technological sovereignty and the AI Act. On 3 June the Commission presented the European Technological Sovereignty Package, with four initiatives — the Chips Act 2.0, the Cloud and AI Development Act (CADA), the open-source strategy and a roadmap for digitalisation and AI in energy. On artificial intelligence, the AI Office has invited providers and deployers to sign, on a voluntary basis, the Code of Practice on Transparency of AI-generated Content, supporting the Article 50 transparency obligations of the AI Act, applicable from 2 August 2026.

Article by the Delegation of Confindustria to the European Union.

KOMETA

Italian roots, Hungarian success, a European vision

KOMETA's story began in a small Alpine village, Bormio in Italy, and continued in Hungary, among the hills of Somogy, in Kaposvár. The values of the Italian Pedranzini and Ruffini families — respect for nature, responsible animal husbandry and a commitment to producing quality food — still define the way the company operates today.

Giacomo Pedranzini, managing director of KOMETA

With its Italian roots, KOMETA is today **one of Hungary's largest pork-processing companies**. It employs more than **1,100 people** and its products are available in over **30 countries**. Great emphasis is placed on sustainability: the company has its own heat-recovery and wastewater-treatment systems, as well as a by-products plant. One of its key competitive advantages is integrated operation: the entire processing chain — from slaughtering to the packaging of finished products — takes place at a single site, ensuring high quality, food safety and efficiency. In recognition of this commitment, KOMETA is the first pork processor in Europe, and the second worldwide, to have **issued a green bond** and obtained «green» certification.

HonestFood
GOOD, SALUBRIOUS, AFFORDABLE

KOMETA is carrying out in Kaposvár one of the most significant development programmes in its history. As part of the investment, worth tens of billions of forints, a new production plant is being built with expanded, modern slicing and packaging capacity and an automated high-bay warehouse, to be followed by a new slaughterhouse, a modern cooling system and new deboning and cutting lines. The developments also expand wastewater-treatment capacity, with new wells and a new waterworks, alongside solar parks that further increase the use of renewable energy. The aim is not only to increase production, but also to strengthen energy efficiency, sustainability and competitiveness. Through its subsidiary, KOMETA continuously increases its pig stock through modernisation and the addition of new farms.

1,100+
employees

1st
in Europe · green certification
(2nd worldwide)

30+
countries worldwide

At the heart of the company's strategy is **the HonestFood concept**, created by Giacomo Pedranzini, KOMETA's managing director. The initiative is built on the conviction that the food industry of the future must offer good-quality food at affordable prices, while taking into account people's health, animal welfare and environmental protection.

The company has taken, and continues to take, significant steps in this direction. Its products have a higher meat content than required, contain no added glutamate, soy or gluten, and many are free of lactose and milk protein. KOMETA is also a leader in salt reduction: a significant share of its processed products now contains up to **30% less salt** while preserving the original taste.

For KOMETA, Hungary is **not only a production site but also a home**. For more than three decades the company has been part of the economic and social life of Kaposvár, while preserving its Italian roots and an international outlook. It is this dual identity that provides the foundation on which the company builds its future. KOMETA aims to remain a defining player in the Hungarian food industry and to contribute to sustainable, competitive and innovative European food production.

«When we arrived in Hungary more than thirty years ago, we were driven by the same goal as today: to produce good-quality food in an honest way, at an honest price. Our growth proves that the Italian entrepreneurial mindset, Hungarian expertise and long-term thinking together create real value.»

Giacomo Pedranzini, managing director of KOMETA

SPORT AND COMMUNITY

Giacomo Pedranzini also brought his passion for cycling to Hungary. KOMETA has supported Alberto Contador's professional cycling team (Team Polti Visit Malta) from the outset, for many years as its title sponsor. Partly thanks to them, the Giro d'Italia started from Budapest in 2022, doing much to popularise the sport.

In Kaposvár the company is the title sponsor of the local basketball team, which finished third in the national championship a year after promotion to the top division. KOMETA also supports employees' participation in sporting events and their daily activity: those who come to work on foot, running or by bicycle, or who work out at the pool or gym, receive a 400-forint allowance on each occasion.

Pay transparency: the deadline has passed, the obligations remain

Best to get ready

Directive (EU) 2023/970, aimed at strengthening the principle of equal pay between men and women, was to be transposed into national law by **7 June 2026**. To date no Member State has fully implemented it; **Hungary and Luxembourg are the only ones not to have published even a draft transposition**. **The Directive has no direct effect**, but companies would do well to act early, because the obligations it introduces are significant.

The scope is broad: it covers part-time, fixed-term and agency workers as well as senior positions. Even without the implementing legislation, companies can already review their pay policies and prepare in good time for the requirements ahead.

THE NEW OBLIGATIONS AT A GLANCE

- **Pay structures** allowing the value of different roles within the same organisation to be compared.
- **Information to candidates** on the pay or pay range already at the application stage.
- **The right of workers** to know their own pay relative to colleagues in comparable roles.
- **Clear, gender-neutral criteria** for pay and progression.
- **Reporting** of the gender pay gap.

Insight prepared by Havasi Ügyvédi Iroda (Dr. Bence Havasi); materials available from the Direction.

Havasi Ügyvédi Iroda
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DIRECTORS' LIABILITY AND INSOLVENCY

The seminar with CLM Bitai & Partners

On 11 June 2026 Confindustria Ungheria and the law firm **CLM Bitai & Partners** organised the professional seminar «CEOs and Managers in Europe — Governance, Responsibilities and Protections in the Era of the New Insolvency Directive». The meeting gave participants a comprehensive picture of the Hungarian rules on **directors' liability in insolvency situations**, together with the changes expected from the new **EU Insolvency Directive**, adopted in spring 2026.

The central theme: the law increasingly requires directors to **act promptly and proactively** as soon as financial difficulties emerge, with particular regard to **protecting the interests of creditors**. Recognising the warning signs of a crisis in good time and acting accordingly is no longer merely good management practice, but a duty with precise implications for personal liability.

For member companies the message is concrete: put in place, in good time, monitoring tools and internal procedures able to catch a crisis in its early stage, when room for manoeuvre is widest and directors' liability remains fully manageable. The new European framework points in this direction, harmonising obligations and strengthening the role of those who govern the company.

THE SPEAKERS

- **Zsófia Bitai**, managing partner of CLM Bitai & Partners: the Hungarian and European framework on directors' liability.
- **Sandra Bendler-Pepy**, managing partner of SLB LAW: a comparison between Italian and German law.

Seminar organised by Confindustria Ungheria with CLM Bitai & Partners.

CLM BITAI & PARTNERS LAW FIRM

FROM THE ADRIATIC TO THE BALTIC: AN ITALIAN VISION FOR EUROPEAN COMPETITIVENESS

On 23 June 2026 Confindustria Ungheria took part in the **General Assembly of Confindustria Est Europa** in Rome, chaired by President Patrizio Dei Tos. Held at the Residence of the Embassy of Romania, two sessions — one private and one public — addressed the region's economic, industrial and geopolitical outlook, the results achieved and the priorities for strengthening the network across the CEE area.

The public session focused on the themes at the heart of the continent's competitiveness: **the major transitions under way** — demographic, geopolitical, digital and green — and **the strategic role of Central and Eastern Europe** as an area of growth, investment and industrial integration for Italian companies.

Adriano Ippoliti, of the Ministry of Enterprises and Made in Italy: «European competitiveness is built through an industrial strategy able to govern four major transitions: demographic, geopolitical, digital and green.»

Alessandro Paoli, Head of International at UniCredit: «Today companies are called upon to find a new balance between efficiency and security. That is why it is essential to strengthen ties with nearby markets, integrated with our industrial system and marked by a strong logistical and cultural affinity with Italy.»

> «Companies are asking for fewer declarations and more projects. Fewer generic missions and more industrial partnerships. More investment, more innovation, more collaboration between institutions, the financial system and business. This is the direction we intend to take together.»
>
> **Patrizio Dei Tos, President of Confindustria Est Europa**

Full press release and gallery: lnkd.in/gsGwF49V

SIMEST TOOLS FOR INTERNATIONALISATION

As part of its support to member companies, Confindustria Ungheria highlights the subsidised-finance tools made available by **SIMEST** (Cassa Depositi e Prestiti Group). These include the **«Digital or Ecological Transition»** instrument under Fund 394/81, and **the Energy Measure for international competitiveness**, dedicated to companies affected by the conflict in the Persian Gulf area (with the related certification on increased energy costs). The Direction is available to arrange a dedicated information meeting.

» HOW TO JOIN

MEMBERSHIP AND 2026 SPONSOR PACKAGES

To join, complete the membership form available at www.confindustria.hu. Companies are admitted by resolution of the Executive Council, following a written application.

For information: **direzione@confindustria.hu** · +36 30 620 55 41.

Sponsor Packages 2026. Three levels are available — Supporter, Partner 2026 and Strategic Partner — offering different ways to gain visibility and take part: presence on the institutional platforms (newsletter, website, materials), direct communication with members, events and tailored content.

CONFINDUSTRIA UNGHERIA IS A MEMBER OF CONFINDUSTRIA EST EUROPA, WHICH UNITES NINE INTERNATIONAL REPRESENTATIVES FROM THE REGION.

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