

PHOTO OF THE DAY



A gate with traditional Szekler motifs is being prepared ahead of Pope Francis's visit to Șumuleu Ciuc, Romania

UPCOMING EVENTS

Opposition Budapest representatives hold presser

Budapest city assembly holds session

Századvég conference on Europe with govt officials, analysts

Election Committee holds open session

Stats office releases employment, jobless data for Feb-Apr

TOP STORY

HUNGARY SENDING MORE AID TO SYRIA

The Hungarian government will send some 300 million forints (EUR 920,000) of humanitarian aid to the Christian churches of Syria, the Prime Minister's Office said.

The government will donate 162 million forints to the Syrian Orthodox Church and more than 145 million forints to the country's Trappist and Cistercian nuns, the PM's office said. The aid provided via the Hungary Helps humanitarian scheme will contribute to the reconstruction of apartment buildings in the city of Homs and the construction of a public square in Latakia. The aid package aims to help keep destitute communities in their homeland, thereby curbing migration to Europe, the statement said.

Meanwhile, the PM's Office also said the government will organise an international conference on the persecution of Christians in Budapest this autumn. The aim of the conference will be to inform decision-makers about the situation of endangered Christian communities, put together an international effort to protect persecuted Christians based on the experiences of the Hungary Helps scheme and to strengthen Hungary's leading role in the fight against the persecution of Christians. Citing fresh data, the PM's Office said more than 4,150 people were killed due to their faith in 2018.

SZIJJÁRTÓ: BALKANS' EU INTEGRATION IN HUNGARY'S SECURITY, ECONOMIC INTEREST

Enlarging the European Union with countries of the Western Balkans is in Hungary's interest both in security and economic terms, Foreign Minister Péter Szijjártó said in Bratislava. After a meeting of his Visegrad Group counterparts and foreign ministers of the Western Balkans (Serbia, Montenegro, North Macedonia, Albania, Kosovo, and Bosnia-Herzegovina), Szijjártó said the EU "cannot be strong unless it starts enlargement". With Brexit, the bloc will become smaller for the first time in its history, he noted, adding that "this tendency must be reversed". "The pro-enlargement position is in a minority," but hopefully the new European Parliament will revise the decision of the outgoing European Commission to set the date of the next enlargement for 2025, he said. Szijjártó said EU enlargement would ensure the Western Balkans "considerable stability", which he said would be crucial in curbing illegal mass migration. "A stable Western Balkans would better withstand the pressure of migration."

Concerning trade, Szijjártó said that in 2018 turnover between Hungary and the Western Balkans reached 3.8 billion euros and had grown by 9% to the first quarter of 2019. Removing the drawbacks arising from the Western

Balkans trading from outside the bloc would benefit Hungary, he added.

Szijjártó noted the European Commission will publish its enlargement proposal on Wednesday. Arguing that the commission "should have released it to the public long ago," he added that the Hungarian government was determined that a meeting of EU foreign and European affairs ministers on June 18 would result in a decision whereby North Macedonia and Albania start their accession talks and Montenegro opens its final chapter of negotiations, Szijjarto said.

Concerning the results of the recent European Parliament election in which Slovakia's ethnic Hungarian MKP party was just shy of the threshold to win a seat, Szijjártó said that the Hungarian government represented the whole Hungarian nation and MEPs of Hungary's ruling parties would promote the interests of Slovakian Hungarians. He praised MKP's results, saying that the ethnic Hungarian party had garnered twice as many votes as Hungarian-Slovak Most-Hid, and more than three other Slovak parliamentary parties.

ÁDER: HUNGARY'S BATTLE AGAINST CLIMATE CHANGE YIELDS RESULTS

Hungary has achieved significant results in the battle against climate change, President János Áder said in his address at the R20 Austrian World Summit international conference on

climate change in Vienna. Since 1990, Hungary has successfully raised its GDP by 50% while cutting carbon dioxide emissions by 32%, energy consumption by 15% and greenhouse gas emissions by 35%, Áder said. The international Under 2 movement, comprising cities pledging to reduce their carbon dioxide emissions by 80% by 2050 compared to 1990, also has 23 Hungarian cities among its members, he said. "If we succeed in implementing the investments we planned to do until 2030, 90% of Hungarian electricity production will produce no carbon dioxide by that date," he said. According to current plans, Hungary's greenhouse gas emissions by 2050 will not exceed the amount that Hungarian forests can neutralise, Áder said.

Former California governor Arnold Schwarzenegger, Austrian Chancellor Alexander van der Bellen and Swedish climate activist Greta Thunberg were among the speakers at the conference hosting 150 speakers from 30 countries.

GOVT OFFICIAL: PERSECUTION OF CHRISTIANS 'CONCEALED HUMANITARIAN DISASTER'

The persecution of Christians is "a humanitarian disaster that has remained deliberately concealed", and the Hungarian government is seeking "allies" in its efforts to help these communities, a senior government

official said in Vienna. Addressing an international conference at the Hungarian embassy, Tristan Azbej, the state secretary for aiding persecuted Christians, said the Hungarian government had been the first to launch in 2017 a scheme aimed at helping persecuted Christians around the world. "Our goal is to win the support of as many governments as possible" for the programme, Azbej told the gathering of 160 experts. Since its launch, the Hungary Helps scheme has helped over 35,000 people in their homeland in Africa and the Middle East, he said. He noted a similar programme launched by the United States and Hungary's cooperation with Poland in supporting orthodox Christian communities in Syria.

HUNGARY, SLOVAKIA TO BUILD BRIDGE ACROSS IPOLY

Representatives of the Hungarian and Slovak governments signed an agreement on building a new bridge across the river Ipoly between Dregelypalank in Hungary and Ipelske Predmostie (Ipolyhidvég) in Slovakia. László Palkovics, Hungary's minister of innovation and technology, said the agreement was the fourth bilateral accord to be signed over the past year on building bridges along a 250km section of the Ipoly, a part of the border between the two countries. Árpád Érsek, the Slovak transport and construction

minister, said that the new bridge would be completed by the spring of 2020. The EU's Interreg Programme in April 2018 provided funding for four bridges to develop local road connections between Hungary and Slovakia.

DK CALLS ON GOVT TO SCRAP PLANNED CHANGES TO SCIENCE ACADEMY

The opposition Democratic Coalition (DK) called on the government to scrap plans to restructure the Hungarian Academy of Sciences (MTA) and start public consultations aimed at ensuring academic freedom. Gergely Arató, DK's deputy group leader, reacted to press reports that the government would strip MTA of all 15 of its research institutions on August 1, and set up a state-owned research network. At a press conference, Arató insisted that the plans evoked "the practice of the 1940s and '50s" and that "the government seeks to seize independent assets by force ". The government "no longer cares about pretence" and is "trying to reduce one of the most respected institutions to zero", he said.

Asked about the upcoming municipal elections, Arató said his party wanted to see one opposition candidate pitted against one ruling party candidate in the vote. "DK is open to negotiations but basically

we have found good candidates for all districts in Budapest," he added.

NBH LEAVES BASE RATE, O/N DEPO RATE UNCHANGED

The Monetary Council of the National Bank of Hungary (NBH) left the central bank base rate and overnight deposit rate unchanged at 0.90% and -0.05%, respectively, at a monthly policy meeting. The Council also left the rates on hold at the previous policy meeting. At a meeting in March, the Council raised the overnight deposit rate by 10 basis points, marking the first policy tightening in years. They also decided to reduce a targeted squeeze-out of liquidity from central bank instruments by 100 billion forints to 300 billion-500 billion forints. Since the crowd-out target was cut, stock of the central bank's FX swaps has fallen by some 263 billion forints. However, the level of FX swaps remained practically flat after the latest couple of weekly tenders.

In a statement released after the meeting, the Council reiterated guidance issued after policy meetings in March and April. The Council said inflation "will fluctuate around" the 3 percent central bank target in the coming quarters, while the measure of core inflation excluding indirect tax effects -- an indicator of underlying inflation -- is "expected to continue to rise until the autumn months and then to decline from the end of 2019". It noted that "persistently buoyant" domestic demand is boosting the pace



of price increases, while weakening external activity is restraining that pace, and said it would assess the effects of this “dichotomy” on the maintenance of price stability over the 5-8 quarter horizon of monetary policy. “The monetary policy stance will continue to be accommodative, economic agents’ financing costs will remain favourable,” the Council said, adding that it applies a “cautious approach” to policy decisions and relies “mainly” on the macroeconomic and inflation projections in the NBH’s quarterly Inflation Report.

GOVT, AIRBUS HELICOPTERS TO PARTNER IN PARTS JOINT VENTURE

Airbus Helicopters announced plans to partner with the Hungarian government in a joint venture to produce aircraft parts in the southeast Hungarian city of Gyula. The plant, to be constructed in a greenfield investment, will manufacture high precision metallic elementary parts for the dynamic systems of helicopters for the complete Airbus product range. Production is expected to start in 2021. The Hungarian government plans to

establish capabilities for metallic surface treatment and a Hungarian Aerospace Academy to support the new Airbus site by training the future workforce, Airbus said. The facility “will be the core of an emerging Hungarian aeronautics cluster”, the company added.

Airbus will hold a majority stake in the JV and will operate the plant. “Hungary offers us the opportunity to implement our industrial strategy based on the specialization of our sites and to set up a greenfield aerospace complex according to the most modern industry requirements,” said Airbus Helicopters CEO Bruno Even. “We also can rely on a skilled and well-educated workforce,” he added. Airbus Helicopters and Hungary signed an agreement late in 2018 on establishing an industrial cooperation for long-term aviation projects.

RATE OF POPULATION DECLINE INCREASES IN JAN-MARCH - KSH

There were fewer births and more deaths in Hungary in the first three months of the year compared with the same period a year earlier, the

Central Statistical Office (KSH) said. Fully 4.3% fewer children (20,830) were born between January and March compared with the same months a year earlier, while the number of deaths (37,578) increased by 1.6%. Overall, the population decline accelerated by 10%. The number of marriages declined, with 6,080 couples tying the knot, down 66 compared with the first three months of 2018.

GKI: EMAG TAKES TOP SPOT ON HUNGARY ONLINE RETAIL MARKET

Webshop eMag became Hungary’s biggest online retailer in 2018, pushing long-time leader Extreme Digital into second place, while Media Markt came in third, GKI Digital said. GKI Digital noted that eMag and Extreme Digital recently announced plans to merge. Hungary’s top ten online retailers made 5 million transactions last year, generating 150 billion forints (EUR 460m) of sales. Turnover at these businesses rose just 11%, on average, under the 17% growth rate for the online retail market as a whole. Market share of the top ten fell to 35% from 37%, GKI Digital said.

