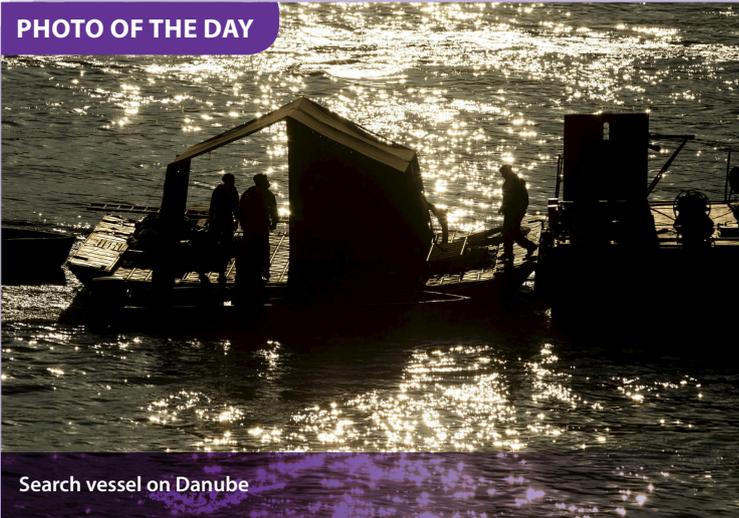


PHOTO OF THE DAY



MTV/Balazs Mohai

Search vessel on Danube

UPCOMING EVENTS

Parliament holds plenary session

Foreign affairs ctee head meets Mexican counterpart and president of the Inter-Parliamentary Union Gabriela Cuevas Barron

**China Brand Fair opens in Budapest
National election ctee holds public meeting**

Stats office prelim report on industrial producer prices for April

TOP STORY

CRUISE SHIP CAPTAIN IN CUSTODY

The Budapest municipal court has ordered the Ukrainian captain of the cruise ship which collided with a sightseeing boat in central Budapest earlier this week to be remanded in custody for the duration of one month.

The sightseeing boat carrying 33 South Koreans and two Hungarian crew capsized and sank on Wednesday evening. Seven passengers have been confirmed dead, while 21 people are still missing, police said.

The court ruled, however, that payment of bail set at 15 million forints (EUR 46,000) would allow the suspect to wear a tracking device and remain under police supervision in Budapest. The 64-year-old captain of the Viking Sigyn cruise ship was questioned under suspicion of causing the disaster and detained late on Thursday. A Budapest municipal court said in a statement on Saturday afternoon that the prosecutor had submitted an appeal against the bail request. If bail is approved and the suspect posts it, then he will have to wear a tracking device and must not leave Budapest. The suspected crime carries a prison sentence of 2-8 years. "An investigation is still under way," the statement said.

The captain's lawyer said on Friday that the suspect had submitted a complaint against the charge and denied any violation of the regulations or of committing a crime.

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SEVEN SOUTH KOREAN VICTIMS OF THE DANUBE CRASH IDENTIFIED

Seven South Korean victims of Wednesday evening's Danube ship collision have been identified on the basis of fingerprints and palm prints, the National Police Headquarters spokesman has told public news channel M1. Kristóf Gál said on Saturday that they had presented photographs to the relatives of the victims during the identification process and South Korean authorities were on hand to help.

Meanwhile, the spokesman said police helicopters had not been deployed in the rescue operation due to poor weather. Police helicopters equipped with night vision did not receive take-off permission either from Liszt Ferenc International Airport or from the Bácsbokod airport, he said.

Interviewed by M1 was a policeman, Richárd Virág, who was the first to arrive at the scene of the disaster. He said on Wednesday at 9.10pm a message on the police boat's radio said that people had been spotted in the river between Margit Bridge and Parliament. He said they arrived within five minutes, where a man in the water near Chain Bridge shouted for help. In a state of shock and suffering from hypothermia, he was lifted into the boat together with a woman who was lifeless. They attempted to resuscitate the woman and called for an ambulance. He added that the

oily state of their clothes and the large waves impeded the rescue.

Gál told MTI that the first water police units arrived at the scene at 9.15pm, while the first units on land arrived at 9.19pm. Police are continuing their search of the entire Danube riverbed south of Budapest. At the weekend, the main task is to build a containment structure allowing divers to work on the wreck, M1 reported.

SZIJJÁRTÓ, S KOREAN COUNTERPART DISCUSS RESCUE OPERATIONS

The Hungarian authorities are doing their utmost to successfully recover those missing after the ship collision on the River Danube and to clarify the circumstances of the disaster, Hungarian Foreign Minister Péter Szijjártó said on Friday, after meeting Kang Kyung-wha, his South Korean counterpart, who arrived to Hungary on Friday. At a joint press conference, Szijjártó said there were "large-scale technical preparations underway" to recover the wreck of the boat as soon as possible. High waters and bad visibility underwater make the work difficult and dangerous, he said. Divers already tried and failed on Thursday to get close to where it lays six meters deep, he said, adding that the search operation was expected to take a long time. The river is being searched all the way to the southern border, and the Serbian authorities are also cooperating, he said.

An Austrian team of divers is already onsite, and a South Korean specialist unit was expected to arrive on Friday.

He noted that an investigation had been opened to uncover the circumstances of the accident.

Szjijártó again expressed his condolences to the people of South Korea, the families of the victims and wished the survivors a speedy recovery.

Kang thanked the Hungarian government and authorities for their work and said that the main focus was to find those still missing. The area of search has therefore been expanded, she said. The South Korean authorities are assisting with identifying the bodies already recovered, she said, noting that she had visited the site of the accident earlier in the day and that she was assured that everything possible was being done to find those missing and to recover the sunken boat. She also expressed her sympathies to the relatives of the South Korean and Hungarian victims.

DEFENCE MIN OFFICIAL: RENEWED MIGRATION PRESSURE UPS THE ANTE IN DEFENCE ON SOUTHERN BORDER

Thousands of soldiers are being mobilised once more to defend Hungary's southern border due to a big increase in migration pressure in the Balkans, a defence ministry official said. Szilárd Németh, the parliamentary state secretary of defence, told a

press conference that reports of the Hungarian secret services and their foreign counterparts indicated that illegal migration pressure in the Balkans has grown dramatically. Concurrently, police involved in border defence are needed elsewhere due to an intensification of duties over the summer, he said, adding that more soldiers were necessary to relieve them of their tasks on the border. Fully 650 active soldiers will be supported by 200 other soldiers carrying out logistical tasks and another 150 personnel in other support roles. The army is carrying out reconnaissance, including with helicopters, participating in patrols, riot control and canine patrols, he said, adding that a reserve of 1,000 soldiers is on standby to be deployed within 24 hours as needed.

Meanwhile, Németh said in an interview to public television M1 that migration pressure on the border usually increased during the summer when illegal migrants leave their camps. He accused “fake NGOs” linked to billionaire George Soros of working busily, and he said that “human smugglers and pro-migrant politicians in Brussels” were still active.

CIVIL GUARD TO HELP PROTECT HUNGARY- ROMANIA BORDER

Members of civil guard organisations are helping to protect the Hungary-Romania border in the area of Kiszombor and Nagylak from this

weekend, carrying out patrols together with police, the Csongrád County Civil Guard Alliance said. Thirteen civil guard organisations will participate in border protection activities until June 15, county chairman István Batiz said on Sunday. The volunteers will work between 6pm and 6am, travelling in police vehicles, he added. The civil guard patrols will be working on the border between Kiszombor, Tiszasziget and Makó, at local border crossings and along the River Maros and any other areas where out-of-the-ordinary events take place or immediate police action is necessary, the statement said. Hungary army staff are also involved in protecting the border from the weekend on. A total of 1,000 soldiers will be working at the Hungary-Serbia border under police supervision for three months.

VARGA: NEXT YEAR'S BUDGET GEARED TOWARDS FAMILIES

Finance Minister Mihály Varga has said the 2020 budget will be geared towards families. In an interview to public radio on Sunday, Varga said the government next week will submit to parliament a family-friendly budget with the aim of reversing the declining population. The “family budget” will be helpful for families, people having children and teachers in numerous ways, providing security and support, he added.

Meanwhile, Varga said from next year, people in small localities will

benefit from a measure that will enable them to recover invoiced VAT on renovations, extensions and construction of real estate of up to 5,000,000 forints (EUR 15,300). In practice, this means that, coupled with the government’s family home-renovation scheme (called Village CSOK), VAT on construction costs of around 30 million forints can be written off altogether.

On the business side, the minister said a big boon for companies with turnover of more than 100 million forints will be the elimination of the Dec. 20 deadline for tax payment. Full taxes will only be paid in May when tax returns are declared. Noting positive economic trends such as a budget shortfall of only 2.2% of GDP and 5.3% economic growth, he added that 150-170 billion forints of tax will be collected five months later than customary. Varga noted that the social contribution tax will fall by 2 percentage points and the small business tax will decline from 13% to 12%. On the topic of tax incentives, he said that not only large companies investing more than 500 million forints will have access to tax relief, but medium-sized enterprises generating 50-100 million forints of investments over three years would also qualify. The minister said tax centralisation was at its peak in Hungary in 2010. A top priority for Visegrad Group countries is to continue decentralising, he said, adding that the government’s primary aim is to help businesses.

VARGA: 30,000 STUDENTS TO GET GOVT SUPPORT FOR SUMMER JOBS

The finance ministry has announced this year's scheme for supporting young people who take up summer jobs. Around 30,000 16-25 year-olds will be involved in the 3.6 billion forint scheme (EUR 11m), Finance Minister Mihály Varga said. Local governments and their funded institutions as well as farming and tourism enterprises will be eligible to receive support for employing the students in the scheme. Fully 75% of wages and the social contribution tax will be reimbursed to employers under the scheme. Local governments will receive full reimbursements for up to two months, from July 1 to August 31, for a maximum of six hours per day, the minister noted. Last year, 29,000 students took part, many of whom also completed their compulsory internships. The jobless youth rate has fallen from 30% in 2010 to 10% today, he added.

OFFICIAL SEES STRONG INTEREST FOR HUNGARY FOOD PRODUCE IN CANADA

Interest in Hungarian food produce is "serious and real" in Canada and the Hungarian government is making every effort to promote successful partnerships with Canadian firms, foreign ministry official Levente Magyar

said at the end of a three-day visit to Canada. The state secretary told MTI that the main purpose of his visit was to promote Hungarian food produce among Canadian suppliers with a view to significantly boosting current annual exports of 21 million euros. He held talks with a dozen of importers and with Canadian investors already present in Hungary. He cited Linamar, which has around 3,000 employees and is expanding its bases in Orosháza and Békéscsaba, introducing state-of-the-art technology in agricultural machinery and parts manufacturing. Linamar is an important strategic partner of the Hungarian government and its expansion projects receive government support, he added.

Magyar said there was great potential in bilateral cooperation, with current annual trade totalling around 330 million euros, much less than Hungary's turnover with other countries of a similar size. The HungaroFeszt in Toronto also offers a good opportunity to present the country, he said. The Alliance of Hungarian Businesses is a driver of the Hungarian community there, organising events and offering the institutional framework for ethnic Hungarians to nurture their community. At the same time, he said political relations were "frozen" because Canada had an "extreme liberal" government which "attacks Hungary in a hysterical manner" in order to gain "domestic political capital". "This is testimony to Hungary's enhanced international role," he said.

"They are paying attention to us, and what we say matters." Magyar said that after the upcoming elections in Canada, the country will "hopefully shift in a direction that is closer to the Hungarian government's position in such important areas as the preservation of identity and Christian culture, and responses to global events like international mass migration and other civilisation challenges."

DK TO STAY WITH EUROPEAN SOCIALISTS AND DEMOCRATS

The opposition Democratic Coalition (DK), which recently won four seats in the European Parliament, will stay with the Socialists and Democrats group, executive vice president of the party Csaba Molnár has said. Molnár said that his party had an alternative to join the Liberal group, but the DK board decided that their MEPs could work more effectively with the Socialists and Democrats to press for uniform minimum wages, minimum pensions and a childcare subsidy across the community, as well as to fight against climate change.

Molnár also voiced his party's commitment to building a united states of Europe. He also said that DK's MEPs "would not join a group willing to greenlight (ruling) Fidesz's remaining within the European People's Party". Molnár said he would be the head of DK's EP group, but they were "working to ensure" that the other

MEPs, including Klára Dobrev who led the party's list in the election, should be given important positions in the EP.

Answering a question about a press report suggesting plans for a merger between DK and the Socialist Party, Molnár said that "such proposal has not been raised".

Ruling Fidesz said in reaction that DK has "reinforced its alliance with pro-migration forces and will continue to serve them in the EP, too". Their aim is to "force Hungary to accept migrants and to give up Christian culture and national sovereignty," the statement said.

JOBBIK TO RE-ELECT OFFICIALS IN AUTUMN

The opposition Jobbik party will re-elect officials this autumn. The national board has decided to take political and personal responsibility for the recent European Parliament election results and hold an early election, a party statement said. The election of officials will be held in the month after the local council elections and until then it will retain all its powers, it added.

LMP TO ELECT ITS NEW LEADERS ON JULY 6

Opposition green party LMP will hold a special congress on July 6 and elect a new leadership, Máté Kanász-Nagy, the party's managing director, said in a statement. LMP's board resigned on May 26, the night of the European Parliament election, after failing to secure a single seat. Co-leaders, a man and a woman, will be elected alongside national board members. The congress is being convened purely to select new leaders. No other matter will be put to the agenda.

UJHELYI TO RECEIVE SOCIALIST-PÁRBESZÉD MEP MANDATE

István Ujhelyi will receive the opposition Socialists-Párbeszéd alliance's sole European Parliament mandate. The board decided with a two-thirds majority to keep the order of candidates on the EP list, Ágnes Kunhalmi told a press

conference. Accordingly, Ujhelyi will represent the party in Brussels for the next five years. Whereas party leader Bertalan Tóth had headed the list, he said earlier that he would not take up his mandate.

Kunhalmi said the Socialists welcomed that ruling Fidesz had not received enough votes in the EP ballot to secure it a two-thirds majority in a general election. Moreover, the "nationalist, extreme right turn" that Prime Minister Viktor Orbán had anticipated did not materialise, he added.

Tóth said that despite the poor election results for the Socialists, the party would continue its alliance with Párbeszéd and run jointly in the local council elections this autumn.

In a statement, Fidesz said the Socialists would continue their pro-migration policies. "Ujhelyi has always gone against the will of Hungarians and he has been giving all his support to Brussels' pro-migration plans," the statement said.