

## PHOTO OF THE DAY



MTI/Zoltán Máthé

The crane to be used to remove capsized 'Hableány' from Danube

## UPCOMING EVENTS

**Stats office releases preliminary April industrial output data**

**House speaker commemorates victims of 1919 communist Red Terror**

**Presser on Hungarian Catholic Bishops' Conference**

**Hungarian-Baden-Württenberger mixed committee meets in Budapest**

**Election committee announces result of EP election**

## TOP STORY

# ORBÁN HAS TALKS WITH AUNG SAN SUU KYI

Prime Minister Viktor Orbán met Aung San Suu Kyi, Myanmar's State Counsellor, in Budapest, and they discussed illegal migration and bilateral ties in the areas of the economy, education and culture.

Illegal migration is a primary challenge both for Myanmar and Hungary, as well as for Southeast Asia and Europe in general, and the issue of how to live together with the growing Muslim population emerged in both regions, Bertalan Havasi, the PM's spokesman, said, outlining the talks that took place in the prime minister's office.

Orbán said that Hungary supports trade cooperation between the European Union and Myanmar but rejects "the export of democracy" and the approach of Brussels and other western bureaucrats who try to mix unrelated issues such as economic cooperation with domestic affairs.

The prime minister said emphasis was placed on educational and cultural ties but there were untapped opportunities in economic cooperation. Foreign trade ministers of the two countries will therefore intensify their cooperation, he added. Orbán said that Hungarians respected Aung San Suu Kyi for her endeavours for her country's freedom and democratic transformation.

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## **SALVAGE OF 'HABLEÁNY' DELAYED BY HIGH DANUBE WATER LEVEL**

The operation to salvage the wreck of the Hableány, a sightseeing boat that sank in the River Danube in central Budapest last week, is being delayed by high water levels, public broadcaster M1 reported. A large crane ship is due to arrive on the river on Wednesday, but will stay in northern Budapest to wait for the water to ebb, according to M1. Experts said that divers are preparing to stabilise the wreck, but it would not be lifted to the surface before Friday.

Meanwhile, police reported on Wednesday that the body of another one of the victims has been identified. The victim was discovered on Wednesday morning by a Hungarian diver next to one of the ship's openings during an operation to assess the condition of the wreck and to examine possible anchorage points for raising it.

Police said in the early hours of Wednesday that authorities had also identified the body of a South Korean victim found at the ferry of Adony in Fejér County, around 60km downstream from the accident. On Wednesday afternoon, M1 reported that two other bodies had been found, one in the Budapest section of the river and one downstream in Fejér County. It has not yet been confirmed that they are victims of the disaster, the broadcaster said. The authorities are looking for further victims along

the entire length of the river south of Budapest, police said. The international team of experts is carrying out preparatory work with a view to raising the wreck as soon as possible, they said.

The Hableány, carrying 33 South Koreans and two Hungarian crew, collided with a cruise ship and sank last Wednesday. Seven passengers were rescued. Thirteen are still missing. With the last two -- as yet unidentified -- bodies, the number of the dead would rise to 15. The Ukrainian captain of the Viking Sigyn, a Swiss-registered cruise ship, has been detained.

## **SZIJJÁRTÓ PRAISES AUNG SAN SUU KYI FOR PRIORITISING NATIONAL INTERESTS**

After talks with State Counsellor Aung San Suu Kyi of Myanmar in Budapest, Péter Szijjártó, Hungary's foreign minister, said that Hungary greatly appreciated leaders who prioritised the interests of their nation and made sacrifices for it. "Aung San Suu Kyi is always received with great respect and appreciation when she visits Hungary because she has done so much for the freedom of her nation," Szijjártó told a press conference.

Hungary supports efforts to intensify cooperation between the European Union and Myanmar but does not support Brussels muddling political and economic issues and approaching cooperation with double standards.

Szijjártó said that Eximbank has opened a 46 million dollar credit line

with a view to boosting cooperation between the businesses of the two countries, and negotiations are ongoing to establish a joint economic committee. In addition, 30 students from Myanmar will be eligible for scholarships to study in Hungary.

Aung San Suu Kyi said that although Hungary and Myanmar had long maintained diplomatic relations, their cooperation fell short of its potential. Both countries, therefore, are committed to boosting ties, she said. She said she appreciated that friendly countries believed in the opportunities offered by Myanmar. The Myanmar head of government also said that hopefully her country would soon open an embassy in Budapest.

## **SZIJJÁRTÓ: C EUROPE WINNER OF NEW WORLD ORDER**

The countries of central Europe are "clearly winners" of the new world order that has taken shape with the changes seen in the global economy and on the global political change, Hungary's foreign minister said in Ljubljana. Addressing a business forum organised as part of a Three Seas Initiative summit of the heads of state of 12 countries in central and eastern Europe, Péter Szijjártó said central European countries had to make some "serious and major decisions" to get to where they are today. "The rational political decisions we've made in central Europe with regard to the economy and security have all

contributed to central Europe being among the winners of the new world order today," Szijjártó said.

The minister said central Europe was the driving force behind European growth and competitiveness. He noted that the growth rate of the central European economies last year was twice the European Union average, adding that four out of the five fastest-growing European economies in the first quarter of this year were central European ones. "This obviously has to do with the fact that we made security our number one priority and that this is the region with the lowest tax rates in Europe," Szijjártó said. He added, at the same time, that there were certain competitive disadvantages the region had to overcome in order to remain the continent's "engine of growth".

Szijjártó said the region primarily had to focus on transport and energy matters. He said central Europe's shortage of legal border crossing points put the region at a disadvantage compared to the western part of the continent. This was why, he said, Hungary has agreed with its neighbours on increasing the number of border crossing roads and railways between them.

As regards energy security, Szijjártó said Hungary had "done its homework" to ensure that it is not dependent on Russian gas supplies, adding that it has completed the construction of interconnectors linking it with Croatia and Romania. He said Hungary's capability to import gas from sources other than Russia now depended solely on its allies. "But if they don't

do their homework, Hungary will be forced into long-term cooperation with the Russians when it comes to gas imports," he added.

### **GULYÁS DISMISSES REPORTS SUGGESTING SCHMIDT OUT OF HOUSE OF FATES PROJECT**

The government "continues to rely on both participants" to contribute to the final concept of Budapest's House of Fates Holocaust museum, Gergely Gulyás, the head of the Prime Minister's Office, told MTI. G u l y á s reacted to press reports published on Tuesday, which suggested that Mária Schmidt, head of the Central and Eastern European History and Society Research Foundation, was no longer in the contested project. He said that a decree passed by the government last year is still effective, under which the project should be jointly completed by Schmidt's foundation and Jewish community EMIH.

Gulyás insisted that completion of the project required "national and international agreement" without "ignoble attacks on Hungary because the government wishes to pay due tribute to the Holocaust and its child victims". The government's goal is "to create a historically accurate exhibition presenting the loss and pain of the Hungarian nation", Gulyás said, adding that the draft concept of the museum was presented to the International Holocaust Remembrance Alliance on Tuesday.

### **GULYÁS ATTENDS REQUIEM FOR JOHN LUKACS IN US**

Gergely Gulyás, the head of the Prime Minister's Office, attended a requiem commemorating John Lukacs, a Hungarian-born historian and writer in his hometown of Phoenixville, Pennsylvania. The Hungarian government honours the work of Lukacs, who died on May 6 at the age of 95, Gulyás told MTI by phone. It would be difficult to understand the history of the second world war without his books, he said. During his visit, Gulyás is scheduled to meet US congressmen, leaders of think tanks, NGOs and Jewish organisations, and will attend a citizenship oath ceremony in New York.

### **KÖVÉR WARNS AGAINST 'LIBERAL ELITE'S NOSTALGIA FOR COMMUNISM'**

Speaker of Parliament László Kövér has called for protection against the "European liberal elite's nostalgia for communism" and insisted that masses of Europeans are being manipulated under that nostalgia "to destroy our communities".

Kövé spoke at a meeting of his counterparts from central and eastern Europe marking the 30th anniversary of the first partially free election in Poland and the regime change in the region. In his address, Kövér said that Hungary's

2011 constitution ensured sufficient guarantees against any possibility for the communist system to reemerge. Some political forces in Europe, however, seek to “forcefully make the people happy, under the name of a liberalism exhibiting totalitarian characteristics”, he said, adding that those powers “suppress the freedom of thought and opinion under the motto of political correctness”.

“In former times it was from Moscow, now it is from Brussels that we are told what the right and progressive behaviour is,” Kövér said. He went on to say that “private powers without democratic authorisation” use modern communications “to influence our life to such an extent the most feared communist secret services were not capable of”.

**PÁRBESZÉD: 2020 BUDGET ‘SCAM’**

The opposition Párbeszéd party called the 2020 budget, which the government submitted on Tuesday, a “smokescreen and a scam”, saying it fails to focus on the areas where people need the most support. Párbeszéd parliamentary group leader Tímea Szabó told a press conference that the government was spending on sports venues, the upgrade of Hungary’s Paks nuclear plant and “propaganda” but neglected areas such as education, health care, climate protection and support for the poorest.

The greatest loser of next year’s budget, Szabó said, was the education

sector which she insisted would get less funding in real terms than this year. Additional funds for health care will be eaten up by inflation, “unnecessary investments” and the hospitals’ debts, she said. The budget’s claim of supporting families is also a “scam”, Szabó said, because those most in need of help will not receive more than in 2019. In Budapest, “clandestine investments for organising an Olympics” and “supporting oligarchs” would continue next year, she said. No investments “truly serving the interests of city residents” are in sight, she added.

Párbeszéd is preparing to submit a comprehensive amendment proposal that would prioritise “the people instead of [Prime Minister] Viktor Orbán’s cronies”, Szabó said. They propose to allocate “several hundreds of billions” to health care and education, support for the most destitute and climate protection, she said.

**OPPOSITION COLLECTS 680,000 SIGNATURES BACKING EUROPEAN PROSECUTOR INITIATIVE**

Opposition parties have collected a total 680,000 signatures in support of getting Hungary to join the European Public Prosecutor’s Office (EPPO), independent MP Ákos Hadházy, who initiated the campaign, said. At a press conference, Hadházy said European taxpayers had a right to know what governments were doing with their money.

He said Hungary’s ruling Fidesz party had assumed power in 2010 with the

sole purpose of “stealing EU monies”. “They’ve stolen so much and in such a transparent manner that now they have to steal in order to stay in power,” Hadházy said. He thanked the 26,000 people who took part in gathering the signatures. Of the 680,000 signatures collected, he said, 130,000 were gathered by the Socialist Party and the Momentum Movement. The signature drive was funded by donations worth 10 million forints (EUR 31,150).

On another subject, the independent MP said the opposition had “clearly lost the European Parliament election”. “Democracy and truth lost out to the government’s propaganda machine,” Hadházy said. He said the opposition could only be successful in the autumn municipal elections if the parties cooperate properly.

**DK AGAINST FURTHER TAX CUTS TO FOOTBALL PLAYERS**

The opposition Democratic Coalition (DK) has called on the government to drop a proposal under which foreign football players in Hungary would be given a large tax benefit if their annual income does not exceed 500 million forints (EUR 1.6m). Referring to press reports, DK spokesman Sándor Rónai told a press conference that under the proposed amendment, foreign nationals playing in Hungarian teams would be required to pay income tax only on the minimum wage. He noted that Hungarian soccer players have already been granted the same benefit. The

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proposed change would benefit not only foreign players, but non-Hungarian trainers and sports officials in the country, too. Rónai said that in light of Hungary's ailing health care, emigrating doctors and teachers' "humiliatingly low" wages, the government must not give up tax revenues.

### **RETAIL SALES UP 8.5% IN APRIL**

Retail sales in Hungary grew by 8.5% in April from the same month a year earlier, accelerating from 4.9% in March, the Central Statistical Office (KSH) said. Calendar-adjusted data show retail sales were up an annual 7.1% in April. The Easter holidays account for most of the difference between the adjusted and unadjusted figures. Adjusted food sales were up 4.7%, non-food sales grew by 6.6% and fuel sales by 5.5%.

In January-April, both unadjusted and calendar year-adjusted retail sales rose by an annual 6.8%. Adjusted food

sales increased by 3.6%, non-food sales by 9.5% and fuel sales by 10.1%.

Gergely Suppan, an analyst of Takarékbank, told MTI that he expected retail sales growth to slow to 5.7% in the full year 2019 after 6.5% last year. Orsolya Nyeste of Erste Bank said the strong April data suggested household consumption will remain a key driver of economic growth in the longer run. Péter Virovác of ING Bank forecast retail sales growth of around 7% for the full year. Dávid Németh of K&H Bank predicted retail sales growth averaging 5.5% this year.

### **OVERSUPPLY ON HUNGARY'S REAL ESTATE MARKET**

Hungary's real estate market has witnessed a flood of properties coming on to the market, presaging a slowdown in the solid price growth of the past few years, the daily Magyar Hírlap said, citing an ingatlan.com report. In the first five months, supply

outstripped demand. More than 250,000 residential properties were advertised by private individuals and real estate agents in the period this year compared with 180,000-242,000 homes for sale in the Jan-May period between 2014-2018, when there was higher demand than supply. In Budapest, private individuals advertised almost 16,000 residential properties in the same period, 10% more than a year earlier. Taken together with properties advertised by real estate agents, more than 130,000 properties were put on the market at the start of the year, an increase of 40% over 2014. In cities with county rights, supply expanded by 16% in the period to over 55,000 properties, with 43,000 units sold, while in the other cities there was an 8% rise in supply.

László Balogh, an ingatlan.com economist, said that greater supply was not yet having a negative impact on prices, and whereas the rate of price increases was likely to moderate, a reversal was not expected for the time being.