

PHOTO OF THE DAY



President gives lecture at Sapientia Hungarian University in C Romania's Miercurea Ciuc (Csíkszereda)

MTI/Szilárd Koszticsák

UPCOMING EVENTS

Danube collision rescue developments

Globsec in Bratislava

EU justice, interior ministers meet in Luxembourg

Stats office publishes CPI for May 2019 in 1st reading

TOP STORY

GAS SUPPLIES SECURED FOR 2020

Hungary has secured enough gas supplies to heat homes and run the country's industry in 2020, the foreign affairs and trade minister said in St. Petersburg after signing a new import deal with Russian officials.

"Hungary's gas supplies from Russia have been secured by the agreements signed today," Péter Szijjártó told the St. Petersburg International Economic Forum after meeting his Russian counterpart Sergey Lavrov and Industry and Trade Minister Denis Manturov. He also held talks with Energy Minister Alexander Novak and is later scheduled to meet Gazprom CEO Alexei Miller. Hungary is set to receive two billion cubic metres of gas by the end of September, Szijjártó said. The two countries also signed an agreement under which Russia will next year send another two billion cubic metres of gas to Hungary via Austria, he added.

Szijjártó noted, however, that Moscow and Kiev had yet to sign a new gas transit deal for 2020. Because of this, he said, Hungary had to make sure to bring in Russian gas via Ukraine before the end of the year. He said cooperation with Russia was important for Hungary both in terms of foreign trade and energy security.

Hungary Matters is an English-language newsletter produced and distributed by the Media Service Support and Asset Management Fund (MTVA) with content provided by Duna Media Service Provider exercises copyright over all content. No part of this publication may be copied, reproduced, redistributed or transmitted without prior written permission from the publisher, with the exception of copies made by individuals for private use, educational purposes or scholarly research, provided that such transmissions do not exceed the extent justified by the purpose and are not aimed at financial gain, even indirectly, and the source name are indicated at all times.

All rights reserved. Enquiries should be made to the English Help Desk at +361 441 9340
For MTI's real time coverage please visit <http://english.mti.hu>, <http://econews.hu>



SZIJJÁRTÓ: TRADE WITH RUSSIA INTENSIFYING

“What we’re seeing now is that the major western European countries are quickly intensifying their economic, trade and investment cooperation with Russia,” Foreign Minister Péter Szijjártó said in St. Petersburg after signing a new import deal with Russian officials. “We haven’t reached that pace but the deals signed today are again a step forward for enhancing Hungary’s energy supply and foreign trade performance.” Szijjártó said gas supply talks with Russia would from now on focus on 2021 and beyond. The minister welcomed the resumption of Russian oil flows to Hungary and that Hungarian and Russian companies were able to clarify the problems that had led to Russia suspending its oil supply.

On the topic of bilateral trade, Szijjártó noted that Hungarian drugmaker Richter will start manufacturing its product known as Cariprazine in Russia. The product has already been registered in the country and talks on making it a state-subsidised drug are ongoing, Szijjártó said. As regards transport links, he said a direct flight between Budapest and Kazan will start operating later this year. Szijjártó also said he had signed an economic agreement with Samara county, Russia’s leading automotive region. He said the two countries also finalised the text of a cooperation agreement on social security, which they will soon sign.

On the sidelines of the forum, Szijjártó also met Nenad Popovic, Serbia’s minister for innovation and technological development, and Egyptian Trade and Industry Minister Amr Nassar.

CRUISE SHIP CAPTAIN ‘DELETED MOBILE PHONE DATA’

An investigation has revealed that the captain of a cruise ship which crashed into a sightseeing boat in Budapest last week deleted data from his mobile phone after the crash, the Budapest prosecutor’s office said. Additionally, official information acquired through the Hungarian member of Eurojust has confirmed press reports that the captain had been a suspect in the Netherlands for causing a crash on April 1, the prosecutor’s office said. The Budapest 6th and 7th district prosecutor’s office will add this supplementary information to an appeal submitted against a court decision that opened up the possibility for the captain to be released on bail. The Budapest chief prosecutor will set up a group of investigators, including five prosecutors and deputy prosecutors, to analyse and assess the case, the statement added.

The bodies of two women found in the Danube on Wednesday, one near Margit Bridge in Budapest and another downstream near the village of Ercsi, have been identified. The women, both South Korean nationals, were victims of the ship collision of May 29

when the Hableány, a sightseeing boat carrying 33 South Korean nationals and two Hungarian crew, capsized and sank on the Danube near Parliament in Budapest. Seven were saved, 15 are now confirmed dead, while 11 passengers and the two crew members are still being searched for, the police said.

The 19th body linked to the collision was discovered in the river near the Bálna cultural complex, public broadcaster M1’s news programme reported on Thursday evening. Earlier in the day two bodies linked to the collision were recovered. One was found in the river near Rákóczi Bridge and was identified as a South Korean tourist who died in the May 29 collision, the police reported on its website. Another body, found downstream from the city near Érd, is still being identified, and is believed to be one of the victims. A search is under way for another 9 missing.

DK BACKS JOURNALIST OLGA KÁLMÁN AS BUDAPEST MAYOR CANDIDATE

Journalist and television personality Olga Kálmán has announced her bid to become Budapest mayor in the upcoming local election as an independent candidate with support from leftist Democratic Coalition (DK). Kálmán and DK MEP-elect Klára Dobrev announced Kálmán’s candidacy at a press conference. Dobrev said they had already notified Socialist-Párbeszéd

candidate Gergely Karácsony, to whom DK had earlier pledged support.

Dobrev said that DK's agreement with Karácsony had ensured DK's support for the first round of the pre-election of opposition candidates. All parties would want "a really exciting political debate," she said, adding that the decision would not affect DK's agreements with other opposition parties at district level. She also confirmed that DK would back the winner of the second round of the pre-election, in the autumn elections. Dobrev said that the candidate had shown herself to be an "ardent and uncompromising opponent of (PM) Viktor Orbán's regime" as well as of the incumbent mayor, István Tarlós, who "unconditionally serves the prime minister in every way". Kálmán will "unite rather than divide" Budapest residents that want change. Kálmán is "not a political party member nor has she ever been," Dobrev added.

Should she be elected mayor, Kálmán would "make the atmosphere in Budapest freer" and fight against "shady deals", Dobrev said. Kálmán said that the public wants new players in Hungarian political life, adding that she and Dobrev would both be glad to see more women in the arena. She said she seeks a broad public support and, if she were to win the pre-election, would rely on support from the voters of the Socialist, Momentum, and ruling Fidesz parties. "Restoring Budapest to its residents is a priority," Kálmán said.

SOCIALISTS, MOMENTUM CALL FOR OPPOSITION MEP COOPERATION

The Socialist Party and the Momentum Movement are calling on Hungary's eight newly elected opposition MEPs to form a roundtable and work together in representing domestic and European political values. Speaking to Hungarian reporters in Brussels, Socialist MEP-elect István Ujhelyi said that by working together, Hungary's opposition MEPs could coordinate their efforts in areas ranging from environmental protection to foreign affairs. "We want to represent Hungary, our homeland, in our Europe," Ujhelyi said. "One thing is certain: we have to be able to represent the interests of the country and European values together," he added.

Momentum MEP-elect Katalin Cseh told the same press conference that the opposition had been given a mandate to show Europe that "there is another kind of Hungary; an honest, European and democratic one." She said the opposition had to "shift to a higher gear" in representing Hungary and Europe's causes. To do so, she said, "Hungarian MEPs who believe in Europe and the rule of law, and that there's no future for Hungary outside the European Union", would have to put aside their political differences and work together.

SCIENCE ACADEMY APPEALS TO LAWMAKERS OVER PLANNED CHANGES

The Hungarian Academy of Sciences, in letter sent to lawmakers on Wednesday, asks parliament to consider its opinion on the bill concerning the government's planned changes to the institution before voting on it. In the letter, the academy underlined its opposition to the separation of its research network from the rest of the institution's operations, saying that no meaningful argument had been made as to why such a move was necessary.

It said the restructuring of the research network would hurt academic freedom in Hungary and deprive the country of certain fundamental values.

The academy said it had recommended the establishment of a new management structure for its research network which had taken into consideration the government's innovation goals. Among its concerns, the academy said this recommendation had been based on a consensus it had reached with the innovation and technology ministry, but was still not incorporated into the bill. The institution also criticised the bill for failing to cover important elements of the academy's basic upkeep, such as the salaries of the researchers and employees. Further, the academy said the government had never given a detailed explanation of its reasons for the planned changes or

a detailed account of the innovation and technology ministry's plans in connection with the research network.

SZIJJÁRTÓ DISCUSSES WWI SHRINE WITH ROMANIAN COUNTERPART

Foreign Minister Péter Szijjártó met Teodor Meleşcanu, his Romanian counterpart, and "emphatically requested" that Romania "leave no room for provocation" and to "do everything to avoid any physical transgression" in connection with recent changes to the Valea Uzului (Úzvölgye) military cemetery, Tamás Menczer, a foreign ministry state secretary, said in a statement. Whereas Romania is an important partner because of its Hungarian minority and bilateral trade, the government maintains its position against restructuring the cemetery which would transgress Romanian regulations, he said

The Valea Uzului military cemetery is the largest WW1 memorial site in Romania's Harghita county. However, the local council of the eastern Romanian town of Dărmăneşti, in Bacău County, has moved to establish a memorial site in the cemetery for Romanian soldiers who fell in WWII. This has seen the erection of 52 concrete crosses and one large Orthodox cross in the fenced-off cemetery site holding the graves of some 600 soldiers of Austria-Hungary.

"Everybody has the right to pay tribute to their own heroes but this

cannot be done unlawfully or by violating the reverence of others," Menczer said, adding that the Romanian foreign minister had agreed to meet Szijjártó's requests.

Zsolt Semjén, Hungary's deputy prime minister in charge of Hungarian communities abroad, church policy and national and ethnic minorities, visited the on Wednesday.

"An adult nation cannot be defamatory of the dead," Semjén said in a video posted on Facebook in connection with a dispute around a memorial site in the Austro-Hungarian military cemetery. "The dead all have a right to rest underneath symbols of their ethnic and religious identity."

Semjén said every community had a right to lay flowers on the graves of their ancestors. "We, Hungarians respect the dead of all nations, whether they be Romanians, Austrians, Germans or Russians," he said, adding that Hungarians also expect others to respect their dead.

CATHOLIC BISHOPS' CONFERENCE TO SET UP SYSTEM FOR REPORTING SEXUAL ABUSE

The Hungarian Catholic Bishops' Conference (MKPK) said it is setting up a system for reporting sexual abuse in the Catholic Church. Addressing a press conference after the MKPK's regular summer session, MKPK secretary Tamás Tóth said the system will be implemented in the autumn. He noted that under new rules issued

recently by Pope Francis, dioceses have a year to devise systems for reporting abuse. Though the Hungarian system will be designed to function at a national level, it will assign significant responsibility to the various dioceses and diocesan bishops, Toth said, noting that the "Motu Proprio" issued by the pope clearly stipulates who must be in charge of investigating reports of sexual abuse.

KÖVÉR MARKS RED TERROR CENTENARY

Speaker of Parliament László Kövér attended a commemoration of the martyrs of the communist Red Terror of 1919 in Csorna, in north-western Hungary. "Evil can only be defeated if we confront it and do what the homeland requires of us," Kövér said in his speech marking the Red Terror's centenary.

The speaker said there were "still some today who defend the communist terror that claimed a hundred million victims around the world and the reign of terror in Hungary that was known as the soviet republic". "They're the ones who have a nostalgia for communist dictatorships," he added. But today, he said, Hungary was a "prosperous and safe country on the way up". Hungary today is an attractive investment and tourist destination, Kövér said, adding that the country enjoyed international prestige and an influence that extended beyond its population and economic characteristics.

BALOG ADDRESSES JERUSALEM PRAYER BREAKFAST

The Jewish citizens of Hungary live in peace and security, Zoltán Balog, the commissioner for social affairs, said late on Wednesday in his address at the Jerusalem Prayer Breakfast. Balog, who was on his first foreign trip after taking the post of commissioner for social affairs, noted that Hungary opened a foreign trade mission in Jerusalem in March to further strengthen ties between the countries. The Hungarian government has also worked with Jewish religious groups to determine “the way to teach Jewish history including Holocaust-related events” in schools, Balog said. The Jerusalem Prayer Breakfast is an international event held between June 4 and 6, drawing some 500 representatives of 56 countries. Balog also met Teophilos III, the patriarch of the Israeli Greek Orthodox Church.

ÁDER HOLDS LECTURE ON WATER, CLIMATE CHANGE AT SAPIENTIA UNIVERSITY

President János Áder held a lecture on climate change and the water crisis at the Sapientia Hungarian University in central Romania’s Miercurea Ciuc (Csíkszereda). The president said the chief issue of the 21st century would be water. Unless mankind drops the current

linear economic model, societies might collapse, he said. Stopping environment pollution, preserving the fertility of the soil, responsible forest management and decreasing energy consumption are crucial issues, Áder added.

In his lecture, Áder presented two Hungarian inventions, a chemical which seals the soil by allowing rainwater to seep in and preventing it from evaporating, and a new fodder which reduces the methane emissions of cows and other animals by 90 percent.

Áder highlighted the signs of climate change such as extreme weather conditions causing alternating floods and droughts, forest fires, a proliferation of invasive plants and animals, as well as the appearance of new diseases. Each year, deserts grow by twice the area of Hungary, and the world’s forests shrink the size of Italy, Áder said.

On the topic of demographics, Áder said that India, by 2050, would have a population equal to the global population in 1918. Nigeria had a population of 34 million in 1950, which has increased to 200 million, and this will have doubled by 2050, he said. Emigration from overcrowded areas cannot be avoided and it could create unprecedented tensions within societies, he warned. As an example, he said that the civil war in Syria had been preceded by three years of drought and plummeting living standards.

PALKOVICS: COOPERATION WITH BADEN-WUERTEMBERG IMPORTANT

Cooperation with Baden-Wuerttemberg is important because the state represents an engine of European innovation and joint efforts can contribute to boosting Europe’s competitiveness, the minister of innovation and technology said. After two years, the mixed committee of Hungary and Baden-Wuerttemberg held a plenary session in Budapest. László Palkovics said after the meeting that relations between Hungary and Baden-Wuerttemberg were strong. “We understand each other’s language, which is important because Hungary’s economy is multiply linked to Germany’s,” he said. Cooperation is significant especially in the areas of the economy, education, science and environmental protection, he added.

Palkovics said the mixed committee was originally set up 30 years ago and has been working well ever since. A new element of cooperation is innovation, he added, noting that Baden-Wuerttemberg was a big spender on R, D and I. Commenting on education, Palkovics said willingness had been expressed at the meeting to further develop the Andrásy Gyula German Language University of Budapest.

INDUSTRIAL OUTPUT CLIMBS 6.3% IN APRIL

Industrial output in Hungary rose by an annual 6.3% in April according to unadjusted data, the Central Statistical Office (KSH) said in a first reading of data on Thursday. Industrial output rose by 6.0 according to working day-adjusted data, KSH added. In a month-on-month comparison, industrial output was down 1.1%, based on seasonally and working day-adjusted data.

The pace of growth slowed in vehicle manufacturing, while output contracted in the computer, electronics and optical products segment in April, KSH said. In the food, drink and tobacco products segment, output growth exceeded the industrial average, it added. In the first four months of the year, industrial output was up 6.2% from a year earlier.

Analyst Péter Virovác of ING Bank told MTI that the March and April industrial output data were influenced

by the Easter effect but the sector's output growth is sustainable at the level seen in the first four months of the year. Dávid Németh of K&H Bank noted that the April industrial output figure came from a high base, reflecting strong performance. The data continue to show that growth is driven by the installation of new capacities, which offset the decline in external demand, he added. Németh forecast an industrial output growth of around 5% in 2019, or slightly lower if there is a significant slowdown on international markets. Zsombor Varga of Erste Bank predicted industrial output growth to be between 5% and 5.5% for the full year.

BUDAPEST-BELGRADE RAIL CONSTRUCTION ABOUT TO START

The finance ministry has submitted a loan application for the implementation of the Hungarian section of the Budapest-Belgrade railway line to China's Eximbank

on behalf of the Hungarian government. The loan agreement will be ready for signing after an evaluation, paving the way for the project's planning and licensing. The main contractors involved in the upgrade of the Soroksár-Kelebia line signed the investment agreement on May 24, and this will enter into force when the credit agreement with China's Eximbank is adopted, Mihály Varga, the finance minister, said in a statement. The Hungarian state is financing 85% of the investment using the Chinese loan while the remaining 15% will come from its own resources, he noted.

The project's completion date is 2023. The government is simplifying procedures so that the competent authorities can expedite the relevant approvals. The Budapest-Belgrade rail upgrade will be one of the most important infrastructure investments in central and eastern Europe, with Chinese financial and technical contributions, Varga said.