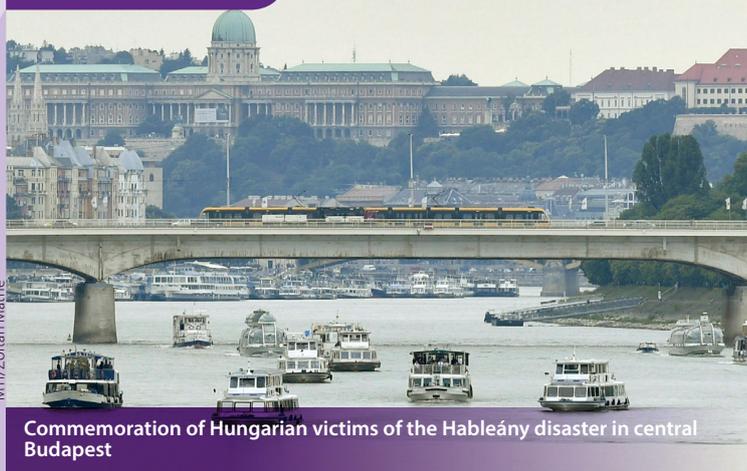


## PHOTO OF THE DAY



MTI/Zoltán Máthé

Commemoration of Hungarian victims of the Hableány disaster in central Budapest

## UPCOMING EVENTS

**Mi Hazánk holds first congress**

**International Bartók Festival starts**

**Technology minister inaugurates electrified rail line**

## TOP STORY

# ORBÁN: WILL OF HUNGARIANS ENFORCED IN EUROPE

The government has enforced the will of Hungarians who voted in the European Parliament elections by getting people into top European Union posts who respect nations and oppose migration, Viktor Orbán has said.

Many of Europe's problems were linked to leaders in the EU who supported migration, the prime minister said in a public radio interview. Socialist candidate Frans Timmermans, "the candidate of [US billionaire George] Soros" had been torpedoed, he said. Meanwhile, the European People's Party's Manfred Weber, the prime minister added, would not end up as head of the European Commission because he had spoken "disrespectfully about the citizens of several countries, including Hungary". "Westerners and central Europe agreed on German defence minister Ursula von der Leyen," Orbán added. The Visegrad Group had ranked her third on its list, and there would now be a chance for the commission presidency to make Europe strong while respecting national interests, he said. Orbán also highlighted the economic performance and political stability of the group that "promotes the interests of 63 million people with due weight". He said central Europe was backed by Croatia and Romania when it came to nominating top European officials.

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>



---

## **ORBÁN: 'WINDS OF CHANGE' IN BRUSSELS**

Prime Minister Viktor Orbán said in his radio interview that selecting Ursula von der Leyen, “a German mother of seven”, in itself showed “the winds of change” in Brussels. He added that it would be premature to celebrate at this stage, however, because the past five years had witnessed “many mistakes in Brussels” concerning terrorism, public security, migration and the economy, which “need to be remedied”.

Answering a question concerning ruling Fidesz MEP Livia Járóka's support for opposition Democratic Coalition MEP Klára Dobrev's candidacy for EP vice president -- a gesture unreciprocated by Dobrev -- Orbán said “the right is a nationalist force while the left is internationalist” and “standing up for the homeland is a moral obligation on the right, but this is obviously not the case on the left.” “For the left ... harming Hungary is not too high a price to pay for weakening its right wing,” he added.

Concerning the fiscal policy of the EU in the next five years, Orbán said that Hungary is no longer dependent on EU funding, adding that Hungary's economy could thrive without those funds. “But, of course, it is easier to succeed if the EU budget also supports Hungary's goals.”

On another subject Orbán said that the migration pressure on Europe would continue to grow. Europe's

“pro-migration leaders” have so far supported border control measures “aimed at legalising illegal migration”, he insisted. Hungary, on the other hand, seeks to resolve issues around its shrinking population through family support measures, he added. Pro-migration politicians, he insisted, owed their support to “aggressive, opaquely funded fake civil organisations” that were in a minority when it came to views on migration. Orbán added that the “international networks behind them, with George Soros as an emblematic figure” wanted to create the idea western Europeans were “welcoming migrants with open arms”. He said such organisations had received large sums from the EU budget. Hungary wants to stop NGOs from accessing EU monies that support such organisations, Orbán said. Funding for such groups should be up to member states, he added.

Concerning the Slovak president's visit to Budapest, Orbán said that Zuzana Čaputová liked, appreciated and respected Hungarians, and she had spoken with respect about Hungarians living in Slovakia. It was also clear that she regarded V4 cooperation as important and she wanted it to endure, Orbán said.

Regarding the 2020 budget on which parliament voted on Friday, Orbán said the government was intent on not running deficits in the future but ensuring surpluses instead. With today's vote, a new era could begin and the country would gradually turn into a lender rather than a borrower, he

said. Orbán also underlined that family support had doubled since 2010 and he highlighted measures to provide free textbooks and meals for school children.

On defence spending, the prime minister said that thanks to the country's “balanced development”, the government would not have to skimp on spending, adding that Hungary must be able to defend itself from two directions at the same time. Everyone, he added, should possess the basic skills to defend their homeland, and this would be an important aspect of young people's education and this would form a basic part of the national core curriculum.

---

## **PARLT LIFTS DEMETER'S IMMUNITY**

Parliament has voted to lift the immunity of LMP lawmaker Márta Demeter, with 131 votes in favour and 52 against. The two-thirds of votes cast followed a call by public prosecutor Péter Polt for Demeter to face criminal prosecution. Demeter stands accused of disclosing confidential military information on social media.

Last October, Demeter submitted questions to the interior and defence ministers asking them why a minor named Flóra Orbán, whom Demeter had wrongly assumed to be the prime minister's daughter, had been allowed to travel on an Airbus operated by the Hungarian army.

Demeter said she was ready to defend herself in court. She insisted

that her “case of high treason” was aimed at intimidating deputies “so that they are discouraged from asking questions and from controlling the government”. She added that she had been doing her job by asking questions, and she called the charges against her “baseless”.

### **SZIJJÁRTÓ: TIME TO SET NEW GOALS IN HUNGARY- CHINA COOPERATION**

Foreign Minister Péter Szijjártó said that it was “good news” for Hungary, a “medium-sized country with an extremely open economy”, that its relations with China were based on mutual respect and were at “an all-time high”. At a joint press conference after talks with his Chinese counterpart Wang Yi in Budapest, Szijjártó said political, economic, trade and cultural ties between Hungary and China were “extremely good”. He said Hungary had worked to get to this point in its ties with China, emphasising the importance of bilateral cooperation.

Having accomplished the goals established over the last several years, it is time Hungary and China set new ones for their cooperation, the foreign minister said. Speaking at the second meeting of the Chinese-Hungarian Belt and Road working group, Szijjártó said the two countries had successfully accomplished the goals established at the first meeting in terms of infrastructure, trade, financial cooperation and human relations.

Expanding on the achievements of bilateral cooperation, Szijjártó noted that there are now two direct flights operating between Hungary and China, the total value of investments by Chinese companies in Hungary has reached 4.5 billion dollars and the Hungarian government has signed strategic cooperation pacts with seven Chinese companies. Further, the number of Chinese tourists visiting Hungary has increased four-fold and the two countries have launched their first joint university programme. Szijjártó noted that China was now Hungary’s top trading partner outside the European Union.

Now, he said, Hungary and China must focus on establishing further links between them, intensifying their financial cooperation, eliminating obstacles to trade and boosting human relations. In terms of specific goals, Szijjártó said Hungary and China would have to sign the loan agreement for the upgrade of the Budapest-Belgrade railway line before the end of the year, launch more direct flights and joint university programmes and create the possibility for secondary school students in Hungary to take final exams that are accredited in China. He said two major Chinese banks were looking to establish headquarters in Hungary, adding that this would boost trade and economic relations.

Szijjártó said Hungarian-Chinese ties “are the best they’ve ever been”. He noted that Hungary signed the agreement on the implementation of

the Belt and Road strategy four years ago.

Szijjártó said that Hungary’s Eximbank has opened a 632 million dollar credit line to promote business ties between Hungarian and Chinese companies said.

In response to a question, the minister said China-CEE “17+1” cooperation served the interests of Hungary, central Europe and the EU as a whole. He said it was “hypocritical” to accuse the CEE countries of “disrupting European unity” by cooperating with China if the same accusations were never made when western European leaders met Chinese leaders. “We don’t accept double standards,” Szijjártó said.

Chinese Foreign Minister Wang Yi said the working group was looking to put together concrete solutions to ensure the improvement of bilateral ties. He noted that over the past five years, some 150 countries had signed the Belt and Road strategy, adding that it “has proven a serious and popular initiative”. Wang noted that Hungarian Prime Minister Viktor Orbán personally attended the second Belt and Road conference held in China earlier this year. He said Orbán was one of the initiative’s staunchest supporters, with Hungary having been the first EU country to approve the strategy back in 2015. The minister noted that since the launch of the Belt and Road initiative, Hungary and China had elevated their ties to a comprehensive strategic partnership, the highest rank in China’s diplomatic relations. Wang said the two countries were continuously

working to expand their cooperation, calling the Budapest-Belgrade railway upgrade the “flagship” of Hungarian-Chinese cooperation.

The Chinese foreign minister said China and Hungary had always understood and respected each other, adding that their relations were more stable and their cooperation more intense than ever before.

Wang said China and Hungary were a good example of how countries of different sizes and political systems could foster friendly relations. He said Hungary and China should use the occasion of the 70th anniversary of the establishment of the diplomatic ties to “give new momentum” to building their partnership. The two countries, he said, were working to make the Belt and Road initiative successful and to launch the upgraded Budapest-Belgrade railway.

## **ORBÁN, BRENZOVICS DISCUSS UPCOMING UKRAINE ELECTIONS**

Prime Minister Viktor Orbán discussed Ukraine’s upcoming general election with Transcarpathian Hungarian Cultural Association (KMKSZ) leader László Brenzovics in his office in Budapest, the PM’s press chief said.

Orbán and Brenzovics agreed that it was important for the Transcarpathian Hungarian community to maintain a presence in the Ukrainian parliament, Bertalan Havasi said. They expressed hope that the Ukrainian authorities would be able to guarantee the

fairness of the election. Orbán and Brenzovics urged Transcarpathian Hungarians working in Hungary to travel home and cast their votes on July 21.

## **DK VOWS TO STAY COURSE ON POLICIES DESPITE ‘THREAT’ OF LOSING PARLT CTTEE POSITIONS**

The opposition Democratic Coalition says it will stick to its policy positions despite “threats” from ruling Fidesz that the leftist party could be stripped of its seats on parliamentary committees.

Addressing a press conference, DK lawmaker Ágnes Vadai accused Fidesz group leader Máté Kocsis and MP Csaba Hende of threatening to have her party stripped of its committee positions after it blocked the appointment of three Fidesz MEPs to committee positions in the European Parliament.

Vadai, who is DK’s deputy group leader, said her party was proud to have convinced the Social Democratic Group to vote against the Fidesz candidates. She said that by doing so, they had “prevented Hungary’s ruling anti-European criminal organisation from acquiring important European positions”. She said DK “doesn’t care about the mafia-like threats of the Orbán regime”.

“DK will not fall in line and will not assist the enemies of Europe and a European Hungary” even if the party is stripped of its parliamentary committee positions “or if we wake up

with horse heads in our beds”, Vadai said.

On Thursday, Kocsis said in a Facebook post that DK MEP Csaba Molnár had informed Prime Minister Viktor Orbán that his party had instigated in the EP Social Democratic Group a vote against Fidesz candidates for EP committee positions. Kocsis said the move was unprecedented in Hungarian and EP history. He said that according to normal procedures the proportion of votes a party receives is linked to parliamentary positions precisely because this reflects the will of voters. “DK is treading on dangerous waters,” Kocsis wrote, adding that if it became common practice for political rivals to deny one another the positions they are entitled to, based on their share of seats, such a situation may also arise in the Hungarian parliament.

## **SZÁZADVÉG: BUDAPEST VOTERS NOT KEEN ON OPPOSITION CANDIDATE**

Budapest voters have a dim view of Gergely Karácsony, the opposition’s joint candidate in the autumn municipal election who is seeking to replace István Tarlós, the incumbent mayor backed by the ruling Fidesz party, the Századvég Foundation has said. According to its statement, the second round primary to select a joint candidate and unite the opposition in Budapest did not go according to plan. Left-wing candidates are battling in the district of Ferencváros

while the nationalist Jobbik party is going its separate way in two districts. Századvég said the opposition had shown itself incapable of boosting its overall support, so individual left-liberal parties were cannibalising support in order to secure their own slice of the cake. But this has not got them close to providing a challenge to the ruling Fidesz-led alliance, it added.

According to Századvég's survey conducted in July, 52% of Budapest voters see Tarlós as capable of fighting for the city's needs and 64% regard him as a strong leader. Only 16% have the same opinion of Karácsony, the survey found.

Tarlós is seen as having established financial stability in Budapest and revamped the city, Századvég said. By contrast, Karácsony, who is the mayor of Zugló, is seen as a political careerist who drove his district into near bankruptcy. The report said the opposition was divided and it had not helped their cause that the Democratic Coalition (DK) and Momentum had fiercely campaigned against Karácsony. Now they expect their voters to back their former opponent. With barely four months until the elections, there is little the opposition can do to resolve its internal strife, Századvég said.

## **PARLT PASSES BILL ON REQUIRING FESTIVAL- GOERS TO HAND OVER ID DATA**

Organisers of major musical festivals will be obliged in future to collect and

keep personal data of participants under a law passed by parliament. The purpose of the law, sponsored by the ruling Fidesz-Christian Democrat alliance and adopted with 128 votes for, 48 against and 9 abstentions, is to enhance crime prevention, with special regard to terrorist activities. The law stipulates that organisers should in future capture the names, nationality, date and time of birth, sex, the country issuing the identification, as well as the photo of those buying tickets for musical events attended by over 25,000 people. Under the legislation, the information should be kept for 90 days after the event and destroyed after that period. The police, counter-terrorism force TEK, the tax authority, prosecutors' offices and law courts may have access to the information upon written request. The amendment will take effect 15 days after its publication. The leftist Democratic Coalition earlier protested against the bill.

## **PARLT APPROVES 2020 BUDGET**

Lawmakers approved the 2020 budget with a vote of 127 for, 58 against and no abstentions. The budget targets revenue of 21,426.0 billion forints and expenditures of 21,793.0 billion forints, producing a deficit of 367.0 billion forints. The 2020 deficit target is less than half of the 998.4 billion forint target for 2019. The budget targets a deficit of 1% of GDP, calculated according to the European Union's accrual-based accounting

methodology. The target is below the target of 1.5% of GDP in Hungary's updated Convergence Programme submitted to Brussels in April.

Hungary's year-end public debt level, relative to GDP, is set to fall from 68.6% targeted for 2019 to 65.5% for 2020. The budget sets aside 488 billion forint in reserves, including 378 billion forints in the National Protection Fund, and 110 billion forints for "extraordinary government measures", more than double the total of 225 billion forints of reserves in the 2019 budget. The cost of debt maintenance targeted in the budget is 1,078.5 billion forints. The budget assumes GDP growth of "around 4%" and consumer price inflation of 2.8%.

Meanwhile, lawmakers also approved tax changes earlier announced as part of expanded support for families and a package of tax cuts and growth incentives. The legislation makes mothers of four or more children exempt from personal income tax for life. It eliminates the Simplified Business Tax (EVA) from the start of next year, while at the same time lowering the Small Business Tax (KIVA) rate from 13% to 12%. The KIVA rate is above the 9% corporate tax rate, but KIVA companies enjoy a number of exemptions.

The legislation extends the opportunity to pay the Simplified Contribution to Public Revenues (EKHO) to the employees of foreign sport organisations as well as Hungarian ones. Additionally, it makes allowances paid in the framework of

sport diplomacy tax-exempt. The law also reduces the VAT rate for commercial accommodations from 18% to 5%. It also temporarily reduces the advertising tax rate to zero percent.

Speaking after the vote, Mihály Varga, the finance minister, said the budget's adoption showed that the vast majority of lawmakers agreed to strengthening families, protecting economic achievements, maintaining the country's security, and pursuing an economic policy based on tax cuts and wage increases.

The minister said the 2020 budget would channel more resources to all spending areas. Families with children and teachers are at the heart of budget measures and all necessary resources will be put towards implementing the family protection plan, he said. Next year, support for families will increase to almost 2,228 billion forints, or around two-and-a-half times the 2010 figure.

Varga noted that extra resources would be channeled to education,

culture, leisure activities and tourism without endangering the deficit target of 1% of GDP or further reductions to the public debt.

The opposition Socialists said that all Hungarian economic indicators were worse than in neighbouring countries. Socialist MP Lajos Korózs singled out pensioners, saying that the gap between seniors and the younger generations would increase due to the government's plans to raise wages by 8.5% while increasing pensions by only 2.8%. The purchasing power of pensions in Romania is higher than in Hungary, he said, adding that pensions worth below 100,000 forints (EUR 307) a month should be raised.

#### **FOUR HUNGARIAN UNIVERSITIES ON TIMES HIGHER EDUCATION LIST**

Four Hungarian universities have been included in the international Times Higher Education list based on feedback from students, their

competitiveness and other aspects such as the proportion of lecturers to students, the rector of Gödöllő-based Szent István University told public broadcaster M1. Budapest's medical Semmelweis University was placed 41st in the list and Szent István was ranked 126-150th. ELTE in Budapest and Debrecen University, in eastern Hungary, were both in the 151-200 range, László Palkovics said.

#### **INDUSTRIAL OUTPUT IN MAY GROWS 8.7% YY, KSH CONFIRMS**

Hungarian industrial output in May grew by an annual 8.7%, at its fastest clip since May 2017, the Central Statistical Office (KSH) said, quoting its second estimate. Domestic sales grew by an annual 9.2% and manufacturing output was up 7.5%. Industrial export volume grew by an annual 8.8%. Vehicle production increased by 17% while computers, electronics and optical products were up 5.1%.