

PHOTO OF THE DAY



MTI/Sándor Ujvári

Gripen preparing for night patrol at Kecskemét base (C)

UPCOMING EVENTS

EU, Eastern Partnership foreign ministers in videoconference

Plenary session of parl

Coronavirus updates

TOP STORY

KOVÁCS REJECTS EC COMMENT ON NAT CONSULTATION

Zoltán Kovács, state secretary for international communications, rejected EC Vice President Věra Jourová's recent comment qualifying one of the questions of the Hungarian government's forthcoming "National Consultation" questionnaire as "fake news".

The question concerns the issue of migration, Kovács said, citing it as "Brussels is making preparations to attack the Hungarian constitution's provisions concerning immigration and wants to force us to change those rules". "But, contrary to what the EC vice president said, the truth is that the European Commission systematically attacked every measure the Hungarian government implemented to strengthen Europe's borders and enhance border protection," he said.

The previous European Commission "mounted a political attack" against Hungary over the fence it erected along its southern border and cooperated with NGOs that "openly organise and support illegal migration", Kovács said. He noted that the EC had launched an infringement procedure against Hungary in connection with its transit zones and the "Stop Soros" law. "All this goes to show that the Commission is working systematically to weaken European border protection and deprive the member states, especially Hungary, of their effective means against illegal migration," he said.

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FINANCE MINISTER PROJECTS HEALTHY GROWTH IN 2021

The government expects healthy economic growth of 4.8% next year and moderate inflation of 3%, Finance Minister Mihály Varga told lawmakers in remarks opening the budget debate.

The deficit target is 2.9% of GDP, just below the Maastricht threshold, while reserves built into the budget draft provide a ‘safety net’ of more than half a% of national income, he said. Also, the public debt is set to decline further, the minister added. Next year’s budget, Varga said, contains a health insurance and epidemiological fund as well as an economic protection fund. It is also geared towards the protection of families, supporting economic developments and guaranteeing Hungary’s security, he added.

The head of the State Audit Office (ÁSZ) told lawmakers in parliament that the 2021 budget bill was suitable for relaunching the Hungarian economy. László Domokos said the macroeconomic forecast contained in the bill was a good basis for planning the budget, adding that it complied with the rule on reducing the public debt and other legal requirements. He said Hungary’s economy and public finances had been healthy when the coronavirus epidemic emerged, so activity was likely to resume in most sectors other than those deeply integrated into the world economy such as global trade and tourism.

Domokos said Hungary’s economy would perform better in 2021 than in 2019, but it was unlikely to do as well as originally planned.

Outlining the budget numbers, Varga said almost 2,295 billion forints (EUR 6.6bn) will be available for family support, up 67 billion year on year. Pension benefits, at 3,907 billion forints, will be worth 327 billion more than this year, he said, adding that the money for phasing in the 13-month pension was also available. Education spending will amount to 2,229 billion in 2021, up by 78 billion, while 2,115 billion will go towards health care, up by 156 billion. Fully 704 billion forints is being channelled into public security, 154 billion more than this year, while 953 billion will be spent on developments in law enforcement, 93 billion more than in 2020. The budget for social security and welfare services such as sickness and jobless benefits will amount to 6,500 billion forints, an annual increase of 541 billion.

Whereas the government is not considering a basic income, he said, it is providing more money for traditional welfare benefits. In 2021, the fund for job-preservation and job-creation schemes will amount to more than 2,550 billion forints, skewed towards boosting priority sectors and ensuring the liquidity of businesses. The health insurance and epidemic prevention fund contains 3,000 billion forints. When it comes to European Union funding, the budget has the capacity to pre-finance projects in 2021, Varga said.

Addressing the issue of local council funding, Varga said they would receive more than 857 billion forints in 2021, 118 billion more than this year. They will have 3,000 billion forints at their disposal next year without resorting to credit, he said. Also, local councils will have access to a 200 billion forint credit line for investments. Further, the Modern Cities and Villages scheme will continue and EU money will also be used for local council investments.

Referring to certain revenues diverted from local councils for epidemic-related spending, Varga said the principle of the measure was solidarity. Richer municipalities should bear a higher cost burden compared with poorer ones. The government, he insisted, was not withdrawing funding from localities, adding that the leadership of Budapest was refusing to take part in solidarity. Varga said it was clear from the 2021 budget numbers that the government was not handling the economic crisis through austerity but by providing financial support.

OPPOSITION PARTIES SLAM BUDGET AS ‘WAR ON LOCAL GOVERNMENTS’

Hungary’s opposition parties slammed the government’s draft budget, presented in parliament, as “opaque” and “weak”, saying it “punished local governments”.

The Jobbik party called the 2021 budget a “war on local governments” and “a budget of revenge”. Lawmaker Anita Potocska



Kőrösi said at the parliamentary debate that the government was punishing Hungarians “for standing up to the Orbán government at the local elections last year”. Potocska Kőrösi insisted that the budget was less transparent than previous ones, with only “vague indications” of the amounts allocated to individual projects. She added that in the past years, the government had prioritised “prestige investments where oligarchs close to the government can stuff their pockets”. Lawmaker Dániel Z Kárpát said that Jobbik’s amendment proposals protected Hungarian employees and aimed to push multinational companies and banks to shoulder their share of public burdens.

Socialist leader Bertalan Tóth said the government was not spending enough on health care, social services or job-creation, even though next year’s budget “should be about reconstruction and creating opportunities”. The draft budget “shows the government has not learned anything from the epidemic,” he said.

“After ten years of Fidesz rule, the state party has secured its privileged elite’s place close to the fire ... but left the rest of the country by the roadside,” he said.

Ferenc Gyurcsány, the head of the Democratic Coalition party, said that “based on the budget, the government seems tired, lacking in imagination and politically and intellectually weak.” The government is failing to face the true state of the country, he added.

Green LMP’s Antal Csárdi said the government “is continuing to punish and bleed out local governments”. He insisted the budget “intentionally” deepened social disparities and “makes budgetary resources an instrument of blackmail,” he said.

OECD SEES HUNGARY ECONOMY CONTRACTING BY 8-10% IN 2020

The OECD projects Hungary’s economy will contract by 8-10% this year, depending on whether a second outbreak of the novel coronavirus occurs towards the end of the year. The OECD puts the contraction at 8.0% in a “single-hit scenario” and at 10.0% in a “double-hit scenario” in a biannual forecast. The OECD augurs a single-hit scenario recovery to 4.6% GDP growth in 2021, but a slower pickup, to just 1.5%, in the double-hit scenario.

Finance Ministry State Secretary Gábor Gion said that the forecast ignored several aspects and was more negative than projections by the government and market players. He added, however, that the OECD recognised Hungary’s protective efforts and the fast preparation of its health system for the epidemic. In international comparison, Hungary’s economy can therefore be restarted faster, he said.

Gion said the OECD report ignored the crisis-tolerance

capabilities of the Hungarian economy and therefore its projections were not well-based. He added that even if economic growth has slowed down, the first quarter growth of 2% was still among the best in the European Union.

ONE PATIENT DIES, 4,027 REGISTERED INFECTIONS IN HUNGARY

One patient, a 37-year-old man with no underlying conditions, has died in the past 24 hours, bringing the total number of Covid-19 fatalities to 551, while registered novel coronavirus infections in Hungary have increased by 10 to 4,027, koronavirus.gov.hu said. Fully 2,355 hospitalised patients have made a recovery. The number of active infections stands at 1,121. Forty-one percent of the active cases, 60% of the fatalities and 40% of full recoveries are in Budapest, the site said. Fully 344 Covid-19 patients are undergoing treatment in hospital, 20 of whom are on ventilators. Altogether 8,805 are in official home quarantine. The number of tests carried out stands at 217,689. The government says the aim is to steadily resume normal life based on a strict schedule, and it calls on citizens to follow general precautions. Budapest (1,910 people) has the highest number of infections, followed by Pest County (589), Fejér County (374) and Komárom-Esztergom (287). Békés County (11) has the lowest number.



OPERATIVE BOARD: RULES ON TRAVEL OF NON-HUNGARIAN CITIZENS REMAIN IN PLACE

Border controls were lifted on all of Hungary's Schengen borders effective Monday but general travel rules applying to non-Hungarian citizens remain in place, the spokesman for the operative board coordinating Hungary's response to the novel coronavirus epidemic, said. Róbert Kiss told an online press conference that special rules apply to Bulgarian, Czech, Slovak, Serbian, Austrian, Slovenian and German citizens, on international humanitarian transit and international freight transport to Hungary. Police will continue checks within Hungary's administrative area in line with the authorisation granted by the legal regulations in force, he added.

He also said that the operative board had decided to set up a deployment unit for the state of health security in the second phase of protection against the epidemic. This unit will be tasked with taking necessary on-site action in case a novel coronavirus infection is reported in an institution or area, he added.

Chief Medical Officer Cecília Müller told the same press conference that the number of active infections was considerably and continually decreasing. The number of recovered patients is now twice the number of active infections, she added.

In response to a question concerning a 37-year-old man who had died from the virus even though he had no underlying illness, she said in some rare cases the infection develops extremely fast. The government office is carrying out an investigation and all contacts of the man are being closely monitored, she added.

SZIJJÁRTÓ: RESTRICTIONS ON HUNGARY-CROATIA BORDER TO BE LIFTED ON FRIDAY

Hungarians and Croatians will soon be allowed to cross at all seven border crossings without being required to go into quarantine, the foreign minister said. Restrictions on travel to each other's countries are being lifted on Friday, Péter Szijjártó said on Facebook.

Evidence suggests that central European countries have managed to keep the spread of the virus under control, the minister said. Based on experiences of opening the borders with Austria, the Czech Republic, Serbia, Slovakia and Slovenia, the situation has not deteriorated. "Our priority is to protect the lives and health of Hungarians, but their discipline during the epidemic's peak in Hungary has made it possible to lift some of the regulations," Szijjártó said. Discussions on opening the border were among matters Prime Minister Viktor Orbán discussed with Croatian counterpart Andrej Plenković on Tuesday, he noted.

GOVT OFFICIAL: TOP QUALITY VENTILATORS BEING PRODUCED IN HUNGARY

Panther 5 ventilators, "among the best in the world", are being produced in Vac, in northern Hungary, in a factory producing 1,000 devices for use in Hungarian hospitals, a government official said. "All patients in Hungary will receive ventilators suited to their condition," said Tamás Menczer, state secretary of the foreign ministry, answering a question in parliament by Párbeszéd lawmaker Tímea Szabó. The ventilators manufactured by Celitron in Vác will be deployed in intensive care units for everyday use, too, Menczer said. "Hungary has been strengthened by a strategic capacity which will make us better prepared for a potential second wave," he said.

JUSTICE MIN: GOVT PROPOSES STRICTER CONDITIONS FOR PAROLE

The justice ministry submitted a proposal to parliament on Tuesday to introduce stricter conditions on parole in an effort to enforce its zero tolerance on violence policy, Justice Minister Judit Varga said. The proposal involves excluding the possibility of parole in case of convicted murderers and those that committed serious violent crimes against next of kin, she said on Wednesday.

In order to better protect relatives, the proposal also includes appointing a probation officer and issuing a restraining order against those who are on parole after committing violence against next of kin, she added. The government aims to prevent cases similar to a recent double child murder in Győr, she said.

METROPOLITAN COUNCIL TO CHALLENGE GOVT OFFICE BAN ON HOMELESS SHELTER

The Budapest metropolitan council will challenge a government office decision to prevent a homeless shelter from being located in City Hall, Mayor Gergely Karácsony said. "We will certainly challenge the decision, open the shelter and protect homeless people not only from the epidemic but also from those who represent insensitive and heartless policies," he said on Facebook.

Homeless people have been successfully protected from infection in the first phase of the epidemic but preparations are now needed for a potential second wave, he said. Overcrowding in homeless shelters must to be reduced and temporary shelters set up, the mayor said. A section of the City Hall slated to house the Budapest Gallery in the future could be used for temporary shelter, but "the government office wants to prevent this based on made-up excuses", he added.

The government office said on Tuesday that the request by the metropolitan council had been rejected, adding that it was prohibited to set up a homeless shelter in a listed building.

STATE SECRETARY FOR BUDAPEST CALLS FOR URGENT RENOVATION OF CHAIN BRIDGE

The state secretary of the Prime Minister's Office for Budapest welcomed Wednesday's consultations with the city's leadership on the renovation of the city's landmark Chain Bridge, but warned that any delay would significantly increase the costs of the project and the time period of lockdown.

Balázs Fürjes told MTI that they had learnt half a year ago from Mayor Gergely Karácsony and a status report prepared by a group of engineers that the bridge is in a critical condition and would need immediate renovation. "Since then, however, we have not received any further information from the municipality about the project so were surprised by the mayor's announcement in May on the city's decision to postpone the renovation indefinitely," Fürjes said. The state secretary noted that the government office asked the city leadership in a letter three weeks ago to clarify the situation but has not received any response ever since.

Fürjes welcomed that the two sides finally met on Wednesday to discuss the issue.

The state secretary said the renovation of the Chain Bridge falls in the scope of the municipality but the government is ready to support the project. He added, however that the renovation should start as soon as possible and that the government "cannot support any further minute's delay". "The government will help the work of the mayor with 6 billion forints (EUR 17m) and experts, if he so needs," Fürjes said.

Gergely Karácsony in response said that the city's leadership considers Chain Bridge "a national treasure" and will renovate it at all cost.

"Renovating the bridge may crush Budapest financially because the central government is about to take from the city as much funding as it would be enough to renovate the bridge at least once every year," he said on Facebook.

SOCIALISTS IN INTERNAL PROBE INTO FAKE VIDEO

The opposition Socialist Party has started an internal investigation into a video posted on Facebook showing a woman who claimed to be working for the ambulance service talking to a party lawmaker about the situation in Hungarian health care, commercial broadcaster ATV said. The party's deputy leader, László Szakács, told ATV that Socialist Party communications staff decided to make the video, and

he insisted that those who made it bore responsibility. He added that the MP in question, Lajos Korózs, was not at fault. He said Korózs had received many letters from the relatives of the patients affected by the government's decision to empty hospital beds to make way for any potential Covid-19 patients, adding that, in his view, the lawmaker was not aware of any wrongdoing and should not have to resign.

**CROATIAN GOVT
TO DISCUSS INA BUYBACK
WITH MOL BY END-JUNE**

Croatia's government will meet with Hungary's MOL to discuss repurchasing its stake in Croatian oil and gas company INA by the end of June, Environment and Energy Minister Tomislav Čorić told journalists, after getting a preliminary due diligence report on the buyback from financial advisory and asset management firm Lazard.

Lazard will deliver its final due diligence report in a month, Čorić said. "The next step will be intensive

communication with the other side, and in that respect we expect the first meeting with Hungary's MOL by the end of the month," he added.

Čorić did not disclose any further details, noting that INA is a listed company which "limits the government's room for manoeuvre". MOL and the state of Croatia each own a little under half of INA's shares, but MOL exercises management rights in the company. The sides have long been at odds over investments at the company, prompting Croatia's government to weigh a buyback.

Croatia will hold early elections on July 5, and the matter of MOL's stake in INA has become a campaign issue.

**MALTESE CHARITY LEADER
KOZMA GETS HIGH
STATE AWARD**

Imre Kozma, the founder and leader of Hungary's Maltese Charity, received a high state award for his lifetime achievements on Wednesday, on the occasion of his 80th birthday. The Hungarian Order of Merit, Middle Cross with the Star, was awarded by

President János Áder, at the initiative of Prime Minister Viktor Orbán and Deputy Prime Minister Zsolt Semjén.

Kozma, a Roman Catholic priest, received the honour in recognition of his over 50 years of religious service, and his dedicated and exemplary work in improving the physical and mental health, and social conditions of the needy.

Presenting the award, Semjén said that in his youth as a Benedictine student, Kozma was an outcast persecuted by the communist regime. But he knew he had a mission: to live for the Hungarian people, Semjén said.

"In 1989, Imre Kozma opened his heart and the doors of his parish to East German refugees arriving in Hungary," Semjén said, adding that this was a historic act carried out by him as the head of the Maltese Charity and contributed to the fall of the "Communist dictatorship" and the liberation of Eastern Europe. Later, during the Yugoslav Wars, Kozma rescued 4,500 people from the besieged town of Vukovar after talks with Serbian military leaders.

