

PHOTO OF THE DAY



MTI/Csaba Krizsán

Hot-air balloon championship in Győr

UPCOMING EVENTS

President Áder at Three Seas summit in Sofia

V4, Slovenia summit in Ljubljana

KSH releases foreign trade turnover for May

Coronavirus updates

TOP STORY

ORBÁN: NO LGBTQ ACTIVISTS IN SCHOOLS

The European Parliament and the European Commission try to get Hungary to allow LGBTQ activists into its kindergartens and schools, Prime Minister Viktor Orbán said.

He told reporters in Belgrade that Wednesday's European Parliament plenary debate on Hungary's new child protection law had been useful because it clearly revealed the positions. The EP and the EC want LGBTQ activists and organisations to gain entry to schools and kindergartens but "Hungary does not want this", Orbán said. The debate concerns who should decide about how to raise children, he added.

The European basic treaties clearly show that it is an issue that belongs in national authority, he said, adding that "Brussels bureaucrats have no business here". "No matter what they'll do, we will not allow LGBTQ activists to enter our kindergartens and schools," Orbán said.

Gergely Gulyás, the head of the Prime Minister's Office, said earlier that Hungary rejected the whole debate which was trying to address the law as "one harming basic human rights rather than as a child protection measure". "We are not advising anyone above 18 on how to live their lives. The Hungarian Constitution ensures human dignity to everyone ... regardless of how they live.

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ORBÁN: HUNGARY, SERBIA CAN RELY ON EACH OTHER

Hungary and Serbia can rely on each other, Hungary will give all the support to Serbia’s European Union accession and when Hungary faces difficulties, it can count on Serbia, Prime Minister Viktor Orbán said after talks with Serbian President Aleksandar Vučić in Belgrade.

Orbán told a joint press conference that historic experience was important and when it comes to Serbia’s EU accession, he took an approach based on the position of historic experience. At the time of Hungary’s EU integration, Poland had a key role in the region, he said. Serbia is a key country for the stability of the Western Balkans, Orbán said. By supporting Serbia’s EU accession, Hungary supports the integration of the entire Western Balkans, he added.

Orbán said the pandemic had overshadowed the issue of mass migration but the old problem has re-emerged. The stability of the Western Balkans and its ability to protect against migration are essential also for Hungary’s security, he added. Hungarian-Serbian cooperation has resulted in several serious successes, such as railway cooperation, 16 large investment projects at the time of the pandemic and setting up a gas interconnector, he said.

Concerning gas supplies, he said Hungary made every effort to set correct prices when Serbia was in a difficult position. Central European

countries must understand that their shared long-term history should be given priority as against short-term interests, he said. “The winds of history may change at any time and any country may find itself in the position that it has to rely on its neighbour,” he added. The region cannot be stabilised unless the countries understand this, he added.

Orbán said figures of the past seven or eight years revealed a “great success story developing” in Serbia, with decreasing public debt, and new investments and development. He said Hungarian-Serbian cooperation was based on sharing the same goals, to ensure that children live a better life than their parents did and both countries thinking along the lines of family and nation.

In response to a question, Orbán said the coronavirus pandemic was not yet over but the vaccination programme was successful in both Hungary and Serbia. The two countries have agreed on the mutual recognition of vaccination certificates and all border crossings have been reopened. Cooperation will be maintained, he added. He said the EU suffered from a low level of trust concerning its future, with westerners having reached a very high level of the welfare state and they are uncertain of whether there is any way further.

As a result, there is great caution in the EU when it comes to large new initiatives, which has been termed as “enlargement fatigue”, he said. However, if enlargement is neglected, one of the most important

neighbouring regions will be unstable and the EU will not gain new energies, its development will get stuck and it will disintegrate, he added.

Enlargement which is not possible without Serbia must be the most important project of the EU, Orbán said. It involves development and can carry Europe ahead, similarly to when the accession of central Europe brought energy to European cooperation, he added. Vučić highlighted Hungary’s role in bringing about political and economic stability in the Western Balkans and thanked Hungary for its achievement that he said had been recognised by every country in the region. He also highlighted Hungary’s contribution to improving Serbia’s relations with Vojvodina’s Hungarian community which he said had also bettered his country’s relations with Hungary.

Vučić noted that the volume of bilateral trade had come close to 2 billion euros during the period of the pandemic and saw a 23% increase this year. Hungarian companies implemented 16 major investment projects in Serbia last year, he said. Vučić thanked Hungary for its support to Serbia in its European integration endeavours.

GOVT APPROVES MORE PROPOSALS TO SPEED UP ECONOMIC RECOVERY

Hungary’s government has approved seven more measures to accelerate the economic recovery, Minister of Foreign



Affairs and Trade Péter Szijjártó said during an official visit to Belgrade.

The measures were proposed by the operative board for coordinating the economic recovery, which Szijjártó heads. One measure allows skilled labourers from non-EU countries that are not among Hungary's neighbours to work in Hungary through temporary staffing agencies, he said. Another eliminates all bureaucratic hurdles for accessing subsidies for workplace creation job subsidies if companies hire registered job-seekers, he added. The measures also cut notary fees for SMEs taking out loans by 50%, and reduce the cost of archaeology work required before investments can start, he said. The government cleared a Magyar Eximbank programme for financing Hungarian companies' acquisitions abroad and another to support environmentally-friendly and sustainable investments, he added.

EP: HUNGARY ANTI-PAEDOPHILE LAW IN BREACH OF EU VALUES

The European Parliament has adopted a resolution denouncing "the dismantling of democracy and the rule of law in Hungary" and condemning the country's recently approved anti-paedophile law, saying it was in breach of European Union values, principles and law. In the resolution passed with 459 votes in favour, 147 against and 58 abstentions, MEPs said Hungary's new law was "in clear breach" of fundamental rights enshrined in the

EU Charter of Fundamental Rights, as well as the bloc's founding treaties and internal market legislation.

The resolution called the law "another intentional and premeditated example of the gradual dismantling of fundamental rights in Hungary", adding that "state-sponsored LGBTIQ-phobia and disinformation campaigns" had become "tools for political censorship" in the country. It said such "human rights violations" were part of a "broader political agenda to break down democracy and the rule of law, including media freedom" and should be considered a systemic violation of EU values.

EU lawmakers said last December's amendment to Hungary's constitution stipulating that a mother is a woman and a father a man and prohibiting the gender recognition of transgender and intersex people was another example of a violation of EU law.

MEPs also expressed their commitment to defending children's rights, declaring that "tolerance, acceptance, and diversity should serve as guiding principles to ensure the best interests of the child are respected".

The resolution calls on the European Commission to initiate an infringement procedure against Hungary over what the MEPs call the "anti-LGBTIQ legislation" and to "use all tools" available to the Court of Justice of the European Union, "such as interim measures and penalties for non-compliance if necessary". It also calls on member states to bring the matter to the CJEU if the EC fails to take action

over the law, and to launch an interstate application to the European Court of Human Rights. Hungary's anti-paedophile law approved last month stipulates, among other things, that sex education materials in schools must not contain anything aimed at changing gender or promoting homosexuality.

The Hungarian government says the law is about giving parents the exclusive right to decide on the sex education of their children.

EUROPEAN COMMISSION URGED TO APPLY RULE-OF-LAW CONDITIONALITY MECHANISM

European Union lawmakers have adopted a resolution urging the European Commission to activate a mechanism in the bloc's budget that links EU funding to the rule of law in the interest of protecting the budget and EU values. In the resolution passed with 529 votes in favour, 150 against and 14 abstentions, MEPs expressed regret that the EC had decided to abide by the European Council's non-binding conclusions issued in connection with the conditionality mechanism last December and "declared that it would develop guidelines for the application" of the regulation.

"The budget conditionality regulation does not require any additional clarification and rule of law breaches must be addressed as soon as possible," MEPs said in a statement.

They said the EC's guidelines on the application of the conditionality

mechanism must not alter, expand or restrict the regulation. In order for the guidelines to add any value, they must clarify how the legislative provisions will be applied in practice and outline the methodology of the procedure.

Lawmakers also called on the EC to investigate without delay “any potential breaches of the principles of the rule of law that affect or seriously risk affecting the sound financial management” of the EU budget. “The situation in some Member States already warrants immediate action,” the resolution adds.

Commenting on the resolution, ruling Fidesz’s MEP group said that “the left is turning the European Parliament into an impromptu tribunal.”

By voting in favour of the resolution on the EU’ budget’s rule-of-law conditionality mechanism, the EP’s left-wing majority has once again declared its political intention to severely restrict Hungary and Poland’s sovereignty and help put leftist puppet governments in power that would serve the interests of Brussels.

Fidesz MEP Tamás Deutsch said Thursday’s resolution was “yet another attack on EU law, common European values and European cooperation”.

“Do not doubt for a second that we will fight for our freedom and independence,” he said. “Hungary is a well-functioning democracy, an honest state governed by the rule of law where fundamental rights are guaranteed. In fact, people in Hungary have more freedoms than on the western half of the continent.”

Ádám Kósa, another MEP of Fidesz, said the EP’s “political rampage motivated by various interests” had “irreversibly tarnished” the prestige of the legislative body. “These processes must be stopped because these are what pose the real danger to Europe’s rule of law,” he added.

**HOUSE SPEAKER:
ANTI-PAEDOPHILIA
LAW ‘AMONG MOST
IMPORTANT OF THE PAST
12 YEARS’**

Hungary’s anti-paedophilia law is among the most important laws passed in the past 12 years, and the “rage it has brought up in western European politicians is irrational”, House Speaker László Kövér told the portal mandiner.hu.

In an interview published on Thursday, Kövér said that despite criticism from the European Union, “Hungary will remain a member of the EU until [the EU] collapses.” As the bloc is moving “on a trajectory that is economically, socially, spiritually and morally unsustainable”, that is likely to happen within this generation, Kövér insisted.

At the same time, the EU remains the best platform to represent Hungarian interests, and the formation that provides the “largest room to manoeuvre,” he said. However, “it is being transformed increasingly aggressively and swiftly into a sort of Atlantic empire,” he added.

Kósa said he expected a shift in relations “with the victory of the

Italian right” and a potential right-wing victory at the French elections. Such developments would influence European institutions as well as the “entire political climate”, he said.

Regarding Fidesz’s departure from its former party family in the European Parliament, Kövér said it was “no cause for celebration but the situation was untenable, with tiny parties trying to humiliate us every day” within the European People’s Party. He insisted that would not have been possible without the clandestine support of Germany, “who didn’t want to stand up to that action because bad relations with a Visegrad Group country, with which they have lucrative economic ties, is not in their interest.”

**HUNGARY FM RECEIVES
HIGH SERBIAN STATE
AWARD**

Péter Szijjártó, Hungary’s foreign minister, received the Order of the Serbian Flag, 1st Class from Serbian President Aleksandar Vučić in Belgrade. The high state honour has been awarded to Szijjártó in recognition of his role and achievements in building excellent relations between Serbia and Hungary.

In his laudation, Vučić praised Szijjártó’s efforts to improve ties between Serbia and Hungary to the point that “they are now better than ever before.”

He thanked Szijjártó for voicing Hungary’s support for Serbia’s European integration at all European forums.



In his acceptance speech, Szijjártó said he should be accepting the award together with his Serbian counterpart Nikola Selaković and Serbia's minister for European integration Jadranka Joksimović. He added that everyone who has been keeping the Western Balkan region in the focus of Hungary's foreign policy since 2010 was deserving of the award.

"We believe that the European Union cannot be whole without the Western Balkans and Serbia, and we also know that there are no vacuums in geopolitics," Szijjártó said. "If we, the European Union fail to integrate the Western Balkans, someone else will integrate the region. After losing the United Kingdom, we don't wish to lose the Western Balkans, too."

The minister said the award motivated him to fight even harder for Serbia's EU integration in the future.

EIB LENDS HUNGARY EUR 146 M FOR HEALTH-CARE SECTOR

The European Investment Bank (EIB) has signed an agreement with Hungary on a 146 million euro loan to support the country's procurement of protective equipment in preparation for a potential fourth wave of the coronavirus pandemic, the finance ministry said in a statement. The ministry noted that the EIB had already approved a 162 million euro loan for Hungary last summer.

Hungary is being given the loan on favourable terms, the ministry said,

adding that it will save the budget a significant amount of funds while supporting the country's pandemic defence efforts.

The government has so far spent up to 1,200 billion forints (EUR 3.37bn) on pandemic response measures and will continue to provide the funding necessary to defend against the virus, it added.

LMP ACCUSES GOVT OF DISCREDITING SOCIAL DIALOGUE

Opposition LMP said that genuine social dialogue was needed in Hungary and called on the government to stop discrediting social dialogue by including questions with obvious answers in the latest National Consultation survey.

Party co-leader Erzsébet Schmuck said the survey was not good for more than to reveal "what imaginary enemy Prime Minister Viktor Orbán is fighting" and what methods he uses to further deepen divisions in Hungarian society. The government primarily uses important issues for manipulation, she said, citing a question concerning whether the minimum wage should be increased to a monthly 200,000 forints (EUR 565).

LMP has demanded a higher minimum wage for years but ruling Fidesz took 25,000 forints away from recipients each month by discontinuing tax exemption on the minimum wage, she said.

Raising the minimum wage to 200,000 forints would immediately

bankrupt a third of Hungarian SMEs unless they receive state support, she added.

Commenting on another question, she said LMP agreed with forcing multinationals to more environmentally friendly production with higher taxes. The Orbán government, however, repeatedly chose to support multinationals from taxpayers' money while doing nothing to effectively fight climate change, Schmuck said.

SOCIALISTS APPEALING TO COMPETITION OFFICE OVER HIGH BALATON PRICES

The opposition Socialists will file an appeal with the Economic Competition Office over high prices at the beaches of Lake Balaton, Socialist MP and party director Zsolt Molnár told a press conference broadcast on Facebook.

At the press conference, held in front of the entrance of one of the beaches, Molnár said that a ticket cost 1,700 forints (EUR 4.8), while parking outside was 300 forints an hour. The Socialists "represent the 99% that want no barbed wire or fence around natural waters" and protest the government and property developers "taking opportunities away from future generations", he said.

Károly Lukoczkai, a candidate of the Socialist-Párbeszéd alliance in the opposition's preselection before next year's parliamentary elections, said his

parties would “do everything to ensure that Lake Balaton and other natural waters are accessible to everybody and not just to the privileged”.

Zoltán Vajda, another candidate, urged that tourism should be sustainable and lambasted local businesses “aimed at making guests pay through the nose, at all cost, with no regard to the environment”.

CJEU RULES OTC DRUGS REQUIRE LOCAL AUTHORISATION IN HUNGARIAN CASE

The Court of Justice of the European Union (CJEU) ruled that an OTC drug cleared in one European Union member state may not be sold in another member state unless it has also been granted a marketing authorisation (MA) there. The case was brought by Hungary’s Pharma Expressz, which was ordered by local authorities to cease the sale of OTC products which had been cleared in another member state in Hungary.

“If a medicinal product does not have an MA issued by the competent authorities of the Member State in which it is offered for sale or an MA issued following the centralised procedure, it may not be placed on the market in that State, regardless of whether that same medicinal product may be sold in another Member State without a medical prescription,” the CJEU said in its ruling.

HUNGARY CONTRIBUTES HUF 10 M TO RENOVATION OF GREECE CHAPEL

Tristan Azbej, Hungary’s state secretary in charge of aiding persecuted Christians, inaugurated a Greek Orthodox chapel on the island of Lesbos renovated in part from funds contributed by the Hungarian government. Hungary contributed 10 million forints (EUR 28,000) to the renovation of the St. Catherine chapel after it had been “vandalised” and set on fire by illegal migrants, Azbej told MTI by phone. The chapel’s renovation was also financed in part by donations from local churchgoers, he added. The inauguration of the renovated church was also attended by representatives of Hungary’s Greek minority self-government, Greek Orthodox Metropolitan Iakovos, the mayor of Moria and local officials. Azbej said he had been told by local and regional leaders about the “damage and devastation illegal migration has caused for the region over the last 5-6 years”. The attacks on local churches and chapels “are just the tip of the iceberg”, he said, adding that crime was “running rampant” in the area.

He said Lesbos officials felt that Europe has “abandoned them” and “hasn’t taken their interests into consideration”. “Europe hasn’t helped stop illegal migration and has only showed solidarity towards illegal migrants,” Azbej cited the local leaders as saying. The state secretary said

the local officials were thankful that someone “has finally turned directly to them”.

REFORMED CHURCH LIFTS MASK REQUIREMENT

Services and other events of the Hungarian Reformed Church can now be attended without facemasks, the church’s synod said in a statement sent to MTI. The synod welcomed that the coronavirus situation was getting better in Hungary, but warned that Reformed communities should follow the government’s instructions at any time, “whether they call for easing or restrictions”. Pastors and teachers of the Reformed Church are “expected to have immunity” the statement said, and called on all persons in service to get vaccinated.

KSH: HUNGARY INFLATION SPIKE CONTINUES AS CPI REACHES 5.3% IN JUNE

Hungary’s annualised consumer price index rose to 5.3% in June, continuing to spike after reaching 5.1% in both April and May, data released by the Central Statistical Office (KSH) show.

Driven by higher cigarette and vehicle fuel prices, CPI is at the highest level in years and well outside of the 2% and 4% tolerance band of the National Bank of Hungary (NBH). The June data show spirits and tobacco prices rose by 12.2%, lifted by a 19.7% increase in tobacco prices. Prices in the category of goods that includes

vehicle fuel climbed 10.4% as vehicle fuel prices jumped by 24.2%.

Food prices were up by 3.2%, household energy prices edged 0.4% higher, consumer durable prices rose by 3.7% and clothing prices increased by 1.2%. Service prices rose by 3.8%.

Core inflation, which excludes volatile food and fuel prices, was 3.8%. CPI calculated with a basket of goods and services used by pensioners stood at 4.6%. In a month-on-month comparison, inflation reached 0.6%.

Commenting on the CPI data, ING Bank chief analyst Péter Virovác said

inflation in June was significantly higher than expected by the NBH which means there is a higher chance that in July the central bank raises its base rate by 30 basis points to 1.2%. Virovác said the easing of pandemic restrictions were barely observable in the May inflation data but was more visible in June in the price increase of foodstuffs, dining at restaurants and services as a whole. For the whole year, CPI could be at 4.5% with inflation moderating in the coming months but rising back to above 5% at the end of the year because of base effects.

Takarékbank senior analyst Gergely Suppan said inflation could drop and be around 5% in the next months because of base effects but annual CPI should still be at 4.6%

K+H Bank senior macro analyst Dávid Németh said core inflation shows that prices are rising for services and durable goods, and the June result is already approaching the upper limit of the central bank's tolerance band. In July and August CPI could be around 4% but it could rise to around 5% in September.