

## PHOTO OF THE DAY



PM Viktor Orbán with Serbian counterpart Ana Brnabić in Budapest

## UPCOMING EVENTS

**Polish president visits Budapest**

**52nd Eucharistic Congress events**

**Coronavirus updates**

**European Space Agency opens Hungary incubation centre**

**Statistical office publishes tourism figures for July 2021**

## TOP STORY

# ORBÁN, BRNABIĆ SIGN STRATEGIC AGREEMENT

Prime Minister Viktor Orbán and Ana Brnabić, his Serbian counterpart, signed a strategic partnership agreement following talks in Budapest on Wednesday.

The agreement is seen as a long-term commitment in Hungary, Orbán said, “a strategic agreement of friendship and partnership that will be a secure point in the ever-changing waters of foreign policy in the coming decades.” The agreement focuses on the economy, with links between the two countries in the spotlight, he said. The reconstruction of the Budapest-Belgrade railway line will be completed by 2025, he said. Orbán noted the growing cargo traffic at the border crossings between the two countries. The Röszke-Horgoš (Horgos) and Tompa-Kelebija (Kelebia) crossings will undergo major reconstruction to increase their capacity by the end of 2022, and the government is looking into opening the crossing at Hercegszántó-Bački Breg (Béreg) for cargo traffic, he said. Besides the agreement signed by the heads of government, Hungarian and Serbian ministers signed agreements on cooperation in agriculture, economy, joint border patrols, hovercraft services between the two capitals and other projects.

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## **HUNGARY, SERBIA TO PROTECT EUROPE FROM MIGRATION WAVES**

Hungary and Serbia will join forces to stop potential migration waves and so protect Europe, including Germany, where many of the migrants are headed, Prime Minister Viktor Orbán said, after talks with his Serbian counterpart, Ana Brnabić.

Orbán told a joint press conference after the meeting that Europe had to be protected from a new wave of possibly millions of people heading towards Europe in the wake of “the US failure in Afghanistan”. Should the migrants choose to travel by land, Serbia and Hungary will find themselves in a very difficult situation, he said. “Governments, NGOs and Soros organisations previously in favour of migration” are now clearly just as ready to support migration from Afghanistan, Orbán said. This, however, is diametrically opposed to Hungary and Serbia’s interests, he said.

Serbia’s European Union membership is key to the bloc’s safety, he said. “We are protecting Hungary and Serbia, we are protecting ourselves but we all know these migrants do not want to live here, they are on their way to Germany. So when we protect ourselves, we are also protecting Europe, including Germany, as we did so many times over the centuries. This is true even if we get no appreciation, let alone gratitude,” he said. Answering a question, Orbán said migration pressure is expected to grow, since “there are already around

4 million internally displaced people in Afghanistan”. “If this crowd finds a way out and leaves, they will make their way through Turkey to the region of Hungary and Serbia,” he said.

The two countries will have to strengthen their southernmost defence lines to stop migration, Orbán said. At the same time, “Germany’s stance, whether they want migration to be stopped or want to open a humanitarian corridor, remains to be seen”. “History has shown that we were never given help but rather designated as a bumper zone when internal regions of Europe were threatened and we had to protect Europe,” Orbán said. “They continued that practice for centuries. I can’t see any sign of that approach changing,” he said. Orbán insisted that Hungary had protected Germany in the 2015 migration crisis “while the Germans continued to stab us in the back, in the rule of law procedure as well as on the issue of erecting a border fence”. “We can only count on ourselves but we are strong enough to face that challenge,” he said. “In no way will they make a refugee camp out of Hungary or Serbia. In no way will they set up hotspots here. In no way will security issues sideline economic development, we simply can’t afford that,” he said.

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## **SERBIAN PM PRAISES COOPERATION WITH HUNGARY AS ‘EXTREMELY SUCCESSFUL’**

Serbia and Hungary have developed a highly successful cooperation over

the past seven years, Ana Brnabić, the Serbian prime minister, said in Budapest on Wednesday, after meeting Viktor Orbán, his Hungarian counterpart. Speaking at a joint press conference, Brnabić called the bilateral agreement concluded on strategic partnership “a pinnacle of cooperation” since the first Hungarian-Serbian joint government meeting was held in 2014. The partnership agreement, and several other bilateral agreements signed today, are results of that cooperation, confirming Serbia’s commitment to strengthening relations and deepening friendship with Hungary. Brnabić thanked Hungary for its support to Serbia’s prospective EU integration. She noted a separate agreement signed at today’s meeting on Hungary sharing expertise in the progress. Speaking about economic ties, Brnabić noted that Hungary is Serbia’s third most important business partner and is seen to become number two with bilateral trade continuing to rise. She highlighted joint infrastructural projects that reflect “a high level of mutual trust”. Brnabić also thanked Orbán for his support to Hungary’s Serbian community, and confirmed Serbia’s support to its Hungarian community.

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## **SZIJJÁRTÓ: TIES WITH SERBIA MUTUALLY PROFITABLE**

Cooperation between Hungary and Serbia are excellent “even from a

historical perspective” and yields great economic gains for both countries, Foreign Minister Péter Szijjártó said. Speaking after a Hungary-Serbia summit earlier in the day, Szijjártó said that bilateral trade had increased by 37% in the first half of 2021, and its turnover would have exceeded 3 billion euros by the end of the year. Hungary’s Eximbank has set up a credit line of 135 million euros to provide loans to promote trade cooperation between Hungarian and Serbian businesses, he said. The Hungarian government ensures financing for Hungarian companies to make investments abroad, the minister said, adding that Serbia “attracts the largest attention”.

Currently government-financed projects by 16 companies are under way in Serbia, he said, adding that the grants amounted to 20 billion forints (EUR 57.2m) and the projects were worth a combined 40 billion. So far, the government has assisted 14,000 ethnic Hungarian small and medium-sized enterprises in Serbia’s Vojvodina province, distributing grants totalling some 60 billion forints, to aid projects worth 120 billion forints, Szijjártó said.

Representatives of the two countries signed an agreement on improving links, under which a hovercraft service on the river Danube between Belgrade and Budapest will be launched before next summer. Szijjártó added that all preparations had been completed in connection with the Szeged-Subotica (Szabadka) railway line, to ensure a “comfortable and fast” train ride from

next summer on. Serbia and Hungary have also agreed to accommodate each other’s diplomats in countries where the other country does not have an embassy, Szijjártó said, adding that Hungarian diplomats had already started working at the Serbian embassy in Zambia, and the same will happen in Congo, while Serbia will delegate diplomats to Hungary’s embassies in Malta and Chile.

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### **JUSTICE MINISTER CALLS FOR ‘STRONG EUROPE’ AFTER TALKS WITH SERBIAN COUNTERPART**

Justice Minister Judit Varga said after talks with two Serbian ministers that a strong Europe is needed instead of “a declining Europe going backwards”, insisting that Serbia should be integrated into the European Union without delay.

Varga held talks on the sidelines of the Hungarian-Serbian government meeting in Budapest with Maja Popović, her Serbian counterpart, and Jadranka Joksimović, Serbia’s European Integration Minister.

At the talks, “we agreed that, in addition to judicial cooperation, it is more important than ever to talk about the future of Europe,” Varga said on Facebook. The minister said that in response to today’s challenges, Hungary will remain at the forefront of the dialogue about the future of Europe which is a great opportunity to protect the community from “sneaking” modifications of the treaties,

“and to preserve the original principles and achievements of integration”. “There has never been such a need for a strong representation of common sense, we need to redirect integration back to its fundamental goal, to have a strong Europe of strong nations,” Varga said. She said that Europe’s future success will only be possible with the integration of countries in the Western Balkans. “The key to this process is Serbia, the most populous state with the most dynamic economy in the region,” Varga said. “We hope that with Serbia we can emphasise together the need for a competitive and competent Europe based on cooperation between strong and independent nation-states and on the respect of fundamental national interests and constitutional traditions,” the justice minister said, calling for speeding up Serbia’s integration process.

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### **OFFICIAL CALLS FOR V4 TO ACT AS GUARDIAN OF LISBON TREATY**

Brussels makes a careless approach to the treaties of the European Union but the Visegrad Group should act as a guardian of the Lisbon Treaty, the head of parliament’s European affairs committee said. Addressing a panel discussion during the 30th International Economic Forum in Karpacz, Richárd Hörcsik said that central European cooperation was based on common interests and values. He added that it was currently

a “historical necessity” to press on with this cooperation, either within the V4 or in the framework of the Europe of the Carpathians series of conferences which he described as “a younger brother” of the V4. The conferences organised by Poland’s Sejm for 30 years, focusses on economic, political, cultural and local government cooperation within central and eastern Europe. Among the achievements of V4 cooperation Hörsik highlighted the rejection of mandatory migrant settlement quotas in the EU, and that the V4 had become an engine of economic growth within the EU. The coronavirus pandemic has demonstrated that “we are able to care for each other, not only for ourselves,” he added. Hörsik called it a joint task to act against double standards in the EU and fight against “liberal, extremist ideologies” which could devastate the EU in the long term.

Tibor Navracsics, the government commissioner for Hungary’s Veszprém-Balaton 2023 Cultural Capital of Europe programme, called for the EU to remain open, but warned that openness will increase complexity within the bloc. Navracsics, a former EU commissioner for education, culture, youth and sports, said that Montenegro and Serbia would not cause major upheavals in the EU, while the accession of Ukraine would “change the structural unity of Europe”. The bloc’s eastern enlargement will raise the question of how Europe can stay a cultural unity, he told a panel discussion called “Should Europe be open or closed in the future?”

The series of enlargements so far have enriched Europe, Navracsics said. At the same time, the bloc has to bridge large cultural divides between the East and the West, and North and South, chasms that rob the bloc of its power to act, he said. The solution, however, is creating a true cultural community rather than dominance and pressure over other cultures, he said.

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### **GOVT SPOX: MAJORITY SEES CHILDREN’S EDUCATION AS PARENTS’ TASK**

The results of the government’s National Consultation survey of the public show 97% of respondents agreed that the sexual education of children is the exclusive right and responsibility of parents, a government spokeswoman said. According to the survey, Hungarians agree with Hungary’s child protection law regulating “LGBTQ propaganda targeting minors”, Alexandra Szentkirályi said in a video on Facebook. Szentkirályi thanked the 1.4 million people who have filled in the questionnaire. Regarding life after the pandemic, 96% of respondents said Hungary should be strengthened to withstand the new challenges of a “more dangerous era”, she said. Fully 98% of respondents thought Hungary “should stand up for its own interests and not give in to blackmail from Brussels”, she said.

Meanwhile, 99% of respondents agreed that multinational companies, rather than families, should be the ones paying for their own part in climate destruction, Szentkirályi said. “Hungarians want nothing to do with climate taxes from Brussels; they don’t want to pay the costs of pollution and climate change through higher utility charges,” she said.

The coronavirus pandemic has shone a light on the setbacks of being dependent on other countries, Szentkirályi said: 94% of respondents agreed that Hungary needed a vaccine factory. “Domestic vaccine production would enable us to protect ourselves effectively in the future, without being dependent on others,” she said. The results of the survey will inform the government’s decisions on these issues, Szentkirályi added.

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### **PM ECON ADVISOR: CEE REGION ECONOMIES RECOVERING FASTER THAN MEDITERRANEAN**

Hungary’s economy has already recovered from effects of the pandemic, similarly to the economies of Poland, Romania, Lithuania and Latvia, while the national economies of several Mediterranean states need a lot more time, Márton Nagy, senior economic advisor to Prime Minister Viktor Orbán, said on Tuesday evening. Nagy said in a statement that central and eastern European economies had grown without accumulating excessive debt while at the same time

maintaining almost full employment. He added that the region was the least reliant on allocations from the EU's post-pandemic recovery fund, while it was also in a good position to "outgrow" the debt accumulated over the past pandemic period. "Countries in the Mediterranean are, on the other hand, in trouble, and could slip into a debt crisis, especially if the central banks of developed countries start a tightening," he said.

Hungary's economy was balanced and growing when the crisis hit, giving the country ample fiscal and monetary room for manoeuvre to adopt targeted stimulus measures, he said. Hungary's economic policy, he added, remained focused on supporting employment and families. It was also better geared towards responding to the challenges posed by the crisis faster and more flexibly than euro zone countries. Nagy said inflation was higher in countries where the economy had recovered quickly and in which the jobless rate had been kept low. The cost of a bold economic stimulus was a temporary rise in inflation, he added. "Without a temporary rise in inflation, the economy would have recovered more slowly, and many people would have lost their jobs. Now it is the central bank's task to curb ... inflation," the advisor said.

### **FIN MIN CALLS FOR 'SIGNIFICANT' MINIMUM WAGE RISE**

A "significant" minimum wage hike is needed to retain Hungary's current

advantage against other European countries in restarting the economy after the coronavirus pandemic, Finance Minister Mihály Varga said after talks with László Parragh, the head of the Hungarian Chamber of Commerce and Industry.

Varga and Parragh agreed that state assistance is needed to help small and medium-sized businesses cope with paying a higher minimum wage, and opportunities for compensation, such as further tax cuts, are being considered, the finance ministry said in a statement. Referring to consultations with both employers and employees, the minister said that there was "broad consensus" concerning a minimum wage hike, and pledged the government's assistance to SMEs, which would be most impacted by the measure.

### **ORBÁN TO VISIT CZECH REPUBLIC ON SEPT 29**

Prime Minister Viktor Orbán will pay a one-day official visit to the Czech Republic on Sept. 29, his press chief said, confirming press reports from Prague. Orbán will hold talks with Czech counterpart Andrej Babiš, Bertalan Havasi said. Czech daily Lidové noviny reported that the prime ministers are set to discuss European integration and the European Union's recovery fund, among current issues. Orbán will be accompanied by Foreign Minister Péter Szijjártó, who will discuss investment opportunities and a high-speed rail link with Karel

Havlíček, the Czech minister of industry, trade and transport, the paper said.

### **FUJIMOTO, TESLA ENGINEER, ZUCKERBERG ADVISOR TO ADDRESS BUDAPEST BRAIN BAR**

Renowned scientists, philosophers, public figures and politicians will explore themes such as innovation, robotics, artificial intelligence and new technologies at this year's Brain Bar Festival held in Budapest on Sept 9-10, Europe's largest festival on future, the organisers said. The event in Millenáris Park will feature speakers such as Japanese star architect Sou Fujimoto, the designer of the Hungarian House of Music to be soon completed in Budapest.

Fujimoto will speak at an urban panel discussing the topic of making cities livable places at 3pm on Thursday. His panel partners will include Roman Sysel, CEE regional director at Bolt, who will talk about the future of mobility.

The event will be addressed by Richard Browning, the founder and chief test pilot of Gravity Industries which designs, builds and flies Jet Suits, who will give a talk on a new era of human flight. Other speakers include Damian Bogunowicz, strategist engineer of Tesla, and Erik J. Larson, a machine learning engineer discussing the future of artificial intelligence.

The festival will also feature Yael Eisenstat, a former CIA officer, diplomat and national security advisor to Joe Biden, discussing the issue of the freedom of speech versus tech giants, legendary British journalist Alan Rusbridger, chief editor of The Guardian between 1995 and 2015, addressing the topic of digital sovereignty and Gladden Pappin, chief advisor to Mark Zuckerberg, talking about threats to the freedom of speech and social media censorship.

### **HUNGARY AUG INFLATION 4.9%**

Annual inflation in Hungary was 4.9% in August, up from 4.6% in the previous month, the Central Statistical Office (KSH) said. Prices in the category of goods that includes vehicle fuel grew by 9.2%, with vehicle fuel prices rocketing 21.7%. Food prices rose by 3.7%, while household energy prices edged 0.4% higher. Core inflation was 3.6%, while month on month, inflation was 0.2%.

### **STIMULUS LIFTS BUDGET DEFICIT TO HUF 1,900.7 BN IN AUG**

Hungary's cash flow-based budget deficit, excluding local councils, was 1,900.7 billion at the end of August, the Finance Ministry said in a preliminary release. "Hungary's economy grew by a record 17.9% in the second quarter of 2021 compared with the same period a year earlier, while the number of employed grew to more than 4,700,000. These data also reflect the success of a supportive fiscal policy built on tax cuts, job creation, investment incentives and family support," the ministry said.

### **FOREIGN TRADE BALANCE POSTS DEFICIT IN JULY**

The value of exports in euros increased by an annual 10% in July, while imports were 14.7% higher than a year earlier, posting a deficit of 193 million euros, the Central Statistical Office (KSH) said, quoting its first estimate. Exports were worth 9.498 billion euros in July while

imports came to 9.691 billion. Export growth slowed in July as shutdowns due to supply chain interruptions caused a drop in the output of the automotive industry.

### **HUNGARY RECORDS 246 NEW CORONAVIRUS INFECTIONS, 3 DEATHS**

Three Covid patients died over the past 24 hours of a Covid-related illness, while 246 new coronavirus infections were registered, [koronavirus.gov.hu](http://koronavirus.gov.hu) said. So far 5,825,831 people have received a first jab, while 5,530,279 have been fully vaccinated. Fully 438,000 Hungarians have already received booster jabs. The number of active infections stands at 5,586, while hospitals are treating 208 Covid patients, 26 of whom need respiratory assistance. Since the first outbreak, 814,064 infections have been registered, while fatalities have risen to 30,077. Fully 778,401 people have made a recovery. There are 2,212 people in official quarantine, while 6,651,684 tests have been officially carried out.