

## PHOTO OF THE DAY



VN finance ministers meet in Budapest

## UPCOMING EVENTS

Coronavirus updates

Stats office releases July trade figures

## TOP STORY

# HUNGARY-SERBIA GAS LINK LAUNCHED

Foreign Minister Péter Szijjártó and Serbian Interior Minister Aleksandar Vulin have inaugurated the gas interconnector linking the two countries' gas networks.

Supplying energy is one of the most important duties of the government as well as a matter of national sovereignty, Szijjártó said in Kiskundorozsma, in southern Hungary. Without such resources, the country would become vulnerable and "fair game for others", he said. "Hungary's gas supply is not an ideological or political issue: ideologies and political statements cannot heat homes or fuel industry," Szijjártó said.

Earlier this week, Hungary signed an agreement with Russian energy giant Gazprom to ensure supply once the previous agreement expires on Sept. 30, Szijjártó noted. The 15-year agreement, in which Hungary pledged to buy 4.5 billion cubic meters of gas each year for at least the next ten years, will ensure the country's supply for 15 years, he said.

Meanwhile, consistent development and route diversification are key to securing continuous supplies, Szijjártó said. The new interconnector will transport up to 8.5 billion cubic metres of gas to Hungary annually, with 32% of the first year's supply already contracted, he said.

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## **UKRAINE MOVE 'GROSS ATTACK ON HUNGARY'S SOVEREIGNTY'**

Foreign Minister Péter Szijjártó noted at the inauguration of the Hungary-Serbia gas interconnector that Ukraine had threatened to turn to the European Commission over the agreement, which they said violated the Hungarian-Ukrainian basic treaty by "dealing a blow" to Ukrainian interests. Previously, Russian gas deliveries to Hungary flowed through the Ukrainian pipeline. Hungary categorically rejects the Ukrainian complaint, and sees it as a "gross attack on Hungary's sovereignty", Szijjártó said. "Ukraine, or any other country, has no say whatsoever on what and with whom we Hungarians sign agreements," he said.

Serbian Interior Minister Aleksandar Vulin said at the inauguration that the interconnector brought about an important change for Serbia: instead of paying gas transit fees, from now on Serbia will be the one getting paid, he said. Vulin praised Serbian President Aleksandar Vučić and Hungarian Prime Minister Viktor Orbán as "two of the last free leaders of Europe who put their people's interests first." The interconnector's success is also thanks to their ability to withstand pressure, he said. "The region was always peaceful in periods when Hungarians and Serbians could

decide their fate independently, and it will remain stable and develop as long as that independence is maintained," Vulin said.

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## **V4 FINANCE MINISTERS MEET IN BUDAPEST**

The economic success of the Visegrad Group, and Hungary's above-average performance within it, is key to Europe's economic success, Finance Minister Mihály Varga told a press conference on Thursday. Speaking after a meeting of the finance ministers of the Czech Republic, Hungary, Poland and Slovakia, Varga said Hungary was among the 10 EU countries to have already rebounded to pre-pandemic economic levels. The country took over the rotating presidency of the Visegrad Group in July under the motto "Recharging Europe", he noted. The presidency is focusing on restarting the economy, security, and on giving the group a "decisive voice" in the debate on the future of Europe, he added. Numerous data show the V4 countries developed before the pandemic and recovered after it more rapidly than the EU as a whole, Varga said. To bring up two examples, he said that the EU economy shrank by 6.1% last year as against the V4's 4.6% decrease. The unemployment rate exceeded 7.1% in the block and amounted to 4.1% in the Visegrad countries, the minister said. The participants agreed to continue to boost their economic recoveries and pursue fiscal policies to this end,

Varga said. They also confirmed their commitment to keeping V4 growth rates above the EU average by increasing competitiveness, creating jobs and promoting investments. The ministers also agreed to coordinate their climate-related steps, increase family support to meet demographic challenges and cooperate in protecting borders and fighting illegal migration, Varga said.

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## **KOVÁCS: NEW EC PROPOSAL ON MIGRANTS 'UNACCEPTABLE'**

The government rejects a new addition to the European Commission's migration strategy -- a "sustainable framework" which would mean organised migration to Europe and resettlements -- and also objects to an immigration policy that would lead to migrants gaining citizenship and the right to vote, Zoltán Kovács, the state secretary for international communications and relations, told public media. No one, he said, should be in any doubt that the European left was pro-immigration and now had specific plans to allow migrants the right to citizenship and to vote in elections, Kovács said. The Hungarian people, he added, have clearly and repeatedly expressed their view on the matter.

In the recent National Consultation public survey, more than 90% of respondents agreed that Hungary does not support the immigration policy of Brussels and its plan to

resettle migrants, he said. Fresh data show that so far this year more than 81,000 people have attempted to enter Hungary illegally, a far higher figure than before the 2015 migration crisis, he said, adding that Hungary has been fending off migration pressure, which is constantly mounting, for the sixth successive year. Kovács said the bigger problem, however, was pressure from Brussels borne from its migration policy. The left wing in Hungary would ape the European left if it won next year's general election. "This can't happen with a civic government in place in Hungary," Kovács said.

### **JUSTICE MINISTER: 'LIBE HAS NO POWER OVER HUNGARY'**

Hungary is a free and independent country over which the European Parliament's Committee on Civil Liberties, Justice and Home Affairs (LIBE) has no power, Justice Minister Judit Varga told a press conference after a one-hour meeting with a LIBE delegation in Budapest on Thursday. "The 2022 election campaign is already under way in Brussels," she said, calling LIBE a "political body". The delegation, she said, was composed of four left-wing, three liberal and three right-wing conservative members. The debates on the rule of law, she said, were focused on values rather than on the observance of laws, and triggered political responses, she said. The Article 7 procedure launched against Hungary in 2018

over migration was also based on values, and now the EP's left-wing majority is trying to stop Hungarians from protecting their children, the minister said, adding that LIBE had "attacked Hungary" because of its child protection law in the summer. The minister argued that in the current phase of Article 7 procedure the EP, including LIBE, had nothing to do with the affair, which is now before the European Council. She said that although the EP was trying to exert pressure on the council in this phase, too, it had no business doing so, adding that "the EP should wait its turn". "This is a political witch-hunt in which the indictment coincides with the verdict," she said.

Varga expressed thanks to European lawmakers who supported the Hungarian position, adding that "Europe is still diverse". The minister noted that human dignity, freedom and democracy are fundamental values in the European Union. The Hungarian government, meanwhile, only wanted to act in line with the democratic will of the Hungarian people, she added. Varga said she had rejected the accusations, and made it clear that the child protection law did not pertain to adults.

Asked about the EU's recovery fund, the minister said, "We will not give in to blackmail". She called it "utter nonsense" that the EU wanted to link payments to a debate over values and bar countries from a loan that was raised by the EU as a community of member states.

### **HUNGARY RECORDS 633 NEW CORONAVIRUS INFECTIONS, FIVE DEATHS**

Five patients died of a Covid-related illness in the past 24 hours, while 633 new coronavirus infections were registered, [koronavirus.gov.hu](http://koronavirus.gov.hu) said on Thursday. So far 5,887,540 people have received a first jab, while 5,645,518 have been fully vaccinated. Fully 760,000 Hungarians have received a booster jab. The number of active infections stands at 7,425, while hospitals are treating 539 Covid patients, 87 of whom need respiratory assistance. Since the first outbreak, 822,705 infections have been registered, while fatalities have risen to 30,190. Fully 785,090 people have made a recovery. There are 5,395 people in official quarantine, while 6,932,779 tests have been officially carried out.

### **CABINET MEETS IN W HUNGARY TO DISCUSS ARMY DEVELOPMENT**

Hungary's government discussed defence industry developments at a cabinet meeting at a military base in Hajmáskér, in western Hungary, on Thursday. The meeting led by Prime Minister Viktor Orbán focused on reviewing the progress of the army's development programme. After the meeting, the prime minister and the members of his government observed military exercises at the base.

## **SZIJJÁRTÓ: HUNGARY COULD PROFIT FROM CHINA-EU RAILWAY CARGO TRANSPORT**

The railway transport of Chinese goods offers profitable opportunities for the Hungarian railway network, Péter Szijjártó, the minister of foreign affairs and trade, told an event of railway association HungRail. Hungary has already started revamping the Budapest-Belgrade rail line with a view to transporting Chinese goods from Greek ports to Europe via Hungary, Szijjártó noted. While that project will be operational by 2025, it would also be “important to draw direct railway cargo traffic from China to the European Union via Hungary”, thus “monetising” the country’s geographical position, he said. Such traffic would warrant further infrastructure development in the north-east of the country, such as the intermodal centre already under construction at Fényeslitke, he said. The 12 billion forint (EUR 33.3m) investment will be operational by the end of 2022, the minister noted. Another intermodal centre planned in the west of the country would be key to help exports reach sea ports swiftly, he said. Szijjártó again welcomed the construction of a container terminal in Zalaegerszeg, in south-western Hungary, saying the facility would draw further investments to the region. At the same time, he said central Europe was at a competitive

disadvantage due to a lack of high-speed railway lines in the region. Regional cooperation now aims to construct railway lines linking Slovakia, the Czech Republic, Hungary and Poland, he said. Szijjártó praised the sector for withstanding well the coronavirus crisis. That makes it all the more important for Hungary to take its share from the growing traffic, he said.

## **PPI INCREASES BY 14.4% IN AUGUST**

Factory gate prices in Hungary increased by an annual 14.4% in August, the Central Statistical Office (KSH) said on Thursday. KSH said the increase was driven by dearer raw materials, base materials and vehicle fuel, as well as by the forint-euro exchange rate. Prices for domestic sale increased by 18.5% and export prices rose by 14.4%. Factory gate prices in vehicle manufacturing edged up by 2.1% and increased by 2.7% in the computer, electronics and optical equipment segment. Factory gate prices for chemicals jumped 39.7% and rose by 26.9% for metal products. In a month-on-month comparison, factory gate prices edged up 0.4% as prices for domestic sale increased by 1.1% and export prices were unchanged. For the period January-August, industrial producer prices increased by 10.8% year on year, with prices for domestic sale rising by 11.9% and export prices climbing by 10.2%.

## **HUNGARY, GERMANY PARTNER ON EUR 14 M IN RESEARCH AND DEVELOPMENT SUPPORT FOR SMES**

The innovation portfolios of the governments of Hungary and Germany are partnering on a 14 million euro grant programme to support cross-border, market-oriented research and development cooperation among SMEs, according to Hungary’s innovation and technology ministry. The goal of the programme, to which the governments of Hungary and Germany are each contributing 7 million euros, is to produce innovative products, services and technologies on the basis of cooperative work which may also involve universities and research institutes as well as SMEs. The programme is part of Eureka, an intergovernmental organisation for funding and coordinating R&D that includes the European Union and EU member states among its members. Since Hungary’s accession to Eureka in 1992, 125 projects with Hungarian participants have been implemented, supported by almost 78 million euros in funding, and some 30 projects are still underway. German partners were involved in about one-third of the finished projects.

László Palkovics, the ministry’s head, said the latest funding scheme in the Eureka framework will encourage cooperation in “forward-looking fields of key importance, from artificial

intelligence to quantum technology and biotechnology, to autonomous production systems". He noted that the state of Hungary is partnering with German defence industry company Rheinmetall on the construction of a plant in Zalaegerszeg, in western Hungary, that will make Lynx armoured combat vehicles, and the first phase of an off-road environment at the nearby ZalaZONE test track has been completed. The Innovation and Technology Ministry and German R&D network coordinator Fraunhofer Gesellschaft "share the view that bilateral cooperation in R and D and I can be further expanded in the areas of quantum computing, AI and food safety", he added.

### **SZIJJÁRTÓ INAUGURATES THYSSENKRUPP R&D CENTRE IN BUDAPEST**

Drawing research and development investment is especially important to Hungary as a means to "win the future", Péter Szijjártó, the minister of foreign affairs and trade, said at the inauguration of a 13,200 sqm R&D centre of German company thyssenkrupp in Budapest. The government supported the 2.2 billion forint (EUR 6.1m) investment, where more than 1,000 engineers will work on automotive industry developments, with a 282 million forint grant, Szijjártó said. The project is another proof of thyssenkrupp's long-term commitment to working in Hungary, he said. Szijjártó told the

event that changes in the Hungarian economy had created a "virtuous circle: the companies with positive experience in production in Hungary are increasingly willing to bring research and development facilities here." The products developed here are then likely to be manufactured in the country, too, he said. "The country which wins the competition for R&D investment is actually winning the future; a chance for long-term reliable economic development," he said. Hungary's economy grew by 18% in the past quarter, with investments worth a total of 1,700 billion forints currently under way in the country, he noted. The automotive industry' production value is expected to reach a record 10,000 billion forints, Szijjártó added.

### **IMPACT STUDY FOR RAILWAY TUNNEL UNDER RIVER DANUBE WINS EU FUNDING**

The preparation of an environmental impact study and technical assessments for a railway tunnel under the Danube can be started after the government passed a resolution to provide funding for the project which has received European Union funding of 1 billion forints (EUR 2.8m), the managing director of the Budapest development centre announced. The European Commission has found the project proposal for the Budapest railway tunnel "of very high standard, well-founded, logical and well-

prepared," Dávid Vitézy said. A final government decision on building the tunnel has not been made but the detailed preparations and feasibility study are needed in order to assess the potential costs and advantages, he said. A well-founded decision can then be made for a railway development of "historic significance", he added. Vitézy said on Facebook that EU funding had been won for a joint bid by the Budapest development centre and the ministry of innovation and development for the extension of a high-speed railway link to connect Budapest with Vienna, Prague and Berlin from the west, also with a view to link Vienna's Schwechat airport to the east. The planning and preparation of a railway tunnel between Kelenföld station and Nyugati station in Budapest has been under way since November 2020, when a contract was signed with a Hungarian-Swiss-Dutch-British planning team to prepare technical assessments and a feasibility study, he added.

### **HUNGARIAN INVESTOR ACQUIRES MAJORITY STAKE IN AERO VODOCHODY**

Aero Vodochody, a Czech manufacturer of light combat and training aircraft, has been acquired by HSC Aerojet, in which the Hungarian investor Kristóf Szalay-Bobrovniczky holds an 80% stake and Czech company Omnipol owns 20%, according to the website of local

business daily E15. HSC Aerojet's full acquisition of Aero Vodochody, which includes the Vodochody airport, was based on a contract signed in July. With the change in ownership, Vodochody head Dieter John has been replaced by Viktor Sotona, the chief executive of Omnipol group member ERA, which makes surveillance and reconnaissance technology. "Aero will continue to develop all three pillars of its business: development and production of its own aircraft, repair and maintenance of aircraft, and the aerostructures programme," Sotona said. The Penta Group bought Aero Vodochody when it was privatised in 2007.

**NATURE PROTECTION  
AUTHORITY: OVER  
100 PREDATORS  
POISONED WITH ILLEGAL  
CARBOFURAN**

Toxicology and pathology tests carried out by the national food safety authority (Nébih) have confirmed the poisoning of 114 predators, including 8 endangered species of birds of prey, from carbofuran, a highly toxic pesticide banned in the European Union, at

the Tura hunting ground east of Budapest, according to Hungary's bird and nature protection association (MME). MME said earlier in September that poisoned bait had been placed across almost the entire Tura hunting area of 8,000 hectares killing 93 birds of prey, as well as foxes, crows, dogs and cats. Carbofuran, a small quantity of which can kill humans, was banned in the EU in 2008. It is one of the most toxic compounds on the pesticide market, with between 3 to 19 milligrams enough to kill a mammal depending on body weight. In the case of birds, an even smaller amount can be lethal, MME said, adding that the concentrations revealed by the tests shocked professionals because the 6,000 milligrams per kilo found in a single bait and the close to 60 milligrams detected in a poisoned western marsh harrier have far exceeded all previous cases of poisoning. "The poisoned bait conservationists removed from the Tura hunting ground in the past weeks may have contained active ingredients enough to kill up to 158 people, destroy 158,000 western marsh harriers or poison the entire world population of eastern imperial

eagles," MME said, adding that police in Gödöllő are conducting a criminal investigation.

**COLLEGIUM HUNGARICUM  
BERLIN TO HOST  
EUROPE'S FIRST LITERARY  
TRANSLATION FESTIVAL**

The Collegium Hungaricum cultural institute in Berlin will host Europe's first literary translation festival featuring round table discussions, workshops, concerts and a photo exhibition on the weekend, the institute said. The three-day event dubbed Translationale Berlin will explore literary translation as a creative process and its transmitter role. It will also discuss questions whether a literary translator can apply "an own voice", what makes a translation good, who decides which works constitute world literature and what is the world of world literature like. The programme also includes discussions about the issue of online translation programmes versus traditional translation work by experts, the emergence and impact of Globish, a form of simplified 'global English', as well as literary translation issues in connection with Hungarian as a unique language, CHB said.

