

PHOTO OF THE DAY



MTVA/Attila Balázs

Bees on a flowering apple tree in north-eastern Hungary

UPCOMING EVENTS

Stats office reports on Q1 home building permits, March commercial lodgings

War in Ukraine

European Parliament holds plenary session

TOP STORY

HUNGARY 'CAN'T BACK CURRENT OIL EMBARGO PLAN'

Hungary cannot responsibly support the European Commission's latest package of sanctions against Russia in its current form, the foreign minister has said, arguing that the sanctions would destroy Hungary's energy security.

Speaking from Uzbekistan, Péter Szijjártó said the latest sanctions package would "involve a ban on crude oil shipments from Russia to Europe with a rather short notice, which in Hungary's case would apply from the end of next year". Hungary's energy supply is currently secure and on a stable foundation, but this package "would destroy that completely", making it impossible for Hungary to procure the amount of oil necessary to keep the economy running, he said. "This is not a matter of a lack of political will, not a matter of intent, of duration, but simply physical, geographical and infrastructural reality," Szijjártó said. It is from Russia that Hungary can buy the necessary amount of oil via the existing pipelines, and even from a technological standpoint, only Russian oil can be refined in the country, he said. The Hungarian government cannot responsibly vote for the latest sanctions package in its current form, Szijjártó said. In order for Hungary to support the measures, oil shipments via pipeline would have to be exempted from the embargo, he added.

GOVT OFFICIAL: TRANSCARPATHIA MISSILE ATTACK LIKELY TARGETED RAILWAY STATION

The first missile attack on Ukraine's Transcarpathia region on Tuesday afternoon was probably targeted at a railway station, a foreign ministry official told public radio. The foreign ministry is in constant contact with the Hungarian representation in Uzhorod (Ungvár), state secretary Tamás Menczer told Kossuth Rádió. The attack started at 6pm on Tuesday and lasted two hours, he said. No casualties were reported, he said. "It is important to note that the attack justifies our decision not to transport weapons to the war," as the deliveries could easily become a target of Russian attacks, he said.

Regarding the European Union's latest sanctions against Russia, Menczer said Hungary "cannot support" sanctions that hit the energy sector. Some 85% of gas and 65% of oil consumed in Hungary comes from Russia, and replacement is impossible from "one day to the other", he said. At the same time, the government agrees with diversifying European energy deliveries, "although we can only buy gas and oil from [countries] that have it," he said.

Speaking on public current affairs channel M1, Menczer said the Adria pipeline would require serious upgrades by Croatia if Hungary were to receive crude oil via that route. It

would also require the alteration of Hungarian refineries to process crude other than the Russian product, and such a conversion would take years, he said.

EC PROPOSES PHASED OIL EMBARGO ON RUSSIA

The European Commission is presenting its sixth package of sanctions against Russia, proposing a phased ban on importing oil from the country, which would take effect over a span of six months, along with banning oil products by the end of this year, EC President Ursula von der Leyen said on Wednesday. Phasing out Russian oil products gradually would increase pressure on Russia in response to its attack on Ukraine, but mitigate the worldwide economic fallout, Von der Leyen told the plenary session of the European Parliament discussing the social and economic consequences of the war.

Meanwhile, the EU will impose restrictions on high-ranking Russian military officers who committed war crimes in Bucha or are responsible for the siege of Mariupol, she said. The EC will also bar Sberbank and another two Russian banks from the international SWIFT payment network. Three Russian state-owned broadcasters will be banned from all EU platforms and EU accountants and financial advisors will be barred from working for Russian companies, she said. Von der Leyen said Putin wanted to wipe Ukraine off the map, adding that he would not

succeed, and he would pay a high price for the brutal aggression in Ukraine.

Meanwhile, the EU has started drafting a large-scale reconstruction package to boost investment and reforms in Ukraine after the war, along with plans to provide short-term financial and budgetary aid, she said. The package would "pave Ukraine's way into the EU," she added.

Jobbik MEP Márton Gyöngyösi said in his address that while there was wide-spread consensus on using sanctions to put pressure on Russia, the EU had failed to address its dependence on Russian energy, and to strengthen solidarity among member states. Besides focusing on dependence from Russia as a source of fossil fuel energy, Gyöngyösi proposed that EU member states should also terminate their contracts with Rosatom, the Russian state-owned nuclear energy company. Hungary should terminate its agreement on the upgrade of the Paks nuclear plant, he said.

JUSTICE MINISTER SUBMITS 10TH CONSTITUTIONAL AMENDMENT PROPOSAL

Justice Minister Judit Varga said on Facebook on Tuesday that she had submitted the 10th amendment proposal to the Fundamental Law to parliament. "The Russian-Ukrainian war has resulted in a humanitarian situation not seen since the Second World War and has also changed the

economic outlook in Europe,” she said in an English-language post. “In order to meet and counter these challenges, our country must ensure the capacity to develop an effective and rapid national response,” she added. The constitutional amendment proposal published on the parliament website on Tuesday expands the government’s mandate to declare a state of emergency to cases of war or humanitarian catastrophes in neighbouring countries.

At present, Hungary’s constitution allows the government to declare a state of emergency, or “state of danger” as it is referred to in the Fundamental Law, “in the event of a natural disaster or industrial accident endangering life and property, or in order to mitigate the consequences thereof”.

The amendment would insert “in the event of armed conflict, war or humanitarian catastrophe in a neighbouring country” into the article. Gergely Gulyás, the prime minister’s chief of staff, had said at a regular press briefing two weeks earlier that the government would submit the amendment proposal.

FRENCH MEP: EU COULD USE RULE OF LAW CONDITIONALITY MECHANISM AS POLITICAL TOOL AGAINST HUNGARY

An MEP of France’s National Rally said on Wednesday that there was a risk that the European Commission

could use the European Union’s rule of law conditionality mechanism designed to protect the EU budget as a political tool against Hungary. Helen Laport told MTI in Strasbourg that this was because there was no clear definition of what constitutes a violation of the principles of rule of law. Commenting on a position planned to be approved at an EP plenary session concerning the situation of the rule of law in Hungary and Poland, she said that the EP’s Identity and Democracy Group had submitted an alternative draft resolution which supported Hungary. The EP’s planned resolution refers to the rule of law but there is no generally accepted legal definition of the term, and this paves the way for vague interpretations, she said.

The MEPs that have submitted the alternative draft resolution supporting Hungary have warned that without a clear definition of the rule of law, the EC could use the conditionality mechanism as a political weapon, she said. The alternative resolution argues that the legal authorities of various member states have different interpretations for the rule of law and there is no consensual interpretation at the EU level, she said. It also states that the EU had overstepped its authority when it approved the conditionality mechanism, she added. She said the conditionality mechanism was a controlled political tool and members of the ID group condemn all attacks against Hungary under the guise of the mechanism. They consider

it unacceptable that the EU could hold back funding due to Hungary and Poland, she said. Instead, the bloc should better recognise these countries’ efforts in receiving refugees fleeing from the Ukraine war, she added

COE CALLS FOR REGULATING VIRTUAL CURRENCY TO FIGHT MONEY LAUNDERING

Moneyval, the Council of Europe’s expert body against money laundering, called for stricter regulations for virtual currencies in a report published in Strasbourg on Wednesday, noting that Hungary had further improved its regulations but had still not fully implemented international rules on virtual currencies and service providers. The body said Hungary is still being monitored and is required to present an annual report. Hungary has been scrutinised since September 2016 in terms of the efficacy of its measures taken against money laundering and the financing of terrorism. More generally, the body called for stricter rules for service providers, including attorneys and accountants that are in a position to assist in illegal financial transactions and tax evasion. The practice of using cryptocurrencies poses a serious challenge, while conventional controls cannot be applied and member states show limited efficiency in their fight against money laundering and the financing of terrorism, Moneyval said.

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SZIJJÁRTÓ: HUNGARY, UZBEKISTAN TO LAUNCH COOPERATION PROGRAMMES

Hungary and Uzbekistan will launch large-scale cooperation programmes in the fields of nuclear energy, water management, agriculture and border control, creating opportunities for Hungarian companies in that rapidly developing Central Asian nation, Péter Szijjártó, Hungary's minister of foreign affairs and trade, said in Tashkent on Wednesday. Uzbekistan has launched ambitious development projects in areas with cutting-edge Hungarian technologies in place, the foreign ministry quoted Szijjártó as saying at a press conference after the seventh session of the two countries' inter-governmental committee for economic cooperation.

Hungary is set to contribute cooling technology for a new nuclear power plant in the framework of a 300-400 million euro project, as well as help train Uzbek nuclear experts, he said. Hungary has agreed to grant scholarships to 170 Uzbek university and college students, up from one hundred thus far, the minister said. Nuclear energy has a key role to play in Hungary's secure energy supply, and determining the energy mix is a national competence, Szijjártó said, noting the European Union had consistently declared nuclear energy's full exemption from sanctions on Russia.

Referring to the Afghan border, the minister said: "Europe has a vital

interest in preventing further waves of migration that could promote the spread of terrorism and extremist ideologies." On this score, he said the European Union should double the amount earmarked for border defence efforts in Central Asia. Concerning water management and agriculture, the minister noted that Turkic Council member states have agreed to establish an institute tasked with preventing drought.

Bilateral trade exceeded 110 million dollars last year and increased by 48% this year, Szijjártó said, adding that Hungary's Eximbank had opened a 105 million euro credit line to help finance bilateral business cooperation. The two sides have signed a supplementary protocol on the Stipendium Hungaricum scholarship programme and a declaration of intent on tourism cooperation. Szijjártó was scheduled to meet his Uzbek counterpart, the deputy prime minister for investments and external economic relations, and the ministers of health, innovative development, higher and secondary education, tourism and cultural heritage later in the day.

KÖVÉR: ALLOWING GOVT TO MAKE SWIFT DECISIONS ON UKRAINE WAR IN HUNGARY'S NATIONAL INTEREST

Amending the Constitution to authorise the government to make fast decisions concerning the war in Ukraine is in Hungary's national

interest, Speaker of Parliament László Kövér said on Tuesday. Kövér, who was re-elected speaker on Monday, told commercial Inforádió that with one of the world's biggest nuclear powers at war in Hungary's neighbouring country, it was in Hungary's national interest to allow the government to act quickly without having to go through the parliamentary procedure. The model is the same as what was applied during the pandemic, he said.

Kövé said the world was becoming increasingly unpredictable, and it was crucial to protect Hungary's achievements of the last 12 years. "If we stay out of the war chorus, we've already done a lot to ensure that this war ends as soon as possible with as few casualties as possible," Kövé said.

The speaker said many believed that the conflict in Ukraine was not a war between Russia and Ukraine, but rather Russia and the United States and a prelude to a geostrategic conflict between the US and China. A possible goal of this conflict is to detach Europe from Russia and Asia economically and politically, with a view to preventing the formation of a united political-economic area stretching from the Atlantic to the Pacific, Kövé said. The US could not compete with the potential of such an economic area, he added.

Concerning the Visegrad Group, Kövé said the changes in government in the Czech Republic and Slovakia had not helped the grouping, arguing that the foreign ministers of both countries were from parties that were

not committed to the V4 and did not see this cooperation as a priority.

He said that because of the war in Ukraine, Hungarian-Polish relations were not as strong as before, adding, however, that the problem could be overcome if the two countries got back to the starting point. As regards his re-election as speaker with 170 votes in favour, Kövér said that not all opposition MPs had exited the House chamber after taking their oaths. He said this could signify the beginning of a "new chapter" in cooperation between the government and the opposition. If the opposition is open to this, the ruling parties are too, he said.

RESEARCH INSTITUTE: ONE THIRD OF HUNGARIANS HELP REFUGEES FROM UKRAINE

Every third Hungarian citizen has actively helped people fleeing Ukraine, the Kopp Mária Institute told MTI on Wednesday. According to the family policy research institute, 58% of those making donations sent money, 40% food, and 39% other items. The institute said that 36% of Hungarian women and 25% of men had made donations or volunteered to help refugees from Ukraine. Volunteers were mostly pensioners or married people with two or more children and those with a higher education.

Over 75% of respondents in the institute's survey said the government was doing well in responding to the needs of the

refugees, while 13% had the opposite view (10% were unsure). One third of respondents indicated they were aware that Hungary had so far received over 600,000 refugees from Ukraine, while another third said thought the figure was below 500,000 and a quarter of respondents put the figure between 500,000-600,000. Most respondents singled out the Maltese Charity and the Hungarian Red Cross as the chief providers of humanitarian aid, while the majority was also aware of efforts coordinated by the government and religious and civil charity organisations, the institute said.

HUNGARY ATTENDS WORLD FORESTRY CONGRESS IN SEOUL

Forests are in the focus of Hungary's fight against climate change, Sándor Szentpéteri, Hungary's deputy state secretary in charge of the country's woods, told the 15th World Forestry Congress in Seoul on Wednesday. The agriculture ministry cited Szentpéteri as voicing agreement with the aim of the congress, to promote a green and sustainable future by way of cultivating forests. Concerning Hungary's achievements, the official said the country had doubled its wooded areas in the past decade, noting that a programme launched in recent years had given new impetus to those efforts. By 2030, Hungary aims to increase the ratio of its woodlands to 27% of its total area, Szentpéteri

said. He also stressed the importance of cultivating existing woodlands lest they should "fall victim to the impacts of climate change". The Hungarian delegation to the conference is mostly interested in sustainable forestry and circular forest management, as well as in opportunities for cooperation concerning the application of Hungary's experience in desert afforestation, the statement said. The conference, held every six years, is being attended by 12,000 participants.

HUNGARY MARCH RETAIL SALES UP 16.2% YR/YR

Retail sales in March grew by an annual 16.2% from a low base, the Central Statistical Office (KSH) said on Wednesday. Calendar-year data also showed 16.2% growth. Food sales increased by 0.2%, non-food sales by 29.7%, while vehicle fuel sales jumped by 51.4%.

Commenting on the data, analysts said that retail sales had grown on the back of bonuses and tax refunds paid in February, fuel tourism induced by the government price cap, the low base, and inflation expectations. Gergely Suppan of Magyar Bankholding said retail turnover exceeded expectations in March. One-off government measures such as the PIT refund for families raising children, the 13th month pension, and allowances for service members boosted already robust wage growth, which was around 13%, he said. Retail sales grew on the back of price caps on

fuel and basic foods near the border, where it boosted shopping tourism, he said. In view of those tendencies, Bankholding expects retail growth to be above 10% this year, he said.

Péter Virovác of ING Bank said the two-digit jump in retail sales came after a rise of 7.3% growth in 2021, indicating that, besides the low pandemic-related base, other factors such as fuel tourism, aid to and consumption by Ukrainian refugees, and inflation expectations may have played a role. He said the March data were likely indicative of a blip rather than structural change, though growth at this level was “definitely unsustainable” and would raise first-quarter GDP greatly, he said.

**POLICE: OVER 10,000
REFUGEES ARRIVE FROM
UKRAINE ON TUES**

Fully 5,000 people crossed into Hungary directly from Ukraine on Tuesday, while another 5,267 from Ukraine crossed from Romania, the national police headquarters said. Police issued temporary residence permits valid for thirty days to 873

people, the police website said on Wednesday. Holders of such permits must contact a local immigration office near their place of residence within thirty days to apply for permanent documents, it added. Budapest police received 284 refugees, 138 children among them, by train, according to the municipal police website.

**PIANIST JÁNOS BALÁZS
DISC QUALIFIES FOR US GP
FINAL**

ImprovisArt, a disc by Hungarian pianist János Balázs, has qualified for the New York final round of the Music International Grand Prix in the adult piano category, the artist’s management told MTI. Balázs will play the works live in the Kaufman Music Center in the final round on May 20, it said. ImprovisArt was dedicated to the birth centenary of eminent Hungarian pianist György Cziffra, and presented in concerts all over the world. The jury appreciated Balázs’s endeavour to revive the tradition of pianists and composers improvising and composing transcriptions of popular operas and songs. The 73

minute disc featuring 13 Bach, Liszt, Cziffra and Balázs transcriptions was released by Italian publisher Sheva last November.

**FESTIVAL ACADEMY
BUDAPEST CHAMBER
MUSIC SERIES TO BE HELD
IN JULY**

The seventh Festival Academy Budapest chamber music series, founded by Hungarian violinists Katalin Kokas and Barnabás Kelemen, is to be held at various venues in the capital from July 15 to 24. Péter Fekete, the state secretary for culture, told a press conference that Kokas and Kelemen had once again invited a host of internationally celebrated soloists to perform at the festival. Performers include violinist Vilde Frang, cellist Nicolas Altstaedt, pianist Fazil Say, trumpeter Sergei Nakariakov, violinist Hagai Shaham and soprano Anna Prohaska, among others, Kelemen said. The festival will be held at venues including the Ferenc Liszt Academy of Music, the Széchenyi baths, Margaret Island, the Buda Castle and the Budapest Music Center, Kokas said.

