

## PHOTO OF THE DAY



MTI/Noémi Bruzák

Katalin Novák takes over presidency from János Áder

## UPCOMING EVENTS

**National Election Cttee meets over referendum initiatives**

**LMP submits bill on Hungary GMO-free status**

**War in Ukraine**

**Tour de Hongrie starts**

## TOP STORY

# SZIJJÁRTÓ: EC MUST GUARANTEE ENERGY SUPPLY

Hungary can only support a European package of sanctions against Russia that ensures the country's energy supply, the foreign minister said on Tuesday.

Péter Szijjártó told reporters in Brussels that the European Commission's latest sanctions package jeopardised the unified EU stance on ending European dependence on Russian energy. If the sanctions are approved, Hungary would have to make enormous infrastructure investments and would also need to manage the effects of the measures on price increases, he said. Szijjártó said on Monday that a meeting between Prime Minister Viktor Orbán and European Commission President Ursula von der Leyen in Budapest had yielded some progress, but more discussions were needed in order for Hungary to change its stance on the commission's proposal. He said von der Leyen had been briefed in detail on the effects the sanctions would have on Hungary. Hungary's energy supply "rests on stable foundations", but the implementation of the new sanctions package would destroy the country's energy security, as it would make it "impossible" for Hungary to buy the oil needed to run the economy, Szijjártó said. Until the EC offers a solution to these problems, Hungary cannot support the sanctions package, he said.

## **ORBÁN, MACRON IN PHONE TALKS**

Prime Minister Viktor Orbán spoke by phone with the French President Emmanuel Macron on Tuesday, the Prime Minister's press chief told MTI. The two leaders discussed issues in connection with European energy security, Bertalan Havasi said.

## **NOVÁK TAKES OVER PRESIDENCY FROM ÁDER**

Katalin Novák on Tuesday took over the presidency of the republic from János Áder. Áder greeted Novák at the entrance of Sándor Palace in the Castle District and showed her round the presidential offices and residency before making an appearance with her on the presidential building's balcony. Parliament elected Novák president on March 10, and she will be the sixth president since the 1989/90 change of political system. Novák will be sworn in during a ceremony on Saturday. Hungary's president fulfils a largely ceremonial role. According to the Fundamental Law, the president expresses the unity of the nation, protects the democratic functions of the state, and is Commander-in-Chief of the Hungarian Armed Forces. The head of state is elected by the parliament for five years and can fulfil no more than two terms of office.

## **SZIJJÁRTÓ WARNS OF CONTINUING SECURITY CHALLENGES OUTSIDE EU**

Amid challenges linked to the war in Ukraine, "continued security challenges in the neighbourhood of the European Union must not be neglected", Foreign Minister Péter Szijjártó said in Brussels on Tuesday on the sidelines of an international donor conference in support of Syria. Speaking to Hungarian journalists, Szijjártó called for efforts to prevent the EU from having to face multiple security challenges should it fail to handle problems in the Middle East or north Africa. Europe must do everything possible to avoid further waves of mass migration, he said, arguing that the EU should "not promote migration" but help create conditions locally whereby residents are not forced to leave their homelands. Hungary supports and will contribute to European programmes aimed at creating such conditions and helping refugees return to their homelands, he added. At the conference, Hungary offered a total 1,085 one-year university scholarships to students from Syria, Lebanon, Turkey, Jordan, Egypt, and Iraq worth a combined 3.3 billion forints (EUR 8.7m), the minister said. Currently nine Hungarian development projects worth a combined 6.3 billion forints are being implemented in Syria and in countries accommodating Syrian refugees, he added. The programmes are aimed at renewing

and running hospitals, helping schools and promoting job creation, he said. On another subject, Szijjártó said the government rejected "any attempt to compare refugees from Ukraine and illegal migrants [arriving in Hungary] from the south". Hungary will accommodate all refugees fleeing Ukraine but it strictly protects its borders from illegal entrants, he said. "As opposed to Ukrainian refugees, illegal migrants have no right to enter Hungary because they have already crossed dozens of safe countries," the minister said.

## **MENCZER: CROATIAN FOREIGN MINISTRY 'MISUNDERTOOD SOMETHING'**

The Croatian foreign ministry has misunderstood something, state secretary Tamás Menczer said on Tuesday commenting on the Croatian foreign ministry summoning Hungary's ambassador in Zagreb over comments by Prime Minister Viktor Orbán on the European Union plan to phase out Russian oil imports.

Menczer said on Facebook that Orbán had referred to a "historical fact".

"I hope that our Croatian friends won't buy into the media hysteria and we can continue our work in the interest of developing cooperation," he said.

The Hungarian ambassador in Zagreb has been summoned to the Croatian foreign ministry to explain Orbán's statement that "Hungary

would also have a sea, had it not been taken away". Orbán said on Friday that the EU oil embargo planned against Russia was unacceptable, adding that while countries with sea ports could have energy resources delivered to them by ships, landlocked countries were wholly dependent on pipelines.

### **JUSTICE MIN: CONSTITUTIONAL AMENDMENT ABOUT FREEDOM TO TAKE RESPONSIBLE ACTION**

Hungary's tenth constitutional amendment "is about preparing for extraordinary challenges in extraordinary times and the freedom to take responsible action", Justice Minister Judit Varga told lawmakers on Tuesday. The amendment proposal, submitted to parliament last week, would expand the government's mandate to declare a state of emergency in the cases of war or humanitarian catastrophes in neighbouring countries. Addressing a debate on the draft amendment, Varga said the belief that physical conflicts were a thing of the past had been proven untrue, as war was now part of the history of 21st century Europe. Not only has the Russia-Ukraine war in Hungary's neighbourhood created a humanitarian crisis not seen since the second world war, but it has also changed Europe's economic outlook, Varga said. In order to address these challenges and protect against their harmful effects, Hungary must

ensure that it can give quick and effective national responses, the minister said. "This is the purpose of the constitutional amendment." Varga said this also meant that "in the spirit of responsible foresight" and in the interest of the security of the current and future generations, Hungary must prepare its legal system to be able to handle hitherto unthinkable situations.

### **FIDESZ MEP: EU WANTS TO IMPLEMENT CENTRALISED DECISION-MAKING**

The European Union is looking to implement centralised decision-making in the bloc, Fidesz MEP László Trócsányi said on Monday in connection with a fresh report on proposals for reforming the EU. "This is unacceptable to Hungary," Trócsányi told public current affairs channel M1, discussing the report on the year-long conference on the future of the EU. As regards a proposal to abolish member states' right of veto, Trócsányi said the EU had always been based on compromise. If the veto is abolished and decisions will be made based on majority rule, several member states could see the bloc enact decisions that go against their national interests, he said. Trócsányi noted that the EU was made up of 27 member states "and 27 national identities". The EU has a shared set of values that include principles like the freedom of expression, the independence of the judiciary "but this, too, is based on national identity", he added. He noted that the EU had

been forced to deal with a number of "shocks" over the past decade, such as Brexit, illegal migration and the coronavirus pandemic. He said that because the bloc had failed to give the right response to the migration crisis and could not give an effective response to the pandemic, it was "no surprise" that people's confidence in the EU had been shaken. Trócsányi said it was doubtful that the series of conferences on the EU's future had been a success, arguing that its number of participants was roughly equivalent to the populations of four medium-sized towns.

### **STUMMER QUILTS JOBBIK**

János Stummer, a former deputy leader of opposition Jobbik, has quit the party following the election of Péter Jakab as its leader at the weekend. Stummer said on Facebook on Tuesday that Jobbik MPs had "rejected a clear political alternative and patriotic policy" promoted in his leadership bid. It became clear, he added, that "the political community I have been a member and builder of for the past thirteen years does not wish to follow a path of benefitting my homeland", adding that he did not to share Jakab's policies or trust in his leadership. Jakab, since his first election as the party's leader in 2020, has continued pursuing the strategy of his predecessor of pivoting his party from the hard right to the centre right. Stummer said public affairs would "continue to be part of my life" but he was not planning to set up a new party or movement.

## **HUNGARY ANNUAL INFLATION 9.5% IN APRIL**

Consumer prices in Hungary grew by an annual 9.5% in April, up from 8.5% in the previous month, the Central Statistical Office (KSH) said on Tuesday. Food prices rose by 15.6% as the price of bread and poultry both jumped by 29.5% and dairy products prices climbed 22.5%. Prices in the category of goods that include vehicle fuel rose by 10%, with vehicle fuel prices up 12.7%. Prices of spirits and tobacco products increased by 5%. Harmonised CPI adjusted for better comparison with other European Union member states was 9.6%, while core inflation, which excludes volatile fuel and food prices, was 10.3%. CPI calculated with a basket of goods and services used by pensioners was 9.3%. Month on month, inflation was 1.6%.

Analysts told MTI after the data release that the price shock related to the war in Ukraine turned up April rather than March, when inflation came in lower than expected, and April's jump came as a big surprise. Analysts now expect higher and more persistent inflation compared with their previous forecasts.

Péter Virovác of ING Bank said the April shock came on the back of broad and growing inflationary pressures linked mainly to geopolitical events and movements on the global market. Inflation is likely to strengthen further, and the headline rate may soon enter into double digits, he said, even with

price caps in place. Inflation may peak above 11% in the third quarter, he added.

János Nagy of Erste Bank said the April figure as "sobering", reflecting inflationary effects of the war and the greater vulnerability of the forint. The labour market is still tight with resultant huge wage pressures. Nagy also noted the fiscal expansion in recent months and higher-than-expected oil prices.

Gergely Suppan of Magyar Bankholding said inflation could easily reach 14-15% without the government-mandated price caps. Magyar Bankholding has raised its inflation forecast to approaching 9% for the full year, though inflation may be even higher due to raw materials shortages and other global squeezes, he said. Hungary's central bank (NBH) said in a monthly analysis after the data release that the increase in headline inflation was mainly driven by higher prices for core inflation items, but acknowledged that vehicle fuel prices contributed 1.4 percentage point to CPI. The NBH's measure of core inflation excluding indirect tax effects -- a bellwether of underlying inflation -- rose to 10.3% in April from 9.1% in the previous month. The central bank's indicator for demand-sensitive inflation, which excludes processed foods from core inflation, increased to 8.8% from 7.9%. The NBH said the indicators measuring households' inflation expectations "showed unusually high volatility", rising in April and standing over the central bank target range.

## **BUDAPEST AIRPORT TO INSTALL 176 EV CHARGING STATIONS**

Liszt Ferenc International operator Budapest Airport on Tuesday announced plans to install an additional 176 electric vehicle charging stations over three years. Close to 650 million forints (EUR 1.7m) in European Union funding will cover half of the cost of installing 134 of the charging stations and Budapest Airport will cover the full cost of installing 42. The charging stations will be used by ground handling and other service vehicles. Budapest Airport earlier installed 31 charging stations, twelve on the airside and 19 on the landside of the airport, and it has signed a contract to install 35 more. An additional 30 charging stations are used on the airport premises by Budapest Airport partners.

## **HUNGARY TO SHARE IN EBRD SUPPORT FOR MITIGATING IMPACT OF WAR**

Hungary will share in some 2 billion euros of resources the European Bank for Reconstruction and Development (EBRD) is making available to ease the impact of the war in Ukraine on neighbouring countries, Finance Minister Mihály Varga said after a meeting with EBRD President Odile Renaud-Basso in Marrakesh on Tuesday. Varga welcomed the EBRD's

inclusion of the matter of energy security in the support programme and urged the lender to implement the financing as soon as possible. He noted that landlocked Hungary is "heavily exposed" to Russian energy imports, adding that alternative delivery infrastructure has never been built, in spite of the country's efforts. "Pipelines from the west deliver the same Russian oil and gas as pipelines from the east," he said. Varga said he told Renaud-Basso that Hungary is prepared to cooperate with the EBRD on its participation in the post-war reconstruction. He noted that the EBRD has ploughed over 1,000 billion forints (EUR 2.63m) into Hungary, so far, making close to 200 investments.

### **EBRD PUTS HUNGARY GDP GROWTH AT 3.5% IN 2022**

The European Bank for Reconstruction and Development (EBRD) forecast Hungary's economy will expand by

3.5% this year in a report published on Tuesday. In its latest Regional Economic Prospects report, the EBRD said high inflation, the impact of the war in Ukraine on trade and supply of raw materials, and the effect of rising energy prices on industry were the main risks to the baseline GDP forecast. Hungary's government forecasts GDP growth of 4.3% for this year. Before the start of the war in Ukraine, it had projected growth of 5.9%.

### **VALLEY OF ARTS FESTIVAL TO OFFER OVER 2,000 PROGRAMMES NEAR LAKE BALATON**

The Valley of Arts festival organised in the picturesque Káli basin, north of Lake Balaton, will offer more than 2,000 programmes at 36 venues between July 22 and July 31, the organisers said on Tuesday. The festival in its 31st year will again connect the nearby villages of Kapolcs, Vigántpetend and

Taliándörögd through music, theatre, film, contemporary literature, circus and folk dance, they told a press conference. The main venue of pop music will be at Kapolcs's Panorama Stage with concerts by Budapest Bár, Blahalouisiana, hiperkarma, Vad Fruttik, 30Y, Carson Coma and László Dés. The Harcsa Veronika Courtyard will feature jazz and crossover productions and Papageno Classic will be a venue hosting classical music concerts and an opera performance, Natália Oszkó-Jakab, the festival's director, said. The festival's film programme includes the screening of 25 titles from the archives of the National Film Institute, György Ráduly, the institute's director said. Literary programmes including workshops by writer János Lackfi and improvisations for music will be hosted by the Kaláka Courtyard where the Sebő Ensemble will also give a concert, musician Dániel Gryllus said. Theatre will be represented by performances by the Orlai Production, the Petőfi Theatre of Veszprém and Art-Színház.