

PHOTO OF THE DAY



MTI/Zoltán Mihádkó

Clean-up under way after mud sludge caused by downpour in N Hungary

UPCOMING EVENTS

President Novák on official visit to Bucharest

War in Ukraine

Hungarian Motion Picture Festival awards ceremony

TOP STORY

BUDGET 'ADDRESSES INFLATION, ECONOMIC CRISIS'

The government has drawn up the 2023 budget with a view to handling both war inflation and the economic crisis, Prime Minister Viktor Orbán told public radio in an interview on Friday.

The war is likely to be protracted, Orbán said, adding that 2023 would be full of "uncertainty and anxiety", and the world would be "tormented by the war and its economic fallout". He said that whereas Hungarians would not be dragged into the war, it would be impossible not to feel its consequences in the form of inflation and an economic crisis. Orbán pledged to protect the value of pensions and ensure full employment, while he said the budget would protect the government's family support system and caps on household utility bills. Orbán said a decree containing the detailed rules regarding utility bills will be published in the next couple of days, and around 100,000 small businesses will still enjoy low-cost energy supplies thanks to the cap. He said that two special allocations have been created in the budget, one dedicated to defence so that the army can act if required, while the other concerns price caps with a view to protecting living standards for families. Concerning windfall taxes, Orbán said: "It is a war situation and families must not be made to pay its price."

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**ORBÁN: PRICE CAPS
KEEPING 5-6% LID ON
INFLATION**

Ministers in charge of the economy reckon the price caps introduced by the government are keeping a 5-6% lid on inflation, which is now running at 10%, Prime Minister Viktor Orbán told public radio in an interview on Friday. Hopefully price caps can be extended beyond their current July 1 expiry, but such measures must be handled with caution, he said, adding that economy officials would submit their proposals to the cabinet for consideration. "It all depends on the war, because if there is a war, then there is war inflation," he said. "War is destructive and inflation is destructive. If there is peace, then we can withdraw these measures sooner, but if there is war, then we will not be able to withdraw them -- or only very slowly," he added. At the same time, Orbán said that as long as the European Union was "financing the war situation", the war would be protracted and inflation would continue to grow. "The simplest way to reduce war inflation is to have peace," Orbán said, adding that the Hungarian government was almost the only one in Europe talking about the need for peace instead of sanctions and war. The EU must sooner or later change its strategy regarding this issue because if a gas embargo is introduced after the oil embargo, it will destroy the entire European economy, he said. Orbán said it was obvious that certain business

circles had a vested interest in the war, and they were symbolised by financier George Soros, "who openly talks about the need to extend the war", he added. "They are warmongers; they want to profit from the war, while Europe is going to ruin," he said.

Meanwhile, in connection with a demand by the European Commission that Hungary suspend "discriminatory fuel prices" against cars with foreign number plates, Orbán said: "An extraordinary situation justifies extraordinary measures, and the European Union must also understand this." He said he was asking the EU to acknowledge that there is an emergency, and that extraordinary measures may be needed in countries closer to the war zone such as "differentiating between number plates and vehicles based on nationality". Whereas the whole concept of the EU is based on uniformity in some areas and not differentiating on a national basis -- and this was "right in peacetime" -- it was also true that "Brussels is farther away from the Ukrainian border than Hungary" and inflation was higher in those parts of Europe that are geographically closer to Ukraine, he said. "Here we have an extraordinary situation" and "in such cases there is freedom and, I think, an obligation to deviate from the general rules ... otherwise we wouldn't be able to protect the interests of Hungarians", he said. Without the cap on fuel prices at the pump, prices would rise to 700-900 forints (EUR 1.8-2.3) per litre with a

knock-on effect on the price of other products, he said.

Commenting on press reports that the European Commission was seeking to impose import taxes on Russian piped oil, Orbán said he did not believe the commission would "reinterpret an oil embargo agreement after the fact..." In the debate on the embargo, "Hungary fought hard" and "achieved its goal", Orbán said, adding that "the left wing would have supported the embargo" if they were in power, and they would have removed the cap on household utility bills. As regards windfall taxes, Orbán said big companies would have to bear a larger-than-usual part of the public burden, but "in two or three years' time, depending on the war, they will see that the Hungarian economy, renewed in its structure, is one of the most competitive in Europe and this will reopen opportunities for them".

On another subject, Orbán said a proposal by EU Commissioner Frans Timmermans aimed at introducing a carbon emissions tax was an "insane idea", and insisted that large polluters should pay for the green transformation of the European economy rather than citizens.

**NOVÁK: 'ABSOLUTELY
ESSENTIAL' WAR IN
UKRAINE DOES NOT
ESCALATE, ENDS SWIFTLY**

It is "absolutely essential" that the war in Ukraine ends as soon as possible, and the conflict must be prevented



from escalating, President Katalin Novák told public television late on Thursday. Referring to ethnic Hungarians in Ukraine, Novák said Transcarpathian Hungarians "should not only exist in their homeland in a hundred years' time but Hungarian life there should thrive." Those who have been forced to leave should be helped return and allowed to use their mother tongue, she said. Concerning the war itself, Novák said it was "shocking" to see its "daily terrors", but on the other hand it was also possible to witness "selfless help and acceptance even in this trying situation".

Meanwhile, she said: "Russia has not defined its goals, and President Putin does not even call his operations a war ... so it is hard to foresee how things will develop." Answering a question about whether she planned to restore the presidential tradition of holding regular consultations with the opposition parties, Novák said she considered it her duty to "find a voice with everybody who seeks dialogue". Novák said efforts to build national unity could not be narrowed to political parties because "they are groups with different views and sharply conflicting positions". She said it was her task to "learn about those positions and understand them as far as possible". A presidential position, however, provides an opportunity to keep a distance from daily politics, she said. The president suggested she would follow the practice of János Áder, her predecessor, and "sign a hundred laws if they are good and

reject a hundred others if they are bad". "I will decide based on my best conscience," she said, adding that the goal was not to "survive a five-year mandate without conflicts with anybody". On another subject, Novák said democracy was a way for people to promote their will and "if people express their will in a democratic way and they make a decision that must then be taken as directions". "I can often see that many will take offence and be angry with others because they have made a different decision, and consider the process anti-democratic because people have not chosen their position". "Not everyone in Europe or in Hungary is doing especially well as far as acceptance is concerned, and they tend to declare something anti-democratic just because they don't like it," she said.

Concerning the European Union, Novák said Brussels had "grown to be a hydrocephalus" which is "primarily interested in maintaining and further reinforcing itself in many cases to the detriment of good decision-making". In the EU it was "sovereign nation states that decided to coordinate their interests and movements in certain areas, but they must not be stripped of their sovereignty or their national character", she said. Meanwhile, Novák said the country's family policy "should give a response to the serious question of why young people cannot have as many children as they would like". It is an important challenge for the state "to help those who think they are left without support, people with

financial problems prevented from having children, those with fertility issues or families with children facing difficulties," she said. "Saying yes to life, and to the family -- living as a family in everyday life -- is a cultural question," she said, adding that "the family is important for us Hungarians". Novák said Hungary's demographic indicators were "moving in a good direction". The government "is spending a lot on family support and this has not ruined the Hungarian economy ... on the contrary, thanks to one million new jobs, parents can again take up employment." Novák said that in five years' time she would like to see a "smiling Hungary" which is "proud of its values and ready to fight for those values while being open to others."

SZIJJÁRTÓ: 'CARBON TAX INSANE IDEA'

Hungary's foreign minister, Péter Szijjártó, has called the proposed EU carbon tax on drivers of conventional cars "insane". After a meeting of the Organisation for Economic Co-operation and Development (OECD) in Paris on Thursday, he said the proposal must be abandoned at all costs. "Judging from the developments of the recent past, the world appears to have embarked on an uncontrollable rollercoaster with regard to the economic outlook," the foreign ministry quoted Szijjártó as saying. Tackling global challenges appears a forbidding task, Szijjártó said, adding that two things must be avoided. "One

is not to increase the tax burdens of people and the other is not to make countries that are not responsible for the war in Ukraine to pay its price," he said. "We reject any form of tax changes that would put extra burdens on people," the foreign minister said.

SZIJJÁRTÓ: HUNGARY, SERBIA SIGN BROAD ENERGY DEAL

Hungary and Serbia have reached an energy deal for ensuring both countries' energy security which is more comprehensive and significant than any agreement signed hitherto, Foreign Minister Péter Szigjártó said in Belgrade on Friday. At a joint press conference held with Serbian Finance Minister Siniša Mali, Szigjártó noted "unbelievable global uncertainty", with a world economy in the process of undergoing transformation and sanctions "shaking fundamental truths". A few years ago, no one would have expected the main point of contention in energy procurement talks would not be price but the very possibility of purchasing a sufficient quantity of energy, and no one expected energy supply security to be such a critical issue. In two contracts, Serbia has now entered an alliance which "guarantees secure and predictable energy supply to our countries under all circumstances," he said. In line with one of the contracts, Serbia will acquire gas via Hungary and will store in Hungary 500 million cubic metres of natural gas in the upcoming

winter season, he said. Hungary and Serbia already maintained excellent cooperation in the area of natural gas, with a significant portion of natural gas supplies for Hungary arriving from the south, through Serbia, including 1.7 billion cubic metres this year, he said. The new agreement will ensure that Serbia has undisturbed natural gas supplies in the upcoming winter season and, at the same time, "confirms Hungary's role in the area of secure energy supplies for the region," he added. Starting from July 1, natural gas purchased by Serbia will be stored in Hungary and from October 1, it will be supplied in daily portions of 3-6 million cubic metres.

In line with the other contract, the two countries will interconnect their electricity markets. "Hungary will therefore join a Serbian-Slovenian initiative that creates a joint regional energy exchange," he said. It will increase the size of the market, which usually results in lower prices and "which is very important to all of us in the current extremely uncertain situation", he added. Additionally, electricity transmission between the two countries will be faster and simpler, he said. The contract also includes increasing the capacity of the electricity cable linking the national networks, he added. The current annual capacity of maximum 1,000 megawatts between the two countries will be increased by 500MW, with a new line to be built between Sándorfalva and Subotica (Szabadka) by the spring of 2028, he said. "As a

result, increased electricity capacities resulting from the Hungarian power market and ongoing investment projects in Serbia can also be utilised in each other's interests," he said. Joint developments will be carried out in the field of renewable energy, and the contract also involves a considerable amount of Hungarian technology to be used in a nuclear power station development in Serbia, he said. Szigjártó also held talks with Serbian President Aleksandar Vučić on issues affecting both countries, primarily concerning energy security and strategic partnership between the two countries.

GOVT CONDEMNS RYANAIR 'UNFAIR TICKET PRICING'

The government condemns low-cost airline Ryanair's "unfair ticket pricing", the ministry of economic development said on Friday. Márton Nagy, the minister, has launched an investigation with a view to protecting consumers. The Hungarian government has decided to tax extra profits in certain areas of the economy to protect families, and airline companies are affected by the measure, the ministry said in a statement. The government has made it clear to all affected parties that it will monitor market trends and make every effort to prevent companies from transferring the extra burdens to consumers. "The government considers Ryanair's decision to transfer

the extra tax to travellers unacceptable and resolutely rejects it," the ministry said. "It is especially preposterous that Ryanair has introduced this practice for tickets previously sold," it added. Nagy has ordered a consumer protection review asking government bodies with consumer protection powers to assess unfair practices and prevent them if possible, the statement said. The minister has proposed that the authority also assess whether Ryanair's ticket pricing is in line with all European standards and expectations, especially in view of special taxes on airlines having been in force in several other European countries for some time, it added.

The Budapest municipal government office said on Friday that it

has launched an immediate consumer protection probe against Ryanair. It is investigating whether the company is involved in unfair trade practices and violating consumer protection regulations, the statement added.

POLICE: OVER 8,500 REFUGEES ARRIVE FROM UKRAINE ON THURSDAY

Fully 5,283 people crossed into Hungary directly from Ukraine on Thursday, while another 3,359 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 202 people, ORFK told MTI. 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 224 refugees, 97 children among them, arriving by train, ORFK said on Thursday.

HUNGARY RECORDS NEW MONKEYPOX CASES

Hungary's health authority (NNK) has identified new monkeypox infections. A 35-year-old man living in Budapest and a 24-year-old man from Pest County are isolating in their homes with mild symptoms, NNK said in a statement on Friday. Epidemiological investigations are being carried out, it added. Hungary's first case of monkeypox was recorded last week.