

PHOTO OF THE DAY



UPCOMING EVENTS

Stats office releases April industrial output figures in 2nd reading

Plenary session of parliament

NBH presser on Insurance, funds and capital market risk report

War in Ukraine

TOP STORY

‘EAST-WEST COOPERATION NEEDED’

Global cooperation between East and West is not more important than ever, according to Hungary’s foreign minister, attending the Indo-Pacific Forum held in Prague.

Within Europe, the hope of cooperation between East and West has evaporated for the time being due to the war in Ukraine, but on a global level this cooperation is ever more important, Péter Szijjártó said, calling for talks with countries in South-East Asia on prospective partnership and cooperation agreements to accelerate, and arguing that intensifying foreign relations would strengthen the EU. Striking free trade agreements with Indonesia, New Zealand and Australia would be key in that regard. A rethink of East-West supply chains for the European economy was vitally important, Szijjártó said, adding that “failure to improve economic cooperation between Europe and the Indo-Pacific region would deprive both sides of significant growth potential, which is why it is the task of governments and institutions in Brussels to strengthen active relations to their mutual benefit.”

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SZIJJÁRTÓ: PRAGMATIC COOPERATION MEANS MUTUAL BENEFITS

Péter Szijjártó, the foreign minister, told the Indo-Pacific Forum held in Prague that Hungary's economy is the tenth most open globally, noting that exports account for over 85% of its economic output. "Our exports last year grew by 25% and our trade with the Indo-Pacific region exceeded a record 13.5 billion dollars," he said, adding that Hungary was performing well in cooperation with South-East Asia, and the region has been the largest investor in the country for the past three consecutive years. "So I don't think it's surprising that Hungary is urging pragmatic cooperation between Europe and Asia's south-eastern region with mutual benefits in mind," said Szijjártó. "We in Hungary have done much to improve the country's competitiveness," Szijjártó said, adding that it was now the EU and the European Commission's turn to dismantle trade barriers still standing in the way of Europe developing trade relations with some of the world's fastest growing regions.

Speaking about cooperation with China, Szijjártó said: "It must be admitted that today, irrespective of political ideology and the disputes they have created, the European economy cannot, could not, properly function without Chinese supplies, and it must be conceded too that Chinese investments have greatly contributed

to Europe's economic development and modernisation." He called for talks on an EU-China investment protection and promotion agreement to be concluded as soon as possible.

PALKOVICS: RHEINMETALL PLANT IN SW HUNGARY SCHEDULED FOR INAUGURATION WITHIN WEEKS

Cooperation between Hungary and German armed vehicle manufacturer Rheinmetall is faring well, with a plant in Zalaegerszeg, in south-western Hungary, slated to be inaugurated within the next two weeks and construction of two ammunition plants planned to start soon in Várpalota, in central Hungary, the minister for technology and innovation said in Villepinte, near Paris. Speaking on the sidelines of the Eurosatory defence and security exhibition, László Palkovics said that besides the production agreement, Rheinmetall has also signed a research agreement with Hungary, on developing a hybrid armoured infantry vehicle.

Meanwhile, Airbus is opening a helicopter parts plant in Gyula, in south-eastern Hungary, this month. "Besides gun, ammunition and land vehicle manufacturing, Hungary has also put itself on the map of aircraft manufacturing," Palkovics said. Hungary has also bought 500 vehicles from Nurol Makina, a Turkish armoured vehicle manufacturer, he added. Eurosatory, the largest defence

exhibition in Europe, has drawn 1,700 exhibitors from 62 countries this year. Over 200 delegations and 100,000 visitors are expected. The exhibition runs between 13 and 17 June.

FIDESZ: GLOBAL MINIMUM TAX FOR CORPORATIONS WOULD HARM COMPETITIVENESS

Competitiveness would suffer if the European Union adopted a directive on a global minimum tax for large corporations, the head of the Hungarian parliament's economic committee has said. The committee will submit a proposal calling on Hungary's parliament to reject the directive, Erik Bánki of ruling Fidesz said. The step is in response to "wartime inflation" and economic crisis resulting from the Russia-Ukraine war, Bánki added. The OECD earlier initiated the global taxation of digital multinational corporations, he noted. "As these companies shirk paying taxes", the initiative was met with almost unanimous approval, he said. The tax was to be introduced from 2023, but it is expected to be delayed by at least a year, he added.

Meanwhile, another initiative proposed a global tax for all large corporations, which would greatly impact the foreign companies operating in Hungary, he said. The details of the measure should be carefully honed before adopting the EU directive to avoid double taxation, which could confuse investors, he

warned. Adopting the EU directive ahead of the OECD regulation would harm competitiveness in Hungary and the EU, and shorten preparation time for the companies involved, Bánki said.

BUDAPEST COURT HANDS PRISON TERMS, FINE TO PARAMILITARY GROUP MEMBERS

A Budapest court has sentenced three members of the extremist Magyar Nemzeti Arcvonal (Hungarian National Front) paramilitary group to prison, while another four members received suspended prison terms and one was fined, the Public Prosecutor's Office of Budapest said. The sentences are not binding. Seven members have been charged with possession of illegal weapons, ammunition and explosives, and another man with aiding the purchase of illegal weapons.

The national police and the counter-terrorism force TEK conducted house searches in Jászberény, in central Hungary, and other localities in the autumn of 2016, seizing more than 30 guns, several thousand rounds of ammunition and gun parts, and one kilogram of explosives, in the home of one of the members. Two of the group's members have been charged with involvement in preparing anti-migrant and anti-Semitic propaganda material suitable for inciting hatred against those communities. The materials were posted on sites linked to the National Front in 2015 and 2016.

The prosecutor's office appealed for stricter punishments.

DK CALLS FOR 0% VAT FOR BASIC FOODS

The opposition Democratic Coalition has called on ruling Fidesz to vote for its earlier proposal cutting VAT for basic foodstuffs to zero percent. DK spokesman Balázs Barkóczi told an online press conference on Monday that food prices had jumped by 25% in May. Citing the magazine G7.hu, Barkóczi said the price of cheese, butter, pork, pasta and another 30 items had grown significantly last month, and the cabinet's "window dressing" has failed to stop rising prices.

Fidesz said in a statement in response that had it been up to Ferenc Gyurcsány, DK's leader, then prices would have risen four-fold, as the left wing would have scrapped the price cap on household utility bills and caps on vehicle fuels and basic foods.

LMP SLAMS GOVT OVER REJECTING PARTY'S INSULATION FUND PROPOSAL

Lawmakers of green opposition LMP criticised the government over its rejection of the party's proposal on setting up a 300 billion forint (EUR 753m) fund to support the insulation and heating modernisation of residential buildings. "The scheme could

have been used for the insulation, heating system modernisation or the replacement of windows and doors of 100,000-150,000 homes. Thus, energy consumption and heating costs could be cut by 50-80%," Bernadett Bakos said after government parties voted against the fund in parliament's committee for sustainable development without giving an explanation. Bakos said the scheme could have helped reduce fossil energy consumption "which Hungary is most exposed to in Europe". László Lóránt Keresztes, the head of the committee, said the fund would have helped create jobs, and slammed the government for "saying 'no' to a major development possibility".

POLICE: NEARLY 11,000 REFUGEES ARRIVE FROM UKRAINE ON SUNDAY

Fully 5,330 people crossed into Hungary directly from Ukraine on Sunday, while another 5,582 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 268 people, ORFK told MTI on Monday. 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 180 refugees, 102 children among them, arriving by train, ORFK said on Sunday.