

PHOTO OF THE DAY



MTV Zolt Czegledi

Lake Tisza PET Cup race and waste collection event gets under way in E Hungary

UPCOMING EVENTS

War in Ukraine

Local council by-elections in various localities

TOP STORY

GULYÁS: WAR CALLS FOR EXTENDING PRICE CAPS

In view of the war in Ukraine, the government will extend price caps on food and petrol until October 1, and the loan moratorium and cap on mortgage rates until the end of this year, the prime minister's chief of staff said on Friday.

Gergely Gulyás told a regular press briefing that later in the year, a decision will be made on whether circumstances justify any further extension. As the war in Ukraine is driving inflation worldwide, Hungary also has to face rising inflation, he said. Under the current circumstances, it is important to rein in inflation in Hungary to counter the effects of global economic trends, and the Hungarian government is making every effort to achieve this by protecting utility price reductions and price caps, he said. The government has managed to keep a 5-6% lid on inflation with these measures, he added. The government has also imposed a 480 forint (EUR 1.2) per litre price cap on fuel for Hungarian motorists, he noted. Referring to a "letter from Brussels" calling on the government to scrap the measure, Gulyás said Hungary's government remained committed to protecting the people and the economy from soaring fuel prices. A similar Italian measure has prompted lawsuits, which the country eventually won, he noted.

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GULYÁS: GAS EMBARGO WOULD THREATEN EUROPE'S SUPPLY

Hungary's government will continue to back only those sanctions which don't hurt Hungary and Europe more than they hurt Russia, the prime minister's press chief said on Friday, adding that an embargo on Russian gas imports would threaten the entire continent's gas supply. The decisions taken by Brussels so far have contributed to the record-high inflation rate, Gergely Gulyás told a regular press briefing, adding that the imposition of a gas embargo would put the energy supply of the whole of Europe at risk. He called on the European community to return to the sanctions as described in the "consensus reached in Versailles", which exempted energy resources from the sanctions imposed on Russia as a response to the war in Ukraine. While "we somehow got over the issue of coal and oil", further sanctions on gas deliveries would have "extremely negative effects", he said.

Meanwhile, Gulyás also said the Hungarian government did not support the introduction of a global minimum tax, a position which the finance minister would hold firm on at Friday's Ecofin meeting. This matter requires a unanimous decision, which cannot be reached without Hungary, he added. Gulyás said a global minimum tax would force Hungary to double tax burdens on businesses, arguing that they currently pay a rate of

7.5% and the global minimum tax rate would be 15%. The global minimum tax would cost Hungary its tax advantage in the region and Europe, and place burdens on businesses that would be too heavy even in a normal economic situation, let alone in a time of war, he added.

Gulyás said the economic crisis caused by the war called for economic growth, tax cuts and investment promotion with a view to protecting jobs. He said the reason why the Hungarian government had originally been in favour of a global minimum tax was because it was supposed to be imposed on tech giants that avoided paying all their taxes. Yet these sort of companies are not included in the current package while all other types of commodity producing companies are, he said. Gulyás said the "EU is rushing into things again" and would introduce the new tax when it was uncertain that the package would be backed by the United States Congress given the upcoming midterm election there. He noted that a Republican-backed organisation that deals with taxation opposes the minimum tax.

In response to a question, Gulyás said the government continued to reject a congestion fee for Budapest motorists, adding that the measure would "make motorists' life impossible" in the city. Gulyás accused the Budapest municipality of aiming to "make life impossible for motorists in every other way", and warned politicians against "handing out lifestyle advice". Hungarians have

a right to live as they like, within the confines of the law, he said. "Although 21st century Liberalism actively opposes freedom in western Europe, it is not a good discipline to transfer to Hungary," Gulyás said. The government can only provide incentives, he added.

GULYÁS: EMBARGO ON RUSSIAN GAS 'WOULD BE CONTRARY TO COMMON SENSE'

Gergely Gulyás, the prime minister's chief of staff, said at a regular press briefing on Friday that a European Union embargo on Russian gas would pose difficulties not only to the eastern and central European economies but also to the western European ones. "Such a decision would be contrary to common sense." Hungary's government would be capable of maintaining the cap on fuel prices as long as supplies are forthcoming, he said. Should the EU's embargo go through, the "price caps would become untenable overnight", he said. While supply chain security has been shaken, fuel shortages "are not impossible but unlikely," he said. If necessary, Hungary's strategic reserves can ward off shortages for up to a year, he said. Hungary has done the most in the EU to diversify its energy supplies in the past 12 years, with interconnectors with five neighbouring countries constructed during that period, Gulyás said. "We will wean the country from Russian oil when it will not bring us, Hungarian

families and the economy extra costs," he said.

Regarding the EU's sanctions policy, Gulyás noted that Russia's revenues from raw material exports had already exceeded that in 2021. In the long term, the aggression will curb Russian-European ties and prompt the country to turn towards Asia, forcing Europe to find alternative sources of raw materials, he said. On Hungary's veto to add the head of the Russian Orthodox Church, Patriarch Kirill, to the sanctions list, Gulyás said that while "the Russian Orthodox church is usually supporting Russian state aims", the patriarch is "the representative of a church -- I would not call a church pro-war". Religious leaders should not be cut off from their flock, however small their number in Hungary may be, he said.

Regarding companies' reactions to the government's windfall tax, Gulyás said all attempts to push the extra costs onto customers will prompt inspections from the consumer protection authorities. The government anticipates few such cases, as raising the costs for customers may result in losing them in high-competition sectors such as banking, he said. While air transport companies "have seen easier times than the past few years", they are still in much better shape than the hospitality industry, which has been "fighting for its life for two years now". That is why the government is planning no extra profit tax for the latter, he said.

Gulyás also confirmed a statement by Tibor Navracsics, the minister

responsible for regional development and the uptake of EU funds, saying that Hungary would be ready to make compromises to access the EU's Recovery and Resilience Fund (RRF). In line with the European Commission's objections, Hungary is ready to reduce the rate of single-bidder public procurement procedures to under 15%, and is open to all professional criticism lacking political motivation, he said. The EC is bound by law to reach an agreement with all member states, he said. Meanwhile, the Hungarian opposition is doing everything in its power to hinder Hungary's access to EU funds, allocated, among other things, to wage increase, he said. Opposition MEPs drawing EU wages to the tune of five million forints (EUR 12,500) are thus obstructing wage increases for teachers and doctors, he said.

GULYÁS BACKS SIMULTANEOUS EP, LOCAL ELECTIONS

Commenting on a ruling party proposal to hold the next local elections simultaneously with the European parliamentary elections, Gergely Gulyás, the prime minister's chief of staff, told a regular press briefing on Friday that a single campaign was easier for everyone than two separate ones and higher voter turnout would also be preferable to all. Considering that both events will take place in two years' time, there is plenty of time for everyone to prepare, he added. Commenting on the increase

in Prime Minister Viktor Orbán's salary, Gulyás said it had been him who proposed this in order to ensure that Orbán's salary is not less than any of his ministers'. He also said that a government decision is expected to be published on Friday about the conditions applying to small and medium-sized businesses to benefit from utility fee caps. It will apply to small businesses and will include a consumption threshold, he added. Gulyás said talks were under way with local councils about the compensation they are to receive for losing eligibility for the utility fee caps. Depending on size and revenues, some local councils will get a state contribution to help pay their increased utility fees, he added.

In response to a question on monkeypox, he said the public health centre was in charge of assessing risks which he said were moderate. The government has not been contacted yet by any European Union bodies about vaccine procurement against monkeypox, he added.

Commenting on planned changes in the preferential small business tax kata, he said no decision had been made but the goal is to ensure that only the "traditionally small-income" businesses should benefit from it. Meanwhile, Gulyás said Hungary was participating in joint military exercises with NATO and non-Hungarian NATO soldiers were also protecting Hungary's eastern borders. However, no decision has been made about units of the military alliance to be stationed in Hungary, he added.

Commenting on the exchange rate of the forint against the euro, he said that since 2010, the forint had been weakening to the euro by less than 1% annually and the current weakening is a consequence of the war. The Hungarian currency is weakening almost the same way as other currencies in this region, he added. In response to a question about a ruling party proposal to withdraw resources from parliamentary groups, he said the government had not discussed the motion but a vote would be held on it in parliament. The proposal aims to ensure that having seven opposition groups out of nine party groups in parliament does not cost an extra 4 billion forints, he added. Support for party groups will still remain generous, with more money available after opposition lawmakers than ruling party lawmakers. Gulyás also said the Budapest-Belgrade rail development project was under way, the government would not stop it and it was expected to be completed by 2025. The planned repurchase of Liszt Ferenc International Airport will be kept on the agenda but "in the current war situation, it will be much more difficult to make the required funding available".

NAVRACSICS IN TALKS ON UPTAKE OF EU FUNDING

The European Commission is open to finding solutions to the issues with Hungary on the partnership

agreement enabling the country to access the resources for its operative programmes and on the recovery and resilience fund (RRF) to offset the fallout of the coronavirus pandemic, the minister for regional development and the uptake of EU funds said on Friday. Tibor Navracsics said he had travelled to Brussels to open both negotiations, and had hope to reach an agreement and free EU resources for Hungary by the end of the year. Talks on the operative programmes are "progressing well on the expert level", Navracsics said. Regarding the RRF funding, "which is informally tied to the rule-of-law conditionality", Hungary has always been ready to find a compromise, he said. Regarding public procurement and corruption, Hungary will have to harmonise its statistics with the EC's numbers: the body has earlier objected to the number of single-bidder public procurement procedures in Hungary, "while according to our data, that number is at and occasionally below the EU average in Hungary," he said.

The government is planning amendments to legislation to further reduce the number of single-bidder cases, he added. Meanwhile, the EC "holds the stance that certain cases of corruption should be regulated separately, but they are already incorporated into [laws on] various crimes", he said. While "a certain EU official" is pushing for Hungary to become a member of the European Public Prosecutor's Office (EPPO), Public Prosecutor Laura Codruța

Kovesi has praised cooperation with Hungarian authorities, he said. During the talks, Navracsics said he had met "no explicitly politically motivated conditions ... but Commissioners' readiness to cooperate can vary, depending on their political views."

ORBÁN MEETS FINA HEAD

Prime Minister Viktor Orbán met Husain Al-Musallam, the head of the International Swimming Federation (FINA), in Budapest, ahead of the start of the 2022 World Aquatics Championships held between June 17 and July 3, the prime minister's press chief said on Friday. Budapest was appointed host of the games in February after Fukuoka, Japan, stepped back, citing the fallout of the coronavirus pandemic. Events will take place in Budapest, Debrecen, Sopron and Szeged, and will host some 2,300 athletes in five disciplines, Bertalan Havasi said. Budapest last hosted a world aquatics championship in 2017.

SZALAY-BOBROVNICZKY: HUNGARY DEDICATED TO POLICIES URGING CEASEFIRE

Hungary stands for promoting peace in Ukraine and working towards a ceasefire rather than sending lethal aid to the country, Defence Minister Kristóf Szalay-Bobrovniczky said on Thursday. After attending a meeting of NATO defence ministers in Brussels, Szalay-Bobrovniczky told Hungarian

journalists that all ministers had condemned the Russian aggression in Ukraine and were in agreement about the need to continue strengthening NATO's deterrence and defence capabilities.

At the meeting, it was confirmed that Finland and Sweden would join the alliance, whose eastern borders would expand by 1,300kms, he noted.

Szalay-Bobrovniczky said Hungary was making every effort to stay out of the war in Ukraine, and the Hungarian army stood as a guarantee that Hungary would not become a part of the war in Ukraine. In response to the economic crisis which has developed as a result of the Ukraine war, the Hungarian government has set aside reserves for protecting caps on utility bills and its security, and this will finance, among others, army development, he added.

Hungary is among the well-performing countries when it comes to meeting the target to increase defence spending to 2% of GDP by 2024. Hungary will fulfil the target in 2023, he added. This will help Hungary to carry developing its armed forces and to participate in all activities that result from its obligations arising from NATO membership, he added. Szalay-Bobrovniczky also noted that on the sidelines of the meeting, Hungary handed over the rotating presidency of the Visegrad Group to Slovakia at a ceremony attended by British Defense Minister Ben Wallace.

POLICE: OVER 11,000 REFUGEES ARRIVE FROM UKRAINE ON THURSDAY

Fully 6,177 people crossed into Hungary directly from Ukraine on Thursday, while another 4,987 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 215 people, ORFK told MTI on Friday. 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 90 refugees, 31 children among them, arriving by train, ORFK said.

OFFICERS ON SOUTHERN BORDERS ATTACKED OVER 200 TIMES THIS YEAR

Migrants attacked law enforcement officers protecting Hungary's southern borders over two hundred times this year, with 28 officers suffering injuries, the national police said on its website on Friday. A total of 238 attacks were recorded at borders in Bács-Kiskun County and Csongrád-Csanád County. The attackers used sticks and threw stones, bricks and sand at the uniformed officers, injuring 28 of them, the website said. Proceedings were started in 61 cases for alleged assault against a person in official capacity and 78

cases for assault against a person fulfilling public duty. Illegal migrants also caused considerable damage to equipment and vehicles, with damages often exceeding several million forints, police.hu said. Police added that the number of illegal border crossing attempts was on the rise and border violators were becoming increasingly aggressive.

OVERWHELMING MAJORITY OF HUNGARIANS SUPPORT SELECTIVE FUEL PRICE CAPS - NÉZŐPONT

The vast majority, 73% of Hungarian voters support the government's decision to cap fuel prices at 480 forints (EUR 1.2) for Hungarian consumers only, the Nézőpont Institute said on Friday. According to a government decision announced on May 26, only motorists with Hungarian number plates are eligible to buy fuel at reduced prices, while foreigners have to pay market prices at Hungarian pumps. Nézőpont said that 73% of respondents supported the measure while 21% opposed it. Pro-government voters were more inclined to favour the step, with 87% supporting and 10% rejecting it. Among sympathisers of opposition parties, 53% supported and 39% rejected it, Nézőpont said. Nézőpont asked 1,000 people over the phone between June 7 and 9. The sample was representative of Hungary's adult population, it said.

US ADVOCACY GROUP WELCOMES HUNGARY REJECTING GLOBAL MINIMUM TAX

Hungary is wise to reject the global minimum tax proposal that would significantly damage the valuable tax competition among countries and would cause undue harm to businesses, workers and economies around the world, Grover Norquist, President of Americans for Tax Reform, said on the conservative advocacy group's website. Norquist said a global minimum tax would greatly curtail the force of tax competition. He added that competition between nations offered a critical check on the power of governments and it was vital for ensuring efficient and reasonable levels of taxation.

"The proposed minimum tax rate would be particularly detrimental to countries such as Ireland Bulgaria, and Hungary that currently keep their corporate tax rates at lower, more competitive rates," he said. "A global minimum tax also threatens poorer, developing countries that need to maintain high growth rates in order to be lifted out of poverty. Cutting corporate tax rates leads to an increase in investment, productivity, economic growth, output and ultimately higher standards of living," he added. Norquist said the global tax agreement was very dangerous, as it increased the tax burden on US and European manufacturers at a time of war and

significant challenges to western economies.

S KOREA'S W-SCOPE TO BUILD HUF 290 BN BATTERY SEPARATOR FILM PLANT IN HUNGARY

South Korean battery material producer W-Scope is investing 290 billion forints (EUR 728.1m) to build its first European battery separator film plant in Nyíregyháza, in north-eastern Hungary, the minister of foreign affairs and trade said on Friday. The investment will create 1,200 jobs, with the new plant set to produce 1.2 billion square metres of battery separator film for electric vehicles a year, Péter Szijjártó said, according to a foreign ministry statement. Szijjártó said it was beyond doubt that the automotive industry had by now become the backbone of the Hungarian economy. The value of the sector's output came to 9,400 billion forints last year compared with 3,600 billion in 2010, he said. The auto industry output reached a record 3,500 billion forints over the first four months of 2022, the minister added. "And those who attract electric vehicle investments win the future and can lay the foundations of future economic growth," Szijjártó said. He said Hungary was a popular investment destination among the world's leading auto industry companies. Hungary has become a "flagship" of the European automotive sector's transition to electric vehicles and a major player in the manufacture

and export of electric vehicle batteries. Hungary has the world's third largest EV battery production capacity after China and the United States, which will increase from the current annual 50 GWh to 150 GWh by 2025, Szijjártó said. Hungary currently ranks fifth in the export of EV batteries, he added.

Szijjártó said the greatest achievement of the Hungarian government's policy of opening up to the East was that Hungary had become a popular investment destination in Europe among Eastern companies. He added that after 2019 and 2021, it was possible that South Korea will top the list of foreign investors in Hungary again this year. South Korean companies are now the fourth biggest group of investors in Hungary, which demonstrates that individual investments help attract further ones, the minister said. Bilateral trade turnover between Hungary and South Korea reached a new record last year at close to 5 billion dollars, Szijjártó said, adding that it was clear that Hungary benefitted a lot from its relations with the Far Eastern country.

FIDESZ OFFICIALS ADDRESS LŐRINC CSABA AWARD CEREMONY

A top government official and senior politicians of ruling Fidesz addressed the presentation of the Lőrinc Csaba Award to Balázs Tárnok, the vice president of the Rákóczi Association and expert of minority issues, in Budapest on Thursday evening.

Named after the late foreign policy and minority expert of Fidesz and an ethnic Hungarian from Transylvania, the award is given each year since 2009 to scientists, writers, journalists and experts in recognition of their outstanding foreign policy activities and for Hungarians beyond the borders.

In her address, Justice Minister Judit Varga said Lőrinc had played a

major role in the revival and thriving of Hungarian communities beyond the border. “The Lőrinc Csaba Award is a recognition of the work of those who strengthen the spirit of Hungarian cohesion,” she said, noting Tárnok’s immense work in drafting Hungary’s position on EP rapporteur Judith Sargentini’s report. Zsolt Németh, the head of parliament’s foreign affairs committee, noted

that Tárnok is a researcher of minority issues in a broader sense while working in practice for Hungarians beyond the borders as the Rákóczi Association’s vice-president. MEP Kinga Gál praised Tárnok for his outstanding work for Hungarian communities abroad and efforts to address local problems as well as issues concerning all Hungarians around the world.