

PHOTO OF THE DAY

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Hungarian Prime Minister Viktor Orbán with Hristijan Mickoski, leader of North Macedonia's VMRO-DPMNE party, in Budapest

UPCOMING EVENTS

Cbank rate-setters hold policy meeting

Technology and industry minister, Israeli Embassy hold webinar on motorsport developments

EU energy affairs ministers meet in Brussels

War in Ukraine

TOP STORY

HUNGARY AIMS TO BE 'LOCAL EXCEPTION'

The government aims for Hungary to be a "local exception amid the European continental crisis", Hungary's foreign minister has said.

Hungary's fundamentals are good and it has always emerged stronger from past crises, Péter Szijjártó told an event marking the ten-year anniversary and the opening of a new production facility of Diehl Aviation. "The basis for all this has been an investment promotion economic policy which is built on keeping tax burdens lower than anywhere else and providing support to prevent unemployment instead of introducing austerity," he said. Hungary has faced a number of crises in the past 11 years, including financial, migratory and health crises which hit the global economy and Europe's economy "with massive force", he said. "Europe's economy is suffering and ... the worst is probably yet to come because the energy supply crisis which portends an extremely hard future for the European economy." Hungary's economic policy, on the other hand, has proven crisis-resistant as demonstrated by last year's record figures in investment, employment, growth and exports, he said. Szijjártó noted that Diehl has completed its third production facility in Hungary manufacturing aircraft parts.

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PALKOVICS DISCUSSES ENERGY IN BELGRADE

Using hydrogen as a source of energy and opportunities for energy cooperation between Hungary and Serbia were topics Hungarian Technology and Industry Minister László Palkovics covered during talks in Belgrade, where he held talks with Zorana Mihajlović, Serbia's minister for mining and energy, and Nenad Popović, the minister without portfolio for innovation. Palkovics said he had discussed energy cooperation with Mihajlović, and concluded that both countries had to rely on renewable energies of their own rather than imports. He said solar, wind, and geothermic energies were a crucial part of both countries' energy strategies. Palkovics and Mihajlović also signed a memorandum of understanding concerning an exchange of experience in hydrogen storage. Palkovics noted that Hungary had adopted a hydrogen strategy two years ago, while Serbia had just completed a similar document. He said the two countries' close proximity and their similarities offered opportunities for not only an exchange but physical cooperation in projects concerning hydrogen storage too. At the talks, the Hungarian minister proposed to set up a joint team of scientists to focus on robotics, energy storage, and applications of nuclear energy in future.

DEFMIN: HUNGARY SPEEDING UP MILITARY REVAMP

As part of Hungary's revamp of its armed forces, the country will receive 44 new Leopard 2A7 tanks, with the first arriving in June next year, and the first batch of 24 "long awaited" PzH2000 self-propelling guns will arrive before the current year is out, Kristóf Szalay-Bobrovniczky, the defence minister, said at a military ceremony in Tata, in western Hungary, on Monday. Hungary is speeding up the revamp of its military "in light of the current situation", the minister said, noting the government had recently established a defence fund for ensuring developments continue apace, "despite war-time inflation and global economic difficulties". Szalay-Bobrovniczky also noted that the cabinet decided last week to award "an outstanding pay rise, on an unparalleled scale compared with recent decades," to armed forces personnel. Concerning a recent decision to put the military on higher alert, the minister said soldiers "should be where the pressure is highest", on the frontline of the country's defences. "Our soldiers will now come out of their barracks to get prepared and spend most of their time and energy engaged in military exercises", he said, adding "war can never be a goal; we must concentrate on preventing it." Szalay-Bobrovniczky warned that "the end to the Russia-Ukraine war is

not in sight yet". "We must reinforce the country's security, because peace requires strength," he said.

SZIJJÁRTÓ: HUNGARY ARMED FORCES AIDING SLOVENIA FIGHT AGAINST WILDFIRES

The Hungarian Armed Forces are aiding Slovenian forces combatting the largest wildfire of the country's history, Foreign Minister Péter Szijjártó said on Facebook on Sunday. Hungary is aiding the efforts with a Mi-17 helicopter and a crew of 13. The operation is under joint Slovenian and Hungarian command. "We are proud of the helicopter unit of the Hungarian Armed Forces who helped their Slovenian brothers in arms in stopping the destruction," Szijjártó said. Slovenian Foreign Minister Tanja Falon thanked Austria, Croatia, Hungary, Italy, Romania, Serbia and Slovakia for their help in combatting the fires.

PALKOVICS: STABLE HUNGARY-GERMANY TIES KEY TO INDUSTRY DEVELOPMENT

Stable ties between Hungary and Germany are key to the development of Hungarian industry, László Palkovics, the technology and industry minister, said in Stuttgart at a memorial dinner in honour of Hungarian-born economist Péter Horváth, a professor emeritus of the Stuttgart University, who passed away in June. Palkovics,

who also co-chairs the Hungary-Baden-Württemberg economic committee, said using development opportunities offered by strong ties in car manufacturing and research and development were especially important in the Hungarian economy. Successful company leadership is “unimaginable” today without the tools that Horváth was one of the first to introduce, he said. Leaders of Horváth AG, Robert Bosch GmbH, Henkel AG and Kärcher attended the event, as did the mayor of Stuttgart and representatives of German universities.

ORBÁN MEETS NORTH MACEDONIAN PARTY LEADER

Prime Minister Viktor Orbán met Hristijan Mickoski, leader of North Macedonia’s VMRO-DPMNE party, for talks in Budapest on Monday, the prime minister’s press chief told MTI. Orbán and Mickoski discussed issues around the European integration of the Western Balkans, illegal migration, and the economic and energy crisis caused by the Ukraine war, Bertalan Havasi said.

SZIJJÁRTÓ: HUNGARY- CHINA RELATIONS ‘STABLE’, UNDERPINNED BY GOOD CULTURAL COOPERATION

Hungary-China relations are stable, underpinned by good cooperation at a personal level fostered through

education and culture, Péter Szijjártó, the foreign minister, said at the opening ceremony of the Q Contemporary art gallery in Budapest. Hungary and China maintain predictable and mutually respectful relations, including with Hong Kong, abiding by the “one country, two systems” principle, Szijjártó said at the event. Hungary would have barely survived the pandemic without the medical PPE and other equipment from China, he said at the museum founded by Hong Kong-born businesswoman Queenie Rosita Law.

When it comes to bilateral cooperation, records are being smashed every year, he said, adding that relations should not be expressed in just numbers but also at a human level through education and culture. Budapest is home to five Confucius Institutes, while Beijing has hosted the Hungarian Cultural Institute for almost a decade, Szijjártó noted. Also, Hungarian can be studied in several Chinese locations, he added.

Thanking Queenie Rosita Law and her husband for investing much time, energy and money in the project, the minister said the 1,000sqm exhibition space in the former Rausch villa on Andrassy Avenue added colour to Budapest’s already vibrant art life, creating an opportunity for contemporary Hungarian artists to access the world stage. The family’s corporate group set up its central European headquarters in Budapest, he noted, adding that the government

strove to ensure the most competitive investment environment in Europe “despite today’s unparalleled strife”.

CARITAS HUNGARICA AID SHIPMENT ARRIVES IN CHERNIHIV

A shipment of the Hungarian Catholic church’s aid organisation Caritas Hungarica has arrived in Chernihiv in northern Ukraine, the organisation said on Monday. Aid has been sent to partner organisations in Transcarpathia in recent weeks for maintaining free kitchens and looking after internally displaced people, the statement said. At the same time, this has been the first time that aid was sent to Chernihiv, with assistance from the Ukrainian army, it added. Caritas Hungarica staff were personally distributing the aid, including canned food, sanity packages for women and children, personal hygiene products, instant food and sweets, the statement said. Several tonnes of food will be forwarded to Bucha with help from the local caritas, it added.

POLICE: 12,943 REFUGEES ARRIVE FROM UKRAINE ON SUNDAY

Fully 6,490 people crossed into Hungary directly from Ukraine on Sunday, while another 6,453 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 356 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 received 784 people, 322 children among them, by train, ORFK said.

HIGHER MINIMUM WAGE, PUBLIC SECTOR PAY KEEP WAGE GROWTH IN DOUBLE DIGITS

The average gross wage in Hungary climbed 14.9% year-on-year to 495,900 forints (EUR 1,250) in May, data released by the Central Statistical Office (KSH) on Monday show. The data for full-timers at businesses with at least five people on payroll show the average net wage rose at the same pace to 329,700 forints. The gross median wage increased by 14.5% to 397,900 forints. Hungary's statutory minimum wage was raised over 19% from the start of the year, while the salaries of many people employed in the public sector were bumped up, putting wage growth in the double digits from January. Real wage growth was 3.8%, calculating with May CPI of 10.7%. Excluding the 76,200 Hungarians working full time in fostered work programmes - who earned on average a gross

100,200 forints in May - the average gross monthly wage in Hungary was 506,600 forints. The average gross wage in the business sector, which includes state-owned companies, rose by 14.0% to 506,800 forints, excluding fostered workers. The average gross wage in the public sector, excluding fostered workers, climbed 12.2% to 499,000 forints. Excluding fostered workers, full-timers earned a gross monthly 491,300 forints and a net 326,700 forints.

The Ministry of Technology and Industry (TIM) said in a statement that real wages carried on increasing despite the epidemic, the war and associated economic and inflation woes, making their upward course unbroken for 113 months. The rise in the minimum wages and pre-scheduled public sector wage increases also factors in wage growth overall, while the purchasing power was protected by price caps and the maintenance of caps on household energy bills, the ministry said.

Magyar Bankholding chief analyst András Horváth said full-year wage growth could climb a little over 16%. Higher payroll costs, along with dearer energy and base material prices, could further strengthen businesses' intentions to raise prices, which could be easily realised amid the current

strong demand, he added. K&H Bank senior analyst Dávid Németh said wage growth could fall behind inflation if businesses don't raise pay in the second half of the year.

EMPLOYMENT AGENCY: NON-EU MIGRANT LABOUR KEY TO HUNGARY GROWTH

The employment of migrant workers from outside the European Union is key to Hungary's economic growth, Hungarian temporary employment agency Work Force said on Monday. Hungary's growing manual labour shortage woes are forcing businesses to look for new ways to tackle the problem, Work Force said in a statement, noting that it had recently helped with the employment of a group of 40 Filipino migrant workers in Veszprém, in western Hungary. The agency said it expected over 1,000 more foreign workers to enter the Hungarian labour market in the near future. Demand for migrant workers is highest in the manufacturing sector but they are also needed at hotels, hospitality venues and service companies, Work Force said. Work Force has eight offices across Hungary and provides services on a continuous basis to 300 clients.