

PHOTO OF THE DAY



Tobacco harvest in north-eastern Hungary

MTVA/Attila Balázs

UPCOMING EVENTS

Weekly coronavirus statistics

War in Ukraine

TOP STORY

GOVT SETS UP DEFENCE COUNCIL

The Defence Council comprising cabinet members and headed by Prime Minister Viktor Orbán was set up on Tuesday.

The protection of Hungary's security and sovereignty, put under pressure due to the war in Ukraine, the ensuing European economic crisis and growing migration pressure, will be a priority in the coming years, the prime minister's press chief, Bertalan Havasi, said. The Defence Council will operate within the Hungarian government and will devote itself to reports and proposals in connection with the intelligence services, public security, border protection, defence, migration, disaster management, counter-terrorism and armed forces development, Havasi said. The Defence Council will be headed by the prime minister, and its secretary the PM's security advisor, György Bakondi. Members include Gergely Gulyás, the cabinet minister, Sándor Pintér, the interior minister, Kristóf Szalay-Bobrovniczky, the defence minister, and Péter Szijjártó, the minister of foreign affairs and trade. It will hold bi-weekly meetings, while extraordinary meetings could be called by any of the members if they see fit.

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SZIJJÁRTÓ: EU GAS-SAVING DECREE 'DISREGARDS HUNGARY'S INTERESTS'

The European Union's proposal aimed at reducing gas consumption is "unfounded, cannot be implemented and fully disregards the Hungarian people's interests", therefore the Hungarian government will vote against its passage, the Hungarian foreign minister said in Brussels on Tuesday. According to a statement from the foreign ministry, Péter Szijjártó said after a meeting of the community's energy ministers that a political agreement had been made, to be followed by a vote in writing "the results of which could be expected". "We were the only country to indicate that we would vote against (the proposal)," the statement quoted Szijjártó as saying. Referring to EU treaties, Szijjártó said it was a national competence to determine the structure of a member's energy supply and to take measures to guarantee the security of supplies, which makes the proposal "at least questionable" from a legal point of view. Under the decree, member states could start reducing their gas consumption on a voluntary basis right now, but if the European Commission or five members so decide the European Council can issue an alert and it will make it mandatory for member states to cut consumption by 15% compared to their average consumption in the past five years. Szijjártó criticised

the EU for disregarding Hungary's "special situation" in terms of having an especially high ratio of natural gas in the composition of its energy supply. He said households accounted for about a half of the total gas consumption, which, he said, was also exceptionally high. The minister also warned that the decree could negatively impact the EU's competitiveness. "There will be gas in the storages and we will not allow its use... it will have an appalling impact on the European economies," he said. Szijjártó said the Hungarian government had a "responsible energy policy" and the country's gas storages were filled up to 28.5% in terms of annual consumption, whereas the European average was 18%. He also insisted Hungary's supplies were stable due to its long-term agreements and the southern pipeline "over the construction of which the country was seriously attacked at the time". Over half of Hungary's gas supply is received from the south, with "100% of the contracted amount guaranteed, while it is currently 53% in terms of the northern and western routes". The government is committed to ensuring the country's supplies to save individuals and businesses from "a vulnerable situation in which they have to do without sufficient gas", Szijjártó said. He added that the government was making "promising progress" with talks aimed at purchasing an additional 700 million cubic metres of gas.

ORBÁN SPEAKS WITH SERBIAN PRESIDENT, THEY STATE COMMITMENT TO COOPERATION

Prime Minister Viktor Orbán on Tuesday spoke with Aleksandar Vučić, the Serbian president by phone and they stated their commitment towards cooperation between their respective countries, Orbán's press chief said. The two leaders emphasised that Hungary and Serbia will support each other and will together to overcome difficult challenges Europe is to face in the coming period, Bertalan Havasi told MTI.

In addition to bilateral cooperation, Vučić and Orbán also discussed the situation in the region, the migration crisis, topical EU affairs and global issues, he said.

Vučić expressed thanks to the Hungarian government for the help it provided in storing gas with which the country has contributed to ensuring Serbia's energy security. The two sides said that bilateral cooperation in energy is faring well, Havasi said.

PROTESTERS BLOCK TRAFFIC IN BUDAPEST

Demonstrators protesting against changes to the itemised tax for small businesses (kata) blocked traffic on Budapest's Margaret Bridge and parts of the Ring Road linking Margaret Bridge and Petőfi Bridge, on Monday. The few hundred protesters blocked

almost the whole width of Margaret Bridge, leaving just one lane open in the direction of the Pest side. Budapest's public transport company BKK said the demonstration briefly impeded public transport in the area. From Margaret Bridge, the protesters marched to Kossuth Lajos Square, some of them carrying a casket with the word "democracy" on it, which they placed in front of Parliament. Several of the protesters addressed the crowd, calling for "European wages" and emphasising that the government's duty was to aid the people during an economic crisis. Following the official end of the demonstration shortly after 9pm, a group of protesters made their way to Nyugati Square where they blocked traffic. When the protesters got to Oktogon, they were instructed by police to move to the sidewalk.

POLICE: 10,716 REFUGEES ARRIVE FROM UKRAINE ON MONDAY

Fully 5,520 people crossed into Hungary directly from Ukraine on Monday, while another 5,196 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 Tuesday. 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 284 people, 109 children among them, by train, ORFK said.

CBANK RAISES BASE RATE BY 100 BP

Hungarian central bank (NBH) rate-setters raised the base rate by 100 basis points to 10.75% at a regular policy meeting on Tuesday. The NBH Monetary Council had raised the base rate by 200 basis points to 9.75% just two weeks earlier, taking the extraordinary measure at a non-rate-setting meeting to keep the key rate in tandem with the one-week deposit rate. The Council also decided on Tuesday to raise the O/N deposit rate by 100 basis points to 10.25% and the O/N and one-week collateralised loan rates by 100 basis points to 13.25%. The O/N deposit rate and the collateralised loan rate mark the bottom and the top, respectively, of the central bank's "interest rate corridor". The base rate is paid on mandatory reserves. "The further rise in inflation and persistent inflation risks warrant the decisive continuation of the tightening cycle," the Council said in a statement released after the meeting. "The [NBH] continuously monitors developments in financial market risks as well and stands ready to intervene in a decisive manner using every instrument in its monetary policy toolkit, if necessary," the policy makers added. The Council reiterated that the tightening cycle will continue "until the outlook for inflation stabilises around the central bank target in

a sustainable manner and inflation risks become evenly balanced on the horizon of monetary policy". At a press conference after the meeting, NBH deputy governor Barnabás Virág said FX swap tenders providing euro liquidity the NBH launched on a daily basis from July 8 to improve monetary policy transmission have been effective, pointing to a "significant" increase in FX swap yields. Commenting on June inflation - which reached 11.7% year-on-year - Virág said repricing during the month was "a multiple" of normal levels and noted the impact on headline CPI of food prices. He added that the recent government decision to charge households a market price for above average energy consumption would lift the path of inflation until the measure falls out of the base in a year.

He estimated second-quarter GDP growth reached 6.0%, but pointed to a "clear slowdown" from June, while noting rising risks of recession in the global economy. Virág said achieving the inflation target is the central bank's "priority", adding that anchoring inflation expectations is of "key importance". In the current environment, coordinating fiscal and monetary policy is "especially important", he said, adding that improvement in the fiscal and current-account balances strengthens the effectiveness of monetary policy.

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WW2 BOMB FOUND IN S BUDAPEST DISTRICT DEACTIVATED

A 120kg bomb dating to the second world war found at the free port of Csepel, in southern Budapest, was deactivated on Tuesday, a communications officer of the Hungarian army's bomb disposal squad said. The bomb had ignition devices at both ends and therefore had to be deactivated before removal, Milán Gajdos said. An exclusion zone with a radius of 300 metres was set up in the area around Szikratávíró Street, he added.

CRIMINAL SUSPECTS CAPTURED ON INTL ARREST WARRANTS

A Hungarian man among the police's 50 most wanted suspects was arrested

in the US, while in a separate case, and a British national wanted on an international arrest warrant was captured in Hungary, Hungarian law enforcement said on Tuesday. The 46-year-old man from Békéscsaba was arrested in Florida, whom the authorities had sought since 2019. A European arrest warrant was issued in 2020 and an international one in 2021, the National Bureau of Investigations said on police.hu. The suspect's crime was not specified. A US court will decide on whether to extradite the man who was detained on July 21. Meanwhile, the UK authorities issued an international arrest warrant against a 36-year-old British national after he was suspected of abusing, strangling and robbing a prostitute in a London hotel in 2019. The Hungarian law enforcement authorities arrested the man on July 22 in Budapest's 6th district in cooperation with their UK counterparts, the police statements said.

MAN CHARGED WITH KILLING FRENCH NATIONAL IN BUDAPEST

The Budapest Public Prosecutor's Office has charged a man with US-British-Hungarian citizenship with stabbing a French national in February 2020 in Budapest. According to the charges, the accused arrived in Budapest in December 2019, and on the night of February 7, 2020, he drank a large amount of alcohol in several pubs in Budapest. In the small hours of Feb. 8, the accused ran up to a 25-year-old Frenchman walking on the pavement near Károlyi Gardens in central Budapest, hit him in the face twice and stabbed him in the chest with a knife that he had on his person. The victim died on the spot. The 28-year-old accused was charged with homicide.