

## PHOTO OF THE DAY



MTI/Zsolt Czeglédi

Preparations for Debrecen Flower Carnival of August 20 under way

## UPCOMING EVENTS

**Stats office report on consumer prices in July 2022**

**LMP press conference on forests**

**War in Ukraine**

## TOP STORY

### GOVT: OPPOSITION MOVE 'LACKS CREDIBILITY'

In the absence of the governing parties, the special session of parliament initiated by the opposition lacked a quorum.

The government information centre (KTK) said government MPs would boycott a special session of parliament convened by the opposition, slamming the initiative as "lacking credibility", insisting that opposition parties had "failed to support measures aimed at protecting Hungarian families during a war-time crisis". Six opposition parliamentary groups called for a special session of parliament to be convened on Aug. 8 to discuss their proposals to mitigate "the cost-of-living crisis" they say has gripped the country, and they demanded the withdrawal of changes to the tax on small businesses (kata) and keep the full cap on household energy bills and the price of basic foodstuffs in place, among other measures. The KTK said in a statement that the opposition parties had "attacked" the government's scheme to maintain a cap on household energy bills since its introduction, and "they would increase the corporate tax and personal income tax". Furthermore, "they have strongly advocated the sanctions [against Russia], which are the primary cause of the energy price hikes", the statement added.

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## **JUSTICE MIN: RYANAIR FINED HUF 300 M FOR 'MISLEADING CUSTOMERS'**

Hungary's customer protection authority has fined low-cost airline Ryanair 300 million forints (EUR 765,000) for "misleading customers through its dishonest business practices", Justice Minister Judit Varga said on Facebook. The authority had launched proceedings against the airline company on June 10 on suspicion of transferring the windfall tax to customers, the minister noted, adding that her ministry had monitored the process. Varga reiterated the government's earlier pledge "to protect the Hungarian people" and initiate customer protection proceedings every time a company tried to pass its tax on excessive profits on to consumers. "Wartime inflation and the economic situation requires multinational companies earning excessive profits to contribute their share in financing the utility price cap programme and national defence," Varga said.

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## **JOBBIK INITIATES REFERENDUM AIMED AT PREVENTING PARLT TRIGGER OF HUNGARY'S POTENTIAL EU EXIT**

Opposition Jobbik has initiated a referendum aimed at prohibiting parliament from approving a decision

that could lead to Hungary's exit from the European Union. The referendum question submitted by Jobbik leader Márton Gyöngyösi as a private individual reads: "Do you agree that parliament should not be allowed to support a proposal or motion that could result in Hungary leaving the European Union?" The will of the people is crucial when it comes to an issue of this magnitude, which can only be expressed through a referendum, Gyöngyösi told a press conference before submitting his question to the National Election Committee on Monday. He said that while Hungary's constitution prohibits holding referendums on matters concerning obligations arising from international treaties, the government "with its two-thirds parliamentary majority could lead the country out of the EU at any time".

Gyöngyösi noted that his party had said during the 2019 European parliamentary election campaign that the stakes of that ballot would be whether Hungarians would allow "[Prime Minister] Viktor Orbán to drive Hungary out of the European Union". Though this view was not taken seriously even by the other opposition parties "the prime minister's recent speech in Băile Tuşnad makes it totally clear that this is his goal", Gyöngyösi insisted.

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## **DK: FY INFLATION TO BE 'BRUTAL'**

An opposition Democratic Coalition (DK) official has insisted that higher

household energy bills will feed into "brutal inflation" by the end of the year. Referring to a portfolio.hu report, László Varju, the leftist party's deputy leader, told an online press briefing on Monday that it was likely that inflation had "jumped" to 13% in July, and the market expected the December price index swell to 16.5%. Also, he cited g7.hu, an online business and finance outlet, in July as reporting annual food-price inflation of almost 35%. Varju demanded the government help people with VAT and other tax reductions as well as subsidies.

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## **LMP TURNS TO TOP COURT AGAINST TREE-FELLING DECREE**

Green opposition LMP has decided to appeal to the Constitutional Court against a recent government decree allowing the felling of trees, which its opponents see as detrimental to Hungary's forests. LMP co-leader Erzsébet Schmuck told a press conference on Monday that the decree, aimed at providing sufficient firewood for the heating season, would "remove all restrictions and in fact allow clear cutting even nature reserves". "No government in Europe would start cutting down forests amid a climate and water crisis," she insisted, adding fresh-cut wood was not suitable for heating. Forests produce oxygen, help cool the environment and retain water, thus slowing down climate change, Schmuck said, adding that the decree would delay Hungary's

meeting its climate goals by at least 50 years.

LMP spokesman József Gál said already 25,000 people had supported his party's signature drive against the contested decree since it was launched last Friday. "Hands off Hungarian forests!" the spokesman added.

### **POLICE: 14,746 REFUGEES ARRIVE FROM UKRAINE ON SUNDAY**

Fully 7,275 people crossed into Hungary directly from Ukraine on Sunday, while another 7,471 from Ukraine crossed from Romania, the national police headquarters (ORFK) said. Police issued temporary residence permits valid for thirty days to 367 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 166 people, 74 children among them, by train, ORFK said.

### **BUDGET POSTS HUF 255.7 BN SURPLUS IN JULY**

Hungary's cash-flow-based budget, excluding local councils, had a 255.7 billion forint (EUR 648.8m) surplus in July, according to preliminary data released by the finance ministry. The budget deficit narrowed to 2,636.5 billion forints from the end of June. The central budget deficit reached

2,729.5 billion forints at the end of July. The social security funds were 125.8 billion forints in the red, while the separate state funds had a surplus of 218.8 billion forints. The ministry said expenditures on health care and on pensions were higher in January-July than in the base period.

### **HUNGARY TRADE DEFICIT EUR 471 M IN JUNE**

Hungary had a 471 million euro trade deficit in June, a first reading of data released by the Central Statistical Office (KSH) on Monday shows.

The data show exports rose by an annual 13.0% to 11.873 billion euros, while imports increased by 24.1% to 12.344 billion euros. For the period January-June, Hungary's trade deficit reached 2.158 billion euros. Exports rose by 16.2% to 69.304 billion euros and imports climbed 27.4% to 71.462 billion euros.

Magyar Bankholding chief analyst Gergely Suppan said the deficit for the month was "significantly larger" than expected, following a 96 million euro gap in May. Higher industrial output and factory gate prices are supporting exports, but strong demand and dearer commodities and energy prices are lifting imports, he added. A slowdown in investment volume and consumption, paired with new production capacity and an easing of the semiconductor shortage, could improve the trade balance in the coming months, Suppan said.

### **DELTA TECHNOLOGIES UNIT WINS HUF 638 M STATE ORDER**

Listed IT company Delta Technologies on Monday said a consortium led by its unit Delta Systems won a contract worth net 638 million forints to deliver network equipment to government IT development agency KIFU. As consortium leader, Delta Systems will book the entire contract value as revenue, Delta Technologies announced on the website of the Budapest Stock Exchange. In a separate press release, Delta Technologies said the order involves an upgrade of the fibre optic backbone network used by educational institutions in Hungary. The project will run for about four months.

### **HUNGARY FARM SECTOR OUTPUT UP 15% IN 2021**

Output of Hungary's agriculture sector increased by 15% to 3,378 billion forints (EUR 8.6bn) last year, data compiled by the Central Statistical Office (KSH) show. Output prices - driven by dearer crops - climbed 17%, while output volume slipped 2%. The farm sector accounted for 3.9% of Hungary's GDP in 2021. Farm sector output in Hungary made up a little over 2% of total agricultural output in the European Union. The country is especially strong in output of maize, sunflower seed and poultry.