HUNGARY

APRIL 13, 2023 MORNING ISSUE

EDITORS: HUNGARYMATTERS@MTVA.HU • WWW.HUNGARYMATTERS.HU



UPCOMING EVENTS

Stats office releases Feb industry, construction figures

Parliament meets

Events related to the war in Ukraine

TOP STORY

SZIJJÁRTÓ: OPEN CHANNELS OF COMMUNICATION RAISE HOPE OF SWIFT PEACE

Hope for peace in Ukraine remains as long as there are open channels of communication between the parties, and so maintaining dialogue with Belarus in is very important, the foreign minister said after meeting his Belarusian counterpart, Syarhey Aleynik.

Speaking after a meeting of the Hungarian-Belarusian intergovernmental committee of economic cooperation in Budapest on Wednesday, Péter Szijjártó said that despite the "long litany of criticism and attacks that are sure to follow, our meeting in Budapest today was very important."

Hungary stands on the side of peace, and wants the war in neighbouring Ukraine to end as swiftly as possible as that is the only way to save lives, "Hungarian lives among them", he said. "It is very clear that we are in the 25th hour, and the danger of escalation looms larger than ever," Szijjártó said. An escalation would first hit the countries near to the armed conflict the hardest, and so avoiding such a development is a priority, he added. Szijjártó said he had asked Aleynik to do everything in his government's power to avoid escalation. Closing channels of communication would be tantamount to "the world giving up hope for peace", he said. Belarus hosted peace talks in the conflict earlier, Szijjártó said, expressing hope that similar talks would restart soon.



SZIJJÁRTÓ, ALEYNIK DISCUSS ECONOMIC COOPERATION

The foreign ministers of Hungary and Belarus discussed at their meeting in Budapest developing cooperation in sectors not affected by sanctions. Regarding the security of energy supply, "a critical issue for Hungary," Péter Szijjártó noted that 80% of the country's oil supplies comes through the Druzhba pipeline crossing Belarus. "So far, Belarus has been a trustworthy, reliable and fair partner, and has ensured uninterrupted deliveries," he said, adding that Aleynik has promised to continue deliveries.

The ministers have also touched on the issue of nuclear energy and a related agreement they signed at their meeting, he said. Sharing experiences with Belarus, which is building similar nuclear blocks to those under construction in Hungary, is important, he said. "Nuclear security is of universal, global interest, regardless of the geopolitical situation," he said.

US AMBASSADOR: US SANCTIONS OVER 50 PEOPLE, INSTITUTIONS

The United States has announced sanctions on more than 50 people and entities "in order to curb Russia's and sanctioned Russian persons' access to the international financial system through the use of financial facilitators," David Pressman, the US Ambassador to

Hungary, said on Wednesday. Pressman told an extraordinary international press conference that sanctions were imposed on the "Budapest-based, Russia-controlled International Investment Bank (IIB) and three of its senior executives resident in Hungary, including one Hungarian national: Nikolay Kosov, Georgy Potapov, and Imre Lászlóczki." Lászlóczki, currently a deputy head of IIB, earlier served as Hungary's Ambassador to Azerbaijan and Kazakhstan. "We have concerns about the continued eagerness of Hungarian leaders to expand and deepen ties with the Russian Federation," Pressman said.

GULYÁS: US DIPLOMACY PRESSURING HUNGARY INTO PRO-WAR POSITION

US diplomacy has not given up on efforts to pressure Hungary into taking a pro-war position, but the government maintains the view that peace is in the common interest, the head of the Prime Minister's Office said on Wednesday.

Referring to a billboard campaign, Gergely Gulyás told a government press briefing that "everyone can see in the streets in recent days" that instead of the opposition pursuing a campaign funded by US sources, the US embassy "is now directly running a campaign" in Hungary. "This is unusual, especially unusual among allies," he said, adding that "the greatest problem" was that the US campaign "is a pro-war campaign".

"It is a common interest that there should be ceasefire and peace talks as soon as possible" he said. Gulyás said that Hungary would not yield to US pressure, and saving lives could only be achieved through a ceasefire and peace talks, precisely at a time when "neither side can win this war". He said Hungary abided by "international law" and had condemned Russia's aggression and provided humanitarian aid to Ukraine with a focus on Transcarpathia.

In response to a journalist's question, Gulyás called the billboard campaign "unfortunate", especially amid a political climate in which "organisations openly connected to the democratic administration contributed large funds to the Hungarian opposition's 2022 election campaign". The minister called this interference in Hungarian domestic politics. "This is not right," he said. "So far it's billboards, but this campaign may easily run on other surfaces in the future," Gulyás said.

Asked about a press conference by US Ambassador to Hungary David Pressman scheduled for later on Wednesday, Gulyás vowed to give a reaction if anything said at the event referred to the Hungarian government. He added that it was regrettable that the press portal index.hu was being barred from the ambassador's press conference.

US LEFT-WING JIBES AGAINST HUNGARY 'IDEOLOGICAL' -AMERICAN SCHOLAR

American left-wing jibes against Hungary are ideological, Christopher Rufo, senior fellow at the Manhattan



Institute, has told an event in Budapest, adding that the US state apparatus had been taken over by "radical leftwing ideologies". Rufo, a guest of the Danube Institute, said Florida Governor Ron DeSantis, a potential presidential candidate of the Republican Party, was successful at confronting wokism, critical race theory and other left-wing ideologies, and he knew how to stop the advance of institutional wokism. Hungary, he said, had highlighted how it was possible to combat radical left-wing ideological trends, referring to moves to strengthen church education and train a conservative elite as examples, according to a press release of the event on Wednesday. Rufo said Hungary was an inspiration to Western conservatives, which is why the country was on the receiving end of criticism from the mainstream press. On the subject of possible US sanctions against Hungary, he insisted that the country was being attacked by US foreign policy for ideological reasons, and he encouraged the government to continue to resist such pressure.

SZIJJÁRTÓ: HUNGARY HELPING NICARAGUA WITH BIG VACCINE DONATION

Hungary is supplying one million doses of coronavirus vaccine -- the country's largest ever such donation -- to Nicaragua to help the country combat the pandemic, Péter Szijjártó, the foreign minister, said on Wednesday. Several countries around the world are

still contending with serious pandemic challenges and vaccine shortages, the ministry cited Szijjártó as saying. "If a virus core develops in such a country, then there's a realistic chance it will again start spreading on a global scale," he added. "We acted in time and purchased sufficient amounts of vaccine, so we still have a large stock available and can help prevent the start of a new pandemic in various points around the world," Szijjártó said, adding that the government has granted aid to Latin America several times in the past. Per capita income is among the lowest in Nicaragua, while the health-care system there is severely struggling with coronavirus, he said.

FRONTEX: HUNGARY BORDER PROTECTION CONTRIBUTED TO FALLING ILLEGAL ENTRIES FROM W BALKANS

Illegal border crossings to the European Union from the Western Balkans have fallen in annual comparison in the first three months of 2023, thanks to strengthened protection of the Hungarian borders, among other factors, the EU's border protection agency, Frontex, said in a report published on Wednesday. Routes across the Western Balkans and the central Mediterranean remain the most active, the report said.

In January-March 2023, more than 54,000 people have tried to enter the EU illegally, up by 26% from the same period last year, the report said. Attempts registered in March exceeded 22,500, a 60% jump compared with March 2022, it said. Most migrants tried to enter the EU through Italy, with their numbers growing by 305% to 27,651 in January-March, the report said. The route leading through the Western Balkans was the second most active, but entry attempts went down by 22% to 14,858 in the first three months of the year, it said. "The decline can be attributed to the visa-policy alignments in the region with the EU and the reinforcement of border control capacities by Hungary," the report said.

GOVT OFFICIAL: HUNGARY AMONG EUROPE'S SAFEST COUNTRIES THANKS TO CRIME PREVENTION

Hungary is now among Europe's safest countries partly thanks to the work of the National Crime Prevention Council, an interior ministry official said on the occasion of Crime Prevention Day on Wednesday. Bence Rétvári, the ministry's parliamentary state secretary, also attributed moves to strengthen the legal system and the police, as well as the high level of employment, to the fall of recorded crimes by a third in a decade, noting 447,000 crimes in a single year a decade ago as against 154,000 in the past year. Only 4% of people in Hungary do not feel safe, a French survey has found, compared with 15% in Germany, 20% in Belgium, 24% in France and 58% in



Sweden, he said. Rétvári said crime prevention at the national borders in connection with organised crime linked to migration was also a factor in protecting Hungarians from becoming victims of crime.

PÁRBESZÉD: PAKS EXPANSION MUST BE STOPPED

The opposition Párbeszéd party on Wednesday called for the project to expand the Paks nuclear power station to be abandoned. Párbeszéd's Benedek Jávor noted at an online press briefing that an amendment of earlier contracts on the project was announced after Foreign Minister Péter Szijjártó's visit to Moscow on Tuesday. While Szijjártó has not made the details public, based on interviews and press reports in recent days, the new construction project may involve Rosatom abandoning its role as the main contractor, he added. The Paks 2 project in its current form "is clearly a failure" and the government "admitted this by reviewing the contract", he said. Jávor said a loan agreement was linked to a 2014 Russian-Hungarian nuclear cooperation deal, and parliament must approve any amendment of it. If the amendment involves changing the main contractor, then its effects could be "catastrophic", he said. It would mean the government taking all of the project's financial and legal liabilities from Rosatom and burdening Hungarian taxpayers with it, he added. Consequently, the Russians, as suppliers, would not bear any responsibility for cost increase in the project, and the cost could grow from the original 12.5 billion euros to "unforeseeable heights", he said.

DK: STRONGER, MORE EFFECTIVE COOPERATION EUROPE'S RESPONSE TO CRISIS

Europe's response to past crises has always been stronger and more effective cooperation, opposition Democratic Coalition (DK) MEP Klára Dobrev said on Wednesday. Dobrev told a party conference "Way out of crisis - Hungarian problems, European solutions" that not since the second world. "The crisis of 2008-2009 questioned the functioning of the global financial and economic system, the coronavirus posed a threat which was unprecedented in our lives, and Russia's aggression fundamentally questioned the security system that we had put our trust in," she told the event also streamed online. The answers to the 2008-2009 financial crisis included the banking union, the strengthening of the international supervision of financial institutions, and stricter protection of deposit holders and small investors, Dobrev said. Following the coronavirus pandemic, the EU doubled its budget, created a recovery fund, and took out its first joint loan, she said. Russia's aggression has resulted in the EU closing ranks tighter, she added. Only two countries have opted out from

this strong and unifying Europe: the UK with Brexit and Hungary which is "drifting to the periphery of the EU", she said. Dobrev said that despite Prime Minister Viktor Orbán repeatedly saying that he does not want an exit from the EU, "the question is: what is he doing and what are the consequences of his actions". Former British Prime Minister David Cameron did not want to exit from the EU, either, and even Nigel Farage, the most vociferous Brexit advocate, had thought that the UK would remain in the bloc until the last moment, she added. "It does not matter what they want, actions have consequences, and it is necessary to consider these consequences," Dobrev said. Anti-EU propaganda, and the questioning of Hungary's NATO integrity and membership are "stronger every day," she added.

MINISTRY: GOVT MAINTAINING ECONOMIC STABILITY

Hungary's government is further reducing the public debt and the budget deficit, keeping the country on a growth path both this year and the next, the finance minister said at a conference organised by Erste Group in Budapest on Tuesday. Hungary's development level has increased to 77.7% of the European Union average from 66.1% in 2010, allowing the country to overtake Portugal, Romania and Slovakia, among others, Mihály Varga said, according to a ministry statement. This gives the government



the foundation it needs to manage the crisis caused by sanctions, Varga said. Hungary's economy grew by 4.6% last year in spite of the war in Ukraine and without the recovery funds, well above the EU average of 3.5%, Varga said. The government assumes a growth rate of around 1.5% for this year, "and next year we can return to the pre-pandemic growth path of around 4%", he added. Varga said the budget deficit would be reduced to 3.9% of GDP this year, while public debt relative to GDP would be lowered to below 70%, to be followed by further reductions in the following years. Hungary's credit ratings and successful bond issuances show that investor confidence in the Hungarian economy is unbroken, the minister said, adding that the Hungarian banking sector remained strong and functional even in a deteriorating international environment. Inflation is on a downward path thanks to the measures introduced by the government and the central bank, and will be pushed into the single digits by year-end, he said.

BUDAPEST DRINKING WATER NETWORK TO BE UPGRADED WITH EU SUPPORT

The drinking water network of Budapest will be upgraded using 20 billion forints (EUR 53m) in financing from the European Union, the deputy mayor in charge of city operations said on Wednesday. Kata Tüttő told a press conference at a Budapest Waterworks

site in Budafok that the project will be the largest investment of recent decades in the city where old lead pipes were often still in use. Replacing such pipes is a "burning need", and the project will enable the replacement of around 3,000 connections, she added. The programme will also involve the revamp of sixty wells on the Szentendre island and Csepel island, while part of the existing network will be refurbished, she said. Meanwhile, opposition LMP called for an immediate modernisation of Hungary's public waterworks, saying that the network was in such a "terrible" condition that its modernisation cannot wait until 2026, as included in a bill before parliament. LMP leader and head of the sustainable development committee, László Lóránt Keresztes, told a press conference that the deleterious condition of Hungary's waterworks was one of the country's gravest problems. He criticised the government for not having recognised the severity of the problem earlier, insisting that several thousands of billions of forints would be needed to complete the work. "The cabinet is still giving priority to securing water supplies for foreign battery plants instead of providing decent quality drinking water to Hungarians," he added.

MORE THAN 14,500 REFUGEES ENTER HUNGARY ON TUESDAY

Fully 7,229 refugees entered Hungary at the Ukraine-Hungary border on Tuesday, while 7,364 came to the country via Romania, according to the

national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 48 people, ORFK said on Wednesday. Budapest received 105 people, 34 children among them, by train, ORFK said.

HUNGARY INFLATION EASES TO 25.2% IN MARCH

Annual inflation in Hungary was 25.2% in March, down from 25.4% in the previous month, the Central Statistical Office (KSH) said on Wednesday. Month on month, headline inflation was 0.8%. Annual food-price inflation was 42.6% in March, while household energy prices rose by 43.1%. Prices in the category of goods that includes vehicle fuel increased by 23.3%, while the prices of spirits and tobacco products grew by 19.7%. Harmonised CPI, adjusted for better comparison with other European Union member states, was 25.6%. Core inflation, which excludes volatile fuel and food prices, was 25.7%. CPI calculated with a basket of goods and services used by pensioners was 26.7%.

ECON DEVELOPMENT MIN: INFLATION DATA IN LINE WITH EXPECTATIONS

Hungarian March inflation data accord with the government's expectations, having peaked in January before falling, Márton Nagy, the minister of economic development, has said. Headline inflation was 25.7% in January, 25.4% in February, and 25.2%



in March, Nagy told business daily Világgazdaság on Wednesday. "So the improvement, while moderate, is constant and conforms to a trend," he said. Among the government's goals are the priorities of preventing a recession this year and reducing inflation to single digits by year-end, he added. Nagy said supermarkets were starting to compete on pricecutting, and this was filtering through to the data, noting that in December, food prices grew by an an annual 44.8% before gradually falling to 42.6% by March. The minister noted 20 government measures to control prices and protect the economy, with caps on interest rates paid on loans and food prices, cheap business loans and support for energy-intensive businesses, among others. "The measures are working, their effect will be more and more visible..." he said. The government is establishing an online price monitoring system together with the country's Competition Office, he noted.

NEW CHURCH BUILT WITH HUNGARIAN GOVT SUPPORT CONSECRATED IN W UKRAINE'S PALAD'-KOMARIVTSI

A new church built with local community donations and Hungarian government support was consecrated in Palad'-Komarivtsi (Palágykomoród) in Ukraine's Transcarpathia region near the Hungarian border on Tuesday. The construction of the Roman Catholic

church named after Saint Joseph began in 2018 in the village located 16kms southwest of Uzhhorod (Ungvár) and populated mostly by ethnic Hungarians. Addressing the ceremony, Ferenc Papp, the consul of Hungary's Consulate General in Uzhhorod, said that the Hungarian government had so far provided 5.2 billion forints (EUR 14m) for the renovation and upgrade of churches and religious institutions of Hungarian communities beyond the borders. The consul noted that the government had supported the Palad'-Komarivtsi church's construction with 80 million forints. "We have built this new church together by using the resources of locals and Hungary, the motherland, and will put it at the disposal of future generations," the consul said.

AMERICAN MAN WHO HIT PARLIAMENTARY GUARD HANDED SUSPENDED PRISON SENTENCE

A Budapest court has handed an American man who punched a parliamentary guard in the face a prison sentence of one year, suspended for two years. The court also ordered the 21-year-old to be expelled from Hungary for two years, the central investigative prosecutor's office said in a statement on Wednesday. The man drunkenly approached one of the gates of Parliament on April 4 at around 2am and tried to enter the closed-off area by climbing over the chain link, while the guard, after issuing a verbal warning

in English, fended off his repeated attempts to enter by holding him by the shoulder. The accused then ran away before entering a closed-off area and punching the guard in the face two or three times.

MARCH OF LIVING TO BE HELD ON APRIL 16 IN BUDAPEST

The March of the Living will be held this year on April 16 in Budapest, marking the memorial day of the Hungarian victims of the Holocaust, the organisers said on Wednesday. This year's March will pay tribute to forced labour prisoners in the concentration camps and cover a 1.5 km route connecting two memorials in central Budapest, they said in a statement. The event will begin at 5pm at Koltói Anna Square with addresses delivered by guest of honour Katharina von Schnurbein, European Commission Coordinator combating anti-Semitism, Israeli Ambassador Yakov Hadas-Handelsman and US Ambassador David Pressman. The March will be led by Chief Rabbi Tamás Verő, Aharon Tamir, Director-General of the International March of the Living and Michel Gourary, director of the March of the Living Europe. The organisers considered it important to have as many Holocaust survivors and holders of the Righteous Among the Nations award as possible participating in the March. They will be driven in electric cars in the front line of the march.



GOVT OFFICIAL RECEIVES FRENCH STATE HONOUR

French President Emmanuel Macron awarded Police Colonel Mátyás Hegyaljai, Hungary's state secretary for European Union and international affairs, the National Order of Merit of the French Republic, Knight's Cross, for his services in furthering French-Hungarian relations. The honour was handed to Hegyaljai in Budapest by French Ambassador Claire Legras, the interior ministry said in a statement. Hegyaljai has been keeping professional ties with French administrative and law-enforcement agencies for 30 years, the statement said. He was a member of Interpol's European Commission between 2012 and 2016, and led the body for 3 years. He sat on the Interpol Executive Committee between 2017 and 2018, it said.

FINE ARTS MUSEUM CELEBRATES CSONTVARY ANNIVERSARY WITH MAJOR EXHIBITION

A large-scale exhibition presenting 45 paintings and spanning the oeuvre of renowned Hungarian painter Tivadar Csontváry-Kosztka (1853-1919) will open in the Museum of Fine Arts on Friday. The comprehensive exhibition celebrates the 170th anniversary of Csontváry's birth, regarded as one of the most original and most well-known artists in the history of Hungarian painting.

The show will bring together the greatest number of works so far, with several of his best-known monumental canvases on loan from the Hungarian National Gallery and the Csontváry Museum of Pécs. "The oeuvre of perhaps the most original master in the history of Hungarian painting has now been united," László Baán, the director of the museum, told reporters

at a press tour of the exhibition. The exhibition features titles including the iconic Ruins of the Ancient Greek Theatre at Taormina, the thirty-squaremetre Baalbek, the Pilgrimage to the Cedars in Lebanon and the Lonely Cedar, among others. The exhibition will run until July 16 in Budapest and travel on to Pécs afterwards.

BOOK WEEK TO FEATURE 160 PUBLISHERS AT THREE VENUES IN JUNE

The largest festival of Hungarian contemporary literature will present 160 publishers at 145 book stands between June 8 and 11, the head of the Hungarian Publishers' and Booksellers' Association said on Wednesday. The Festive Book Week will be organised for the 94th time with stands set up at Vörösmarty Square, Vigadó Square and the promenade along the Danube in downtown Budapest, the organisers said in a statement. The festival will also feature literary talks and pop concerts.

