

PHOTO OF THE DAY



MTI/Prime Minister's Press Office/Zoltán Fischer

PM Viktor Orbán meets Guoli Tian, the chairman of China Construction Bank (CCB), in Budapest

UPCOMING EVENTS

Events related to the war in Ukraine

TOP STORY

PRICE CAPS TO STAY UNTIL JUNE 30

The government has decided to maintain the current cap on the price of certain products until June 30, the head of the Prime Minister's Office said.

"As long as there is war and sanctions, there will be inflation", Gergely Gulyás told a regular press briefing. The government is committed to reducing inflation to single digits by the end of the year, he said, welcoming a recent central bank statement that the Monetary Council could decide next week to lower the upper threshold of the interest rate corridor as "the first sign that could indicate lower inflation". Referring to the war in Ukraine, Gulyás said avoiding the involvement of NATO in the conflict was in the entire world's interest, arguing that such a scenario would lead to a world war and a nuclear war. Hundreds of thousands have died in the war so far, and more and more weapons are making their way to the frontlines on both sides, indicating a protracted war for the foreseeable future, Gulyás said. He said steps that escalated and extended the conflict were "irresponsible" because they posed the risk of a nuclear war. The Hungarian government is unwaveringly on the side of peace, he added.

GULYÁS: HUNGARY BANS PRODUCE IMPORTS BUT WILL ALLOW TRANSIT

The government has imposed a ban on the import of 25 product categories from Ukraine, including grain, rapeseeds, sunflower seeds, cooking oil, and some meat products until June 30, the head of the Prime Minister's Office told a press briefing, adding that transit shipments will not be blocked. Gergely Gulyás noted that according to the European Commission, Ukrainian grain exports should be facilitated to ease the food shortage in Africa, but added that those imports could "ruin the Hungarian agricultural market instead". He said corn exports from Ukraine had increased by 7,000% and grain by 1,000% between 2021 and 2022, adding that the increase had "ruined agricultural distribution channels especially in countries bordering Ukraine".

Meanwhile, Gulyás said the government will reduce the price of electricity from 165 forints (EUR 0.44) to 70 forints/kWh for the smallest businesses above average consumption. The measure will apply to companies employing 10 or fewer people, with annual takings of no more than 2 million euros. Gulyás expressed hope that the measure would boost the economy and significantly increase the profits of small ventures.

Also, Gulyás announced that farmers will not be charged for the water they use to irrigate their land this year. He

said the government was committed to reducing the damage farmers suffered due to last year's droughts, and it would pay for farmers' water consumption.

Gulyás said the government would continue its programme ensuring that retail consumers are provided gas and electricity at the earlier price levels up to the level of average consumption, adding that the scheme would cost the central budget 1,500 billion forints in 2023. The government is working to shield businesses, especially small firms, from "an unbearable burden".

AGMIN CALLS ON EU TO PROTECT CEE FARMERS FROM UKRAINE GRAIN GLUT

Hungary is proposing progressive subsidies for the transport of Ukrainian grain in the European Union to ensure that it reaches its traditional markets rather than getting stranded in central and eastern Europe and distorting the markets there, Agriculture Minister István Nagy said on Thursday, after talks with Mykola Solskyi, Ukraine's Minister for Agrarian Policy and Food. Nagy briefed Solskyi on his talks on European Commission representatives on Hungary's decision to temporarily ban Ukrainian agricultural products. The EU is preparing to place Ukrainian wheat, maize, sunflower seeds and rapeseeds under the bloc's trade liberalisation clause, he said.

Nagy stressed that the Hungarian ban was temporary, introduced to protect Hungarian farmers and

consumers. Ukraine's traditional cheap trading routes across the Black Sea are being blocked due to Russian aggression, he noted. Nagy also said that the EU's solidarity lanes had not achieved their goal as Ukrainian products were not reaching the original markets and were upsetting the markets of neighbouring EU countries. The progressive transport subsidies could help solve that problem, he said. Hungary continues to allow the transit of Ukrainian products, he said. Shipments get sealed at the border and monitored throughout the country, he said. Their smooth and swift travel through the country is a priority, he said.

Tax and customs authority NAV has tightened inspections of grain consignments from Ukraine since April 14. A recent government decree regulating the imports of several agricultural goods from Ukraine allows solely the transport of those products through Hungary's territory, NAV said in a statement. Accordingly, NAV is conducting inspections of shipments at Hungary's EU external Schengen borders as well as throughout the country's territory, the authority said. The aim is to prevent entry or the sale of those products on the domestic market. Shipments originating from Ukraine but entering Hungary from Slovakia and Romania are subject to electronic inspections aided by excise officers in the country's internal territory away from the borders. The aim is to prevent illegal deposits of those consignments in domestic

warehouses. NAV is conducting the inspections in cooperation with food safety authority NEBIH.

GOVT INSTRUCTS SUPERMARKETS TO OFFER DISCOUNTS

Government spokeswoman Alexandra Szentkirályi announced that the government will instruct major grocery chains to offer price discounts with a view to lowering prices. Szentkirályi told a press briefing that the improvement in the inflation data was already visible thanks to the government's measures, but the cabinet decided to introduce a new tool based on Greek and French examples -- classifying basic foodstuffs into 20 categories such as poultry, cheese, bread, baked goods, vegetables, fruit and cold cuts -- from July 1 at the latest. The retail outlets in question will have to offer a product of their choice in all categories at least 10% cheaper than the price in effect in the 30 days preceding the special offer, she added. Products must be selected for the special offers every week in order to ensure that the possibility of purchasing at a discount covers a wide range of products, Szentkirályi said. The discounts cannot apply to price-capped products, she added.

Meanwhile, she said the Competition Office (GVH) and the government's online price-monitoring platform is set to start running on July 1, noting that it aimed to boost competition and prevent overpricing. The authorities have inspected more than 6,000

shops since the price caps were introduced, Szentkirályi said, adding that inspections would continue as long as the price caps are in effect. "High inflation will be with us as long as the war in Ukraine is ongoing and as long as the sanctions are in effect," she said, noting that the government aims to push inflation into the single digits by year-end. The government is not considering any proposal to cap fuel prices, the head of the PM's office added.

GULYÁS: CONSULTATIONS WITH TEACHERS ONGOING

Asked about a bill in the works that would change the status of teachers and prohibit them from quitting before the end of a semester or school year, head of the PM's office Gergely Gulyás said no draft legislation had been prepared yet, and the government was still consulting teachers' unions on the potential regulations. Put to him that some 4,000 teachers had signalled their intention to quit the profession if the law was passed, Gulyás said there were well over 100,000 teachers working in Hungary, adding that though the loss of 4,000 teachers "wouldn't be good for the education sector", it was only 3% of all teachers. Gulyás said it was impossible to have a meaningful debate on a law while consultations on it were still ongoing. The government intends to keep talking with unions until they reach a point where an agreement can be

reached on every issue, Gulyás said. "But we're not there yet," he said, adding that he could not guarantee that they would agree on every single issue, adding this is why there is no date set for when the bill will be submitted to parliament.

GULYÁS: HUNGARY 'RESPECTFULLY WELCOMES REPRESENTATIVES OF EVERY STATE'

Asked to comment on reports that the US ambassador had been sent to Hungary "to take control of the left wing", head of the PM's office Gergely Gulyás said the Hungarian government respectfully welcomed representatives of every state. They come to Hungary to deepen relations between the two countries, he added. Gulyás said a billboard campaign supported by the US embassy had come "too late". He said the campaign would have served Hungary's independence better in 1956, "but Suez or the presidential election was more important to them at the time." Gulyás said the Hungarian government's position on the war "should be acceptable to an important NATO ally". "If it isn't, then that partner should discuss the matter with the cabinet," he added. There were two views taken on the war, he said, one urging a ceasefire and peace talks. But, he added, a ceasefire would not entail the recognition of the current frontlines as borders. It would, however, "end the killing", he said. According to the other view, the

war should go on until the borders between the two countries are identical to the ones recognised by international law, Gulyás said. Those who hold the latter view support a months-long or years-long war, he insisted.

Meanwhile, Gulyás said it was not yet clear what areas the European Union's planned 11th sanctions package would apply to because the European Commission had yet to send a draft version. Talks on the payment of cohesion and recovery funds are ongoing, Gulyás said, adding that the EC was "constantly promising to respond in the next few days".

Regarding Sweden's NATO accession, Gulyás declined to speculate as to when parliament could ratify the agreement. Trust between the two countries has to be repaired through dialogue, which Hungary is open to, he said. But some of the labels used by Sweden in the recent period regarding Hungary call for a minimum level of trust between the two countries, he added.

Asked about corruption in Brussels, Gulyás said that as a member of the EU, "we are interested in the headquarters of the European Union functioning well and being above all suspicion", and yet we see that "Brussels is full of corruption", and there are still cases suggesting "charges of influence peddling". It must be made clear that no norms other than EU law apply in Brussels, he said, adding that "we support the investigation of such cases".

Speaking about EU foreign policy, he said the main subject of Hungarian criticism was that major EU member states did not recognise or represent European interests, while major actors of international diplomacy stood up for their own interests. Regarding the statements made by French President Macron during his visit to China, Gulyás said it was "a brave step and initiative for Europe to recognise its own interests and act accordingly". He said Europe was interested in free trade and that within the relevant framework "we maintain economic relations not only with our allies but also with the eastern half of the world".

Asked about whether the Hungarian government supported the re-election of Ursula von der Leyen as head of the European Commission, Gulyás said it was too early to comment on that. At the same time, he noted that the German union parties have recently decided that they would support her re-election and she was present at the meeting. Gulyás dismissed as "speculation" the suggestion that the German politician would continue her career as NATO Secretary General. Asked about the EU farm subsidies, he said "these are coming to Hungary without interruption", and they were not affected by the dispute over cohesion funds.

Asked about the central bank's planned narrowing of the interest rate corridor and the management of inflation, Gulyás said lending interest rates were "so high nowadays" that almost no one would borrow a

significant amount to buy a home. He said the reduction of the upper threshold of the interest rate corridor should be followed by "many similar steps" for this situation to change. Gulyás said he expected inflation to fall significantly in the summer, with a breakthrough taking place probably in July and August.

Asked about the fate of the state's share in the International Investment Bank (IIB), which is pulling out of the country, the minister said the Hungarian state was obliged to enforce all its claims. He said the regulation "making clear that the headquarters of this bank is no longer in Budapest" will be published later during the day, and with the departure, diplomatic immunities will expire. Asked whether Russia is also a friend of Hungary's, like the United States, Gulyás said "Russia is our partner, our economic partner primarily in the procurement of commodities; the United States is our ally and our allies are our friends," he said. He said he did not know of any substantial damages caused to Hungary by the sanctions announced by the United States concerning the International Investment Bank, but, he added, the question was how much money Hungary could obtain of capital invested into the bank. Just as Czechia and Slovakia, Hungary will also enforce its claim on money invested, he said.

Meanwhile, Gulyás said the modifications to the expansion of the Paks nuclear power plant did not affect any key aspects of the construction. The changes are technical in nature,

and the price and interest remain unchanged, he said. The modifications will have to be submitted to the European Commission for approval, after which they will be released to the public, he added. Asked about the release of any aspects of the recent Pentagon leaks concerning Hungary, Gulyás said this required the opinion of the intelligence services. Hungary has no knowledge of the US eavesdropping on any Hungarian political leaders, he said, adding that no such documents had leaked from the Pentagon.

Meanwhile, Gulyás said Hungary had submitted every request for financial contribution to its border fence to the EC, but the body never approved any support. So far, only the leader of the European People's Party has changed his mind when it comes to building border fences, but there are not yet any signs of the EC changing its view, even though its leader belongs to the same political family, he said.

Asked about the closures in Kossuth Square because of the Pope's visit next weekend, Gulyás said certain parts of the square were being closed to the public while the stage is being built, and the green spaces also have to be closed off. Gulyás said the government had no plans to amend the Penal Code to include penalties for "public interest reports" concerning the violation of constitutional values. He said the law had been approved to comply with the harmonisation of EU law. In response to another question, Gulyás said marijuana would not be legalised in Hungary as long as the Fidesz-Christian Democrat alliance was in power.

FIDESZ MEP: EP PROPOSAL 'FORCING MANDATORY MIGRATION QUOTA'

The European Parliament's proposals on migration are once again "forcing mandatory quotas for accepting migrants", a Fidesz MEP said, after the EP confirmed key reform mandates on asylum and migration at a plenary session on Thursday. "The EP proposals are entirely inadequate to solve the problem of migration, and so they should be rejected without delay," Balázs Hidvéghi said. The proposals would once again boost illegal migration and lead to large-scale abuse and further migration waves, he said.

Hidvéghi proposed a review and "rethink" of the proposals as a representative of Fidesz's EP delegation, in cooperation with the European Conservatives and Reformists and the Identity and Democracy EP groups, saying the proposals were "forcing old bad practices and will lead to another spectacular failure in handling migration." Meanwhile, the EP vote showed once again that "Hungarian leftist MEPs support illegal migration and mandatory distribution quotas," Hidvéghi said.

The EP voted to start negotiations on the new regulations with 419 votes in favour, 126 against and 30 abstentions. The plenary adopted negotiating mandates on various aspects of the issue, including a binding solidarity

mechanism to assist countries experiencing migratory pressure, the EP said. The regulation sets out how the EU and its member states will act jointly to manage asylum and migration, the statement said.

HUNGARY, SERBIA PREPARING TO BUILD NEW OIL PIPELINE

Hungary and Serbia are preparing to build a new crude oil pipeline to strengthen the security of supply, Péter Szijjártó, the minister of foreign affairs and trade, said. Negotiations between Hungarian oil and gas company MOL and Serbian oil transport company Transnafta are under way on the pipeline that will connect Algyő, in southern Hungary, and Novi Sad, in northern Serbia, the foreign ministry cited Szijjártó as saying. The agreement is expected to be signed in June, he added. Speaking at a joint press conference with Serbia's energy minister Dubravka Đedović, Szijjártó said Europe was facing serious challenges in energy supply due to the war in Ukraine. He noted that demand for energy had increased following the reopening of the Chinese economy, and LNG capacities had not yet been developed to the extent that it could make up for the loss of 60 billion cubic metres of Russian natural gas on the European market. "Hungarian-Serbian strategic energy cooperation is one of the guarantees that Hungary's supply will remain secure in the next period," he said. Hungary receives a daily 9-15

million cubic metres of gas via the TurkStream pipeline from Serbia, and the country is also a possible delivery route for the volumes of gas Hungary wants to buy from Azerbaijan, Szijjártó said. Hungary is therefore interested in the development of Serbia's internal network and considers it a European issue, and therefore expects the European Union to finance infrastructure developments in the region that enable central Europe to access alternative sources, he said. Szijjártó said that a framework agreement had been reached that Hungary will store 500 million cubic metres of gas for Serbia in its storage facilities this year as well. In addition, state-owned energy company MVM and Srbijagas will set up a joint company soon to carry out joint gas trade activities, strengthening the presence of the two countries on the central European energy market, he said. Szijjártó also welcomed the fact that the construction of the new cross-border power line is progressing according to schedule. This will result in doubling the transport capacity and is expected to be completed by 2028, he added.

FIDESZ MEPS: SITUATION OF NATIONAL MINORITIES IN SERBIA 'EXEMPLARY'

The situation of national minorities in Serbia serves as an example to the European Union given that Serbia "cherishes national minorities", Fidesz MEPs said on Thursday at a meeting of

the European Parliament's Intergroup on Traditional Minorities, National Communities and Languages. The meeting also examined the situation of Hungarians living in Serbia's Vojvodina region, Kinga Gál and Andor Deli said in a statement to MTI.

The European Commission "is not taking meaningful measures" regarding national minorities, as its approach to Minority SafePack has shown, they said, referring to an EU citizens' initiative that aimed to improve EU protections of national and linguistic minorities but was ultimately rejected by the EC in 2020. "I think it is particularly important to point to examples outside the EU. Serbia takes the issue seriously and shows respect to national minorities, with a functional [minority] council system," he said. In his speech at the EP intergroup meeting, Árpád Fremond, the head of Vojvodina's Hungarian council, said ethnic Hungarians in Serbia were the greatest beneficiaries of good relations between Serbia and Hungary. "We are grateful to ... Hungary for doing everything in its power to keep Serbia's EU integration on the agenda of EU institutions," he said.

Gál, the intergroup's co-chair, said her working group aimed primarily to have representatives of minorities brief MEPs firsthand. She praised the Hungarian National Council in Vojvodina as a way to preserve Hungarian minorities in Serbia. Ethnic Hungarians are the demographic group most committed to the country's EU integration in Serbia,

she said. She called for the accession process to be speeded up while keeping the protection of minorities a priority to ensure the rights of Hungarians are guaranteed, she added.

JUSTICEMIN: HUNGARY FULLY IMPLEMENTING CONDITIONALITY COMMITMENTS

Hungary has so far fully implemented commitments it made last August in respect of the EU's conditionality procedure, Judit Varga, the justice minister, said on Thursday, after receiving the French EU affairs minister Laurence Boone. Hungary is "very close" to an agreement with the European Commission as regards the justice package among others, and there are no unresolved "political issues", Varga wrote on Facebook. Outlining the priorities of Hungary's EU presidency in the second half of 2024, she told Boone that Hungary intends to focus on demographic issues and competitiveness. She said the two countries shared "connection points" which may advance close cooperation during the presidency. "Hungary supports and will continue to support constructive cooperation," Varga added.

HUNGARY, SLOVENIA PRESIDENTS VISIT SINGLE-PARENT CENTRE IN BUDAPEST

Hungarian President Katalin Novák and Nataša Pirc Musar, her Slovenian

counterpart, have visited Hungary's first single-parent community centre in Budapest. Introducing the centre, Anna Nagy, its director, told the guests that the facility had opened in May 2018 with the aim of providing hands-on help to single-parent families and serving as a community-building space. Offering 70 types of services, the centre has so far catered for 28,000 single-parent families, Nagy said. A second centre was opened in Budapest in 2022, she said, noting that similar centres were operating in other places in Hungary and beyond the border. In Hungary, more than 500,000 children are raised by a single parent, Nagy noted, adding that the number of single-parent families is about 300,000. The centre is an all-new initiative in Hungary and in international terms, said Nagy. She said it facilitates children's programmes, summer camps and roundtable talks for parents, among other programmes.

PÁRBSZÉD QUERIES GOVT ON PAKS EXPANSION

The opposition Párbeszéd party has submitted a series of questions to the government in connection with the upgrade of Hungary's nuclear power plant in Paks. Benedek Jávor, an advisor to the party, noted at a press briefing that Foreign Minister Peter Szijjártó announced last week that Hungary and Russia had agreed to modify the contract on the plant's expansion. Jávor said Párbeszéd's

questions aimed to clarify the changes and which contracts they applied to. He said Párbeszéd wanted to know whether it was possible that Paks 2, the project company in charge of the upgrade, would take over contractor duties and the related financial and legal responsibilities. The party also seeks information on whether the issue of the project's increased costs, "for which Russia's Rosatom is to blame", would be settled if a new contractor was appointed, he said. Another question Párbeszéd wants answered is whether a potential new financing contract would be submitted to parliament for approval, Jávor added.

LMP RAISES QUESTIONS AROUND HUNGARY'S WITHDRAWAL FROM IIB

The opposition LMP party has called on the government to provide information concerning "unanswered questions" around Hungary's withdrawal from the International Investment Bank and the bank's decision to pull out of Budapest, LMP board member Örs Tétlák told a press conference on Thursday. Tétlák said his party wanted to know how Hungary would be repaid its 74 million euro share in the bank. The party also wants information on the future of the bank's headquarters, a landmark building situated next to Chain Bridge, which the IIB purchased in 2020. Tétlák asked what would happen to the loans the bank has already provided as well as open transactions, and whether

the government would intervene in respect of the bank's extant affairs. "Hungary will have truly left the spy bank -- and the bank will have properly withdrawn from Hungary -- only once the public is provided meaningful answers to those questions," Tétlák insisted.

CHINA CONSTRUCTION BANK OPENS BRANCH IN HUNGARY

China Construction Bank (CCB), the world's second biggest bank by assets, opened a branch in Hungary on Wednesday. Addressing the official opening at the Pest Vigadó, Economic Development Minister Márton Nagy congratulated CCB on its Hungarian branch, which he said would hopefully pave the way for more developments. CCB helps Hungarian businesses enter the Chinese market and Chinese investments make their way to Hungary, he said. CCB chairman Tian Guoli highlighted the long "solid and deep" friendship between China and Hungary. He said CCB expects to contribute to further boosting Chinese-Hungarian economic, financial and trade relations. Prior to the opening of the branch, György Matolcsy, the governor of Hungary's central bank (NBH), had a business lunch with Tian, the bank said. Matolcsy and Tian reviewed the global economic and geopolitical situation, as well as the achievements and future opportunities of financial and economic cooperation between

Hungary and China, the NBH told MTI. They identified financial digitalisation as an area for future cooperation between the NBH and CCB, saying it offered serious opportunities for Hungary in terms of technological knowledge transfer, the central bank said. Matolcsy welcomed CCB's opening of its Hungarian branch and that more and more Chinese commercial banks were coming to Hungary or setting up their regional centre in the country. This fits well with Hungary's goal of becoming the financial centre of the central and eastern European region, he said.

Prime Minister Viktor Orbán received a delegation of the China Construction Bank headed by Guoli for a working lunch in Budapest on Thursday. The event was attended by Foreign Minister Péter Szijjártó, Finance Minister Mihály Varga, Economic Development Minister Márton Nagy, and János Csák, the minister of culture and innovations, the prime minister's press office said. Participants in the event expressed their expectation that the Chinese bank's new branch in Budapest, opened on Wednesday, would contribute to a further strengthening of economic cooperation between Hungary and China.

SZIJJÁRTÓ INAUGURATES FERROCONCRETE PLANT IN C HUNGARY

Hungary is almost certain to break investment records in 2023,

notwithstanding the difficult economic environment, Péter Szijjártó, the minister of foreign affairs and trade, said at the inauguration of a reinforced concrete plant in Alsonemedi, near Budapest, on Thursday. The 16 billion forint (EUR 42.5m) investment by Ineton, which will create 120 jobs by August, was supported by a 2.4 billion government grant. The construction sector has become one of the engines of Hungarian industry, with 12% growth in 2021. Production value has come close to 7,000 billion forints in 2022, four times higher than in 2010, he added. The sector employs more than 380,000 people, he said.

NEARLY 12,000 REFUGEES ENTER HUNGARY ON WEDNESDAY

Fully 5,904 refugees entered Hungary at the Ukraine-Hungary border on Wednesday, while 5,796 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 78 people, ORFK said on Thursday. Budapest received 104 people, 49 children among them, by train, ORFK said.

CULTUREMIN HOSTS DISCUSSION WITH UNIVERSITY HEADS ON EU SCHEMES

The culture and innovation ministry hosted a consultation

with university heads to discuss the issue of EU education, research and mobility schemes on Thursday, and announced a rapid 5 billion forint (EUR 13.2m) government grant allocated in advance to finance the research programmes at Hungarian universities. The ministry said in a statement that the sides were in agreement that Hungarian universities, students and researchers cannot "suffer the negative consequences of a flawed decision made by Brussels by applying double standards".

The grant's recipients will include universities that would be excluded "under a discriminative decision by Brussels" from the EU's Horizon Europe scheme or any other research cooperation programme financed directly by the EU, the statement said. Without the grant, those universities would drop out of the projects, as the deadline for several commitments expires in May, it added. "The government is committed to its goal of the internationalisation of Hungarian education in light of the significant increase of participants in mobility programmes," it said, noting that the number of students and teachers participating in such schemes had gone up to 10,000 in 2022 from 8,000 in the previous year. Access to the EU's Erasmus+ programme will be ensured throughout 2023 and under government guarantee in 2024 as well, the ministry said.