

PHOTO OF THE DAY



MTI/Bodlálka Bodnár

The River Danube flooding at Neszmély, NW Hungary

UPCOMING EVENTS

Events related to the war in Ukraine

TOP STORY

FM CALLS FOR 'CIVILISED' EAST-WEST COOPERATION

Hungary promotes civilised East-West cooperation along its national interests based on historical experiences, not because it is anyone's friend or spy, Foreign Minister Péter Szijjártó said on Friday.

The ministry cited Szijjártó telling a panel discussion at the EU-Central Asia Economic Forum that Europe was facing huge economic challenges, which justified that Hungary considers cooperation with central Asia important. He told the discussion focusing on ways to improve the regional business climate that the world had regrettably started moving towards the formation of blocs. When Hungary argues in favour of connectivity and "civilised" cooperation between East and West, it is not because the country is anybody's friend or spy but because "we are aware of our own national interests," he said. The minister said Hungary was a good example of how a country could benefit from civilised East-West cooperation "based on mutual respect and mutual trust and aiming at mutual benefits". Hungary has been able to become an important meeting point for investors from the East and West because it has never discriminated against investors based on their nationality, Szijjártó said. This is especially true in the field of electromobility which is key for the future success of Europe, he added.

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KÖVÉR: HUNGARY STANDS BY TRANSCARPATHIA HUNGARIANS

Ukrainian politicians must know that the entire Hungarian nation is behind the Transcarpathian Hungarian community, and the Hungarian state will not give up protecting their interests despite any pressure, Speaker of Parliament László Kövér said in Budapest on Friday. In his opening address to the Forum of Hungarian Lawmakers from the Carpathian Basin (KMKF), Kövér said there were no separate issues that pertained to just Hungarians living beyond the borders or those within, only a unified Hungarian nation and unified Hungarian issues. What is happening today to European national minorities can happen tomorrow to the majority nations as well, Kövér said. He also pointed out that after the conclusion of the war in Ukraine, it would not be possible to rebuild European security policy without a fair settlement of the issue of national rights. Kövér argued that the war in Ukraine did not begin with the first Russian gunshot in February last year, but when leading Russian politicians questioned the independence of the Ukrainian nation, the existence of an independent Ukrainian language and culture, openly expressing the idea that what claims to be Ukraine must be Russified. At the same time, the speaker posed the question of what happens if the victim also questions the ethnic

reality of others and tries to restrict and eliminate it. He said the Ukrainian state had been acting restrictively towards its ethnic minorities since 2015, long before the war began. It started disputing their rights to their identity, their mother tongue and culture, and effectively started to try to Ukrainise them. What is happening in Ukraine today, Kövér said, proved that the policy of ethnic dominance does not make a state stronger or more stable, but rather more vulnerable. The position of Hungary's policy for national communities is that ensuring a European-level, principled and democratic solution to the national problems in Europe -- especially for the integration process of the Balkan states -- is not only a measure of taking human rights seriously but also a vital security policy interest, Kövér said. Violations against national identity sooner or later result in political destabilisation, while the principled and legal protection of national identity strengthens political stability and security, he emphasised.

GULYÁS: ETHNIC MINORITY RIGHTS AMONG EUROPEAN VALUES

Despite all the debates about European values, there is general consensus that the rights of ethnic minorities are among the values of Europe, the head of the Prime Minister's Office told a plenary session of the Forum of Hungarian Deputies in the Carpathian Basin

(KMKF) in Budapest on Friday. Gergely Gulyás, referring to the Hungarian minority in Ukraine, said the Hungarian government was loyal to Ukraine, a country which had been attacked, but added that "it is inconceivable that Ukraine, neglecting European values and trampling on the community and individual rights should become a European Union member". "We expect Ukraine to restore the individual and community rights that it has removed since 2015," Gulyás said. He added that a lack of those rights made Hungarian education in Transcarpathia "extremely difficult". He said the Hungarian government condemned Russia's aggression, and would accommodate refugees from Ukraine without limitations, as well as provide humanitarian aid in Ukraine. Meanwhile, Gulyás said the Hungarian government had provided assistance to the operation of some 5,000 Hungarian institutions and organisations in the Carpathian Basin and in the Hungarian diaspora since 2010. Hungary supports the full range of Hungarian education to an annual 300,000 children. Each ethnic Hungarian child and student receives an education subsidy of a yearly 100,000 forints, he added. The Hungarian government's economic development programme has helped over 60,000 ethnic Hungarian entrepreneurs with over 200 billion forints, the minister added.

FINMIN: GOVT TO REMOVE SPECIAL TAXES IN 2024

The government is planning to remove the “extra tax burdens” on the banking sector, the finance minister told an annual meeting of the Hungarian Banking Association on Friday. Mihály Varga praised Hungary’s banks as “performing well in a worsening international environment”. The economy could not operate without a suitable banking sector, while banks could not be profitable without a well-performing economy, either, he added. Hungary’s high employment rate indicates that the economy could stand the test of war times, he said, adding that the goal was to maintain the economy’s activity in future. Concerning banking, he said that the sector’s capital adequacy ratio was twice as high as the required minimum, while the loan/deposit ratio was also better than the European Union average. The government has considered the windfall profit tax as a temporary measure and will remove it as earlier pledged. He added, however, that “full consolidation” of the economy still required bank financing. He also asked banks for their partnership in working out a solution for phasing out the special taxes. Varga said the government expected a “higher growth” next year, with average inflation of 6% and deficit below 3%. Referring to Ukraine’s blacklisting Hungary’s OTP Bank as a supporter of Russia, Varga

said the government was standing by Hungary’s banks, adding that OTP had not violated any international rules and had “clearly refuted Ukraine’s false arguments”. “We will do everything to make Ukraine withdraw its groundless and unacceptable measure,” he said. Banking Association head Radovan Jelasy said the sector was stable, but added that banking taxes were “disproportionately high”. “These burdens hinder operations and force the sector to take non-market reactions”. The sector needs more market, higher predictability, and an early removal of the extra taxes, he said. The association expects minimum growth this year and is working to avoid recession; the extra taxes are posing an “increasing problem” because clients will leave and seek foreign banks, he added.

FINANCE MINISTER, CBANK GOVERNOR DISCUSS ECONOMIC POLICY

Cooperation between the government and the central bank will contribute to inflation falling into the single digits by the end of the year, lower interest rates, improving economic indicators and the return of robust growth, the finance ministry said in a statement on Friday after another meeting between Finance Minister Mihály Varga and National Bank of Hungary (NBH) governor György Matolcsy. Talks focused on next year’s budget, which the ministry said would guarantee Hungary’s security, protect

families, pensions and jobs, as well as the cap on household utility bills. Varga and Matolcsy were in agreement that disciplined policies and the reduction of the budget deficit and the public debt could put the country’s economic growth back on track next year. Accordingly, next year’s budget targets a deficit of less than 3% of GDP and aims to reduce the public debt-to-GDP ratio below 67%. It assumes a GDP growth rate of “around 4%”, the statement said. The government and the central bank aim to push inflation into the single digits by the end of the year, reduce interest rates and protect the economy from recession, the ministry said. Varga and Matolcsy last met in April, when they agreed to hold consultations on strategic matters on a regular basis.

DEFMIN: HUNGARY MILITARY ‘ON VERGE OF HISTORIC OPPORTUNITY’

The Armed Forces of Hungary is on the verge of a “historic opportunity” to become a reformed, capable and dedicated military force, Defence Minister Kristóf Szalay-Bobrovniczky said on Friday, addressing a National Defence Day celebration. Hungary’s military is now presented with a big, perhaps final chance, the minister told the event at the Bálna Centre on the Pest side of the River Danube, arguing that the war in Ukraine had “created a completely new situation”. Though the Hungarian

army has already had many positive elements, "it hasn't been what we all want to see it as: a force capable of fully guaranteeing the security of the Hungarian people within NATO", Szalay-Bobrovniczky said. Despite the difficult economic situation caused by the war, Hungary has all the resources needed for the necessary upgrades, he said, noting that next year's budget again allocates 2% of GDP towards defence. As regards the tasks before the Armed Forces, Szalay-Bobrovniczky noted the importance of procuring new NATO-compatible equipment. Also, a profound change in organisational culture is needed so that the army is a combat ready force, he said, emphasising the importance of the military's rejuvenation. The appointment of Gábor Böröndi as the chief of staff ensures that this change in organisational culture "is spearheaded by the best people possible", he added. National Defence Day marks the anniversary of May 21, 1849, when the independent Hungarian army succeeded in recapturing the castle of Buda after a three-week siege.

APPEALS COURT APPROVES BRAZILIAN DRUG TRAFFICKER'S EXTRADITION

A Brazilian national arrested in Hungary last summer on charges of drug trafficking and other crimes can be extradited for prosecution in another country, according to a ruling by the Budapest appeals court, the Budapest Appellate Chief Prosecution Office said on Friday. The 65-year-old man was arrested on a European arrest warrant in Budapest on June 21 last year. Brazil and the United States issued requests for his extradition. The decision on which country the defendant will be extradited to will be made by the justice minister.

OVER 12,000 REFUGEES ENTER HUNGARY ON THURSDAY

Fully 5,411 refugees entered Hungary at the Ukraine-Hungary border on Thursday, while 6,755 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence

permits valid for 30 days to 52 people, ORFK said on Friday. Fully 20 refugees, 5 children among them, travelled to Budapest by train.

HUNGARY GRAIN STORES HALF FULL AHEAD OF SUMMER HARVEST

Hungary's grain stores are half full, a survey conducted by the agriculture ministry with the cooperation of the National Agriculture Chamber (NAK) shows, state secretary Zsolt Feldman said on Friday. The estimate was based on data provided voluntarily by market players with capacity to store 5.6 million tonnes of grain, Feldman said. Total grain storage capacity in Hungary stands at 20 million-22 million tonnes, he added. He acknowledged that the ratio is "very high" compared to earlier years, as grain stores are usually empty in May, but said that capacity will be sufficient for the expected 7m-tonne summer harvest.

He noted that 1.3 million tonnes of grain were sold on export markets in the first quarter. Exports are 35% under the five-year average due to last year's drought and changed demand on export markets, he said.