

PHOTO OF THE DAY



New Koltai Jenő Sports Centre of the PE and sports sciences university, Budapest

UPCOMING EVENTS

Events related to the war in Ukraine

TOP STORY

ECB APPROVES CBANK ACT AMENDMENT

The European Central Bank has green-lit the government's proposal to change the law on the central bank.

The Hungarian central bank (NBH) has said it welcomed the ECB's positive opinion on the amendment which would allow the government to spread payments for recapitalising the bank from the central budget over several years in the case of the NBH posting a temporary operating loss. Citing international examples, the NBH said it had long argued that central banks can operate effectively with a temporary negative capital balance while credibly fighting inflation. With the agreement and support of the NBH, the finance ministry initiated the amendment of sections of the Central Bank Act with regard to central bank losses with the aim of loosening the law's strict rules, the NBH said in a statement.

After looking to European best-practice for handling negative capital, the bank and government sought the ECB's opinion regarding its related proposal that should the NBH's operating capital go into the red temporarily, the government must pay into the central budget, allowing for profits of later years to ensure capital needed in the medium term.

FIDESZ MEP GROUP: NO LEGAL OBSTACLES TO EU PAYMENTS

There are no longer any legal obstacles to the European Union releasing blocked funding to Hungary, Fidesz MEPs said in a statement, noting that an EP budget control committee delegation visited Hungary in mid-May and presented its report on Monday. The purpose of the "so-called fact-finding delegation" was to examine progress made by Hungary with a view to unblocking EU funds, a process which "Brussels used as political pressure". "The report includes the usual political charges from left-wing representatives that had a majority in the committee... [but] clearly acknowledges the positive outcomes of Hungary's anti-corruption and judicial reforms," the Fidesz statement said. The report, it added, was "a serious step forward" in Hungary accessing EU funds, notwithstanding the committee's "fundamentally biased position" on these issues hitherto. Based on the report's substantive findings, "it is now clear that not a single issue" should prevent the release of EU funds, the statement said. The "Brussels bureaucracy should now concede that there are no legal obstacles to making EU payments", it added.

EU HAS NO RIGHT TO TELL HUNGARY WHERE TO BUY GAS

By refusing to help finance regional energy infrastructure capacity expansions, the European Union "has lost all rights to have a say in where Hungary buys its natural gas", the minister of foreign affairs and trade said after meeting his Azeri counterpart in Budapest. The success of a project to increase Azeri gas shipments to 1 billion cubic metres a year hinges on EU financing, because south-eastern European energy infrastructure currently lacks capacity to satisfy demand for energy diversification in the region, Péter Szijjártó told a joint press conference held with counterpart Ceyhun Bayramov, noting that Azerbaijan has begun LNG deliveries to Hungary under a deal to purchase 100 million cubic meters of gas and to store a further 50 million cubic meters. Energy diversification is key to Hungary's energy security, and Azerbaijan "is a viable alternative" for Europe as well as Hungary, he said.

Meanwhile, Szijjártó said Azeri-Hungarian relations were also key to economic growth. In the first half of 2023, trade was double the amount of that of the entire year of 2022, he said. The jump was driven by exports of pharmaceuticals and energy imports, he said. Szijjártó also welcomed the presence of Hungarian companies in the reconstruction of Nagorno-

Karabakh after the war there, a business opportunity coming to tens of millions of dollars, he said. Two Hungarian pharmaceutical companies and Hell Energy are also planning investments in Azerbaijan, he added. "When we started building relations with Azerbaijan in 2010-2011, we were looked down upon in Europe ... so it's fun to watch western European leaders now fighting for a photo-op with President Aliyev in Baku," he said. "We are not friends only because it turned out that you have natural gas," he told Bayramov.

Responding to a question, Szijjártó slammed EC President Ursula von der Leyen as "very bad for Europe". Under her tenure, the EU had lost its position as the second largest economy to China, and it continues to sever Eastern-Western cooperation ties. Also, the EC "severely discriminates against Hungary and Poland", he said. Regarding Ukraine's EU membership, Szijjártó said Hungary would not support it while Ukraine "tramples on minority rights". Protecting such rights is a fundamental value of the EU, he said. Kyiv "seems to be reluctant to do so, despite statements to the contrary," he said.

SZIJJÁRTÓ VOWS TO KEEP DIPLOMACY 'HUNGARIAN, SOVEREIGN, DESPITE PRESSURE'

Hungary's foreign policy will "remain Hungarian and sovereign," Foreign Minister Péter Szijjártó

told ambassadors, adding that the Hungarian government “will not give in to any international pressure” and keep national interests in its focus. Speaking at an annual conference for Hungarian diplomats, Szijjártó said the government’s primary focus was to ensure Hungary’s security and development amid “Europe’s gravest economic and security challenges of all time”. Szijjártó suggested the government’s measures “will certainly run contrary to the expectations of the international liberal mainstream” and “diplomats need to be prepared to do their work under great international pressure”. “Luckily, we are used to that,” he added.

The minister said he expected “especially great pressure” in two areas. One of them is the war in Ukraine, “which is not Hungary’s war”, he said. At the same time, he added that the government condemned the war and supported Ukraine’s territorial integrity and sovereignty. “We are not responsible, and nobody can demand that we pay the price,” he said. “We continue to refuse to participate [in the conflict].” Concerning Ukraine’s “seriously curbing” Hungarian education for ethnic kin, Szijjártó said that the Hungarian government had voiced its concerns but “our allies, our friends, our EU peers would not recognise the problem”. “As long as Ukraine refuses to restore the rights of the Hungarian

community, we cannot support its accession talks to be launched with the European Union,” he said.

Szijjártó also said communication channels with Russia should be kept open, “or else even the hope for peace will disappear”. Hungary will not terminate its crucial energy agreements, either, he added.

Meanwhile, Szijjártó said Hungary had become “a meeting point between Western and Eastern investment”. “Here again, we will face great pressure, because we are not the only country that wants those investments,” he said. Some countries in western Europe are also eyeing those projects and “they will say all kinds of things about us ... they will say we must stop economic cooperation with China, naturally because they would want ... to attract those projects offering jobs to many thousands and tens of thousands of people,” he said.

NOVÁK: HUNGARY RELIABLE ALLY

Hungary is a reliable ally that keeps its promises and “always says what it thinks”, President Katalin Novák told ambassadors at an annual conference for Hungarian diplomats at the foreign ministry on Monday. Hungary will always put national interests first and negotiate with its allies and other parties as equals, she said.

The situation of the Western Balkans was a crucial issue, Novák said, adding that Hungary wanted to serve as a

bridge between the parties when it came to those countries’ accession to the European Union. “The region’s countries do not have to prove they are European. The countries of the Western Balkans are clearly European, as is their culture,” she said. Their European integration “will restore the natural order of things”, she added.

Regarding the war in Ukraine, Novák said Hungary’s position was “crystal clear”: Hungary had condemned Russian aggression “from the start” and stood by Ukraine’s sovereignty and territorial integrity, she said. In view of the fact that Hungarians living in Ukraine are losing their lives in the war, Hungary is pro-peace, she added.

Hungary will continue to stand by the rights Hungarians living in Ukraine as a minority, she said. “We can’t be expected to make compromises that would curb or strip Transcarpathian Hungarians of their rights,” she said. Hungary will also host “events for our allies”, she said. The fifth Budapest Demographic Forum will be held on September 14-15, and an event for female leaders around the world is in the works, to be held during Hungary’s EU presidency in the second half of 2024, she said.

DK: NATIONAL RAILWAYS MAV ‘ON EDGE OF COLLAPSE’

National railways MAV and rail services in Hungary “are on the edge of collapse”, an opposition DK lawmaker said on Monday. There are

severe staff shortages, and ticket inspectors and engine drivers have reached the limit of their overtime, endangering the security and reliability of services, Gergely Arató told an online press briefing. He also referred to speed reductions, as well as regular delays and cancellations on the most popular Budapest-Vienna line.

Arató blamed government austerity measures for strains in railway services as well as the public-education and health-care systems. The DK politician also complained about inflation eroding the real value of the wages of public service employees, adding that the pay of engine drivers had gone up by only 5%, while salaries in the millions of forints of people who sat on boards of directors and supervisory boards had doubled.

GUEST NIGHTS EDGE DOWN IN JULY ON DROP IN DOMESTIC TOURISM

Guest nights at commercial and private tourism accommodations in Hungary slipped by 1% to 6,440,000 in July from the same period a year earlier on a decline in bookings by domestic travellers, the Central Statistical Office (KSH) said. The number of guest nights spent by domestic travellers fell by 8.4% to 3,879,000, but guest nights spent by foreign visitors climbed by 12.7% to 2,561,000. Revenue of commercial accommodations, which include hotels, bed-and-breakfasts, camp sites, resorts and hostels, rose by 15% to 75 billion forints (EUR 196m). A total of 33,803 tourism accommodations hosted guests in July, including 3,034 commercial

accommodations and 30,769 private and other accommodations. In the January-July period, the number of guest nights at tourism accommodations inched up 0.6% year-on-year to 22,419,000. The number spent by domestic travellers fell by 8.1% to 11,987,000 and the number spent by foreign visitors increased by 13.1% to 10,431,000.

OVER 19,000 UKRAINIAN CITIZENS ENTER HUNGARY ON SUNDAY

Fully 7,071 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Sunday, while 12,284 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 134 people, ORFK said on Monday.