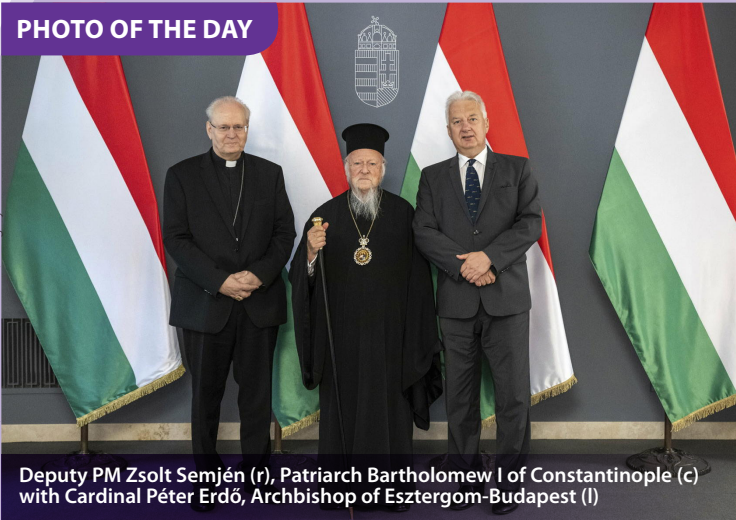


## PHOTO OF THE DAY



MTV/Prime Minister's Office/Gergely Botár

Deputy PM Zsolt Semjén (r), Patriarch Bartholomew I of Constantinople (c) with Cardinal Péter Erdő, Archbishop of Esztergom-Budapest (l)

## UPCOMING EVENTS

**Plenary session of parliament**

**Monetary Council holds rate-setting meeting**

**Central Statistical Office presser on 2022 census**

**Events related to the war in Ukraine**

## TOP STORY

### ORBÁN: 'HUNGARY'S ENEMIES' LINING UP

Viktor Orbán has told lawmakers that "Hungary's enemies", were ready to make concerted demands in the autumn aimed at resurrecting the period in which Ferenc Gyurcsány, the one-time Socialist prime minister, governed.

The prime minister called "the Soros empire, Brussels bureaucrats and American democrats" enemies. "We don't want to go back where they want to lead us, to the Gyurcsany era," he said in an address to the opening of parliament's autumn session. Hungary, he added, was politically stable and its economy strong enough to beat inflation, protect pensions, salaries and jobs, while the economy would show robust grow again next year. Orbán said a government priority was to maintain energy security in the face of the upheaval in the world energy market. "We continue to build our energy system in these turbulent times to ensure our independence," he said, noting Hungary's recent agreements on energy cooperation with Türkiye, Azerbaijan and Qatar. Efforts on the part of Brussels "to detach Europe from Russian energy" undermined the continent's interests, he said, adding that "we don't have enough power to prevent this now".

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**ORBÁN: TURKIC STATES  
'CRUCIAL' FOR EUROPE'S  
ENERGY SUPPLIES**

Viktor Orbán has told lawmakers that Türkiye and other Turkic states were crucial for Europe's energy supplies. In an address to the opening of parliament's autumn session, the prime minister noted Hungary has already agreed to purchase gas from Türkiye and to have gas delivered through it from Azerbaijan, adding that Azerbaijan and Hungary have also signed an agreement on large-scale energy deliveries.

Regarding the war in Ukraine, Orbán said the Minsk agreement had been "fragile from the start". "It was clear that if Ukraine did not give up its attempt to join NATO, a new conflict would only be a matter of time," he said. The conflict then imperilled energy deliveries from Russia, he added. In response, Hungary elevated its ties with Central Asian countries and so "the terrorist attack against the NordStream pipeline, probably state-sponsored, did not put us in an impossible situation regarding Hungary's energy supplies," he said. Orbán said Hungary's gas reserves were now full and could satisfy 60% of the country's annual demand. Hungary's entire electricity network was reviewed over the summer, he said, adding that most of the network could handle inputs from household solar energy once billing issues were resolved.

Meanwhile, Orbán said Hungary was a "champion of climate" protection, having slashed its carbon dioxide emissions compared with 1991 while maintaining economic growth. In that respect, the country was "four or five years ahead of schedule".

Addressing defence matters, the prime minister said one of the government's most important strategic decisions had been to develop "an effective armed forces and world-class defence industry". It was also expected that Europe would become "more militarised" in the coming decades, he said, and it was in Hungary's interest to adapt accordingly. Under recent agreements on German-Israeli-Hungarian cooperation, Hungary is set to start manufacturing military drones, he noted. The government has also strengthened its strategic partnership with Serbia and expanded it to cover the defence industry, he added.

The prime minister said Hungary was among European states which found themselves in "serious conflict with Brussels bureaucrats" on the issue of a glut of Ukrainian grain. Hungary complied with EU requests and opened a transport corridor, originally designed to allow Ukrainian grain to travel to Africa. "But we were duped," he said. Ukrainian grain was not transported to Africa but was being sold cheaply in Hungary, squeezing Hungarian farmers from the market, he said, adding that the government did not want Hungarian families to bake bread using Ukrainian grain of dubious

quality instead of Hungarian grain of guaranteed quality.

Orbán said that earlier this year the government managed to effect a European ban on Ukrainian grain, "but Brussels lifted it to the benefit of Ukraine". This worked against the interests of central European farmers and threatened "the ruin of Hungarians", he said. So Hungary, Poland and Slovakia ordered a ban on their own authority against 23 kinds of Ukrainian agricultural produce, he noted. The debate has since become more widespread and heated, and has been referred to the World Trade Organisation, "but we continue to call on Brussels to stand by central European member states and not to betray Hungary, either," the prime minister said.

Meanwhile, noting that the Hungarian secondary school in Mukacevo (Munkács) banned the Hungarian anthem and national colours from the ceremony starting the school year, Orbán said Ukraine had "harassed" Hungarian schools for years in an effort to "turn them into Ukrainian schools or, failing that, they closed them". Orbán vowed that his government would fight for the rights of Transcarpathian Hungarians, children especially, in every international forum.

Commenting on the economy, the prime minister said the government had also made several key economic decisions over the summer. The government aims to push inflation into the single digits by the end of the year,



he noted, adding that it had taken over “the task of fighting inflation” from the central bank, since it “can no longer tackle it” due to “soaring energy prices and Brussels sanctions”.

Orbán said inflation was set to drop to 12% in September and to fall below 10% by year-end. He also said that if traders could not rein in fuel prices, the government may again intervene. Meanwhile, Orbán said the central bank would be rescued from its “dire situation” through legislation. Its debts must be settled, he said, but not at the expense of cuts to public funding.

The government has also taken steps to encourage Hungarians to invest their savings in government securities. Two-thirds of the national debt is held by domestic investors and the rest by foreigners, with fully 24% held by Hungarian households, making the domestic financing of debt the highest in the EU, the prime minister said.

Turning to the debates expected in parliament’s autumn session, he said that though Hungary would continue to do everything it could in the interest of peace in Ukraine, the war was set to continue, with the frontlines likely frozen and both sides suffering tens of thousands of casualties.

Orbán said Hungary showed “inexhaustible patience” in urging an end to the blood-letting and urged an “immediate ceasefire and peace talks”. There was still no military solution to the conflict, he said, and diplomats “should take back control from soldiers”. The prime minister said that tens of thousands of Ukrainian

refugees had found a home in Hungary, adding that his government would not grant the Ukrainian government’s request and would not “force anyone back to Ukraine”.

Meanwhile, Orbán said the dispute over migration between his government and the EU was likely to “deepen” in the autumn, adding that illegal migrants were becoming increasingly violent, and “an invasive army” had appeared on the island of Lampedusa. The EU in the past “forced through” a new migration compact despite protests by Hungary and Poland, but “it is obvious that this compact has failed”, he said. The Hungarian authorities have stopped 128,000 migrants from crossing the border illegally so far this year, and attacks against border patrols had become everyday occurrences, the prime minister said, noting that there had been 168 “severe attacks” and several police officers had been injured. Migrants, he said, were becoming increasingly aggressive, and Hungary “will not meet the demands of the Brussels bureaucrats under these circumstances”. He said the EU had demanded that Hungary allow those migrants entry and that it should build “migrant ghettos for tens of thousands of people”. “In fact, it is not just those who besiege our borders” that the EU demanded that Hungary allowed entry, but Hungary was asked to “bring in more migrants from other European countries”.

Hungary’s EU accession treaty “doesn’t contain a single word about

the mandatory admission of migrants, migrant quotas or migrant ghettos, and we can’t approve anything like this afterwards, either”, the prime minister said. He said the autumn would be difficult “because those in Brussels will want to force the migrant compact down our throat” before next year’s European Parliament elections.

“It’s not migrant quotas that are needed but fences and border controls,” Orbán said. “Rather than importing the problem, help should be exported,” he said, adding that Europe would lack a solution until “Brussels accepts that nobody should enter EU territory without an application approved and entry permit granted”. Meanwhile, Orbán said there was “another fight raging between Hungary and Brussels”. “They’ve levelled economic demands at us.”

He said the government could only engage in that fight -- “and win it if possible” -- openly and with the full support of the Hungarian people. “It must become clear that the EU is not fighting Hungary’s government but the Hungarian people,” he said, adding that the livelihood of Hungarian families would be endangered without the government scheme to keep household energy bills low.

Orbán said that owing to the “government’s hard work”, Hungarians paid the lowest utility bills in Europe. Hungary would not allow “Brussels bureaucrats who don’t live here, don’t know the situation of Hungarian families, and barely know Hungary” to



decide on energy prices in the country, he added.

The prime minister said the government would also reject any EU attempt to scrap taxes on “multinational companies speculating on prices”, adding that the windfall tax on banks and energy companies paid for the protection fund which safeguarded families from the effects of high energy prices. “We did not give carte blanche to multinational companies to raise their prices as they please, and to send their profits through the roof,” he said.

The loan moratorium, maximising the interest rates to be levied at private loans, protected some 500,000 families, he said. “This obviously cannot last forever,” but the loan moratorium will be phased out only once interest rates have fallen on the back of falling inflation, so the measure doesn’t ruin families paying loans, he said. The time is not right to phase out the loan moratorium, “and Brussels cannot demand that Hungary do so,” he said.

Orbán insisted Hungary must “do the opposite of what Brussels demands”. “Austerity measures are out of the question, families must be protected, the utility price caps maintained, pensions must be raised in step with inflation in November, the state debt must be curbed and domestic corporate assets increased,” he said. Further, wages and prices must be balanced by the end of the year, so that wages do not lose their value year on year, he said. This way, the economy and wages can start growing again in

2024, he said. “We do not need out-of-touch economic missives from Brussels, or the enforcement of failed austerity measures. Rather, Brussels should give us the money Hungarians are entitled to, then our budget instantly will be in a better shape.”

He said Brussels owed Hungary 3 billion euros this year, adding that Hungary had fulfilled its obligation to pay around one billion euros into the budget. “Meanwhile, Brussels expects Hungary to approve an amendment to the budget requiring unanimity. They are asking for more money while withholding something we are entitled to for political reasons,” he said.

He said that Hungary did not “belong to the club of jawohl countries” who, when they got a phone call from Brussels, promptly replied “jawohl!”.

**SZIJJÁRTÓ: BIG NUCLEAR CAPACITY INCREASES KEY TO EU COMPETITIVENESS**

In the absence of a big increase in nuclear capacity, the European Union’s competitiveness and energy security will not improve and its climate goals will not be met, the minister of foreign affairs and trade told the general assembly of the International Atomic Energy Agency (IAEA) in Vienna on Monday.

Péter Szijjártó said Europe was living through “the greatest economic, security and energy crises” of the past decades, and the only way to improve its competitiveness, guarantee energy

security and maintain its ambitions in environmental protection was to boost nuclear capacity, so producing large amounts of energy cheaply and safely.

He said the annual output of the world’s 440 nuclear plants was equal to 180 billion cubic meters of natural gas consumption. “If we really want to achieve carbon neutrality by 2050, we must at least double capacities,” he said. “Otherwise, Europe clearly will not be able to maintain competitiveness and achieve its climate goals.”

So it’s necessary to end the ideological and political debates on the use of nuclear energy, to put a stop to ideological and political attacks on nuclear energy, eliminate discrimination, and create a level playing field, he said.

Hungary, he said, had gladly signed the letter on the “undoubted” advantages of nuclear energy the IAEA’s director general sent to this year’s UN COP28 climate conference. Briefing the assembly on the upgrade of Hungary’s Paks nuclear plant, Szijjártó said determining a country’s energy mix was a “physical” issue rather than a political one.

He said Hungary regarded energy supplies as an issue of national sovereignty and any obstruction of “our nuclear investments is an attack on our sovereignty”. Hungary, he added, would “never support EU sanctions that may harm its nuclear cooperation with Russia, as this would undermine national interests”.

Hungary’s recent efforts to improve competitiveness and create



a manufacturing hub for Eastern and Western investors had increased demand for electricity, Szijjártó said. Besides building two new blocks in Paks, Hungary is also prolonging the life cycle of the existing four by 20 years, he noted, guaranteeing environmental protection and ensuring sufficient energy for the country's growing economy.

Fully 65% of Hungary's energy production is carbon neutral and 80% of that is provided by the Paks plant, he said, adding that the aim was to raise that ratio to 90% by 2030 and to full carbon neutrality by 2050. The two new blocks, expected to prevent the annual emission of 17 million tonnes of carbon dioxide, were key to that process, he said. Besides Russia's Rosatom, US, German and French companies are active in the project, using cutting-edge technology amid the strictest security measures, Szijjártó said.

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## **SZIJJÁRTÓ: PAKS POWER PLANT UPGRADE ON SCHEDULE**

The upgrade of the Paks nuclear power plant, a key investment to guaranteeing Hungary's energy security, environmental protection and competitiveness, is progressing according to schedule, the minister of foreign affairs and trade said ahead of a meeting of the International Atomic Energy Agency in Vienna. Péter Szijjártó said the production of nuclear energy was "mired in political

and ideological debate". A professional approach is long overdue, he added.

"Nuclear energy is the solution to safely producing large quantities of electricity at competitive prices while protecting the environment," he said. The Paks upgrade will prevent the emission of 17 million tonnes of carbon dioxide annually, he said.

In Vienna, Szijjártó met Rosatom CEO Alexey Likhachev and reviewed the progress of the upgrade with him. Digging is under way in the place of the new blocks, he said, adding "we will be able to connect the two new reactors to the network by 2030." Hungary is in constant contact with Rosatom on the investment. "I told them that we had reports on certain European Union member states keeping sanctions against the nuclear industry on the agenda," he said. "That would be going against Hungarian national interests, and we will naturally veto such a proposal, should it ever be tabled ... The Paks project remains an international project, with US, German and French companies involved besides Rosatom," Szijjártó said.

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## **GOVT OFFICIAL: HUNGARY PREPARATION FOR EU PRESIDENCY 'GOING WELL'**

Preparations for Hungary's EU presidency in the second half of 2024 are progressing very well, a state secretary of the ministry for EU affairs told parliament's EU affairs committee. Barna Pál Zsigmond outlined the priorities defined for

the presidency. "The most important task is to represent the interests of the European Union as a whole," he said, adding that an EU institutional reform and most likely the war would also be among the top priorities. Hungary will take over the rotating presidency in July, short after the European Parliament elections when "the old institutions" would still be operating while new ones were being set up, he said. The state secretary said that other priorities included boosting the EU's competitiveness, tackling demographic challenges, moving forward the enlargement process with special focus on the Western Balkans countries, combatting illegal migration and protecting the bloc's borders. Strengthening the community's defence policy and continuing its cohesion policy will also be important priorities, he said.

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## **AG CHAMBER, FARMERS' ASSOC ASK EU TO REINSTATE UKRAINE GRAIN IMPORT BAN**

Hungary's National Agricultural Chamber (NAK) and farmers' association Magosz on Monday said they are sending an open letter to European Commission President Ursula von der Leyen, asking the executive body to review the decision to lift the ban on the import of Ukrainian farm products and reinstate the restrictions. Not only did the European Union's "flawed sanctions, the energy crisis and increased input costs" make life

more difficult for farmers, the European Commission then scrapped customs duties on Ukrainian agricultural products, the organisations say in their letter. The EU “deceived” farmers, abused their solidarity and their good will to ensure that Ukrainian farm products make their way to Africa, they said.

Because the measures introduced by the EU were “poorly thought-out”, the Ukrainian grain flooded the central and eastern European markets, causing enormous market uncertainty and a steep fall in producer prices, the organisations said. Hungarian farmers are set to suffer losses of at least 300 million euros in the case of the autumn wheat alone, and the prospects are no better when it comes to the other products, either, they added.

NAK and Magosz called it “unacceptable” that the EC had not extended the import ban on Ukrainian agricultural products, despite calls from several central European countries to do so, saying this constituted a “betrayal” of farmers. Rather than helping the Ukrainian people, the lifting of the ban serves the interests of “international big capital”, they said, arguing that nine of the ten biggest Ukrainian agricultural producer firms were not registered in Ukraine, but linked to American and western European capital funds. They said it was “outrageous” that the Ukrainian grain arriving in the EU did not have to meet the same standards as the grain produced within the bloc.

NAK and Magosz called on the EC to reinstate the ban on Ukrainian grain and extend it to further agricultural products. They also urged the commission to take steps to stabilise the market and compensate Hungarian farmers for their losses, as the “symbolic” compensation of 15.9 million euros approved earlier was insufficient. Also, Ukrainian crops should be expected to meet EU environmental protection and phytosanitary regulations, they said.

Meanwhile, the organisations welcomed the government’s decision to extend and expand the grain import ban on its own authority.

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### **LMP TO OFFER ‘ALTERNATIVE TO GOVT, OPPOSITION’**

LMP will offer a “third-way alternative” in Hungarian politics, one that is markedly different from the policies of either the government or the other opposition parties, the deputy leader of the party said ahead of the opening of parliament’s autumn session. Máté Kanász-Nagy criticised the other opposition parties for not departing from a policy of “homogenisation” which he called one of the main reasons for the left wing’s defeat in the 2022 general election. “Those parties have not been representing issues ever since, but have mostly shaken their fists and spoken in derogatory terms,” he told a press conference. LMP will instead be a “real advocate of issues” and will offer “rational thinking

instead of hysteria, understanding instead of hatred, and a moderate tone in politics”, the deputy group leader said. “We will take our proposals to the House and will represent the interests of Hungarians, even if the Fidesz-led government majority will not support any of those proposals,” said Kanász-Nagy. Among LMP’s proposals, he noted strengthening the system of environment protection institutions, representing social workers and civil servants and preventing the spread of battery plants. The party will also propose introducing a progressive tax regime and increasing the corporate tax for large companies, he said.

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### **MORE THAN 12,000 UKRAINIAN CITIZENS ENTER HUNGARY ON SUNDAY**

Fully 5,932 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Sunday, while 6,649 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 59 people, ORFK said on Monday.

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### **GROSS WAGES UP 15.2 % IN JULY**

Gross wages in Hungary rose by an annual 15.2% in July, to 559,100 forints (EUR 1,434), the Central Statistical Office (KSH) said on Monday. The average net wage including benefits rose by the same pace to 371,800 forints, KSH said.

Real wages fell by 2.0%, calculating with a July CPI of 17.6%. The gross median wage increased by 16.3% to 450,000 forints.

Hungary's statutory monthly minimum wage was raised by 16% to 232,000 forints for unskilled labourers and by 14% to 296,400 forints for skilled workers on Jan. 1.

Commenting on the data, the ministry of economic development said the latest data showed that wages had grown by 356,000 forints and minimum wages had tripled since Fidesz came to power in 2010. Real wages fell by only 2% in July, thanks to the government's measures

against inflation. The government is now working to cut inflation to single digits by year-end and will take steps against multinational corporations' "unreasonable price hikes and tricks", the ministry said in a statement. Real wages are expected to stop falling in August-September and their purchasing power was forecast to start growing soon after, the ministry said.

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### **'THE GAME' BEST FILM AT PARMA FILM FESTIVAL**

Péter Fazakas's *The Game* (A játszma) was awarded the Violetta d'Argento prize at this year's Parma Film Festival,

the National Film Institute said on Monday.

The jury recognised the Hungarian movie for its "excellent" directing and performances, and its "integrity between photography and music", the institute said. *The Game* is a sequel to Péter Bergendy's 2011 film *The Exam*, with the same characters played by János Kulka, Zsolt Nagy, Gabriella Hámori, and Péter Scherer, as well as Viktória Staub as a new actress in the cast. The plot is set in Budapest in 1963, and is centred around rivalry between two officers of the communist state security services.