

PHOTO OF THE DAY



MTI/Sándor Palae/Cyula Bertos

Hungarian President Katalin Novák discusses demographic challenges with Tesla CEO Elon Musk in Austin, Texas

UPCOMING EVENTS

Budapest municipal assembly meets

EU affairs ministers hold informal meeting in Murcia

Events related to the war in Ukraine

TOP STORY

SZIJJÁRTÓ HAILS HUNGARIAN UNITY IN SLOVAKIA

Foreign Minister Péter Szijjártó on Tuesday thanked Slovakia's ethnic Hungarian Alliance party for creating a unified Hungarian political force in the country after "years of division".

Good bilateral ties are in Hungary's interest, and the ethnic Hungarian community is the "bridge and an asset" in that process, Szijjártó told a press conference with Alliance leader Krisztián Forró in Borsa (Bors). "Its contribution to developing Hungarian-Slovak ties will be all the more robust if it has parliamentary representation," he said. The foreign minister welcomed the emergence of an allied ethnic Hungarian party, and pledged Hungary's continued support for "the joint Hungarian-Slovak success story". He thanked the politicians of Alliance, Most-Híd and MKP for "putting the interests of Hungarians first, even at the cost of personal compromise," by entering and remaining in Alliance. "We wish you success for Saturday," he said, referring to the general election. At the request of Alliance, Hungary will continue to support its key programmes helping Hungarians living in Slovakia, he said. At their meeting, Szijjártó and Forró reviewed the state of bilateral ties, the situation of ethnic Hungarians in Slovakia and the upcoming general election

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SZIJJÁRTÓ URGES ETHNIC HUNGARIANS TO VOTE IN SLOVAKIA ELECTION

Foreign Minister Péter Szijjártó has called on all ethnic Hungarians to vote in Slovakia's election on Saturday. "If Hungarians support the unified Hungarian parties, Hungarian representation can be restored in the Slovak national assembly," he said. A few years ago, the Hungarian government started an economic development programme designed to strengthen economic ties between northern Hungary and southern Slovakia, he said. Hungary has provided 43 billion forints (EUR 110.1m) in support for some 4,000 companies and subsidising local investments to the tune of 82 billion forints, he said. Another "joint success" was that 16 new border crossings have opened between the two countries since 2010, with their number set to grow to 40 this year, he said. Hungary has also supported the construction and revamping of educational institutions and churches, he said. "We also gave education subsidies to 40,000 children, because we know they are the cornerstone of preserving our mother tongue and community," he said. Good ties with Slovakia are all the more crucial as it is Hungary's third most important trading partner, and the two countries share a 654km border, he said, noting that around 500,000 Hungarians live in Slovakia.

Later in the day, the minister inaugurated an agricultural integration

centre in Somotor (Szomotor), in south-eastern Slovakia. Under the project, Agro-Somotor will provide small farmers with the equipment they need before buying and reselling their crops in foreign markets at competitive prices, according to a ministry statement. The Hungarian government has supported the 3.5 billion forint project with a 1.7 billion forint grant. The centre will integrate more than 100 farmers and open the door to selling tens of thousands of tonnes of products at competitive prices, Szijjártó said.

The minister also opened a new border crossing between Hungary and Slovakia, linking Nagyrosvány and Veľký Horeš (Nagygéres), bringing the number of border crossings between the two countries to 38.

PRESIDENT NOVÁK MEETS ELON MUSK IN TEXAS

President Katalin Novák discussed the Western world's demographic crisis with Tesla CEO Elon Musk at the electric carmaker's plant in Austin, Texas, on Monday. Musk greeted Novák with one of his sons before holding private talks with the president. "Elon Musk could not make it to the Budapest Demographic Summit in the end. We are making up for the meeting now," Novák said on Facebook. She began the meeting by saying that the demographic crisis was not getting enough attention relative to climate change.

Vajk Farkas, communications director of the presidential Sándor Palace, told public media that one of the main

aims of Novák's US visit was to meet with allies in tackling demographic challenges. These, he said, included Musk, Texas Governor Greg Abbott and Montana Governor Greg Gianforte. Musk has voiced his views on global demographic challenges on multiple occasions recently, saying that "population collapse" was a bigger threat than climate change. He has also recently met other world leaders, including French President Emmanuel Macron and Italian Prime Minister Georgia Meloni. Novák wrapped up her visit in Utah on Tuesday, meeting Governor Spencer Cox.

ORBÁN RECEIVES VEOLIA TOP EXECUTIVE

Prime Minister Viktor Orbán received Tuesday Antoine Frérot, a member of the board of executive directors of Veolia Environnement, a leading company in Hungary's energy, water and waste management market, the PM's press chief said. Frérot and his delegation discussed updating the strategic partnership agreement concluded ten years ago between the government and Veolia (Dalkia) Energia, as well as plans for the future and investments in power plants, Bertalan Havasi said in a statement.

ECONOMIC DEVELOPMENT MINISTER IN TALKS WITH AZERI COUNTERPART

Economic Development Minister Márton Nagy held an online meeting

with Mikayil Jabbarov, Azerbaijan's economy minister, on Tuesday, the ministry said. At their fourth meeting this year, Nagy and Jabbarov reviewed bilateral investment projects and their financing, and discussed further opportunities for cooperation that could pave the way for new areas in economic ties, the ministry told MTI. Nagy said Azerbaijan was an increasingly important economic partner for Hungary and the government's aim was to further deepen cooperation, particularly in the fields of industry, energy and agriculture. Nagy and Jabbarov first met this year in Baku in March, before signing a joint labour market action plan in May, the ministry noted. Earlier this month, they held talks with Prime Minister Viktor Orbán in his office in Budapest.

GOVT OFFICIAL ASKS UKRAINE TO RESTORE MINORITY LANGUAGE RIGHTS ON EUROPEAN DAY OF LANGUAGES

Hungary is asking Ukraine to observe European norms, recommendations of the Council of Europe and the Venice Commission, and restore "the legal framework" that protects the Hungarian language and Hungarian national communities in the country, an EU affairs ministry official said on Tuesday, marking the European Day of Languages. At a press conference held in the square in front of Parliament, state secretary Barna Pál Zsigmond noted that on September

26 more than 700 million European citizens celebrate in 46 countries the European Day of Languages which highlights the importance of the diversity of languages, a major asset on the continent. The protection of the Hungarian language is an important priority for the government, he said in Kossuth Square. Hungary guarantees the national and ethnic communities living in the country the right to use their mother tongue, the state secretary said, adding that "Hungarians living in the Carpathian Basin beyond the borders had to fight day by day for the right to use their language". Zsigmond expressed concern over the situation in Ukraine where he said the use of the Hungarian language was constantly restricted under recent amendments to the education and language laws.

"We hope Ukraine will sooner or later return to its original path and restore the right of its ethnic Hungarian community to an unrestricted use of its mother tongue in education, culture and public life," Zsigmond said, adding that a criteria for Ukraine aspiring to become an EU member state is to observe the rights of its national minorities. He said it was "incomprehensible as to why the community of 150,000 ethnic Hungarians became a target, when Transcarpathian Hungarians were also fighting against the Russians on the Russian-Ukrainian front". "It is particularly disturbing that the Hungarian language has come under such an unprecedented attack while Hungary is helping the Ukrainian people with the largest ever

humanitarian operation in its history," said Zsigmond.

Launched jointly by the Council of Europe and the European Union, the European Day of Languages is observed on September 26 every year since 2001. It highlights linguistic diversity and promotes language learning and plurilingualism across Europe.

VIKING SIGYN CAPTAIN SENTENCED TO 5.5 YEARS IN PRISON

A Budapest court has sentenced Yuriy C., the captain of a cruise ship involved in a deadly boat accident on the River Danube in 2019, to 5.5 years in prison. In the accident on May 29, 2019, the Viking Sigyn cruise ship collided with the Hableány sightseeing boat which had 33 South Korean tourists on board and a crew of two Hungarians. Seven tourists were rescued from the water after the collision and the rest died. One of the bodies has not been recovered. The prosecutor's office brought charges against the Ukrainian captain in July 2022. Today, the court convicted him of negligence by endangering river traffic and causing a lethal accident. He was not sentenced on charges of failing to provide aid to the victims. In the justification of the sentence, Judge Leona Németh said that the collision was caused by the Viking Sigyn, which accelerated without taking notice of the smaller Hableány and ascertaining that it was safe to do so. At the same time, once he was aware of the accident, the captain alerted the authorities and made

sure that the rescue got under way, she said. In the non-binding sentence, the captain was also banned from maritime traffic. He can be released on parole after serving two-thirds of his sentence, according to the court's statement. The defence has appealed for acquittal or a lighter sentence, while the prosecution wants the second-instance court to also issue a guilty verdict for failure to provide aid to the victims.

**HUNGARY CBANK KEEPS
BASE RATE ON HOLD
AT 13.0%**

Hungarian rate-setters kept the base rate at 13.0% at a regular policy meeting on Tuesday. At the same time, the Monetary Council further narrowed the interest corridor, the lower band reduced by 50 basis points to 12.0% and upper band by 250 basis points to 14.0%.

In a statement released after the meeting, the Council said the gap between the NBH's one-day quick deposits offered at daily tenders -- which stands at 14.0% at present -- and the base rate would close, with the base rate to be paid on the instrument for three days, from September 27 until 29, after which time the quick deposit tenders will cease. "By closing the gap between the interest rate on the overnight quick deposit tender and the base rate, monetary policy will enter a new phase, which will provide an opportunity to develop a simpler set of instruments adapting to the changed environment," the statement said. The

Council said that from September 27, the central bank base rate will become the National Bank of Hungary's effective interest rate. From October 1, the NBH will pay the base rate on both mandatory reserves -- excluding the part on which no interest is paid -- and optional reserves. Until the start of the new framework, the NBH will ensure the effective monetary policy transmission via overnight quick deposit tenders announced at the base rate, it said.

Meanwhile, the central bank also released the headline figures of its quarterly Inflation Report on Tuesday. The NBH puts average annual inflation at 17.6-18.1% for 2023, compared to a 16.5-18.5% range in its previous forecast published in June. The central bank sees average annual inflation falling to 4.0-6.0% in 2024 and to 2.5-3.5% in 2025. The bank lowered its GDP growth forecast for 2023 to -0.5-0.5% from the previous forecast of 0-1.5%. The NBH puts growth at 3.0-4.0% in 2024 and 2025.

At a press conference held after the meeting, NBH deputy-governor Barnabás Virág said policy makers had "concluded the normalisation of the extraordinary interest rate environment" with the 100 basis point reduction in the effective interest rate.

**2022 CENSUS: SHARE
OF YOUNG PARENTS
UP IN HUNGARY, BUT
POPULATION AGING**

Data from Hungary's latest national census shows an increase in marriages and a growing share of people under

the age of 30 with children, but the country's population is aging, the head of the Central Statistical Office (KSH) said on Tuesday. Presenting the results of the 2022 census, Áron Kincses told a press conference that the data indicated that Hungary was developing and changing. Employment is up significantly and modern technologies are constantly reshaping the labour market, he said. Foreign-language proficiency, education levels and digital skills among the population have gone up significantly since the last census carried out 11 years ago, he said.

Marcell Kovács, the census's project manager, said that Hungary had a population of 9,603,634 at the start of the census on Oct. 1 last year. The natural population loss between the 2011 and the 2022 census was 334,000, he said. The elderly, people aged 65 or older, make up 21% of the population. Their number is around 2 million, Kovács said. As a result of demographic changes, the ratio of men to women was 1,000:1,078 last year, compared with 1,000:1,106 in 2011, he said. Among people aged 15 or older, 43% were married, reflecting an increase in the number of couples tying the knot over the past several years. One-third of the population had never been married, said Kovács, adding that 62% of men aged younger than 50 are single while 57 percent of women had the same marital status in the same age group.

The census showed some 33% of adults with a secondary school degree and another 22% with a university degree. The



proportion of people with only a primary school education dropped to 23%, the project manager said. In a marked increase, the number of jobholders went up to 4.7 million, or 49%, from 3.9 million during the eleven-year period, he said, noting that the number of people without a job last year was 237,000.

Fully 60% of the population responded voluntarily to the question on religious affiliation. Fifty percent, 2.9 million people, said they were Catholic with 2.6 million of them Roman Catholic and 165,000 Greek Catholic. Altogether 16% were of Reformed and 3.1% of Evangelical faith, Kovács said, adding that 27% declared themselves not religious.

As regards the question of national minority, Kovács said the largest national minority was the Roma, 210,000 or 2.5% of respondents indicating it. The German national minority numbered 143,000, the Slovak 30,000, the Romanian 28,000 and the Ukrainian 25,000, he said. The number of foreign nationals living in Hungary jumped by 52% to 218,000 since 2011 with most of them, 76%, coming from Europe. Fully 82,000 people came from neighbouring countries. In terms of language skills, English is the most common foreign language spoken by one in four Hungarians, said Kovács.

BANKS TO DRAFT LENDING RECOVERY PLAN

The Hungarian Banking Association has agreed to draft a package of measures banks can take to support the recovery of the lending market at a meeting

with Economic Development Minister Márton Nagy on Monday. “The economic development minister established that the banking sector is generating windfall profits, which would justify the introduction of a bigger windfall profit tax or a new bank levy. However, at present, the economy needs this money more than the budget, so the government expects banks to make greater efforts in the interest of supporting the lending recovery,” his ministry said on Tuesday. Lenders should “actively participate” in state-subsidised credit programmes such as the Széchenyi Card Program and the Baross Gábor Reindustrialisation Credit Programme for businesses, or home purchase programmes for retail borrowers. The sides agreed at the meeting that financial system players, “especially banks”, are operating in a stable manner, while their liquidity, capital and operating profitability “shows a favourable picture”. From this “advantageous position”, Nagy said, lenders are expected to “cooperate fully” in preventing the credit market from freezing up and supporting “healthy lending”. While the aim in 2023 was to bring inflation under 10%, economic growth needs to recover in 2024, he added. The association will present the lending recovery plan to the government “within a week, if possible”, the ministry said.

MATOLCSY: CHINA’S BELT AND ROAD INITIATIVE ‘CLEAR SUCCESS’

China’s Belt and Road Initiative (BRI) has been a “clear success”, György Matolcsy,

the governor of Hungary’s central bank, told a conference organised by the central bank and the Chinese embassy in Budapest on Monday. Opening the conference to mark the initiative’s tenth year, Matolcsy noted that Hungary, in 2015, was the first European Union member state to join the BRI. The initiative has paved the way for infrastructure upgrades, including roads, railway and port investments, in many countries, he added. Matolcsy said the National Bank of Hungary, in 2013, was the first central bank in Europe to conclude a swap line agreement with the People’s Bank of China, and this has been renewed from year to year. He added that the NBH reached an agreement on a Renminbi clearing arrangement in 2015. He noted the launch of the NBH’s Renminbi Initiative to promote the RMB as an international currency, and he praised Hungary’s cooperation with China’s Fudan University.

The past ten years had “convinced everybody” that China and Europe must “cooperate very closely”, he said, adding that Hungarians were making efforts to prevent the formation of blocs in the world.

ECONOMIC DEVELOPMENT MINISTER HOLDS TALKS WITH MOL EXECUTIVES

Márton Nagy, the minister of economic development, held talks with executives of Hungarian oil and gas company MOL “in the interest of protecting families and the economy”

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on Tuesday, the ministry said in a statement. At their meeting, Nagy and fuel trade industry players reviewed domestic and global trends, with a particular focus on energy and fuel supply. The sides reviewed the reasons for the recent fuel price increase, discussed future price trends and analysed and specified the problems and risk factors that have emerged. They concluded that fuel supply in Hungary was stable and secure and attributed the fuel price increase to international and country-specific factors, including narrower Brent/Urals spreads and dearer transit costs as MOL pays several times the market average for crude delivery fees through Ukraine and Croatia. Nagy noted that higher vehicle fuel prices had added 0.4 of a percentage point to headline inflation, saying the government would use “all tools at its disposal” to mitigate the price increase. He signalled that the industry players would be asked to report monthly on international and domestic price developments, and on measures to moderate prices, the ministry said.

MORE THAN 10,000 UKRAINIAN CITIZENS ENTER HUNGARY ON MONDAY

Fully 5,403 Ukrainian citizens entered Hungary at the Ukraine-Hungary border on Monday, while 4,979 came

to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 58 people, ORFK said on Tuesday.

TURKISH NATIONAL THREATENING POLICE WITH GUN APPREHENDED AT SERBIAN BORDER

Hungarian authorities have taken into custody a Turkish national, a minor, who pointed a loaded handgun at police officers while attempting to illegally cross the border with Serbia at Mórahalom as a member of a group, the Central Investigation Prosecutor’s Office (KNYF) said on Tuesday. In the incident that took place near Mórahalom at around 9am on Monday, a group of three sought to climb over the metal barrier protecting the border by using a ladder, KNYF said in a statement. As two Hungarian border patrol guards and another police officer arrived at the spot to stop the illegal entrants, one of them pulled a handgun from his clothing, loaded it and pointed it at the guards standing only 1-2 metres away. The other man holding the ladder on the Serbian side for the third man standing on top also pointed a handgun at the guards. As the guards’ action was foiled due to the threat, the three men climbed back to Serbian territory, said KNYF. No shots were fired and nobody was injured,

it said. Meanwhile, in an operation to stop another group consisting of 23 illegal entrants some eleven hours later, one of the border guards recognised the man who had held a gun at him during the earlier attempt. The man was taken into custody on charges of armed violence committed against an authority. At a hearing in the Szeged regional prosecution, he denied the charges, KNYF said.

HUNGARY CELEBRATES 75 YEARS AS UNESCO MEMBER

The Hungarian committee of UNESCO held a celebration on Tuesday of Hungary’s 75 years as a member of the organisation. Miklós Réthelyi, the UNESCO national committee’s head, in a speech recalled the milestones of the Hungarian committee’s 75-year history, and he highlighted the role of the national committee’s first secretary general, Árpád Fasang, who had done much to promote Hungarian culture. Firmin Edouard Matoko, UNESCO’s Deputy Director General for Africa and External Relations, addressed the event in a video message, while former educational, scientific and cultural organisation’s ambassador Katalin Bogyay and Norbert Kroó, adviser to the World Science Forum, discussed the organisation’s past, present and future as part of a roundtable.

