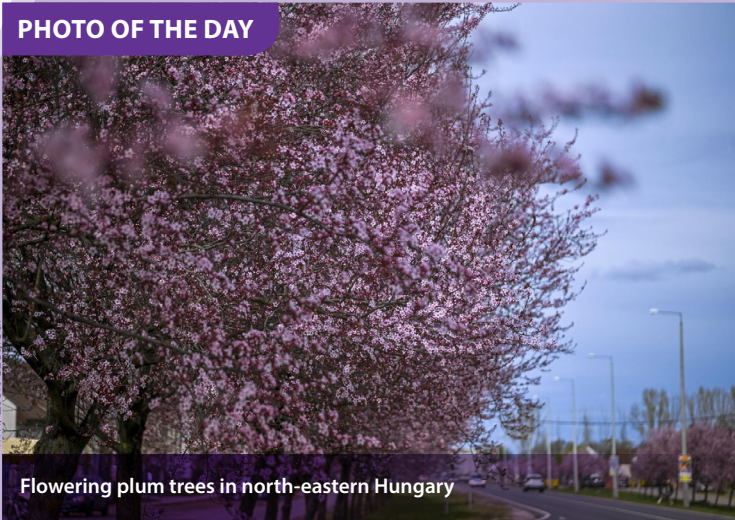


PHOTO OF THE DAY



Flowering plum trees in north-eastern Hungary

MTI/Zsolt Czeglédi

UPCOMING EVENTS

Stats office releases 2nd reading of Jan industrial output

Events related to the wars in Ukraine, Middle East

EP plenary session

Events marking 1848/49 freedom fight anniversary

TOP STORY

US AMBASSADOR SUMMONED OVER BIDEN REMARKS

Hungary's government on Tuesday summoned the US ambassador over President Joe Biden's recent remarks on Prime Minister Viktor Orbán, the foreign minister said.

At a news conference on a different diplomatic event, Péter Szijjártó was asked about Biden attributing to Orbán words that suggested that the Hungarian prime minister didn't think democracy worked, the foreign ministry said in a statement. "We are not obliged to take lies from anyone, even if that person is the President of the United States," Szijjártó said. "Since such a lie has been said in connection with the Hungarian prime minister, we summoned the ambassador of the United States to the ministry, who was here today," he said. "We asked the ambassador to present to us the quote, and the time and place the prime minister allegedly made such a statement." "As such a statement was obviously not made, we could not get any meaningful answer," Szijjártó said. He said that a reference made by the US ambassador to the official US position that Hungary was "building a dictatorship" made it extremely difficult to further build Hungarian-US relations, arguing that such a suggestion "is an offence not to the government, but to the country".

Hungary Matters is an English-language newsletter produced and distributed by the Media Service Support and Asset Management Fund (MTVA) with content provided by Duna Media Service. Provider exercises copyright over all content. No part of this publication may be copied, reproduced, redistributed or transmitted without prior written permission from the publisher, with the exception of copies made by individuals for private use, educational purposes or scholarly research, provided that such transmissions do not exceed the extent justified by the purpose and are not aimed at financial gain, even indirectly, and the source name are indicated at all times.

All rights reserved. Enquiries should be made to the English Help Desk at +361 441 9340
For MTI's real time coverage please visit <http://english.mti.hu>, <http://econews.hu>



FIDESZ MEP SLAMS EP'S 'LEGALLY INCOMPREHENSIBLE' LAWSUIT AGAINST EC

It is "legally incomprehensible" that the European Parliament is suing the European Commission ultimately because the body's leftist groups disagree with the EC's decision to unfreeze funding for Hungary, an MEP of ruling Fidesz said on Tuesday. The EP is enveloped in "panic" as its mandate nears its end, Balázs Hidvéghi said in a video message, adding that the EP's "Soros-affiliated majority" and "the Hungarian dollar left" were "desperately continuing to attack Hungary". Hidvéghi said it was "tragicomic" that the one EU institution, the EP, was turning to another, the European Court of Justice, to sue the European Commission in order to "punish" a member state that "refuses to dance to their tune". "There's less than 100 days left until the EP elections," he said, calling for change in Brussels. "If we do not want the European Parliament to become a caricature of democracy, we must elect MEPs who work for normal European people, rather than for obsessive, extreme left-wing ideologies," Hidvéghi said.

PRESIDENT SETS DATE OF EP, MUNICIPAL ELECTIONS FOR JUNE 9

President Tamás Sulyok has set Sunday, June 9 as the date of the election of Hungary's MEPs for the next European

Parliament as well as the date of the municipal elections, the presidential Sándor Palace announced on its website on Tuesday. This will be the first time in Hungary that the EP and the municipal elections are held on the same day.

SZIJJÁRTÓ: HUNGARY'S POSITION ON GAZA CRISIS 'CLEAR, UNCHANGED'

The Hungarian government's position on the Israel-Palestine conflict is "clear and unchanged", Foreign Minister Péter Szijjártó said on Facebook late on Monday. Szijjártó said he had told Amichai Chikli, Israel's minister for the diaspora, that Hungary "condemns the Hamas terrorist organisation's attack on Israel in the strongest possible way and recognises Israel's right to defend itself." He added that the success of the fight against terrorism was in the interest not only of Israel but that of the international community too.

Hungary is committed to a "responsible migration policy ... that ensures security to all religious communities in the country," the minister said.

"Unlike most countries in western Europe, Hungary has not seen a revival of modern-age anti-Semitism and we will not allow that to happen in the future," he said. Szijjártó said he was proud that "one of the largest Jewish communities in central Europe lives in peace and calm in Hungary, preserving its identity, traditions, and religion." The minister said Hungary would do everything possible to secure

the release of the only remaining Hungarian citizen among the people taken hostage by Hamas.

SZIJJÁRTÓ: ENERGY SECURITY MUST NOT DEPEND ON POLITICAL, IDEOLOGICAL WHIM

Hungary refuses to imperil its energy supply by giving in to any kind of political or ideological whim, Péter Szijjártó, the minister of foreign affairs and trade, said on Tuesday. Addressing the Budapest Balkans Forum, Szijjártó said the Balkan region was vital to Europe's energy security, adding that supply should be regarded as a physical rather than an ideological issue. He said diversification would remain a pipedream unless words were followed by action. Hungary would gladly buy crude oil or natural gas from new sources, he said, but the infrastructure had yet to be built, so existing suppliers and transit routes must be relied on. Existing suppliers should be supplemented by new sources in the process of diversification rather than replaced, the minister said.

Szijjártó praised the price and predictability of current gas supply and expressed appreciation for Serbia and Türkiye as "reliable transit countries".

He said it would be necessary to add European infrastructure on the South-East axis, but the European Commission "doesn't want to provide financial support for this", arguing that gas would no longer be part of the energy mix in 15 years' time.

"Who knows what will happen in fifteen years?" he said. But in the meantime "we don't want to freeze and we want to keep our industry going," he added. Szijjártó said increasing LNG imports did not depend on Hungary alone but also on the expansion of Balkan capacities. Regarding sustainable energy production, he said Hungary favoured protecting the environment but rejected any attempt to form a political or ideological monopoly over green policymaking. Preserving the planet for future generations should be treated as a practical matter rather than approached ideologically, he added. Also, protecting the environment must go hand in hand with boosting competitiveness, he said. Szijjártó said Hungary was focusing on developing solar and nuclear energy. The government wants to double the 6,000 MG of solar capacity that is now available while the Paks nuclear plant expansion would entail reducing annual carbon dioxide emissions by 17 million tonnes, he said.

BÓKA: BALKANS 'HAS ALWAYS BEEN PART OF EUROPE'

The natural resources of the Western Balkans have been crucial in terms of Hungary's energy security, János Bóka, the European affairs minister, said on Tuesday at the international Budapest Balkans Forum organised by the Hungarian Institute Of International Affairs (MKI). Referring to Hungary's

upcoming EU presidency, Bóka said its priorities would include promoting the EU integration of the Western Balkans. The EU "is not as strong in the Balkans as it could be; this is why we want to put the region in the limelight," the minister said. Kristóf Szalay-Bobrovniczky, the minister of defence, who also participated in the forum, said the Western Balkans was going through a process of stabilisation, but also noted "tensions under the surface that could lead to further friction". Stability in the region is highly important for Hungary, he said, and noted Hungary's presence in NATO's KFOR mission.

NÉMETH: STRONG NATO VITAL FOR HUNGARY

A strong NATO is of vital importance to Hungary and the Hungarian nation, Zsolt Németh, the head of parliament's foreign affairs committee, said on Tuesday at an event marking the 75th anniversary of the organisation's founding and the 25th anniversary of Hungary's accession to the alliance. Finland's and Sweden's recent accession to NATO has been in Hungary's interest, because the two countries offer a significant contribution to the alliance's strength," Németh said in a keynote speech in Parliament. Németh said that nowadays it was Russia's attack on Ukraine that was brought up as a justification for the need for a strong NATO, adding that this was not the only reason even though the war was

indeed the most important security challenge for the alliance. He said Hungary's parliament and government "firmly and unequivocally condemn the Russian military aggression that has been going on against Ukraine since 2014", and stand by Ukraine's sovereignty and the integrity of its internationally-recognised borders in unison with its allies.

Németh said that while there was transatlantic unity when it came to the strategic assessment of the situation, "we have disagreements with our allies and Ukraine at the tactical level". He said these disagreements could be traced back to the fundamental interest of Hungary and the Western world that Ukraine should achieve its strategic goals with as few casualties as possible, while Russia should not achieve its own.

Hungary's interest, he said, lay in having a stable and strong, rather than a weakened Ukraine as its eastern neighbour, adding it was "thanks to NATO" this could be achieved with an urgent ceasefire and peace talks. Németh said NATO was the world's strongest defence alliance, which was why no one had a chance of attacking it and defeating it. He said the path taken by Hungary between 1990 and 2004 was proof that the strength of NATO's defence "could make the world better if its leaders used it wisely". "This world [we live in] is significantly better than the world of the Cold War," he said. Noting the defence measures Hungary needs to take against illegal migration and the country's ongoing

comprehensive military upgrade programme, Németh said Hungary will “continue on this path”, as it was committed to peace, security, the common good, human rights and the sovereign equality of nations.

DEFENCE MINISTER MARKS HUNGARY NATO ACCESSION ANNIVERSARY

NATO, the world’s largest and most successful defence alliance, is an organisation that guarantees the security of the Hungarian people “beside and on top of the Hungarian armed forces”, Defence Minister Kristóf Szalay-Bobrovniczky said at a ceremony held to mark the 25th anniversary of Hungary’s NATO accession at an army base in northern Hungary, on Tuesday. On this day 25 years ago, Hungary’s foreign minister deposited the instrument of accession to the North Atlantic Treaty with US Secretary of State Madeleine Albright in a ceremony held in the city of Independence in Missouri in the United States. NATO is “a credible force” that will deter any “challenges” that may be posed against it which is very important for Hungary, the minister said in Tata. He called Hungary a valued and respected member of NATO.

Szalay-Bobrovniczky noted an overall modernisation of the Hungarian armed forces over the past 25 years with “21st century NATO-compatible systems installed”. Meeting NATO obligations, Hungary spent 2% of its GDP on defence last year, 20% of

which was spent on the armed forces’ development, he said. He said Hungary is an active participant in international partnerships and missions. Hungary is participating in KFOR’s peacekeeping mission and helps to protect the airspace of Slovenia and the Baltic countries, and temporarily that of Slovakia, he added. Prior to the ceremony, a military show was held presenting top-notch Gidran armoured fighting vehicles, third-generation Leopard 2A7HU tanks and a SAAB Gripen fighter jet.

SZIJJÁRTÓ: ALBANIA TO HAVE HUNGARY’S FULL SUPPORT IN EU INTEGRATION PROCESS

Hungary will give Albania all the support it needs in order to successfully complete its European Union integration, Foreign Minister Péter Szijjártó said on Tuesday, adding that the government will focus on advancing the EU’s enlargement during its upcoming EU presidency. Hungary’s presidency of the Council of the EU in the second half of the year will come at a time when the continent is faced with serious challenges, as the world is in “an era of dangers”, Szijjártó said at a joint press conference with is Albanian counterpart Igli Hasani, according to ministry statement. “There’s a war on the continent, the EU’s competitiveness continues to deteriorate, and the mood in the European Union isn’t the best, either,” Szijjártó said. “That’s why

some freshness, momentum and new energy would be needed.” “It’s also clear that we can only get this freshness, new momentum and energy from somewhere outside the bloc ... and that’s clearly the Western Balkans, whose countries have long been preparing to be granted EU membership,” he added. Szijjártó said advancing EU enlargement will therefore be a priority of Hungary’s EU presidency.

“We don’t want to foster any naive illusions ... but this struggle will be a tough one, because in contrast to their public positions, many member states are actually against enlargement,” Szijjártó said. He said this was evidenced by the fact that Albania had applied for membership in 2009, was granted candidate country status in 2014, but the actual accession talks had not even started yet. He said Tirana had done “a lot” to prepare for EU membership, and all conditions for opening meaningful negotiations were in place. “We consider any further delays dangerous from a European perspective, because the more we delay, the more credibility the EU loses in the Western Balkans,” the minister warned. He said there were more players looking to increase their influence in the region, and it would therefore be crucial for the EU to make use of its competitive advantage that this was the community the Western Balkan countries would prefer to be integrated with. Szijjártó added that Hungary was giving Albania all the help it needed, noting that the

government has sent two ambassador-rank integration experts to Tirana. Also, an agreement has been reached on providing training to Albanian experts at the Hungarian Academy of Diplomacy, and on offering scholarships to 20 Albanian university students each year, he said.

Szijjártó welcomed that “bilateral economic cooperation has entered a new dimension”, with Albania having become a main destination of Hungarian capital in the Western Balkans. Bilateral trade turnover reached a record 130 million euros last year, and Hungarian businesses have also become market leaders in the country’s strategic sectors, he said. He noted that a Hungarian company has become a leader in Albania’s mobile communications market, OTP Bank is the third biggest entity in the banking sector, and Hungarian low-cost carrier Wizz Air is the country’s leading airline with a 51% market share. Meanwhile, preparations are under way to build a photovoltaic power plant with Hungarian government support, Szijjártó said.

SZIJJÁRTÓ: WORK ON PAKS EXPANSION PROJECT PROGRESSING WELL

The first concrete foundation piles for the Paks nuclear power plant expansion will be set into the ground by the end of the year, Péter Szijjártó said on Tuesday. An equally important milestone is the completion of the first melt trap produced in Russia, a ministry

statement quoted the foreign minister as saying at a joint press conference held with Alexei Likhachev, head of the Russian nuclear energy company Rosatom. The 700-tonne melt trap is scheduled to be delivered in the autumn, while production of the reactor tank will start in April, he said. Work on soil consolidation across 17 hectares is under way, with 8,000 out of 75,000 piles already in place. This work carried out by a German company is scheduled to be completed by next summer.

Szijjártó said the project was “progressing at a good steady pace” and it was achievable for the two new blocks to be hooked up to the grid by the start of the next decade, he said. The minister added that the Paks expansion was “a real international” project involving German, French, Austrian, Swedish and American subcontractors.

SZIJJÁRTÓ: 2023 ‘RECORD’ IN FOREIGN TRADE

Despite all global hardships, 2023 brought “all-time records” in Hungary’s foreign trade, Péter Szijjártó, the minister of foreign affairs and trade, said at Hungarian Chamber of Commerce and Industry event on Tuesday. “Compared with 2009, Hungarian exports have tripled by today,” he said, adding that very few countries had managed such a feat. In 2023 exports totalled 150 billion euros, 4.5% up from the previous year, while the foreign trade surplus was also at a record high, he said. The ratio of exports to GDP rose

to around 85% by 2023, he added. Also foreign direct investment agreements were signed in unprecedented abundance, he added. FDI, he said, was “fully diversified”, with the highest amounts in the past four years coming from South Korea and China, reflecting the success of the government’s strategy of opening up to the East. The 3,480 billion foreign trade surplus essentially “made up for the losses” due to sky-high inflation and energy prices in 2022, Szijjártó said. A record 6.5 billion euros in investments in 2022 doubled last year, he said, adding that over 80% of the 13 billion euro total was tied to Eastern businesses. “This is such a high number that we cannot expect another record for a while,” he said. German and American companies have the highest number of investments in the country, he noted. “It is highly important that we maintain a geographical balance in terms of FDI ... Eastern, European, and American companies are all contributing, while Hungarian companies are increasingly capable of launching projects aided by the government,” he said. He noted changes to government business subsidies, saying they had made the system “even more productive”. Meanwhile, he said the government had made strenuous efforts to close the gap between eastern and western parts of the country by encouraging investment projects in Miskolc, Nyíregyháza, Debrecen, and Szeged. “And we can now say that the north-west and the east are on the same level,” he added.

FINMIN: HUNGARY GOVT COMMITTED TO BALANCING BUDGET

Hungary's government is committed to restoring balance to the central budget as soon as possible as well as to keeping the deficit as small as possible and the public debt on a downward path, Finance Minister Mihály Varga said in Brussels on Tuesday. Economic growth depends greatly on when the war between Russia and Ukraine ends, Varga told Hungarian journalists after an Ecofin meeting. Though inflation was brought down at a quicker rate, this was not coupled with economic growth, the minister said. The economies are stagnating, he said, adding it was "no accident" that the European Commission has lowered this year's growth forecast for the bloc to 0.9% from 1.3%. Hungary's economic outlook, however, was positive, he said, citing the EC's 2024 GDP growth forecast of 2.4% for this year and 3.6% for 2025. Despite the blocked EU funds, Hungary's economic output exceeds pre-pandemic levels by 5% compared with the EU average of 3.5%, Varga said.

He said the Hungarian government was committed to restoring balance to the central budget as soon as possible as well as to keeping the deficit as small as possible and the public debt on a downward path. Hungary's public debt shrunk at the end of last year compared with the end of 2022, he said, adding that the debt was back on the downward trajectory seen

between 2010 and 2019. Hungary targets a budget deficit of 4.5% of GDP in 2024, he added. Concerning the EU's Resilience and Recovery Facility (RRF), Varga said that "after two years of political stalling", since December, Hungary has received 550 billion forints worth of funds that had been previously blocked.

Meanwhile, he said the finance ministers, along with members of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), had assessed the role of social investments. Varga noted that Hungary had earmarked an annual 3,300 billion forints (EUR 8.4bn) for one of the broadest reaching family subsidy systems in the EU. He said Ecofin had backed the extension of the mandate of IMF Managing Director Kristalina Georgieva.

FIDESZ MEP: EUROPEAN AGRICULTURE MUST BE ADDRESSED AT NEXT WEEK'S EU SUMMIT

Next week's summit of EU leaders must address the situation of European agriculture, Fidesz MEP Kinga Gál said in a statement on Tuesday. Far from merely being a technical or subsidy matter, agriculture was a serious strategic issue that would "determine the European economy and the lives of European people for decades to come", Gál said. Meanwhile, she called for a stronger European defence policy and industry, noting that Hungary supports boosting European defence policy based on "a more robust European defence industry".

A renewed focus on defence must be reflected in the EU structures and the budget resources allocated to it, she added. Also, European security fundamentally depended on preventing illegal immigration at the external borders, Gál said. Noting European Commission President Ursula von der Leyen's recent announcement of accession negotiations with Bosnia-Herzegovina, the Fidesz MEP said the European integration of the Western Balkans was a top priority for Hungary.

OFFICIAL: EUROPEAN ELITE OUT OF TOUCH WITH EUROPEAN PEOPLE

The series of strikes by farmers and the rise of radical parties are symptoms of the yawning gap between the European elite and the European people, a government official told an international conference organised by the Mathias Corvinus Collegium (MCC) on the occasion of the 30th anniversary of the Maastricht Treaty. Hungary's government considers it worthwhile making the effort to ask people about their opinions, and the Brussels elite should do the same, Márton Ugródsy, a deputy state secretary of the Prime Minister's Cabinet Office, told the conference held in Budapest on Monday. At stake in the European parliamentary elections will be whether people choose to take their destiny into their own hands or to accept someone else controlling their daily lives, an MCC statement on Tuesday quoted the

official as saying at the event entitled Hidden federalism and democratic denial. Rodrigo Ballester, the head of European studies at MCC, said the Maastricht Treaty had drastically changed the original consensus and set the EU on the path of an ever-closer political union. Today's pervasive crises were sown by the treaty, he said, referring to migration, green policy, the creation of the euro, and the ideal of European citizenship.

SOCIALISTS CALL FOR RAILWAY DEVELOPMENTS

The opposition Socialist Party has slammed the poor state of Hungary's rail

network, decrying a lack of maintenance and investment. Deferred maintenance over the past 15 years is estimated to total 10,000 billion forints (EUR 25.3bn), László Varga, the party's deputy leader, told a press conference streamed on Facebook, citing obsolete infrastructure, malfunctioning safety systems, shuttered lines, out-of-date vehicles and recently introduced employment restrictions. Last year Hungarian trains were a combined 3 million minutes late, he said. Recently introduced cheaper regional passes were causing national railway company MÁV losses in the tens of billions of forints, he said, and he called for the government to compensate the company.

The government, the Socialist politician said, was eyeing the purchase of Spain's Talgo train manufacturer, but the Spanish government was opposed for fear of Russian circles increasing their influence. "The Hungarian government shouldn't get involved in such uncertain transactions but instead take immediate and meaningful steps to replace the old trains," Varga said.

While the government "always talks about European Union funding when it comes to railway developments" they should use domestic funds before community financing becomes available, the politician insisted.