

## PHOTO OF THE DAY



PM Viktor Orbán with Chinese President Xi Jinping in Beijing

## UPCOMING EVENTS

**NATO leaders begin three-day summit in Washington**

**Stats office reports on June inflation**

**Events related to Hungary's EU presidency**

**Events related to the wars in Ukraine**

## TOP STORY

# ORBÁN: CHINA'S ADVOCACY OF PEACE 'CRUCIAL'

China's advocacy of peace around the world "is important for Hungarians", Viktor Orbán said in Beijing, where he met Chinese President Xi Jinping.

"Hungarians are a peace-loving people who strive for peace, balance, and harmony, so we are always on the side of peace and never on the side of war," the prime minister told a joint press conference. "We greatly value China's advocacy of peace as opposed to war in the world... When it comes to war in Hungary's neighbourhood, we also greatly appreciate your peace initiative," he added. Xi's visit to Hungary two months ago, he said, had been of "historic importance", noting the signing of "weighty agreements". "What is more, the foundations were laid for the two peoples' friendship for several generations... Xi's visit was convincing and cordial, and reflected China's goodwill and respect for Hungary," he said. "Generations will benefit from that visit, from the memories of the visit you paid to Budapest," Orbán said, thanking Xi for his efforts to elevate bilateral ties to a higher level. "We have been working for the past two months to fill that framework with substance," Orbán said, also congratulating Xi on "the stability China means for the world amid stormy global politics".

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## **SZIJJÁRTÓ: HUNGARY- CHINA COOPERATION 'SOLID FOUNDATION'**

Hungary's economic, trade and investment cooperation with China will provide a "solid foundation" for the country's economic growth in the coming years, Péter Szijjártó, the minister of foreign affairs and trade, said in Beijing. He welcomed the Chinese leadership's support for the further enhancement of cooperation, adding that Chinese companies at the forefront of the car industry revolution would continue to bring investments to Hungary. Chinese leaders also support further increasing the number of Chinese tourists visiting Hungary and boosting the volume of Hungarian food produce on the Chinese market, he added. Chinese companies have 6,400 billion forints (EUR 16bn) worth of investments under way, creating 25,000 jobs directly and "turning Hungary into one of the world-class centres of the global automotive revolution and technological renewal."

## **PATRIOTS FOR EUROPE EP GROUP ESTABLISHED**

Patriots for Europe, the new European Parliament party family, has established its EP group with 84 MEPs from 12 member states, Kinga Gál, an MEP of Hungary's ruling Fidesz, said in Brussels. The new

group aims to bring change to the European Union's politics, Gál said after the group's inaugural session. Gál, who has been appointed the group's first vice-president, said Patriots for Europe was now the EP's third biggest group and the "biggest patriotic group" ever to have existed in the legislative body.

Patriots for Europe comprises 30 MEPs from France's National Rally (Rassemblement National, RN), 11 from Fidesz, 7 from Czechia's ANO and 2 from Oath and Motorists for Themselves, 6 from Austria's Freedom Party (FPÖ), 3 from Belgium's Flemish Interest (Vlaams Belang), 8 from Italy's Lega party, 6 from the Netherlands' Party for Freedom (PVV), 6 from Spain's VOX party, 2 from Portugal's Chega and one MEP each from Denmark's Danish People's Party, Greece's Voice of Reason, and Latvia First. The group has appointed RN leader Jordan Bardella as its president and Gál its first vice-president. Its other vice-presidents are Roberto Vannacci (Lega), Klára Dostálová (ANO), Sebastien Stöteler (PVV) and Anders Vistisen (Danish People's Party). Before the official announcement Matteo Salvini said on Facebook that "a large party group is about to be born" with the participation of his Lega party, "and this will be key to changing the future of Europe". Lega is set to announce that it will leave its current party family, Identity and Democracy, and join Patriots for Europe, within hours, he said.

## **GULYÁS: GOVT TO IMPLEMENT 'ANTI-WAR ACTION PLAN'**

The government has decided to implement an "anti-war action plan", the head of the Prime Minister's Office, Gergely Gulyás, told a government press briefing. As part of measures will be introduced against "pro-war propaganda", parties and media outlets will be obliged "to make their resources transparent," he said. As Hungarian law forbids political parties from accepting financing from abroad the measure will apply only to media outlets, Gulyás said, adding that those outlets would be required "to make their funding resources public". "Hungary reserves the right to send funding arriving from abroad for war propaganda purposes back to the sender," he said, adding that the task to draft the regulatory framework had been assigned to the justice minister. Regarding the EU regulations, Gulyás said such "a rough, radical regulation violating the freedom of opinion and speech" could not be introduced in Hungary within its constitutional framework.

Meanwhile, under a new government decision, banks, multinational companies and energy companies that have generated "wartime enhanced profits" will have to pay a "defence contribution" to the National Defence Fund, Gulyás said. A freeze of retail bank account fees and bank card fees will be introduced

this year to prevent lenders from passing on the “defence contribution” to families, he said, adding that the windfall profit tax payable by multinational companies and the energy sector, and the retail tax will not be lowered in 2024. Revenues from the measure are expected to come close to 400 billion forints (EUR 1bn), he said. The relevant regulations will be published this week, to come into force from Aug 1, he added. On the matter of changes to bank transaction fees, Gulyás said the fee would be increased from 0.3% to 0.45%, with the ceiling raised from 10,000 forints to 20,000 forints. Fees on cash withdrawals will be raised to 0.95 percent from 0.6%, but withdrawals up to 150,000 forints will remain free, he added. Conversions would carry a 0.45% fee with a 20,000 forint ceiling, he said. The national economy ministry and others have coordinated with all involved parties, and “the decision did not come as a surprise”, he said. Utility price caps will not be phased out, Gulyás said in response to a question on the possible effects of extra taxes on the energy sector being channelled into the defence fund.

Regarding the “peace mission” Prime Minister Viktor Orbán has promoted at the start of Hungary’s rotating EU presidency, Gulyás said peace could not be reached “without a direct dialogue with the warring sides”. “Big countries in Europe are now dominated by war propaganda, but somebody must speak for the victims and families torn apart as

well,” Gulyás said. Achieving peace, he said, required the inclusion of leading powers, which was why after his talks with the leaders of the warring sides the prime minister had travelled to Beijing to hold consultations with the Chinese president. “Hungary wants to be in touch with every country that can contribute to achieving peace, and wants to talk to every political leader who can take steps to end the war as soon as possible and achieve a ceasefire and start peace talks,” said Gulyás. “Hungary knows where its place is as the current holder of the EU’s rotating presidency; it does not have a concrete peace plan, because this can only be worked out together with the [warring] sides,” he said. Hungary’s peace mission, he noted, was seen by many “with suspicion”, insisting that the country was facing “political, legal and financial blackmail to join the pro-war camp”. “It’s hard not to regard the European Court’s recent ruling in connection with migration [against Hungary] as just such blackmail,” he added, insisting however that Hungary would not change its position that “every political step must serve the goal to end the war”.

Responding to questions, Gulyás said that Orbán’s visits to Ukraine, Russia and China “were made public [at the location of the meeting]”, a practice that “would be worth continuing”. Immediately after the talks, Orbán “briefed EU officials accurately and thoroughly on the trip, as well as on his views on how the EU

could promote peace talks,” he said. Whereas Orbán travelled to Moscow in his capacity as the Hungarian prime minister and the holder of the rotating presidency of the council of the EU, “he did not conduct talks in the name of the EU”, he said. Reviewing ties of the bloc and a third country during the visit of a member state leader was common practice, he added. Orbán told Xi during his Beijing visit that the timing of peace depended on the “big players in world politics”, and this would be greatly aided by China “joining the cause”. Should the United States also join, “we’ll have peace very soon indeed,” he added. Regarding Orbán’s upcoming visit to Washington, DC, Gulyás said: “During a peace mission, meetings with people who can promote and help peace are advisable.” Asked whether Orbán was scheduled to meet former US president Donald Trump, Gulyás said: “Trump is more of a member of that circle than the current administration.”

Meanwhile, Gulyás called the first week of the Hungarian EU presidency “successful”, adding that Orbán would “continue his peace mission”. “Attacks in Brussels on the peace mission” may ease up, he said, adding that this would largely depend on the outcome of the US election. “Should the current situation remain and the Republicans prevail, many European leaders will declare themselves pro-peace,” he added. Commenting on Robert Fico, Gulyás praised the Slovak prime minister’s “courage”, and he quoted Fico as saying that had his health

allowed, he would have joined Orbán on his visit to Moscow.

Regarding Orbán's talks in Kyiv, Gulyás said "promises" were made on improving the situation of Transcarpathia Hungarians "from a higher level than before". If the rights they have secured by 2005 may be guaranteed, that would greatly improve ties between the two countries, he said. Should that not happen, that would hinder Ukraine's EU accession "and even the accession negotiations after a certain point".

Regarding the new EP family, Patriots for Europe, Gulyás said Alternativ für Deutschland (ADF) would not be joining the group. While Patriots for Europe "will not change majority relations within the EP", he said it would nonetheless create a forum that provided visibility for "European forces that remain truly conservative, stand against the war and want peace, but also reject all right-wing extremism while also being aware that Europe is currently threatened by liberal and left-wing extremism." Patriots for Europe, he added, would start out with 80-90 MEPs, and the founding meeting will be held on later on Monday. Commenting on the outcome of the general election in France, Gulyás said the will of French voters must be respected, and "the winner must be congratulated, even if there is no clear winner". The result "is a three-party government where a governing majority will not be easy to bring about", he added.

On the topic of fuel prices, Gulyás said the government called on energy companies to continue to stick to an agreement reached with the government, under which fuel prices are kept below the average price in neighbouring countries. Fuel prices "have been driven down" compared with those in April and May, he said, but the price of petrol was 4 forints higher last week than the average in neighbouring countries, according to data from the Central Statistical Office, while diesel was 10 forints dearer, he said. The government is expecting fuel retailers to take steps to remedy the "unfair situation", Gulyás said.

Meanwhile, Gulyás said the government expected all players in air travel to prepare action plans to tackle delays, including air control company HungaroControl. He called on the sector to ensure that passengers are adequately informed and that ground crews "radically speed up processes". The consumer protection authority has been instructed to impose hefty fines in cases of significant delays, he added. Currently 12 such procedures are under way, he added. Gulyás said in 60% of the cases the airline companies were to blame for delays, adding that in such cases it was "crucial that the consumer protection authority imposes painful fines that cause serious damage to the company". In the summer season there might be delays, but flights should not be delayed for several hours, he said. "There is especially

no reason to prevent passengers from receiving all information to enable them to decide what they should do before their flight," he said. Passengers waiting at the airport should receive maximum services and should be provided with all their basic needs, he added.

Commenting on a recent ruling by the Kúria, Hungary's supreme court, to recount all votes cast in the Budapest mayoral election, Gulyás said: "Everything is in place to do that in transparently to retain and reinforce public trust." With over 800,000 votes cast, and with a difference of just 41 votes between the two candidates, "it's likely there'd be a recount anywhere in the democratic world..." A lesson from the recent election, he added, was that there should be a uniform protocol for erasing from the voting sheets candidates who withdraw. Also, the difference in the number of votes between two candidates automatically requiring a recount should be defined, he said.

Answering a question about whether Hungary was considering quitting the International Criminal Court, Gulyás said Hungary should have "followed the wisdom of the US" and not joined the court in the first place. "[But] there's little point in quitting; Hungary has never ratified the treaty so it has no legal effect," he said. "The international community does not need a court that makes its decisions based on political considerations," he added.

## **GOVT SPOX: PRE-NATAL LOAN HOLDERS PERIOD TO HAVE CHILDREN EXTENDED**

Government spokeswoman Eszter Vitályos announced at a government press briefing that the period for pre-natal loan-holders will be extended. She said the introduction of the system in 2019 had been followed by several “negative, vis-major type developments”, such as the Covid pandemic, the war in Ukraine or the energy crisis. All those hardships have made it difficult for families “to implement their plans to have babies”, she added. Vitályos noted that currently “a couple hundred” families were at the end of the five year period allowed to have the babies they had made a commitment for, but added that the number could amount to several thousand by the end of the year. “The government thinks it will be great help to those families if the deadline is extended by two years,” she said.

On another subject, Vitályos said the government has launched an online system for patients to make reservations for health services. Up to now, over 4,000 practices have joined the system and made their available dates accessible online, but “the number will increase by the month” and help to reduce waiting lists. Over 3 million patients have downloaded the application, with 2.5 million visits each month, she said, adding that in the first five days of July alone 504 reservations had been made.

## **DK: GOVT ‘HAS ENTERED AUSTERITY SPIRAL’**

The government has “entered a spiral of austerity”, the spokesman of the opposition Democratic Coalition (DK) said on Monday, in response to measures announced by the head of the Prime Minister’s Office. The government has announced “yet another austerity package”, Balázs Barkóczy told an online press conference, commenting on announcements in today’s government’s press briefing. He insisted that a new tax dubbed “defence contribution” was an old form of tax under a new name. He said that government was “pretending” to levy a tax on banks and multinational companies while knowing that they would pass that new burden on to clients -- “as they always do”. “Only the left wing can provide a way out of this situation, by increasing wages and pensions, pursuing a predictable economic policy, wiping out corruption and introducing the euro,” Barkóczy added.

Ruling Fidesz said in a statement in response that forces on the left disliked multinationals and banks “being made to pay” as they represented the interests of their foreign sponsors. “The pro-war left has been stuffed with foreign money for years. They represent the interests of their sponsors, not those of the Hungarian people,” said Fidesz.

## **KÚRIA ORDERS RECOUNT OF ALL VOTES IN BUDAPEST MAYORAL ELECTION**

Hungary’s Supreme Court, the Kúria, has ordered a recount of all votes cast in last month’s election for Budapest mayor. In line with the ruling which partially amended an earlier decision by the National Election Committee, all votes submitted at the mayoral election must be re-examined and recounted, and the results of the election announced based on the recount. The Kúria ruling cannot be appealed. The Constitutional Court on Friday scrapped as unconstitutional a June 26 ruling by the Kúria, which had okayed the results of the June 9 mayoral election in Budapest, and ordered the Kúria to make a new decision.

Budapest’s mayor, Gergely Karácsony, has said he would regard a recount of votes cast in last month’s mayoral election as “an attempt at electoral fraud”, in the absence of certain “guarantees”. Karácsony, who ran for re-election as a joint candidate of the Dialogue-Greens, Democratic Coalition and Socialist parties, told a press conference that there were four specific guarantees that he expected to be met, otherwise the recount could be interpreted as “a clear attempt at electoral fraud”. The first, he said, was that ballot boxes and the ballots themselves could not be “taken anywhere” or opened without



delegates of the National Election Committee (NVB) present. His second demand was that opposition NVB delegates also had to be present for the opening of the ballot boxes and ballots. The third necessary guarantee, he said, was that the opening of the ballot boxes and the recount must be done in public “with even the most-minute details documented”. Finally, he called for the opportunity to delegate additional observers.

At a meeting on Monday, the NVB decided that the votes cast for mayoral candidates will have to be recounted and reviewed at the local election offices. The body also decided that ballots whose validity is in doubt will have to be sent in to the NVB for review. Members of the press will be allowed to be present for the recount and reviews, they said. Robert Sasvári, the head of the committee, said close to 800,000 votes will have to be recounted, and a final decision is expected by Friday morning.

**KÖVÉR: NATL INTERESTS REQUIRE SURPASSING IDEOLOGICAL DIVIDES - INTERVIEW**

Certain national interests require that people surpass ideological divides and preserve sovereignty together, against the “arrogance of Brussels bureaucracy that has betrayed Europeans”, Speaker of Parliament László Kövér told Polish weekly Sieci in an interview. Kövér said the Visegrad Group had been

the most productive at a time when it was led by the prime ministers belonging to the Polish PiS, Slovak Social Democrat Smer, the liberal Czech ANO movement and Hungary’s Fidesz, which then sat in the European People’s Party in the EP. Fidesz sees PiS as an ally, he said. “It was a mistake to let the Russian-Ukrainian conflict become the watershed issue between Poland and Hungary, as that excluded the possibility of accepting and reconciling differing approaches and national interests.” The EU was originally built on such solidarity, he added.

Commenting on PiS losing the Polish elections, Kövér said the results had hinged on the image the left liberal media had broadcast about the party. Fidesz had “set up a right-wing television” after its defeat in 2006, in cooperation with “nationally minded capital”, and the channel was instrumental in “uncovering the dirty politics of the Socialist-Liberal coalition after 2006”, leading to their resounding defeat in 2010, he said.

The Hungarian model was “unique” in Europe, Kövér said, as it allowed equal opportunities for right-wing sources to get their message to the voters in traditional media. Meanwhile, conservative parties such as PiS and Fidesz must contend with social media sites which continue to censor content they deem politically incorrect, he added.

Right-wing politics in Hungary has been determined by the fundamental values of “God, homeland, family”

since the second world war, he said. While young people were generally disenfranchised and tended to stay away from politics or “vote against the status quo”, Fidesz retained the largest proportion of young voters in Hungary, he said. The Momentum party, which started out “as a representative of the young generations coming after Fidesz”, has fallen below 4% and lost its seats in the EP, he noted.

**NÉZŐPONT: MORE MEDIA OUTLETS CRITICAL OF GOVT THAN AT ANY TIME SINCE 2010**

The number of media outlets taking a critical stance of the government has been steadily growing since the last change of government in 2010, the Nézőpont Institute said in its 2024 Press Freedom report on Hungary. Compared with 36 critical domestic media outlets opposed to the government in 2010, there are now 61, the report said, adding that 34 critical websites were established in the past ten years. “Whereas it is often said that press freedom is under attack in Hungary and that opposition media are being impeded, the precise opposite is the case,” the think-tank said. Out of 15 print media, 7 are critical of the government while 8 favour it, the report said. Meanwhile, 12 out of 33 electronic media are opposed to the government and 21 are friendly. Further, 37 out of the 53 online platforms are against the

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government while 16 are for it, the think-tank added. Fully 71% of the adult population (5.6 million people) get their information from sources critical of the government, while 64% (5.1 million people) get theirs from pro-government sources, it said, adding that the proportion of those who only obtain information from one type of media is low.

Media are easily accessible to anyone throughout the country, regardless of their attitude towards the government or political affiliation, it said. Printed dailies and weeklies are distributed nationally and the major electronic media enjoy national coverage, Nézőpont said. More than 8 million people can access TV channels and almost 93 percent of households have broadband. Moreover, there are 14 million mobile phone subscriptions in a country with a population of just below 10 million, the report said.

## **NAGY IN TALKS WITH BANK OF CHINA VICE PRESIDENT**

Márton Nagy, the national economy minister, held talks with Zhang Xiaodong, vice president of Bank of China, in his office, with a view to exploring new joint projects focusing on financing energy and infrastructure projects. "This year we are celebrating the 75th anniversary of diplomatic ties between the two countries," the ministry said in a statement. "Efforts over past years have seen economic cooperation rising to a new level," it said, adding that Bank of China actively supported the Belt and Road initiative and its integration with Hungary's Eastern opening policy. Also, BoC coordinates its development strategy in line with the green development goals of the European Union, the statement said.

## **BUDGET DEFICIT HUF 2,656.4 BN AT END-JUNE**

Hungary's cash flow-based budget deficit was 2,656.4 billion forints (EUR 6.8bn) at the end of June, the finance ministry said in a preliminary release of data. The central budget had a 2,640.1 billion forint deficit at the end of the month and the social security funds were 161.9 billion in the red, but separate state funds were 145.6 billion forints in the black. The budget posted a deficit of 107.8 billion forints in the month of June alone. In January-June, interest expenditures, which included large payments on retail government securities, came to 2,009.5 billion forints, up 649.4 billion from the same period a year earlier. Expenditures for European Union-funded programmes reached 945.7 billion forints, while transfers from Brussels came to 578.2 billion forints, the ministry said.