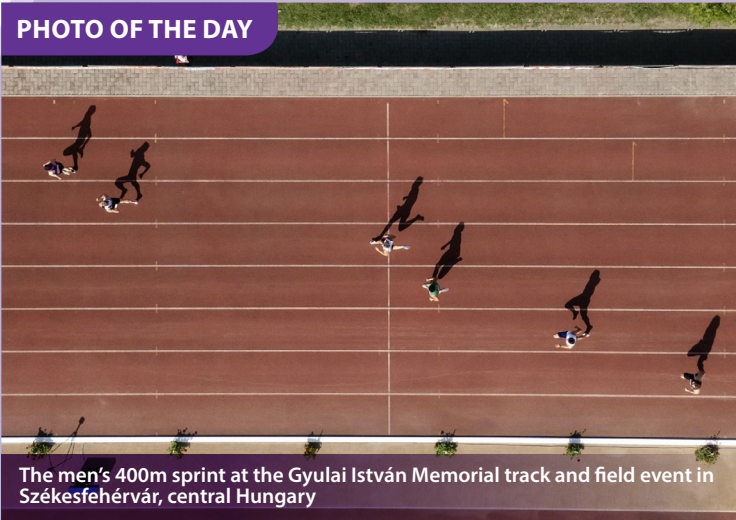


PHOTO OF THE DAY



MTI/Tamas Vasvari

The men's 400m sprint at the Gyulai István Memorial track and field event in Székesfehérvár, central Hungary

UPCOMING EVENTS

NATO leaders' summit in Washington

Events related to Hungary's EU presidency

Events related to the war in Ukraine

TOP STORY

SZIJJÁRTÓ: WAR SITUATION INCREASINGLY SEVERE

The situation is getting increasingly severe in the Ukraine-Russia war, with recent "heartbreaking" events involving children, "and this can be expected to deteriorate further", Hungary's foreign minister said on Tuesday.

"There are more and more weapons and the war propaganda is getting stronger, with a severe looming danger of escalation," Péter Szijjártó said on Facebook. "We have been warning of this for weeks". "There's only one solution; there's only one way to stop the senseless destruction and massacre; there's only one way to save people's lives and prevent more severe developments: a ceasefire and peace talks", the minister said. He added that this was the reason why the Hungarian leadership was setting off "on a peace mission" and paying a visit to Washington, DC. "We will represent this stance at the NATO summit: there is no solution on the battlefield," he said. "It is impossible to comprehend why they cannot accept this". "Yet, the draft resolutions for the next three days demonstrate a total lack of understanding, with NATO set to launch a mission in support of Ukraine," he said. "We will stay out of this; we won't supply weapons, we won't provide troops, and we will not take part in financing," he added.

NAGY: STATE TO DECIDE ON BUDAPEST AIRPORT DEVELOPMENT

The Hungarian state, as a financial and strategic investor, will be the one to decide on the development of Budapest's Liszt Ferenc International Airport, the national economy minister said on Tuesday. Passenger traffic at the airport could reach an annual 20 million by the end of the decade even according to conservative estimates if the developments are carried out, Márton Nagy told a press conference. Nagy said French airport operator Vinci, the state's investment partner in the airport's acquisition, was an "ideal partner", as it operates more than 70 airports in over a dozen countries, and as an owner it was interested in ensuring that the airport is run as efficiently as possible. The minister said the government was exploring its options for financing the infrastructure developments needed for expanding the airport, adding that planning had to begin as soon as possible so that a third terminal could open in 2032. The planning and implementation schedule will be ready in the autumn, he said. The financing, he added, would not be covered solely from the budget, with concession agreements also being an option, as the cost of railway and road developments could exceed 1 billion euros. He also said there was a possibility of involving a Qatari investment fund as a third investor in the airport. This will be

decided by the current owners, he said, adding that the new investor's stake could be less than 10%. Nagy said the airport's 3.1 billion euro purchase price was realistic and in line with market expectations. In response to a question, the minister said the windfall profit tax on airlines will be phased out from January.

SZIJJÁRTÓ: 'GREAT ANTICIPATION' IN MIDDLE EAST, N AFRICA OVER HUNGARY EU PRESIDENCY

There is "great anticipation" in the Middle East and north Africa in connection with Hungary's rotating presidency of the Council of the European Union, Péter Szijjártó, the minister of foreign affairs and trade, said on Facebook on Monday. "This is what I was able to conclude today when I spoke on the phone with Ayman Safadi, my Jordanian counterpart, and Badr Abdelatty, my Egyptian counterpart, both of whom congratulated me on Hungary assuming the EU presidency and wished [Hungary] success," Szijjártó said. "We greatly appreciate Egypt and Jordan for their contributions to the stability of their respective regions and for keeping illegal migration at bay, with which they contribute to Europe's security," Szijjártó said.

He said that because both countries bore "serious burdens" in the fight against illegal migration, they both deserved EU support, adding that this was the position Hungary would

represent at next week's meeting of the Jordan-EU Association Council. "At the same time, we urge that Egypt receive the next sum of development aid from the European Union as soon as possible," he said. Szijjártó said hundreds of students from both Jordan and Egypt study at Hungarian universities, and economic cooperation was continuously developing with both countries. He added that Hungary would strengthen its cooperation with the countries of the Middle East and north Africa during its EU presidency.

DEUTSCH: FORMATION OF PATRIOTS FOR EUROPE EP GROUP 'HISTORIC MOMENT'

Tamás Deutsch, the head of ruling Fidesz's European parliamentary delegation, has hailed the establishment of the new Patriots for Europe EP group as a "historic moment". Deutsch told Hungarian journalists after the group's inaugural session in Brussels on Monday that the party group would work to get a "free and independent Europe back on its feet". He said the support of the more than 2 million Hungarians who voted in last month's EP elections gave the Hungarian right "significant strength". He added that more than 20 million people had voted for the politicians of Patriots for Europe and the change its platform aimed to bring to European politics. The politicians of the new group, he said, were able and willing

to work to preserve freedom, peace and Europe's Christian heritage, as well as to work for a "more liveable, strong Europe based on nation-states". "We're thinking in terms of a Europe of nations," he said. "We will stop illegal migration at the European level and protect Europe and Europeans." Patriots for Europe established its EP group with 84 MEPs from 12 member states.

NAGY: COMPETITIVENESS COUNCIL DEBATES NEW COMPETITIVENESS PACT

The meeting of the Competitiveness Council focused on preparing a new European competitiveness pact, one of the priorities of the Hungarian presidency, Márton Nagy, the national economy minister who chaired the meeting, said on Tuesday. Prime Minister Viktor Orbán will submit the draft to the European Council in the autumn, he said. Cutting the red tape on companies is an essential part of the draft plan, he said. Besides European competitiveness, the first of the two-day meeting focused on speeding up the transition to e-mobility by 2035 and issues around AI. Nagy called for a joint European strategy to speed up the transition, saying that the diverse programmes and funding in member states were hindering the process. The government will publish an 11-point proposal package on e-mobility on Wednesday, containing points on coordinating e-car purchase subsidies, support for carmakers, development of

charger infrastructure, and financing, Nagy said.

He said the current plan to phase out new cars with internal combustion engines by 2035 was "not realistic", because the ratio of new electric vehicles remains under 15%. Regarding financial resources for the programme, Nagy proposed that the cohesion funds could be channelled into it. Meanwhile, Nagy said the EU council could decide on making tariffs on the Chinese car industry final in the autumn, "but there is no consensus among member states on this issue either". Hungary's government will not support "protectionist measures that would curb the reach of the market", he added.

NAGY DISCUSSES FUEL PRICES WITH DISTRIBUTOR REPRESENTATIVES

Márton Nagy, the national economy minister, on Monday met representatives of fuel distributors to discuss high fuel prices in Hungary and to review international developments and economic trends that have an impact on fuel distribution and prices, his ministry said. Nagy held talks with representatives of the Hungarian Petroleum Association (MÁSZ), including those from oil and gas company MOL, and from the Independent Petrol Stations Association (FBSZ). According to the ministry's statement, Nagy noted that the average per-litre price of petrol is 618 forints (EUR 1.57), while a litre of

diesel costs 631 forints. Citing data from the Central Statistical Office released last week, Nagy pointed out that the per-litre price of petrol averages 610 forints in neighbouring countries, while the price of diesel stands at 616 forints. FBSZ and MÁSZ both proposed using monthly, rather than weekly, statistics for motor fuel price comparisons because of deviations due to factors peculiar to markets in neighbouring countries; which the minister said was worth considering. Nagy added, at the same time, that the government's expectation that fuel prices be kept below the average of neighbouring countries was unchanged, urging immediate steps from distributors. He said the government was prepared to intervene on the motor fuel market if prices did not fall.

GOVT COMMISSIONER: OVER 100,000 FAMILIES BENEFITTING FROM REDUCED UTILITY BILLS

Some 104,000 families have saved over a combined 10 billion forints (EUR 25.4m) on their gas bills since April, when the government introduced "a more predictable" system of public utility invoicing, the energy ministry quoted Szilárd Németh, the government commissioner in charge of the public utility cuts programme, as saying on Tuesday. Németh said in a statement that the government was committed to maintaining a

cap on the price of household utility bills “despite all the extraordinary challenges”, adding that the retail price of electricity and gas were the lowest in Hungary of all European Union members. He added that nine families out of ten were ensured a preferential price for gas and eight could buy electricity below market prices. “The utility price subsidy scheme ensures Europe’s lowest prices for Hungarian families, so the government will protect the scheme against all attacks,” the commissioner said.

BANKS DENY ENHANCING PROFITS DURING WARTIME

The Hungarian Banking Association denied on Tuesday that the bank sector had enhanced profits during wartime, insisting it had been among those suffering the economic uncertainties caused by the war and had endured the burdens of various government measures “in a disciplined and cooperative manner”. The unpredictability of a series of

burdens and measures introduced by the government “has significantly restricted the lending capabilities of the Hungarian bank sector, its international competitiveness and role in stimulating the economy,” the statement added. Measures announced in the official gazette Magyar Közlöny late on Monday, the so-called “defence contribution”, further advantage fintech providers that offer cross-border services, the statement said. At the same time, the Hungarian banking sector is one of the government’s most important partners in implementing its economic policy, from managing the pandemic to family policy, SME financing, digitalisation and infrastructure development, “demonstrating its dedication on a daily basis”, it added.

HUNGARY JUNE INFLATION 3.7%

Hungary’s annual consumer price index was 3.7% in June, the Central Statistical Office (KSH) said on

Tuesday. Month on month, consumer prices were flat and food prices dropped by 0.3%. Márton Nagy, the national economy minister, said the government’s targeted measures had reduced inflation “beyond expectations”. He said some of those measures, including the online price monitoring system, would boost retail competition and ensure low inflation in the long run. Commenting on KSH’s figures, the minister said consumer prices in general had not changed from the previous month. Moreover, the price of food was 0.3% lower month on month. The minister said low inflation had triggered “a positive chain reaction” in the economy that would increasingly benefit households and businesses alike. He said low inflation was reflected in increasing real wages and consumption, while retail trade has been on the up and up for the fifth month in a row. Nagy also noted a dynamic increase in mortgage uptake, the portfolio having grown by 2.5 times in the first five months of 2024.