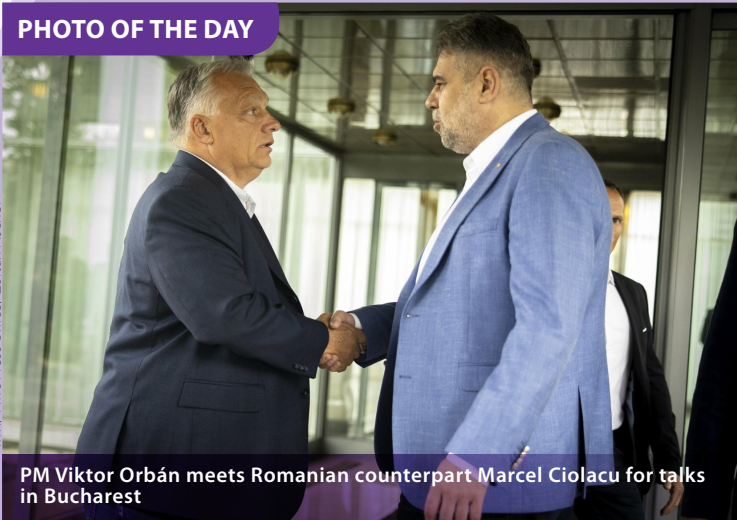


PHOTO OF THE DAY



MTV/PM's Press Office/Zoltán Fischer

PM Viktor Orbán meets Romanian counterpart Marcel Ciolacu for talks in Bucharest

UPCOMING EVENTS

Băile Tușnad summer university events

Events related to Hungary's EU presidency

Events related to the war in Ukraine

TOP STORY

UKRAINE 'BLACKMAILING PRO-PEACE COUNTRIES'

By halting the transit of crude oil to Hungary and Slovakia, Ukraine is blackmailing the countries that consistently speak out in favour of an immediate ceasefire and peace talks, the head of the Prime Minister's Office said.

Speaking at a government press briefing, Gergely Gulyás said Ukraine's "blackmail" of Hungary and Slovakia for their pro-peace positions was "unfair" and in violation of its agreements with the European Union. He said this posed a serious danger to the security of Hungary's and Slovakia's energy supply. "There's no need to panic right now because our reserves are at a high level," Gulyás said, adding however that the situation must be resolved by September. He said another reason why Ukraine's actions were unfair was because the country imports more than 40% of its electricity from Hungary, only receives diesel fuel via pipeline from Hungary, and more than 10% of its diesel and natural gas imports also come from Hungary. Also, he said, Hungary provided refuge to those fleeing Ukraine and was carrying out its largest-ever humanitarian operation in the country since the start of the war. He noted that Hungary has asked the European Commission to mediate in the matter, and if that did not yield results, "we'll also have to consider other steps."

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BÓKA: UKRAINE OIL DELIVERY CURBS BREACH EU AGREEMENT

Ukrainian restrictions on crude deliveries breach numerous provisions of the EU association agreement, János Bóka, the EU affairs minister, told a government news briefing. When it comes to cases requiring urgent measures, the European Commission will launch a consultation process with Ukraine within three days at the initiative of member states, though arbitration can also be initiated in the absence of a satisfactory outcome, the minister said. Hungary is also examining whether the crude delivery restrictions breach WTO and Energy Charter rules, Bóka added.

On another subject, he said the heads of the European Parliament European affairs committees will hold a meeting in Parliament on Monday, marking the end of the first phase of Hungary's EU presidency. The security and defence policy ad hoc working group has been put on a permanent footing and an agreement in principle has been reached on the 2025 EU budget, Bóka said, listing the presidency's achievements so far. The next summit meeting of the European Political Community will be held in Budapest on Nov 7, with an informal meeting of the European Council to be held the next day, he added.

So far, five EU bodies have held informal meetings in Brussels and Budapest, the minister said, adding that these covered issues such as competitiveness, artificial intelligence, electric car manufacturing, preparations for the next climate summit, water management, cross-border pollution, the circular economy, challenges related to the energy framework by 2030 and the potentials of geothermal energy. EU ministers also reviewed the political priorities in the areas of justice and home affairs, Bóka said, noting that the aim was to adopt a five-year document in this area. The meetings in question also touched on ensuring more effective data access for border control and asylum organisations, he said. Meanwhile, EU health ministers discussed cardiovascular diseases and organ donation, Bóka said.

Agriculture ministers talked about the long-term viability of rural areas, finance ministers discussed the EC's calls for excessive deficit procedures, and labour and social affairs ministers debated the challenges of labour shortages and the integration of those with disabilities into the labour market, among other things, he added. During this time, the committee in charge of immigration, borders and asylum visited Szeged and Hungary's southern border, Bóka said, adding that EU defence policy directors and the directors-general in charge of cohesion policy also held meetings in Hungary.

GULYÁS: NO ACUTE OIL SUPPLY PROBLEM DUE TO HIGH LEVEL OF RESERVES

Speaking at the government press briefing, the head of the Prime Minister's Office said that it was only thanks to the high level of crude reserves that there was no acute supply problem due to Kyiv's action to "turn off the tap". Gergely Gulyás said Hungary expected "different and more" from EU institutions and the European Commission, adding that it was "unacceptable" that the EU was not standing by a "blackmailed" member state. Gulyás also suggested that it was "not beyond the realm of logic" that Ukraine may have negotiated with the EU before turning off the taps. He called on Ukraine to "restore the situation whereby we can access Russian oil", adding that Europe's economic interests were also bound up with having access to cheap Russian raw materials. The minister said many European states had been "hypocritical", buying Russian oil indirectly via countries acting as an intermediary. Gulyás noted that Hungarian oil and gas concern MOL purchased crude based on long-term contracts. Shortfalls due to Ukrainian measures, he said, would not cause a disruption to supplies until September, even if no other source is found as a replacement. But in the case of a replacement, a price increase may ensue, he said. Since taking office in 2010, the government has expanded the energy transmission infrastructure

with the aim of improving supply security, he said, noting that Hungary is now connected to all neighbouring countries by pipelines, bar Slovenia.

Asked why Ukraine was blackmailing Hungary, Gulyás said the neighbouring country wanted Hungary to abandon its pro-peace policy. Asked if MOL could substitute the lost oil volumes with shipments from another one of its partners, Gulyás said: "The problem is about whether supply security can be guaranteed. And if it can, then the question is whether it can be guaranteed at the same price." The solution was "extremely simple". Concerning the transit of Russian crude through Ukraine, Gulyás said Hungary had already done a lot to increase its storage capacities before the war, noting that it had built and repurchased storage facilities, making it one of the EU countries with the highest oil reserves. "The system works for now; we're prepared for anything," he said.

Asked about the CJEU's ruling in connection with Hungary's migration policy, Gulyás said Hungary was not in a position not to comply with the ruling. "Either we pay, or they'll charge our account one million euros each day," he said. He said Hungary had rightfully protested the ruling, insisting that Austria and Germany should be against the decision the most since most of the illegal migrants arriving in Hungary had travelled on to those countries.

Asked if Hungary would help Greece build a border fence, Gulyás said would be "happy to pass on the tried and tested techniques to anyone". He also

said the government was capable of ensuring that the fine would not have to be paid by taxpayers. In response to another question, he said one of the special taxes had specifically been left in effect to finance the fine.

Meanwhile, Gulyás said the EU's migration pact had "failed before it entered into effect", even though some of its components could be considered "progress". Among these, he said, was the provision allowing member states to keep migrants in enclosed camps for 12 weeks, adding that this was the same practice Hungary had followed with the use of transit zones. Gulyás added, at the same time, that the migrant redistribution mechanism was "unsustainable" because it was based on the presumption that migrants who are granted asylum stay in the country they are redistributed to even though EU law allows them to go to other member states. He said Hungary would not take in migrants from other member states even if it had to pay a fine instead.

Asked about the amount of Western aid being given to Ukraine, Gulyás said he "would put that aside until the US presidential election, after which we'll see if there will be peace next year". He also said the government had condemned Russia's aggression in Ukraine on multiple occasions, adding that at complete withdrawal of Russian troops from Ukraine's territory was "not realistic". Asked about a loan Hungary recently took from China, Gulyás said it was not meant to make up for EU resources, adding that the government believed that free trade and balanced

economic relations, including credit, were good for the world and Hungary. He said that though it was a large sum, the 1 billion euro loan was not considered significant when it came to the state's finances.

Gulyás said there would always be credit transactions that would be advantageous for Hungary. If Hungary can take out a development loan at favourable interest rates, then "it is necessary and justified", he said, especially if it was used to finance investments that generated the money needed to repay the loan. Noting that the Patriots for Europe have not been assigned posts of president or vice president in EP committees, Gulyás said the body "totally lacks a European political culture", adding that it would be inconceivable in Hungary for parliamentary committee positions customarily held by an opposition MP to be withheld from them. He said there was a customary and objective method to calculate which group was entitled to which position and this had been ignored in the EP this time round.

Meanwhile, referring to the partial boycott of Hungary's presidency, János Bóka told the press briefing said the European Commission had been established in the first place to cooperate with member states, and its role wasn't to choose which member states to cooperate with politically. But the level of the commission's representation would not affect the presidency's activities or its success, he said. Regarding the EU informal foreign affairs council meeting to be

held in Brussels instead of Budapest, he said 13 member states insisted on Budapest, five opposed, while eight did not hold a firm position.

On the topic of airport delays, Gulyás said airlines were assembling “an impossible schedule” in order to maximise profits, and this situation would endure until they were forced to pay fines of ten or even hundreds of millions of forints for each delay. “More than a dozen procedures are under way,” he said, adding that this was “still not enough”. On the subject of the national budget, Gulyás said the US presidential election would influence the budget situation so next year’s budget would be completed in November. The deficit is planned to be around 4.5% this year, 3.7% next year, and 2.9% in 2026, “a more ambitious” target than European Commission expectations. The excessive deficit procedure would not have any palpable effect if the targets were achieved, he added.

ORBÁN DISCUSSES BILATERAL TIES, SCHENGEN WITH ROMANIAN COUNTERPART

Prime Minister Viktor Orbán met Romanian Prime Minister Marcel Ciolacu in Bucharest, and they assessed the current state of Hungarian-Romanian bilateral relations, the PM’s press chief said in a statement. As the current holder of the EU rotating presidency, Hungary will put Romania’s full Schengen accession on the agenda in the autumn, the statement added.

ORBÁN ASSESSES PAST YEAR WITH LEADERS OF HUNGARIAN ORGS ACROSS THE BORDER

Prime Minister Viktor Orbán held a working lunch in Băile Tuşnad (Tusnádfürdő), in Romania, with leaders of Hungarian organisations from beyond the border, the prime minister’s press chief said in a statement. Hungarian communities abroad have strengthened in all walks of life thanks to the government’s policies in this area, the statement said, adding that Hungary maintained an institutional system for education, culture, churches, sports and the media. “We have also strengthened the Hungarian political institutional system abroad,” the statement said, noting that in the 2023 and 2024 elections, Hungarian parties in the Carpathian Basin retained their positions at national, regional and local levels.

Hunor Kelemen, head of the Democratic Alliance of Hungarians in Romania, Krisztián Forró, head of Slovakia’s Hungarian Alliance party, Bálint Pásztor, head of the Alliance of Vojvodina Hungarians, Róbert Jankovics, head of the Democratic Union of Hungarians of Croatia, Orban Dusan, head of the Hungarian National Community of Prekmurje (Muravidék), Slovenia participated in the meeting. Also attending were Deputy Prime Minister Zsolt Semjén, Janos Nagy, state secretary of the Prime Minister’s Office, and Zsolt Németh, Chairman of the Parliament’s Foreign Affairs Committee.

TUZSON: ATTACKS ON SOVEREIGNTY MORE AND MORE OPEN

“The mask is slipping”, and attacks against sovereignty are becoming more and more open, Justice Minister Bence Tuzson said at the Bálványos Summer University at Băile Tuşnad (Tusnádfürdő), in Romania. Speaking at the roundtable entitled Protection of our Sovereignty, Illusion or Reality, Tuzson said sovereignty must be protected as it was “under constant attack in today’s rapidly changing world”. He said the European Union was created to prevent individual states from asserting their will on each other either directly or indirectly, but nowadays EU protection guarantees were being undermined or eradicated. Also, EU institutions were broadening their powers, he said, citing the issue of migration. More and more institutional decisions were biased, and this could be seen in reports on the rule of law used to exert political pressure on countries such as Hungary, he added. This situation must be monitored, Tuzson said, explaining why Hungary’s sovereignty protection office had been established. Any interference into the affairs of the office was “political interference”, he added. The justice ministry, he said, is now working on provisions in connection with “war propaganda”, and will soon submit them to the government.

Tamás Lánctzi, the sovereignty protection office’s head, said there

was a “grey zone” of political pressure exerted by bodies and networks operating not only in Hungary and the EU but also in the US, striving to influence political discourse and the exercise of public power. He said that though the law on the protection of sovereignty was essentially a “good” one, new rules were needed to increase transparency, and he said a new category, the “political pressure body”, would be added to its defensive remit. Also, he said legislation in relation to foreign fundraising sites should be amended as sources of unclear origin could be funnelled through them, and this loophole should be closed, Láncki said. Meanwhile, he said some organisations flatly refused to cooperate with the office, adding that as soon as Transparency International was under investigation, the US government had immediately intervened. Láncki also referred “incomprehensible” statements regarding the office made by the Venice Commission.

FINMIN: EU SUPPORTS G20 FINANCIAL TARGETS

The European Union supports the G20’s roadmap for enhancing cross-border payments, Mihály Varga, the finance minister, told public broadcaster Kossuth Radio. Varga addressed a two-day meeting of G20 finance ministers and central bank governors in Rio de Janeiro on behalf of the EU. The G20 countries must remain committed to international

financial reforms, in which the EU is also a partner, Kossuth Radio quoted Varga as saying in his address. The minister said the EU needed to do more in the interest of reducing vulnerabilities in the financial sector, which was why it supported the G20’s targets in making cross-border payments faster, more affordable, more accessible, more transparent and convenient. He said it was important that the European financial system remain in the global competition deciding incomes and job opportunities. Varga noted that one of the priorities of Hungary’s presidency of the Council of the EU was to improve the bloc’s competitiveness. He said that despite efforts to maintain confidence, there remained vulnerabilities in the European financial systems.

The minister said high interest rates, uncertainties caused by the war, and concerns over budgetary sustainability meant it was important to continue to monitor the risks facing the financial sector, adding that this was also a priority during the Hungarian EU presidency. Participants at the G20 meeting also discussed a new way to manage global debt. Varga said Hungary, on behalf of the EU, had joined the G20 position that the international debt management framework should be implemented in a better and more predictable way. On the sidelines of the meeting, Varga met the governor of Brazil’s central bank with whom he reviewed the status of bilateral economic and trade relations.

GOVT OFFICIAL: HUNGARY, IRAQ BOOST EDUCATION TIES

Boglárka Illés, the foreign ministerial state secretary for bilateral relations, and Naim Abed Yasser, Iraq’s minister for higher education and scientific research, signed a cooperation agreement in Budapest aimed at bolstering bilateral education relations. Illés told a press conference after the signing that under the agreement, Hungary will offer higher-education scholarships to 100 Iraqi students between 2025 and 2027 as part of the Stipendium Hungaricum programme. Abed Yasser said Iraq will also offer scholarships to Hungarian students, adding that they trusted that the student exchange programme would act as a “cultural bridge” between the two countries and have a positive effect on economic relations.

HUNGARY JUNE JOBLESS RATE 4.2%

Hungary’s jobless rate was 4.2% in June, edging down from 4.3% in May, the Central Statistical Office (KSH) said. The rate covers unemployment among people between the ages of 15 and 74. In absolute terms, there were 210,000 unemployed in June. The number of jobholders was 4,768,000 in June, virtually unchanged from twelve months earlier. In the April-June period, the average number of employed in the age group was 4,745,000, 21,000

more than in the same period last year. The rolling three-month average jobless rate stood at 4.3%, up 0.4% from a year ago.

KSH: DECLINE IN BIRTHS OUTPACES DECLINE IN DEATHS IN JUNE

The number of births fell by 17% in June compared with the same month in the previous year, while deaths went down by 5.9%, according to preliminary data published by the Central Statistical Office (KSH). Meanwhile, the number of marriages went down by 14% with 4,946 couples tying the knot. Fully 6,040 children were born in June, while there were 8,863 deaths. The natural population loss was 2,823 people compared with 2,166 in June 2023. Fully 81,166 children were born between July 2023 and June 2024, 8.2% less than in the same period twelve months earlier. Altogether 125,452 people died between July 2023 and June 2024, 4.8% less than in the year before. There were 8.0 live births and 13.1 deaths per thousand inhabitants in the first six months.

RÉTVÁRI: HUNGARY ADDS TO LIST OF PROHIBITED DESIGNER DRUGS

Hungary is expanding the list of prohibited designer drugs this summer, Bence Rétvári, the parliamentary state secretary of the interior ministry, said in a statement. Designer drugs, he said, posed a particular threat and Hungary

has broadened the list of banned psychoactive substances with seven new ones. He noted Hungary maintains a zero-tolerance drugs policy, adding that the "competition between drug labs and the police" was constant, and it was important to update the list of prohibited substances regularly so that the authorities "can take action against the distributors of the latest drugs as soon as possible". Of the seven newly listed substances, four appearing in Hungary are classified as synthetic and semi-synthetic cannabinoids. Among the other three substances, one is a synthetic derivative of LSD, another has a sedative-hypnotic effect, while a synthetic opioid derivative belonging to the nitazene opioid group poses a serious health risk, he said. The latter have not yet been seized in Hungary, he added. The state secretary said that whenever a new psychoactive substance appeared in Hungary, the conditions were in place to seize it and initiate criminal proceedings. Since 2015 a ministerial decree has defined the list of controlled substances, allowing the authorities to respond more quickly and flexibly to new substances.

FORMULA 1, ED SHEERAN LEAD TO TOURISM UPTICK IN BUDAPEST

The Hungarian Grand Prix and Ed Sheeran oiled the wheels of an "explosion" in tourism this past weekend in and around Budapest, the tourism authorities said on Friday. During the July 19-21 weekend, Budapest saw

a 38% rise in foreign visitors, while domestic tourism was up 36% year on year. Nights spent overall outperformed last year's figures by 25%, the Hungarian Tourism Agency (MTÜ) said. Most of the 85,000 hotel guests were from the UK, Germany, the Netherlands and Poland. Half of guest nights were spent in the capital's hotels, while 39% were spent in private and other accommodation during the Hungarian Grand Prix, with Gödöllő, Mogyoród, Kerepes, and Veresegyház, towns closest to the racetrack, enjoying almost five times as many guest nights than a week before the race.

COCAINE FOUND ON A GREEK BUS AT SOUTHERN BORDER

Hungarian customs police discovered cocaine, methamphetamine and a large amount of cash on a Greek bus at the southern border of Rösztke, the tax and customs authority (NAV) said on Friday. Inspectors searched the vehicle and luggage, finding 56,000 euros stashed in a false compartment of a suitcase as well as three bricks of drugs and four bags, with tests confirming that the packages contained a total of 1,200 grammes of cocaine and 560 grammes of methamphetamine, the statement said. The authorities have raised charges against a Mexican citizen for possession of drugs, and they are also taking action in connection with failure to report cash over 10,000 euros, the statement added.