



# European Perspectives

## Vladimir Putin's Visit to Budapest

Centre for Euro-Atlantic Integration and  
Democracy



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CENTRE FOR EURO-ATLANTIC  
INTEGRATION AND DEMOCRACY

## Beginning of a Beautiful Friendship or a Serious Mistake?

### Vladimir Putin's Visit to Budapest

On February 2<sup>nd</sup> 2017, Vladimir Putin President of the Russian Federation lands in Budapest to meet Hungarian Prime Minister Viktor Orbán. This is their third bilateral meeting in three years: Putin was in Budapest in 2015, Orbán travelled to Moscow a year after, and this time it is again the Russian President's turn to come to Hungary. The visit makes Hungary the only EU-country visited by Vladimir Putin twice on a bilateral basis, since the illegal annexation of the Crimea and the cooling down of the relations with the West. Shortly before Putin's visit, on January 23<sup>rd</sup> Hungary's Minister of Foreign Affairs and Trade, Péter Szijjártó met his Russian colleague, Sergey Lavrov in Moscow in order to prepare the meeting of the two state leaders.

#### An economy-oriented meeting...

Both the information from the meeting of the two foreign ministers, as well as the assessments published in the Hungarian and Russian press indicate that content-wise the Orbán-Putin meeting will focus primarily on economic affairs. The issue topping the agenda is likely to be the Paks nuclear power plant and its extension, for which the Russian company Rosatom has been contracted. The project is to be financed primarily by a 10- billion-euro Russian credit line. Another key issue to be discussed is the extension of the Russian gas delivery contract to Hungary beyond the year 2021.

The involvement of the Russian company Metrovagonmash in the refurbishment of Budapest underground railway cars is also going to be touched upon, as well as the possibility to contract Russian companies in the modernization of the whole underground line No. 3 that is presently in a severe technical condition.<sup>1</sup> An addition, three agreements will be signed between Hungary and the Russian regions of Lipetsk, Karelia and Samara. This fits into the policy of strengthening cooperation with Russian regions, as it was done last year with Tatarstan and Mordovia.

According to the news published in the Russian press, the Russian side has high hopes related to future economic opportunities. The Russian openness is understandable, taking into account the general shortage of capital and credits due to the Western sanctions, as well as to the overall stagnation of the Russian economy. According to a communique of the Russian Ministry of Industry and Trade, the cooperation possibilities discussed during the meeting with Minister Szijjártó included transportation, civil aviation, machine-building, pharmaceutical industry as well military-technological cooperation.<sup>2</sup> The latter is politically highly surprising, considering Hungary's NATO membership, as

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<sup>1</sup> „Szijjártó meghívta az oroszokat a metrótenyőkre”, *HVG*, 24 January 2017, [http://hvg.hu/gazdasag/20170124\\_3\\_metro\\_oroszok](http://hvg.hu/gazdasag/20170124_3_metro_oroszok), accessed 29 January 2017.

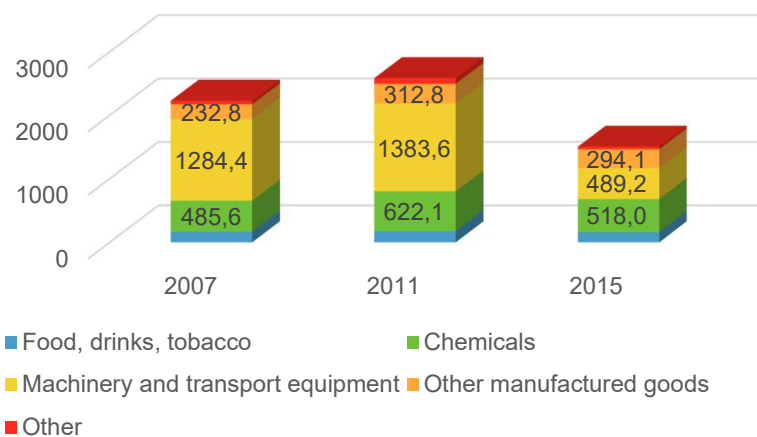
<sup>2</sup> Ministry of Industry and Trade of the Russian Federation, *Vengriya priglasit rossiyskikh proizvoditeley k uchastiyu v konkurse na dalneyshuyu modernizatsiyu metro Budapeshta*, 23 January 2017, [http://minpromtorg.gov.ru/press-centre/news/#!vengriya\\_priglasit\\_rossiyskikh\\_proizvoditeley\\_k\\_uchastiyu\\_v\\_konkurse\\_na\\_dalneyshuyu\\_moder\\_nizatsiyu\\_metro\\_budapeshta](http://minpromtorg.gov.ru/press-centre/news/#!vengriya_priglasit_rossiyskikh_proizvoditeley_k_uchastiyu_v_konkurse_na_dalneyshuyu_moder_nizatsiyu_metro_budapeshta), accessed 29 January 2017.

well as the military industry-related sanctions against Russia, which impede Russian military industry companies to access EU-made technologies, including dual-use goods.<sup>3</sup>

As in many other European countries, Hungarian trade with Russia has collapsed since the summer 2014. Total bilateral export turnover fell by 40.5% in 2015 from its 2013 level. Almost all the decrease (89.3%) stems from two segments, “machinery and transport equipment” and “other manufactured goods”, sectors dominated mainly by local filials of multinational companies. The reasons are manifold, including the sanctions, the drop in oil and gas prices and the structural slowdown in the Russian economy.

While in Moscow, Minister Péter Szijjártó gave an interview to the newspaper Kommersant<sup>4</sup>, and put the Hungarian losses due to the sanctions at 6.5 billion USD in the last three years in January 2017<sup>5</sup>. Despite these figures are highly overestimated (as discussed later in this paper) official statements use them to indicate the strong Hungarian dissatisfaction with the bilateral economic trends and the government’s high hopes in the abolition of the current sanction regime. Similar trends are seen on the imports side: the approximately 35% fall in crude oil and gas imports in 2015 was by far the most compelling cause, why Russia’s ranking among Hungary’s national trade partners has dropped from No. 3 to No. 10. Energy import (natural gas) prices have lost much of their former significance in the bilateral relations.

The composition of Hungarian exports to Russia, million euro, 2007-15  
Source: Eurostat



<sup>3</sup> Borchevskaya, A., „The Case for Keeping Sanctions Against Russia’s Defense Sector”, *Forbes*, 12 August 2016, <http://www.forbes.com/sites/annaborshchevskaya/2016/08/12/the-case-for-keeping-sanctions-against-russias-defense-sector/#29a5b8e15189>, accessed 29 January 2017.

<sup>4</sup> „V konflikte mezhdru Zapadom i Rossiye Tsentralnaya Evrope vseгда v proigrishe”, *Kommersant*, 24 January 2017, <http://www.kommersant.ru/doc/3200325>, accessed 29 January 2017.

<sup>5</sup> „Vengriya poteryala 6,5 milliarda dollarov iz-za antirossiyskikh sanktsii”, *Kommersant*, 24 January 2017, <https://ria.ru/economy/20170124/1486323337.html>, accessed 29 January 2017.

Putin's visit is accompanied by a number of cultural gestures. In late January, 2017 in the West Hungarian city of Esztergom a memorial was inaugurated, commemorating both the Russian prisoners of war, who died in a nearby battle during the First World War, as well as Soviet soldiers, who died around Esztergom in WWII.<sup>6</sup> Besides, the two foreign ministers agreed in Moscow that Hungary was going to finance the renovation of four Russian orthodox churches in Hungary.<sup>7</sup> Ties between higher education institutions are also likely to be strengthened.<sup>8</sup>

### ...with high political significance

Despite the concrete economic content, the political significance of the visit can hardly be overestimated. By visiting Budapest for the second time in three years, Putin can demonstrate to his domestic audience that he is still welcome in the European Union, and that the West is far from being united in the question of sanctions against Russia.

Regarding the sanctions, the Hungarian government has been more vocal in criticizing the restrictions against Russia than probably ever before. In his interview to *Kommersant* Foreign Minister Péter Sziijártó openly called the sanctions "ineffective and harmful." He claimed that since the sanctions had been introduced, Hungary lost 6,5 billion (!) dollars in terms of export to Russia. Moreover, he said that "on the very day" the sanctions were introduced, Hungary remained the only country opposed to them, but Budapest had not used its veto to break the European consensus.<sup>9</sup>

Both during his visit to Moscow and in the official communique of the Hungarian Ministry of Foreign Affairs and Trade, Péter Sziijártó made it clear that "a lot depends on the Russian-American dialogue"<sup>10</sup> regarding the sanctions. In his words, EU foreign policy tends to follow the U.S., thus expressed his hopes that if there was a positive change in the relation between Washington and Moscow, it would be easier to convince the EU to follow the same approach.

One needs to remember that Viktor Orbán was one of the very few foreign leaders who openly endorsed Donald Trump during the U.S. presidential elections. Hence, since Trump's victory, the Hungarian government has been quite enthusiastic about the foreign policy opportunities Trump's presidency might open up.

Sziijártó also declared that Hungary intended to be one of the pillars of resetting the relations between the European Union and Russia. This might indicate that in the EU Foreign Ministers' next meeting in

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<sup>6</sup> Government of Hungary, *Világháborús emlékművet avattak Esztergomban*, 20 January 2017, <http://www.kormany.hu/hu/igazsagugyi-miniszterium/parlamenti-allamtitkarsag/hirek/vilaghaborus-emlekmueket-avattak-esztergomban>, accessed 29 January 2017.

<sup>7</sup> „Vengriya vydelit dengi na rekonstruktsiyu chetyrekh rossiyykikh tserkvey”, *RIA Novosti*, 24 January 2017, <https://ria.ru/religion/20170124/1486323362.html>, accessed 29 January 2017.

<sup>8</sup> Ministry of Foreign Affairs of the Russian Federation, *Vystuplenii i otveti na voprosi SMI ministra inostrannykh del Rossiyskoy Federatsii S.V. Lavrova v khode sovместnoy press-konferentsii no itogam peregovorov c Ministrom vneshneekonomicheskikh svyazey i inostrannykh del Vengrii, P. Siyarto, Moskva, 23 janvara 2017goda*, [http://www.mid.ru/ru/foreign\\_policy/news/-/asset\\_publisher/cKNonkJE02Bw/content/id/2609091](http://www.mid.ru/ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/2609091)

<sup>9</sup> Government of Hungary, *Magyarország 6,5 milliárd dollárt veszített az Oroszország elleni szankciók miatt*, 24 January 2017, <http://www.kormany.hu/hu/kulgaszdasagi-es-kulugyminiszterium/hirek/magyarorszag-6-5-milliard-dollart-veszített-az-oroszország-elleni-szankciók-miatt>, accessed 29 January 2017.

<sup>10</sup> *ibid.*

March Hungary might take a much more radical position regarding the abolition of the sanctions than ever before.

However, Szijjártó might have run a bit too far with his optimism. Despite some expectation of the U.S. media, lifting the sanctions was not mentioned during the January 28th phone conversation between President Trump and President Putin.<sup>11</sup> Moreover, when Trump spoke with Angela Merkel, though the conflict in Eastern Ukraine was reportedly discussed,<sup>12</sup> the lifting of sanctions was not. On her visit to the White House on January 27th, British Prime Minister Theresa May was firm in saying that sanctions against Russia should remain in place. Finally, even Trump admitted that “*it is too early to talk about the lifting of sanctions.*”<sup>13</sup> It may have come as a surprise to the Hungarian diplomacy: Péter Szijjártó was visibly not calculating with this scenario, i.e. that key Trans-Atlantic leaders would stay committed to the sanctions. Had Budapest weighted this possibility as well, probably the Foreign Minister would have been a lot more reserved during his visit to Moscow.

In addition, it is noteworthy that Szijjártó did not say a single word either about the illegal annexation of the Crimea or about the on-going war in Eastern-Ukraine. Instead, Ukraine was mentioned only in a highly critical context, in connection with the draft law about the national language.

A minor, though interesting detail was that in his interview to *Kommersant*, Szijjártó openly said that he liked the Russian television channel RT and watched it if he could.<sup>14</sup> He said so even though RT is widely considered as an instrument in Russia’s information warfare toolbox. Moreover, the official Foreign Policy Concept of the Russian Federation, adopted on November 30th 2016, calls it a priority to strengthen the position of Russian mass media in the world,<sup>15</sup> meaning that Russian mass media (including RT) is officially perceived as a foreign policy tool. Nevertheless, the Hungarian Foreign Minister felt it necessary to openly praise RT; something that probably none of his European colleagues would have done.

One also needs to note that despite the strong pro-Russian position of the Hungarian government, Russia does not seem to handle Hungary as a particularly trusted partner. While on the one hand Putin meets Orbán for the third time in three years, on the other hand, Russian special services supported Hungarian militant far right groups, and there have been more than one serious information attacks against Hungary. As concrete examples, one may mention the famous “tank delivery” scandal from

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<sup>11</sup> President of the Russian Federation, *Telefonniy razgovor s Prezidentom SShA Donaldom Trumpom*, 28 January 2017, <http://www.kremlin.ru/events/president/news/53787>, accessed 29 January 2017.

<sup>12</sup> The Federal Chancellor, *Gemeinsame Presseerklärung von Bundeskanzlerin Angela Merkel und dem Präsidenten der Vereinigten Staaten von Amerika, Donald Trump*, 28 January 2017, <https://www.bundeskanzlerin.de/Content/DE/Pressemitteilungen/BPA/2017/01/2017-01-28-telefonat-merkel-trump.html>, accessed 29 January 2017.

<sup>13</sup> Pramuk, J., “After Trump meeting, British PM may says Russia sanctions “should continue”, *CNBC*, 27 January 2017, <http://www.cnbc.com/2017/01/27/after-trump-meeting-british-pm-may-says-russia-sanctions-should-continue.html>, accessed 29 January 2017.

<sup>14</sup> „V konflikte mezhdou Zapadom i Rossiyej Tsentralnaya Evrope vseгда v proigrishe”, *Kommersant*, 24 January 2017, <http://www.kommersant.ru/doc/3200325>, accessed 29 January 2017.

<sup>15</sup> President of the Russian Federation, *Ukaz Prezidenta Rossiyskoy Federatsii ob utverzhdenii Kontseptsii vneshney politiki Rossiyskoy Federatsii*, 30 November 2016, <http://static.kremlin.ru/media/acts/files/0001201612010045.pdf>, accessed 29 January 2017, point 3/k.

summer 2014,<sup>16</sup> and also the recent, outrageous picturing of Hungary's 1956 revolution in the Russian state television on the 60<sup>th</sup> anniversary of the events.<sup>17</sup> Besides, one needs not to forget about Viktor Orbán's harsh anti-Russian views during the first two decades (!) of his political career, which are surely remembered in Moscow. Based on all these, it is safe to assume that from the Russian perspective the cooperation with Hungary is a pragmatic action based on temporarily similar interests, but not a partnership built on real trust or understanding.

## Social and historical context of Hungary-Russia relations

The Hungarian society has divided views about the relations with Russia, which also tend to reflect to general geopolitical changes. The Centre for Russian Studies at the Eötvös Loránd University has been conducting regular opinion polls about Hungarian-Russian relations for more than a decade. The first polling took place in 2006, then in 2012, while the last one in 2016. Results were published in early December 2016.<sup>18</sup>

It turned out that the strengthening of economic ties with Russia would be supported by the majority of the Hungarian society. Though from 2012 to 2016 the support decreased by ten per cent, probably also reflecting Russia's military aggression against Hungary's neighbor, Ukraine, it is still 58 per cent. Fostering closer scientific and educational ties also enjoys relatively high support, 49 per cent in 2016, even though in 2012 it was 57%.

However, when it comes to political ties, the Hungarian society is much less enthusiastic. The support for closer political ties never exceeded 44 per cent, which was reached in 2012, while to 2016 the support dropped to 35%. Moreover, it is the closer political ties, to which the largest part of the society is definitely opposed: 20 per cent would prefer to weaken even the existing ties, while another 40% would prefer no change. This means that any governmental effort to forge closer political ties with the Russian Federation would not be supported by decisive majority of the Hungarian society.

Another polling conducted by the Bratislava-based GLOBSEC Policy Institute in September 2016 supports this assessment. In their poll - among many other questions - GLOBSEC analysts asked Slovak, Czech and Hungarian population about their geopolitical orientation.<sup>19</sup> Approximately one-

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<sup>16</sup> "Defence Ministry again denies allegations of Hungary supplying tanks to Ukraine", *Politics.hu*, 2 September 2014, <http://www.politics.hu/20140902/defence-ministry-again-denies-allegations-of-hungary-supplying-tanks-to-ukraine/>, accessed 29 January 2017.

<sup>17</sup> „CIA and ex-Nazis were behind 1956 Hungarian Revolution, Russian State TV Claims”, *Hungary Today*, 25 October 2016, <http://hungarytoday.hu/news/cia-ex-nazis-behind-1956-hungarian-revolution-russian-state-tv-claims-78806>, accessed 29 January 2017. See the original on *Vesti24: O sobyiyakh v Vengrii v oktyabre 1956 goda*, 23 October 2016, <https://rutube.ru/video/2c312310017c439b9c545ba2733ba1a5/>, accessed 29 January 2017.

<sup>18</sup> „Magyar-orsz kapcsolatok. Változóak”, *Oroszvilág.hu*, 6 December 2016, [http://oroszvilag.hu/?t1=elemzesek\\_interjuk&hid=6230](http://oroszvilag.hu/?t1=elemzesek_interjuk&hid=6230), accessed 29 January 2017.

<sup>19</sup> GLOBSEC Policy Institute, „Central Europe under the fire of propaganda: Public opinion poll analysis in the Czech Republic, Hungary and Slovakia”, *Globsec Trends*, September 2016, [http://www.cepolicy.org/sites/cepolicy.org/files/attachments/glb\\_trends\\_en.pdf](http://www.cepolicy.org/sites/cepolicy.org/files/attachments/glb_trends_en.pdf), accessed 29 January 2017, p.6.

third of Hungarians, 32 per cent would prefer Hungary to be the part of the West. Nearly half of the society, 48 per cent imagines Hungary to be somewhere between West and East, while the support for an Eastern orientation is only 6 per cent, in strong contrast with the population of Slavic countries. Similarly to the other survey, results of the GLOBSEC poll also indicate that close political ties with Russia would not meet with the consent of decisive majority of the Hungarian population.

Actually, even the above-mentioned symbolic, history-related gestures have sparked a number of controversies, particularly setting up a monument commemorating fallen Soviet soldiers. Earlier polls conducted by the Centre for Russian Studies also asked the population about former occupying powers and which of them did the most harm to Hungary, i.e. the Tatars, the Ottoman Turks, the Habsburgs, Nazi Germany or the Soviet Union (described as Russia in the polling). Not surprisingly, the Soviet Union / Russia scored a convincing victory, most probably because the Soviet occupation ended only less than three decades ago, so many Hungarians still have memories about it. At this point, it is hard to imagine that monuments commemorating fallen Soviet soldiers - who actually fought against Hungary in the Second World War - would reflect the real feelings of the society about the Soviet Red Army.

To further deepen the controversy, only a few months before Putin's visit, Hungary commemorated the 60<sup>th</sup> anniversary of the 1956 uprising which was brutally cracked down by the Soviet Union. Celebrating the 1956 anti-Soviet uprising on the one hand, while erecting a monument to the Soviet soldiers fallen while fighting against Hungary only twelve years earlier, does not indicate the existence of a clear, coherent vision on the history of Hungary-Russia ties in government circles.

## Energy-related context

Bilateral talks regarding the Paks nuclear extension are stepping into a more active phase after the expected EC approval of the project.<sup>20</sup> Nonetheless, some Hungarian statements from senior decision makers raise reasonable doubts regarding the government's wish to enter the construction phase until early 2018. According to János Lázár, Head of the Prime Minister's Office, the cabinet considers alternatives to the Russian credit-line for the project's financing<sup>21</sup>. Attila Aszódi, government commissioner for the maintenance of the capacity of the Paks Nuclear Power Plant several times stated that the construction would start only in 2018. The government's unwillingness to start the construction in 2017 is understandable in the light of its financial implications: in its active phase it constitutes an 1.5-2 billion EUR annual burden on the budget. Even if only 20% of this sum shall be covered by cash, a budget line of this magnitude would reverse the declining public debt trajectory or force the cabinet to strengthen fiscal austerity up to 1-1.5% of the GDP. Thus, PM Viktor Orbán likely buys time on the upcoming visit, shifting all major decisions regarding the Paks construction beyond the Spring 2018 election.

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<sup>20</sup> „European Commission closes infringement procedure launched Hungary's Paks-2 upgrade”, *Hungary Today*, 18 November 2016, <http://hungarytoday.hu/news/european-commission-closes-infringement-procedure-launched-hungarys-paks-2-upgrade-60981>, accessed 29 January 2017.

<sup>21</sup> „Lázár: felülvizsgálhatják a paksi orosz hitelt”, *Inforádió*, 24 November 2017, [http://inforadio.hu/belfold/2016/11/24/lazar\\_felulvizsgalhatjak\\_a\\_paksi\\_orosz\\_hitelt/](http://inforadio.hu/belfold/2016/11/24/lazar_felulvizsgalhatjak_a_paksi_orosz_hitelt/), accessed 29 January 2017.

The long-term natural gas supply contract (LTSC) namely its modification and prolongation have been a traditional component of the bilateral negotiations since 2013. In 2013 Gazprom reportedly gave a significant discount both on prices and take-over-obligations, boosting Viktor Orbán's utility rate cut efforts and electoral campaign.<sup>22</sup> The sides may search for a similar move this time, even if the magnitude of the Gazprom's boon will be considerably smaller. Due to the drop in natural gas prices, concessions on the import price affect the consumer prices to a lesser extent. Nevertheless, the decrease of the utility prices for households was a vital element of the 2013-14 electoral campaign; hence, the cabinet will certainly take a similar measure until the 2018 elections. Any kind of contributions to find further potential in the already compressed natural gas value chain are badly needed, especially that the European Commission formally requested Budapest to comply with the correct implementation and application of the Electricity Directive and the Gas Directive in last December.

### Hungary's sanction-related losses

Still in the context of the economic aspects of the visit, one needs to take a closer look also at Péter Szijjártó's claim in his *Kommersant* interview that since the introduction of the sanctions Hungary has lost 6,5 billion dollars in terms of exports. First, although Szijjártó blamed the EU sanctions for the losses, in fact losses were caused by Russia's counter-sanctions, but not by the EU sanctions as such.

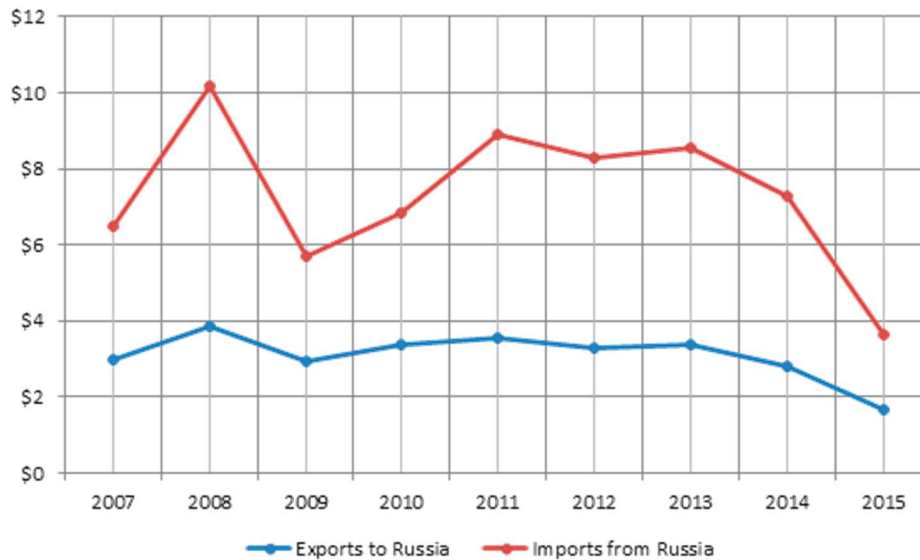
Second, the 6,5 billion loss claim is hard to verify from independent sources. According to a detailed analysis of the Vienna-based Austrian Institute of Economic Research (WIFO), until the end of 2015 Hungary's losses amounted around 562 million EUR.<sup>23</sup> According to Russian trade statistics, Hungarian exports to Russia have always stayed well below 4 billion USD per year since 2007, except the peak year of 2008.

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<sup>22</sup> „Gazprom Eyes New Hungary Deal”, *Argus FSU Report*, June 2014, p. 6.

<sup>23</sup> Christen, E. et al., *Auswirkungen der Wirtschafts-sanktionen der EU und Russlands auf Wertschöpfung und Beschäftigung in Österreich und der EU*, Österreichisches Institut für Wirtschaftsforschung, December 2016, [http://www.wifo.ac.at/jart/prj3/wifo/resources/person\\_dokument/person\\_dokument.jart?publikationsid=59227&mime\\_type=application/pdf](http://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=59227&mime_type=application/pdf), accessed 29 January 2017, p.4.





Hungary's exports to and imports from Russia, 2007-2015 (billion USD)<sup>24</sup>

Besides, the share of agricultural products – the sector most affected by the Russian counter-sanctions – was always less than ten per cent of the total exports, i.e. less than 400 million USD even in the best year. All in all, it remains to be seen, on what did Minister Sziijártó base his astronomical, 6,5 billion USD export losses claim.

## Conclusions

Regarding its concrete content, the visit of Vladimir Putin to Budapest will focus on economic affairs. However, the Putin-Orbán meeting is obviously of high political significance. This is the third time the two leaders meet on a bilateral basis. They do so the second time in Budapest, in spite of Russia's ongoing war in the neighbouring Ukraine, which add to the symbolic importance of the meeting. Both sides are interested in moving forward their largest joint project, the extension of the Paks nuclear power plant which will cement Russia's energy-related, financial and also political influence in Hungary for several decades

Hungarian diplomacy has taken a surprisingly harsh stance regarding the EU sanctions against Russia during Péter Sziijártó's visit to Moscow on January 23<sup>rd</sup>, besides blatantly overstating the economic losses Hungary suffered due to the mutual sanction regimes. It was done so even though none of the key EU allies have changed their positions regarding the sanctions. It was again confirmed a few days later during the first meetings and phone conversations of President Trump with foreign leaders. Budapest has miscalculated Trump's anti-sanctions sentiments, probably taking a bit too seriously some remarks of the newly elected U.S. president during the campaign.

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<sup>24</sup> Russian Exports National Information Portal, *Hungarian-Russian Bilateral Trade in 2015*, 28 April 2016, <http://www.rusexporter.com/research/country/detail/4529/>, accessed 29 January 2017.

At this point, it seems that Hungarian diplomacy will have to choose between a rock and a hard surface to fall on: if Budapest moves forward with its highly critical position regarding the sanctions, it will result in a conflict with all key Western allies. This is particularly so if Budapest decides to announce a veto to be done in the March meeting of the EU foreign ministers. However, if Budapest takes a step back, then the Hungarian government – and personally Minister Szijjártó – will lose a lot of credibility in Moscow. Either way, it is highly unlikely that Hungary’s ambitions to be one of the engines of resetting the relations between the EU and Moscow would be realized any time soon.

Besides, further strengthening the ties with Russia would surely damage the already shaking Visegrad cooperation, and particularly the relations with Poland, the strongest political ally of Hungary in the EU. After Putin previously visited Budapest in 2015, Orbán quickly conducted a “damage control” visit to Warsaw. However, this time this is not on the agenda,<sup>25</sup> thus negative effects are either not calculated with, or they already constitute a calculated loss. One may conclude that a somewhat better foreign policy planning and a bit more careful diplomatic maneuvering and insight could have resulted in a much better situation.

Domestic public support also cannot be ignored. Though Hungarian society favors fostering economic ties with Russia, when it comes to political contacts, the population is much less enthusiastic. In fact, strengthening political ties with Russia would be rejected by nearly two-thirds of the society. As the next parliamentary elections in Hungary are planned in the spring of 2018, it is highly unlikely that the government would risk making a fundamental geopolitical re-orientation towards Russia, as such a turn would surely become part of the opposition campaign agenda in the coming elections. Hence, calculating with a generally rational Hungarian foreign policy decision-making, at this point the probable maximum political outcome of the meeting is the continued criticism of the EU and the West in general, and the sanctions against Russia in particular; but without questioning the country’s fundamental geopolitical orientation.

**The Centre for Euro-Atlantic Integration and Democracy (CEID)** is a Budapest based think-tank focusing on foreign and security policy of Central Europe.

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<sup>25</sup> One needs to remember that in 2015 the then opposition Jarosław Kaczyński blatantly refused to meet Orbán, because he was reportedly so upset of Hungary fraternizing with Russia. It is highly unlikely that he would be any more welcoming now, when his Law and Justice party is on power.