

Summary

- Most of the agreements between the Hungarian and Russian governments were rather symbolic. However, it is almost sure that some background agreement has been reached on energy policy concerning gas trade or gas storage facilities. Viktor Orbán's statement notwithstanding claiming that the meeting has secured the long-term gas supply for Hungary, the publicly announced deal had already been known for some time.
- The meeting is difficult to communicate to the Hungarian public, as polls indicate low support for the government's [Russian orientation](#) and the [nuclear deal](#) as well. Furthermore, Putin's symbolic gesture of visiting the cemeteries of Russian soldiers who died on Hungarian soil during WWII and the suppression of the 1956 revolution is impossible to sell to the Hungarian public, not to mention the right-wing camp, given the anti-communist roots of Fidesz.
- The most important benefit for Putin was that he was able to declare that an EU- and NATO-country is highly supportive of Russia. While the fighting in Debaltseve has intensified, putting the fragile Minsk II agreement to risk, Putin could send messages to EU and US leaders about the conflict, with the PM of a member states on his side.
- While the Prime Minister tries to minimise the negative impact of the meeting towards the EU and the US (on Friday, Orbán travelled to Ukraine, and he travels to Warsaw right after the visit), this meeting can be highly damaging to Hungary's reputation in the West. The meeting itself was ignoring the Council of Europe's [conclusions](#) about freezing bilateral meetings between Russia and EU member states¹. Furthermore, the nuclear deal involves Russian players that have ties to key figures on the sanction list of the EU². And it also raises concerns about Hungary's dangerous adventures in energy policy: Maros Sefcovic, Commissioner for energy has [urged](#) Hungary to involve the EU in the talks over the "Turkish Stream".
- Hungary's PM Viktor Orbán has been practicing seesaw politics between Russia and the West for years. But immediately after the last two meetings it became obvious that the balance has toppled. The face-to-face meeting between the president of the Russian Federation and the Hungarian PM, and especially the press conference, was much more friendly than the rather frozen [Merkel-Orbán visit](#). While Merkel made several critical remarks about political developments in Hungary, the Putin-Orbán visit was practically a declaration of friendship and alliance in a moment when the EU would like to declare unity in its position towards Russia.

While we cannot expect that Hungary will be breaking the EU consensus over sanctions alone in the future, Hungary can remain an important member in the club of sanctions-critical EU member states.

¹ Hungary was not the only country that ignored this decision: the Austrian and the Finnish Prime Minister also met with Putin since passing these recommendations last March.

² According to [Washington Post](#), Dmitry Kozak DPM and strong Putin-ally put on the sanction list in April, is a member of the supervisory board of the investment bank providing supplies for the deal. Boris Gryzlov, a member of Russia's Security Council, another person on the sanction list is chairman of the supervisory board of Rosatom, the main partner in the project broadening Hungarian nuclear capacities.

Ambivalence towards the sanctions

The ties between Russia and Hungary have become closer just as relations with Western partners and the EU worsened due to harsh criticism of Hungary's illiberal trends (e.g. media law, amendments of the new constitution, restriction of the Constitutional Court's rights etc.). However, Hungary's relations with its European partners and the US became explicitly tense due to the crisis in Ukraine and Mr Orbán's famous illiberal speech at Tuszánföld (Băile Tușnad, Romania) Summer University in 2014. In his speech Mr Orbán explicitly praised and set Russia as an example for Hungary, and not only in economic terms. On the other hand, the crisis in Ukraine forced the EU to take a united stand on Russian aggression. Any criticism of European sanctions coming from any of the member states (e.g. from Hungary, Slovakia, Czech Republic, and recently, Greece and Cyprus) threatened to break the unity and lower the impact of the EU's policy. That is why PM Orbán's reference to the sanctions against Russia as "shooting our own feet" in August 2014 had a great echo in the EU. While Orbán and Fidesz regularly support sanctions in EU votes, they criticized them in public.

Strong contrast

That being said, German chancellor Angela Merkel's visit to Budapest in early February to clarify Hungary's position regarding the crisis in Ukraine ahead of the EU council meeting in March did not come as a surprise. PM Orbán used the opportunity of Mrs Merkel's visit to placate Germany by demonstrating that Hungary is willing to follow the foreign policy line drawn by Mrs Merkel.

Hungary's government made many efforts well before Mrs Merkel's visit to make concession to Germany and resolve outstanding issues. For instance, Hungary resumed gas deliveries to Ukraine on January 1st; the government started negotiations on the disputed advertisement tax with the international media outlet, RTL; Hungary supported the extension of sanctions on Russia at the European Union foreign ministers meeting in Brussels on January 29th. However, Mrs Merkel's visit made clear that there are clear differences between Hungary and Germany on a number of key issues (e.g. illiberal democracy, role of the opposition and NGOs in political life, etc.). Even so, Mrs Merkel's visit was a clear statement by Mr Orbán that Hungary will respect EU's policy towards Russia regarding the crisis in Ukraine.

What agreements?

Mr Putin's visit came at an inconvenient time for Mr Orbán since it demonstrates Hungary's dependence on Russia and that the country is hemmed in between Russia and the West. In order to change that image the Hungarian government tried to attribute major importance to Mr Putin's visit beforehand by listing the issues (e.g. terms of a new long-term gas treaty, Paks 2 nuclear plant, Minsk agreement, possible purchase of Sberbank) that would be discussed by Mr Orbán and Mr Putin as well as the agreements to be signed during the visit (e.g. agreement between the health and education ministries of the two countries, treaty on the opening of a Hungarian general consulate in Kazany (Russia) and a memorandum about the diplomatic calendar for 2015). Indeed, none of the agreements signed are important enough to require the presence of Mr Putin. It was also foreseeable that during the visit the parties would not reach any new agreement on a new long-term gas treaty to come into force on January 1st 2016.

Besides the above mentioned attempts to make Mr Putin's visit look more important than it really is, the Hungarian government also undertook some actions ahead of Mr Putin's visit to underline the economic nature of the visit and to express Hungary's stand regarding the crisis in Ukraine.

The clear winner of the visit is Mr Putin who could demonstrate that he is still a warmly welcome guest in a capital of an EU and NATO member state. The visit broke an eight-month long diplomatic isolation of Mr Putin. The last time the Russian president was greeted in a European capital was in July 2014 when he visited Vienna.

Efforts to balance

In order to express Hungary's stand, PM Orbán flew to Kiev last Friday where he expressed his support for Ukraine. According to diplomatic sources, the meeting between Mr Poroshenko and Mr Orbán has long been postponed by the Ukrainian side. PM Orbán's prompt visit to Kiev just a few days ahead of Mr Putin's arrival to Budapest was a clear gesture towards Hungary's Western partners.

The economic nature of Mr Putin's visit was stressed by a rapid meeting between Hungary's PM and foreign minister with their Serbian counterparts on February 16th, just one day ahead of Mr Putin's visit. The parties discussed the energy safety of the region and agreed on possible future cooperation regarding gas delivery after the South Stream project was cancelled. This meeting is important because Russia could be part of the "Turkish Stream" superplan, as stated by Mr Orbán at the press conference.