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Knowledge for All

Hungary - GCC Relations



1. Key Domestic Developments

Hungary is a [parliamentary republic](#). The prime minister who is the head of government exercises executive power. The president is the head of state, his primary responsibilities are representative. Hungary is divided into 19 counties, Budapest, and 25 cities with county-level authority.

Hungary has witnessed several positive domestic developments that have contributed to its socio-economic progress, such as the reduction in unemployment rates. Hungary's education sector has seen enhancements, with efforts to modernize curricula and improve vocational training, aimed at better aligning skills with market demands. For instance, Hungary's Ministry of Culture and Innovation and Times Higher Education agreed on a long-term partnership to support the development of higher education in Hungary. Additionally, Hungary has made strides in digital innovation, fostering a vibrant tech ecosystem that supports startups and attracts international investments.

At the same time, Hungary faces several domestic issues that impact its political, social, and economic landscape. Socially, Hungary grapples with rising inequalities and a contentious approach to immigration and minority rights, particularly affecting the Roma community. Economically, while Hungary has experienced growth, there are ongoing challenges such as labor shortages, emigration of skilled workers, and regional disparities in development. These issues collectively contribute to a complex and evolving domestic situation in Hungary.

Politically, the country has seen the centralization of power under Prime Minister Viktor Orbán and his Fidesz party. While Hungary maintained a stable government under the leadership of the Prime Minister, there have been concerns within Europe in particular about aspects of democratic backsliding, media freedom, and judicial independence. Fidesz benefits significantly from the institutional and political structure of Hungary. The parliamentary vote in 2022, which once more gave Prime Minister Orbán's party a two-thirds majority in the legislature, brought to light the impact of a tailor-made electoral law (gerrymandering) and public media control on election results.

Prime Minister Orbán has repeatedly clashed with European Union colleagues on migration issues and the crisis in Ukraine. Most recently, Hungary has faced backlash from Brussels after easing restrictions on work permits for Russian and Belarusian citizens. The EU is concerned this will open the Schengen area to possible espionage and security threats. Hungary is also facing issues after the most significant oil exporter from Russia, Lukoil, stopped supplying through Ukraine in July when Ukrainian authorities banned Lukoil from utilizing the Druzhba pipeline, which connects Russia to eastern Europe. Hungary rejected the European Commission's suggestion to replace the oil supplies via an alternative route through Croatia, stating that the country is unreliable for oil transit.

Hungary holds the presidency of the Council of the European Union between July 1st and December 31st, 2024. Key Hungary Economic and Social Data

- GDP: 177.3 billion USD (2022)
- GDP per capita: 18,390.18 USD (2022)
- Annual Growth Rate: 4.6% annual change (2022)
- Inflation: 3.7% (June 2024)
- Population: 9.643 million (2022)
- Unemployment Rate: 3.61% (2024)
- Credit Rating: Standard & Poor's credit rating for Hungary stands at BBB- with stable outlook. Moody's credit rating for Hungary was last set at Baa2 with stable outlook

2. Hungary Foreign Policy

A mix of assertive nationalism and pragmatic alliances has characterized Hungary's foreign policy under Prime Minister Viktor Orbán. While the country maintains strong ties with the European Union, Hungary's government has also pursued closer relationships with non-Western powers, including Russia and China, seeking economic and political partnerships that sometimes raise eyebrows in Brussels and Washington.



Additionally, Hungary is a member of NATO, although its defense spending and commitment to alliance goals have been subjects of debate. Hungary was also criticized after being the last country to ratify Sweden’s bid to join NATO. Orbán’s administration emphasizes sovereignty and national interest, often positioning itself as a defender of traditional values against what it sees as liberal overreach from the West. This balancing act in foreign policy reflects Hungary’s strategic positioning in a rapidly changing global landscape.

Key Foreign Policy Initiatives

Hungary released its “[Programme of the Hungarian Presidency of the Council of the European Union in the Second Half of 2024](#)” ahead of its Presidency of the Council of the European Union. The document outlines critical policy initiatives, including the adoption of a New European Competitiveness Deal, strengthening the European Defense Technological and Industrial Base, holding an EU-Western Balkans Summit, organizing the European Political Community (EPC) summit, building on the New EU Central Asia strategy (2019), and enhancing EU-UK and EU-Switzerland relations.

The [document](#) also outlines the priorities of the foreign policy of the Hungarian Presidency, including:

- Supporting the implementation of the Joint Communication on renewed partnership with the Southern Neighborhood, and the execution of the Economic and Investment Plan.
- Deepening of security and defense cooperation in the fields of counterterrorism and addressing the challenges of illegal migration locally. enhance cooperation between Europe and Africa, both through regional international organizations and bilateral cooperation with individual countries by working closely with EU institutions, including the Global Gateway Strategy, the NDICI financial instrument, the European Peace Facility (EPF), as well as CSDP operations and civilian/military missions.

- Strengthening relations between the EU and Asia, and with the countries of the Indo-Pacific region, especially in terms of trade, investments, and connectivity between the two continents. This includes pursuing constructive and stable relations with major countries of the region, such as China and India as well as promote deepening the existing strategic partnerships of the Union with South Korea and Japan, and the closest possible cooperation with ASEAN as well as its Member States.
- Enhance mutually beneficial cooperation with Latin American countries through international and regional frameworks, in the spirit of equal partnership, for example in the areas of climate change, connectivity, energy, and food security.

3. Hungary-GCC Fact Sheet

- Hungary’s trade in goods with GCC countries. (2022, USD million):

Country	Exports	Imports
Saudi Arabia	\$154M	\$98.6M
United Arab Emirates	\$667M	\$83.4M
Qatar	\$84.2M	\$7.6M
Oman	\$14.4M	\$18.9M
Bahrain	\$22.1M	\$9.89M
Kuwait	\$346M	\$1.64M

Source: The Observatory of Economic Complexity (OEC)

Establishment of Diplomatic Relationships

Hungary-GCC Diplomatic Relations: Kuwait (1964), Bahrain (1990), United Arab Emirates (1990), Qatar (1990), and Oman (1990), and Saudi Arabia (1996).

Key Research Centers and Think Tanks

- Hungarian Institute of International Affairs: <https://hiia.hu/en/>
- Centre for Euro-Atlantic Integration and Democracy (CEID): <https://ceid.hu/>

- Center for Policy Studies (CPS) at the Central European University: <https://cps.ceu.edu/>
- Danube Institute: <https://danubeinstitute.hu/>
- TARKI Social Research Institute: <https://tarki.hu/eng>
- Institute of World Economics: <https://vgi.krtk.hu/en/>

Selected Key Regional Experts

- [Erzsébet N. Rózsa](#), Institute of World Economics
- [Máté Szalai](#), Hungarian Institute of International Affairs
- [Tamás Szigetvári](#), Institute of World Economics



4. Key Developments in Hungary-GCC Relations

Hungary-GCC

- On [June 3, 2024](#), the Secretary-General of the Cooperation Council for the Arab States of the Gulf (GCC), H.E. Mr. Jasem AlBudaiwi, met in Budapest with the Minister of Foreign Affairs and Trade of the Republic of Hungary, H.E. Péter Szijjártó. The two sides stressed the importance of strengthening Gulf-Hungarian and Gulf-European relations in light of the Republic of Hungary's presidency of the European Union (EU) during the second half of 2024.
- On [March 27, 2024](#), H.E. Mr. Jasem AlBudaiwi, Secretary General of the GCC, held discussions with H.E. Mr. Balázs Selmeçi,

Ambassador of the Republic of Hungary to the Kingdom of Saudi Arabia, on ways to enhance the prospects of cooperation between the GCC and the Republic of Hungary, in a manner that serves the common interests.

Hungary-Saudi Arabia

- On [July 16, 2024](#), the Minister of Economy and Planning, H.E. Faisal Al-Ibrahim, met on the sidelines of the annual High-Level Political Forum 2024 on Sustainable Development held in New York from July 8 to July 18 with Hungary's Minister of State for Environment and Circular Economy H.E. Aniko Raisz to discuss using sustainable development goals as a key driver of growth.
- On [October 10, 2023](#), Saudi Foreign Minister H.E. Prince Faisal bin Farhan met his Hungarian counterpart H.E. Peter Szijjarto on the sidelines of the 27th session of the joint ministerial council meeting between the Gulf Cooperation Council and the EU in Muscat. During the meeting, the two ministers discussed the dangerous escalation of military operations in Gaza and surrounding territories, the threat that it poses to regional and global security, and the role of the international community in finding a just and equitable solution that meets the Palestinian people's aspirations.
- On [January 18, 2023](#), H.E. Mr. Balázs Selmeçi, Ambassador of the Republic of Hungary to the Kingdom of Saudi Arabia, met with the Shoura Council's Saudi-Hungarian Parliamentary Friendship Committee in Riyadh to discuss bilateral relations between the two countries. During the meeting held in the presence of members of the committee, the two sides stressed the importance of bilateral relations between the Kingdom and Hungary, and the need to boost ties in various fields. They also discussed issues of joint interest to help enhance relations at the parliamentary level.

Hungary-United Arab Emirates

- On [June 21, 2024](#), Hungary and the UAE signed an agreement on space research to help



internationalize the Hungarian space program. At a joint press conference with the UAE Minister of Economy, H.E. Abdulla bin Touq Al Marri, Hungary's Foreign Minister H.E. Peter Szijjarto welcomed the signing of an agricultural cooperation agreement that could create further opportunities for exporting Hungarian food products and technologies to the UAE.

- On [March 14, 2024](#), the United Arab Emirates and Hungary signed an economic cooperation agreement aimed at stimulating trade and investment flows between the two nations in priority sectors of mutual interest. The UAE-Hungary economic cooperation agreement aims to deepen bilateral ties between the two nations and drive mutual growth across key sectors including industry, commerce, investment, tourism, logistics, infrastructure, and real estate. The agreement also aims to boost non-oil trade, which has seen a significant increase in recent years.
- Also on [March 14, 2024](#), Hungary and the UAE have officially sealed the agreement to recondition a district in Budapest in a Dubai-style, but Bloomberg reported that the project had “drawn criticism even before being formalized.” The €5 billion (\$5.5 billion) deal with Dubai has met with resistance from the municipal government, which views the introduction of a modern hub as discordant with Budapest's historical skyline.
- On [May 9, 2023](#), Hungary's Foreign Minister H.E. Peter Szijjarto visited the UAE to participate in a panel discussion at an energy conference and to hold energy talks and meet with the Foreign Minister of the United Arab Emirates, H.E. Sheikh Abdullah bin Zayed al-Nahajan and the Minister of Energy, H.E. Suhail bin Mohamed al-Mazroui.

Hungary-Qatar

- On [February 8, 2024](#), H.E. the President of the Republic of Hungary Katalin Novak arrived in Doha on an official visit to the country. H.E. Ambassador of the State of Qatar to Hungary,

Abdullah bin Falah Al Dosari said President Novak would discuss several topics during her official visit, especially ways to develop multi-field relations and investment between the two countries and the situation in the region.

- On [February 1, 2024](#), Hungary and Qatar reached a long-term political agreement to buy liquefied natural gas (LNG) from Qatar, under which the parties will sign a long-term contract for the period after 2026.
- On [October 10, 2023](#), H.E. Minister of State for Foreign Affairs Sultan bin Saad Al Muraikhi met separately with H.E. Minister of Foreign Affairs and Trade of Hungary Peter Szijjarto on the sidelines of the 27th session of the joint ministerial council between the Gulf Cooperation Council and the European Union in Muscat, the Sultanate of Oman. The meeting dealt with discussing the cooperation relations between the State of Qatar and Hungary and ways to support and enhance them.
- On [March 9, 2023](#), the foreign ministries of the State of Qatar and Hungary held a round of political consultations in Budapest. H.E. Secretary General of the Ministry of Foreign Affairs Dr. Ahmed bin Hassan Al Hammadi chaired the Qatari side, while H.E. Secretary of State for Bilateral Relations of the Ministry of Foreign Affairs and Trade Tamas Menczer presided over the Hungarian side. During the political consultations, they discussed bilateral cooperation relations between the two countries and ways to support and enhance them.

Hungary-Oman

- On [October 23, 2023](#), the Oman Chamber of Commerce and Industry (OCCI) held the Oman-Hungary Business Forum. It explored opportunities to enhance investment and trade exchange between the two countries. The forum also reviewed ways of striking partnerships between Omani and Hungarian businessmen, while highlighting available opportunities in Oman, especially in economic diversification sectors which are targeted by Oman Vision 2040.

Hungary-Bahrain

- On [January 30, 2024](#), Bahrain and Hungary held a Joint Economic Committee meeting in Budapest. The two sides discussed cooperation in economic, environmental, educational, cultural, energy, and agriculture sectors, aiming to boost trade exchange, attract investments, and improve food security and modern technology.
- On [June 27, 2023](#), the Ambassador of the Kingdom of Bahrain to Hungary, residing in Berlin, H.E. Abdulla Abdullatif Abdullah, participated in the luncheon hosted by the President of Hungary, H.E. Katalin Novák for the heads of Arab diplomatic missions accredited in Budapest.

Hungary-Kuwait

- On [September 12, 2023](#), Kuwait Deputy Prime Minister and Minister of Defense H.E. Sheikh Ahmad Fahad Al-Ahmad Al-Sabah discussed with Hungarian Secretary of State for Defense H.E. Tamas Vargha means of enhancing cooperation between the two countries on all levels.
- On [July 3, 2023](#), Kuwait's Minister of Foreign Affairs H.E. Sheikh Salem Al-Sabah held official talks with his Hungarian counterpart H.E. Peter Szijjarto. The two discussed peaceful approaches to solving conflicts, and other files included Iraq, Iran, Syria, Palestine, the Middle East peace process, the Russia-Ukraine conflict and combating terrorism and extremism

The relations between the Gulf Cooperation Council (GCC) and Hungary have seen significant development in recent years, marked by mutual economic interests and diplomatic engagements. Hungary, as a member of the European Union, views the GCC as a strategic partner in diversifying its economic partnerships beyond Europe. Both Hungary and the GCC countries are keen on enhancing their cooperation to tap into new opportunities and address common challenges in a rapidly changing global landscape. Under Hungary's presidency of the European

Union during the second half of 2024, there are opportunities to further enhance ties with the GCC in particular given the fact that the inaugural GCC-EU Summit meeting in October 2024 will take place while Hungary stands at the helm of the EU. Hungary already is putting its focus on the region. Regarding the Gulf, Hungary's "[Programme of the Hungarian Presidency of the Council of the European Union in the Second Half of 2024](#)" states: "The Hungarian Presidency will support more active cooperation with the Gulf countries by implementing the Joint Communication: A Strategic Partnership with the Gulf. We will strive to enhance EU-GCC relations in the fields of security, counterterrorism, energy and green transition, people-to-people contacts, trade, and investments. The Hungarian Presidency intends to step up EU efforts to restore regional stability and the security of supply chains in the Red Sea region."

5. Selected Supporting Documents

Araa Magazine

- Araa Issue 182: The Strategic Partnership Between the European Union and the GCC Countries: Prospects and Goals
- Araa Issue 135: The New Europe: Between its Internal Problems and Turning East

GRC Commentary & Analysis

- Europe and Regional Security in the Gulf - April 2024
- Europe and Red Sea Security - February 2024
- EU-GCC Relations: Turning a New Page? - June 2022



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