

Hungary's Eastern Opening Policy and Cooperation with the Turkic States in the Fields of Trade, Transport and Energy

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The present study depicts Hungary's eastern opening policy as to when and how it was initiated, then analyses Hungary's increasing economic, transport and energy relations with the Turkic countries, namely, Azerbaijan, Kazakhstan, Kyrgyzstan, Türkiye, Turkmenistan and Uzbekistan. In the first part, the reasons and expectations of the Hungarian Government in initiating the eastern opening are explained and the priorities the Hungarian Government put forward in starting this initiative are mentioned. In the second part, the development of the idea of the Organization of Turkic States and the road to institutionalisation is summarised and Hungary's link into the system, which is a critical element of the Eastern Opening, is delved into. In the following section, the economic benefits that Hungary is seeking to reach in the relations with the Turkic states are underlined and then the increasing trade with Turkic states are put forward as part of the developing commercial relations with special reference to Hungary's observer status in the Organization of Turkic States. In the fourth part, the increasing significance of the Middle Corridor, which is the route that links China to Europe through Central Asia, is shown and the importance attached to this corridor by the Hungarian Government is summarised. In the fifth part, the energy cooperation between Hungary and the Turkic states is mentioned, with which Hungary exerts efforts to become a hub for energy in Europe. In the conclusion part, after a summary of Hungary's achievements from the eastern opening policy and the relations with the Turkic countries, the potential of Hungary's opening to the Turkic world is explained.

Keywords: Hungary's global–eastern opening policy, Organization of Turkic States, trade cooperation, transport cooperation, energy cooperation

Introduction

During the period when the wave of the fall of communism in 1989 was affecting the Eastern Bloc just like other parts of the world, the Republic of Hungary was proclaimed on

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23 October 1989 and the country peacefully transitioned into a democratic parliamentary republic. The foreign policy of the Republic was based on three strategic pillars which were to “deepen Hungary’s relations with developed countries and integrate into the Euro-Atlantic union, establish good neighbourly relations with the countries in its region, and ensure that Hungarians outside the border of the country have their rights”.² These priorities in foreign policy were to a large extent followed by the consecutive governments of Hungary until 2010 when the Orbán Government came to office for the second time since the proclamation of the Republic in 1989.

In the professional circles of the Hungarian state administration, especially in the Ministry of Foreign Affairs, the transformation of foreign relations was on the agenda from time to time, but still in the 1990s Euro-Atlantic integration and the neighbourhood were the focus of foreign policy activity. Some regional concepts were created in the middle of the 1990s, such as the CIS countries, the Mediterranean region and the Balkans. Further to that, the Hungarian foreign relations strategy that was completed in 2008 also returned to the main strategic directions such as competitive Hungary in the European Union, successful Hungary in the region, Hungary being responsible in the world. However, it was the second Orbán Government which took office in 2010 which formulated for the first time Hungary’s “global opening” and/or “eastern opening” program. The government program emphasised that Hungary needs a new global economic opening, which also meant opening to the East while keeping the advantages Hungary enjoyed as a member of the European Union. The Hungarian export economy must also be linked to the rapid development of China, Russia, India and other East Asian economies. This would open new markets for Hungarian agricultural products, the processing industry and tourism. The professional discussion paper of the Foreign Trade Strategy aimed at three-way geographical diversification of Hungarian foreign trade, the first of which is the “powerful eastern opening”, all to reduce the vulnerability of the Hungarian economy: “Export development to eastern countries is based on the objective that domestic enterprises benefit through their exports from the increase in imports of dynamically developing economies (China, India, Russia).” The strategy specifically emphasises the priority of opening up to China, Russia, India, Korea, Türkiye, Africa and the Gulf region, as well as the CIS and ASEAN countries.³

In 2010, in addition to the European and global economic crisis, the preparations for the impending EU presidency made it essential to further think about and expand the foreign policy priorities established by the late Prime Minister József Antall after the regime change. Added to this was the fact that Hungary also applied for non-permanent membership of the UN Security Council, and in case of success, a stronger global diplomatic presence than before would have been necessary. The government program called for restoring Hungary’s authority, increasing its international influence, and establishing relations with Eastern countries on a new basis in addition to the alliance with the West. The expert work started in the summer of 2010 at the Ministry of Foreign Affairs, the task of which was to lay the foundation for this modified foreign policy priority system – regional policy,

² VARGA 2000: 117–118.

³ NAGYNÉ RÓZSA 2016: 191–192.

Euro-Atlantic orientation, and global opening and involving researchers – to examine the East, Africa and Latin America.

On 19 December 2011, Foreign Minister János Martonyi presented the strategic document “Hungarian Foreign Policy after the Hungarian Presidency of the Council of the European Union” at the Hungarian Institute of International Affairs and on 20 December at the Foreign Affairs Committee of the Parliament, which summarised the strategic directions of Hungarian foreign policy. It was then that the term “global opening” first appeared in writing, formulated as a foreign policy program, but it was nothing new in the sense that it was a summary of all the strategic elements that the government, including the Ministry of Foreign Affairs, has been following for a year and a half. The “global opening”, therefore, has been the revitalisation of Hungary’s relations that have fallen into the background in foreign policy over the past years, strengthening action in the international community and increasing activity in the field of dealing with global challenges. Of all the designated geographic and thematic areas, the five priority areas of global opening in geographical terms were: the post-Soviet region, Asia, the Middle East and North Africa, the sub-Saharan Africa and the Sahel, and Latin America. While in a thematic sense, it meant issues that apparently do not necessarily directly affect Hungary, but are important in a global context, and are therefore gaining importance in international life (e.g. terrorism, world food, world health, the ecological state of the seas). The aim of the “global opening” was to strengthen Hungary’s international positions and territorial diversification of Hungarian foreign trade, but aspects such as moral responsibility for the world’s common interests and job creation also played a role.

One of the tools for implementing the global opening was the existing foreign affairs structure, and at the same time, new representations were also opened as part of the process. The other tool was Hungary’s activities in the UN and other global and/or regional organisations, as well as the establishment of relations with countries in which Hungary cannot open a representative office in the foreseeable future. In order to enforce and implement the global opening program, the Deputy State Secretariat for Global Affairs was established in the Ministry of Foreign Affairs.

Parallel to the program of global opening, the program of “opening to the east” appeared in the foreign policy rhetoric, which was primarily associated with Prime Minister Viktor Orbán. As part of the Széll Kálmán Plan 2.0, the Hungarian Government in 2012 adopted a new foreign trade strategy, the main goal of which was to diversify and increase Hungarian exports. And the direction of these export strategy was aimed at Asian markets.⁴

Particularly from June 2012, when the position of Secretary of State for Foreign Affairs and Foreign Trade was established in the Prime Minister’s Office, Péter Szijjártó, from March 2013 was the Government Commissioner responsible for Hungarian–Russian economic relations and the coordination of Hungarian–Chinese bilateral relations. Viktor Orbán already spoke in 2010 about the fact that “the wind is blowing from the east in the world economy”, but the term opening to the east was first used in May 2011, in Paris. Hungary wanted to adapt to the changes in the global world economy with the policy

⁴ BERNEK 2021: 74.

of opening up to the East. Although the concept of the East was not precisely defined, the primary target areas of the Opening to the East program were Russia, the CIS countries (mainly the Caucasus and Central Asia), East Asia, especially China, and the Arab countries. That is, Hungary must increase its trade turnover with these states and attract capital from these countries. The goal of opening up to the East was to increase Hungarian export markets geographically; its main pillars are the growth of export activity, a more balanced export structure and the “internationalisation” of small and medium-sized enterprises. One of the key elements of the Eastern opening was the opening of trading houses, which the Hungarian state also took part in implementing, and whose task was to assist and coordinate the export activities of export-capable small and medium-sized companies. The first trading house was opened in Baku (Azerbaijan) on 5 December 2012.⁵

The development of the idea of the Organization of Turkic States and the road to institutionalisation

The fall of communism in 1989 and the disintegration of the Soviet Union in 1991 had big impacts all over the globe. This great incident, which heralded the starting of a new era for the liberation of lives, markets, borders and minds, brought the end of the Soviet Empire which almost for 100 years enslaved different nations. The peoples of the republics in the Soviet Union were torn away from their original cultural elements by the artificial concept of Sovietisation. The policy of Sovietisation was forced particularly upon the Turkic republics in the Soviet Union. A coercive process imposed on the peoples of the Turkic countries, namely Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan, fundamentally altered their cultural and social structures through the suppression of local traditions and the imposition of Soviet political, economic and linguistic policies.⁶

Among the Turkic republics, Türkiye was the only country who had not fallen under the yoke of the Soviet Empire. This plain fact was putting a critical responsibility on the shoulders of the Republic of Türkiye who could not turn a blind eye to the developments in the collapse of the Soviet Union. In fact, only very few scholars and politicians predicted the fall of the Soviet Union⁷ and Türkiye was no exception in this regard. The end of the Soviet Union brought both challenges and opportunities with it. Türkiye, although it could be said to be unprepared for the collapse, took the first initiative to start a process of building the initial pillars for the establishment of cooperation with the Turkic states in 1992. As a matter of fact, Türkiye has been the first country to recognise the independence of the Turkic states. In this context, Türkiye, taking into consideration among many other aspects, the fraternal ties, the political, economic, cultural and linguistic challenges and opportunities, started the cooperation process for Turkic-speaking states in 1992. In the foundation period for the newly established Turkic republics, the main purpose was to rapidly initiate the statehood and take the prestigious place they deserve in the international

⁵ NAGYNÉ RÓZSA 2016: 192–195.

⁶ ROY 2005: 58.

⁷ STONE 2019: 230.

community. Türkiye aimed to help the young Turkic republics in their transformation to liberal democracy and market economy.

The process called the “Heads of State Summit of Turkic-Speaking Countries” commenced in 1992 with the initiative of Türkiye. The first summit was realised on 30–31 October 1992 in Ankara hosted by the then President of the Republic of Türkiye Turgut Özal. The Head of State of the Republic of Azerbaijan, Ebulfez Elçibey, the Head of State of Kazakhstan, Nursultan Nazarbayev, the Head of State of the Kyrgyz Republic, Askar Akayev, the Head of State of Uzbekistan, Islam Karimov and the Head of State of Turkmenistan, Saparmurad Niyazov took part and contributed to the Summit. The final document of the Summit was the Ankara Declaration which foresaw the harmonisation of customs regulations among the Turkic states, the foundation of a free trade area which would allow the free flow of goods and services, the establishment of an investment and development bank, the development of telecommunications in addition to railroads, highway and air way connections, the transfer of the natural resources of Turkic countries to Europe via Türkiye, and finally the development of the coordination and cooperation among Turkic countries in the field of economy in order to integrate the Turkic countries into the global economy.⁸

After the first summit in 1992, which put forward the goal of the Turkic states for more cooperation, the leaders of the Turkic states came together in the following summits for 10 times, held in 1994, 1995, 1996, 1998, 2000, 2001, 2006, 2009 and 2010, respectively, each of which had a different theme and purpose.⁹

In the 9th Summit held in Nakhchivan; the four Turkic States, namely, Azerbaijan, Kazakhstan, Kyrgyzstan and Türkiye signed the “Nakhchivan Agreement on the Establishment of the Cooperation Council of Turkic-Speaking States” on October 2009 which was a significant step taken for the institutionalisation of the process. The Nakhchivan Agreement transformed the process into the structure called the “Cooperation Council of Turkic-Speaking States” or in short, the “Turkic Council”. After the institutionalisation process, Turkic Council consists of the Council of Heads of State, the Council of Foreign Ministers, the Senior Officials Committee, the Council of Elders and the Secretariat in İstanbul. The 10th Summit of the Turkic-Speaking States was held in İstanbul on 15–16 September 2010 and the “Cooperation Council of the Turkic-Speaking States” was established. Ambassador Halil Akıncı from the Republic of Türkiye was assigned as the first Secretary General of the Turkic Council as for Türkiye’s leading role and the host country for the venue of the Secretariat. The following Secretary Generals assumed their positions with the rule of alphabetical order. Respectively, following Ambassador Halil Akıncı, Ambassador Ramil Hasan from Azerbaijan between 2014 and 2018 and Ambassador Baghdad Amreyev from Kazakhstan between 2018 and 2022 took office. Currently, since November 2022 Ambassador Kubanychbek Omuraliyev from Kyrgyzstan is the Secretary General.

Following the 10th Summit in İstanbul after the institutionalisation of the process, the first Summit of the Turkic Council was held in Almaty on 20–21 October 2011 with

⁸ Organization of Turkic States 2022.

⁹ Ministry of Foreign Affairs of the Republic of Türkiye 2024.

the focus on economic and commercial cooperation. From 2011 onwards until 2023, 10 summits were held with different themes from educational, scientific and cultural cooperation to transportation, tourism, media and information technologies. In 2018, Hungary with its linguistic, cultural and ethnic affinity to the Turkic world joined the Turkic Council at the 6th Summit in Cholpon Ata as an observer. In his speech in Cholpon Ata, Prime Minister Viktor Orbán stated that Hungarian is a language related to Turkic languages and that Hungarians are standing on foundations of Hun-Turkic origins.¹⁰

On 19 September 2019, the inauguration ceremony of the “Representation Office of the Turkic Council in Hungary” was realised whereby the only Representation Office of the Turkic Council was opened which aimed at being a bridgehead of the Turkic countries to Europe. In the 7th Summit of the Turkic Council in Baku in 2019, Uzbekistan became a full member.

The 8th Summit of the Turkic Council was a historic summit which was held in İstanbul on 12 November 2021 with the theme of “Green Technologies and Smart Cities in the Digital Age”. With this summit, the Turkic Council changed its name and became the “Organization of Turkic States” (OTS) referring to a further and deeper cooperation will of the member states. In this historic Summit during which the 30th year of the independence of the Turkic States was celebrated, Turkmenistan received an observer status. In addition to the name change, Turkmenistan, which holds a strong geostrategic position with its natural resources became part of the OTS system. Another factor which makes the 8th Summit a historic one is the adoption of the “Turkic World Vision 2040” document which sets out the Organization’s long-term goals and tasks.

The 9th Summit of the OTS was held in Samarkand in 2022 which was another historic Summit where the Turkish Republic of Northern Cyprus was granted an observer status. None of the OTS members, except for Türkiye recognises officially the Turkish Republic of Northern Cyprus. One other element that makes the Summit a historic one is the focus on the Middle Corridor with the cooperation in trade, transportation and energy.

The 10th Summit of the OTS was held in Astana on 3 November 2023 with the motto of Turktime, which reflects the visions of the Turkic states for their will and ambition to bring the Turkic states to a much stronger level in the world with the cooperation areas it has been operating. In the 10th Summit also the ECO was granted an observer status. The 11th Summit of the OTS is planned to be held in Bishkek on 24 October 2024.

Currently, the OTS is operating in 31 areas of cooperation. These areas are political, economic, customs, transport, tourism, education, information and media, youth and sports, diaspora, information and communication technologies (ICT), energy cooperation, health cooperation, migration, agricultural, justice, humanitarian issues and development, Muslim religious institutions, space cooperation, human resources, international organisations, family and social policy issues, ministries of internal affairs/police, ministries of emergency and disaster management, consular affairs, official research centres, coordination committee of Turkic Cooperation Organizations, ministers of environment and ecology, mapping institutions, agencies responsible for land registry and cadastre and cultural relations. In each cooperation area, the officials from member and observer states meet regularly and look

¹⁰ Miniszterelnök 2018.

for ways to increase cooperation and coordination among the Turkic states. Hungary is also contributing to these cooperation areas.

There are affiliated and related institutions of the OTS, which are the International Organization of Turkic Culture (TURKSOY), the Parliamentary Assembly of Turkic States (TURKPA), International Turkic Academy, Turkic Culture and Heritage Foundation, Turkic Chamber of Commerce and Industry and Turkic Investment Fund, and OTS is an umbrella organisation for Turkic cooperation mechanisms.

As part of the Eastern Opening policy of the Hungarian Government and the impetus reached in developing the bilateral relations with Türkiye, Hungary became observer at the TURKPA in 2014, received an observer status in the International Turkic Academy in 2017 and signed an MoU with the TURKSOY in 2019.¹¹

The implementation of the eastern opening policy towards the Turkic states and economic relations

Most of the Hungarian trade was realised with the EU countries before the initiation of the Eastern Opening and in fact, the policy was aimed at increasing the political and commercial ties with the eastern countries including the Turkic states. Aside from China, Russia, Japan and South Korea, the Turkic States have been credible partners in the eastern opening. Türkiye has always been a crucial partner but now with the implementation of the eastern opening to the Turkic states, namely Azerbaijan, Kazakhstan, Kyrgyzstan, Türkiye, Turkmenistan and Uzbekistan, Türkiye became a key country for the development of relations with the aforementioned countries. The diverse economy of Türkiye and the energy potential of the Turkic countries introduced a significant opportunity in terms of trade relations.

Shortly after the introduction of the Eastern Opening, the number of diplomatic representations of Hungary in the Turkic countries and the embassies of the Turkic countries in Budapest increased. For the opening dates of the embassies of Hungary in the Turkic states and the embassies of Turkic states in Budapest, see Table 1.

Table 1: Opening year of embassies of Turkic states in Budapest and Hungarian embassies in the Turkic states

Opening dates of Hungarian embassies in the Turkic states	Republic of Azerbaijan Baku 2012	Republic of Kazakhstan Almaty 1993	Kyrgyz Republic Bishkek 2020	Republic of Türkiye Ankara 1924	Republic of Uzbekistan Tashkent 2017
Opening dates of embassies of Turkic States in Budapest	Embassy of the Republic of Azerbaijan in Budapest 2004	Embassy of the Republic of Kazakhstan in Budapest 1993	Embassy of the Kyrgyz Republic in Budapest 2022	Embassy of the Republic of Türkiye in Budapest 1924	Embassy of the Republic of Uzbekistan in Budapest 2023

Source: compiled by the author

¹¹ EGERESI 2020.

Accordingly, there has been a sharp increase in the number of bilateral visits, as well. The rapprochement between the Turkic states and Hungary became more concrete when Hungary received observer status in the Parliamentary Assembly of Turkic States (TURKPA) in 2014. The relations reached their peak point when Hungary received an observer status in the then Cooperation Council of Turkic-Speaking States – Turkic Council in 2018 at the 6th Summit in Kyrgyzstan. Following this development, during the Extraordinary Meeting of the Council of Foreign Ministers held in Budapest in 2019, the Representation Office of the Turkic Council was opened. The Representation Office is the only office of the Organization of Turkic States (OTS) in Europe which plays a crucial bridging role between the OTS states and the European countries. Naturally, the Representation Office added to the speed of the relations between Hungary and the OTS as it played an important role by hosting a number of official events since the date of its establishment.

As part of the increasing relations with the Turkic states, the Hungarian Government in order to push forward and encourage economic relations, opened credit lines for the companies from the OTS member states. The Hungarian Eximbank has opened a credit line worth a total of USD 1.5 billion, for the promotion of investment, trade and project cooperation with the six Turkic-speaking countries.¹² The trade volume with the Turkic states is gradually increasing (see Figure 1).

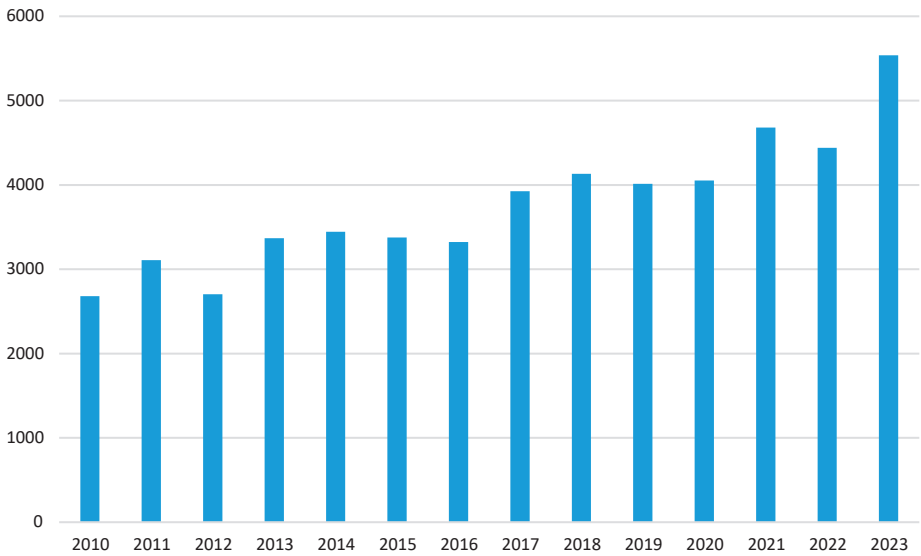


Figure 1: Annual trade turnover between Hungary and the Turkic States (million USD)
Source: KSH 2023

¹² Miniszterelnök 2018.

Hungary after receiving observer status in the OTS has become a part of the cooperation areas of the OTS system. The OTS, which is very strong in the economic cooperation field, has realised a total of 11 ministerial and 13 working group meetings on economic cooperation. Further to that, business forum meetings are held under the umbrella of the OTS, of which one of the six meetings was held in Budapest. Thus, Hungary started to achieve concrete economic benefits since its adaptation to the OTS system.

An essential development regarding the relations between Hungary and the Turkic states is the establishment of the Turkic Investment Fund (TIF). The TIF, which was decided to be founded at the Samarkand Summit of the OTS on 11 November 2022, is expected to bring together the economic strength of the member and observer states to implement joint projects and boost trade opportunities. The TIF mainly aims at supporting the SMEs of the OTS member and observer states in the areas of agriculture, transport and logistics, energy efficiency, renewable and alternative energy, industrial projects in manufacturing, information and communication technologies, tourism, infrastructure projects, public-private partnership projects, human development, creative industries, natural and urban environment schemes. Hungary in addition to other member and observer states pledged to be part of the TIF whereby it will have the opportunity to benefit from joint projects. In this context, on 28 June 2024 Hungary joined the TIF by handing over Hungary's instrument of accession to the Agreement Establishing the Turkic Investment Fund to Deputy Secretary General Sadi Jafarov.¹³

Hungary's cooperation with the Turkic states in the area of transportation

Transportation is another crucial area of cooperation among the OTS countries and Hungary is to play a critical part in this regard. The economic crisis in the early 21st century changed the economic policies of many EU states and Hungary was no exception as it initiated the Eastern Opening. The economic crisis has driven countries to find alternative transportation links and methods between Europe and Asia.¹⁴

With the Belt and Road Initiative (BRI) originally known as the One Belt, One Road policy, China in 2013 under President Xi Jinping aimed to build a huge infrastructure and broaden trade links between Asia, Africa and Europe. The BRI aims to improve overland connections to China's neighbours and beyond, and to establish a 'maritime sea road' ultimately linking waterways as far as the Indian Ocean, the Gulf and the Red Sea. This ambitious framework was introduced with the commitment of significant funding to accelerate infrastructure construction, financial institutions development, and economic cooperation aimed at building a Silk Road Economic Belt and a Maritime Silk Road.¹⁵

In this connection, with the BRI of the Chinese Government, which foresees micro land bridges from southeastern European ports via Hungary towards Western Europe,

¹³ Organization of Turkic States 2024.

¹⁴ FARKAS et al. 2016: 3.

¹⁵ FRANKOPAN 2014: 15.

also shortens the routes easing congested northwestern ports. Hungary has a significant place and potential in this route to become a hub and provide economic and geopolitical benefits.¹⁶

The current conflict in Ukraine obstructs the trade route between Asia and Europe through Russia namely the northern corridor. In this context, the Trans-Caspian International Transport Route (TTIR), also called the Middle Corridor (MC) is gaining critical importance. The Middle Corridor has the potential to transport up to 10 million tons annually, in up to 200,000 containers.¹⁷ Under the current circumstances, the Middle Corridor is only at the 10% capacity of the northern route. Efforts are ongoing by the Central Asian countries to increase the capacity of the Middle Corridor by investing in the infrastructure.¹⁸ The transportation through the Middle Corridor already increased by 120% from January to March 2022 when compared to the same period in 2021. The leading companies from Denmark, Finland and Germany, such as Maersk, Nurminen Logistics, CEVA Logistics, Azerbaijan's ADY container, and some Chinese rail operators have started to use the Middle Corridor.¹⁹

One significant development that further adds to the significance of the Middle Corridor is the victory of Azerbaijan over Armenia in 2020. Until the end of this war, the connection between Azerbaijan and the Nakhchivan Autonomous Republic had not been established. With the victory of Azerbaijan, the potential of the Zangezur corridor is revealed which is expected to add to the smooth operation of the Middle Corridor, as this new connection also provides a route between Türkiye and Central Asia.

Hungary, together with the OTS Representation Office in Budapest, hosted the 5th meeting of the Ministers in charge of Transport of the Member and Observer States of the OTS on 14 October 2021 in Budapest. The meeting was hosted by the Minister of Innovation and Technology of Hungary, László Palkovics moderated by Secretary General Baghdad Amreyev, and also attended by the Elder of the OTS from Türkiye Binali Yıldırım. During the meeting, Minister Palkovics informed the parties about the current efforts of the Hungarian Government on transforming the country into a strategic transport hub in Europe, building modern railroad infrastructure and ensuring efficiency and transparency in the transport sector. OTS Elder Binali Yıldırım highlighted the significant economic potential of the Turkic States. Underlining significant steps taken by the member countries to improve the infrastructural capacity and transit potential of the Trans-Caspian East–West–Middle Corridor, Mr. Yıldırım stressed the importance of putting further efforts to decrease logistical costs and accelerate the speed of the transport and customs operations through the corridor.²⁰

This time on 25 April 2024 the meeting of the Transport Coordination Committee was held in Budapest under the aegis of the OTS. The member and observer states with the coordination and cooperation of the partners took up the ways to further improve the Middle Corridor and the problems observed in this direction.

¹⁶ FARKAS et al. 2016: 3.

¹⁷ BAGHIROV 2022: 62.

¹⁸ VASA–BÁRKÁNYI 2023: 21.

¹⁹ ELDEM 2022: 4.

²⁰ TOPUZ 2023: 10.

In a recent interview which was given by Hungarian Foreign Minister Péter Szijjártó to Azerbaijani Trend news agency on November 2023, the Hungarian Foreign Minister mentioned that Hungary is interested in the development of the Middle Corridor. Minister Szijjártó stated that currently China is the second source of imports for the Hungarian economy and that Hungary is the number one country for Chinese investment in Central Europe. According to Minister Szijjártó, Hungary is buying more and more energy resources from the region such as oil from Kazakhstan and natural gas from Azerbaijan. In this regard, Minister Szijjártó mentioned that Hungary is very much interested in the development of the capacity of the routes between Asia and Europe. In this context, Minister Szijjártó mentioned that Hungary is willing to contribute to the development of the capacity of the Middle Corridor either in the transport route, railway, or the transport of electricity or gas.²¹

Hungary's cooperation with the Turkic states in the field of energy

Hungary is largely dependent on Russia for fossil fuels. Under the deal made between Russia and Hungary in 2021 for a period of 15 years, Hungary receives 4.5 billion cubic meters (cbm) of natural gas per year through Bulgaria and Serbia. Hungary's energy dependency is above 50%, and more than 80% of oil and natural gas imports come from Russia. In this context, Hungary is seeking ways to diversify its energy supplies.

After the EU sanctions on Russia, Hungary managed to exempt itself from certain elements of the sanction packages against Russia. In 2022, Prime Minister Orbán blocked further steps towards EU sanctions using Hungary's veto right. The Hungarian Government argues that as a landlocked country, Hungary is very much dependent on energy carrier imports and does not have the alternatives that the other EU countries have.

Currently, the EU countries would like to diversify their energy sources and routes. In this context, Hungary is playing a pivotal role where both natural gas and electricity imports from Azerbaijan will pass through Hungary; then it will also be able to diversify its sources and supply routes. Azerbaijan will also be able to reach Hungary's energy market and diversify its gas exports.

After becoming an observer to the OTS and becoming a part of all cooperation fields in 2018, Hungary started to fully coordinate activities in the energy sector with the OTS countries. The Ministers of Energy of the OTS countries met in 2021, 2022 and 2023. In the Almaty meeting in 2022, Hungary pledged to host the 2023 meeting of the ministers in charge of energy in Budapest. Through the Energy Ministerial Meeting on 30 March 2023 in Budapest, Hungary met all the member countries' energy ministers and has once again put forward its intention to be an energy hub in Europe.²²

Azerbaijan and Hungary signed a gas deal on 2 June 2023. Hungary's state-owned energy group MVM agreed to purchase 100 million cubic meters of natural gas from

²¹ 1tv.ge 2023.

²² TOPUZ 2023: 11.

Azerbaijan's state energy firm SOCAR, with the gas planned to be transported by the end of the year. Further to that, the Hungarian oil firm MOL Group became a shareholder in Azerbaijan's Azeri–Chirag–Gunashli (ACG) offshore oil field, buying the shares that previously belonged to the American energy firm Chevron. With this new deal, Hungary made a very critical investment in the region.²³

On 17 December 2022, Azerbaijan, Georgia, Romania and Hungary signed the “Agreement on Strategic Partnership on Green Energy” that supports effective long-term green energy cooperation. The agreement foresees the import of electricity from Azerbaijan through underwater electric cables under the Black Sea from Georgia to southeastern Europe. The significance of this agreement stems from the fact that it will reduce Hungary's electricity MIC by reducing the use of natural gas for electricity production. As Azerbaijan is the starting spot for this route connecting the Caspian Sea to Europe, Hungary will be a green energy transit hub where it will have the possibility to expand to new countries.²⁴

Conclusion

The Hungarian Government started the eastern opening policy with the second Orbán Government in 2010. In the initial phase, Hungary's policy focused on the global outreach, with the Hungarian administration's position that Hungary should expand its relations beyond Europe. While keeping the benefits of the relations with Europe, Hungary wanted to seize the opportunities coming from China, Russia and other important countries of the east mainly in terms of trade.

The eastern opening in addition to the relations with big powers like China and Russia has opened the possibility for Hungary to increase relations with the Turkic countries. In this connection, Hungary started to increase its diplomatic presence in these countries as also the Turkic countries started to open embassies in Hungary. Particularly, Hungary's observer status in the Organization of Turkic States in 2018 and the opening of the Representation Office of the OTS in Hungary thereafter further increased the pace of developing relations.

The rapidly developing relations between Hungary and the Turkic countries are reflected in the fields of trade, transport and energy. In trade, the trade volume between Hungary and Turkic countries almost doubled since the initiation of the eastern opening policy. The advancement of relations thanks to Hungary's observer status in the OTS also contributed to the trade relations. The Business Forum organised by the Representation Office of the OTS in Budapest was a critical event that further boosted the developing trade relations between Hungary and the Turkic countries.

In the field of transport, the Chinese Belt and Road Initiative and the Russia–Ukraine crisis revealed the importance of the Middle Corridor where the Northern route started to lose its old significance. Although the Middle Corridor currently is not at full capacity,

²³ MOL Group 2019.

²⁴ Euronews 2022.

Hungary shows interest in consolidating the infrastructure for the full operation of the route. In this regard, Hungary has been the host of the OTS Transport Meetings and will continue to do so in the future.

The route from Turkic countries in Central Asia to Europe is also critical in the field of energy. As a country that would like to diversify its energy options, Hungary is taking active steps to its energy alternatives to become a hub in Europe. The OTS provides again opportunities for Hungary to come together with the Turkic states, the recent example of which was in 2023 when Hungary hosted the energy ministerial meeting in Budapest.

Hungary, as part of its eastern opening policy, is continuously developing its relations with the Turkic countries in many fields. The areas of cooperation in trade, transport and energy are critical which would provide Hungary with a unique position in the supply of goods and energy in Europe in the future. Although Hungary's trade with the Turkic countries is very small when compared to trade numbers with China and Russia, Hungary seems to have invested in a critical region with which it would acquire significant advantages.

Hungary's strategic location in Central Europe places it at a crossroads between Western Europe and Eastern Europe, as well as between Northern and Southern Europe. The geostrategic location and the awareness of the political elite through the eastern opening puts Hungary in a key location for trade and energy routes. Hungary can play a critical role by leveraging its strategic location to connect different geopolitical and economic spheres. Hungary's participation in major energy projects like the Southern Gas Corridor and TurkStream pipeline highlights its role as a critical transit country for energy supplies from the East to the West. These projects enhance Hungary's importance in ensuring energy security for Europe.²⁵

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