

How Orban has Hungout the EU to dry

In view of the interminable attention given to the UK's "hokey-cokey Brexit", I'm amazed "Hungout", has not more stood out. For surely, you've noticed how Orban has engineered the best of all possible deals for his country. A Hungout coming without the penalties thrown at the UK with Brexit. Orban has in effect, allowed Hungary to have its EU cake, and eat it.

What of Orban?

Having been PM between 1998 and 2002, he returned in May 2010; re-elected in 2014, 2018 and 2022. That Hungary's accession to the EU in May 2004 came when Orban was in opposition, is testament to his stand towards European federalism. For Orban is staunchly a MAGyAr First Man.

But what of Hungarians writ large?

Let's consider the facts behind its referendum in April 2003. True, the result was a resounding 83.8% FOR accession. There is however this detail: turnout was a mere 45.6%. For context until 1997, Hungary's constitution demanded a plebiscite could not be considered legitimate without at least a 50% turnover. In 1997 this was lowered to 25%, yes one year before Orban first assumed the premiership.

To say Orban's approach to the EU is entirely opportunistic is classic pure understatement. He has taken all the nice bits of being a rusticated member of the EU, whilst declaring Hungary exempt from all the elements he dislikes.

Let's consider where Orban has placed Hungary in relation to Russia.

Whilst the EU has taken a decidedly cold turn towards Putin's Russia, Hungary has continued to be very warmed by its energy; Vik on very good terms with Vlad. Friendly terms despite Russia's embattlement of Ukraine, one the 7 nations Hungary shares a border.

Of Hungary's other neighbours, 5 are 'fellow' EU'ers; putting it very much at the centre of Europe. Yet, if one were seeking a single piece of evidence to prove Orban has distanced Hungary from the EU/EZ to in effect "beggar its neighbours", it should be FX'in clear what this is.

Looking at the forint against the euro we see that since Orban returned to office, it has devalued by 1/3. For context, the £ is presently broadly where it stood against the € in 2010; despite the intervening years seeing the UK perform the Brexit "hokey-cokey".

The simple truth is that when (not if) Hungary's central bank begins to aggressively cut the interest rate from its lofty 6.5%, the florint could easily fall far and fast.

True, the fall thus far in the forint against the €, has been nothing close to that of Turkey's lira or Ukraine's hryvnia, but weaken it most certainly has.

That its € neighbours of Austria, Slovakia, Slovenia and Croatia, or €-hugging Romania, have not cried foul of the forint is to me at least very surprising, given the competitive disadvantage it has put them.

Let me close with some controversy.

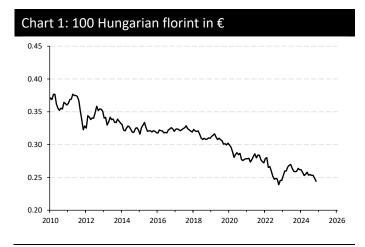
Rather than see feral Hungary "pulled-back" into the federal EU fold, I expect others within it to take the nationalist lead from Hungout.

That the UK will get back closer to the EU, as others carve themselves out, is classic British irony.

PS In the body above I claimed Orban has in effect, allowed Hungary to have its EU cake and eat it. With that in mind, one could say that in the revolving door of Brexit ministers trying desperately to do a deal with the EU, the man who SHOULD have been called in, "to GET the softest of Brexit's DONE" was Orban. After all, if England's football team can have a 'foreigner' manager, why not one managing Brexit?

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2018

2020

2012

2010

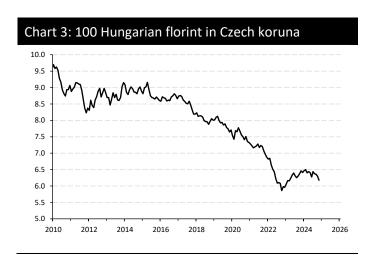
2014

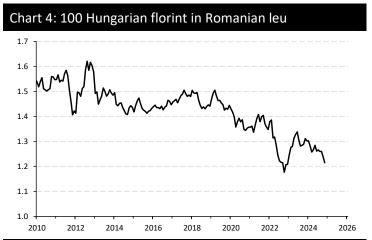
2016

Source: Magyar Nemzeti Bank

2024

2026





Source: Magyar Nemzeti Bank





Source: Magyar Nemzeti Bank



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