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The Current Phase of Hungarian–Chinese Bilateral Ties: Gates, Bridgeheads, Bastions

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ABSTRACT

The brief study describes and examines the development of Hungarian–Chinese bilateral relations over the past decade, in connection with the "Eastern Opening" strategy, with particular attention to merchandise trade and foreign policy/economic aspects. It points out that in the period after 2010, the relationship system, built on historically stable foundations, has reached a new, higher level: Hungary consciously positions itself as China's European foothold, while the volume of bilateral merchandise trade is increasing and its structure is diversifying; at the same time, the trade balance tilts asymmetrically in favour of China. The author emphasizes that Chinese investments and financing sources amid the limited European Union funds simultaneously represent growth opportunities and financial-technological dependence, which generate foreign policy tensions in the EU and NATO context.

1. Introduction

The Government of Hungary, upon the recommendation of the EU Council, adopted and published its "Next Step, Széll Kálmán Plan 2.0" program in the spring of 2012, aiming to provide a framework for further comprehensive structural reforms and future development directions. In the third chapter of the document, with the intention of stimulating economic growth and improving competitiveness, a new foreign economic strategy was defined, the goal of which was to identify concrete steps in addition to shaping attitudes (Hungarian Government, 2014). To this end, it emphasized the need to support Hungarian exports by diversifying their geographical and product composition. The Government's primary intention is to reduce Hungary's strong dependence on the European Union and to expand its relations with countries and regions producing rapid economic growth, mainly in Asia. The strategy pays particular attention to Indian, Chinese, and Russian actors and markets.

The foreign economic strategy aimed not only to focus on increasing the volume of foreign trade and structural transformation, but also emphasized the promotion of foreign investments. The new investments were expected to contribute to further economic growth and employment expansion, improve the international reputation of Hungary and Hungarian companies, increase budget revenues, and facilitate the import of modern technologies. It was openly stated that priority would be given to investments implemented in the country's lagging (eastern and southern) regions, in the manufacturing industry, in connection with research and development. The Government provided effective support for these investments through administrative and financial means, and through its own discretionary decisions, including investment, employment, and training subsidies, as well as development tax incentives.

This concept began to be increasingly referred to, both professionally and in wider circles, as the "Eastern or Global Opening" (hereinafter "Eastern Opening"). As a result of the implementation of the strategy, primarily Eurasian economic relations were established, gained new momentum, and brought results for Hungary over the past decade, within the framework of cooperation with partners from East, Central, or South Asia. Due to the aggression in the Ukraine and its economic and political consequences, this cannot be discussed in the case of Russia; however, regarding China, a new era began in the past decade, with spectacular developments (Éltető & Völgyi, 2013; Nagy & Szép, 2011). In the 2010s, due to the favourable global economic and political environment, as well as the growth of the economies involved, China appeared as a business partner and investor (Kuttor, Orosz & Takács, 2025).

I believe that the few thoughts above can also convey the national economic importance of Hungary's foreign economic strategy, the so-called "Eastern Opening". I think that due to the program's significance and complexity, it is worthy of analysis; it has already generated numerous publications, reports, and studies (Tarrósy & Vörös, 2014). However, increasing activities and efforts is necessary for more numerous and in-depth examinations than before. Guided by this conviction, in this short article I wish to provide contributions to the development of Hungarian-Chinese bilateral relations over the past decades and to the interpretation of events and outcomes in three respects: with a description reviewing the development of bilateral relations, an analysis of the changes in trade of goods, and an accounting of international reactions.

2. The Long-Term Perspective and Dynamics of Bilateral Relations

2.1 Background, fundamentals

The first six decades of Hungarian-Chinese relations (between 1949 and 2009) can be divided into four main phases: an initial period of friendly relations; then a distancing for ideological reasons; followed by a pragmatic interval leading to gradual normalization; and finally, a rapidly deepening, developing period based primarily on economic cooperation (Embassy of the People's Republic of China in Hungary, 2024). The initial close political-ideological relationship was shaped and influenced by the fault lines within the socialist-communist bloc, and later by new foreign policy priorities after the regime change, within global frameworks.

Hungary recognized the People's Republic of China on October 4, 1949, and diplomatic contact took place a few days later, on the 6th, making Hungary one of the early recognizers. In the 1950s, intensive leadership visits (Zhu De, Zhou Enlai, as well as János Kádár and Ferenc Münnich) and bilateral, multifaceted agreements (cultural, scientific-technological, student exchange) laid the foundation for the 'friendly cooperation.'

However, from the late 1950s, the deterioration of the Chinese-Soviet relationship and the ideological tensions of the "Cultural Revolution" gradually cooled Hungarian-Chinese bilateral relations. In the 1960s, in fact, cultural and scientific cooperation came to a halt. In the 1970s, intergovernmental relations formally persisted, but cultural exchanges only slowly restarted, inter-party relations were broken off, and student exchanges were not restored.

The 1980s brought the gradual normalization and institutionalization of political and inter-party relations, accompanied by mutual high-level visits and joint statements. It was then that the China–Hungary Committee for Economic, Trade, Scientific, and Technological Cooperation was established. During this period, several long-term trade agreements were also signed, and scientific as well as student exchanges received new momentum. After a temporary lull caused by Hungary's political and economic transition, at the beginning of the 1990s, political dialogue was quickly restored through visits at the level of foreign ministers and heads of state, and anniversary (on the 50th anniversary) commemorations strengthened the symbolic dimension. In the 1990s, the focus and emphasis of relations and cooperation shifted to the economy and trade: bilateral investment protection and taxation agreements were signed, trade turnover grew dynamically, and Chinese companies appeared in Hungary.

By the early 2000s, trade between China and Hungary had risen to one of the highest levels among the countries in the region. The development of relations was marked by Péter Medgyessy's visit to Beijing in 2003 and the opening of the Bank of China's branch in Budapest. Cultural and educational cooperation became institutionalized through new agreements (diploma recognition, cultural exchange programs, tourism status), ranging from simple information and data exchange to scientific cooperation in joint research.

2.2 New era, new standards

For Hungarian-Chinese relations to reach a new, higher level in the first half of the 2010s, the alignment and synergy of several factors were required:

– The network of relations briefly described above, with a six-decade-long history, which provided a stable framework and foundation for moving forward based on mutual trust.

– The consistent stance of the Orbán governments, continuously in power since 2010, in supporting the development of relations with China, taking on cooperation even at the cost of conflicts or tensions with third parties.

– China's active international engagement and the launch of new initiatives, such as strengthening the previous global opening of the 2000s; launching the multilateral, region-specific "16+1" initiative (2012); proclaiming the Belt and Road Initiative (BRI, 2013), etc.

– The emergence of Xi Jinping and his leadership across multiple terms, both as General Secretary of the Communist Party of China and as head of state of the People's Republic of China.

With the 2010 Beijing negotiations and the decision on the Huawei investment, a new format of China's economic presence began in Hungary. At the 2011 summit, 12 agreements were reached that laid the foundation for expanding bilateral cooperation. Xi Jinping's 2014 European trip indicated that China's regional interests are directed towards infrastructure and logistics, in line with Budapest's ambitions.

2015 brought a milestone: Hungary became the first EU member state to join the Belt and Road Initiative (BRI). This also signalled at the global political level the Hungarian leadership's commitment to cooperation with China. During the 2016 and 2017 meetings, institutionalized coordination and partnership were already functioning, and there also appeared the intention on the Hungarian side to position Hungary and Budapest as a Central European base and bridgehead.

Table 1. High-level meetings of heads of state during the period of 2010–2025

Year	Venue	Participants (the Chinese name is given in pinyin form)	Short description / Results
2010	Beijing (Peking)	Viktor Orbán – Jiabao Wen	Decision on the Huawei investment
2011	Budapest	Viktor Orbán – Jiabao Wen	Signing of 12 bilateral agreements
2014	Europe	Jinping Xi	Xi's first European trip, increased interest in infrastructure projects
2015	Budapest	Péter Szijjártó – Yi Wang	Signing of BRI, Hungary is the first EU country
2016	Beijing (Peking)	Péter Szijjártó – Yi Wang	BRI meeting, continuation of coordination mechanisms
2017	Beijing (Peking)	Viktor Orbán – Jinping Xi	Announcement of Comprehensive Strategic Partnership
2017	Budapest	Viktor Orbán – Keqiang Li	11 bilateral agreements, CEEC-China summit
2019	Beijing (Peking)	Viktor Orbán – Jinping Xi	BRI Forum, 70 years of diplomatic relations
2020	Beihai, Guangxi	Péter Szijjártó – Yi Wang	Acquisition of Chinese vaccines, Hungary is the first EU country to authorize the vaccine
2023	Budapest	Viktor Orbán – Yi Wang	High-level diplomatic ceremonial visit, 10th anniversary of BRI, on EU-China relations
2024	Budapest	Viktor Orbán – Jinping Xi	18 agreements, announcement of 'Comprehensive Strategic Partnership for All Time'
2024	Beijing (Peking)	Viktor Orbán – Jinping Xi	Strategic consultation on the new level of partnership, China-EU relations under the EU presidency
2024	Beijing (Peking)	Péter Szijjártó – Yi Wang	Foreign Ministerial consultation on the new level of partnership, further coordination of projects
2025	Budapest	Tamás Sulyok, Viktor Orbán – Leji Zhao	Deepening parliamentary cooperation, green energy, (AI) digital economy projects

Source: own editing based on Kecskeméti (2025, p. 24).

During the 2019 BRI Forum, relations further strengthened at the diplomatic level, and during the coronavirus pandemia (COVID-19), Hungary was the first EU member state to authorize and use a Chinese vaccine. The decision brought increased political trust towards China. In the crisis, China sought to become a strategic partner in terms of health and logistics.

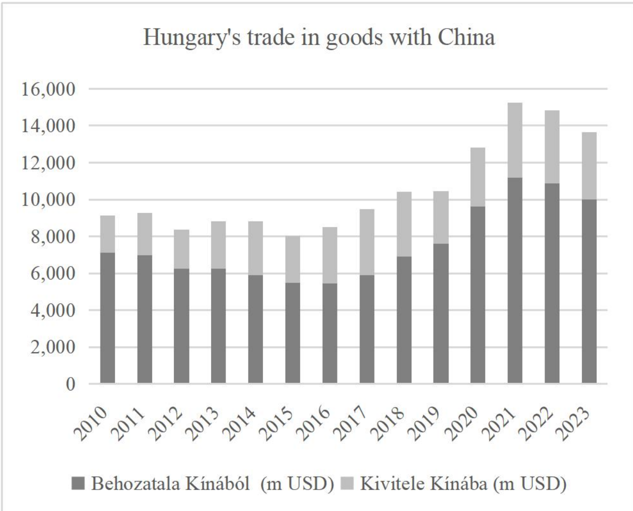
Following the pandemic, relations have reached a higher level today. The 2024 presidential visit and summit in Budapest, where alongside 18 different agreements the "comprehensive strategic partnership for all time" was announced, carried both a political and symbolic message.

Hungary increasingly sought a mediating role between the EU and China, even during its EU presidency. The 2025 meetings expanded cooperation in parliamentary, green energy, and digital (AI) projects, signalling a qualitative transformation and openness in the relationship.

3. The Development of Bilateral Trade in Goods

In the first half of the 2010s, Chinese modernization achieved spectacular results: in terms of the size of the economy (GDP), it became the second largest in the world, and in terms of export volume, it rose to the first place (Kuttor, Nagy & Szép, 2014). Although the economy's growth showed a slowing trend, it still approached 7 percent per year on average. China's production-based, industrial development model was partly organized to replace imports with domestic production and partly to meet demand in the global market (Szunomár, 2012). Despite the fact that the credit crisis, then the pandemic, and more recently protectionist trade policy measures necessitate the gradual and continuous reconsideration of the export-oriented concept, this mechanism remains the primary, preferred one in China (Gáspár, Sass, Koppány & Bi, 2023). All of this presents opportunities, but also challenges, for all those states that trade with China. Usually, an extremely asymmetric exchange relationship develops. This has been also the case with our country, which, within the framework of the 'Eastern Opening,' primarily wanted and was able to expand and deepen its trade relations with China. This effort has produced results over the past nearly one and a half decades, although it has also generated challenges.

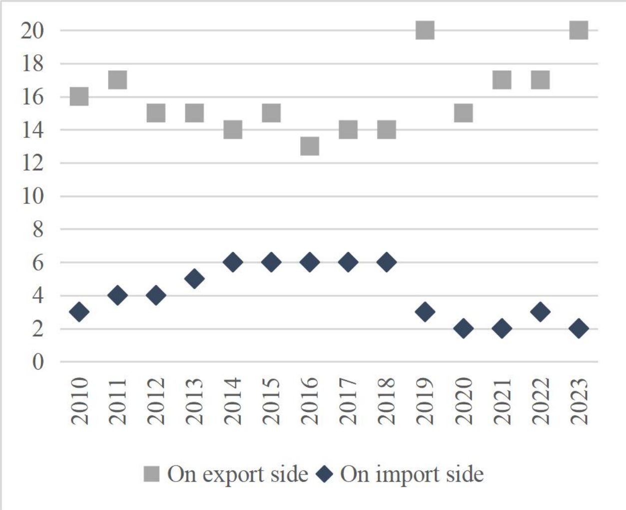
Figure 1. Development of Hungary's trade with China (2010–2023)



Source: own editing based on comtrade data.

Between 2010 and 2023, the volume of bilateral trade in goods expanded to about one and a half times its size, amid significant fluctuations. It is important to emphasize that growth became noticeable after 2019, mainly due to the surge in imports. This contributed to the breaking of the favourable trend. In 2017, our country's trade deficit stopped decreasing and then rose to new heights in the early 2020s. In recent years, it has approached an annual deficit of 7 billion dollars. In the ranking of trade partners, this imbalance is also reflected in China's position, showing a time dynamic like what has been described above.

Figure 2. China's ranking among Hungary's trading partners



Source: own editing based on comtrade data.

While China has in recent years been identified as the second-largest importer, mostly following Germany in terms of imports, on the export side it is found only after European (mainly EU) countries, pushed out of the TOP 15.

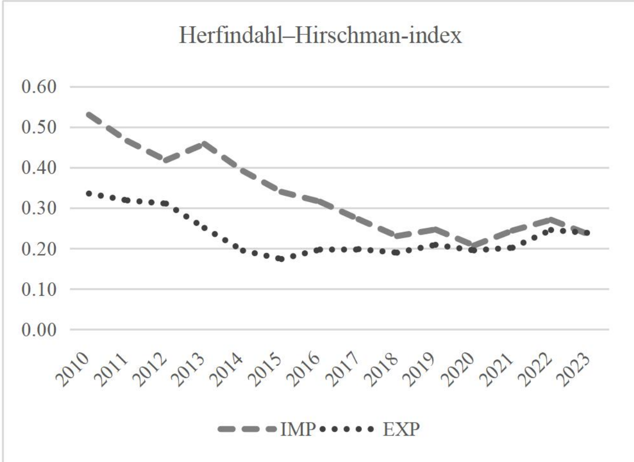
The composition of trade is varied in both relations. According to the HS (Harmonized System) ID2 classification system, almost 100 product groups appear in the portfolio (UN, 2007). Generally, imports include more diverse products than Hungarian exports. A favourable change in composition can be read from the numbers. This aligns with one of the key objectives of the "Eastern Opening" – namely increasing the diversification of trade. The composition can be expressed using several indicators; this time I am applying one of the most used indicators, the Herfindahl–Hirschman Index (HHI).

The HHI is a number indicating the concentration of a market, factor, or population, which can range between 0 and 1. A value close to zero indicates that multiple elements or participants are equal within the population; on the other hand, a value close to 1 reflects a concentrated situation.

$$HHI = s^1 2 + s^2 2 + \ldots + s^n 2,$$ *where s^i is the share of the i-th element (in percent), and n is the number of elements or participants.*

Examining the product composition, in terms of both export and import, it can be said that concentration has dissolved, and observing the trends, we can also perceive a convergence.

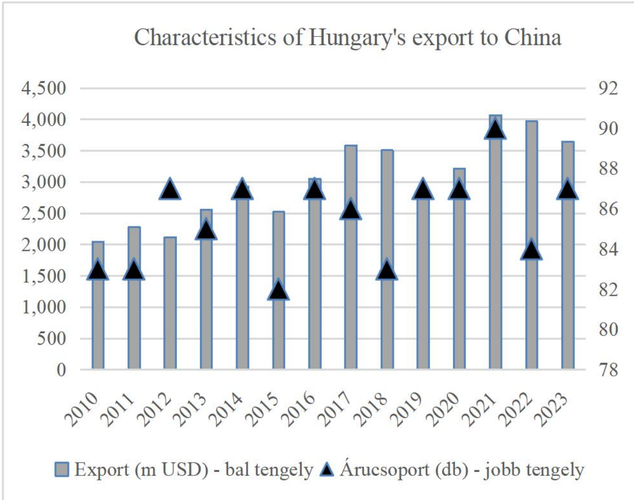
Figure 3. The concentration of product composition in bilateral trade, 2010–2023



Source: own editing based on OEC data.

It can be stated that more and more, as well as more varied, goods have been included in trade between the two countries. The catalogue features primarily electrical machines and electronic equipment; cars, tractors, trucks, and their parts; machinery, mechanical equipment and parts; optical, photographic and film equipment; medical instruments; and pharmaceutical products. Individual products can also be found, such as in exports the range of pharmaceutical products, and in imports the categories of organic chemicals, steel, or plastic products.

Figure 4. Hungarian exports to China, volume and composition



Source: own editing based on comtrade data.

Finally, it is worth noting again that Hungary's exports to China doubled during the examined time period and also showed favorable shifts and changes in their composition.

4. "Eastern Opening" in the Context of the European Union and the North Atlantic Context

As a result of the consistent implementation of the "Eastern Opening", it has become a common opinion that Hungary is referred to as China's new European foothold, which, while maintaining EU and NATO membership, is increasingly integrated into Chinese economic and political networks (Bernek, 2018). This simultaneously offers economic advantages and increases Hungary's strategic exposure in a world economy with a new structure (Kiszelly, 2025). Budapest is valuable and attractive to

Beijing in two respects: on the one hand, as an EU and NATO member, it is able to influence decisions related to China; on the other hand, it increasingly receives Chinese capital and hosts corporate and governmental premises (Éltető, Peragovics, Sass & Szunomár, 2024).

Thanks to the new projects – the Belgrade–Budapest railway, the V0 railway ring, CATL's investments in Debrecen and BYD's investments in Szeged, as well as the air corridors connecting Budapest with China – Hungary has become a key hub in the supply chains linked to the BRI (MERICS, 2024). In addition, the Huawei logistics and R&D centres, the 4iG–Huawei agreement, the construction of Chinese battery factories, and the spectacular growth of Chinese FDI clearly show that the Hungarian Government has been willing to rely on Chinese technology and capital even in strategic sectors (5G, batteries, logistics, AI). According to Wu (2025), Hungary remains loyal precisely because it is increasingly linked to China, as Chinese economic relations have now become fundamental strategic interests of the Hungarian state. Despite increasing external pressure, the Government has so far not wished to give this up. The economy's dependence has reached such a level that 'de-risking' or 'de-coupling' in Hungary's case is not only costly but also difficult. Due to the projects implemented so far, as well as the undertaken decisions and commitments, it is only conceivable to a small extent (Fehér, 2025). Thus, probably in connection with the EU's 'de-risking' strategy applied to Chinese affairs, Budapest will continue to play a softening and slowing role in the future.

5. Conclusion/Summarizing Thoughts

In my article, I attempted to highlight the circumstances, justification, and objectives of the "Eastern Opening". The gradual development of Hungarian-Chinese diplomatic relations; the results and challenges appearing in goods trade; and finally, the complex political consequences.

It is perceptible that for our country, the relationship with China represents a central element of the "Eastern Opening" strategy and aligns with the logic that seeks to emphasize connectivity in a multipolar world. Due to the freezing of European Union funds, Chinese investments (in battery manufacturing and the automotive industry, infrastructure construction, AIIB loans) have become the main source of financing. The government strategy consciously positions the country as a "European gateway" for Chinese decision-makers and investors, which has had consequences such as increasing financial and technological dependence, even in key infrastructure sectors (railway, energy, telecommunications). I emphasized the importance of regular high-level meetings (between Xi and Orbán, as well as at ministerial and lower levels), through which Hungary can appear today as one of China's close European partners. Membership in the BRI, regular intergovernmental meetings, and open communication channels have resulted in established and stable diplomatic relations.

Between 2010 and 2025, the Hungarian-Chinese relationship developed under the guidance of strategic partnership through lively economic cooperation. Nowadays, Hungary consistently positions itself as China's continental, Central European bridgehead. However, this burdens its EU and North Atlantic relations, and it is questionable how long this can be maintained in a polarizing, conflict-laden world. Nevertheless, in the future, expanding political cooperation would be important in high technologies, such as green energy, infrastructure, and IT. At the same time, Hungary also emphasizes its geopolitical mediating role. These thoughts currently gain little attention, so in most cases our country acts alone, with little support and success.

Thus, we can only hope that the values traditionally highly regarded in Chinese diplomacy, the so-called five virtues (wu chang), will soon come into effect in international relations and diplomacy, promoting the development and transformation of existing multilateral frameworks.

The mentioned five virtues are:

– benevolence (ren);

– honesty, righteousness (yi);

– propriety, courtesy (li);

– wisdom (zhi);

– loyalty (xin).

I trust that the domestic achievements reached with Chinese partners in the bilateral relationship, the maintenance of positions, and the exploitation of advantages will not cease in the future, nor become impossible, but the intention and opportunity to leverage mutual benefits will remain.

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