



中国传媒大学
COMMUNICATION UNIVERSITY OF CHINA



Institute for a Community
with Shared Future
人类命运共同体研究院



Bilateral Relations between China and Hungary



By Syeda Manal Tirmizi, Research Associate,
Pakistan Research Center for a Community with
Shared Future (PRCCSF), Islamabad

Published on 17th May 2024

China and Hungary's bilateral relationship is a powerful example of the value of collaboration and mutual gain. After decades of diplomatic missions, cross-cultural discussions, and business partnerships, this association has taken on



new dimensions and is now characterized by mutual respect and strategic importance. China and Hungary have steadily increased their cooperation in a variety of areas since establishing diplomatic relations in 1949, from commerce and investment to education and cross-cultural interactions. Their partnership, which is based on a common dedication to practical collaboration and mutual growth, has spanned geographic boundaries to promote deep communication and comprehension. A strong framework of political discourse and strategic collaboration, symbolized by frequent high level exchanges and debate channels, is the foundation of this alliance.

Furthermore, the China-Hungary relationship is based on economic cooperation, as seen by the recent successful in bilateral trade and investment. China, the biggest commercial partner of Hungary in Asia, is essential to the country's economic growth, and Hungary acts as a point of entry for Chinese businesses looking to increase their footprint in Central and Eastern Europe.



The relationship between the two countries has been strengthened by the growth of cultural and people to people interactions in addition to economic ones. Cultural festivals, intellectual exchanges, educational collaborations, and tourist projects are just a few of the ways that these exchanges and partnerships between the peoples of China foster long-lasting understanding.

Hungary is a key component of the Belt and Road Project, which China is working to implement, is one of the main reasons Beijing is seeking to strengthen its ties with Budapest. Given that Beijing's relationships with the nations of Eastern Europe and the Balkans are essential to the advancement of this regulations. China therefore considers Hungary to be a very significant nation.

In this regard, significant advancements on the Hungary-China border have occurred lately. Beijing's Belt and Road Initiative views Budapest as a key component, and the Hungary-Serbia Railway Project is a major example of this. Hence the aforementioned railway is referred to as the European bridgehead of the Belt and Road Project. Beijing's proposal will also mark China's entry into the EU with a significant infrastructure undertaking. By 2025, the Hungary-Serbia Railway Project is expected to be finished. Furthermore, the initiative aims to facilitate the transportation of Chinese commodities via Greece to Western Europe.

This strategic convergence has been bolstered by a boom in investment flows, with China's investment in CEE significantly increasing. In the first quarter of 2024 alone, Chinese investment in the CEE area increased by 36.35 percent over the previous year,

totaling roughly \$450 million. Chinese investment in the CEE area has topped \$5.2 billion by March 2024.

Hungary, for example, has emerged as a top target for Chinese investment, receiving significant foreign direct investment in a variety of industries. The Hungarian



government hopes to expand cooperation with China in sectors such as international commerce, capital investment, infrastructure, logistics, artificial intelligence, and new energy.

Serbia has also benefited greatly from Chinese investment, which has helped it establish itself as a desirable location for FDIC investment. The region's economic development and connectivity have been reinforced by cooperative projects under the Belt and Road Initiative, such the Port of Piraeus in Greece and the Belgrade-Budapest Railway.

Conversely, it appears that in the two nations' ties, the aspect of education and culture has begun to take center stage. China intends to construct a campus in Budapest, the capital of Hungary. China will invest \$1.5 billion as a result of the initiative, creating the first Chinese university in the European Union. Consequently, it is possible to argue



that there are several facets to the two nations' relationship. Furthermore, China views Hungary as a nation where it may expand its cultural clout in Europe. Put another way, China sees Hungary as a place where it can break through to Europe in terms of both culture and the Belt and Road Initiative.

Thus, it is possible to describe Hungary and China's partnership as multifaceted. Hungary is also a significant part of the Belt and Road Initiative. Beijing views Budapest as a significant and beneficial player in the evolution of its ties with the European Union. As a result of the most recent agreement in this regard, it is anticipated that the parties' relationship will continue to grow.

Conclusion

Bilateral ties between China and Hungary have grown dramatically throughout time, with increased economic cooperation, investment, and cultural interaction. Hungary has emerged as a key partner for China in Central and Eastern Europe, notably through participation in initiatives such as the Belt and Road Initiative. Economic connections have grown stronger, with China being a major trade partner for Hungary, and Chinese investment has poured into all areas of the Hungarian economy. Furthermore, political relations have been largely favorable, with Hungary frequently siding with China on international matters.