

Hungarian Government passed two sets of documents on January 8<sup>th</sup>, namely the National Energy Strategy and the National Energy and Climate Plan, both of which will be vital in meeting Hungary's goal of becoming climate neutral by 2050.

Looking back at progress over the last three decades, Hungary not only made it into the elite global club of just 21 countries that managed to combine a reduction in greenhouse gas (GHG) emissions with economic growth (in 2018, Hungary's GDP grew 4.9 percent alongside a 0.7 percent drop in GHG emissions). We have also outperformed the EU average on GHG reduction by more than 9 percent. At half-time, with 30 years to go until 2050, we can proudly say that, while some climate-ambitious countries such as Austria, Ireland, Portugal and Spain have struggled to cut a single ton of emissions, Hungary starts 2020 with a realistic shot at achieving climate neutrality.

The new strategic plans, however, rely on the guiding principle of "clean, smart and affordable energy," said Péter Kaderják, State Secretary for Energy and Climate Policy at the Ministry for Innovation and Technology. The recently adopted, consumer-focused approach therefore aims to strengthen the security of Hungary's energy supply, making the energy sector more climate-friendly and promoting innovation and economic development. In order to achieve a sustainable decrease in Hungary's climate footprint (and potential climate neutrality), the new National Energy Strategy identified five basic principles that revolve around the idea of placing climate policy in the context of economic development. First, climate protection steps should be introduced so that they don't place an overly weighty burden on economic growth, instead creating a balance between the two. Second, cost-effectiveness must play a key role, and third, newly introduced measures should potentially come with additional benefits. Fourthly, Hungary believes in the technological neutrality of climate policy, meaning that nuclear energy should be included. While the transition from conventional energy sources to renewables is key, the fifth, and last, principle is to ensure that no one is left behind.

By 2030, according to its climate strategy, Hungary aims to cut GHG emissions by at least 40 percent from their level in 1990—we have already reached nearly 32 percent last year. The country also aims to increase the share of renewables to 21 percent of its gross energy consumption. At the same time, its final energy consumption should be maximized slightly above the 2005 level, at 785 petajoules.

The promotion of renewables of course goes hand-in-hand with the reduction of conventional energy sources (e.g., natural gas, coal, etc.). With regard to the gas and electricity market, Hungary has two goals: decreasing consumption and reducing our import dependency. By 2030, Hungary aims to reduce natural gas consumption from 10 bcm to 8.7

bcm, with an import rate drop from the current 80+ percent to below 70. Regarding electricity, the Government plans to increase the rate of carbon-free electricity production from 60 percent to 90 percent by 2040. Also, imports should fall below 20 percent (currently 32 percent).

Source: [abouthungary.hu](http://abouthungary.hu)