

Open Letter to István Kapitány, Minister of Economy and Energy on fuel prices

Dear Minister,

We, the undersigned, consider it essential to immediately inform the population that the continued maintenance of current fuel prices may lead to serious economic problems in the foreseeable future.¹ Therefore, it is necessary to phase out the so-called protected fuel prices as soon as possible, and to increase the excise duty on fuels to at least the level before the introduction of the protected price, and at the same time provide social compensation² for the broad layers of the population.

The main problem with the protected price is that it encourages the increase of the consumption of petrol and diesel oil precisely when it should be reduced. Namely, “Europeans should be ‘under no illusion’ that the impact of the Iran war on energy prices will be short-lived” – as the European Commission has stated.¹³ The continuation and eventual expansion of the Iranian war could lead to further shortages and up to \$200 per barrel of oil (compared to around \$60 before the war).⁴ Therefore, the Commission⁵, the International Energy Agency⁶ and the International Monetary Fund⁷, among others, are asking governments not to take measures that encourage fuel consumption.

The problem is further compounded by the fact that imports have largely stopped in Hungary, due to the low domestic wholesale price.⁸ Because of the very low price margins required for gas stations and deteriorating supply of fuel, it is also expected that more and more gas stations will close, just as it happened in 2022.⁹ Moreover, after the gasoline price cap was phased out at the end of 2022, fuel cost more in Hungary than it would have cost if the gasoline price cap had not been introduced.¹⁰ A similar case can be expected now if the protected price remains in place.

It is important to point out that this type of fuel price subsidy primarily benefits the rich: the richest 10 percent of the Hungarian population consumes about ten times as much fuel as the poorest 10 percent, and thus, with the price kept artificially low, the former receive ten times as much subsidy as the latter.¹¹ So the support is mainly provided to those who do not need it at all.

Government intervention in fuel prices is also not justified because fuel prices have essentially remained unchanged in real terms since 1995, while average earnings have increased by 180 percent. This means that today one can buy almost three times as much gasoline from an average income as 30 years ago.¹² Furthermore, car users in Hungary currently pay on average only one-third of the costs they cause to society (according to an analysis on the European Commission's website¹³).

¹ Energy crisis won't be short-lived, Commission warns. Euroactiv, 2026.04.09.

<https://www.euractiv.com/news/energy-crisis-wont-be-short-lived-commission-warns/>

This type of price support is also unacceptable from an environmental point of view because if fuel prices rise, fuel consumption will decrease, and thus emissions of gases that cause climate change, so it will be easier for us to meet the EU's climate requirements, which are also mandatory for Hungary. Air pollution would decrease, too, which is in the interest of all Hungarian citizens, as polluted air leads to diseases and premature death. In addition, the improvement of air quality in Hungary is also necessary because the European Court of Justice has already condemned Hungary for air pollution exceeding the limit values and may soon impose a serious fine on Hungary.¹⁴

The protected price only seemingly helps the population and businesses, as in the end, everyone pays the real cost of fuel in some way: in the form of a shortage of goods, higher prices, polluted air or even lower state welfare expenditures, as it can result in a loss of revenue of up to hundreds of billions of Forints for the State budget, which is already struggling with a brutal deficit¹⁵. This also entails the risk that the EU may suspend all EU funds for us due to the excessive deficit.¹⁶

The fuel price cap and tax reduction mislead the population, as they give the impression that the state always stops international processes at the national border, no matter what happens. This makes it very difficult to adapt to the inevitable transformation of the world economy, which could cause a much more serious crisis in the not-too-distant future.

We are convinced that if the government makes the Hungarian population aware of the above facts, the abolition of the protected fuel price and the increase in the excise tax on fuels will become acceptable to the vast majority, especially if these are accompanied by certain social compensation measures, such as the increase of family allowances and low pensions. Such a tax and subsidy reform could also receive significant international recognition.

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The contents of the letter reflect the position of the Clean Air Action Group and the personal position of the signatories. The workplace and position of the latter are indicated solely for easier identification.

¹ Fuel to the Fire. The Ecologist, 30.01.2023. <https://theecologist.org/2023/jan/30/fuel-fire>

² How to combat high energy prices – and how not to. New Leaf, European Environmental Bureau, 2022.11.23. <https://meta.eeb.org/2022/11/23/how-to-combat-high-energy-prices-and-how-not/>

How governments can best support consumers during this energy crisis. Lucas Boehlé, Emma Mooney és Jérôme Bilodeau energiahatékonysági kommentárja a Nemzetközi Energia Ügynökség honlapján. 2026.04.21. <https://www.iea.org/commentaries/how-governments-can-best-support-consumers-during-this-energy-crisis>

³ Energy crisis won't be short-lived, Commission warns. Euroactiv, 2026.04.09. <https://www.euractiv.com/news/energy-crisis-wont-be-short-lived-commission-warns/>

⁴ A threat has arrived that could bring the world economy to its knees: prices could shoot up due to the rebels' action. Portfolio. 19/04/2026, <https://www.portfolio.hu/global/20260419/olyan-fenyegetes-erkezett-ami-terdre-kenyszeritheti-a-vilaggazdasagot-kilohetnek-az-arak-a-lazadok-akcioja-miatt-831496>

⁵ Commission calls on EU countries to coordinate measures to ensure oil security of supply amid Middle East energy disruption. Európai Bizottság, 2026.03.31. https://energy.ec.europa.eu/news/commission-calls-eu-countries-coordinate-measures-ensure-oil-security-supply-amid-middle-east-energy-2026-03-31_en

⁶ New IEA report highlights options to ease oil price pressures on consumers in response to Middle East supply disruptions. Nemzetközi Energia Ügynökség, 2026.03.20. <https://www.iea.org/news/new-iea-report-highlights-options-to-ease-oil-price-pressures-on-consumers-in-response-to-middle-east-supply-disruptions>

⁷ They warn Europe not to interfere with the price of fuels. Portfolio, 17.04.2026. <https://www.portfolio.hu/gazdasag/20260417/ova-intik-europat-nem-szabad-az-uzemanyagok-araba-belenyulni-831262>

⁸ The analyst said: Hungary's energy security is in a vulnerable position. Portfolio, 15.04.2026. <https://www.portfolio.hu/gazdasag/20260415/megszolalt-az-elemzo-kiszolgaltatott-helyzetbe-kerult-magyarorszag-energiabiztonsaga-830724>

⁹ "We are in the 24th hour, we can't take it anymore" – independent gas stations are in big trouble. Info start, 2026.04.14., <https://infostart.hu/gazdasag/2026/04/21/a-24-oraban-vagyunk-nem-birjuk-tovabb-nagy-bajban-a-fuggetlen-benzinkutak>

"The first domino has fallen" – Mol sent an ominous letter to several gas stations. Portfolio, 09.05.2026. <https://www.portfolio.hu/gazdasag/20260509/eldolt-az-első-domino-veszjoslo-levelet-kuldott-a-mol-tobb-benzinkutnak-is-835716>

The fuel supply in the countryside may be in a critical situation. Portfolio, 11.05.2026. <https://www.portfolio.hu/gazdasag/20260511/kritikus-helyzetbe-kerulhet-a-videki-uzemanyag-ellatas-836036>

¹⁰ Corvinus research: In the long run, we have been badly off with the petrol price cap. Corvinus University of Budapest, 11.02.2025. <https://www.uni-corvinus.hu/post/hir/corvinus-kutatas-hosszabb-tavon-rosszul-jartunk-a-benzinarsapkaval/>

¹¹ Our Campaign on "Stop Subsidising the Rich!", 04.02.2025, <https://www.euki.de/en/our-campaign-on-stop-subsidising-the-rich/>

¹² Zoltán Pogátsa: It is a mistake to reduce the price of gasoline with taxpayers' money. Clean Air Action Group, 2026.03. <https://www.levego.hu/hirek/2026/03/pogatsa-zoltan-elhibazott-a-benzinarat-csokkenteni-az-adofizetok-penzebol/>

¹³ Internalisation of transport external costs. European Commission. https://transport.ec.europa.eu/transport-themes/sustainable-transport/internalisation-transport-external-costs_en

¹⁴ The Orbán government leaves a plethora of EU procedures to Péter Magyar's leadership, and heavy fines may be imposed. Portfolio, 18.04.2026. <https://www.portfolio.hu/unios-forrasok/20260418/unios-eljarasok-garmadajat-hagyja-az-orban-kormany-magyar-peter-vezetesere-sulyos-birsagok-szulethetnek-830948>

¹⁵ The data has arrived: the Tisza government is receiving the budget in a terrible state. Portfolio, 08.05.2026. <https://www.portfolio.hu/gazdasag/20260508/megjott-az-adat-borzalmas-allapotban-kapja-meg-a-koltsegvetest-a-tisza-kormany-835506>

¹⁶ Why do pensioners without a car have to support luxury car drivers? – or how can Péter Magyar bring home EU funds? HVG, 27.04.2026. https://hvg.hu/360/20260427_hvg-darvas-zsolt-eu-tamogatasok-koltsegvetes-hiany-eurobevezetes-interju