FOUR POSSIBLE SCENARIOS FOR HUNGARY'S HIGH-STAKES ELECTION

ONE-PAGE SUMMARY

Hungary is gearing up for its most competitive election in 16 years, with Prime Minister Viktor Orbán's ruling Fidesz-KDNP alliance facing its toughest challenge yet, from Péter Magyar's pro-EU Respect and Freedom Party (TISZA), a catch-all formation aligned with the center-right European People's Party (EPP).

The outcome of the race remains uncertain due to polling inconsistencies and Hungary's unique, one-round election system. Of the 199 MPs, 106 are elected in single-mandate districts with a relative majority, while the remaining 93 MPs are elected through party lists, with a 5% threshold. Independent pollsters and those seen as closer to the opposition expect a comfortable TISZA victory (49-58% vs. Fidesz's 35-40%), with some even predicting a two-thirds victory. In a stark contrast, pollsters seen as close to the government put Fidesz at 46-51% against TISZA's estimated 40-42%, with Fidesz projected to pick up at least 60 of the 106 constituency seats and secure a simple majority.

The baseline scenario assumes TISZA securing a simple majority, while a constitutional majority is also a possible outcome if TISZA wins all battleground districts and flips some Fidesz strongholds. Due to the disproportionate election system, Fidesz could lose the popular vote and still win, by winning a stable majority of constituency seats or via an informal alliance with the far-right Our Homeland. The latter formation is polling between 4-8% and its voter behavior will also shape the election as a split vote from Our Homeland voters could save Fidesz from losing its majority.

The outcome will have European and global implications as a TISZA government could signal a major shift in Hungary's current political and EU policy direction. Under this scenario, potential policy implications include rebuilding ties with the EU, securing Hungary's post-pandemic EU recovery funding and a full government restructuring. If Fidesz wins without winning the popular vote, it would face questions about political legitimacy and may provoke mass protests. In the long run, a new Fidesz government could lead to the continuation of current trends in Hungary's external relations, while either government will face significant budgetary pressures, which could require fiscal adjustments.

POSSIBLE FORWARD SCENARIOS

1. TISZA wins the election and secures a simple majority. Aretera's baseline scenario assumes TISZA will win the election and form the new government after securing a simple majority. Ever since entering politics in early 2024, TISZA has gradually expanded its voter base and has overtaken Fidesz in terms of popular support by early 2025, according to opposition-linked and independent pollsters. While polling inconsistencies remain, the events of the past few months (and especially the past few weeks) of the campaign have been interpreted by several local observers as shifting the public mood in the opposition's favour, indicating that Hungary could be heading for a change of government. Combined with a stable majority of district-level candidates, this could result in a stable but simple majority in parliament.

2. Fidesz secures a narrow victory while losing the popular vote. While Fidesz-KDNP is expected to lose the constitutional majority it has held with minor interruptions since 2010, the ruling bloc can still win the election if it secures a commanding majority of the 106 district-level MP seats and does not fall drastically behind TISZA in the popular vote. Although Fidesz is expected to lose the popular vote, it still holds a strong voter base with committed supporters, as suggested by attendances at key campaign events in recent months. Fidesz is also more equipped to run district-level campaigns, while TISZA's district-level candidates are less experienced and less known locally. While the ruling bloc's "pro-peace" narrative has been described by some observers as less effective than in 2022, it still attracts a large voter base. For Fidesz to stay in power, it will also likely need to pick up district-level support from the nationalist Our Homeland party, whose local candidates will shape several district-level races between the two large blocs.

3. TISZA wins a constitutional majority. Although less likely, TISZA securing at least two thirds of all the 199 MP seats cannot be ruled out. Magyar has been aiming for a two-thirds majority to dismantle what he claims to be the "Fidesz deep state", that is, to command a majority that is able to remove key public officials appointed by previous Fidesz majorities. To secure a constitutional majority, TISZA not only has to secure a higher-than-expected result in terms of the popular vote but must also win a decisive majority at the constituency level, by winning battleground districts and flipping Fidesz strongholds.

4. The election produces a hung parliament. Of the three other parties on the ballot paper, only Our Homeland is expected to pass the 5% threshold. The party has also fallen victim to the polling inconsistencies, currently polling at 4-8%. If turnout surpasses all previous levels, the party will be at the risk of falling short of the 5%, creating a two-party parliament. A more moderate turnout, however, could see the party increase its number of MPs in comparison with 2022. This could result in a scenario where neither TISZA nor Fidesz secures a majority, theoretically allowing Fidesz to informally join forces with Our Homeland to form the next government regardless of which of the two blocs finishes first.

KEY POST-ELECTION RISKS

Institutional and legislative deadlock: If TISZA wins the elections with a simple majority, a Magyar-led government will have to work with public institutions led by Fidesz-appointed figures whose mandates are for 6-12 years and who cannot be removed with a simple majority in parliament. These include the recently appointed Chief Prosecutor and the recently restaffed Constitutional Court, in addition to other judicial, investigative and regulatory institutions, as well as President Tamás Sulyok, who was appointed by the Fidesz majority for a five-year term in early 2024. Although the President's role is largely ceremonial, Sulyok holds constitutional power to veto legislation, while other institutions may strike down government decrees and institutions. From a political stability perspective, the key institution to watch is the Budget Council (KT), which holds the power to veto the central budget under certain conditions. A KT disapproval of the next central budget could lead the President to dissolve parliament, potentially resulting in early elections and a political crisis.

Legitimacy crisis: If Fidesz wins the elections without winning the popular vote (a possible scenario under Hungary's election system), the new government's political legitimacy could be questioned. Notably, Fidesz failed to win the popular vote in the 2014 and the 2018 elections, with public frustration culminating in mass protests after the 2018 elections along with demands for a more proportional election system. (In 2022, Fidesz reclaimed the popular vote, winning 53%). While it would meet the requirements to win from an electoral law perspective, a 2018-like outcome could seriously impact perceptions of a Fidesz victory, particularly if TISZA wins the popular vote by a notable margin. Such an outcome could be followed by protests accompanied by demands for a re-run election. If coupled with electoral fraud claims, in a more escalatory scenario, broader unrest is also possible. Conversely, if TISZA's winning margin is slim, the outgoing ruling bloc may frame the outcome as "illegitimate" and portray the incoming ruling bloc as "foreign-controlled," also leading to protests or civil unrest.

Budgetary shortfall and economic uncertainty: The next government will face a critical deficit level. The central budget has reached an alarming 49.9% of its annual deficit target within the first two months of 2026, driven by massive pre-election expenditure. While the government maintains a year-end goal of 5%, this rapid exhaustion of funds suggests the deficit may ultimately exceed official projections. Consequently, significant fiscal adjustments may be required after the election to stabilize the national economy and manage the mounting debt, which has tripled since 2010 and is close to 75% of the GDP. Another critical challenge to tackle will be securing Hungary's post-pandemic EU recovery funds, suspended due to alleged rule-of-law concerns in Brussels. The new government would need to meet a set of specific EU requirements ("super-milestones") to secure the funds by August. Any delay in reaching an agreement could result in a chronic investment gap. This comes as GDP grew by 0.8% in the fourth quarter of 2025, bringing full-year growth to a modest 0.4%. In response, economists have begun downgrading 2026 growth forecasts toward 1.7–2.3% due to the recent energy market shocks. Furthermore, the forint remains vulnerable to market volatility as investors weigh the credibility of post-election fiscal consolidation plans against the backdrop of persistent inflationary pressures

MAIN POLICY IMPLICATIONS

If TISZA wins, the government could pivot toward a pro-EU and anti-corruption agenda by joining the European Public Prosecutor's Office to unlock Hungary's frozen EU recovery and cohesion funds. This transition could involve a shift from large-scale Eastern industrial investments toward supporting domestic SMEs, alongside indicated plans to cut Russian energy dependence by 2035 and proposed measures such as doubling family subsidies and implementing significant wage hikes for healthcare and education workers.

Should Fidesz win, Hungary could be expected to continue its current policy direction, including a focus on national sovereignty and industrial cooperation with non-Western partners such as China and Russia, particularly in the energy and battery sectors. The overall policy approach could continue to emphasize utility price caps and tax-based family support schemes, alongside ongoing state support for large industrial projects and the development of a domestic defence industry. Relations with the EU and Ukraine could remain strained, while ties with Russia, China and other non-EU partners may continue to be prioritized.

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