

EU denounces Hungary's internet tax as "bad"

BRUSSELS, BELGIUM: The European Union (EU) denounced Hungary's plan for an internet tax as a new threat to political freedom in the country and also a threat to broader EU economic growth.



The EU's Ryan Heath has denounced Hungary's plan to charge a tax 50 Euro cents per gigabyte of data transferred as a threat to personal freedom and says the whole plan is deeply flawed. Image: [European Commission](#)

"EU Digital Commissioner Neelie Kroes believes it is a particularly bad idea and will continue to support protests against the proposed levy held in Budapest," her spokesman Ryan Heath said.

"The proposal has to be seen as part of that pattern of actions which have limited freedoms," Heath told reporters in Brussels.

He was referring to the government of Hungarian Prime Minister Viktor Orbán, which has cracked down on media regulation and the justice system.

"If Hungary becomes a precedent in this instance, it can become a problem in a lot of other member states and become a problem for Europe's wider economic growth," Heath said.

"The digital part of the economy is probably the main thing keeping Europe out of recession right now," he said. "So taxing that in a country that is already below the average on digital indicators is a particularly bad idea," Heath said.

"The proposed levy also flies in the face of personal efforts by Kroes over the past five years to promote the digital economy across Europe," Heath said. Kroes' mandate ends 31 October.

Announcing the levy a week ago, Economy Minister Mihaly Varga said the tax of 150 forints or €0.50 on each gigabyte of transferred data, was needed to boost the country poorly performing economy and its weak tax collection.

Orban has been accused of leaning towards authoritarianism and protest organisers told AFP they believed the tax was aimed at restricting government critics who mainly use online media.

Others are concerned it will hurt small businesses and make it harder for people, particularly in poor areas, to access information and educational material.

Source: AFP via I-Net Bridge

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