

Thousands in Hungary march against Internet tax (Update)

October 28 2014, by Pablo Gorondi



Thousands of demonstrators light up their mobile phones as they march through Elizabeth Bridge across River Danube as they protest against an internet tax planned to be introduced by the Hungarian government for the second time in two days in front of the Ministry of National Economy in Budapest, Hungary, Tuesday, Oct. 28, 2014. Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015. (AP Photo/MTI, Laszlo Beliczay)

Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015.

The rally, the second in three days objecting to the scheme, was also a sign of growing discontent among mostly younger citizens against Prime Minister Viktor Orban's policies centralizing power and increasing the role of the state to the detriment of private enterprise.

Orban's governing party, Fidesz, won its second consecutive two-thirds majority in April and he is starting his third four-year term. After conflicts from 2010 with the European Union and criticism from the United States and others on new laws regulating everything from the media to churches, lately the Orban government has been reproached for intimidating independent civic groups, including corruption watchdogs and minority advocates, and for its efforts to deepen ties with Russia.

Speakers outside the Economy Ministry called on Orban to withdraw the plan to force Internet service providers to pay 700 forints (\$2.89, 2.27 euros) per individual subscriber and 5,000 forints per business subscriber every month. There are concerns that the tax will not be absorbed by the service providers, as the government claims.



Thousands of demonstrators protest against an internet tax planned to be introduced by the Hungarian government for the second time in two days in front of the Ministry of National Economy in Budapest, Hungary, Tuesday, Oct. 28, 2014. Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015. The inscription on Guy Fawkes mask reads: "Unity, freedom!" (AP Photo/MTI, Janos Marjai)

"The ideal amount of the Internet tax is not 700 or 5,000 forints but exactly zero," Internet entrepreneur Zsolt Varady told the crowd, which was estimated by local media at between 35,000 and 40,000 people and chanted a slew of anti-government slogans.

Initially, the tax was set to be 150 forints per gigabyte of Internet traffic, but Fidesz said it would set a cap on the levy.

The government, which announced the proposal last week before any consultations with industry groups or even Fidesz lawmakers, gave several explanations for the measure—it was meant to complement a tax on telephone calls, as people were increasingly using the Internet to make calls; it would take a bite out of the telecommunications companies' allegedly large profits; and the new revenues would help improve Internet access in rural areas.

Ryan Heath, spokesman for EU Digital Commissioner Neelie Kroes, said the plan was "bad in principle" and could hinder economic growth.



Thousands of demonstrators flash their mobile phones as they march through Elizabeth Bridge across River Danube as they protest against an internet tax planned to be introduced by the Hungarian government for the second time in two days in front of the Ministry of National Economy in Budapest, Hungary, Tuesday, Oct. 28, 2014. Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015. (AP Photo/MTI, Janos Marjai)

"Hungary is below the EU average in virtually every single digital indicator and the digital part of the economy is probably the main thing keeping Europe out of recession right now," Heath told reporters in Brussels. "So taxing that ... is a particularly bad idea."

The EU Commission also fears Hungary's plan would be copied by others.



Demonstrators light up their mobile phones as they march through Elizabeth Bridge across River Danube, during a protest against an internet tax planned to be introduced by the Hungarian government for the second time in two days in front of the Ministry of National Economy in Budapest, Hungary, Tuesday, Oct. 28, 2014. Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015. (AP Photo/MTI, Laszlo Beliczay)

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

Protesters vowed to continue the rallies, which were also held in several

other Hungarian cities and at some Hungarian embassies in EU countries, until the government withdraws the tax plan.



Demonstrators march through the streets of Budapest, as they protest against an internet tax planned to be introduced by the Hungarian government, for the second time in two days, in Budapest, Hungary, Tuesday, Oct. 28, 2014. Tens of thousands of protesters marched Tuesday against a plan by the Hungarian government to tax Internet use from 2015. The inscription of the banner reads: "No to the internet tax!" (AP Photo/MTI, Laszlo Beliczay)



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