



Embassy of Hungary

## **Invest in Hungary**

HE Péter Szabadhegy  
Ambassador of Hungary

AstraZeneca's HQ at Alderely Park  
25 March 2015

# Hungary – In the Heart of Europe

Your gate to a market of  
**500 million** customers



Capital: Budapest  
(ca. 1,740,000 ppl)

- At the cross roads of 4 main European transportation corridors
- Extensive road and railway transportation network
- Highly developed logistics and telecommunications infrastructure

# **Hungary: a reinvigorated nation**



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# Hungarian Parliamentary Election Results

<i>Party</i>	<i>Election Results % (nr. of seats )</i>	
	<i>2010</i>	<i>2014</i>
<b><i>FIDESZ-KDNP</i></b>	<b>68.16% (263)</b>	<b>66.8% (133)</b>
<b><i>MSZP</i></b>	<b>15.3% (59)</b>	
<b><i>Coalition (MSZP-EGYÜTT-DK-PM-MLP)</i></b>		<b>19.1% (38)</b>
<b><i>JOBBIK</i></b>	<b>12.2% (47)</b>	<b>11.6% (23)</b>
<b><i>LMP</i></b>	<b>4.1% (16)</b>	<b>2.5% (5)</b>
<b><i>Non-affiliated</i></b>	<b>0.26% (1)</b>	
<b><i>Total:</i></b>	<b>100% (386)</b>	<b>100% (199)</b>

Historic landslide re-election – how and why could this happen?

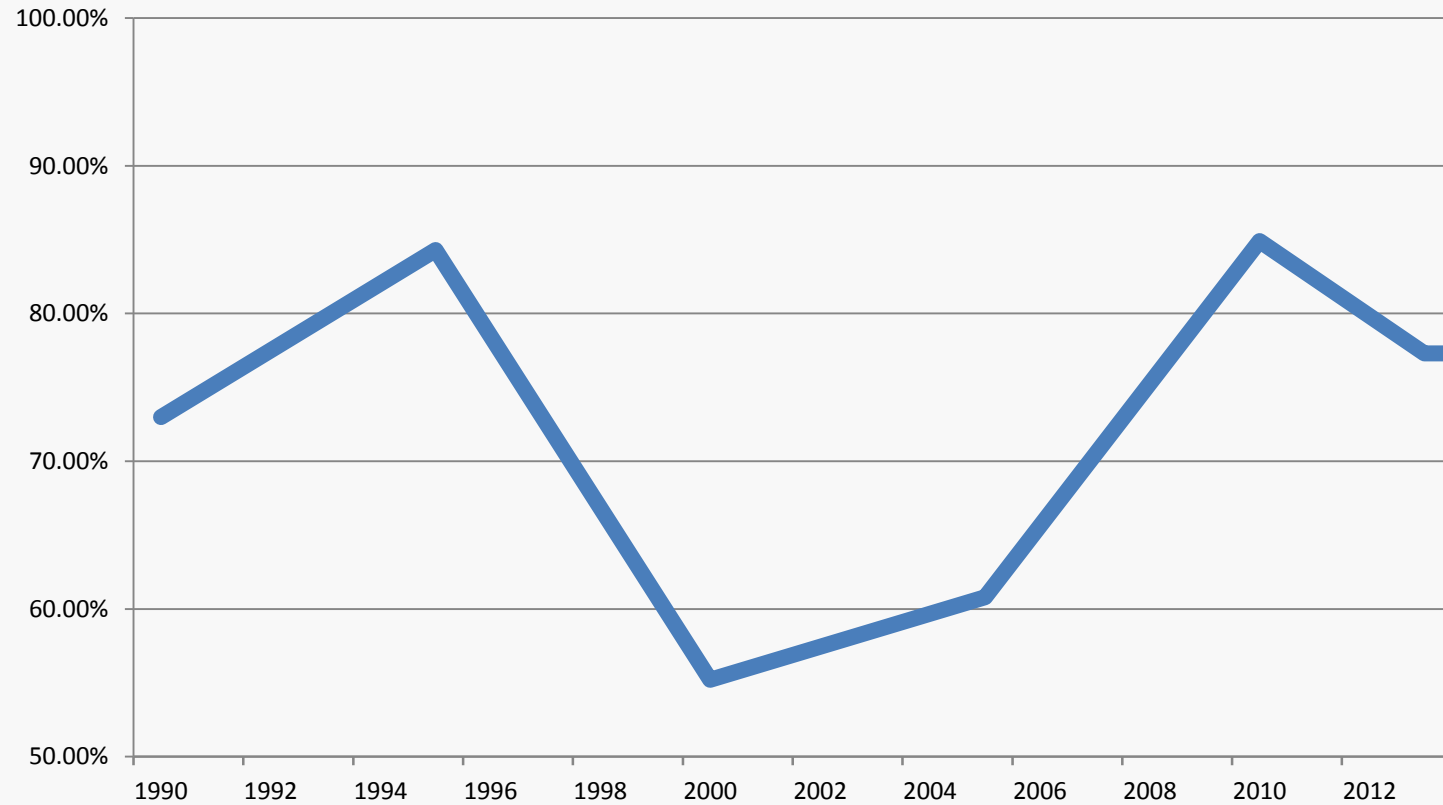


# **What is the Hungarian recipe for success?**



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# Hungary Government debt to GDP ratio

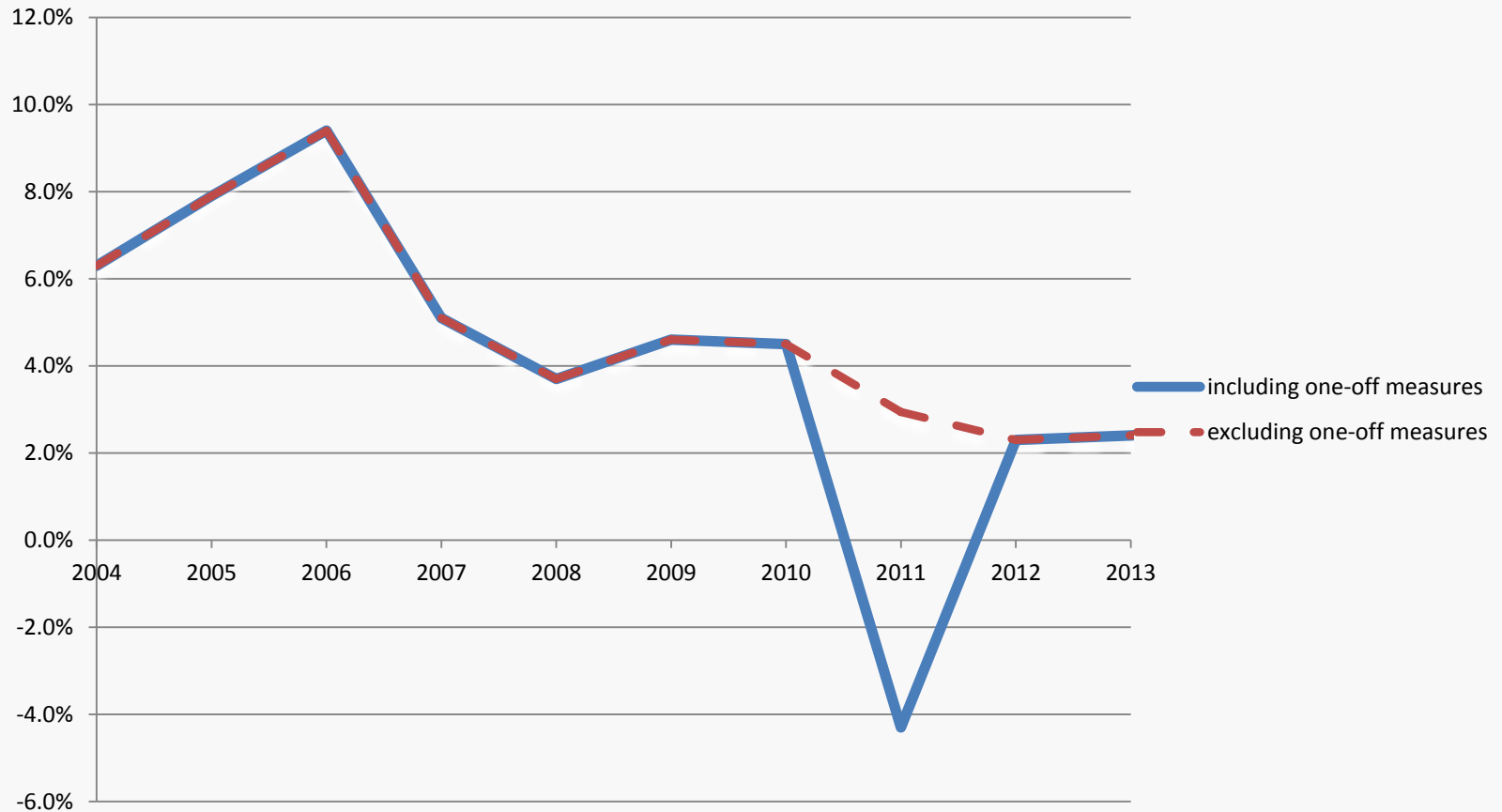


*Source: Hungarian National Bank (2014)*



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# Government budget deficits

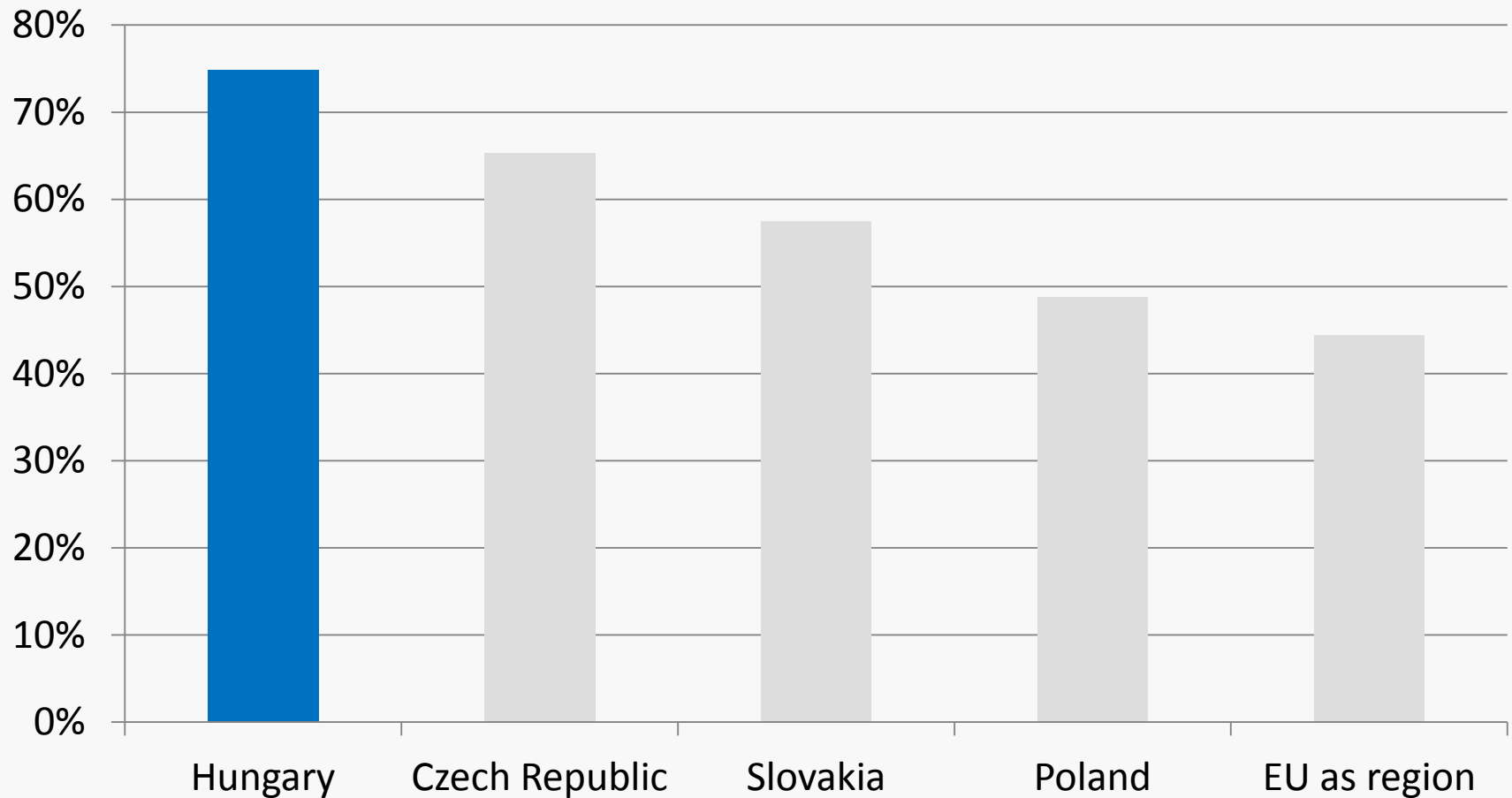


Source: Hungarian Central Statistical Office (2013)  
Hungarian National Bank (2012)



# FDI Stock in CEE region

FDI as percentage of GDP in 2013

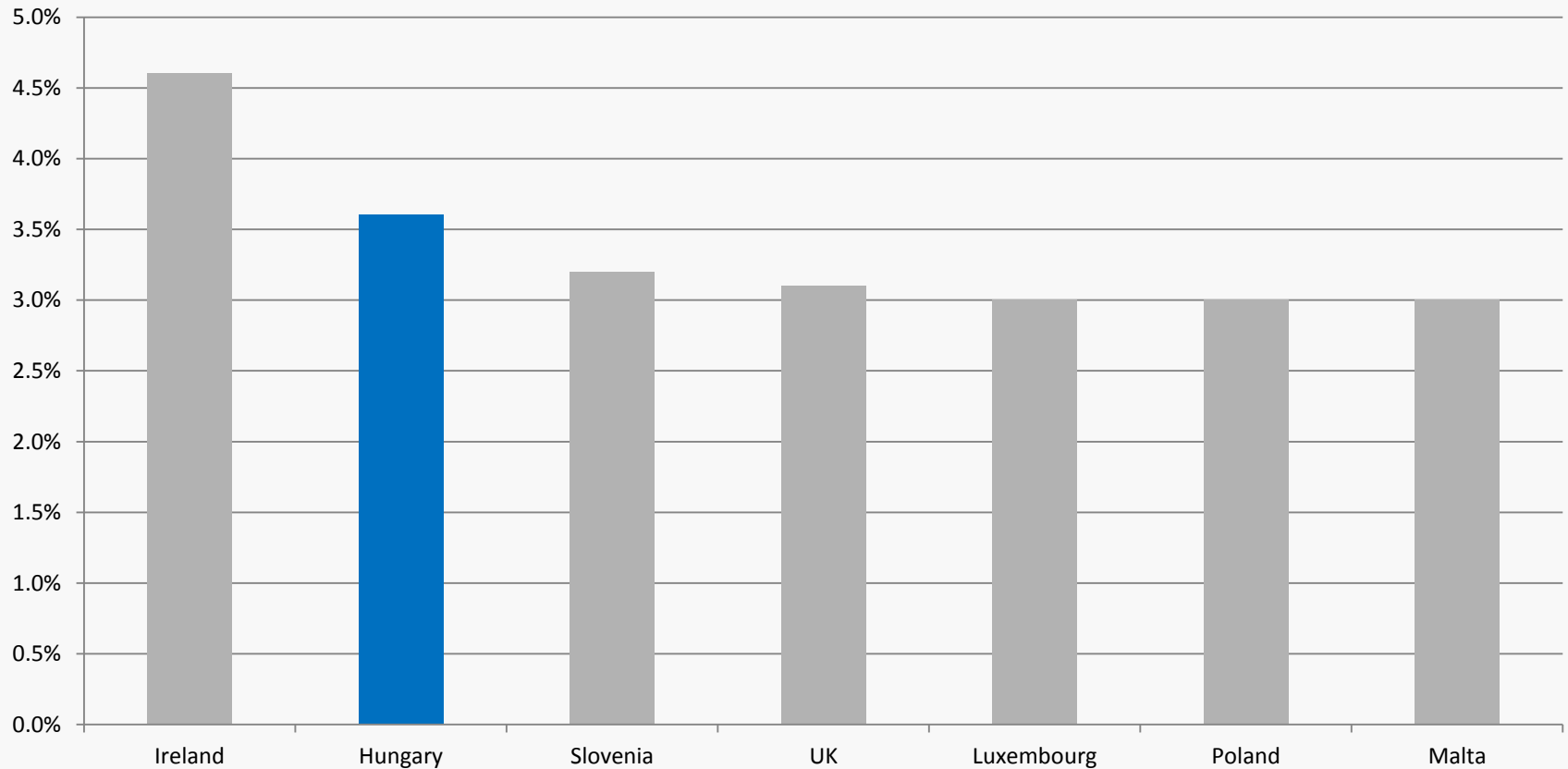


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Source: Hungarian Investment Promotion Agency (2014)  
UN World Investment Report (2014)



# GDP Growth Rates in the EU - 2014



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*Source: European Commission (2015)*

# Why invest in Hungary?



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# Hungary – Logistics

## Excellent access to key markets

- Junction of 4 main European transportation corridors

## Extensive road and railway transportation network

- High road density
- Rail transport carries more than 20 % of total trade
  - well above the EU average

## Highly developed logistics and telecommunications infrastructure



# Hungary – Industrial Parks

**More than 210 industrial parks available for manufacturing activity**

Greenfield, brownfield investments

Good access to highways

Excellent infrastructure services

Turnkey solutions

New technology and logistical parks

Warehousing

Customs arrangements

Forwarding

Administration (authority permits)

Financial services

Legal consulting

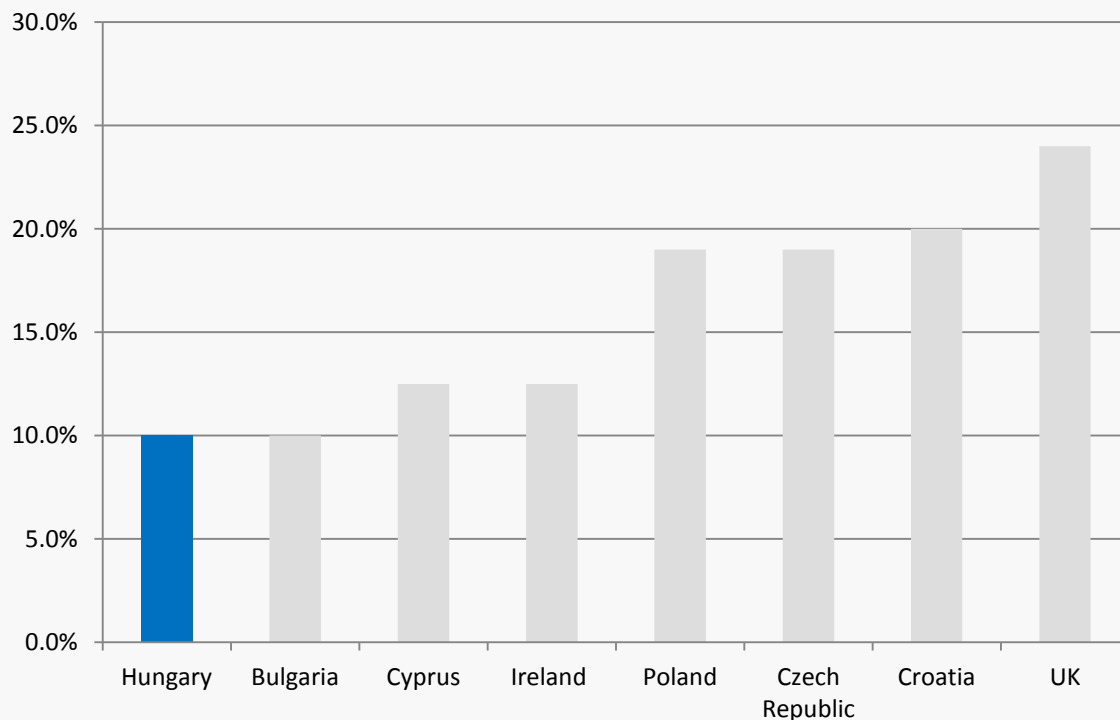
Extra services



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# Hungary – Competitive tax system

Lowest corporate income taxes in EU



European countries	Corporate income tax
France	33.33%
Spain	30.00%
Germany	29.55%
UK	24.00%
Greece	26.00%
Czech Republic	19.00%
Slovakia	23.00%
Poland	19.00%
<b>Hungary</b>	<b>10-19%</b>

Source: European Commission, KPMG (2014)



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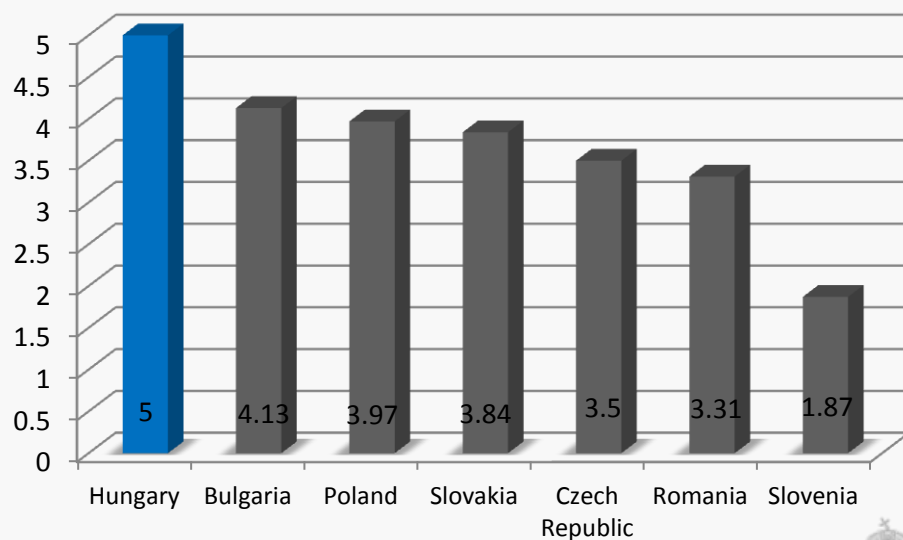
\*Applied exchange rate: 300 HUF/EUR

# Hungary – Labour force

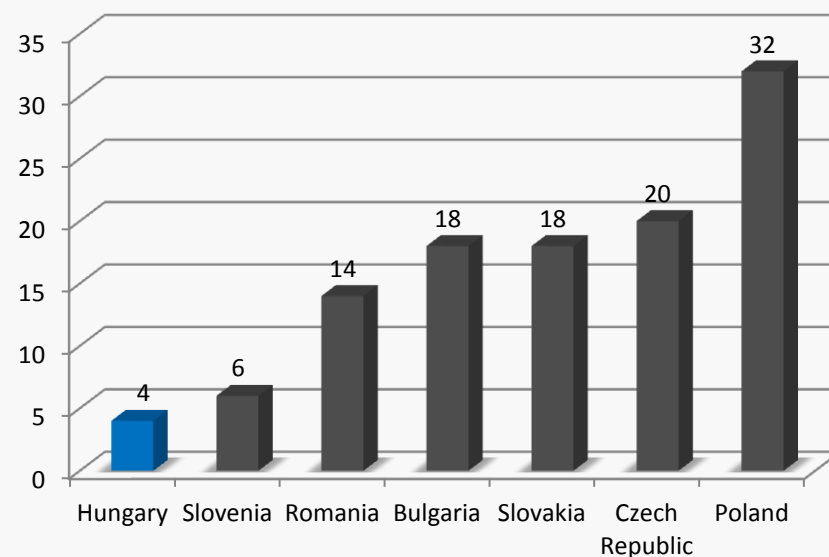
## Liberal labour regulations:

Regulations (hiring / lay off practices, minimum wages etc.) do not hinder business activities.

Competitiveness rankings (scaling from 1 to 10)



Number of days needed to start a business



Source: IMD, World Competitiveness Online (2013)



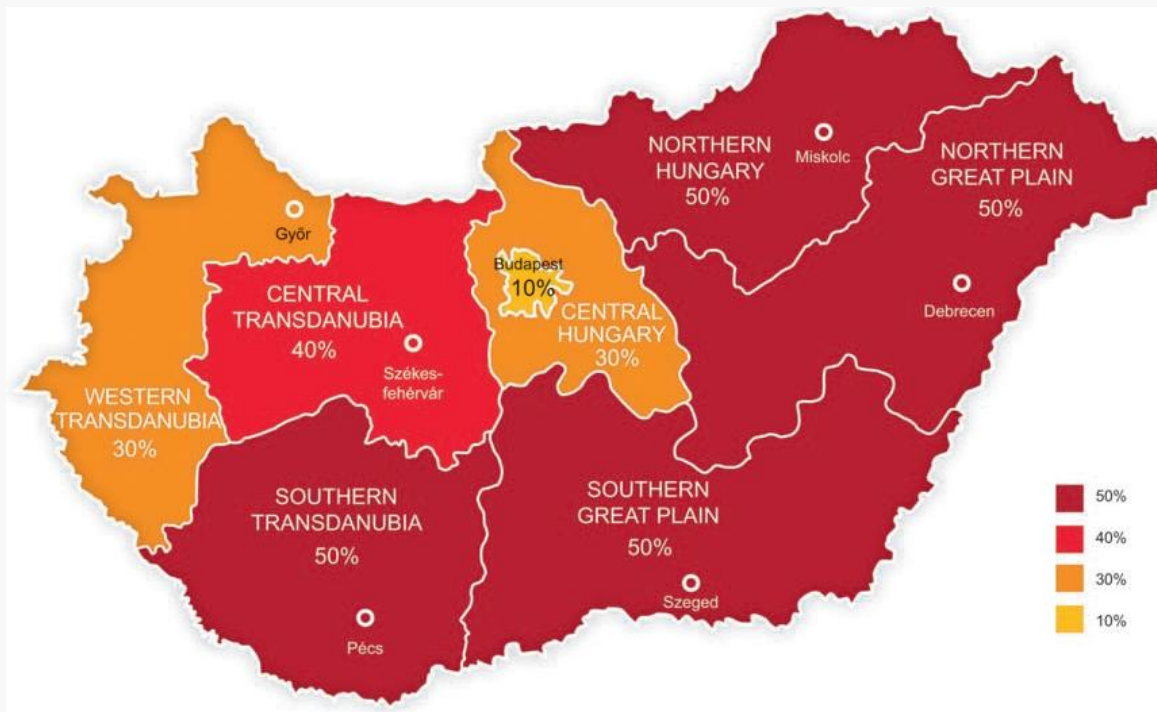
# Hungarian Governmental Incentives

## Government's strong commitment to streamlining business processes

Easier, smoother way of coming to or expanding in Hungary.

## Wide range of available incentives

Both refundables and non-refundables, cash subsidies, tax incentives, low - interest loans, land available for free or at reduced prices



### Regional aid intensity map

All 7 regions of Hungary qualify for incentives. Aid intensity varies between 10% - 50% for large corporations.



# Hungary – Focus sectors

## Manufacturing Industries and Energy

- Automotive industry
- Electronics
- Chemical industry
- Food industry
- Renewable energy

## Knowledge-based Industries and Services

- Shared Service Ctrs
- Life science
- Logistics
- ICT

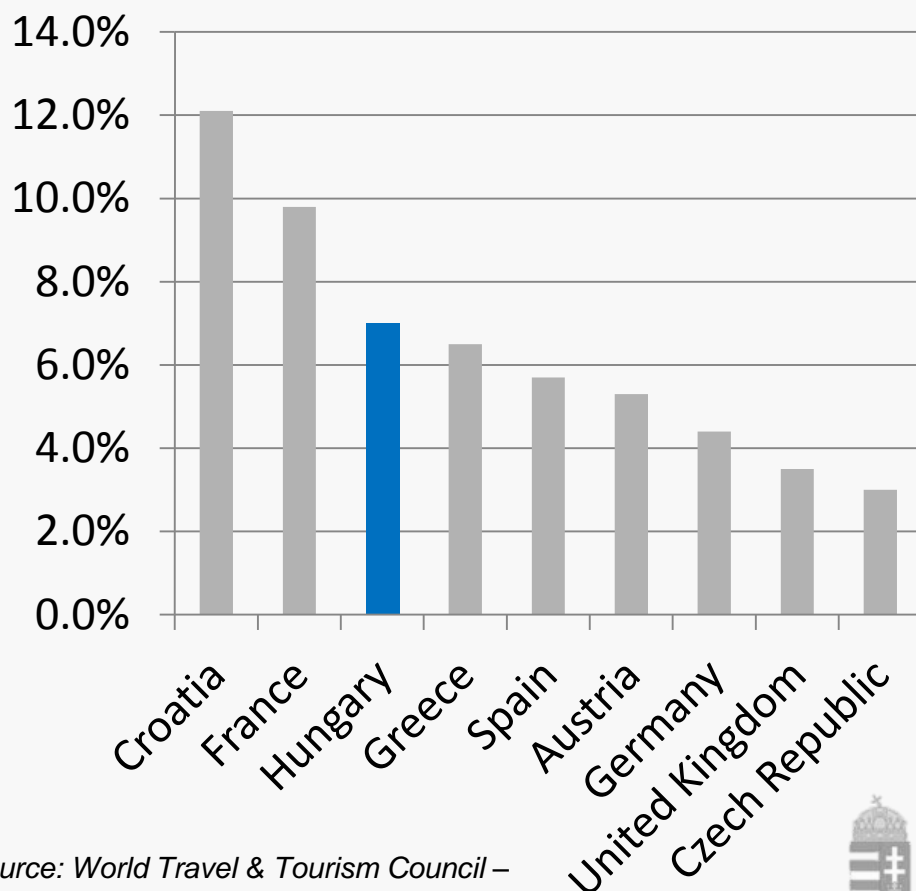




# Hungary: More than Expected



## Tourism added value to GDP



### Tourism from UK in 2014:

- 292,000 visitors +8.9%
- 738,00 guest nights +8.8%

### Air-flights connectivity:

**8 direct flights a week to/from Manchester**

### Main tourism products from the UK

- Budapest – city break destination
- Cultural tourism
- Wine & gastronomy
- Debrecen and the region
- MICE (Meetings, Incentives, Conferences, Exhibitions)

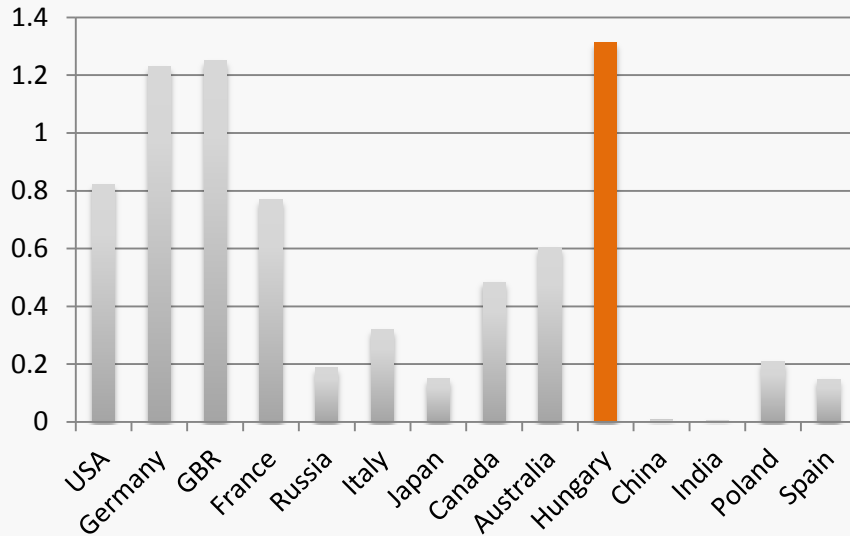
Source: World Travel & Tourism Council – country reports 2014.



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# Hungary – Soft factors – IQ & Stamina

Number of Nobel prizes / One million citizens

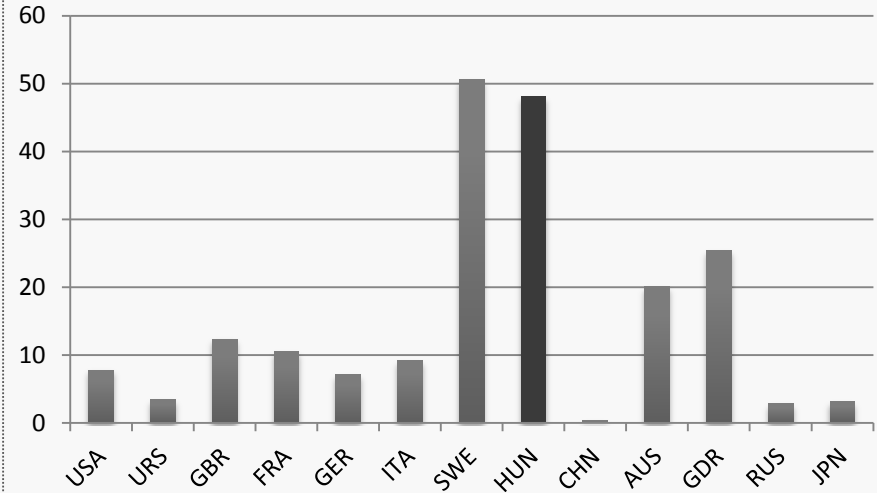


Source: [http://www.nobelprize.org/nobel\\_prizes/lists/all/](http://www.nobelprize.org/nobel_prizes/lists/all/)

Until the present day Hungary gave **13 Nobel prize winners**.

Hungarian inventions contributed immensely to the evolution of science, technology. Among many others **József Bíró** („Biro-pen”), **János Neumann** (pioneer of electronic computers) are well known around the world.

Number of Olympic medals / One million citizens



Source: <http://hu.wikipedia.org/wiki/>

Hungary has traditionally been a very strong competitor in sports. Both team sports and individual sports include a very high number of Hungarian Olympic champions. A name that rings familiar in every corner of the world:

**Ferenc Puskás**



# What to expect in the future

- Sustainable and balanced **economic growth**
- Government's priority on **job creation**
- Fiscal **austerity**
- **Business friendly** environment
- Policies geared to enhance **access to financing**





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**Thank you !**

- **The Hungarian Government:** <http://www.kormany.hu/en>
- **The Embassy of Hungary:** <http://www.mfa.gov.hu/kulkepviselet/uk/hu>
- **Facebook page of the Embassy:**  
<https://www.facebook.com/pages/Embassy-of-Hungary-in-London-Magyarorsz%C3%A1g-Londoni-Nagyk%C3%B6vets%C3%A1g/167354146795234>
- **Hungarian Investment Promotion Agency:** <http://hipa.hu>



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