

INVEST  
IN

HUNGARY



# HUNGARY

smart.  
ambitious.  
competitive.

**#1**

European destination  
for 2019  
by European Best  
Destinations

IIH  
2021  
page  
4

# About Hungary



Population  
**9,769,526**  
(2020, HCSO)



Area  
**93,023 km<sup>2</sup>**



Capital (population)  
**Budapest**  
**(1,750,216)**  
(2020, HCSO)



Form of  
Government  
**Parliamentary  
Republic**



Currency  
**Forint (HUF)**



Time zone  
**GMT + 1hour**



Membership in international organisations  
**EU, UN, OECD, WTO, NATO, IMF, EC**  
EU member since 2004

## Key figures



Inward FDI stock  
**61%** (of GDP)  
(2019, MNB)



GDP (PPS)  
**€ 225,808 M**  
(2019, HCSO)



GDP / capita (PPS)  
**€ 23,110**  
(2019, HCSO)



GDP growth  
**4.6%**  
(2019, HCSO)



Inflation  
**3.4%**  
(2019, HCSO)



Average gross earning  
**€ 1,131**  
(of full-time employees)  
(2019, HCSO)



Budget balance  
**-2.1%**  
(% of GDP)  
(2019, HCSO)



### Business friendly environment

Hungary has been continuously  
improving its taxation system.



Corporate  
income tax  
**9% flat rate**

the  
**lowest**  
in the  
EU

Social contribution tax  
**15.5%**  
(As of 1 July 2020)





based on  
3 main pillars

FDI focus  
through  
HIPA



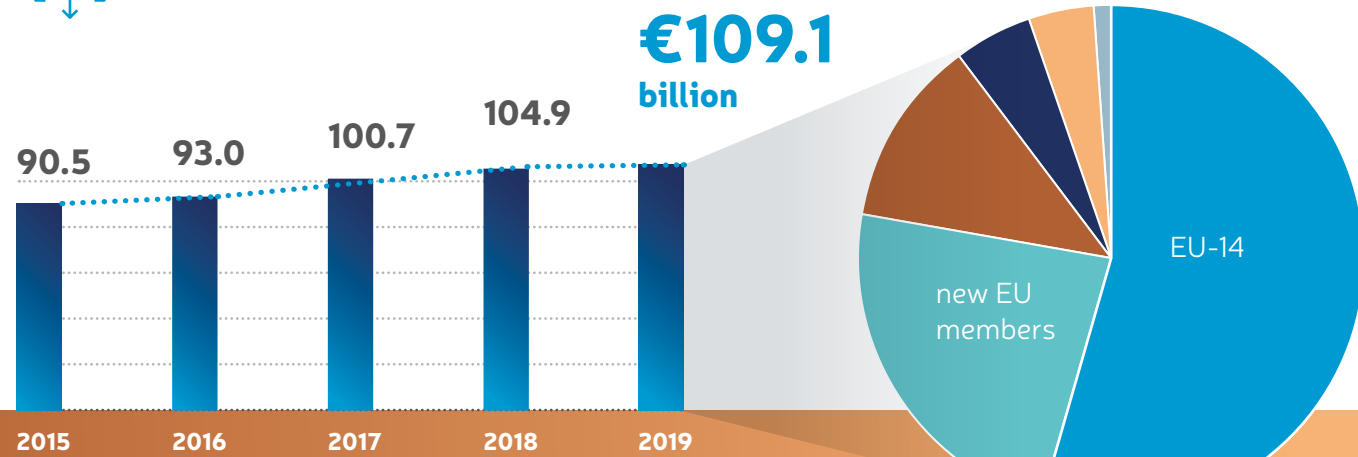
Export  
promotion  
by HEPA



Effective financing  
and insurance  
facilities by EXIM

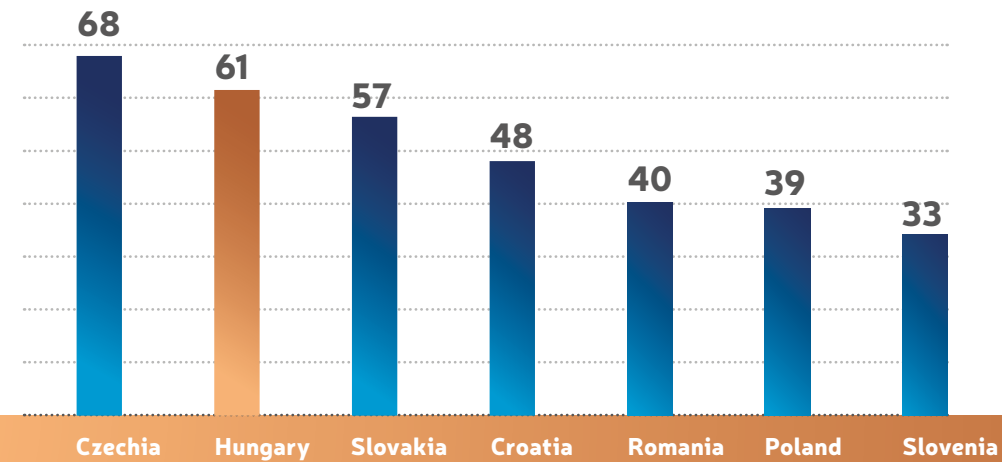


Continuously  
increasing  
FDI inflow  
since 2015



Hungary's exports by country group (billion EUR)

- non EU member European countries
- Asian countries
- American countries
- Other countries



Inward FDI stock in 2019 (% of GDP)



extensive network  
of diplomats  
promoting Hungary's  
foreign trade relations

at

148

local  
representations



in

84

countries



# BUD PEST

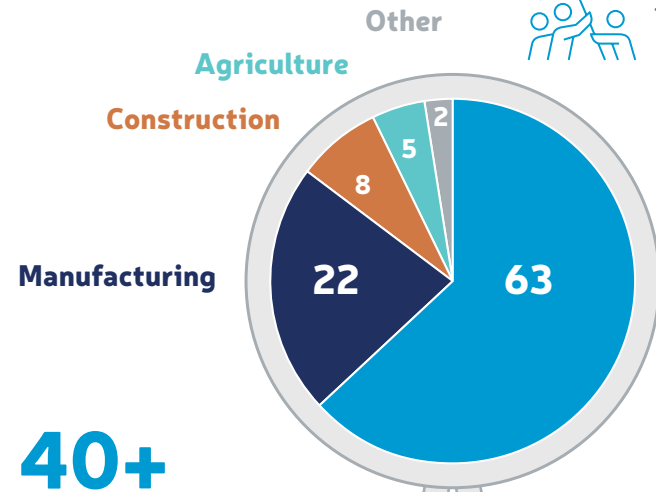
**#1**

Budapest is the most affordable city for running a business (Utility Bidder)



**the Most Livable City**  
in Eastern Europe according to  
The Economist's annual list

**Labour pool structure**



**The Hungarian labour force** is well qualified and cost effective, which increases the country's international competitiveness.

**40+** languages served by Hungarian Business Services Centres



**Multilingual** highly educated talent pool

- English
- German
- French
- Italian
- Spanish
- Russian
- Chinese

## Dual education



Talent pool in the service of **the Hungarian economy**



**285,110** students in **tertiary** education



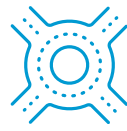
The number of **tertiary dual** education partner organisations amounts to over **900**

**145,016** students in **vocational** education



The number of students engaged in **vocational dual training** is around **50,000**





**EU and Schengen**  
zone membership  
(free movement of goods)



Direct flights to  
**153**  
destinations  
by 49 airlines  
from Budapest Airport



**Nr. 1**  
in length of motorways  
in CEE (EU Transport  
in Figures 2019)



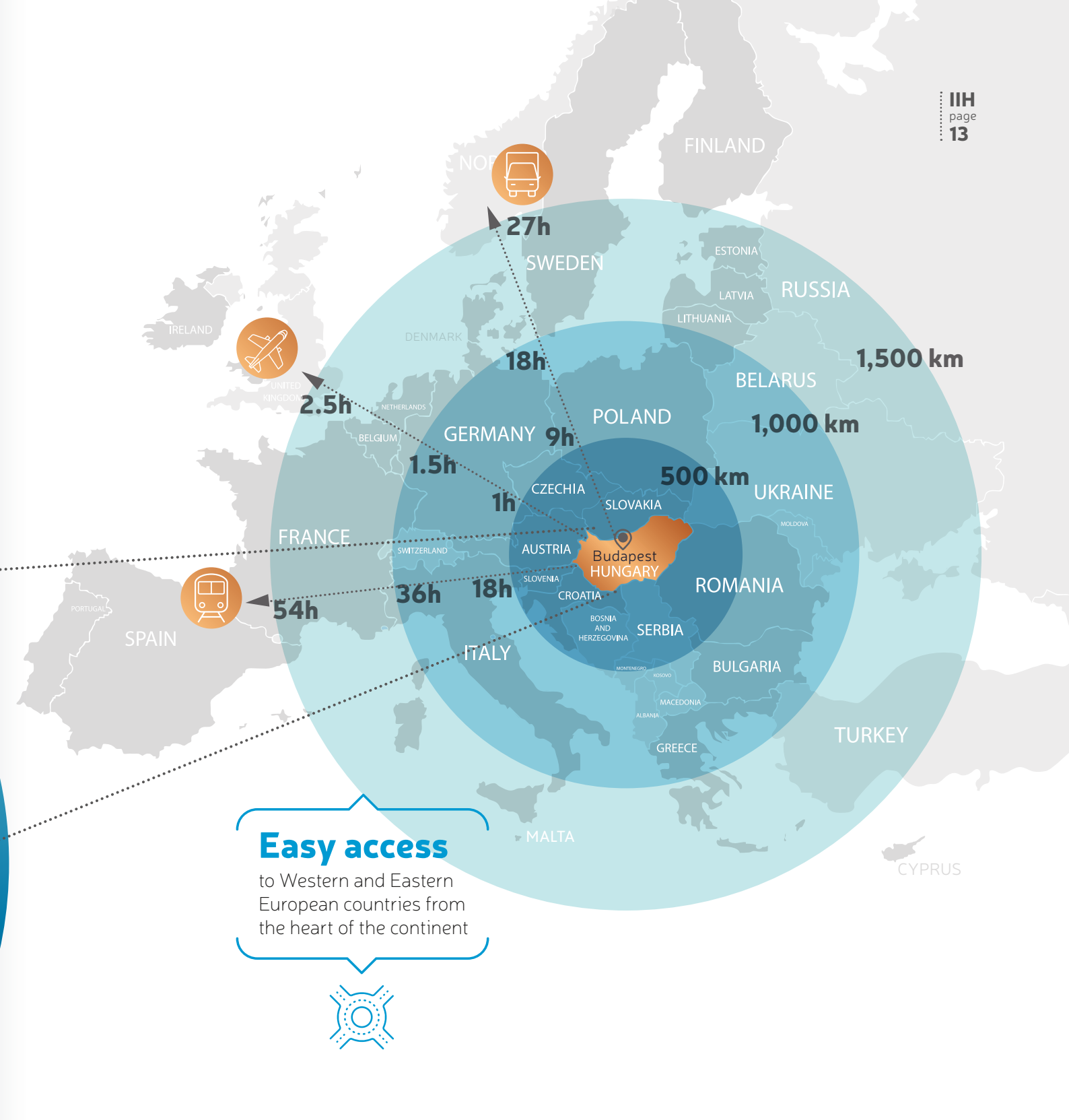
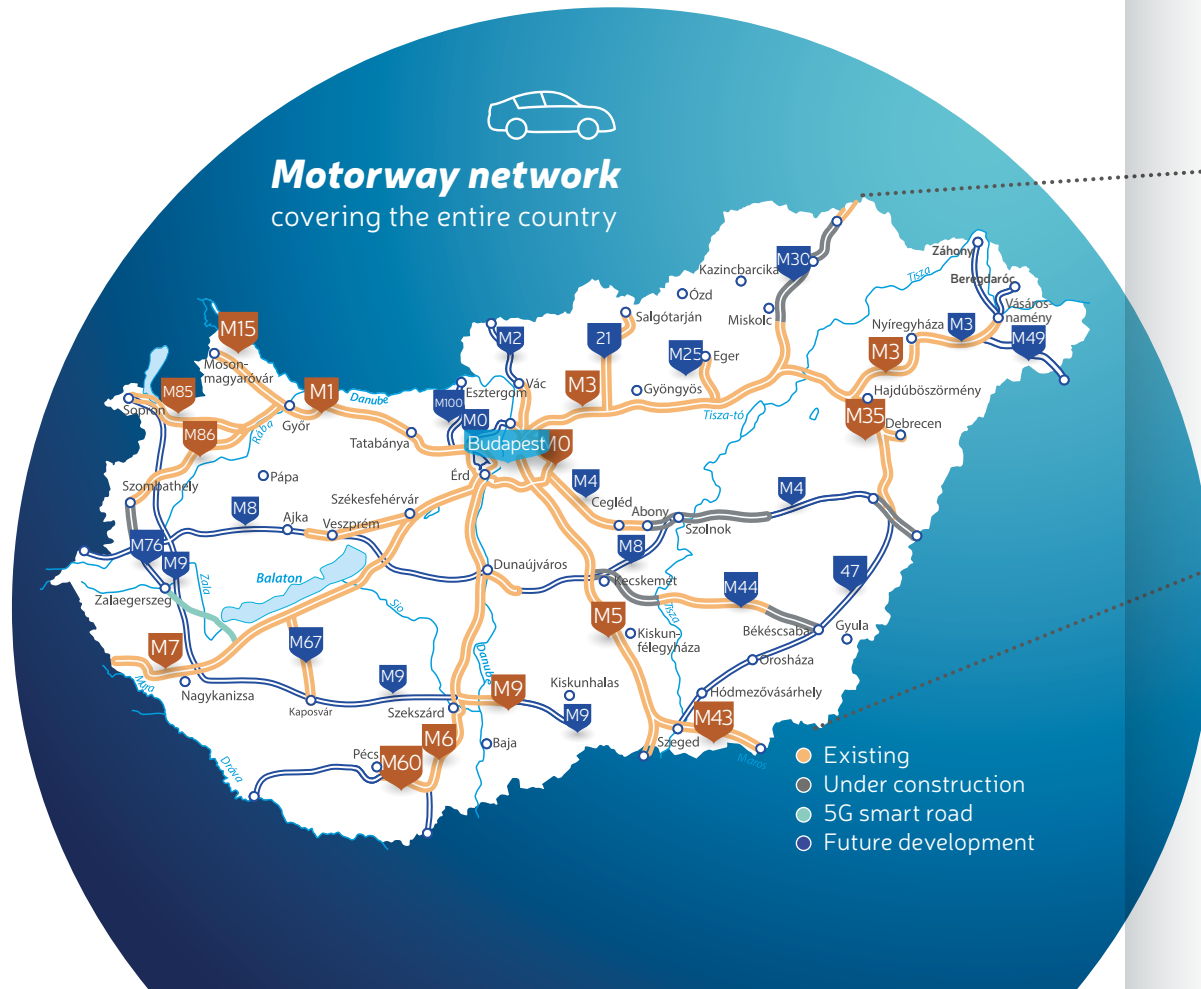
**Nr. 6**  
in railway line  
density in Europe



**50+**  
scheduled container trains  
weekly to European ports  
of the North Sea,  
the Adriatic and  
the Mediterranean

**3rd fastest**  
**4G** mobil internet  
in the world

**5G** already available  
for commercial users



# BUD AIRPORT



**#1**  
**6x best**  
Best airport  
in the Eastern  
European region







1.



HIPA offers one-stop-shop management consultancy services providing tailor-made information packages and incentives for companies interested in investing in Hungary.

### Location selection

Access to information on investment sites, labour market, taxation, business environment, local suppliers and more.

2.



### Incentives

First-hand information on the full range of incentives, end-to-end management of the VIP cash subsidy system.

3.



### Business development

Identification and development of local suppliers, mediation between business and government, policy proposals to improve the business environment.

## Investment sites



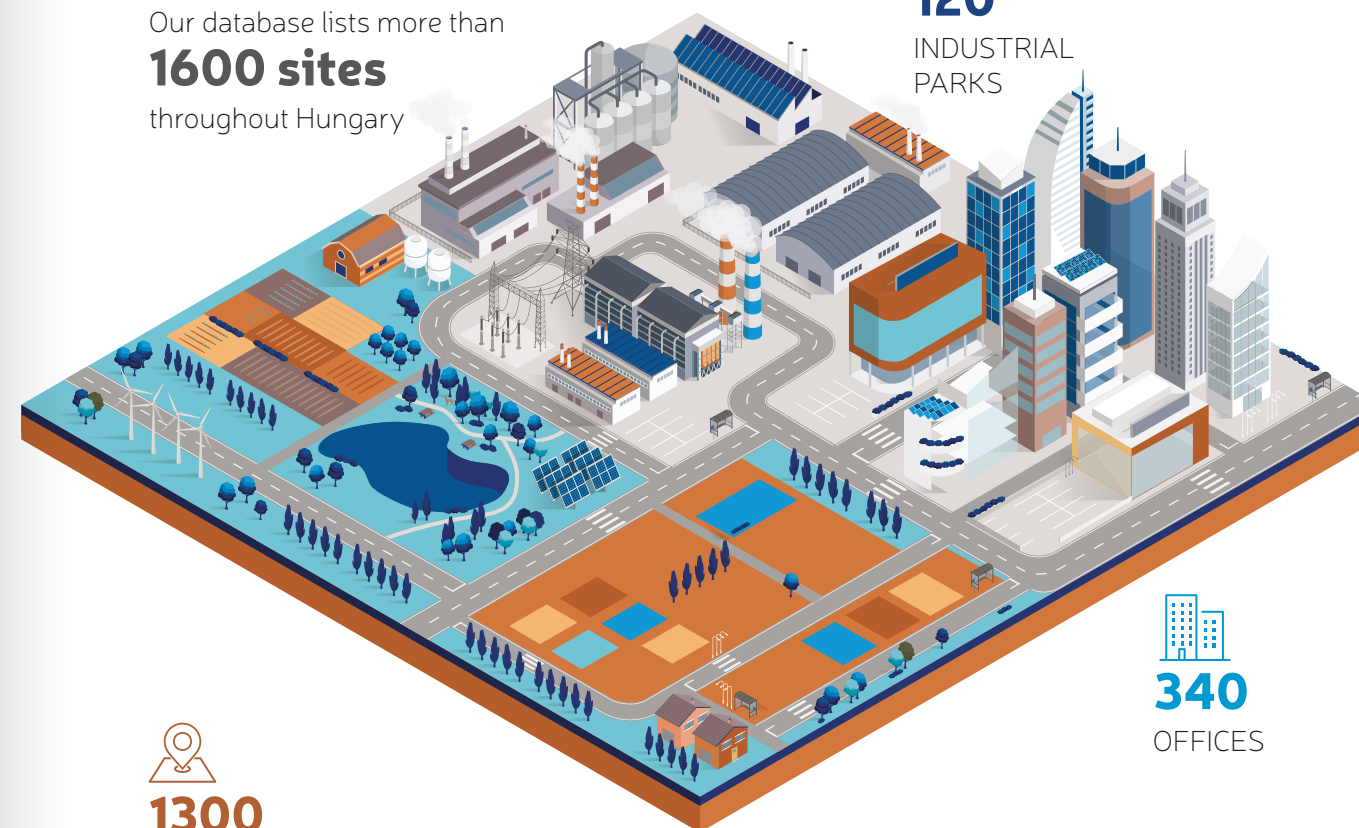
HIPA operates an internal database of investment sites in Hungary. The Investment Sites Database simplifies the task of matching investors' needs to potential locations. Searchable by size, location, available infrastructure and incentives.



Our database lists more than  
**1600 sites**  
throughout Hungary



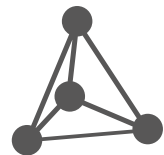
**120**  
INDUSTRIAL  
PARKS



**1300**  
GREEN- & BROWNFIELD  
SITES



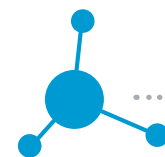
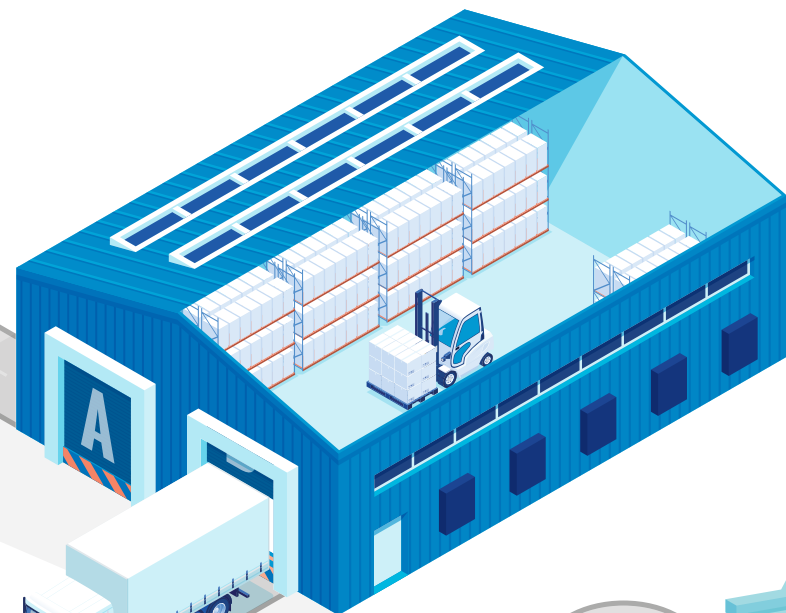
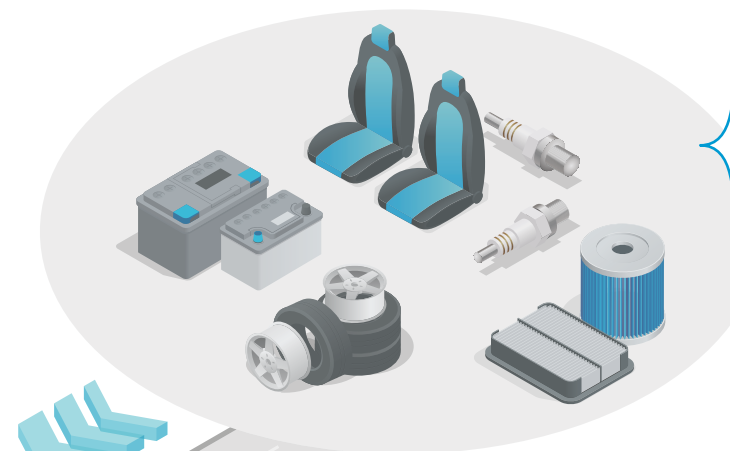
**340**  
OFFICES



## The quantity, quality and geographical location of suppliers play an increasingly important role

when choosing the location of an investment project.

It is also common in the automotive sector, that the added value by suppliers in the final product is growing increasingly. Therefore, at HIPA, we pay special attention to the supplier-related demands of our investing partners so that Hungarian enterprises can be present in as many numbers as possible in the added value chains of the multinational corporations. We are ready to provide our partners with a complete picture about Hungarian suppliers in a given sector at the earliest stage of the investment project. Later, we support the expansion of the added-value chain of the investor by presenting actual supplier's profiles in Hungary.



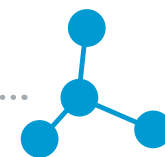
### For INTEGRATORS



**Market information**  
about the existing supplier ecosystem before the investment decision.



**Supplier database**  
about the companies in Hungary with active connections and references to the manufacturing sector.



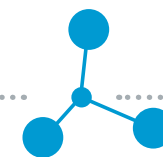
### For INTEGRATORS & SUPPLIERS



**B2B meetings**  
between integrators and suppliers in order to create business opportunities.



**Development trainings**  
focusing on quality and efficiency in order to help suppliers enter and grow within the added value chain of multinational partners.



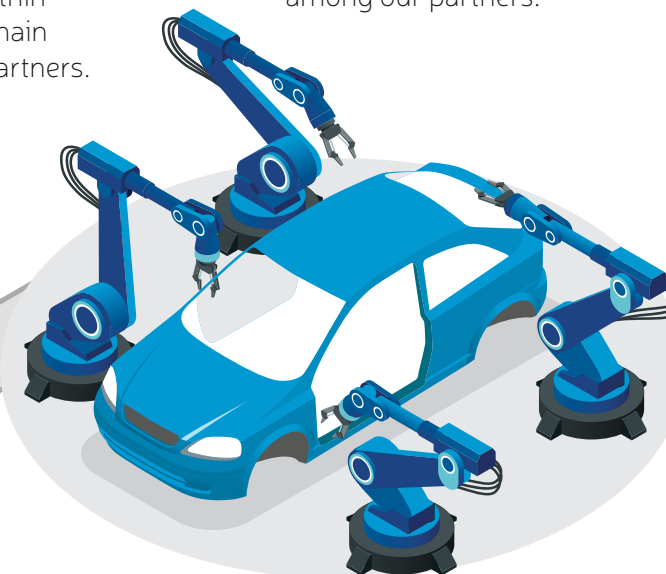
### For SUPPLIERS



**Exhibitions**  
to participate on the biggest international fairs and trade shows.



**Supplier Forums**  
to enhance horizontal and vertical connections among our partners.





responding to the dynamics  
of the economy



### trainings

#### Cash grant



up to **50%**  
of the training costs  
of the employees and

up to **73%**  
of the costs of workshop  
establishment and  
development.



### R&D&I projects

#### Cash grant



VIP Cash Subsidy  
up to **25%**  
of the project  
costs



EU  
co-financed  
tenders



#### Tax benefit

R&D&I tax benefit  
up to **100%**  
of the direct costs  
of the projects



### investments (Regional Aid)

#### Cash grant



VIP Cash  
Subsidy

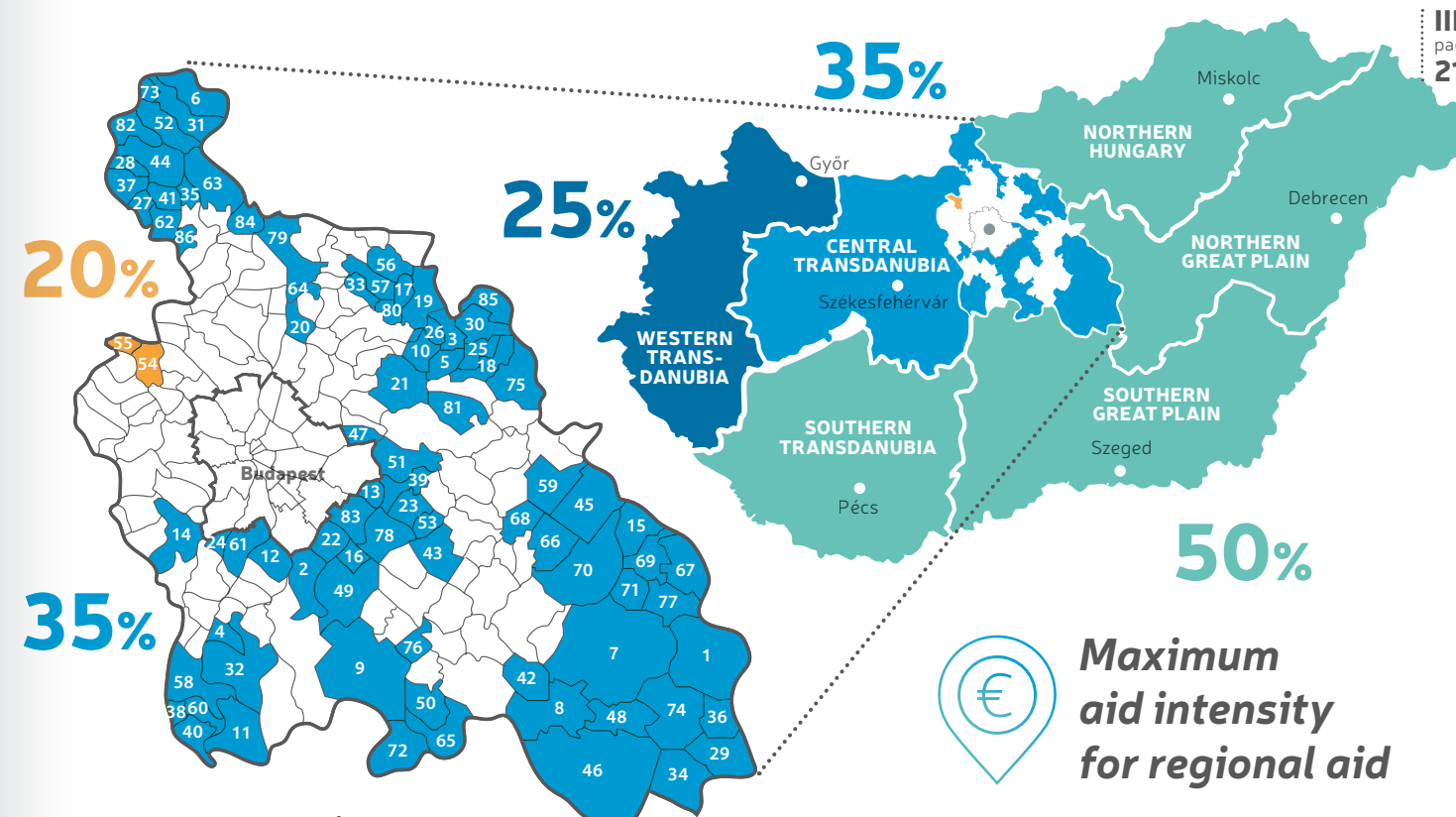


Local subsidy  
grant by  
municipality  
(based on the  
regions marked  
on the map)



#### Tax benefit

Development tax benefit  
as an exemption of  
**80%**  
of the CIT payable



#### CENTRAL HUNGARY

- 1 Abony
- 2 Alsónémedi
- 3 Aszód
- 4 Áporka
- 5 Bag
- 6 Bernecebaráti
- 7 Cegléd
- 8 Csemő
- 9 Dabas
- 10 Domony
- 11 Dömsöd
- 12 Dunaharaszti

- 13 Ecsér
- 14 Érd
- 15 Farmos
- 16 Felsőpakony
- 17 Galgagyörk
- 18 Galgahéviz
- 19 Galgamácsa
- 20 Göd
- 21 Gödöllő
- 22 Gyál
- 23 Gyömrő
- 24 Halásztelek
- 25 Hévízgyörk
- 26 Iklad
- 27 Ipolydamásd

- 28 Ipolytölgyes
- 29 Jászkarajenő
- 30 Kartal
- 31 Kémence
- 32 Kiskunlacháza
- 33 Kisnémedi
- 34 Kocsér
- 35 Kőspallag
- 36 Kőröstetétlen
- 37 Letkés
- 38 Lórév
- 39 Maglód
- 40 Makád
- 41 Márianosztra
- 42 Mikebuda

- 43 Monor
- 44 Nagybörzsöny
- 45 Nagykáta
- 46 Nagykőrös
- 47 Nagytarcsa
- 48 Nyársapát
- 49 Ócsa
- 50 Örkény
- 51 Pécel
- 52 Peröcsény
- 53 Péteri
- 54 Piliscsaba
- 55 Pilisjászfalu
- 56 Püspökhatvan
- 57 Püspökszilágy

- 58 Ráckeve
- 59 Szentmártonkáta
- 60 Szigetbecse
- 61 Szigetszentmiklós
- 62 Szob
- 63 Szokolya
- 64 Sződliget
- 65 Táborfalva
- 66 Tápióbicske
- 67 Tápiógyörgye
- 68 Tápióság
- 69 Tápiószele
- 70 Tápiószentmárton
- 71 Tápiószőlős
- 72 Tatárszentgyörgy

- 73 Tésa
- 74 Törtel
- 75 Tura
- 76 Újhartyán
- 77 Újszilvás
- 78 Üllő
- 79 Vác
- 80 Váckisújfalu
- 81 Valkó
- 82 Vámosmikola
- 83 Vecsés
- 84 Verőce
- 85 Verseg
- 86 Zebegény



# IIH Results

2021  
page 22  
from 2014 to 2020  
by HIPA



**Number of projects**

- 22 Electronics
- 12 Automotive
- 10 Food industry

**Investment volume (EUR billion)**

**New jobs**

97 FDI

810

2020



2019



2018



2017



2016



2015



**+222%**  
the investment volume has more than tripled

## Professional investment promotion by HIPA



**Top IPA of the Region**  
/ Site Selection Magazine

**FDI Strategy 2018**  
/ R&D Support  
/ fDi Magazine

**Investment Award for the Region**  
/ AIM

### References



2018



2019



2020

### Top IPA Awards

The Hungarian Investment Promotion Agency (HIPA) aims to build a close cooperation with the Hungarian investor community. One important tool with this purpose is our most important event of the year, the annual “Investors of the Year” award ceremony.



## Investors of the Year Award Ceremony

Each year, companies executing the most considerable investments of the previous year are being recognized together with a Hungarian supplier and an industrial park.

The awards are presented by Minister of Foreign Affairs and Trade and CEO of HIPA.



- 2015
- 2016
- 2017
- 2018
- 2019



Budapest

IIH  
2021

Contact

page  
28

Hipa

*Please contact us*

**Address:** 1055 Budapest,  
Honvéd utca 20.

**Customer service:**  
investment@hipa.hu  
+36 1 872 6520  
www.hipa.hu

