HUNGARY
SMART.
AMBITIOUS.
COMPETITIVE.
Hungary is an open economy where particular emphasis is placed on encouraging foreign direct investment (FDI). Partnership with potential investors is a national priority; special attention is paid to the needs of companies already settled in Hungary, and to the further improvement of the business climate.

Inward FDI stock amounted to 66% of the GDP (2016) the highest ratio in the region.

<table>
<thead>
<tr>
<th>Country</th>
<th>FDI Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>66%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>62%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>51%</td>
</tr>
<tr>
<td>Poland</td>
<td>40%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>32%</td>
</tr>
</tbody>
</table>

Source: wiiw FDI Database
ABOUT HUNGARY
BUSINESS ENVIRONMENT

INVESTMENTS IN FOCUS

IN ORDER TO IMPROVE THE BUSINESS CLIMATE THE HUNGARIAN GOVERNMENT...

has introduced a new incentive scheme supporting technology intensive investments.

has created the most competitive CIT in the EU with 9% flat rate.

has modified its taxation and incentive system related to R&D activities to make Hungary the innovation hub of CEE.

is helping companies to function reliably by providing a clear agenda on economic development and FDI strategy.

is committed to further reduce taxes on employment.

offers companies a strategic partnership and provides them with fast access to the Government.

has introduced its unique economic development plan based on Industry 4.0 requirements.

further improved the practice-based dual education system built on industry needs.
The dining scene in Budapest is livelier than ever, practically you can find the cuisines of every culture in the capital, from high-end Michelin-star restaurants to no-frill eateries, small bistros and must-try food trucks.

Expats like Hungary

Budapest is a city full of surprises and wonders, with its lively centre, pretty parks, majestic river, tall church spires, and lavish spas. One of the most exciting cities in the world, Budapest is full of secrets, hidden spots to explore, and old favourites to revisit. This is the city where being bored is not an option.

Explore the countryside

Hungary’s diverse countryside offers a wide range of outdoor activities: 11,000 kilometres of hiking routes; more than 4,000 kilometres of cycle paths; 14 golf courses; 10 national parks; and many protected nature reserves for those in love with fresh air. The protected Puszta-region, the Great Plain, the romantic Danube Bend with its historic sites, and pretty baroque towns, such as Eger, attract visitors all over the year. Lake Balaton, the largest fresh water lake in Central Europe, is a perfect holiday resort.

International schools

Expatriates looking to stick with the curricula of their home countries can choose from a range of private international schools for their children. There are also many English, German or French public and private pre-schools for children aged from three to six. The school year starts in September and ends in June, and school buses are usually available at private schools. There are many opportunities to study in a foreign language at universities too.

Did you know that...

The kindergarten and the elementary school division of the International School of Debrecen will start to operate in September 2019 and its upper school education starts running from September 2020?
WHY HUNGARY?
COMPETITIVE ADVANTAGES

HUNGARY
AN IDEAL LOCATION FOR REGIONAL DISTRIBUTION CENTRES

- Direct flights to 129 destinations from Budapest Airport
- World-class quality infrastructure
- Easy access to both Western and Eastern European countries from the heart of the continent
- Meets the special storage and handling needs of perishable, pharmaceutical, and biotech products
- Customised logistics solutions by top international service providers
- Nr. 1 in length of motorways in CEE (EU Transport in Figures 2016)
- World-class warehousing solutions

About Hungary
Business Environment

Meets the special storage and handling needs of perishable, pharmaceutical and biotech products

Direct flights to 129 destinations from Budapest Airport

Nr. 1 in length of motorways in CEE (EU Transport in Figures 2016)

World-class quality infrastructure

Easy access to both Western and Eastern European countries from the heart of the continent

Customised logistics solutions by top international service providers

World-class warehousing solutions

1500 km
1000 km
500 km
Budapest
27h
9h
1.5h
1h
54h 36h 18h
18h 2.5h

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“As a leading Swedish cosmetics producer, logistics is central to our competitiveness and service. Given the growth of our company, it was clear that we needed a new distribution centre to serve our customers better and more efficiently. After analysing various options, we selected Hungary and the city of Üllő, near Budapest, as a central hub for the distribution of our products to 12 countries around Europe. With its central location, we can deliver orders within 48-72 hrs. Excellent road infrastructure, being in close proximity to the international airport, and having access to a skilled labour force were other key factors in our decision. To develop our new and modern facility, we selected Goodman, a global leader in the ownership, development and management of logistics space, who met all our expectations and delivered the facility in only six months.”

Hungary is located at the crossroads of three TEN-T Core Network Corridors, granting easy access to the 500 million consumer market of the European Union. Several major European ports are nearby, as are the rapidly growing markets of the Balkans, the CIS states and Turkey.
Thanks to Hungary’s highly developed transport infrastructure and an established background in logistics, companies can benefit from remarkably high efficiency and added value – enabling them to dramatically improve the quality of their services. Hungary has one of the highest motorway densities in all of Europe and the third highest road density, after Belgium and the Netherlands. 6 European capitals can be reached from Budapest within only a few hours’ drive on motorway.
Hungary has direct connection to all significant harbours and terminals in Europe. Several main train lines connect Hungary with the main ports of Western Europe (e.g. Hamburg, Bremerhaven, Rotterdam), the Adriatic (Koper, Rijeka, Trieste), the Mediterranean (Piraeus) and the Black Sea (Constanta) with regular block train services.

Záhony, the Hungarian border city plays a significant role in the East-West rail transport: this is where the European standard gauge railway network meets the eastern broad gauge system, and the transfer takes approximately 19 to 22 days to China.
The railway network spans the entire country and is an integral part of the international railway network, thus providing easy access by international express trains from the neighbouring regions and numerous other European countries. The total length of the Hungarian railway system is 7,712 km, of which 1,224 km (15.9%) is double-track, whilst the electrified railway network has a total length of 3,083 km (40%).

HUNGARY IS RANKED Nr. 6 BY RAILWAY LINE DENSITY IN EUROPE
*Source: Eurostat*
Hungary is landlocked but has access to the North Sea and the Black Sea via the river Danube. The Danube-Rhine-Main Canal connects Rotterdam, Amsterdam, Antwerp and the industrial centres of Western Europe with the Black Sea, through the Danube–Black Sea Canal with Constanta.

Major inland ports are located in Győr-Gönyű, Komárom, Budapest, Dunaújváros, Paks, Baja, and Mohács.

TEN-T Core Danube ports: Komárom, Budapest
TEN-T Comprehensive Danube ports: Győr-Gönyű, Dunaújváros, Paks, Baja, Mohács

Through the Continent

DANUBE-RHINE-MAIN CANAL

Logistics & Transportation Industry in Hungary
BUDAPEST INTERNATIONAL AIRPORT
THE FASTEST GROWING CEE AIRPORT

H
ungary is within two hours by air from most major European capitals, and provides a key link between Europe and the rapidly expanding markets of the East. Budapest Airport had 14.5% increase in passenger numbers and 13.4% increase in cargo volumes in 2017, serving millions of businesses and passengers. More than 125 direct flights are operated from Budapest to North-America, Middle East, China and almost all European countries.

BUD: 2020
As part of the current EUR 160 million bud: 2020 Development Program, Cargo City a 16,000 sqm new dedicated air cargo handling facility will be handed over in Q2 2019, and will expand the hub’s cargo handling capacity to 250,000 tons per year.

### NUMBER OF DIRECT FLIGHTS FROM BUDAPEST A WEEK

<table>
<thead>
<tr>
<th>Destination</th>
<th>Flights/W</th>
<th>Flying Time/H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>38/2:10</td>
<td></td>
</tr>
<tr>
<td>Berlin</td>
<td>40/1:30</td>
<td></td>
</tr>
<tr>
<td>Brussels</td>
<td>39/2:00</td>
<td></td>
</tr>
<tr>
<td>Doha</td>
<td>14/5:20</td>
<td></td>
</tr>
<tr>
<td>Doha</td>
<td>14/5:20</td>
<td></td>
</tr>
<tr>
<td>Dubai</td>
<td>9/5:20</td>
<td></td>
</tr>
<tr>
<td>Dubai</td>
<td>9/5:20</td>
<td></td>
</tr>
<tr>
<td>Kiev</td>
<td>11/1:40</td>
<td></td>
</tr>
<tr>
<td>Kiev</td>
<td>11/1:40</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>91/2:50</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>91/2:50</td>
<td></td>
</tr>
<tr>
<td>Munich</td>
<td>31/1:15</td>
<td></td>
</tr>
<tr>
<td>Munich</td>
<td>31/1:15</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>4/9:45</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>4/9:45</td>
<td></td>
</tr>
<tr>
<td>Paris</td>
<td>42/2:20</td>
<td></td>
</tr>
<tr>
<td>Paris</td>
<td>42/2:20</td>
<td></td>
</tr>
<tr>
<td>Tel Aviv</td>
<td>21/0:30</td>
<td></td>
</tr>
<tr>
<td>Tel Aviv</td>
<td>21/0:30</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>10/9:40</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>10/9:40</td>
<td></td>
</tr>
<tr>
<td>Vienna</td>
<td>21/0:45</td>
<td></td>
</tr>
<tr>
<td>Vienna</td>
<td>21/0:45</td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>21/1:40</td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>21/1:40</td>
<td></td>
</tr>
</tbody>
</table>

Note: Summer flight schedule 2018

### DIRECT FLIGHTS FROM DEBRECEN

<table>
<thead>
<tr>
<th>Destination</th>
<th>Flights/W</th>
<th>Flying Time/H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munich</td>
<td>5/1:30</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>9/2:55</td>
<td></td>
</tr>
<tr>
<td>Paris</td>
<td>2/2:40</td>
<td></td>
</tr>
<tr>
<td>Paris</td>
<td>2/2:40</td>
<td></td>
</tr>
<tr>
<td>Milan</td>
<td>2/1:50</td>
<td></td>
</tr>
<tr>
<td>Milan</td>
<td>2/1:50</td>
<td></td>
</tr>
<tr>
<td>Eindhoven</td>
<td>3/2:20</td>
<td></td>
</tr>
<tr>
<td>Eindhoven</td>
<td>3/2:20</td>
<td></td>
</tr>
<tr>
<td>Malmö</td>
<td>2/1:35</td>
<td></td>
</tr>
<tr>
<td>Malmö</td>
<td>2/1:35</td>
<td></td>
</tr>
<tr>
<td>Tel Aviv</td>
<td>2/3:15</td>
<td></td>
</tr>
<tr>
<td>Tel Aviv</td>
<td>2/3:15</td>
<td></td>
</tr>
<tr>
<td>Moscow</td>
<td>2/2:10</td>
<td></td>
</tr>
<tr>
<td>Moscow</td>
<td>2/2:10</td>
<td></td>
</tr>
<tr>
<td>Dortmund*</td>
<td>2/2:05</td>
<td></td>
</tr>
<tr>
<td>Dortmund*</td>
<td>2/2:05</td>
<td></td>
</tr>
<tr>
<td>Barcelona*</td>
<td>2/2:45</td>
<td></td>
</tr>
<tr>
<td>Barcelona*</td>
<td>2/2:45</td>
<td></td>
</tr>
<tr>
<td>Basel*</td>
<td>2/2:10</td>
<td></td>
</tr>
<tr>
<td>Basel*</td>
<td>2/2:10</td>
<td></td>
</tr>
<tr>
<td>Mulhouse*</td>
<td>2/2:00</td>
<td></td>
</tr>
<tr>
<td>Mulhouse*</td>
<td>2/2:00</td>
<td></td>
</tr>
<tr>
<td>Freiburg*</td>
<td>2/2:00</td>
<td></td>
</tr>
<tr>
<td>Freiburg*</td>
<td>2/2:00</td>
<td></td>
</tr>
<tr>
<td>Doncaster/Sheffield*</td>
<td>2 / 2:55</td>
<td></td>
</tr>
<tr>
<td>Doncaster/Sheffield*</td>
<td>2 / 2:55</td>
<td></td>
</tr>
<tr>
<td>Doncaster/Sheffield*</td>
<td>2 / 2:45</td>
<td></td>
</tr>
<tr>
<td>Doncaster/Sheffield*</td>
<td>2 / 2:45</td>
<td></td>
</tr>
<tr>
<td>Larnaca*</td>
<td>2/2:45</td>
<td></td>
</tr>
<tr>
<td>Larnaca*</td>
<td>2/2:45</td>
<td></td>
</tr>
<tr>
<td>*new flights from December 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DIRECT FLIGHTS
FROM BUDAPEST

MORE THAN 125 CITIES ARE DIRECTLY AVAILABLE

MORE THAN 13 MILLION PASSENGERS IN 2017

BEST AIRPORT IN THE EASTERN EUROPE REGION

INFRASRUCTURE
AIR TRANSPORT

LOGISTICS & TRANSPORTATION INDUSTRY IN HUNGARY

LOGISTICS & TRANSPORTATION INDUSTRY IN HUNGARY
“The Government’s role played in the support of digital values and skills as well as the advanced state of the Hungarian infocommunication industry have created such a unique eco-system in Europe that provides a firm basis for Hungary to be an international flagship country in the fields of digital infrastructure and the incorporated smart services. This is a significant achievement because every industry, service provider and production company needs infocommunication, and thus the development of infocommunication pulls along the entire economy almost automatically.”

Zoltán Kaszás
CEO
T-Systems Hungary

The government is implementing an info communication development program to create Digital Hungary.

- **THE GOALS OF THE DEVELOPMENTS**
  1. **Improve the efficiency of public administration and the management of day-to-day affairs**
  2. **Hungary’s fourth generation (4G) mobile Internet coverage will be complete by the end of the year. The current rate is 95% compared to the 59% EU average.**
  3. **From 2019 at least 30 Mbps internet will be available in every household, and 100 Mbps internet in every second household.**
  4. **Assessing the relationship between public transport and e-mobility**
  5. **The Digital Workforce Program places emphasis on the training of a workforce with a high level of digital professional qualifications within the scheme of vocational training.**
  6. **The Industry 4.0 program supports digital transformation in all sectors of the Hungarian economy.**
  7. **Adult education, retraining and continuation training**

CLICK ON HUNGARY!

Logistics & Transportation Industry in Hungary
In 2017 Q3, prime logistics space in Budapest area costs EUR 44.4/sqm/year, according to Cushman & Wakefield. The prime rent in Hungary is one of the lowest in the region, thanks to its low property and building costs.

The Hungarian logistics market comprises both the world’s largest contract logistics providers and Hungarian-owned companies offering sophisticated services, consistent flexibility, complete reliability and competitive prices.

Logistics activities are the most often outsourced services in Hungary.

The logistics industry accounts more than 6% of the Hungarian GDP.

Over 250,000 jobs related to this sector.

Major Hungarian players, including the Masped Group, Waberer’s and Trans-Sped, have enhanced their regional role by investing in neighbouring countries.
Hungary offers a diverse range of industrial parks: investors can currently choose from more than 2,04 million square metres modern logistics and warehouse parks.
Huawei Technologies is a world leading ICT solutions provider. The company manufactures in Hungary since 2009 and also established its European logistics centre in Hungary near the capital Budapest in 2013. It supplies 55 countries from Hungary. Such as European, North African countries and the Middle East, plus Russia. The centre is operated by an EMS partner, DHL. Huawei has chosen Hungary as a hub for its continental level logistic operations because of the excellent geographical location, transportation infrastructure and cost effective, but qualified labour. 

Weifeng Zheng
CEO of Huawei Hungary

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You can rely on globally acknowledged human capital at a competitive cost.

Tertiary Education in Hungary

Academic Year 2016/2017

No. of Institutions: 65

Total number of students: 287,018
  of which 205,560 are fulltime

6 Hungarian universities appear in the QS World University Rankings® 2018 (which is one of the most widely read university comparisons listing the world’s top 959 universities), listing the world’s top 959 universities.

Source: HCSO

Major Hungarian Universities with Available Logistics Education

Budapest
- Corvinus University of Budapest
- Budapest Business School
- Budapest Metropolitan University
- Szent István University
- Tomori Pál College
- King Sigismund University

Sopron
- University of Sopron

Győr
- Széchenyi István University

Tatabánya
- Eötvös Loránd University

Miskolc
- Szent István University

Gödöllő
- University of Gödöllő

Kaposvár
- Kaposvár University

Kecskemét, Szolnok
- John von Neumann University

Szeged
- University of Szeged

Győrgyöss
- Eszterhazy Károly University

Békéscsaba
- Szent István University

Debrecen
- University of Debrecen

Sopron
- University of Sopron

Eötvös Loránd University

Logistics & Transportation Industry in Hungary

Each year around 5,000 students study for vocational qualifications related to logistics.

Strong cooperation between Hungary’s most prestigious universities and international companies (Audi, Daimler, Huawei).

Competitive wages in the service sector.

Source: HCSO
Since Hungary’s entry into the EU, there has been a growing number of native language speakers at our universities, and an increasing number of Hungarians study abroad. Since 1997, Hungary has been part of Erasmus, the EU’s largest and most successful mobility program. Hungary is also an active participant in the Life Long Learning program, which helps to provide international internships for students.

In the school year 2015/2016, 559,272 Hungarian primary school students and 495,701 secondary school students were learning foreign languages, mostly English and German. Hungary has approximately 200 bilingual primary and secondary educational institutions, where over 40,000 young Hungarians study mainly in English, German, French, Italian, Spanish, Russian and Chinese.

In the academic year 2016/2017, over 50,000 full-time students were studying 36 different foreign languages in universities or colleges. All tertiary education degrees include a foreign language certificate and computer skills. The most common languages taught at universities are English, German, French, Spanish, and Russian, but more exotic languages such as Swedish, Norwegian, Finnish, Dutch, Japanese, Chinese, Portuguese, and Arabic are also taught.
HOW DO WE SUPPORT YOUR PROJECT?

BEFORE YOU MAKE A DECISION WE OFFER YOU:

- one-stop-shop management consultancy services to address your business needs.
- tailor-made incentive offers and information packages on the business environment, labour market, tax regulations, etc.
- location search & evaluation + site visits.
- meetings with HR & real estate agencies, law firms and other consultants based on your needs.
- reference visits at companies that are already established in Hungary.
- assistance with your incentive application.

AFTER YOU HAVE CHOSEN HUNGARY

We support your further expansion and plans.

We are open to your feedback and offer mediation between government and business based on your inputs.

PLEASE CONTACT US

Address: 1055 Budapest, Honvéd utca 20.
Customer service: investment@hipa.hu
Telephone: +36 1 872 6520
Web: www.hipa.hu
As a member of the European Union, Hungary’s regulations on incentive opportunities are in accordance with the EU rules. One of Hungary’s competitive advantages over other countries in the region is the Government’s strong commitment to increase the competitiveness of SMEs and large enterprises in Hungary.

Alongside the regulatory tools that contribute to the competitive business environment of local companies, Hungary offers wide-ranging incentives to facilitate foreign direct investments and reinvestments by local enterprises. In addition to the “Made in Hungary” type investments, increasing emphasis is being put on “Invented in Hungary” type of projects with the aim of supporting the implementation of Industry 4.0 solutions and the strengthening of Hungary as an innovation hub of Europe.

From the beginning of 2017, favorable changes have been introduced in the non-refundable VIP cash grant system supporting R&D projects and technology-intensive investments.

Regional grants are the most typical forms of incentives for greenfield / brownfield investments or reinvestments. The maximum amount of regional incentive is shown on the regional aid intensity map. The map above illustrates that regional aid available for investment for a large enterprise may be up to 50% of the eligible costs of the investment, depending on the region. For investments not exceeding EUR 50 million, the maximum intensity ratio can be increased by 10 percent for medium-sized and by 20 percent for small enterprises.

The maximum available aid intensity decreases if the investment is a large investment (exceeding EUR 50 million). 50% of the maximum aid intensity determined in the regional aid map is available for investment between EUR 50 and EUR 100 million, with 34% of the maximum aid intensity for investment over EUR 100 million.

For information on up-to-date and individual incentive packages please contact HIPA directly.
THEY HAVE ALREADY CHOSEN US!