HUngary
SMART.
AMBITIONous.
COMPETITIVE.
**ABOUT HUNGARY**

**MAIN FIGURES**

- **AREA**: 93,023 m²
- **TIME ZONE**: GMT + 1 HOUR
- **POPULATION**: 9,797,561 (2017, HCSO)
- **CAPITAL**: BUDAPEST
  - Population: 1,752,704 (2017, HCSO)
- **OTHER MAJOR CITIES**
  - Debrecen (201,981)
  - Szeged (161,137)
  - Miskolc (157,177)
  - Pécs (144,675)
  - Győr (129,301)
- **FORM OF GOVERNMENT**: PARLIAMENTARY REPUBLIC
- **CURRENCY**: FORINT (HUF)
- **GDP (PPS)**: EUR 192,855 MILLION (2016, HCSO)
- **GDP GROWTH**: 4.0% (2017, HCSO)
- **CLIMATE**: TEMPERATE (similar to the rest of the continental zone)
- **RISK OF NATURAL DISASTERS**: VERY LOW
- **MEMBERSHIP IN INTERNATIONAL ORGANISATIONS**: EU, UN, OECD, WTO, NATO, IMF, EC (EU member since 2004)
- **INFLATION**: 2.4% (2017, HCSO)
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>Inward FDI Stock of GDP (%)</th>
</tr>
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<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.
- 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.
- Is helping companies to function reliably by providing a clear agenda on economic development and FDI strategy.
- Offers companies a strategic partnership and provides them with fast access to the Government.
- Is committed to further reduce taxes on employment.

Medical Technology in Hungary
GASTRO STORY
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?
Long-term access to all key factors of sustainable cost-effectiveness and successful operation

Solid base for large scale manufacturing of a range of medical devices

Multinationals and Hungarian SMEs create an ideal ecosystem

100 years of widely acknowledged innovation in medical technology

Rich traditions in natural, technical and medical sciences

Key success factors:

Medtech sector with a strong academic background:

- Cutting edge research and development in university spin-offs
- Leading knowledge and research centres related to medical technology
- Some of the research areas: medical imaging, electrical- and biosensor devices, laboratory diagnostics
- Medicluster: network of Hungarian medical manufacturers and service providers

1.5% SHARE OF MEDTECH INDUSTRY IN TOTAL MANUFACTURING VALUE ADDED – NR. 1 IN THE REGION

48,000 PHARMA AND MEDTECH EMPLOYEES

4.9% OF TOTAL EXPORTS

LARGEST EXPORTER OF MEDICINAL AND PHARMACEUTICAL PRODUCTS IN THE REGION – NR. 1 IN THE REGION

150 COMPANIES ARE ENGAGED IN THE EXPORT-DRIVEN MEDICAL MANUFACTURING IN HUNGARY
ONE OF HUNGARY’S MOST TRADITIONAL ECONOMIC SECTORS is medical technology, a sector that has seen almost 100 years of widely acknowledged innovation, highly specialized technical development and notable exports to the global market. Several Hungarian companies have achieved international recognition with cutting edge products and technologies. A growing number of innovative domestic SMEs as well as several international medtech producers take advantage of the favourable environment and productive workforce in Hungary.

MEDICAL TECHNOLOGY 100 YEARS OF INNOVATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1918</td>
<td>Industrial scale manufacturing of X-ray machines commenced.</td>
</tr>
<tr>
<td>1929</td>
<td>Philips founded a trading company and later established its X-ray factory in Hungary. In the 1920s and 1930s a number of domestic manufacturers produced various types of medical devices.</td>
</tr>
<tr>
<td>1948-49</td>
<td>Small enterprises were nationalized and Medicor Művek was formed from Hungary’s medical technology companies. Medicor manufactured 450 types of equipment and 1,500 different kinds of medical instruments. At its peak, the company employed 10,000 people and had representatives in 35 countries around the world.</td>
</tr>
<tr>
<td>1960s</td>
<td>In the 1960s, another company – Medical Aids Factory – played a significant role in patient’s rehabilitation by large scale manufacturing of a range of assistive medical devices for people with disabilities.</td>
</tr>
<tr>
<td>Present</td>
<td>150 companies are engaged in export-driven medical manufacturing in Hungary.</td>
</tr>
</tbody>
</table>
Sustaining innovation at past levels is becoming increasingly challenging in the healthcare industry, as the traditional R&D model is under growing pressure on multiple fronts. Companies are searching new ways of reducing costs while simultaneously providing the maximum health benefit to patients. However, availability of ambitious scientists and proximity to an industry supporting research institutes will certainly remain fundamental elements in the companies’ innovation strategy and location search.
Global healthcare giant B. Braun has been present in the Hungarian market for more than 40 years and established its own affiliate here in 1991. To date B. Braun has invested around EUR 200 million in Hungary, employing more than 2,000 people. In its Hungarian facility the company produces all its bloodlines used in dialysis for the European market as well as infusion sets and wound drainage systems. 65 million products are manufactured per year and 98% are sold in the world market. Outside Germany, Hungary is the only country where B. Braun has established a software development centre. As a sign of commitment to Hungary, B. Braun was a pioneer in 1991 to start the establishment of modern dialysis care in the country non-existent before and currently operates 18 dialysis centres countrywide providing treatment to 2,500 chronic patients. The company also provides hospitals and healthcare institutions with over 5,000 medical products which offer efficient solution in hospital treatment, surgical intervention and home care.

US-based BD Biosciences, a world leading provider of diagnostic and research tools for life sciences, inaugurated a EUR 20 million plant in Tatabánya, Northwest Hungary in October 2017. The expansion is a continuation of the growth of BD in Hungary over the last 10 years, where the company has invested more than EUR 235 million and currently employs more than 800 people. Building on positive experiences in the production of prefillable syringes, BD decided to also locate the manufacturing of research reagents at its Hungarian site, creating more than 100 new jobs. The plant will reach full capacity in 2018 when it will make 8,000 different types of research reagents for flow cytometry.

“Since the establishment of B. Braun subsidiaries in Hungary, our company has been able to develop and manufacture high quality medical devices for the world market, due to the flexibility and reliability of the qualified workforce available in the regions of our activities. The loyalty and commitment of our employees has also been a key factor in qualifying as Best Employer in Hungary in three consecutive years.”

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CooperVision, a unit of The Cooper Companies, Inc., is one of the world’s leading manufacturers of soft contact lenses. The Hungarian manufacturing site at Gyál (near Budapest) produced more than half billion contact lenses in 2015. This volume is expected to be doubled by the end of 2022. In order to achieve this goal the US-based company announced further expansion its manufacturing capacity on 26 March 2018. The investment project of USD 30 million will create 400 additional jobs at the Hungarian unit. With more than 1,200 employees at present the Hungarian site is already one of the most important manufacturing units of CooperVision.

“GE Healthcare provides transformational medical technologies and services to meet the demand for increased access, enhanced quality and more affordable healthcare around the world. GE Healthcare in Hungary provides high-value added technologies, services and products based on the highly trained, talented workforce and innovative business environment available in the country combined with its well established academic cooperations helping medical professionals to deliver great healthcare to their patients every day.”

Dr. Endre Ascsillán
Vice-President
GE Hungary

In Hungary production of optical lenses is an activity with long history and rich traditions. World renowned optical manufacturer, Magyar Optikai Művek (Hungarian Optical Works) was established in 1876. In the golden age of the company, some 8,000 people were employed throughout its premises, including six sites in the countryside. In the 1990’s the company became a member of Buchmann Group. Optical lens manufacturer Hoya acquired the Belgian company in 1999, thus the Japan-based global enterprise became a major player of the optical industry in Hungary. Hoya’s plant in Matészalka (Eastern Hungary) is specialised in glass lenses, and the company employs more than 1,000 people here.

HOYA

COOPERVISION

EMPLOYS MORE THAN
1,000
PEOPLE IN HUNGARY

THIRD LARGEST CONTACT LENS MANUFACTURER WORLDWIDE
COLOPLAST is global market leader within ostomy and continence care and one of the best performing medtech companies in the world growing at twice the speed of the market. Growing demand requires more production capacity. For Coloplast this means building a new factory every 2-3 years. Around the Millennium, Coloplast started looking at possible production expansion outside Denmark, and after researching on several Eastern European countries, the decision from the board of directors was to establish production in Hungary. Hungary was chosen due to quality of the infrastructure, availability of qualified workforce, and competitive wages.

Coloplast bought a plot of land of 100,000 sqm (for a three-phase factory) in Tatabánya and started production in 2001. After an initial learning phase and knowledge transfer, a quicker pace in transfer to Hungary was done and within a few years, Coloplast had utilized the first land plot completely.

Coloplast was very satisfied with the development of mass production in Hungary and quickly purchased more land in Eastern Hungary – Nyírbátor. Third phase of the Nyírbátor factory was completed in May 2018, which gives the possibility of future volume growth for Coloplast in Hungary.

Allan Rasmussen
Executive Vice President
Coloplast

Moving production to Hungary has been a great success for Coloplast. We have been able to bring cost savings to our products and at the same time retain our high-quality level that our customers expect.

As our staff in Hungary get more and more experienced, we have been able to do direct ramp-up in Hungary, which has brought down the complexity of multiple handovers greatly.

As one Hungarian colleague once said to me very proudly: “Now we are not a Danish company, but a Danish/Hungarian company.”
The University of Debrecen is a leading and prominent institution of higher education in Hungary. Medical training at the Faculty of Medicine has the most remarkable traditions, going back one hundred years. In the academic year 2017/2018, over 3,500 students study at the Faculty, out of which over 1,500 students participate in English-language programs. The Medical School has 22 departments of basic sciences and 25 clinical departments specializing in various fields, including clinical chemistry, internal medicine, surgery, orthopedics, radiology, neurology and other areas. In its 45 theoretical and clinical organizational units, the Faculty engages in internationally recognized research activities in a wide range of life sciences. The Research Centre for Molecular Medicine combines cutting-edge basic research with applied research and technological development.

The University of Szeged was established by Hungary’s leading life sciences companies in 2003. The Hungarian Biotechnology Association (HBA) located in Szeged was established by Hungary’s leading life sciences companies in 2003. The HBA developed a detailed biotechnology strategy on the basis of the best practices of 17 countries and the feedback of local managers in 2005.

The Department is responsible for the education of medical diagnostic analysts of the field of diagnostic imaging and intervention, corresponding to the task of training highly qualified radiographers who are experienced in every subfield of radiology. As regards to the research activities of the department, the main focus is on clinical decision support, medical informatics, self-monitoring, on developing an immersive learning environment, or a virtual learning environment. Higher emphasis is put on emergency care systems, reduction of supply times and on successful cooperation with emergency departments.

The Hungarian Biotechnology Association (HBA) also stands for its members in the most important biotechnology organizations, such as Biotechnology Industry Organization, EuropaBio, and European Federation of Biotechnology.

With around 20,000 students and almost 1,700 academics, the University of Pécs is the 5th largest higher educational institution in Hungary offering high-quality research and education. The wide range of study programmes offered at ten faculties cover nearly every possible area of sciences.

The Research Centre belonging to the University of Pécs was inaugurated in 2012. It covers all aspects of education, research and innovation in the fields of biomedical, natural and environmental sciences. The 22 research groups operate in the field of biomedical, natural and environmental sciences, such as neurobiology, biotechnology, lab-on-a-chip technology, high-field terahertz spectroscopy and various other fields in medical sciences.
Medical Technology in Hungary


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Innovation R&D Centres

Medical Technology Research Centres are present throughout the country

Szeged
GE Healthcare’s R&D Centre
The company’s research group operating in Szeged (Southern Hungary) is engaged in the development of imaging algorithms that support the visual separation of organs and tumours. In 2011 the company signed a long-term strategic partnership agreement with the University of Szeged. As a result medical specialists from the university’s clinics are participating in the company’s development projects and GE Healthcare supports the education program at the University. Beside research the company develops cloud based solutions to support medical workflow enhancement and facilitates medical team work.

University of Szeged, Institute of Informatics, Department of Image Processing and Computing Graphics
As one of the most prestigious institutions of higher education in Hungary, the University of Szeged is engaged in research of technologies related to neurobiology, immunology, laser physics, nanotechnologies, materials science and many other areas. The Institute of Informatics, Department of Image Processing and Computing Graphics conducts basic research in imaging technologies particularly for medical applications. Research projects include retina image analysis, surgical planning, tomography, MR images, analysis of dermatological images and organ segmentation from 3D CT images.

Pécs
University of Pécs, Szentágothai Research Centre
The centre covers all aspects of education, research and innovation in the fields of biomedical, natural and environmental sciences. Research areas include laboratory diagnostics, analytics, lab-on-a chip technology, high-field terahertz research, spectroscopy and various other fields in medical sciences.

Debrecen
University of Debrecen, Medical and Health Science Centre
Operating at one of Hungary’s most important higher education institutes the Medical and Health Science Centre conducts research in various areas related to medical technology. Research projects focus on multimodal medical image processing, development of laboratory reagents, radiation therapy, revision acetabular shell, bone substitution, operating tables for spine surgery, prevention of postoperative knee flexion contracture – just to mention a few. The Department of Laboratory Medicine is the leading centre of laboratory diagnostics in Hungary. The institute is part of the Research Centre for Natural Sciences. Research areas include thin film physics, nanostructures, micro technology, ceramics and nanocomposites, photonics.
GE Healthcare’s R&D Centre

GE Healthcare employs around 500 people in Hungary, mainly highly qualified, innovative engineers who work together to shape the future of medical imaging. GE Healthcare opened its Software Development center in 2000 in Budapest then an office in Szeged in 2004, followed by GE’s first and only European Industrial Internet Software Centre of Excellence, established in Hungary in 2014. GE's Software innovations help, for example, enable cardiologists and oncologists to diagnose vascular and cancer disorders early on so that treatment can be administered earlier, promising higher success rates for patients and less expensive procedures for the healthcare system by utilizing state-of-the-art cloud technologies and Artificial Intelligence techniques supported with Machine Learning.

With commitment to its R&D operation GE Healthcare spends more than USD 15 million on an annual basis on research and development in Hungary. GE Healthcare has a strong cooperation with several major universities in Hungary and across Europe to enhance R&D focused, practical education.

Hungarian Academy of Sciences, Institute for Technical Physics and Materials Science

The Institute is part of the Centre for Energy Research of the Hungarian Academy of Sciences. It conducts research on complex functional materials and nanometer-scale structures, exploration of physical, chemical, and biological principles, their exploitation in integrated micro- and nanosystems, and in the development of characterization techniques.

Budapest University of Technology and Economics, Healthcare Technologies Knowledge Centre

The Knowledge Centre established in 2007 is a virtual institution that consists of education and research groups operating more or less independently. Research activities are focused on electrical- and biosensor devices, telediagnostic devices, health monitoring, medical image processing, motion analysis, illness prevention, innovative interfaces and several other areas.

Semmelweis University, Department of Imaging and Medical Instrumentation

The Department is responsible for the education of medical diagnostic analysts of the field of diagnostic imaging and intervention, corresponding to the task of training highly qualified radiographers who are experienced in every subfield of radiology. As regards to the research activities of the department, the main focus is on clinical decision support, medical informatics, self-monitoring, on developing an immersive learning environment, or a virtual learning environment. Higher emphasis is put on emergency care systems, reduction of supply times and on successful cooperation with emergency departments.
High level language skills are indispensable for successful careers. Young Hungarians understand that in order to be successful in today’s Europe, linguistic skills are essential. 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.
HOW DO WE SUPPORT YOUR MEDTECH 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 are open to your feedback and offer mediation between government and business based on your inputs.
- We support your further expansion and plans.

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 below 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!