**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)
- **Inflation**: 2.4% (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
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.

Source: wiiw FDI Database
ABOUT HUNGARY
BUSINESS ENVIRONMENT

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.
- is committed to further reduce taxes on employment.
- 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.
- offers companies a strategic partnership and provides them with fast access to the Government.
- further improved the practice-based dual education system built on industry needs.
- has introduced its unique economic development plan based on Industry 4.0 requirements.
- has created the most competitive CIT in the EU with 9% flat rate.
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?
Did you know that...
• Hungarian researchers (Ottó Bláthy, Miksa Déri and Károly Zipernowsky) invented the modern transformer in 1885.

“...The first time, state-of-the-art technology of Samsung SDI will be applied to batteries to be made at our manufacturing plant in Göd, Hungary. Batteries are one of the most important parts supplied to global car makers. We think that Hungary is an ideal location for quickly meeting the demand of European automakers, by increasing competitiveness in logistics and accessibility. I expect our plant, with its strategic location in Europe’s car industry, will be able to contribute much to the growth of the European electric vehicle market.”

Jun Young-hyun
President
Samsung SDI
Electronics Industry in Hungary

Did you know that...

...Dénes Gábor was a Hungarian electrical engineer and physicist, most notable for inventing holography, for which he later received the 1971 Nobel Prize in Physics?

176,000
Total number of employees in the industry

27.8%
Share of electronics in the total of Hungarian exports

93.5%
Export ratio

2017, HCSO

“Today, Hungary has the highest concentration of our operations in Europe, with facilities across six regions including two in Budapest, and Tab, Gyal, Sarvar, Paty and Zalaegerszeg. From a Flex point of view, that puts Hungary at the heart of Europe, and makes us an important hub for our global operations.”

János Lang
Vice President
Flex

Source: 2017 HCSO
Did you know that...
...a Hungarian physicist, electrical engineer and inventor gave the Thermographic camera (1929) and the Plasma television (1936) to the world? He was Kálmán Tihanyi, who also (co-)invented the modern cathode ray tube and completely electronic television in (1928).
Thanks to its proximity to Western European markets and competitive labor costs, Hungary continues to represent an attractive proposition for OEMs. Many of the world’s largest EMS companies have established their Central European plant in Hungary while Videoton stands among the 5 most important EU based EMS companies.

**DEDICATED TO INNOVATION**

After doubling the number of incentives for R&D activities in 2016, the Government launched VIP cash subsidy for R&D projects in 2017.

**FLEX**

Flex is a Silicon Valley based product services company offering “Sketch-to-Scale™” solutions across 12 industry sectors. In 2018 Flex celebrates 25 years of operation in Hungary, moreover with over 10,000 employees Hungary is host to the highest concentration of Flex designers, engineers in Europe. Flex continues to invest in their Hungarian operations which now extend over six regions including two facilities in Budapest, and two in Zalaegerszeg, where they have recently extended their dedicated automotive plant. For Flex, Hungary has become an important hub at the heart of Europe, and from here, they serve a diverse global customer base.

**VIDEOTON**

Videoton is one of the largest and oldest EU contract manufacturers, provides a vertically integrated best-cost solution for customers’ needs. Electronic assembly, system integration, final assembly, plastic and metal parts are the main technological competences, while the markets span from the automotive industry to industrial and consumer goods. Videoton has very diversified customer base and more than 10,000 employees in 15 companies, with production in Hungary and Bulgaria. The Videoton companies use 40,000 different components/day to produce thousands of different products. Videoton’s quality, speed and flexibility are only possible with the help of several hundreds of talented Hungarian engineers of the group.
Electronics Industry in Hungary

**GS YUASA**

Hungary has again been chosen by a major East Asian lithium-ion battery manufacturer: GS Yuasa will build its first lithium-ion manufacturing plant on the European continent in Miskolc until 2020. The Japanese company, which has more than 15,000 employees at 37 sites across 17 countries, is a major supplier for the hybrid and electric cars of its automotive industry partners. GS Yuasa helps to support the progress of the Hungarian vehicle industry as electromobility will be one of the most important areas of development in the near future.

**SK INNOVATION**

One of the largest Korean companies has a history of more than half a century. The company is an important player in petrol production and processing, but also in chemical and electronic field. SK Innovation is producing lithium-ion batteries since 2006 to, among others, partners like Hyundai-KIA and Daimler. SK Innovation establishes its first battery concern outside of the Republic of Korea, to supply European automotive partners with the third generation lithium-ion products from Hungary. The investment enables the company to supply batteries up to 250,000 electric or hybrid vehicles by starting serial production in the first half of 2020.

**SAMSUNG SDI**

In 2016 Samsung SDI chose Göd, Hungary as location for its latest battery manufacturing plant. Supplemented with its units located in Ulsan, South Korea and Xian, China, the new production unit is the third pillar of the global production structure of Samsung SDI. As a result of a project worth of EUR 400 million commercial operation with annual capacity of batteries for 50,000 pure electric vehicles will reach its full manufacturing capacity by the end of 2018. The new Hungarian unit allows the company to reduce its logistics costs, and it can immediately react to customer needs, since the manufacturing bases of European automakers are concentrated in Central and Eastern Europe. Samsung SDI employs close to 1,000 workers in Göd.
Electronics Industry in Hungary

Electronics Industry

4.6 BILLION Foreign Direct Investment

2,500

Many multi-national firms have established successful electronics production sites in Hungary. International companies have been active in the country and have been working closely with local communities for decades; to date, the total Foreign Direct Investment in the industry is EUR 4.6 billion.

Rosenberger Magyarország Ltd was established in 2003 as part of a strategical decision of the Rosenberger Group based in Germany. From its beginning the operation in Jászárokszállás was developed towards as the European production and logistic center for automotive and telecommunication products. Rosenberger had decided to build and start operations for its automotive products in Nyírbátor as a greenfield investment. The amount of this project will be EUR 10.3 million. This new project finishes in 2018. Rosenberger will have 2,500 employees in Hungary by then.

Rosenberger

Samsung Electronics was the first Korean investor in Hungary, therefore this very first landmark investment implied a thriving cooperation in the Hungarian electronics industry. The production plant in Jászfényszaru was opened in 1989, since then the development was continuous, the company invested more than HUF 150 billion in Hungary, and was able to produce 110 million TV sets. The factory in Hungary employs 2,300 people.

Samsung Electronics

The first overseas production base of National Instruments was opened in Debrecen in 2001, mainly for the high added value manufacturing of electronic products. Due to the developments of the past 17 years, a large percentage of the company’s total hardware manufacturing takes place in Debrecen. NI has announced an investment in 2016 of USD 20 million and creates 210 new jobs at the company’s Debrecen premises, mainly at engineering and IT R&D areas.

National Instruments

Samsung Electronics announced in November 2016 it has completed the acquisition of Harman International Industries, Inc. (“Harman”), the U.S. car infotainment and audio company. The deal could help Samsung to be able to play crucial role in the automotive electronics market in cooperation with Harman, and they will be able to drive together the future of the industry. Harman has a 2,000 employees plant in Székesfehérvár and another entity called Harman Professional at Pécs with a total headcount of 400.

Harman

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National Instruments

2,400

2,300

2,500
GYŐR: Széchenyi István University
The University provides education and research mainly for the automotive industry in the fields of engineering and IT, and collaborates with e.g. Audi, Bosch, Flex, Grundfos, IBM. The Audi Hungaria Faculty of Automotive Engineering has almost 2,000 students.

MISKOLC: University of Miskolc
The Faculty of Mechanical Engineering and Informatics offers various courses for 3,000 students. Educational and research activities are established to meet the needs of companies like Jabil, Electrolux, Flex, GE, IBM, NI, Bosch and Zollner Elektronik.

VESZPRÉM: University of Pannonia
The Faculty of Engineering with over 1,100 students has an impressive range of computing and instrumentation facilities tailored to the R&D in engineering. The university also offers practical trainings in cooperation with companies like Flex, GE, Harman, Honeywell, ITDigital, Videoton and Yangfeng.

DEBRECEN: University of Debrecen
The Faculty of Engineering with over 2,500 students offers programs in e.g. mechatronics and environmental engineering and technical management. The faculty established a Building Energetics Cluster and extensive R&D activities.
The Faculty of Informatics has nearly 3,000 students with research activities’ focus on e.g. machine learning, function approximation, language extensions, applications of signal processing and software metrics. The business partners of the university are among others Ericsson, IBM, Lufthansa Systems, Magyar Telekom, Morgan Stanley, MOL, OTP, Richter Gedeon, SAP and TATA.

University of Óbuda
The University Research, Innovation and Service Center is an internationally recognized research center and has company partnerships with e.g. Cisco, Intel, Microsoft, Nokia, Oracle, Symantec, HP, IBM and SAP. The Faculty of Informatics is attended by over 1,500 students.

Pázmány Péter Catholic University
The Faculty of Information Technology and Bionics provides education in human-centered information technology for almost 1,000 students. The company partners of the Faculty are Richter Gedeon, MorphoLogic, Ericsson, Eutecus and Tateyama.

Hungarian Academy of Sciences
The research network of the Hungarian Academy of Sciences comprises 15 research institutions 130 research groups at universities co-financed by the Academy. The Research Institute for Technical Physics and Materials Science focuses on areas such as nanostructures, microtechnology and protonics.

Budapest University of Technology and Economics
The University, which is one of the largest higher educational institutions in engineering in Central Europe, offers numerous academic programs. The University operates several knowledge centres inter alia in fields of biomechanics, IT, healthcare technologies, mobile innovation, electrical engineering and autonomous road vehicles. Business partners are e.g. Audi, Siemens, Nokia, Richter Gedeon, MVM and Oracle.

“For more than 130 years, Siemens has developed a strong footprint in Hungary and has contributed significantly to the economic and social development of the country with its expertise and manufacturing capabilities. We have committed, motivated and well-educated Hungarian colleagues, who ingeniously work for achieving excellent results on all levels in all fields – from skilled craftsmen to engineers, from business managers to software developers.”

Dale A. Martin
CEO
Siemens Zrt.
"Originally we planned to only have 400 people in Debrecen and we originally planned to just have a manufacturing operation. Coming up on almost two decades now in Hungary, I’m very happy with that support and the talent we have been able to leverage in Debrecen and couldn’t feel more pleased about the decision we made 18 years ago. HIPA was crucial in our original decision. We travelled the country with the HIPA team, and what was practically valuable about that was the opportunity to meet with other investors who had been in Hungary and get a sense of their experience."

Alex Davern
President and CEO
National Instruments
The Investment Sites Database lists more than 1150 green- and brownfield sites, industrial parks and offices throughout Hungary. It simplifies the task of matching investors’ needs to potential locations. Searchable by size, location, available infrastructure and incentives, the database is an excellent starting point for any prospective investor.

IPA operates an internal database of industrial parks, investment sites, and industrial halls in Hungary. The Investment Sites Database is one of the most comprehensive resources of its kind, the HIPA database is part of the information package for potential investors.

Looking for investment site? HIPA will support you!

Daniel Korioth
Representative of the Bosch Group in Hungary

“The world is changing, and this requires us to change as well. Bosch is in the midst of a transition to a new form of mobility, and stand at the threshold of the age of connectivity. We want to play an active role in shaping both. The Bosch Group’s strategic objective is to create solutions for a connected life, and to improve quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is “Invented for life.” This offers a promising future. Bosch has been present in Hungary since 1898 with its products. The company is this year celebrating the 120th anniversary of the opening of its first Hungarian operation. After its re-establishment as a regional trading company in 1991, Bosch has grown into Hungary’s largest foreign industrial employers with currently nine Hungarian subsidiaries. In Hungary more than 14,200 committed associates (as per January 1, 2017), amongst them more than 2400 in research and development work day by day with passion on one of the most exciting thing ever: shaping the future. I believe Hungary is capable to be in the driver seat for a successful change.”
HOW DO WE SUPPORT YOUR ELECTRONICS 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
**OUR SERVICES**

**FOR INTEGRATORS**

- **SUPPLIER LISTS**
  - Filtering SUPPLIER LISTS by company requests

- **PARTNERSHIP AGREEMENT**
  - Cooperations and common projects to develop Hungarian suppliers

- **DEVELOPMENT OF ACTUAL SUPPLIERS**
  - Training for the Hungarian suppliers, and potential suppliers

**FOR OEMs / SUPPLIERS**

- **B2B, SUPPLIER FORUM**
  - Personal encounter between potential suppliers and producers

- **CERTIFIED SUPPLIER DATABASE**
  - Online, interactive certified supplier database and virtual marketplace

**FOR SUPPLIERS**

- **UNIVERSITY AND R&D COOPERATION**
  - Supporting educational and R&D cooperation between universities and suppliers

- **EDUCATION, TRAINING**
  - Professional trainings in several fields (efficiency trainings, benchmarking techniques, automotive standards)

- **EXHIBITIONS**
  - Appearance on Hungarian and international exhibitions and fairs

**PUBLICATIONS, MARKET INFORMATION**

- Information about the current Hungarian supplier base
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.

**THESE INCENTIVES INCLUDE, BUT ARE NOT LIMITED TO**

- **CASH SUBSIDIES** for investments, training, job creation and R&D
- **LOW-INTEREST LOANS**
- **TAX INCENTIVES** reduction of corporate tax, social tax, or for encouraging R&D activities
- **TRAINING SUBSIDIES**

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!

GE
MITSUBA
SIEMENS
VÖKON
ROSENBERGER
BOSCH
NATIONAL INSTRUMENTS
CONTINENTAL
IQOR
ERICSSON
ZOLLNER
IBM

ELECTROLUX

VALÉO
LEAR
SIIIX
SAMSUNG
INFINEON
HUAWEI
JABIL
ALPINE
NCR
FOXCONN
PHILIPS
CLARION
FLEX