INFORMATION & COMMUNICATIONS TECHNOLOGY SECTOR IN HUNGARY
OPENING DOORS FOR YOUR INVESTMENT
**Form of Government**  
Parliamentary Republic

**Area**  
93,030 km²

**Time Zone**  
GMT +1 hour

**Population**  
9,855,571  
(as of January 2015)

**Capital**  
Budapest  
1,757,618  
(as of January 2015)

**Other Major Cities**  
Debrecen [203,506]  
Szeged [162,593]  
Miskolc [159,554]  
Pécs [145,985]  
Győr [129,372]

**Currency**  
Forint (HUF)

**GDP (PPP)**  
€ 183,989 million  
(2014)

**Inflation Rate**  
6.8%  
(2015, HCSO)

**Unemployment Rate**  
6.8%  
(2015, HCSO)

**Climate**  
Temperate  
(similar to the rest of the continental zone)

**Risk of Natural Disasters**  
Very Low

**Memberships in International Organisations**  
EU, UN, OECD, WTO, NATO, IMF, EC  
EU member: since 2004

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**Source:**  
*HCSO* = Hungarian Central Statistical Office
Hungary is an open economy where particular emphasis is placed on encouraging foreign investment. 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 78% of the GDP (2014) the highest ratio in the region. Source: wiiw FDI Database

YOU CAN COUNT ON THE GOVERNMENT’S COMMITMENT TO FURTHER IMPROVE THE BUSINESS CLIMATE
IN ORDER TO IMPROVE THE BUSINESS CLIMATE, THE HUNGARIAN GOVERNMENT...

- Has reduced the CORPORATE TAX RATE to the lowest level in the CEE region.
- Has introduced a new act on a practice based DUAL TRAINING in favour of business needs.
- Has created one of the most competitive FLEXIBLE LABOUR CODEs in Europe (in favour of employers).
- Has entered into STRATEGIC PARTNERSHIP AGREEMENTS with numerous companies, giving fast access to the government via workshops and regular consultations.
- Has doubled the amount of financial support for R&D ACTIVITIES in the 2016-2020 period.
- Has introduced a FOREIGN-TRADE FOCUSED foreign policy to attract FDI.
- Has reduced the PERSONAL INCOME TAX to 15%.
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.

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. According to TripAdvisor, Budapest is offering the best price-value ratio in the world. According to Condé Nast Traveler readers, Budapest is the second best city on earth.

EXPLORE THE COUNTRYSIDE
Hungary’s diverse countryside offers a wide range of outdoor activities: 11,000 kilometres of hiking routes; more than 2,500 kilometres of cycle paths; 17 golf courses; ten 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.

ABOUT HUNGARY
QUALITY OF LIFE

ICT Sector in Hungary
For a number of years, Hungary has ranked among the top performers in the CEE region in the area of IT spending per capita, reaching €223.4 in 2014.

Companies and public institutions in Hungary are closing the gap on their counterparts in most developed EU markets in terms of IT development, with the share of ICT spending as part of GDP increasing to 4.2% in 2014 – among the highest in CEE. The Hungarian IT market represents 8.3% of the total CEE IT market and is the fourth largest in Central Europe. According to IDC, the Hungarian IT market has proven to be quite resilient to the recent global and local economic downturn. Between 2009 and 2014, it increased by more than 24%, reaching €2.21 billion in 2014. Hardware accounted for 51.7% of the total market, while the software segment gained a 21.4% share, and services made up the remaining 26.9%. The Hungarian IT market is expected to expand at a compound annual growth rate (CAGR) of 3.8% between 2015 and 2019, with an accelerating growth trend toward the end of the forecast period.
ICT IN HUNGARY

GENERATING HIGH VALUE FOR CUSTOMERS

BROADBAND PENETRATION GROWTH IN CEE 2014 VS. 2013 (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth 2014</th>
<th>Growth 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUNGARY</td>
<td>7.8%</td>
<td>7.3%</td>
</tr>
<tr>
<td>CZECH REPUBLIC</td>
<td>6.36%</td>
<td>4.93%</td>
</tr>
<tr>
<td>SLOVAKIA</td>
<td>2.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>0.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>POLAND</td>
<td>1.0%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: OECD, 2015

VALUE ADDED OF ICT SECTOR AND SUB-SECTORS, 2013 (%)

<table>
<thead>
<tr>
<th>Sub-Sector</th>
<th>HUNGARY</th>
<th>CZECH REPUBLIC</th>
<th>SLOVAKIA</th>
<th>SLOVENIA</th>
<th>POLAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT and other information services</td>
<td>2.3%</td>
<td>1.7%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Software publishing</td>
<td>2.5%</td>
<td>0.2%</td>
<td>1.6%</td>
<td>0.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>2.3%</td>
<td>0.1%</td>
<td>0.9%</td>
<td>1.7%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Computer, electronic and optical products</td>
<td>1.8%</td>
<td>0.0%</td>
<td>0.02%</td>
<td>0.0%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

Source: OECD, 2015
The Hungarian IT outsourcing market is by far the most advanced in the Central European region. In 2014, the outsourcing services primary market in Hungary totaled €182.80 million, making it the second largest primary market in the country, with a 30.7% share. The share of IT outsourcing spending within the overall IT services spending is significantly higher in Hungary than in other countries of the CEE region like in the Czech Republic, Croatia, Poland, Slovakia, and Romania, where these shares are 24.1%, 21.9%, 19.6%, 17% and 15.7% respectively.
Hungary is an ideal location for R&D centres, large pool of local professionals are available with reasonable cost and exceptional knowledge of the industry. The majority of these centres has shown a significant and gradual expansion since their establishment.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SERVICES PROVIDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bluebird International</td>
<td>Custom Application Development</td>
</tr>
<tr>
<td>Cognizant</td>
<td>Custom Application Development</td>
</tr>
<tr>
<td>EPAM</td>
<td>Application support</td>
</tr>
<tr>
<td>Ericsson</td>
<td>Software development</td>
</tr>
<tr>
<td>Evosoft</td>
<td>Development of network management software, R&amp;D centre</td>
</tr>
<tr>
<td>Huawei Technologies</td>
<td>CAD</td>
</tr>
<tr>
<td>Lufthansa Systems</td>
<td>Software development, network related R&amp;D</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>Application development</td>
</tr>
<tr>
<td>MSCI</td>
<td>Application development</td>
</tr>
<tr>
<td>National Instruments</td>
<td>Systems development</td>
</tr>
<tr>
<td>Nokia</td>
<td>Application development, R&amp;D</td>
</tr>
<tr>
<td>Oracle</td>
<td>CAD, IT consulting, IT support</td>
</tr>
<tr>
<td>Pactera</td>
<td>CAD, testing, IT support</td>
</tr>
<tr>
<td>SAP</td>
<td>Development of SAP SCM applications, SAP support</td>
</tr>
<tr>
<td>Sysdata PSE</td>
<td>Applications for Siemens solutions for the mobile and fixed telecom operators</td>
</tr>
<tr>
<td>Tata Consulting Services</td>
<td>CAD Support</td>
</tr>
<tr>
<td>T-Systems</td>
<td>Remote support services</td>
</tr>
</tbody>
</table>
DATA CENTRES

- **CITIBANK**
  - Local/international Sites: 2
  - Captive Finance

- **T-SYSTEMS**
  - Local/international Sites: 4
  - Open Telecom/IT

- **INVITEL**
  - Local/international Sites: 3
  - Open Telecom/IT

- **DOCLERNET HOSTING**
  - Local/international Sites: 1
  - Open Professional Services

- **NISZ**
  - Local Sites: 2
  - Captive Government

- **WIGNER (VALUE ADDED HOSTING FOR CERN)**
  - Local/international Sites: 1
  - Captive Research

- **KBC**
  - Local/international Sites: 2
  - Captive Finance

- **GTS**
  - Local/international Sites: 3
  - Open Telecom

- **TELENOR**
  - Local/international Sites: 2
  - Open Telecom

- **PROSERVER**
  - Local/international Sites: 1
  - Open Utilities

- **MOL**
  - Local/International Sites: 2
  - Captive Process Manufacturing

- **NISZ**
  - Local Sites: 2
  - Captive Manufacturing

- **KBC**
  - Local Sites: 2
  - Captive Finance

- **T-SYSTEMS**
  - Local/International Sites: 4
  - Open Telecom/IT
The strategic directions and development priorities for the domestic infocommunications and telecommunications sector in the 2014–2020 period are set out in the National Infocommunications Strategy harmonized with the Digital Agenda of the European Union. The framework of the strategic action plan is determined in the Digital Nation Development Program (DNDP).

DNDP adjusted to the National Infocommunications Strategy frames the following main goals:

- Making superfast internet available throughout the country
- Developing governmental services
- Increasing the country’s competitiveness by fostering the spread of digital services and digital competences
- Improving the quality of life in all lifecycles by supporting the spread of digital applications and services
- Strengthening (via digital technology) togetherness of local communities and the entire Hungarian society
- Developing the Hungarian ICT Sector in 2014-2020

“…”

Tibor Rékasi
CEO
T-Systems Hungary

“…”

ICT IN HUNGARY

DIGITAL NATION DEVELOPMENT PROGRAM
Development of the Hungarian ICT Sector in 2014-2020

Superfast internet
- By 2018 at least 30 Mbps internet network throughout the country
- Network connection of local public institutions

Digital community and economy development
- Providing digital devices (laptop, tablet)
- Smart city services
- Regional economic development programs
- Local SMEs IT developments (equipment, software, service)

E-government services
- Creating integrated customer points: contact with citizens and enterprises through 260-280 one stop government
- By 2020 all public services should be electronic and the use of them should be mandatory for enterprises

Digital competence
- Adult education, e-inclusion, mentoring those without digital competence
- Introduction of new educational program, that includes use of digital devices and extra IT lessons apart from the lessons in public educational institutions
**HUMAN RESOURCES**

**SHARE OF BUSINESSES THAT EMPLOYED ICT/IT SPECIALISTS IN 2014 (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUNGARY</td>
<td>27</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>24</td>
</tr>
<tr>
<td>CZECH REPUBLIC</td>
<td>21</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>20</td>
</tr>
<tr>
<td>SLOVAK REPUBLIC</td>
<td>18</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>12</td>
</tr>
<tr>
<td>POLAND</td>
<td>10</td>
</tr>
</tbody>
</table>

**EMPLOYMENT IN THE ICT SECTOR AND SUB-SECTORS, 2013 (%)**

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>HUNGARY</th>
<th>CZECH REPUBLIC</th>
<th>SLOVENIA</th>
<th>SLOVAK REPUBLIC</th>
<th>ROMANIA</th>
<th>POLAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer, electronic and optical products</td>
<td>1.4</td>
<td>0.5</td>
<td>0.4</td>
<td>0.5</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Software publishing</td>
<td>0.1</td>
<td>0.4</td>
<td>0.9</td>
<td>0.5</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1.9</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>IT and other information services</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*Source: OECD, 2015*
YOU CAN
RELY ON GLOBALLY
ACKNOWLEDGED
HUMAN CAPITAL AT
A REASONABLE COST

"EPAM Hungary is the main pillar of EPAM’s
global operations, as it is the biggest and oldest
EU Delivery Center. We have been operating in the
region for more than a decade now [15 years]. We
developed our business here because of the high
quality of education and talent in the country."

Bence Vinko
Managing Director
EPAM

Four universities in Hungary
appear in the respected QS World
University Rankings (which claim
to be the most widely read univer-
sity comparison of the world’s top
800 universities).

Source: HCSO
In 2015, the total number of IT students was 20,945. Hungary’s system of higher education produces top-quality ICT professionals. A large number of multinational and local IT companies actively cooperate with universities to ensure that new generations of Hungarian IT engineers enter the labour market with the latest knowledge and the relevant practical skills to immediately start work in the private sector. In 2015, in cooperation with IBM, CEU Business School and the CEU Department of Economics launched a new one-year MSc programme in business analytics. The programme focuses on data scientist competencies, the first of its kind in the region.

ALTERNATIVE IT EDUCATION PROGRAMMES

- CodeCool – a private school offering 18-month courses for software developers
- Blend Your Solution/IT Career Programme – a three-to-four-month course for individuals with professional backgrounds other than informatics
- Green Fox Academy – offers a similar fast course in informatics with personal mentors
- Ruander Education Centre – offers various programming and IT courses
- PentaSchool – offers a very comprehensive IT and application development educational portfolio
- Masterfield Training Centre – offers basic IT and programming courses + specialized training programmes, such as banking informatics
- Training360 – offers various IT, programming and IT management courses
- IT factory – offers online courses primarily in the field of programming
Hungary has adopted the well-working GERMAN MODEL in medium & higher education. The curriculum is customized to company needs, resulting in a long-term market-ready workforce. Dual education training of young engineers on internationally approved standards ensures participation on real industrial projects during studies. Participation in student competitions strengthens the cooperation between corporate partners & universities. Customized curriculums & departments are strongly linked to the actual needs of the industry. The cooperation of academia and the corporate players resulted in a customized education at the Universities / Colleges of Győr, Veszprém, Miskolc, Kecskemét, Debrecen.

WHAT DO WE DO TO MAKE THE REQUIRED LABOUR FORCE AVAILABLE FOR YOU?

THE MEETING POINT OF CORPORATE CULTURE & EDUCATIONAL POTENTIAL:

- **Training** of young engineers on internationally approved standards
- **Close cooperation** between corporate partners & universities
- **Customized curriculums & departments** strongly linked to the actual needs of the industry
- Participation on real industrial projects during studies
- Participation in student competitions

ICT Sector in Hungary
There will be large numbers of students leaving the higher education who can immediately enter the world of work, without years of education and additional financial investment. It will be important to reduce the drop-out rates, to encourage practice-oriented training and to ensure real labour market-oriented diplomas.

In the 2015/2016 academic year, higher education in the dual form in Hungary is provided in the agricultural, economic, engineering and information technology areas, thus highly qualified young graduates will continue to be available for companies.

Throughout the country, with student contracts and in the framework of cooperation agreement more than 400 educational institutions are engaged in extracurricular vocational and secondary school (or both) “dual” training at various faculties.

In 2015, the government provided support to institutions through tenders worth HUF 2.2 billion specifically for the purpose of developing trainings, training materials and teaching aids, as well as to enhance cooperation-based relationships between educational institutions and partner organisations.

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The number of students in the 2013/2014 academic year who were engaged in extracurricular vocational “dual” training in the 9th-11th grades of secondary schools and vocational schools was 20,500.

Throughout the country, with student contracts and in the framework of cooperation agreement more than 400 educational institutions are engaged in extracurricular vocational and secondary school (or both) “dual” training at various faculties.

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High level language skills are indispensable for successful ICTs. Young Hungarians understand that, in order to be successful in today’s Europe, linguistic skills are essential. In 2013/2014, more than 532,000 Hungarian primary school students and 340,000 secondary school students were learning foreign languages, mostly English and German. Hungary has approximately 200 bilingual primary and secondary educational institutions where 37,000 young Hungarians study in English, German, Italian, Spanish, Russian, Chinese and in Hebrew.

Since Hungary’s EU accession, 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, EU’s largest and most successful mobility programme. Hungary is also an active participant in the Life Long Learning programme which helps to provide international internships for students.

Part of Erasmus International Study Program

200
Bilingual Primary & Secondary Educational Institutions

Hungary’s strategic resources include well-educated young adults who speak multiple languages and possess a spirit of performance and perseverance. The country is an ideal place for companies looking for a site for their service and support centre activities.

Balázs Ablonczy
Managing Director
SAP Hungary Ltd.
“Balabit was established in Budapest, Hungary, in 2000. The company focuses on delivering technology-leading security software solutions to the global market. Our research and development centres are based in Budapest and Veszprém, and we work closely with the biggest technology universities in Hungary. We have 23 clients from the Fortune 100 List and offices all over Europe — in the U.K., France, Germany, BeNeLux, Poland, and Hungary — and we recently opened a representative office in the U.S. But our R&D centres remain in Hungary.

I think the strengths that make Hungary a good choice for local and global organizations as a target of their investments are the traditionally high levels of scientific education; EU membership and its unified administrative environment; the hot startup culture and community in Budapest, of which Balabit is a member; excellent communication and transportation infrastructure; and beautiful capital city, Budapest, which is a great place to live and has a rich cultural life and thus attracts foreign experts.”
The innovative capabilities of the Hungarian ICT sector are best illustrated by the high number of local innovative companies that have emerged in recent years. Many of them operate on international markets and are regarded as leading innovators in their respective fields worldwide. Some of the most innovative companies are listed above.
Hungary’s competitiveness in scientific and research activities, as well as in knowledge-based activities is supported by the outstanding cooperation between universities and industry players. Several businesses collaborate with organizations in the higher education to carry out R&D activities.
INNOVATION

COOPERATION BETWEEN HIGHER EDUCATION INSTITUTIONS AND PRIVATE ENTERPRISES

UNIVERSITIES IN BUDAPEST

- BUDAPEST TECHNICAL UNIVERSITY
  - Cisco, HP, IBM, Microsoft, Nokia, SAP, Tata Consulting
- UNIVERSITY OF ÓBUDA
  - Alcatel-Lucent, Cisco, GTS Hungary Ltd., HP, Microsoft, SAP, Symantec, VMware
- EÖTVÖS LÓRÁND UNIVERSITY
  - A20 Ltd., General Motors, IBM, Microsoft, Nortel, Sárbély, Informatica Ltd., Számai Ltd.
- PÁZMÁNY PÉTER UNIVERSITY
  - MorphoLogic, Ericsson

UNIVERSITIES IN OTHER CITIES

- PANNONIA UNIVERSITY, VESZPRÉM
  - Anditek GmbH, Corecomm Srl, IBM, IT Services, Lépios, Nokia, Pannonia Ltd.
- COLLEGE OF DUNAÚJVÁROS
  - Nokia
- UNIVERSITY OF MISKOLC
  - IBM, HP, Microsoft, Tata Consulting
- COLLEGE OF NYÍREGYHÁZA
  - IT Services Hungary
- UNIVERSITY OF SZEGER
  - CAS Software, EPAM Systems, Morgan Stanley, Nokia, Régens, Tata Consulting, T-Systems
- UNIVERSITY OF PÉCS
  - Tata Consulting
YOU CAN
MAKE THE MOST OF THE COUNTRY’S STRATEGIC LOCATION: EASY ACCESS TO BOTH WESTERN AND EASTERN EUROPEAN COUNTRIES FROM THE HEART OF THE CONTINENT

Hungary 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. The 6 hour time difference from New York and the 7 hour time difference from Tokyo enable SSCs to provide services to the East and West simultaneously.

“Each market is equally important for Oracle Corporation. Being a global company, however, it has always given priority to those countries in which business leaders and professionals welcome innovative technologies. Hungary is among those countries. Due to its high level of applied information technologies, as well as its market size, it is a great choice for companies seeking to invest. We’ve found young and motivated professionals with European values, low attrition rates, and fairly low salaries for IT workers compared with the West.”

-Csaba Reményi
Country Leader
Oracle Hungary

AN IDEAL LOCATION FOR YOUR INVESTMENT
Easy access to both Western and Eastern European countries
Nokia operates at the forefront of telecommunication industry with state-of-the-art software, hardware and services for any type of networks. The open-minded and collaborative Hungarian ecosystem supports our research and development centre dealing with future ready technologies like Telco Cloud, Big Data Analytics, VoLTE and 5G.”

Béla Zagyva
Country Senior Officer
Nokia

Science parks are home to both subsidiaries of international IT vendors and Hungarian companies and play a special role in facilitating cooperative R&D among them. One result of the improving cooperation between IT companies and entities such as universities is a growing pool of available IT human resources. The most important IT-related science parks are as follows:

**Outstanding Locations of Knowledge/Science Parks**

**Infopark**
Established as the first innovation and technology park in CEE, it is located closely to the Budapest University of Technology. Park residents include, among others, Hungarian subsidiaries of IBM, Intel and IT Services Hungary.

**Corvin Science Park**
The largest science park in CEE. The park was established by two universities - the Semmelweis University and the Pázmány Péter University and the Hungarian Academy of Sciences (MTA).

**Graphisoft Park**
Located close to the University of Széchenyi, the park places a lot of emphasis on knowledge transfer. The most notable residents are SAP, Microsoft, Canon and Graphisoft.

**Outstanding Locations**

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**Zsámbék Talentis Business Park**
The park offers more than 100,000 m² of Class A office space just outside of the city of Budapest’s borders.

**Debrecen Science Park**
The aim of the park is to foster R&D activity in the region through cooperation of the University of Debrecen and businesses.

**Szeged ELI Science Park**
The Hungarian facility of the Extreme Light Infrastructure (ELI) project is being established in Szeged, to be completed by mid-2016. Parallel to the construction of the laser-research facility, a science park is also being built.

Béla Zagyva
Country Senior Officer
Nokia

“Nokia operates at the forefront of telecommunication industry with state-of-the-art software, hardware and services for any type of networks. The open-minded and collaborative Hungarian ecosystem supports our research and development centre dealing with future ready technologies like Telco Cloud, Big Data Analytics, VoLTE and 5G.”
HOW DO WE SUPPORT YOUR ICT PROJECT?

BEFORE YOU MAKE A DECISION WE OFFER YOU:

- one-stop-shop management consultancy services to address your business needs.
- meetings with HR & real estate agencies, law firms and other consultants based on your needs.
- tailor-made incentive offers and information packages on the business environment, labour market, tax regulations, etc.
- location search & evaluation + site visits.
- 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. Subsidies may be granted as regional aid or specific aid, such as R&D subsidies.

**GOVERNMENT INCENTIVES**

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

For information on up-to-date and individual incentive packages please contact HIPA directly.

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 €50 million, the maximum intensity ratio can be increased by 10 percent for medium-sized and by 20 percent for small enterprises.

**CASH SUBSIDIES** for investments, training, job creation and R&D

**TAX INCENTIVES** reduction of corporate tax, social tax, or for encouraging R&D activities...

**LOW-INTEREST LOANS**

**SPECIAL INCENTIVES** of the free enterprise zones

**VIP Cash Grant** may be available in case of creating 50 new jobs.

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