

# BUSINESSLAND HUNGARY





# Businessland Hungary



9.80 million people, 93,000 sq km



19 counties, capital: Budapest



Highly developed road, railway, air and water transport system



Human Development Index (2019): ▲ 0.845



SMEs provide 60% of employment, contribute to GDP by 40%



Core industries and services

Automotive and Machinery

Electronics

IT

Pharmaceutical

Chemical Industry

Medical Engineering

Food

Communication

Tourism

Logistics

R&D

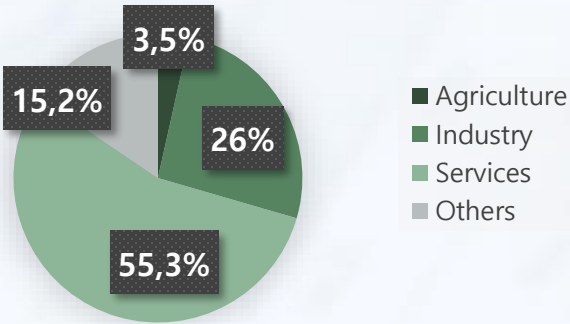
SSC

Water Management

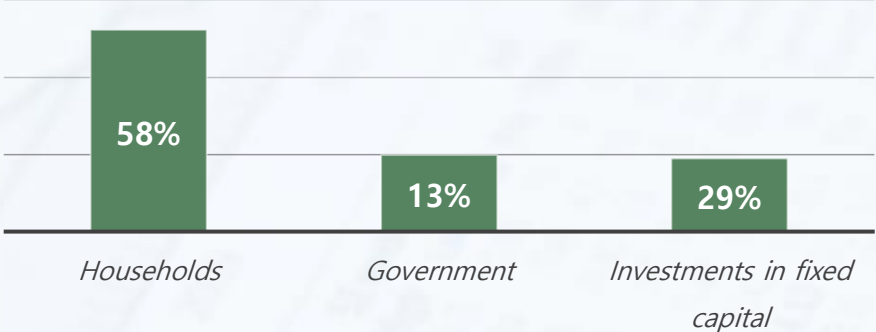
# Businessland Hungary

<b>GDP</b>	Per capita (nominal):  <b>17.466 USD</b> (2019)	GDP growth:  <b>4,9%</b> (2019)
<b>Employment</b>	Real wage growth:  <b>11,4%</b> (2019)	Unemployment:  <b>3,5%</b> (2019)
<b>Inflation</b>	<b>3,4%</b> (2019)	<b>3.5%</b> (2020 est.)
<b>Taxation</b>	Corporate income tax:  <b>9%</b>	Local business tax:  <b>Max. 2%</b>

GDP Composition (2019)



GDP by End Use (2019)



# Total trade turnover

213 billion EUR (2019)

## Main export partners: (2019)

Germany, Slovakia, Italy,  
Romania, Austria, France,  
Poland, Czech Republic,  
Netherlands, UK, USA

## Main import partners: (2019)

Germany, China, Austria,  
Poland, Netherlands, Czech  
Republic, Slovakia, Italy,  
Russia, France, Romania

Export: 109 billion €

Import: 104 billion €

4,2% growth (2019/2018)

5,7% growth (2019/2018)

# Economic outlook 2020

GDP growth:

-7%

Inflation: 3,5%

Unemployment:

5,4%

Exports

(goods, services, EC)

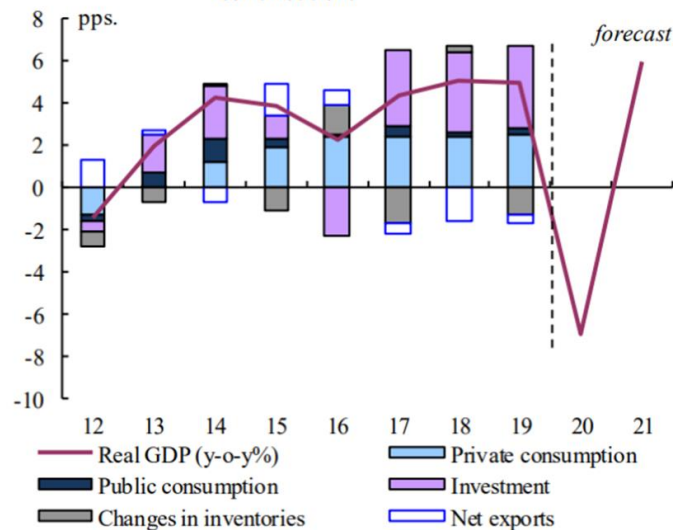
-14%

Imports

(goods, services, EC):

-15%

Graph 2.24: Hungary - Real GDP growth and contributions



Source: European Economic Forecast. Summer 2020. European Commission.

# Five-point economy protection plan

**Preserving jobs:** government will, among other measures, take over portion of wage payments from firms, that have had to shorten work hours due to coronavirus epidemic

**Job creation:** the government allocates HUF 450 billion (EUR 1.23 billion) to investments for job creation

**Providing support** for hard-hit economic sectors: tourism, construction, hospitality, entertainment industry, agriculture, health industry, food industry, logistic, public transport. Exemption from the obligation to pay social security and health insurance contributions until mid-2020

**Loans:** HUF 2 trillion worth of preferential, government-backed loans available to Hungarian companies

**„Family and Pensioner Protection Program.”** The government will gradually reintroduce 13th month pensions.

# New export support and investment promotion program

- 3 new products for businesses by Hungary's Eximbank
- Preferential loans available to companies for investments
- Working capital loans with 0,1% interest rate on the loan for small businesses that apply for it within a year
- In addition, Eximbank launched a guarantee and insurance scheme that will enable businesses to maintain their commercial bank loans and shield them from the negative effects of late payments in export markets

## Other export promoting measures

From 24 August 2020 HUF 23 billion (EUR 65.2 million) government support scheme directed at companies aiming at expanding their export capacity and establishing a physical presence in foreign countries

- Each company can win up to HUF 3 billion support



# Hungarian Chamber of Commerce and Industry

## Hungary's Largest Business Association

600.000 Registered  
companies in the fields of  
trade and industry

22.000 Voluntary  
members

Present in Hungary since  
1850



### **Umbrella Organization**

Coordinating 23 regional chambers  
covering the whole country



### **Members: from multinational to single enterprises**

Producing 2/3 of the Hungarian GDP



### **Mission & Vision**

To stimulate a vibrant local economy and  
increase Hungarian exports by improving  
small and medium sized companies'  
market positions at international level

# Main Services



Development of  
international  
business  
relations



Vocational  
training



Marketing and  
business  
information



Arbitration  
Court



Issue and  
authentication  
of trade  
documents



„Széchenyi”  
Card System -  
financial  
support to SMEs



# HCCI International Relations



**Brussels Office, Membership in Eurochambres, ICC, WCF and SRCIC**



**Bilateral chambers related to 3 neighbouring countries**



**Bilateral and multilateral committees related to 13 priority partner countries and regions**



**164 partnership agreements with foreign national chambers in 78 countries**



**Cooperation with embassies and trade promotion organizations**



**6 business councils with 3rd countries**



**European Enterprise Network offices in 5 regional chambers**

# Services in the Field of Internationalization

## International Department

Trade related events

Business Missions

Business Information

Export directory

Export Guide

Newsletters

## 13 Committees for Foreign Relations

China

Croatia

Germany

Kazakhstan

Mongolia

Romania

Russia

Slovakia

Slovenia

Turkey

M. East and N. Africa

Africa

West-Balkan

## 6 Joint Business Councils

Cuban

Algerian

Egyptian

Saudi

Taiwanese

Vietnamese

# Bilateral relations

**1994 – Memorandum of Understanding between the Croatian Chamber of Economy and the Hungarian Chamber of Commerce and Industry**

## Hungarian-Croatian Committee

- founded on 11 July 2012 at the initiative of the Hungarian Chamber of Commerce and Industry
- hosted by the Chamber of Commerce and Industry of Pécs-Baranya and the Chamber of Commerce and Industry of Somogy
- more than 60 members (Baranya, Somogy, Zala counties) and the circle of members is constantly expanding, the goal is the national coverage

## Aims of the Committee

- taking care of the economic and trade relations between the two countries,
- promotion and protection of the economic interests of the members,
- professional support, partnering services,
- lobbying power, legal advice



# Bilateral relations

## Hungarian-Croatian Committee

### Tasks of the Section

- personalized counselling,
- organization of information events,
- participation at exhibitions and fairs,
- organization of international matchmaking events

### Partners

- Croatian territorial chambers,
- the offices and colleagues of the Croatian Enterprise Europe Network,
- the Central European Trade Development Network (HEPA - Osijek),
- the General Consulate of the Republic of Croatia in Hungary,
- Hungary's foreign representation offices

## Hungarian-Croatian trade volume (million EUR)

	Export			Import		
	2017	2018	2019	2017	2018	2019
Total	1576,05	1665,8	1843,52	578,91	615,88	799,18

	Export		Import	
	January-June 2019	January-June 2020	January-June 2019	January-June 2020
Total	995,6	801,75	326,02	413,08

# Potential areas of cooperation

**Water management**

**Wastewater and waste treatment technologies**

**Alternative and renewable energies**

**Agriculture and food processing technologies**

**ICT**

**Gas and oil industry equipment**

**R&D knowledge and technology transfer**

**Medicines and medical equipment**



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