



# WHY HUNGARY?





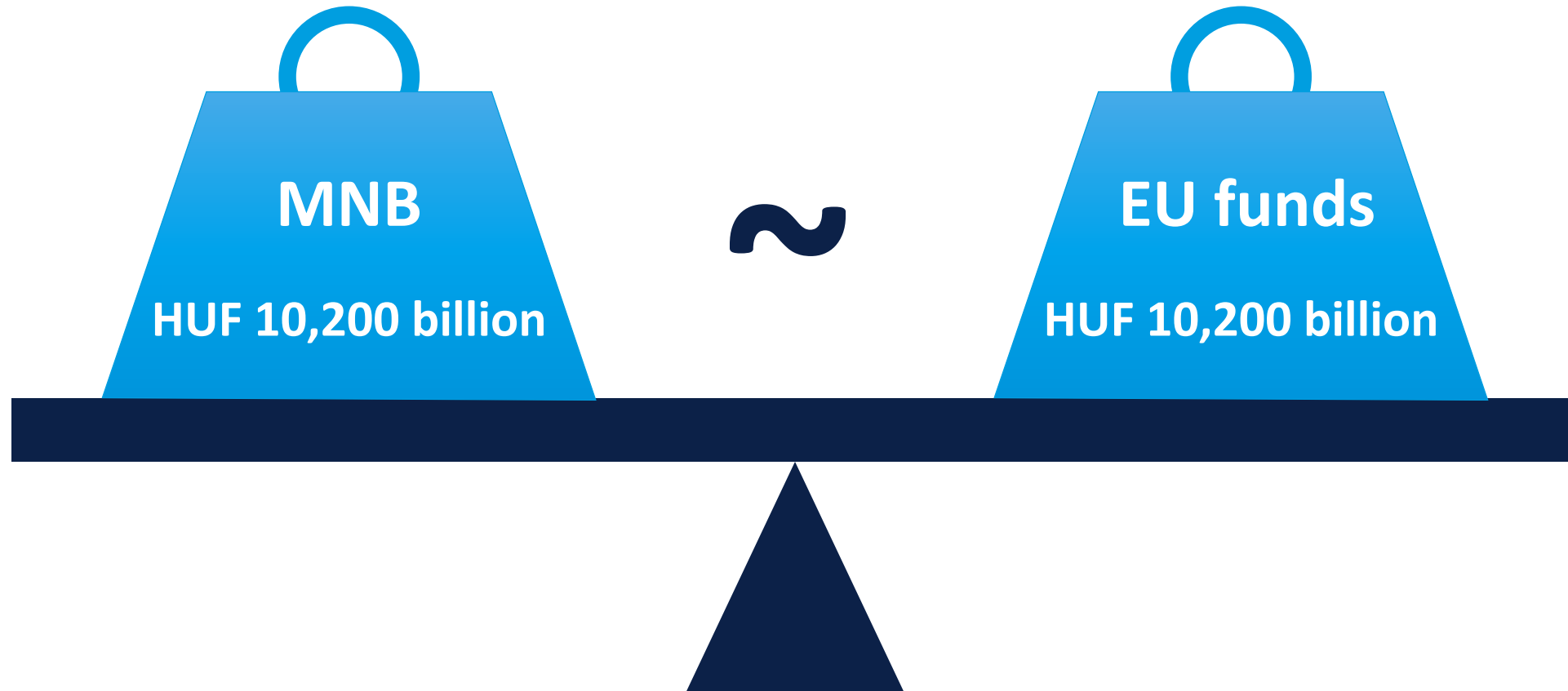
# RESULTS ACHIEVED SINCE 2010

# THE 12 TURNAROUNDS THAT PUT HUNGARY ON A NEW PATH

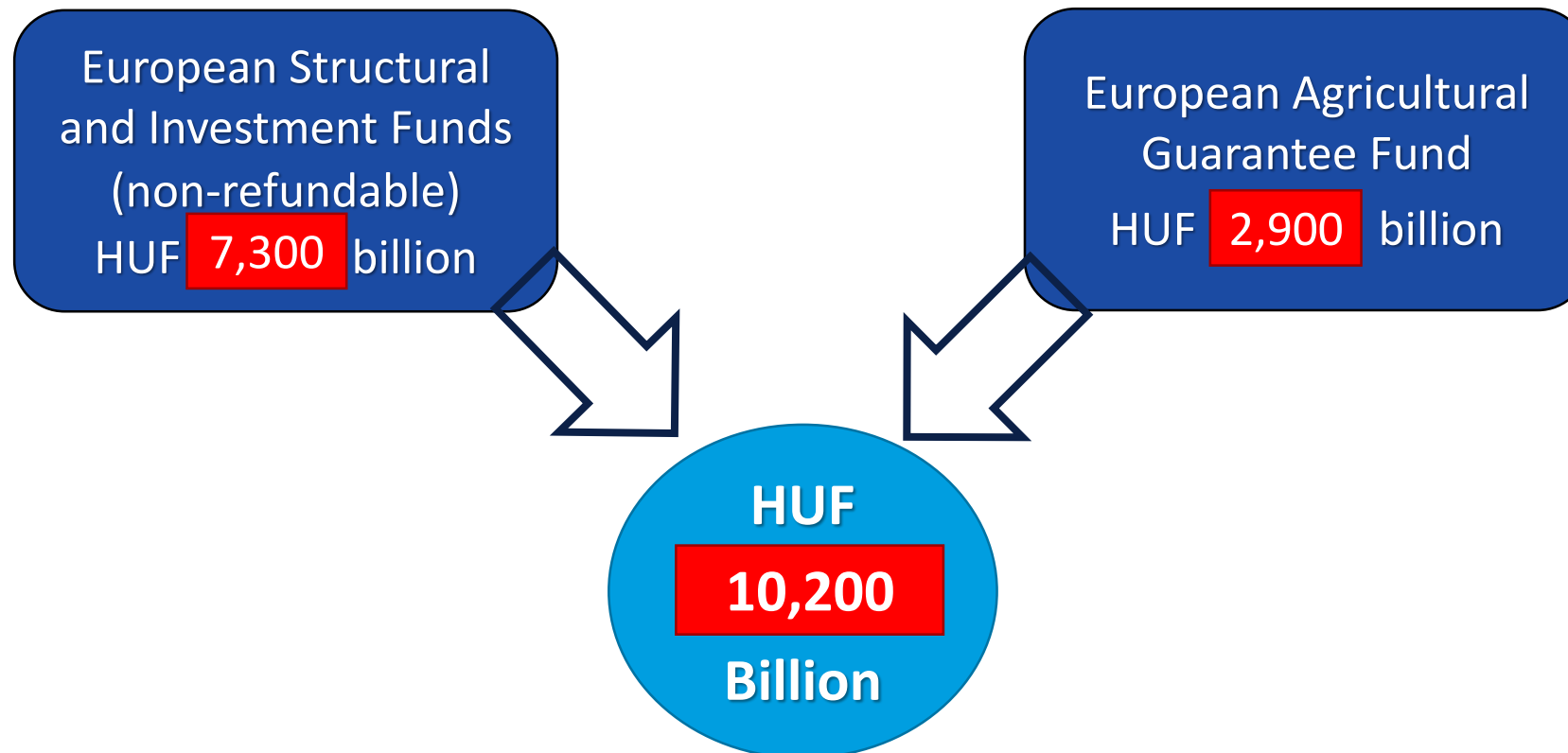


	TURNAROUND		2010	2018
1	Labour market	Employment	3.7 million	4.5 million
2	Tax system	Focus on sales taxes	✗	✓
3	Motivation	Marginal tax wedge	64.1%	45.0%
4	Public finance	Budget deficit	-4.5%	-2.2 %
5	Public debt	Gross public debt	80.2%	70.8%
6	EDP	End of EDP procedure	✗	✓
7	Monetary policy	Base rate	6.0%	0.9%
8	Lending	Annual change in corporate loans	-2.5%	12.0%
9	FX loans of households	Share of households' FX loans	65%	0%
10	MNB balance sheet	MNB balance sheet in proportion of GDP	40.7%	27.8%
11	Growth	GDP growth	0.7%	4.9%
12	Convergence	Growth rate above the EU average	✗	✓

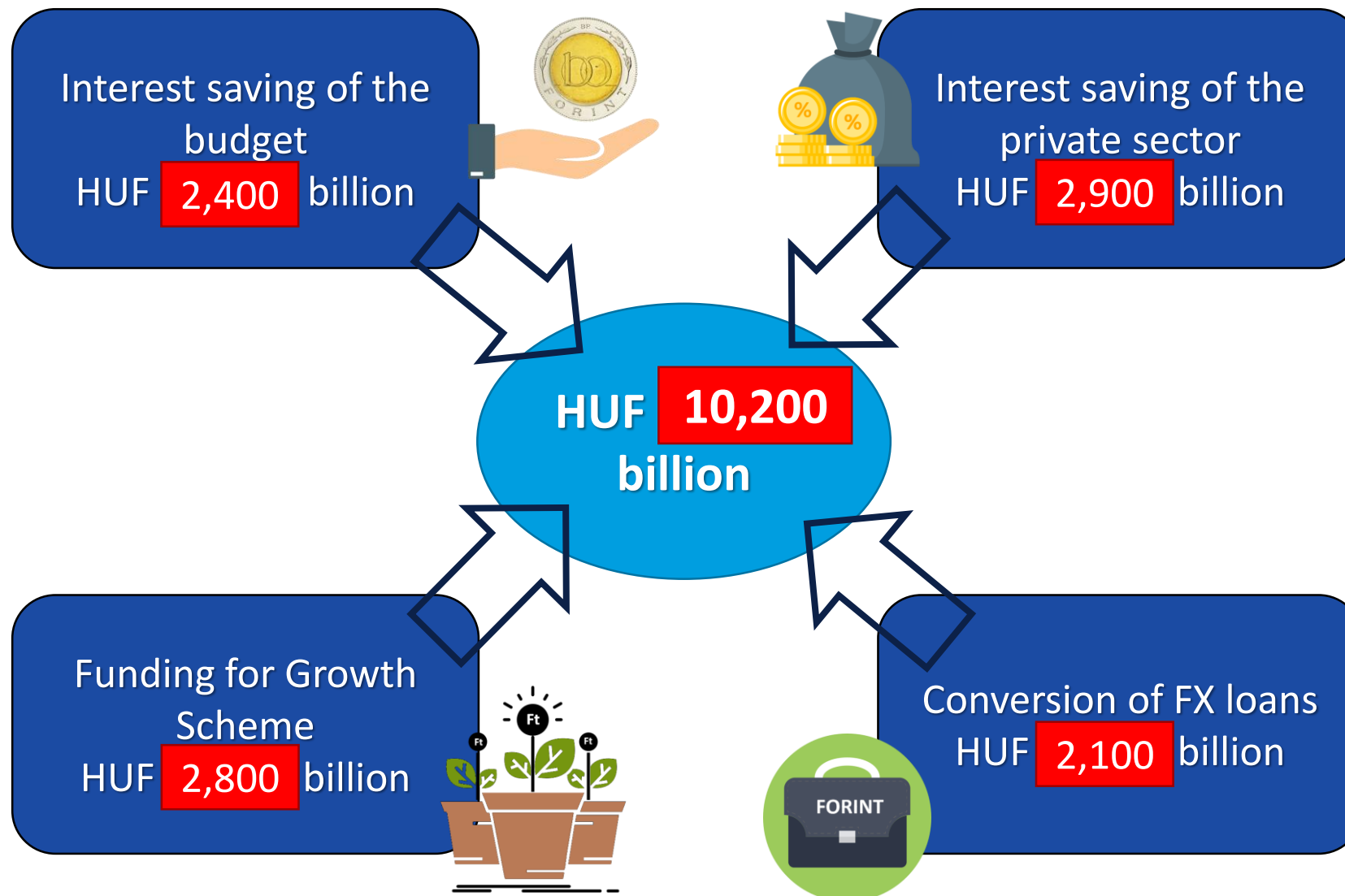
# THE DIRECT ECONOMIC EFFECT OF THE MNB AND EU FUNDS IS NEARLY THE SAME



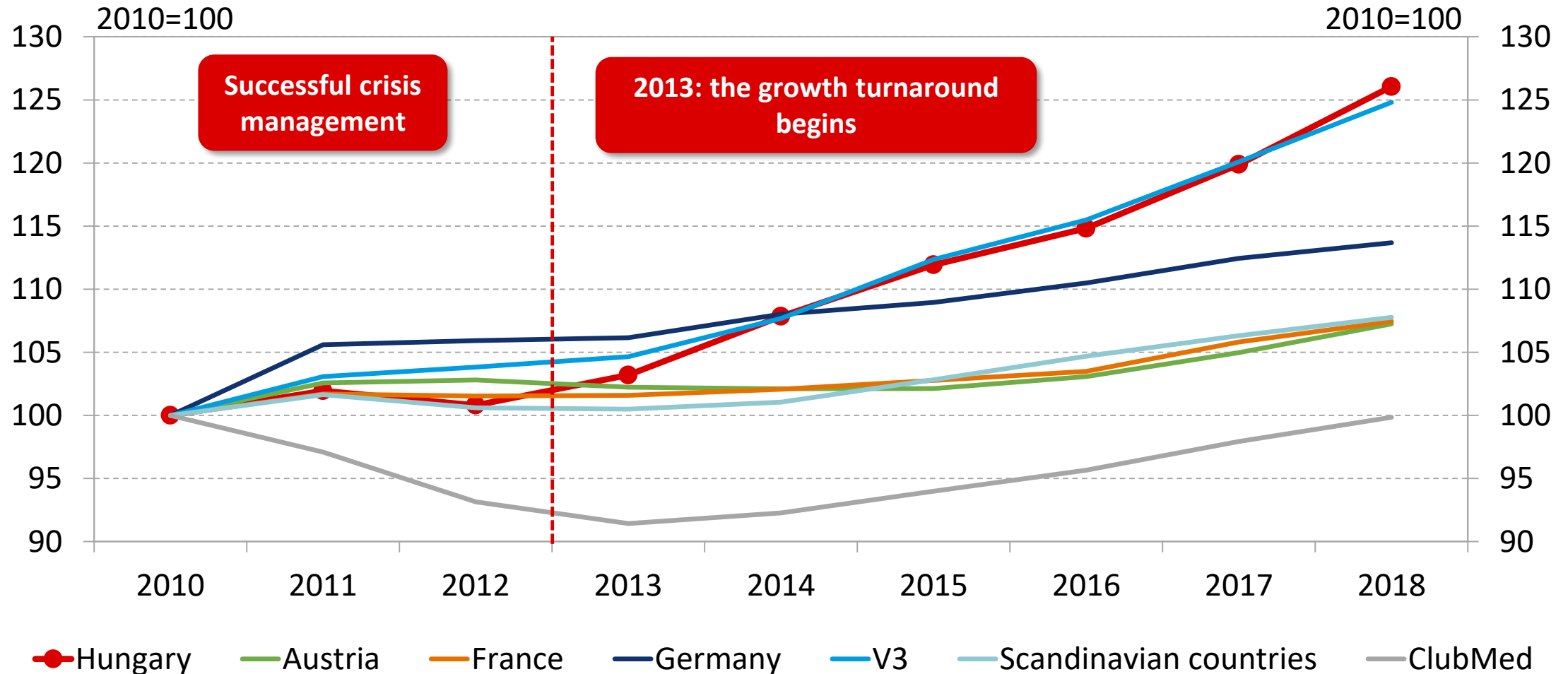
THE FUNDS AVAILABLE IN THE CURRENT EU BUDGET CYCLE IS  
AROUND HUF **10,200** BILLION



# THE DIRECT IMPACT OF MNB PROGRAMS UNTIL 2018 IS HUF **10,200** BILLION



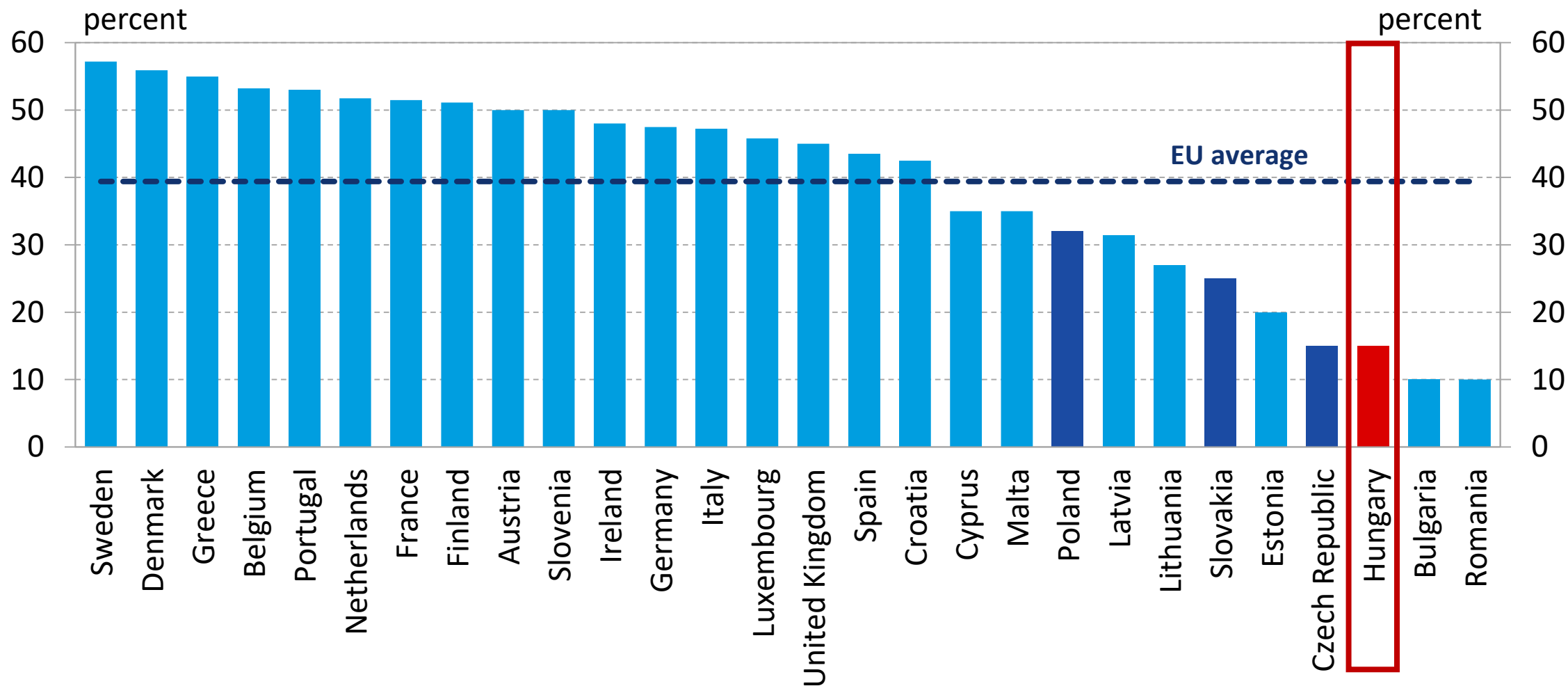
# THE REGION HAS BEEN CATCHING UP TO THE ADVANCED ECONOMIES



EVOLUTION OF GDP PER CAPITA (PPP, CONSTANT PRICES)

Source | WDI

# THE TOP STATUTORY PERSONAL INCOME TAX RATE IN HUNGARY IS ONE OF THE LOWEST IN THE EU

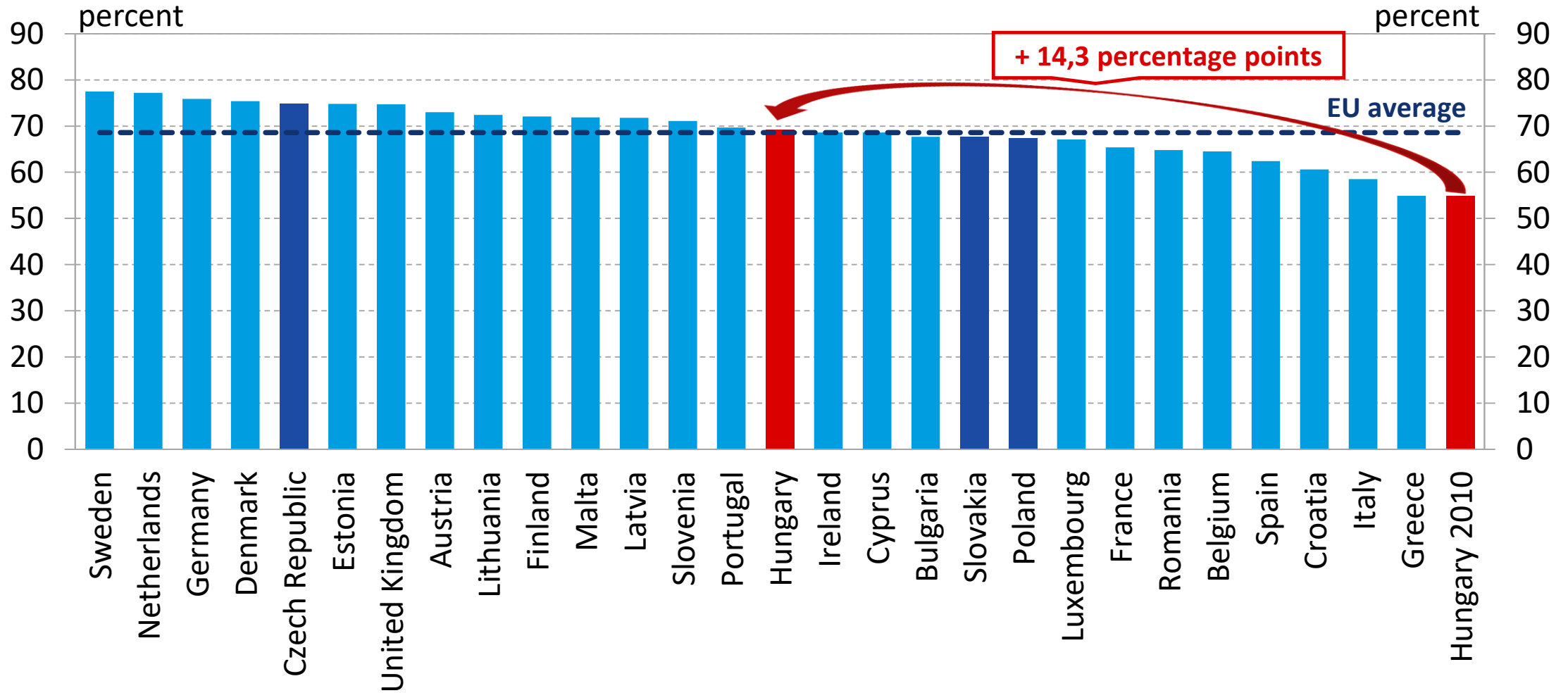


TOP STATUTORY PERSONAL INCOME TAX RATES IN THE EU, 2019

Source | European Commission



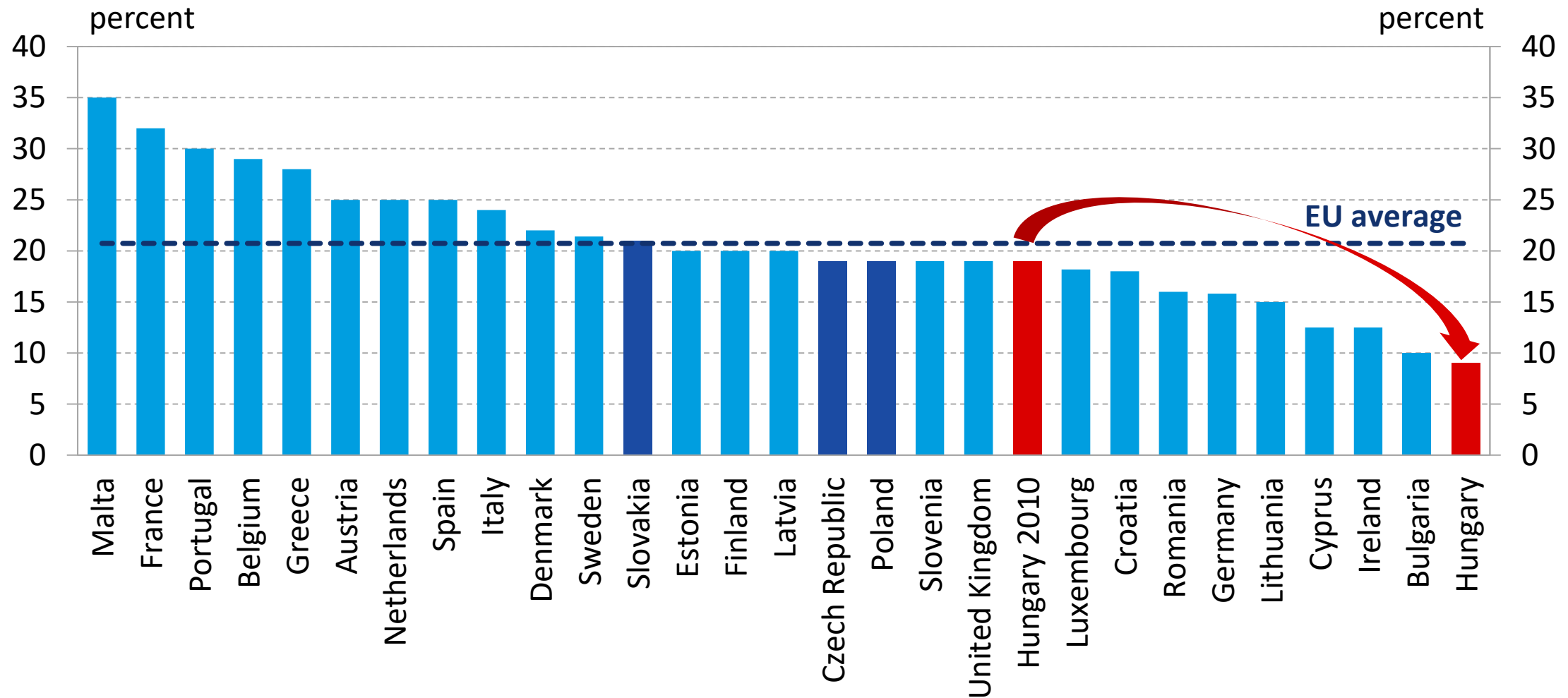
# THE EMPLOYMENT RATE INCREASED THE THIRD MOST SIGNIFICANTLY IN HUNGARY SINCE 2010



EMPLOYMENT RATES IN 2018 (15-64 AGE GROUP)

Source | Eurostat

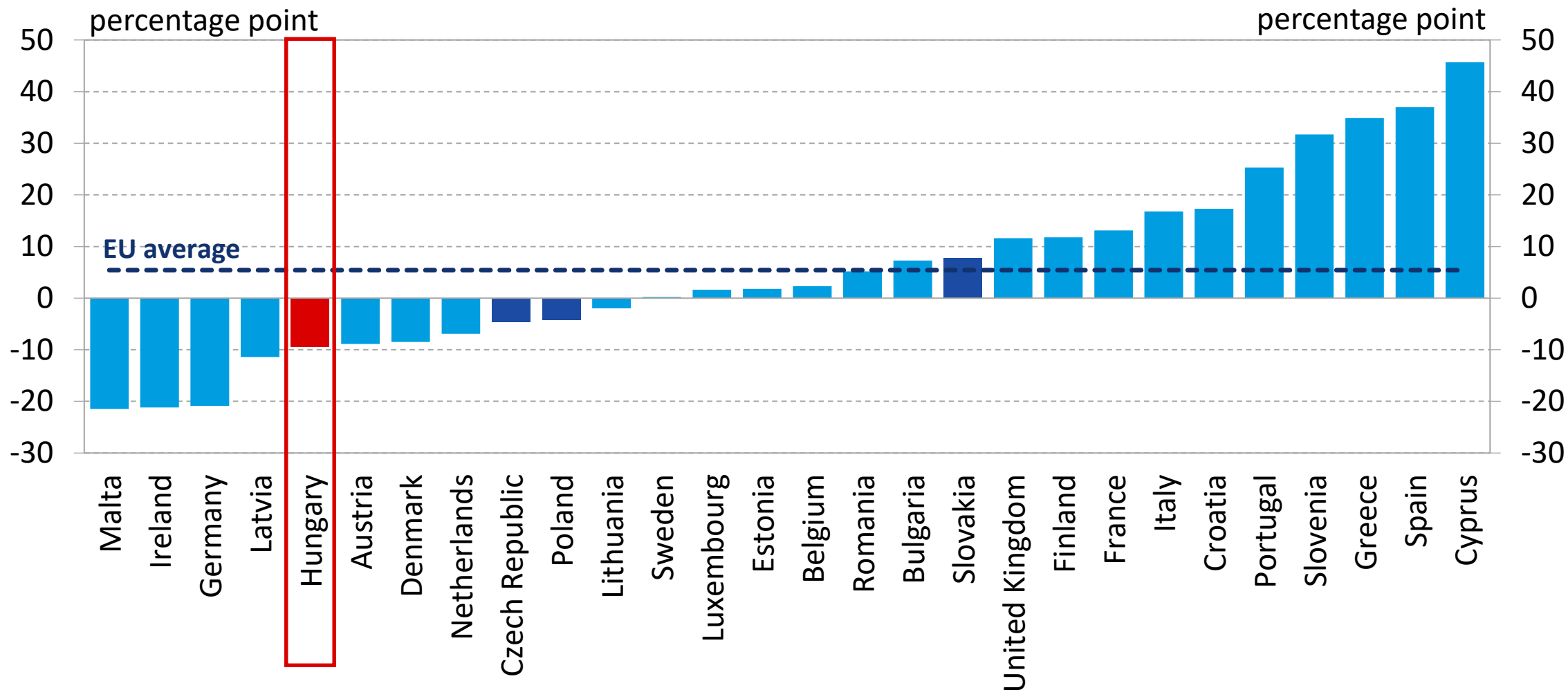
# CORPORATE INCOME TAX RATE IN HUNGARY IS THE LOWEST IN THE EU



CORPORATE INCOME TAX RATES IN THE EU (FLAT OR TOP MARGINAL), 2019

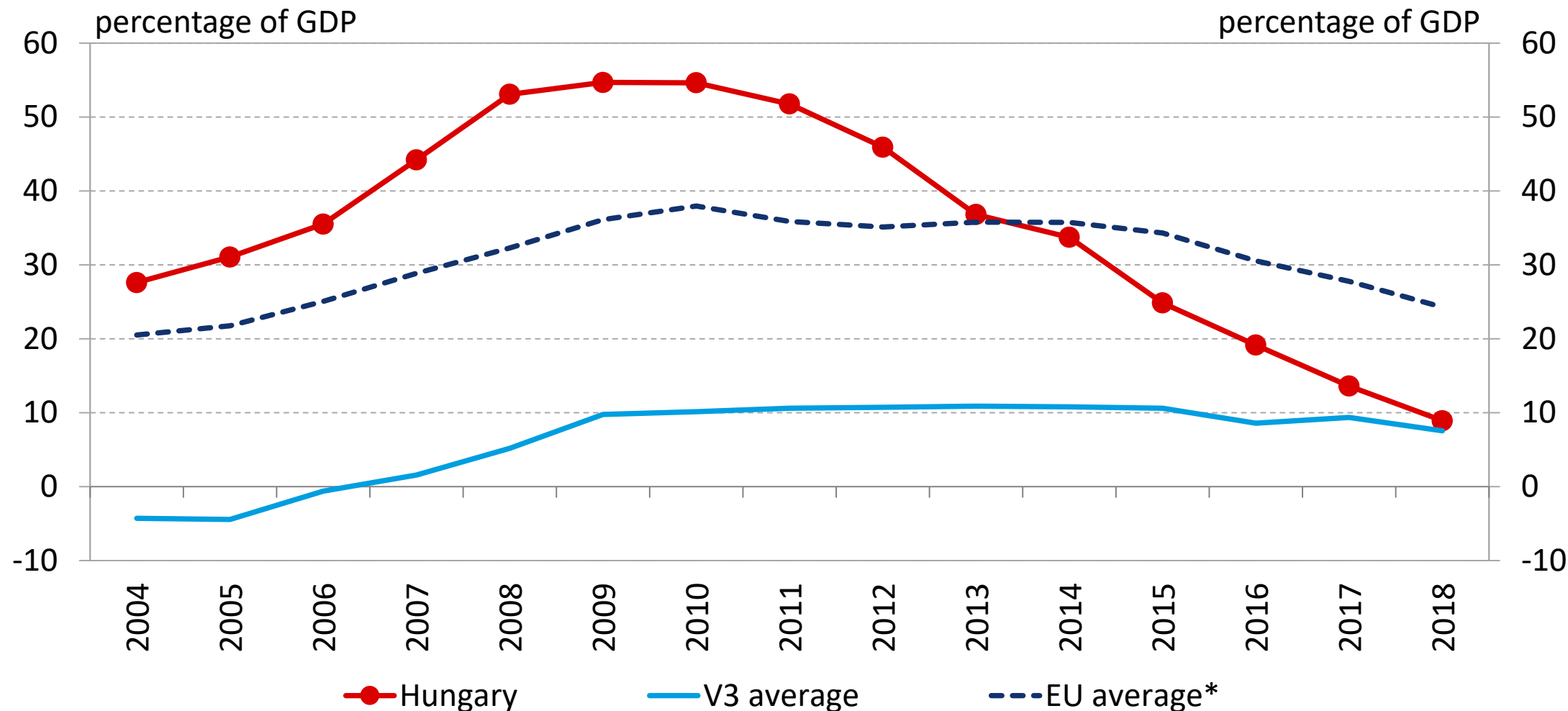
Source | OECD, European Commission

# IN THE EU, ALONE HUNGARY HAS A CONTINUOUSLY DECLINING PUBLIC DEBT SINCE 2011



CHANGE IN GROSS PUBLIC DEBT AS A PROPORTION OF GDP BETWEEN 2010 AND 2018

# DECLINING EXTERNAL DEBT CONTRIBUTED TO THE IMPROVEMENT OF HUNGARY'S RISK ASSESSMENT

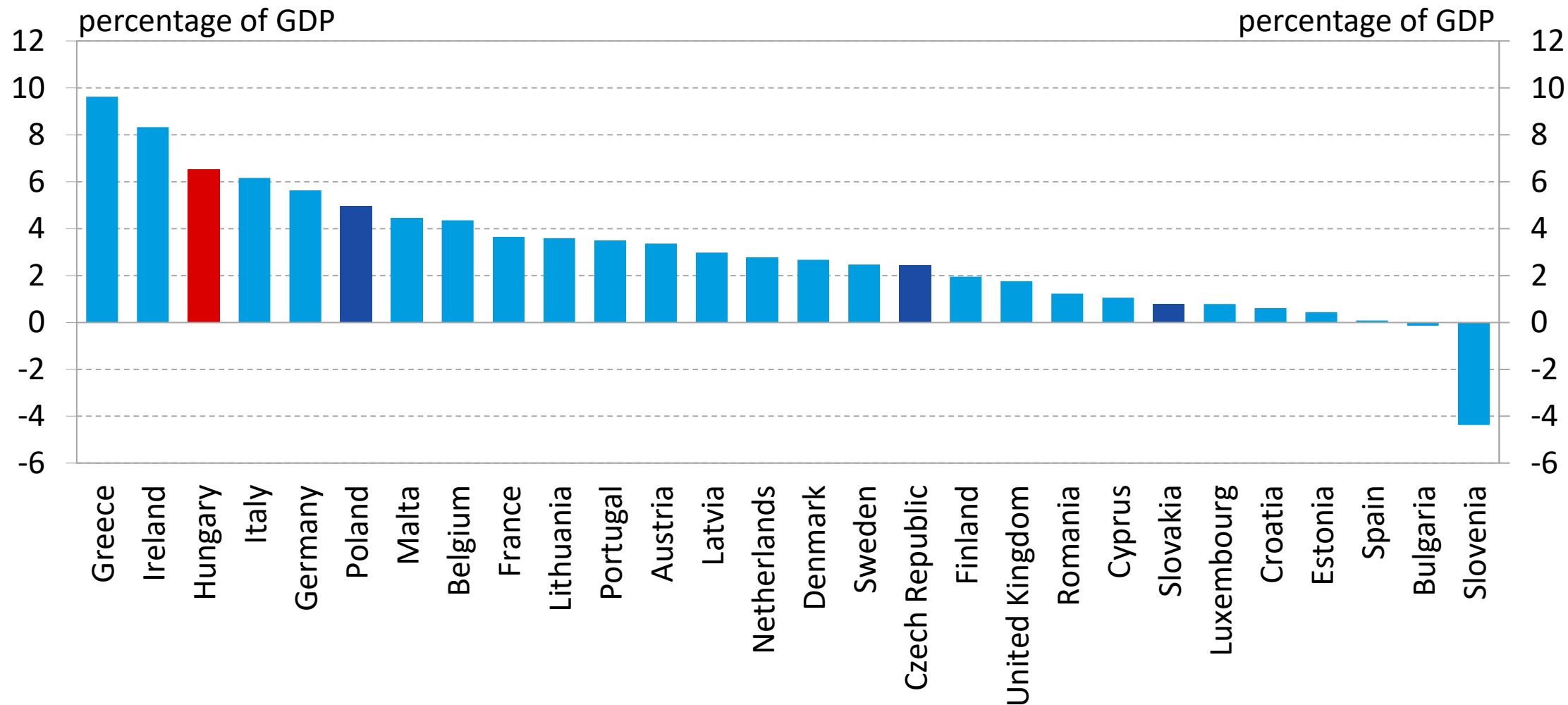


EVOLUTION OF NET EXTERNAL DEBT AS A PROPORTION OF GDP

Note | Excluding intercompany loans. \* Excluding Ireland, Malta, Luxembourg

Source | Eurostat

# THE DECREASE IN INTEREST EXPENDITURES IS OUTSTANDING IN INTERNATIONAL COMPARISON



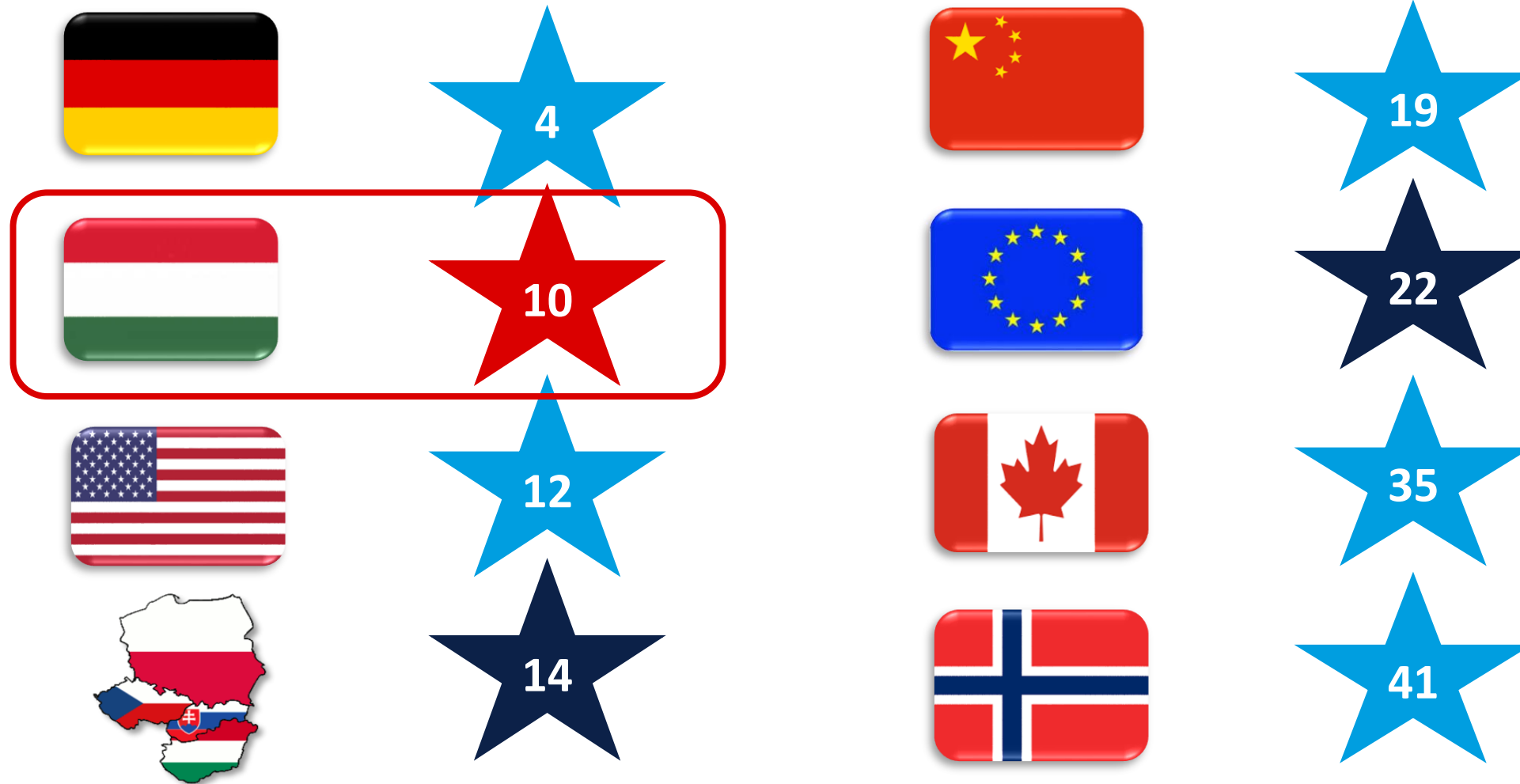
EVOLUTION OF CUMULATED INTEREST SAVINGS BETWEEN 2013 AND 2018

Source | Eurostat, MNB



# WHY IS HUNGARY ATTRACTIVE?

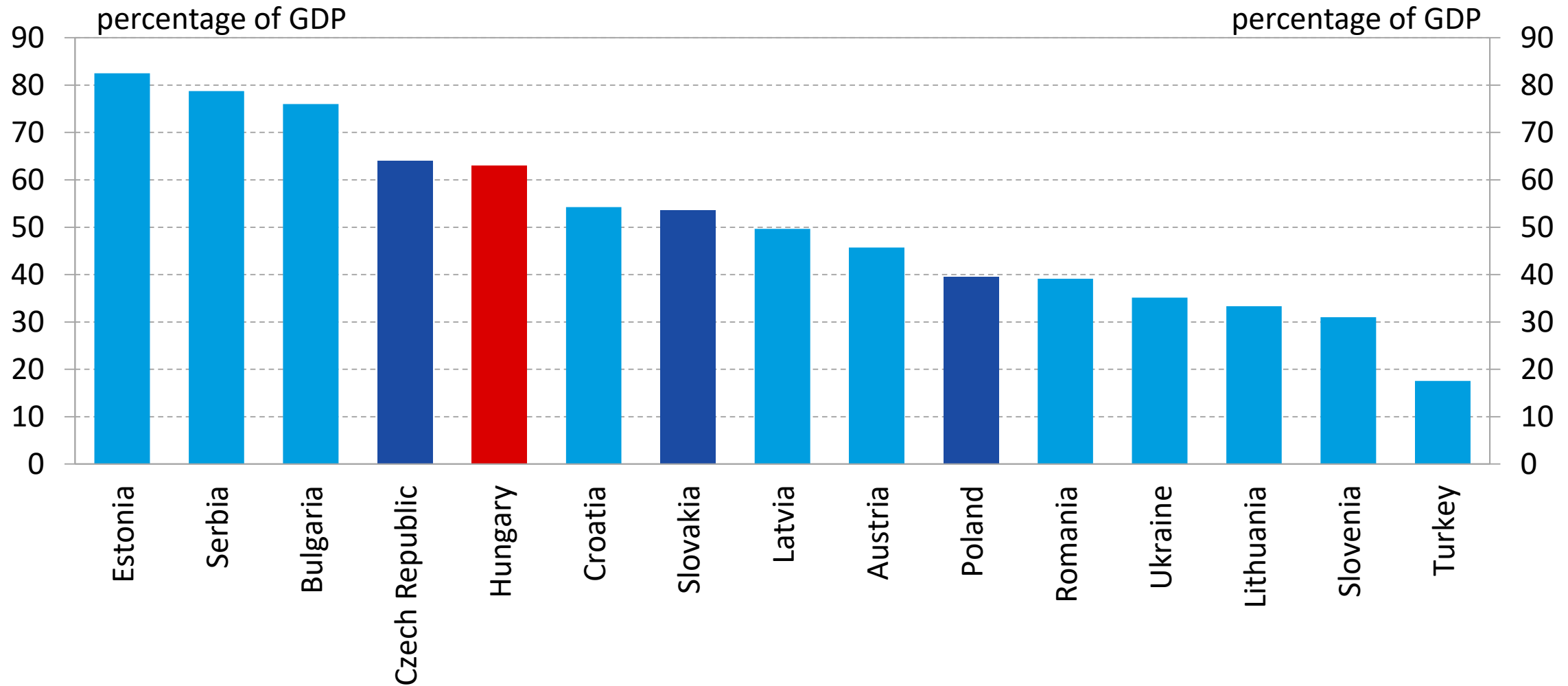
# HUNGARY IS ONE OF THE MOST COMPLEX ECONOMY IN THE WORLD OUT OF 133 COUNTRIES



RANKING OF THE ECONOMIC COMPLEXITY INDEX (2017)

Source | Harvard University

# HUNGARY IS A POPULAR COUNTRY TO INVEST IN THE REGION

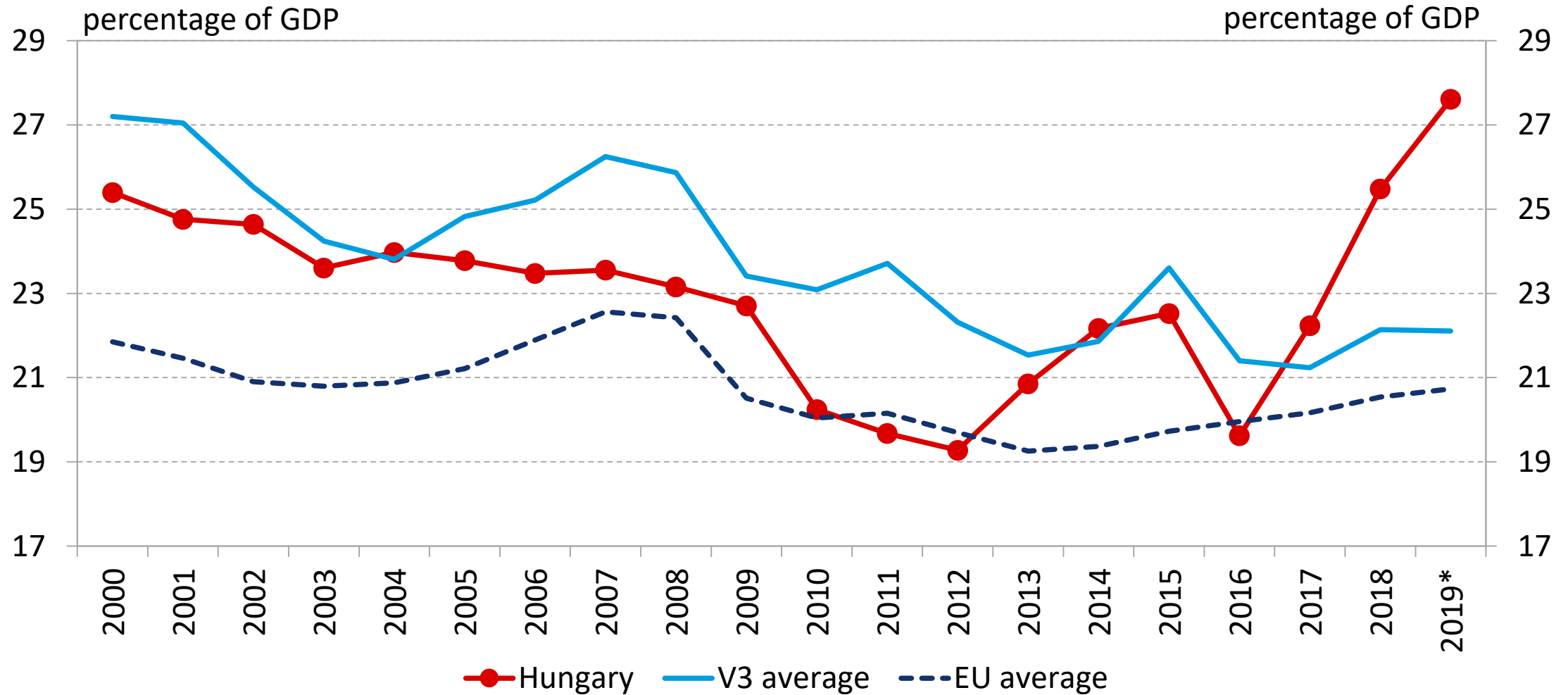


FDI STOCK IN THE COUNTRIES OF THE REGION, 2018

Source | MNB, Unctad



# HUNGARIAN INVESTMENT RATE IS OUTSTANDING IN THE EU

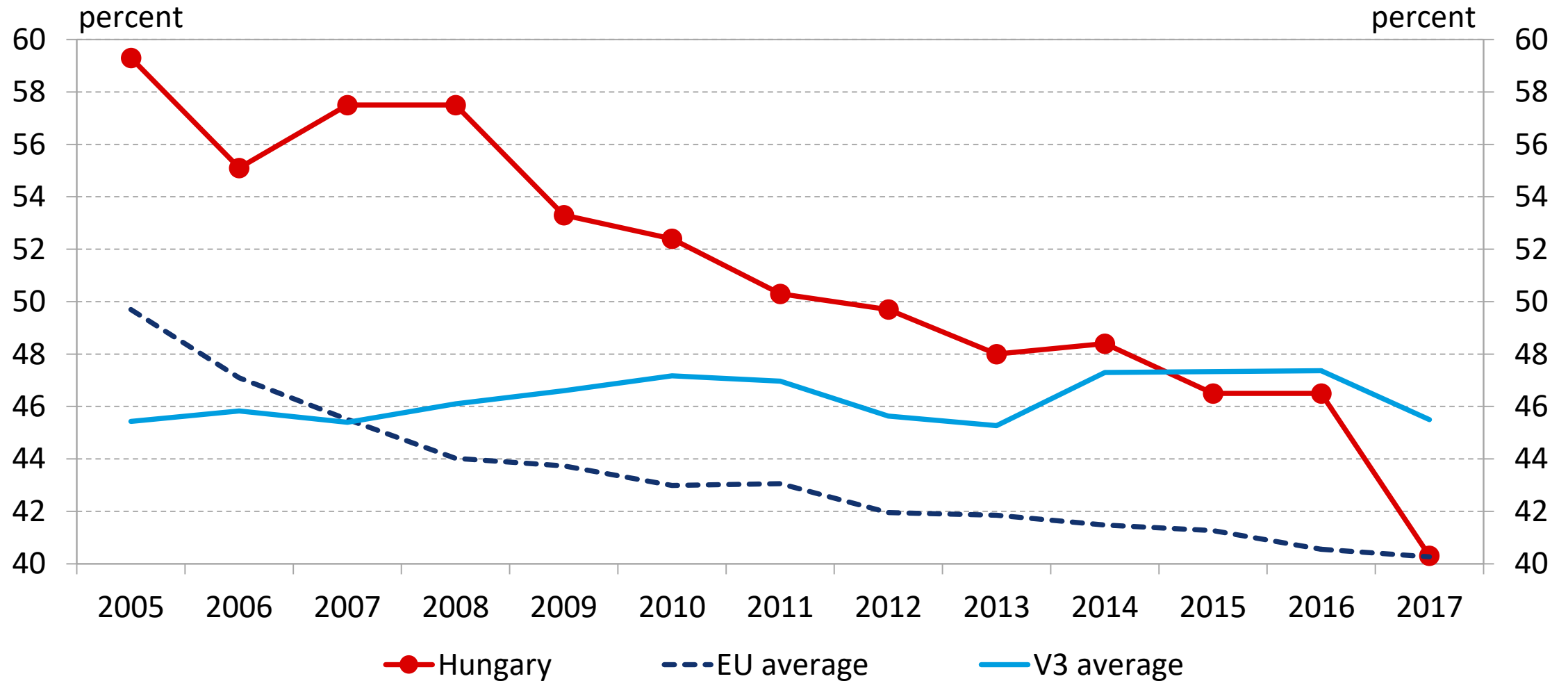


EVOLUTION OF INVESTMENT RATE

Note | \* Forecast

Source | AMECO

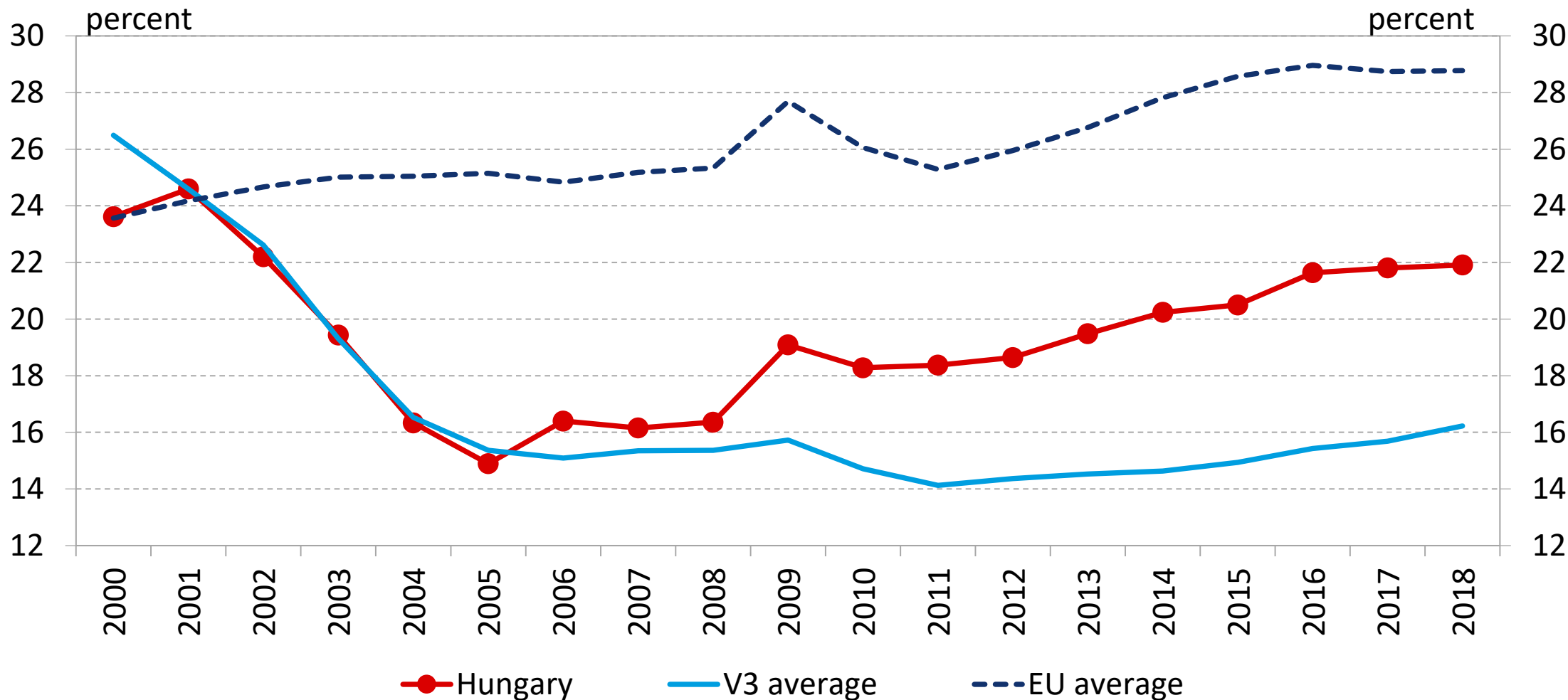
# TAX RATE PAID BY AN AVERAGE HUNGARIAN SME HAS SIGNIFICANTLY DECLINED AND REACHED THE LEVEL OF THE EU AVERAGE



TOTAL TAX RATE OF A MODELLED MEDIUM SIZED COMPANY

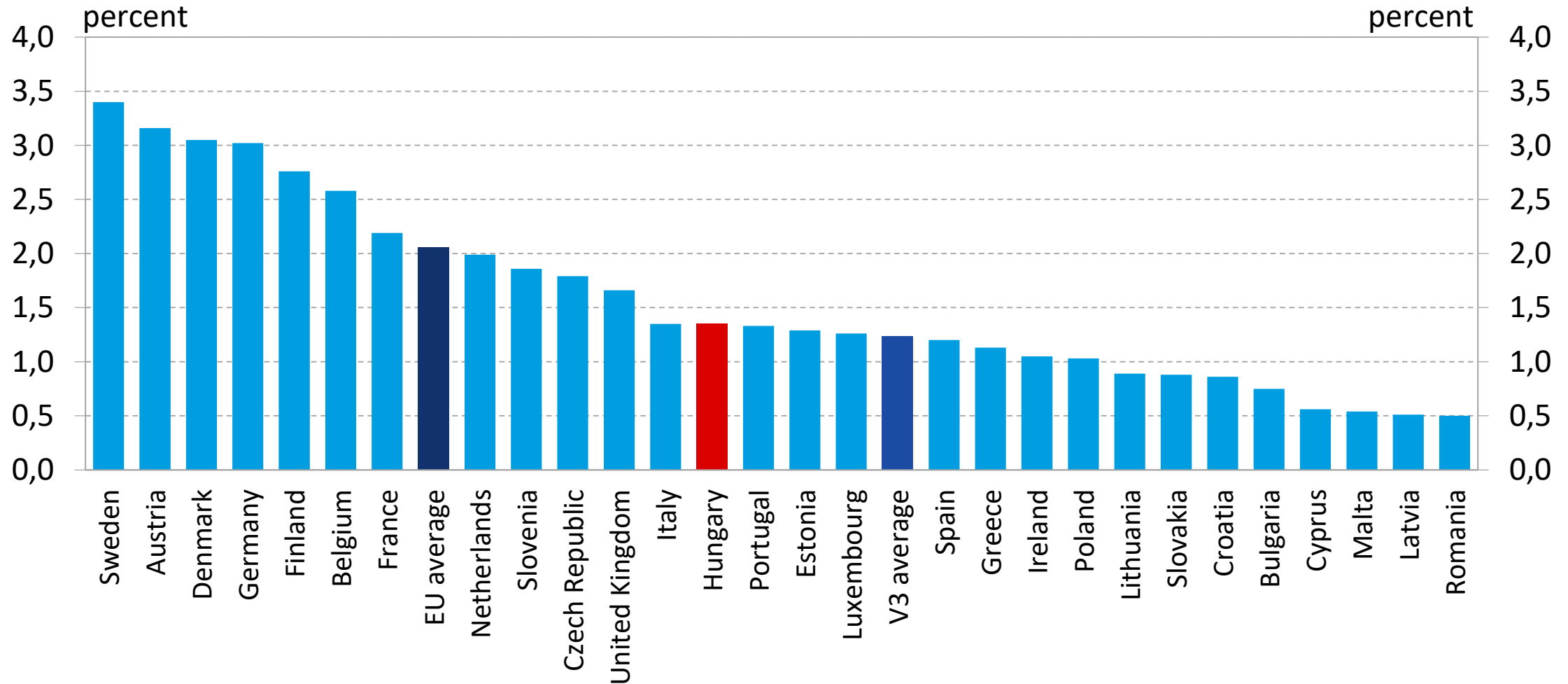
Source | PwC – World Bank

# THE SHARE OF EXPORTS OF SERVICES CONTINUOUSLY INCREASED IN HUNGARY, THEREFORE IT IS ABOVE THE V3 AVERAGE



SHARE OF EXPORTS OF SERVICES IN TOTAL EXPORTS

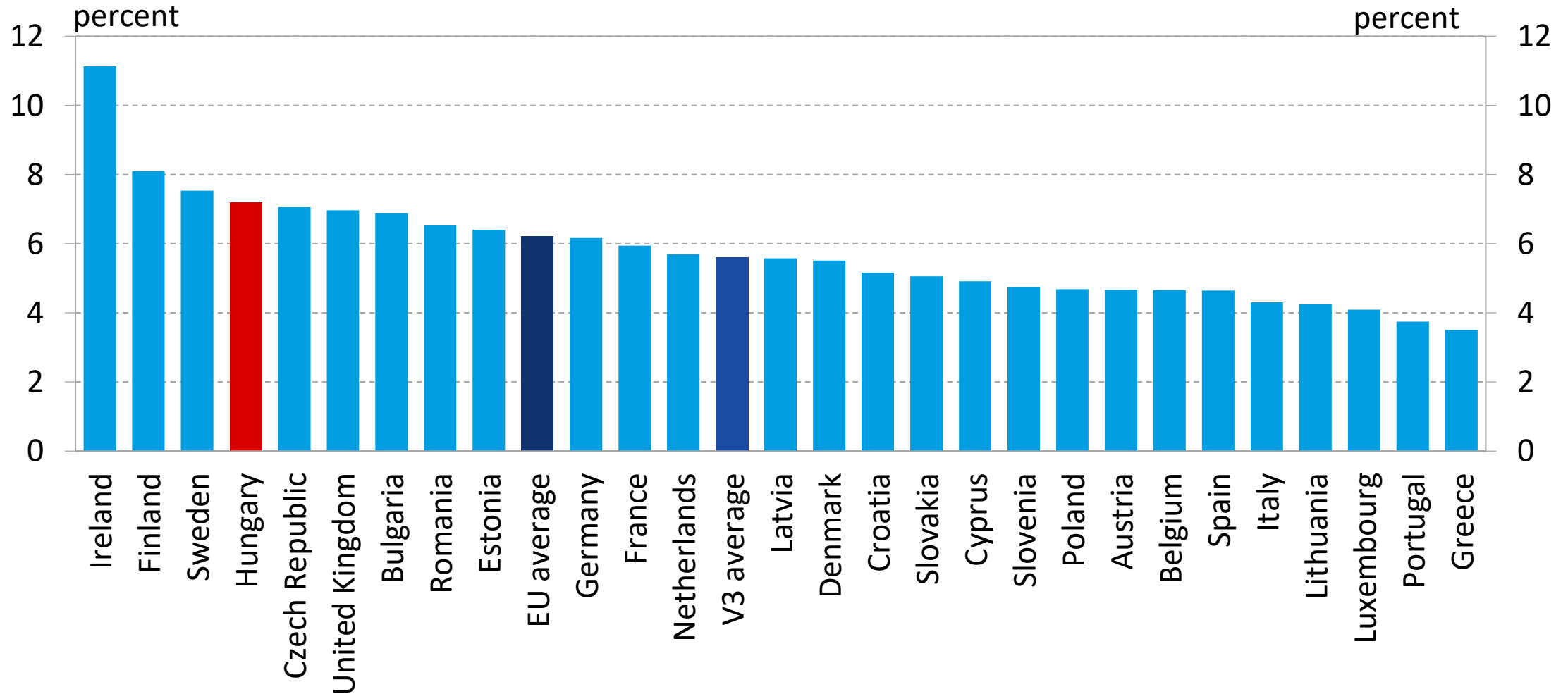
# HUNGARY SPENDS MORE ON R&D THAN THE V3 AVERAGE



R&D EXPENDITURES AS A PERCENT OF THE GDP (2017)

Source | Eurostat

# THE HUNGARIAN DIGITAL ECONOMY IS THE FOURTH BIGGEST IN THE EUROPEAN UNION



THE SHARE OF THE ICT SECTOR IN THE GDP (2017)

Source | Eurostat

# HUNGARY HAS AN ADVANTAGE IN THE 4G COVERAGE IN THE EU



100 percent



99.5 percent



**99.2 percent**



98.9 percent



97.6 percent



97.5 percent



97.3 percent



95.8 percent

4G BROADBAND COVERAGE AS A PERCENT OF HOUSEHOLDS IN SOME EU MEMBERS (2018)

# THREE DIFFERENT TRANSEUROPEAN NETWORK CORRIDORS ARE CROSSING HUNGARY



Hungary is the first concerning the length (1936 km) and density of motorways in the Visegrád region.

THE CORE NETWORK CORRIDORS OF THE TRANSEUROPEAN NETWORK (TEN-T)

Source | European Commission, Eurostat, Hungarian Investment Promotion Agency



# VIA CARPATHIA: NORTH-SOUTH CORRIDOR



A **3300 km** long trans-European road network would link the Baltic Sea with the Aegean and Black Seas.

It is expected to be completed by **2026**.

It complements the **New Silk Road** network.

Source | Ministry of Infrastructure and Construction of Poland

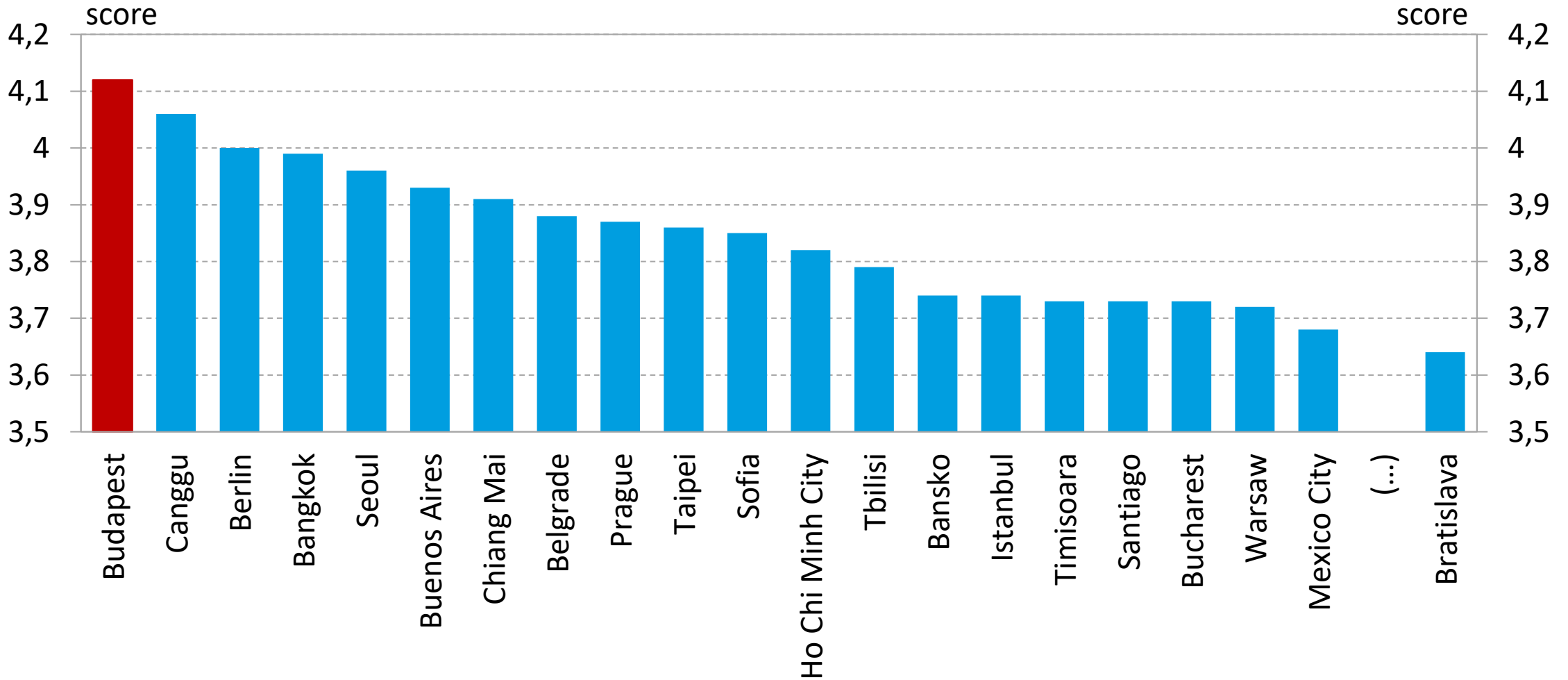


# HUNGARY HAS A RICH HISTORICAL HERITAGE



**Budapest is the most popular European destination in 2019**

# ACCORDING TO THE NOMAD LIST, BUDAPEST IS CURRENTLY THE BEST PLACE FOR A DIGITAL NOMAD TO STAY AND WORK



Note | The Nomad List contains currently 1331 cities  
Source | nomadlist.com



THANK YOU FOR YOUR  
KIND ATTENTION!