

DOING BUSINESS IN HAJDÚ-BIHAR, HUNGARY



A GREAT PLACE FOR YOUR ENTERPRISE

Produced in the framework of the TÁMOP-4.2.1.C-14/1/KONV-2015-0004 project.

Publishing entity: Chamber of Commerce and Industry of Hajdú-Bihar County

Publisher-in-charge: Ferenc Miklóssy

Reviser for content: StrateGIS Kft.

Printing: Center-Print Nyomda Kft.

TABLE OF CONTENTS

1	INTRODUCING HAJDÚ-BIHAR COUNTY	6	4	ECONOMIC AND ENTERPRISE DEVELOPMENT ORGANISATIONS IN THE COUNTY	34
1.1	Location, accessibility	8	4.1	Chamber of Commerce and Industry of Hajdú-Bihar County	36
1.1.1	Location	8	4.2	DBH Group	36
1.1.2	Natural environment	8	4.3	The Hajdú-Bihar County Enterprise Development Foundation	36
1.1.3	Accessibility	10	4.4	INNOVA Észak-Alföld Regional Innovation Agency	37
1.2	Demographic and economic overview	12	4.5	Hajdú-Bihar County Development Agency Non-profit Ltd.	37
1.2.1	Demographics	12	4.6	XANGA Investment & Development Group	37
1.2.2	Economic overview	13			
1.3	Education	14	5	MAJOR COMPANIES IN THE COUNTY	38
1.3.1	Primary and secondary education	14	5.1	Agricultural production and processing activities	40
1.3.2	The University of Debrecen	14	5.2	Industry	41
1.4	The labour market	15	5.2.1	Construction industry	41
1.5	Business sectors	16	5.2.2	Machine industry, metalworking	41
1.5.1	Agriculture	16	5.2.3	The manufacturing of medical instruments	41
1.5.2	Industry	17	5.2.4	Electronics industry	42
1.5.3	Services	17	5.2.5	Pharmaceutical industry	42
			5.2.6	Food processing industry	42
2	BUSINESS ENVIRONMENT	20	5.3	Trade and services	42
2.1	The legal background for enterprises	22	5.3.1	Trade	42
2.1.1	Business associations	22	5.3.2	Energy supply	43
2.1.2	Micro, small and medium-sized enterprises	22	5.3.3	Shared Service Centres (SSCs)	43
2.1.3	Free entrepreneurial zones	22			
2.2	Taxation	22	6	CULTURE, LEISURE AND SPORTS IN HAJDÚ-BIHAR COUNTY	44
2.2.1	Corporate income tax	22	6.1	Culture and leisure	46
2.2.2	Local taxes	23	6.2	Sports in the county	47
2.2.3	Value-added tax (VAT)	23			
2.2.4	Taxes and contributions on wages and salaries	23	APPENDIX		48
2.3	Tools of investment promotion	24		Contact details of organisations active in economic and enterprise development in Hajdú-Bihar County	
2.3.1	Hungarian grants	24			
2.3.2	Sources from European Union grants	24			
2.3.3	Regional state aid based on individual government decisions	25			
2.3.4	Loans with preferential interest rates	25			
3	INVESTMENT OPPORTUNITIES	26			
3.1	The industrial parks and logistics centres of Hajdú-Bihar County	28			
3.1.1	The “Industrial Park” title	28			
3.1.2	The “Science and Technology Park” title	28			
3.1.3	Industrial parks and logistics centres in Hajdú-Bihar County	28			
3.2	Business incubators, innovation centres	32			
3.3	Business clusters in Hajdú-Bihar County	32			
				TECHNOLOGY AND KNOWLEDGE TRANSFER FOR ECONOMIC GROWTH	51
				(Summary of Project “TÁMOP-4.2.1.C-14/1/Konv-2015-0004”)	





DEAR READER,

The Chamber of Commerce and Industry of Hajdú-Bihar County considers the improvement of the competitiveness of the local economy, the development of international business relationships, and the promotion of investments as its priority tasks.

With the preparation of this publication, our goal was to introduce the economy, the business environment, the excellent characteristics and opportunities offered by Hajdú-Bihar County to Hungarian and foreign businesspersons and investors interested in the region.

But why should investors choose Hajdú-Bihar County?

Thanks to the Debrecen International Airport satisfying the Schengen criteria, the M3 and M35 motorways, as well as the main railway line, the accessibility and logistics situation of the county are excellent.

The proximity of the neighbouring countries (Romania, Ukraine, Slovakia) offers a range of opportunities for cooperation in the areas of the economy, tourism, education and culture.

The secondary schools and the University of Debrecen offering high-quality training and education programmes in Hungarian and English at competitive costs provide well-qualified human resources for the businesses in the fields of manufacturing, R&D, services and trade.

The industrial parks and logistics centres having state-of-the-art infrastructure offer modern and international-standard environments for production companies.

Businesses may apply for non-refundable development grants in the county at the highest rate of grant intensity available in the European Union.

Debrecen and the other settlements of the county offer a very liveable and friendly environment for their residents, at the same time developing dynamically from the point of view of the economy, education, culture and leisure activities.

The well-prepared staff of the Chamber of Commerce and Industry of Hajdú-Bihar County, as well as the other economic development organizations in the county are pleased to provide any additional information and assistance to interested businesses and potential investors.

Ferenc Miklóssy
President









INTRODUCING
HAJDÚ-BIHAR
COUNTY

1 INTRODUCING HAJDÚ-BIHAR COUNTY

1.1 LOCATION, ACCESSIBILITY

1.1.1 LOCATION

HUNGARY

Hungary is located in the central part of Europe, in the Carpathian Basin surrounded by the Carpathian Mountains, the Alps and the Dinaric Alps. Its area is 93,030 square kilometres, which is 1 percent of the area of Europe.

Official language:	Hungarian
Capital city:	Budapest
Form of government:	republic
Official currency:	Hungarian forint (1 EUR = appr. HUF 310) (* valid in October 2015)
Member of the European Union:	since 1 May 2004
Administrative divisions:	19 counties and the capital city
Area of the country:	93,030 km ²
Population:	9,877,000
Density:	106.17 / km ²
Main nationalities, ethnic groups:	Hungarian, Croatian (0.3%), German (1.9%), Roma (3.2%), Romanian (0.4%), Serbian (0.1%), Slovak (0.4%), Slovenian
Main cities:	Budapest (population 1,740 thousand) Debrecen (population 207 thousand) Szeged (population 170 thousand)
Per capita GDP (2014):	HUF 3,230,660

For administrative purposes, Hungary is divided into 19 counties and the capital city. Budapest, the capital, is further subdivided into 23 districts. The main administrative units are the capital, the regions, the counties, and the settlements (cities, towns, villages). There are a total of seven planning and statistical regions in the country, which cover the counties in whole.

HAJDÚ-BIHAR COUNTY

Hajdú-Bihar County is located in the eastern part of Hungary, specifically in the Észak-Alföld (Northern Great Plain) region. It is bordered by Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg Counties from the north, Békés from the south, Jász-Nagykun-Szolnok County from the west, and by Romania on the East.

While it is economically less developed, it is an area of outstanding innovation potential, which is closely related to the presence of higher education. Its area is 6,211 km², which is 6.7% of that of the country, making it the fourth largest county.

1.1.2 NATURAL ENVIRONMENT

GEOLOGY

The entire area of Hajdú-Bihar County belongs to the Great Plain. The highest point of the county is 170.5 metres above sea level, north of Fülöp in the Nyírség area, while the lowest point is in the south-western corner of the county, south of Szerep, at 85 metres above sea level. From a geomorphological point of view, the county is not unified, with neighbouring landscapes also extending into its area. The north-eastern part of the county consists of the sand hills of Nyírség, with an uneven surface reaching 15 to 18 metres in places, built by the wind. It is covered by shifting sand, humic sand and branded brown forest soils. The middle part of the county is covered by the loess table of Hajdúság, with very fertile chernozem soils. The western area is part of the Central-Tisza region, the bulk of which in the county consists of the Hortobágy. The Hortobágy was once the flood area of the Tisza River, where the water created sodic (solonetz and solonchak), as well as meadow soils. The southern part of the county is dominated by the Berettyó-Körös region, covered by hard meadow and flood soils, which have a low capacity for storing water and are more difficult to cultivate.

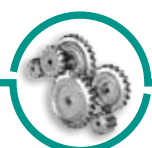
HYDROGRAPHY

From a hydrographic point of view, the most important rivers of the county are the Tisza, constituting the border along 53 km, as well as Berettyó and Sebes-Körös in the south. Less important rivers in terms of their volume of flow are the Hortobágy, Kösely and the Kállós, the latter of which originate in the South Nyírség. Artificial canals are important components of the water management of the county. The Eastern (Keleti) Main Canal was primarily built in the 1950s to serve the needs of agriculture, the maintenance of fish farms, as well as to satisfy the needs of industry and the population. The Western (Nyugati) Main Canal is the ecological-purpose water replenishment base of the Hortobágy River. Most of

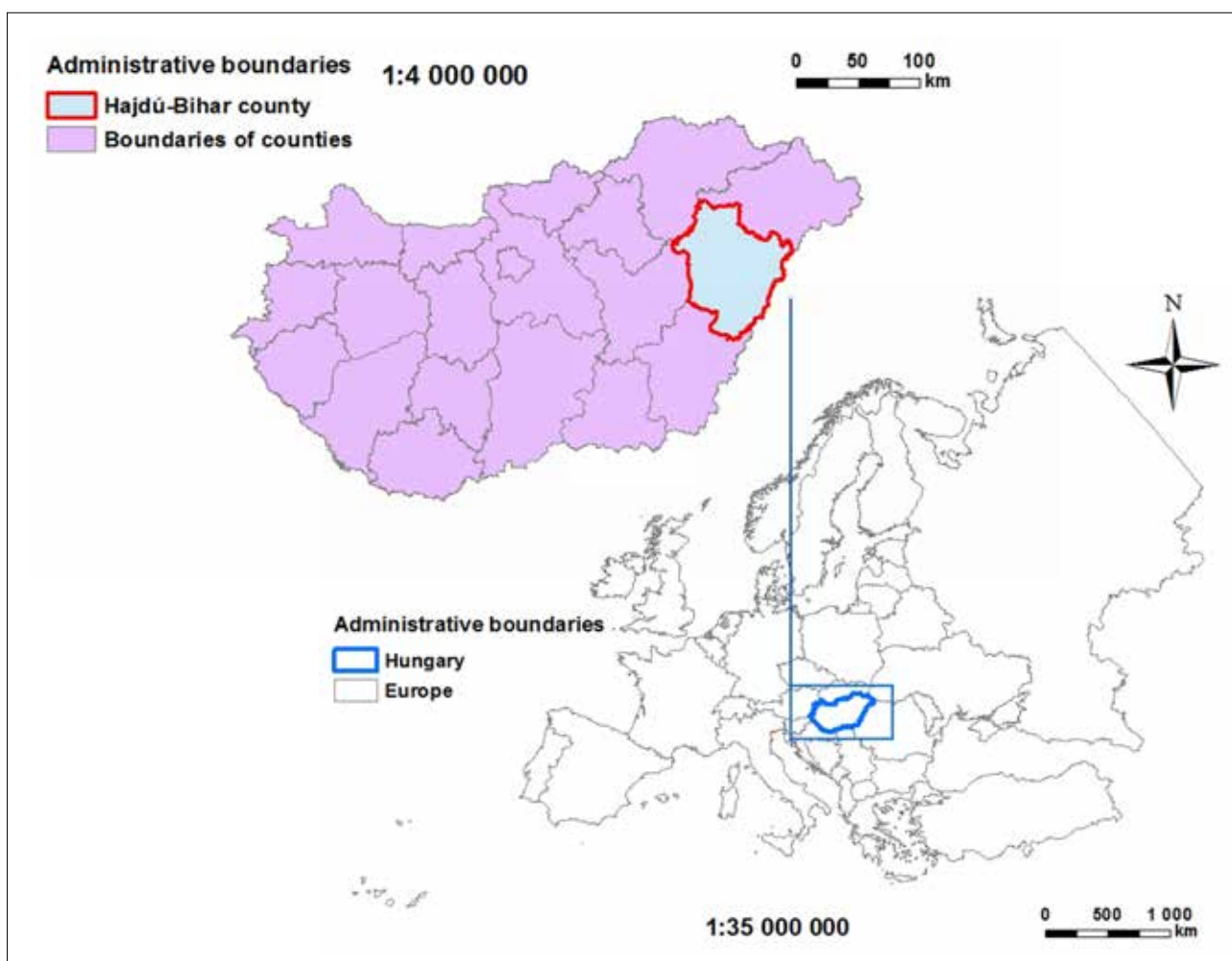
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Male	4,793	4,784	4,779	4,769	4,763	4,756	4,743	4,724	4,715	4 703
Female	5,304	5,292	5,287	5,275	5,267	5,257	5,241	5,207	5,192	5 173
Total	10,097	10,076	10,066	10,045	10,030	10,014	9,985	9,931	9,908	9 877
Live births	97	99	97	99	96	90	88	90	88	91
Deaths	135	131	132	130	130	130	128	129	126	126
Rate of natural increase	-38	-31	-35	-30	-33	-40	-40	-39	-38	-34

Changes in the population of Hungary between 2005 and 2014 (thousand people).

(Source: Central Statistical Office)

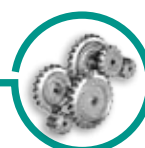


Hajdú-Bihar County in numbers	
County seat	Debrecen
Area (km ²)	6,211
Number of settlements	82
- of which towns/cities	21
Population (thousand)	540
Proportion of urban population (%)	79,9
Population density (per km ²)	87
Employment rate (%)	50.3
Unemployment rate (%)	12,9
Net monthly income of employees (HUF)	128,209
Per capita GDP (in HUF 1000)	2,169
Research and development expenditure (% of GDP)	2.28
Number of registered enterprises per one thousand population	179
Agricultural area (in thousand hectares)	536
Per capita industrial production (in HUF 1000)	1,352
Per capita investment (in HUF 1000)	333
Number of guest nights at commercial accommodations (thousand)	1,194



The location of Hajdú-Bihar County

INTRODUCING HAJDÚ-BIHAR COUNTY



the still bodies of water in the county are of artificial origin. These are used for different purposes. In the Hortobágy and Körös regions, fish ponds and reservoirs were created. The lakes of Erdőspuszta in the vicinity of Debrecen are mainly used for recreational purposes.

Hajdú-Bihar County is rich in subsurface water. The ground water base is situated at a depth of 1 to 20 metres. The quantity of aquiferic water is sufficient, and its quality is suitable, good after cleaning. Thermal water constitutes an important natural asset, and health tourism building on it is a main source of income in the county.

CLIMATE

The climate of the county is moderately warm and dry, with minor differences according to the landscapes. The climate here is drier in the summer and colder in the winter than the average of the Great Plain. The Hajdúság part of the county is a transition between the Nyírség, which is colder and has more precipitation, and the warmer and drier Hortobágy. The annual mean temperature in the county is 9.6 to 10.2 °C, while the average sunshine duration is 2,000 hours per year. The mean temperature is between -2.5 and -2.0 °C in January, and between 20.5 and 22 °C in July. Hajdú-Bihar is the driest area of the Great Plain. The annual precipitation is 500–600 mm, which is distributed over the year unevenly. A sign of the typical continental climate is that in the month with the most rainfall (June), there is 2.5 times as much precipitation than in the driest month (January). This is the highest difference in the country.

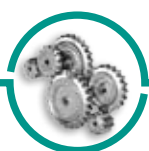
1.1.3 ACCESSIBILITY

PUBLIC ROADS AND RAILWAYS

The most important factor shaping the spatial structure of the county is the distance from Debrecen and the main transportation routes. The public road and railway network of the county are both centred around Debrecen in a radial structure. The backbone of the transport infrastructure is the Budapest-Szolnok-Debrecen-Nyíregyháza axis. Main road no. 4 and the double-track, electrified railway line running parallel with it connect the settlements of Püspökladány, Hajdúszoboszló, Debrecen, Hajdúhadház and Téglás as a regional axis. A number of spatial axes of transportation cross the area of Hajdú-Bihar through Debrecen. The most important among these are the Debrecen-Hajdúböszörmény-Polgár-Tiszaújváros-Miskolc (main road no. 35), and the Debrecen-Derecske-Berettyóújfalú-Szeghalom-Békéscsaba (main road no. 47) routes. The Püspökladány-Berettyóújfalú-Biharkeresztes-Ártánd (Oradea) route (main road no. 42) toward Romania has international significance. Ártánd is the most important border crossing station of the county. Motorway M35 connects Debrecen with motorway M3, providing public road access to the capital city in two hours. The current end of this motorway, at main road no. 4 between Debrecen and Ebes also serves as a beltway around the western part of the city, and plays an important role in terms of providing an alternative to through traffic. The construction of the motorway will continue in the near future toward Berettyóújfalú, which will also significantly improve the accessibility of Debrecen International Airport.



Hortobágy





The network of public roads in Hajdú-Bihar County

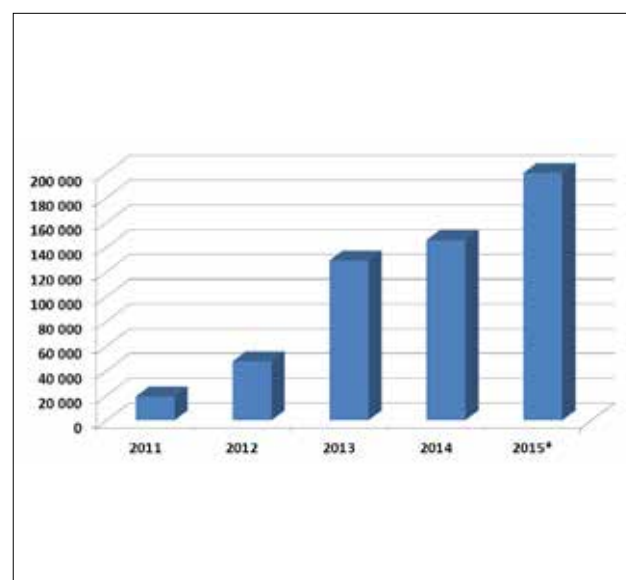
AIR TRANSPORT

Thanks to the dynamic development of Debrecen International Airport, Hajdú-Bihar County and its seat now have a firm place on the aviation map of Europe. The airport, which has a history of nearly a century, went through a long process of development. The first scheduled service carrying the mail was started in 1930, after which the domestic traffic of the airport increased gradually. In addition to sports aviation, there were also scheduled flights between Debrecen and Budapest, as well as other major cities of the country. In World War II, the airport served as a base for Hungarian bomber planes, after which it became a military airport used by the Soviets troops in Hungary until 1990. Between 1946 and 1968 it also functioned as the official emergency airfield for Budapest Airport. After the Soviet troops left in May 1991, the airport became the property of the Hungarian State, and later the Municipal Government of Debrecen. As a result of developments implemented by the Municipal Government in a value of billions of forints, international airport status was granted in 2002, and then in 2004, a

permanent border crossing station and customs office were established here. With the new terminal building erected in 2006, the airport complied with the Schengen requirements, which means that Debrecen International Airport has the same official status as Liszt Ferenc International Airport in Debrecen.

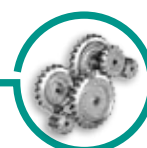
In 2011, through a public tendering procedure, the XANGA Group of Debrecen became the majority shareholder in Airport-Debrecen Kft., the company operating the airport, with the municipal government as the minority shareholder.

As a result of the development of flights, the volume of passengers has increased significantly in recent years. In addition to the earlier charter flights, since 2012, Wizz Air also operates scheduled flights to several European cities. While tourists travelling to popular summer holiday destinations (Greece, Turkey, Bulgaria) continue to be significant, there is also an increasingly significant number of inbound tourists (from Germany, Russia) arriving on charter flights.



Changes in the number of passengers at Debrecen International Airport between 2011 and 2015 (projected figures)*
(Source: Airport-Debrecen Kft.)

A major step in the development of the airport will be that from December 2015 Wizz Air will use Debrecen International Airport as its base for an Airbus A320 aircraft, and simultaneously the number of the airline's scheduled flights from Debrecen will increase to 21. Airport-Debrecen Kft. and Wizz Air aim at long-term cooperation, which means that they also plan to launch further flights, as a result of which the number of weekly flights from Debrecen will reach 30 by 2017 and 40 by 2018, which will require one more aircraft to be based at the airport in Debrecen. The plans of the operator of the airport call for 500,000 passengers by 2018, and 1,000,000 by 2020.





Debrecen International Airport

Currently, there are direct scheduled flights by Wizz Air airline to the following cities from Debrecen:

- London Luton (LTN)
- Eindhoven (EIN)
- Milan Bergamo (BGY)

In addition, from December 2015, the following new scheduled flights will be launched:

- Brussels Charleroi (CRL)
- Paris Beauvais (BVA)
- Malmö (MMX)

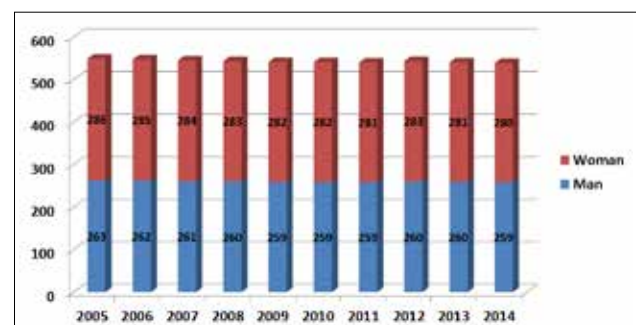
Airport-Debrecen Kft. has been engaged in advanced negotiations to ensure that, from the spring of 2016, in addition to discount airlines, a scheduled business flight would also connect the city with one of Western Europe's major hubs (according to the preliminary plans, with Munich), meaning that any part of the world can be reached from Debrecen after changing planes there.

1.2 DEMOGRAPHIC AND ECONOMIC OVERVIEW

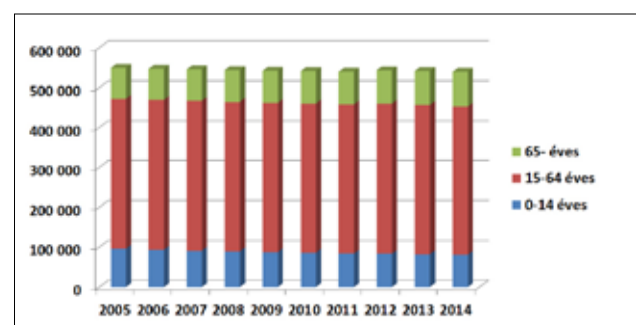
1.2.1 DEMOGRAPHICS

The population density of Hajdú-Bihar County is 87 persons/km², which is significantly below the national average (107 persons/km²), and its settlement density indicator (1.3 settlements/100 km²) is also very low. The low settlement density is the result of a large number of quite extended settlements with relatively large populations. The average population size of settlements is 6,600 in Hajdú-Bihar, while the national average (excluding Budapest) is only 2,600. Out of the 82 settlements of the county, 21 are towns/cities and 61 are villages. The population is strongly concentrated in the former, and the proportion of urban population (80%) is the highest among the counties of Hungary. This does not necessarily mean a higher level of urbanization, however, but rather reflects the dominance of Debrecen, the largest city of Hungary outside of the capital and the "Hajdú" towns (market towns) in the settlement structures. 38% of the county's population live in Debrecen and 42% in

the other towns. It is an unfavourable fact of the settlement structure of the county, however, that Debrecen is the only city with a population over 50 thousand. The majority of the cities are deficient in terms of their functions, and have a weak economic and space-organizing force. The role of the county seat is outstanding in terms of the economy, education, healthcare services and transportation. The eastern and especially the southern part of the county consist of smaller-sized settlements of mainly disadvantaged position, constituting a denser network of settlements. As a result of the proximity of the Romanian border, the city of Oradea has an effect on the everyday lives of those living in the south of the county (e.g. jobs, commerce).



The gender distribution of the population of Hajdú-Bihar County, 2005–2014. (Source: Central Statistical Office)



The age distribution of the population of Hajdú-Bihar County, 2005–2014. (Source: Central Statistical Office)



Hajdú-Bihar is the fourth most populous county of Hungary. According to the preliminary census figures for 1 January 2014, its population was 540 thousand, which means 5.5% of the population of the country. Similar to the national data, there is slightly higher number of women. The population of the county has decreased since 2001, but the rate of decrease is higher than the national average both with or without Budapest.

From among the factors influencing population size, natural decrease, the net result of the number of live births and deaths, caused a decrease of 14,700 in the period examined. The population of the county was also influenced by the differences caused by migration. The balance of domestic migration resulted in a decrease of 14,600 people, which is almost the same as the natural decrease. Meanwhile the balance of international migration resulted in a net increase of 10,500, which mitigated the decrease caused by the above-mentioned factors.

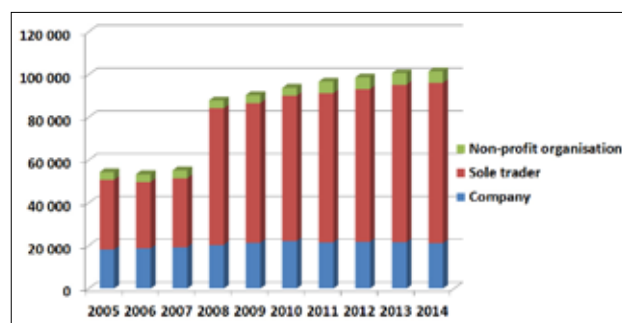
In terms of age distribution, Hajdú-Bihar is a relatively young county. On 1 January 2015, the proportion of children (0–14 years) was the fourth highest among all counties (15.1%). The proportion of those over 65 was similar (16.1%), meaning that 68.8% were in the 15–64 age group. Nationwide figures indicate that the older (65+) population is higher than the county's figures, as opposed to children and those in the active age group. With the increase of average life expectancy and the low birth rate, the population is gradually ageing, resulting in higher burdens on those in the active age group to provide for the rest of society. In Hajdú-Bihar, there are 103 elderly per one hundred children, which is a much more favourable figure than the national average (119). The number of children and elderly per 100 active adults is 45, and within that, providing for the elderly means slightly higher burdens. The dependency rate is 46, and within that, the rate for the elderly is 25%.

1.2.2 ECONOMIC OVERVIEW

Hajdú-Bihar is among the moderately developed counties of Hungary. One of the most frequently used indicators of economic development, the per capita gross domestic product (GDP), was 71.9% of the national average (based on preliminary data) in 2013, which means the tenth place in the order of the counties (also taking Budapest into consideration). The indicator is higher than all of the neighbouring coun-

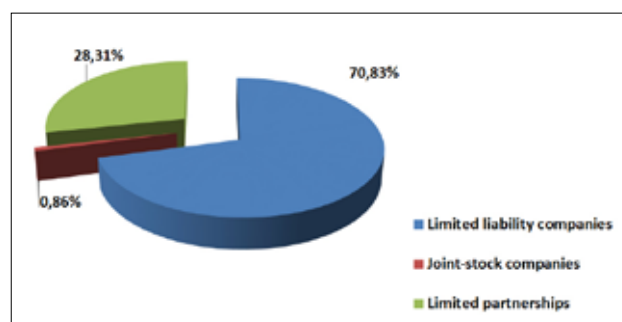
ties (also including Bihor County in Romania). The relative weight of production is higher in the economy of the county than services.

In terms of the number of registered enterprises in the county, there has been a continuous increase for the past 10 years; in fact, between 2005 and 2014, this number went from 56 thousand to 103 thousand. Between 2007 and 2008 there was a drastic increase in the number of sole traders, as their proportion increased from 56% to over 70%, while the share of companies (partnerships and limited companies) among all enterprises decreased from 33% to 22%. This change is well illustrated in the following diagram:



The number of registered enterprises in Hajdú-Bihar County in a breakdown according to form between 2005 and 2014.
(Source: Central Statistical Office)

The most typical company form is “korlátolt felelősségű társaság” (limited liability company), which accounted for nearly 71% of all companies and over 15% of all enterprises in Hajdú-Bihar County in 2014.



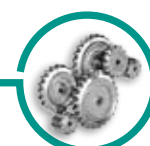
The distribution of registered enterprises in Hajdú-Bihar County according to company form in 2014.
(Source: Central Statistical Office)

	2000	2005	2012	2013
GDP at market purchase price (billion HUF)	530	912	1,151	1,172
Per capita GDP				
thousand HUF	957	1,663	2,122	2,169
Percentage of the national average	73.5	75.1	73.7	71.9

The gross domestic product (GDP) in Hajdú-Bihar County between 2000 and 2013.

(Source: Central Statistical Office)

INTRODUCING HAJDÚ-BIHAR COUNTY



As far as companies are concerned, statistics show a strong dominance of micro enterprises, having fewer than 10 employees. These account for more than 93% of all companies. 6% of companies in the county are small-sized enterprises, i.e. companies having fewer than fifty employees. The proportion of medium-sized enterprises with fewer than 250 employees was 1% in 2014, and there were only 32 companies in the county that, on the basis of the number of employees (over 250) belong in the category of large companies.

1.3 EDUCATION

1.3.1 PRIMARY AND SECONDARY EDUCATION

The number of public education institutes in the county varied between 290 and 300 over the course of the past 10 years. In the same period, the number of teachers increased by 6%, from 1,846 to 1,734, while the number of pupils in public education also decreased, by more than 10%, to 18 thousand. In the 2014/2015 school year, the number of full-time primary school pupils per one thousand population was 82 in Hajdú-Bihar, which means the third place in the ranking of counties.

The education-related characteristics of the population of Hajdú-Bihar County can be described on the basis of the figures of the 2011 census. Examining the levels of educational attainment relative to the various age groups (as relevant) reveals that the population's level of education has significantly improved since 2001. The proportion of those who completed 8 grades within the age group 15 and over has increased considerably, and was 93.4%. Only 0.7% of the population did not complete even the first grade of primary school. 45% of the age group 18 and over had at least a matriculation examination (equivalent of GCSE/high school diploma) in 2011. While this indicator is below the national average (49%), it is also significantly above the level measured in the previous census. The proportion of those with a college or university degree has also increased to 17% of the population aged 25 and older. In the county, it is primarily the educational attainment of the older generation that lags behind persons of the same age nationwide, and therefore, the education levels of the population as a whole are also shaped by the age structure and the pre-existing differences.

In connection with the above, on the basis of the highest educational attainment of the population aged 7 and older, the proportion of those with less than 8 grades of primary school is higher, and in a parallel way the proportion of those with a matriculation examination and/or degree is also lower than the national average. The number of students who are resident in Hajdú-Bihar County and participate in full-time bachelor's or master's programmes decreased in the past 10 years by 7.6%, from 12,407 to 11,465 persons.

1.3.2 THE UNIVERSITY OF DEBRECEN

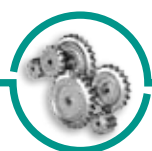
It can be declared that the University of Debrecen is one of the outstanding centres of higher education not only in the county and the region, but also nationally. In the global university ranking of U.S. News issued in 2015, the institute occupied the 585th place. Similarly to other integrated institutes of higher education, the University of Debrecen was also created, on 1 January 2000, by way of (re-)uniting and the legal succession of institutes that had previously operated independently. Its historical roots, however, reach all the way back to the foundation of the Reformed College of Debrecen (1538), as it was on the three academic faculties of that college that the Hungarian Royal University of Debrecen was established pursuant to Act XXXVI of 1912. This makes the University of Debrecen the country's oldest institute of higher education that has operated without interruption and in the same city for over 475 years. Currently, the nearly 30 thousand students pursue studies at 15 different faculties. The University of Debrecen is an outstanding institute of higher education in Hungary, and is one of the world's top 500 universities. The doctoral programmes play a significant role in the life of the institute. Approximately 950 PhD students study in the 25 doctoral schools of the university, and each year, about 150 students earn their European-level doctorates.

In the 2013-14 academic year, there were more than 3,700 international students enrolled at the University of Debrecen, which means over 10% of all students. Most of them are from Romania, Nigeria, Israel, Iran, Ukraine, Turkey, Saudi Arabia and Great Britain. No other Hungarian institute of higher education has quite so colourful and populous international

Institution type	Number of institutions	Number of children/pupils	Number of children/pupils	
			per group/class	per teacher
Kindergartens	204	18,060	22	10
Primary schools	189	43,941	22	10
(Specialised) vocational schools	47	5,125	20	10
Grammar schools	47	11,061	29	11
Vocational secondary schools	60	11,398	26	11

The main figures of institutes of full-time public education in 2014/2015 in Hajdú-Bihar County.

(Source: Central Statistical Office)





The main building of the University of Debrecen

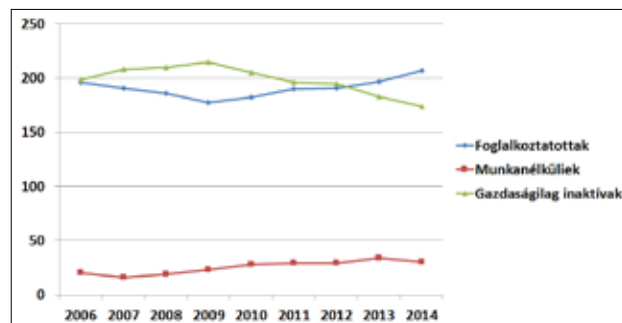
al student body. In addition to students from abroad who are registered for an entire academic programme, each year approximately 150 students also arrive for one- or two-semester study-abroad exchange programmes (e.g. Erasmus). Most international students are in the programmes of the Faculty of General Medicine, Faculty of Dentistry, Faculty of Science and Technology, and the Faculty of Information Technology, but we can find a varying number of students at each of the 15 faculties.

As an intellectual centre of outstanding research and development capacity, the University of Debrecen plays an increasingly important role in the economic, social and cultural development of the region. As the first winner of the Higher Education Quality Award, the university is striving to serve the needs of the knowledge-based society and economy as efficiently as possible.

1.4 THE LABOUR MARKET

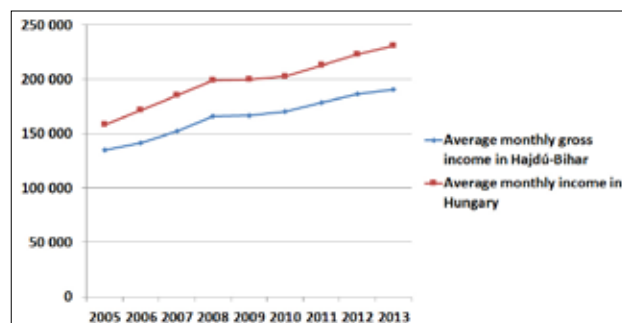
The labour force survey conducted by the Central Statistical Office provides information on the labour market of the county. According to the survey, 57.8% of the county's population aged 15 to 74 were present on the labour market in 2014, either as employees or as job seekers. The number of employees was 207 thousand, while the number of job seekers was 30.7 thousand. This means a 50.3% employment rate and a 12.9% unemployment rate, if projected to the 15-to-74 population. The national employment rate is higher (54.1%), while the national unemployment rate is lower (7.7%) than the county's figures, which means that the labour market situation is less favourable than the national average. In 2014, the number of people classified in the county as economically inactive was 173.8 thousand.

Examining the period between 2006 and 2014, we can see that the number of employees decreased by 10% from 2006 to 2009, while the number of the unemployed increased by more than 21%. The tendency was then reversed, and the number of employees started to increase, by nearly 16% over the next 5 years, while the number of the unemployed still continued to increase, albeit more slowly, and then started to decrease in 2012. Then, in 2013, there was yet another drastic, 17% increase, followed in 2014 by a more than 10% decrease. The number of economically inactive people in the county increased until 2009, after which it started to gradually decrease.



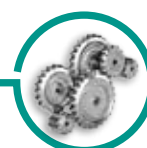
The economic activity rate of the population of Hajdú-Bihar County in 15-to-74-year age group, between 2006 and 2014 (thousand people). (Source: Central Statistical Office)

In terms of the highest educational attainments, the employment situation shows considerable differences. College and university graduates had the lowest unemployment rate (4.8%), while the highest rate was observed among those with only 8 years of primary school or less (31.8%). In a breakdown according to gender, there are more male employees, with an even distribution between the genders among the unemployed. (Nationally, the proportion of unemployed males was higher than the county figure.) If we consider the consolidated sectors of the national economy, the largest proportion of employees (63%) were in the service sector also in Hajdú-Bihar. The role of industry (28%) is lower, while the proportion of those working in agriculture (8.9%) is higher than the national average. The income situation of the population is reflected in the personal income



Changes in the gross monthly income in Hungary and in Hajdú-Bihar County between 2005 and 2013 (in HUF).

(Source: Central Statistical Office)



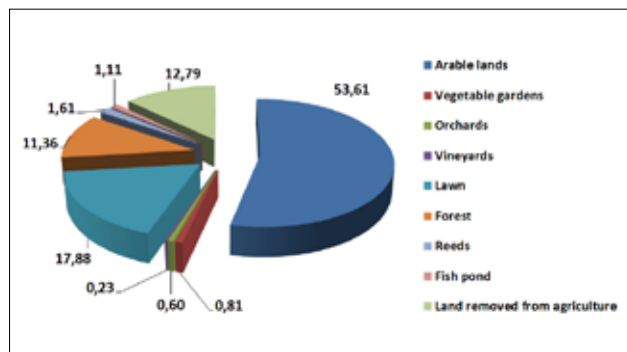
tax figures. 65% of the working-age residents of Hajdú-Bihar County were taxpayers in 2012, which is below the national average (68%). The average income tax base by person was HUF 690 thousand forints, which is HUF 140-150 thousand less than the national average. The average income tax base by taxpayer was HUF 1.6 million, which is HUF 285 thousand less than the national average.

The monthly gross income in the county is higher than the average of the Northern Great Plain, but they still continue to be below the country's average. In 2013, the average monthly gross income was HUF158 thousand nationally, but only HUF 134 thousand in the county. Examining the past nine years, a difference of 17 to 22% can be observed in the monthly gross incomes.

1.5 BUSINESS SECTORS

1.5.1 AGRICULTURE

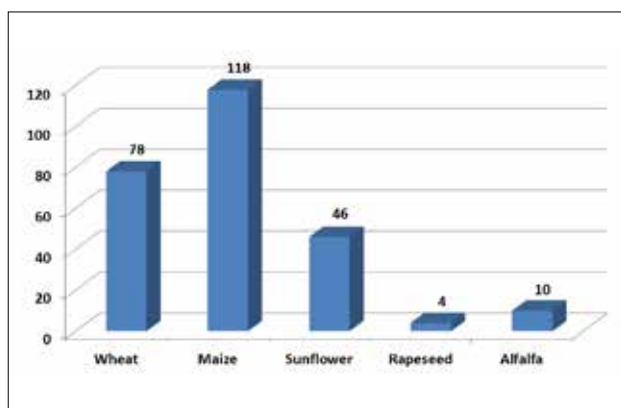
The most important natural resource in the county is its arable land, which is of outstandingly high quality in some places. At the same time, the county also has very extensive grasslands. It follows from the above, that the role of agriculture is above average in the county. As a county with extensive and good-quality agricultural lands, Hajdú-Bihar is one of the leading agricultural producers in Hungary. More than 73% of the county's area is under agricultural cultivation. This is high above the national average, which is only 57%. Within agricultural cultivation, use as arable land (53.6%) is also above the national average (46.5%).



The distribution of land according to types of cultivation in Hajdú-Bihar County in 2014 (%)

(Source: Central Statistical Office)

On the basis of the above, it is hardly surprising that in 2013, among the counties of Hungary, Hajdú-Bihar made the second largest contribution (10.8%) to the gross added value from agriculture. The gross added value from agriculture per person was 1.8 times of the national average. From yet another point of view, this means that in 11% of the county's economic performance came from agriculture in 2012, which is more than twice as high as the national average. Its significance primarily comes from animal husbandry building upon the rich base of feeds. The chief grain crop is maize



The cultivation areas of the main field crops in Hajdú-Bihar County in 2014 (thousand hectares)

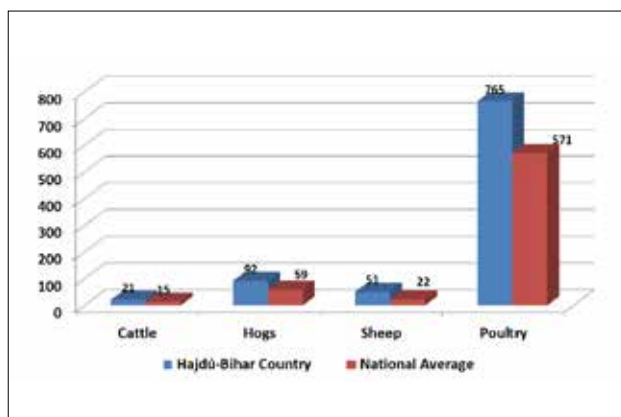
(Source: Central Statistical Office)

(corn), while in terms of vegetables the largest volumes produced are peas and sweet corn. A unique crop of the region is the horseradish grown in the Hajdúság.

In 2014, from among the principal field crops, the yield of wheat and sunflower in the county was above, in case of alfalfa it was near, while in case of maize and rapeseed it was about 10% below the national average.

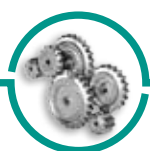
As far as the principal livestock species are concerned, Hajdú-Bihar had the highest number of cattle, sheep and hogs on 1 December 2014 among all the counties, and was second only to Szabolcs-Szatmár-Bereg County in terms of the number of hens. The waterfowl and turkey population is also very significant in the county. From among the various products of animal husbandry, in addition to meat, the county is also first in the volume of cow milk produced, and the volume of eggs is also quite high.

The number of livestock animals per 100 hectares of agricultural land clearly shows the significance of the sector of animal husbandry.



The number of livestock animals per 100 hectares of agricultural land in Hajdú-Bihar County in 2014

(Source: Central Statistical Office)



Economic sector	Percentage of		Share of exports in total of sales
	total production	employees	
Processing industry	100	100	72,8
Of which:	33.1	18.9	93.6
- manufacture of chemicals and chemical products			
- manufacture of pharmaceuticals			
- machine industry	25.7	27.3	93.1
- food processing industry	24	25.9	34.7
- manufacture of rubber, plastic and construction materials	7.5	6.1	50.4
- metallurgy, metal processing	4.9	7.1	58
- wood, paper and printing industry	2.4	5.7	37.5
- other processing industry and repairs	1.5	3.6	66.3

Characteristics of the principal branches of the processing industry in 2014 in Hajdú-Bihar County (%)

(Source: Central Statistical Office)

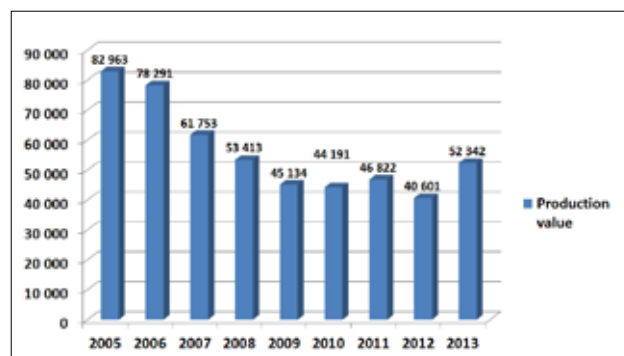
1.5.2 INDUSTRY

Hajdú-Bihar is among the less industrialized counties of Hungary. Industry contributes one quarter of the gross added value created in the county, which is below the national average. The per capita value of industrial production in 2013 (HUF 1.3 million) was 54% of the national average.

In the structure of the county's industry, the largest components are two export-oriented processing industries: chemicals and pharmaceuticals, contributing a third, and the machine industry, contributing a quarter of the total value of industrial production. The pharmaceutical industry is much stronger than the national average, while the machine industry has a smaller share. In addition to the above, the role of the food processing industry, which has long traditions in the region, but has somewhat lost its significance recently, is also important, as is energy, both of which produce dominantly for the domestic market.

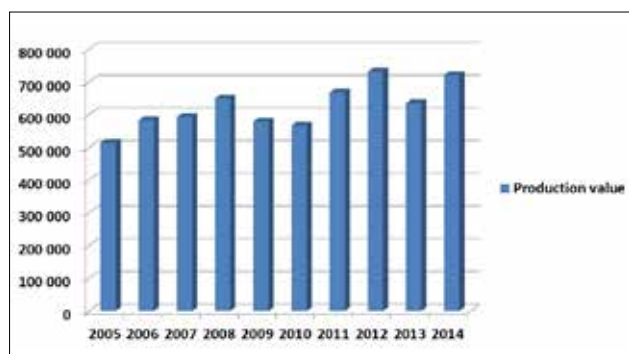
4.6% of the county's GDP in 2012 came from the construction industry, which is 0.3% higher than the Hungarian average. However, the per capita share of the value produced by

the construction industry was only 76% of the national figure. It should be noted that the long decrease in the value of construction industrial production in the county that started in 2006 already turned around in 2013, in which a number of large projects played a role (the construction of tram line no. 2, Nagyerdei Stadium). In 2013, 40% of the construction industrial production in the county was from the construction of buildings, 34% from specialised construction activities, and the remaining 27% from the construction of other structures (civil engineering).



The value of construction industrial production in Hajdú-Bihar County between 2005 and 2013 (million HUF)

(Source: Central Statistical Office)

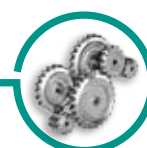


The value of industrial production in Hajdú-Bihar County between 2005 and 2014 (million HUF)

(Source: Central Statistical Office)

1.5.3 SERVICES

The service sector accounted for 59% of the gross added value produced in the county in 2013, which is slightly below the overall percentage for Hungary, but above the average outside of Budapest. In addition to the moderate level of industrialization, the wide-range of service offerings and the highly developed system of institutions also play a role in the relatively high contribution of services. In terms of the number of employees working in services, a higher-than-average proportion can be found in education, healthcare, human and social services, which indicates the role played by



Debrecen as more than the centre of just the county. A key role can also be attributed in the above to the University of Debrecen. In addition to education, the significance of the university is also considerable in the field of research; at the same time, the private sector is assuming an increasingly large role in R&D activities as well.

INFORMATION TECHNOLOGY SERVICES

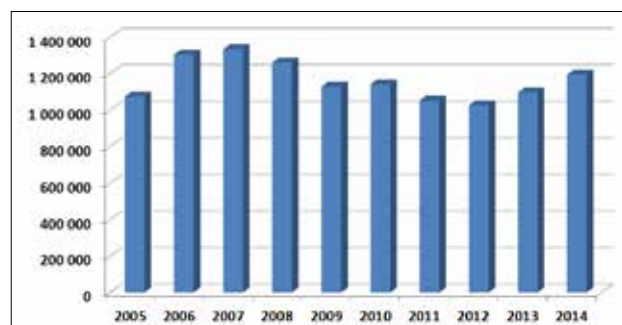
Some transnational companies have set up their regional service centres in Debrecen, a choice facilitated by the availability of a large number of young graduates speaking foreign languages. With these investments, the city has become one of the most important locations for businesses of this type outside of the capital. An example is IT Services Hungary Kft., a Hungarian subsidiary of T-Systems International, employing nearly 1,700 people at its facility in Debrecen. Also setting up its European Service Centre in Debrecen, British Telecom (BT) extended its local operation in 2015, now working with nearly 500 employees here. The latest innovative service centre Pharma-Flight, which is unique in the world, will be completed in 2015, in the direct vicinity of the Debrecen International Airport, which will be an international research and service centre, capable of providing trainings necessary for improving the safety of air traffic, and broadening the range of aerospace medical services, also with pharmaceutical products of its own development and/or based on their own research.

TOURISM SERVICES

From among the branches of the service sector, special mention must be made of commercial accommodation and restaurant services. In the past ten years, the number of beds at the hotels and other commercial accommodations in the county varied between 15 and 18 thousand. This means approximately 5% of all commercial accommodations in the country.

The tourism of Hajdúszoboszló and Debrecen is outstanding also in national comparison. Building on its significant thermal water base, Hajdúszoboszló is one of the most popular destinations of medical tourism in Hungary (in terms of guest nights, the settlement occupies the second place

in the country after Budapest). The number of guest nights spent in the county showed the following tendencies in the past 10 years:



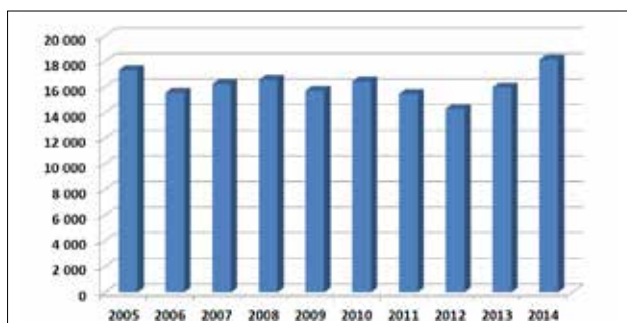
The number of guest nights spent at commercial accommodations in Hajdú-Bihar County between 2005 and 2014

(Source: Central Statistical Office)

If we examine the two data sets above and compare the rate of utilisation of commercial accommodations in 2014 with the rates in other counties and in Budapest, we can conclude that the 25.3% utilisation rate may be regarded very good within the Northern Great Plain region, but is only sufficient for the “middle tier” in national comparison, and is below the 27.5% average of the country. It should also be noted that the difference between the rates of utilisation of counties in the 5th to 10th positions is within 1.5%. The national average is otherwise significantly increased by Budapest, where places of commercial accommodation operated with a 46.1% rate of utilisation in 2014.

After the exploration of the thermal waters in Debrecen and Hajdúszoboszló, spas and baths were also opened at several other settlements, such as Berettyóújfalu, Hajdúnánás, Balmazújváros, Hajdúdorog and Hajdúbosszormény. There are more than 200 thermal water wells in the Northern Great Plain region, and the area is famous for its medicinal waters, with Hajdú-Bihar being considered as a “Mecca” of spas and baths with thermal and medicinal waters. All of these have the endowments necessary for leisure and regeneration, and especially the waters that are superbly suitable for the treatment and prevention of illnesses, most of which are alkali bicarbonate, iodine-bromine, chloralkali and ferrous thermal waters.

Apart from thermal water, another major force of attraction in the county is the Hortobágy, which is the only vast, uninterrupted natural grassland in Central Europe (the “puszta”), along with the associated romance of shepherds, herdsmen and highwaymen. Its bulk is part of the Hortobágy National Park, the first of its kind in Hungary, which also became a World Heritage Site in 1999. In this landscape of unique beauty, where clean waters, clean air, and the natural assets of the puszta have been preserved, the number of ancient Hungarian livestock animals has been multiplied in recent decades (grey cattle, Nonius horse, Racka sheep, Mangali-



The number of beds in commercial accommodations in Hajdú-Bihar County between 2005 and 2014

(Source: Central Statistical Office)

INTRODUCING HAJDÚ-BIHAR COUNTY





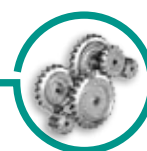
Hortobágy Nine-arched Bridge

ca pigs and domesticated water buffaloes). More than half of the gene bank livestock population of Hungarian nature conservation can be found here on Hungary's and Europe's largest continuous organic farming site. In 2008 Hortobágy and the surrounding settlements received a major recognition from Europe: from among 21 Hungarian applicants, it was granted the honourable titles of "Best tourist desti-

nation in Hungary preserving living traditions" and "European Destination of Excellence (EDEN)". At the permanent tourist exhibitions and the programme series throughout the year from spring until Advent, visitors of all ages can get acquainted with the herdsmen's lifestyle, attires, traditions, food, music and dances, as well as the crafts related to herding.

INTRODUCING HAJDÚ-BIHAR COUNTY

DOING BUSINESS IN HAJDÚ-BIHAR, HUNGARY • A GREAT PLACE FOR YOUR ENTERPRISE







BUSINESS
ENVIRONMENT

2 BUSINESS ENVIRONMENT

2.1 THE LEGAL BACKGROUND FOR ENTERPRISES

2.1.1 BUSINESS ASSOCIATIONS

Business associations may only be established in Hungary in the forms regulated by the new Civil Code, or to use the exact name of the law, Act V of 2013 on the Civil Code (the “Civil Code”). The new Civil Code kept the four basic types of business associations in existence previously. The initial capital of a “betéti társaság” (“bt.”, limited partnership) and “közkereseti társaság” (“kkt.”, general partnership) is not specified by the law, and is freely determined by its founders. In case of a “korlátolt felelősségű társaság” (“kft.”, limited liability company), the minimum amount of the registered capital is HUF 3 million. For a “részvénytársaság”, or joint-stock company, the minimum registered capital is HUF 5 million in case of a private limited company (“zártkörűen működő részvénytársaság”, or “zrt.” for short) and HUF 20 million in case of a public limited company (“nyilvánosan működő részvénytársaság”, or “nyrt.”).

Regardless of the company form, there is a need for an executive officer (managing director, general manager), who may perform his or her duties under an employment or engagement contract. It is necessary to provide proof of the legal title under which the company uses its registered seat. When a company is formed, its principal activities and other business activities must be indicated in its constitutional document (deed of foundation or articles of association). These activities are listed according to a uniform sectoral classification (TEÁOR).

2.1.2 MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

The purpose of defining the concept of micro, small and medium-sized enterprises (SMEs) is to ensure that the businesses whose economic power exceeds that of an SME would not be eligible to grant mechanisms specifically targeting SMEs.

The classification of SMEs is regulated by Act XXXIV of 2004, with the categories determined on the basis of the number of employees and the annual turnover or the balance sheet total, as follows:

- medium enterprises have fewer than 250 employees, and their net sales revenue is less than EUR 50 million or their balance sheet total is below EUR 43 million.
- small enterprises have fewer than 50 employees, and their net sales revenue and/or balance sheet total is below EUR 10 million.
- micro enterprises have fewer than 10 employees, and their net sales revenue and/or balance sheet total is below EUR 2 million.

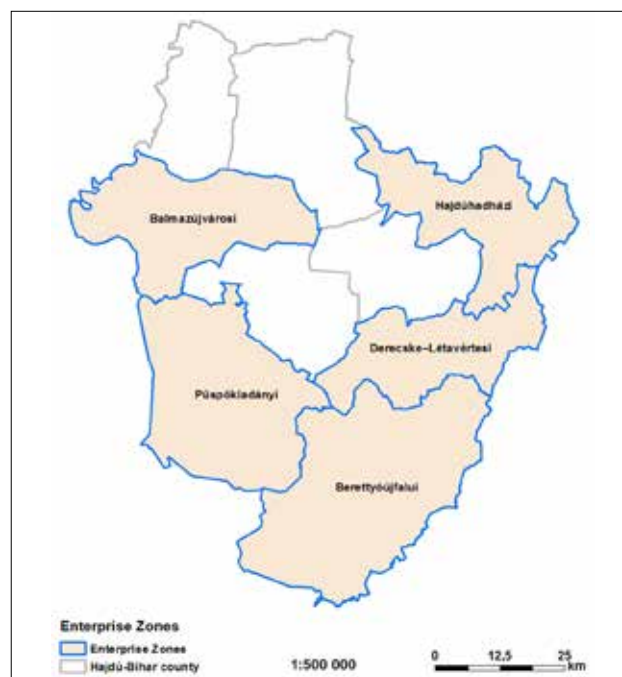
An enterprise in which the direct or indirect share of the state or a local authority, either on the basis of capital or voting rights, exceeds 25% separately or combined, may not be considered as an SME.

2.1.3 FREE ENTREPRENEURIAL ZONES

Government Decree 27/2013 (II. 12.) designated settlements in the country’s most disadvantaged areas as free entrepreneurial zones.

In Hajdú-Bihar County, a total of 67 settlements in the Bal-mazjváros, Püspökladány, Derecske-Létavértes, Hajdúhadház and Berettyóújfalú microregions belong in this category.

There are a number of reasons why businesses should consider making their investments on the settlements of free entrepreneurial zones, including the higher allocation of non-refundable grants from the European Union, higher levels of grant intensity up to 70%, as well as extra points that can be given in the evaluation of grant applications.

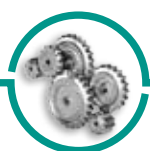


Free entrepreneurial zones in Hajdú-Bihar County

2.2 TAXATION

2.2.1 CORPORATE INCOME TAX

Pursuant to Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax (the “CIT Act”), also with attention to the provisions of Act XCII of 2003 on the Rules of Taxation (the “Rules of Taxation Act”), taxpayers are subject to a corporate income tax on the basis of their income generated in the course of their business activities in Hungary. In case of certain taxpayers (e.g. foundations, associations), the CIT Act provides for an exception by setting forth that their ac-



tivities meeting specific conditions and the income generated in the course of these are not considered as business activities and as income generated from such.

There are a number of factors whereby a taxpayer is able to reduce its pre-tax profit, including:

- the employment of persons with changed working abilities;
- the employment of career-starters or registered job-seekers;
- participation in vocational training;
- donations provided to public-benefit organizations;
- engaging in basic or applied research or experimental development;
- investment projects implemented by SMEs.

The corporate income tax rate is 10% for the part of the positive tax base not exceeding HUF 500 million, and 19% for the part above HUF 500 million. The amount calculated in accordance with the above is the corporate income tax, which may, in case of meeting certain conditions, be reduced by tax allowances.

Pursuant to the main rule, simultaneously with the filing of the annual tax returns, taxpayers are required to declare their corporate tax advance for the 12-month period starting on the first day following the second calendar month after the due date of the tax returns. The tax advance is to be paid monthly or quarterly.

If the taxpayer's annual turnover in the previous tax year exceeded HUF 100 million, there is an obligation to replenish the tax advance up to the amount of the tax expected to be paid in the given tax year. The tax returns declaring this amount to replenish the corporate income tax is to be submitted and the tax is to be paid by the 20th day of the last month of the year.

2.2.2 LOCAL TAXES

The purpose of the system of local taxes is to serve as a foundation for the economic management of municipal governments. Act C of 1990 on local taxes (the "Local Taxes Act") defines the frameworks and conditions of the tax system built on the local decision-making autonomy. We can differentiate between the following types of local taxes:

- property-type taxes (building and land taxes);
- the communal tax of individuals;
- tourism tax;
- local business tax.

The tax rates vary by settlements, as they are determined by the municipal governments. In case of pursuing a business activity of a permanent nature, the maximum rate of the local business tax is 2%. In contrast with the corporate income tax base, the base of the local business tax cannot be reduced by charging the costs of the foreign parent company to the Hungarian subsidiary.

2.2.3 VALUE-ADDED TAX (VAT)

Under Act CXXVII of 2007 on the Value-added Tax (the "VAT Act"), the general rate of VAT payable on the supply of products and services is 27%. Exceptions include certain types of products and services, which are subject to a reduced 5% (e.g. medicine, live pigs and half carcasses, district heating) or 18% (e.g. milk and dairy products, bakery goods, bakery products, commercial accommodation services) rate. Certain activities, due to their public-benefit (e.g. postal services, patient care) or other special nature (e.g. the provision of insurance, selling flight tickets, extending loans) are also exempt from value-added tax.

VAT returns are to be submitted and the tax is to be paid, depending on the value and other conditions, monthly, quarterly or annually.

Reverse-charge taxation was first introduced in Hungary from 1 January 2006, and only applied to the trade of waste at the time. The scope of products and services subject to reverse-charge taxation has since been significantly broadened (e.g. construction industry, certain products of steel industry, etc.). While reverse-charge taxation was originally conceived as a tool against fraud committed by fictitious tax subjects (since invoices for products subject to this rule are issued in the net amount, the buyer cannot reclaim the VAT), it also makes the operation of companies significantly easier.

2.2.4 TAXES AND CONTRIBUTIONS ON WAGES AND SALARIES

Before the payment of the net amounts, a total of 34.5% is deducted from the gross wages and salaries of employees:

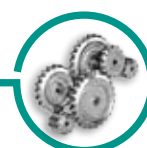
- 16% personal income tax;
- 10% pension contribution;
- 3% cash health insurance contributions;
- 4% in-kind health insurance contributions;
- 1.5% labour-market contribution.

Of course, employees are also entitled to various tax benefits, such as the family tax allowance or the tax credit for first-time married couples, the application of which can reduce taxes to be paid to a minimum.

The combined, salary-type burdens on employers is lower than in case of employees. A total of 28.5% of taxes and contributions are payable above the gross salary, as follows:

- 27% social contribution tax,
- 1.5% vocational training contribution.

Of course, there are also tax allowances on the employer's side, such as those available in case of career starters below 25 years of age, employees over 55, or women coming back to work from various forms of child care benefits.



2.3 TOOLS OF INVESTMENT PROMOTION

2.3.1 HUNGARIAN GRANTS

Grants financed entirely from Hungarian sources are generally designed to support energy-efficiency, cultural or other projects of smaller budgets that are not eligible for funding from European Union sources, but are nevertheless important to the government.

Information of such grants is available from the websites of the competent ministries: www.kormany.hu

For job creation and the hiring of new employees, on the basis of Decree 6/1996 of the Minister of Labour on emergency aid from the Labour Market Fund, the Department of Employment Affairs of the Government Office provides support for the employers by way of assuming a part of the salaries and contributions, in the framework of annual grants: www.kormanyhivatal.hu/hu/hajdu-bihar/szervezeti-egysegek/foglalkoztatasi-foosztaly

2.3.2 SOURCES FROM EUROPEAN UNION GRANTS

As a member of the European Union, Hungary is eligible to apply for grants for the purpose of supporting development, available in the framework of seven-year programming periods. In the period between 2014 and 2020, in the framework of the “Széchenyi 2020” programme, a significant amount of EU sources were at the disposal of the country. While the aim of the previous seven-year cycle was to help underdeveloped regions to catch up, in the current period, member states are required to align their own development plans with the EU’s objectives, in the interest of ensuring that the member states can develop in the same direction.

Hungary may use a total of HUF 12,000 billion of development aid until 2020, with support from the European Union and Hungarian government sources. The country ranks first among the EU member states in terms of the per capita amount of grants, as there is HUF 712 thousand of development sources per each Hungarian citizen until 2020, which

is 50 thousand more than in the previous programming period.

On the basis of the government’s decision, 40% of the available sources may be used for infrastructure development, and 60% for direct economic development, thereby creating several hundreds of thousands of jobs and strengthening small and medium-sized enterprises. The Northern Great Plain Region, and thus also Hajdú-Bihar County, is a very favourable location from an investment point of view, due to the maximum extent of the available support: businesses may generally apply for non-refundable grants at a 50% intensity rate, but depending on the size of the business (SMEs) and the place of implementation (free entrepreneurial zones), the intensity rate may reach up to 70% of the total costs of the project.

The scope of purposes for which grants may be used is defined in the operational programmes (OPs). For the period between 2014 and 2020, the European Commission approved the following operational programmes for Hungary (with the commonly used Hungarian acronyms of the OPs in parentheses):

- Human Resources Development OP (EFOP)
- Economic Development and Innovation OP (GINOP)
- Integrated Transport OP (IKOP)
- Environmental and Energy Efficiency OP (KEHOP)
- Food and/or Basic Material Assistance OP (RSZTOP)
- Territorial and Settlement Development OP (TOP)
- Competitive Central Hungary OP (VEKOP)
- Rural Development Programme (VP)
- Public Administration and Services OP (KÖFOP)

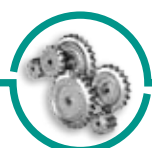
In the new programming period, the government will place special emphasis on employment, in connection with which new funding from grants are available under the 5th priority of the Economic Development and Innovation Operational



Region	Maximum grant intensity rate		
	Size of enterprise		
	large	medium	small
Central Hungary	0	0	0
Budapest	0	0	0
Category I settlements in Pest County	35	45	55
Category II settlements in Pest County	20	30	40
Central Transdanubia	35	45	55
Western Transdanubia	25	35	45
Northern Hungary, Northern Great Plain, Southern Great Plain, Southern Transdanubia	50	60	70

Maximum grant intensity rates

(Source: State Aid Monitoring Office)



Programme (GINOP), called “The promotion of employability and the development of company’s adaptability”.

The details of the grant calls for application are available at the following website: www.palyazat.gov.hu

2.3.3 REGIONAL STATE AID BASED ON INDIVIDUAL GOVERNMENT DECISIONS

With Government Decree 210/2014 on the rules regarding the utilization of investment incentive targeted appropriation, based on the European Commission’s guideline on regional state aid (2014–2020) entering into effect, the possibility to use regional state aid on the basis of individual government decisions once again became available. While new investments had previously had to have a minimum eligible cost of EUR 10 million (or EUR 50 million in case of tourism-related investments), the new decree does not stipulate a uniform limit in this respect.

In line with Government Decree 165/2014, development tax allowances, the new Individual Government Decisions Decree has also extended the requirements for applications for these grants with the addition of the following two conditions:

- In case the investment results in the fundamental change of production, the condition of the grant is that the amount of eligible costs shall exceed the ordinary depreciation of assets relating to the original production to be fundamentally changed in the last three tax years prior to the grant request.
- In case the grant results in the extension of the investor’s activity performed in an existing establishment with a new activity, the condition of the grant is that the amount of eligible costs shall exceed – at least with 200% – the book value of assets which were used in course of the original activity and are also planned to be used in course of the new activity in the tax year prior to starting the investment.

2.3.4 LOANS WITH PREFERENTIAL INTEREST RATES

On 1 June 2013, the Hungarian National Bank (MNB) launched its Funding for Growth Scheme (FGS), in the interest of alleviating the disturbances observed in the extension of credit to small and medium-sized enterprises (SMEs) and reinforcing financial stability.

The primary purpose of the scheme is to assist enterprises in the realization of projects providing return on their investments, but to a limited extent the facility may also be used for the redemption of investment and current asset loans taken out earlier.



The scheme is currently in its second phase (FGS II programme), in which the total available amount is HUF 1000 billion, but this may be increased by the Monetary Council to up to HUF 2000 billion subject to the macroeconomic environment, as well as the credit and financial market.

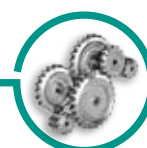
The preferential-rate financing provided in the framework of the FGS II programme reduces the financing costs of SMEs, and makes it possible to implement projects that were previously hindered due to the high costs of financing.

The conditions of the credit scheme are extremely favourable, as enterprises can receive financing for the implementation of their investments, pre-financing of EU grants, as well as the purchasing of current assets or – to a limited extent – the redemption of investment and current asset loans taken out earlier, at a fixed cost of 2.5% for the entire term, which includes interest and other bank costs as well.

The minimum loan amount that may be provided for SMEs in the framework of the programme is HUF 50 million in case of transactions concluded directly (by way of the Hungarian Development Bank). The upper limit is currently HUF 10 billion, which is applicable to the combined amount of loans taken out in the first and the second phase of the Funding for Growth Scheme.

Further information on the credit scheme is available on the website of the Hungarian National Bank (www.mnb.hu).

BUSINESS ENVIRONMENT







INVESTMENT
OPPORTUNITIES

3 INVESTMENT OPPORTUNITIES

3.1 THE INDUSTRIAL PARKS AND LOGISTICS CENTRES OF HAJDÚ-BIHAR COUNTY

3.1.1 THE “INDUSTRIAL PARK” TITLE

Industrial parks are organisations with the necessary infrastructure, engaging in development, production and the provision of services, aiming at innovation, which have received the title “Industrial Park.”

The requirements for receiving and using the title of “Industrial Park” are regulated in Government Decree 297/2011 (XII. 22.) on Industrial Parks. The title may be received on the basis of the decision of the minister of national economy, in the framework of an application process announced annually. This provides an opportunity to obtain the title “Industrial Park” by organisations that have created an attractive environment for investments by way of creating a state-of-the-art facility and providing advanced-level services, thereby increasing the competitiveness of the businesses settled there. Winning the title of “Industrial Park” means eligibility for certain forms of support and preferential treatment as defined in legal provisions of grant schemes, but in and of itself it does not mean any direct financial support.

One of the main criteria for winning the title is that the area to be designated as an industrial park must be at least 20 hectares, consisting of either a core area, or a core and a development area. At the time when the application for the title is submitted, at least 5 businesses must already operate on the area of the proposed industrial park, and the total combined number of full-time employees must be at least 100.

In the interest of the creation and operation of industrial parks, the Government set up, by way of its decision no. 1464/2011

(XII. 22.), the Industrial Park Council, a consultative and advisory body contributing to the decisions of the minister in charge of industrial affairs in connection with industrial parks. Those bearing the title of “Industrial Park” are required to submit annual reports on their activities to the competent ministry.

3.1.2 THE “SCIENCE AND TECHNOLOGY PARK” TITLE

With the amendment of Government Decree 297/2011. (XII. 22.), the title “Science and Technology Park” was created, which can also be won in the framework of an annual application procedure announced by the minister of national economy.

It is the objective of the Ministry of National Economy to provide an opportunity for winning the title “Science and Technology Park” to organizations which, in addition to the creation of an environment attractive to investors and increasing the competitiveness of companies, also have cooperation or research agreements with a university, college or academic research institute, and at least three of the enterprises settled on the area of the park cooperate in the performance of R&D&I activities. Similar to the “Industrial Park” title, wearing the title of “Science and Technology Park” does not entail any direct financial support either.

3.1.3 INDUSTRIAL PARKS AND LOGISTICS CENTRES IN HAJDÚ-BIHAR COUNTY

Currently, there are more than 200 industrial parks in Hungary, but less than half of them work as actual industrial parks, with companies settling in and continuously renewing their investments.

In Hajdú-Bihar County, the following organisations have the title of “Industrial Parks”:

Name of industrial park	Settlement	Year when title was won
Debrecen Regional and Innovation Industrial Park	Debrecen	1997
Bihar Regional Industrial Park	Berettyóújfalu	1998
Debrecen Agricultural Park	Debrecen	1999
Debrecen Logistics Centre and Industrial Park (DELOG)	Debrecen	1999
Polgár Industrial Park	Polgár	1999
Debrecen Western Industrial Park	Debrecen	2000
Hajdúsámson Industrial Park	Hajdúsámson	2005
Hajdúböszörmény Eastern Industrial Park	Hajdúböszörmény	2007
Kabapark Industrial Park	Kaba	2007
Hajdúböszörmény Western Industrial Park	Hajdúböszörmény	2008
North-Hajdúság Agro-Industrial Park	Hajdúnánás	2009
Hajdú Industrial Park	Téglás	2012





Industrial parks in Hajdú-Bihar County

From among them, Debrecen Regional and Innovation Industrial Park obtained the title “Science and Technology Park” in November 2015.

From among the industrial parks, the Debrecen Logistics Centre and Industrial Park is a logistics centre of decisive importance in the county and the whole of the region. Currently, the Trimodal Logistics Centre developed at the Debrecen International Airport does not yet have the title of industrial park, but it may play an important role in the future in the field of air cargo services due to the presence of the international airport, and also in the field of rail cargo services by way of the intermodal shipping container terminal.

DEBRECEN REGIONAL AND INNOVATION INDUSTRIAL PARK

The Debrecen Regional and Innovation Industrial Park, established by the Municipality of Debrecen, was the first to receive the title of industrial park in the county. The work to develop the 40-hectare area with high-capacity public utilities in the framework of a greenfield investment started in 2000.

The Hungarian-owned XANGA Investment & Development Group, a private capital investment and industrial infrastructure and real estate development company, headquartered in Debrecen, has been cooperating with the municipal government from the very beginning to bring tenants to the industrial park.

The activities of XANGA in the industrial park include:

- the operation of the industrial park;
- developing the road and public utility infrastructure of the industrial park, and continuously extending the park in line with the demands of the market;
- developing turnkey facilities, ready to accommodate state-of-the-art production technologies immediately, for utilisation by way of leasing out.

As a result of the developments of the Group, the area of the park was extended over the course of the past few years from 40 to 120 hectares, and it currently provides a high-quality industrial environment for more than 40 business tenants. The total revenues of these companies constitute a significant part of the local business tax base of the city of Debrecen. In addition, these companies employ approximately five thousand people, many of them holding higher education degrees.

In 2009, the Ministry of National Development and Economy and ITD Hungary Hungarian Investment and Trade Development Agency awarded the title “Industrial Park of the Year” to Debrecen Regional and Innovation Industrial Park.

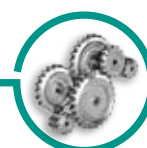
The businesses that operate in the industrial park include NI Hungary Kft., an American-owned company active in the field of the electronics industry, RR Donnelley Kft., another American-owned company, which is market-leading printing company, FAG Magyarország Kft., the Hungarian subsidiary of the German bearings manufacturer, the Hungarian subsidiary of the Swedish ASSA ABLOY group, specialised in the manufacturing of garage door parts, and the pharmaceutical research and production facility of the Hungarian company Richter Gedeon Nyrt.

BIHAR REGIONAL INDUSTRIAL PARK

Bihar Regional Industrial Park was founded and is operated by the Municipal Government of Berettyóújfalu. The industrial park is located near the logistics junction of two highways, in the direct proximity of main roads no. 42 and 47, at a distance of 20 km from the Romanian border crossing station. The Budapest-Püspökladány-Oradea railway line runs along the southern side of the park, which provides favourable opportunities for the transportation of goods and for logistics services. The proposed M4 and M47 motorways will also run in the direct vicinity of the industrial park.

The total area of the fully developed industrial park, having all utility infrastructure connections, is 56 hectares. Most of the companies operating in the park are small and medium-sized enterprises, mainly active in the field of commerce (Ker-Fu 2000 Kft., Mezei-Vill Kft., Lisztes Trans EC).

INVESTMENT OPPORTUNITIES



DEBRECEN AGRICULTURAL PARK

This 25-hectare industrial park, realized in the framework of a greenfield investment, is located in the vicinity of the University of Debrecen, Agricultural Sciences Centre, close to the M35 motorway. The industrial park is operated by Debreceni Agrárcentrum Innovációs Nonprofit Közhasznú Kft. The purpose behind the founding of the park was to become an intellectual and practical centre of technology transfer and innovation, with the involvement of the research base, in the form of both instructors and students, that is available primarily in the fields of agricultural and health sciences.

Currently, there is only one business operating in this industrial park; however, it is the largest employer of the city. The Debrecen facility of IT Services Hungary Kft. has won the YURA (Your Region Your Future) Award of the European Union for its cooperation with the Municipal Government of Debrecen and the University of Debrecen, as well as its activities aimed at assisting young people in entering the labour market and keeping them in the region.

POLGÁR INDUSTRIAL PARK

Polgár Industrial Park, situated on an area of over 58 hectares of land, is ideally located from a logistics point of view, next to motorway M35. The industrial park is developed and operated by Polgár Invest Kft., a part of Infogroup, a Hungarian-owned group of companies.

In addition to the industrial plots with all utilities, the park also offers locally developed light industry and warehousing halls for lease.

The businesses currently operating in the industrial park include the logistics unit of Jabil Circuit Magyarország Kft., the truck service base of Volvo Truck, the logistics unit of Toyota Tsusho, and the regional distribution centre of the food processing company Gyermelyi Zrt.

In 2011, the Ministry of National Economy gave them the title "Industrial Park of the Year", and then in 2013, the industrial park also won the title Regional Logistics Centre.

DEBRECEN WESTERN INDUSTRIAL PARK

The 30-hectare industrial park is located in the western industrial zone of Debrecen, along main road no. 33, in the direct vicinity of motorway M35. The area also has an industrial rail track connection. The industrial park was established as a brownfield project on the area of a former factory for prefabricated concrete buildings blocks.

Approximately a hundred micro, small and medium-sized enterprises have moved to the park as owners and tenants, and their varied scopes of activity offer numerous opportunities for cooperation. Some of the business activities pursued include the manufacturing of construction materials, building construction and engineering, wood processing

and furniture production, as well as related services, the designing and production of complex machine industrial technologies, tools and machines, commercial, complex logistical and environmental services, waste collection and processing, among many others.

HAJDÚSÁMSON INDUSTRIAL PARK

The Hajdúsámson Industrial Park is located along the road connecting Hajdúsámson and Hajdúhadház, next to the railway station. The activities of the small and medium-sized enterprises operating at the park include vegetable and fruit processing, machine working and warehousing. The industrial park also has a development area of approximately thirty hectares.

HAJDÚBÖSZÖRMÉNY EASTERN INDUSTRIAL PARK

Located at a distance of 3 km from motorway M35 and only 150 m from the railway line, the 35-hectare Hajdúböszörmény Eastern Industrial Park is operated by the Municipality of Hajdúböszörmény. The businesses located in the industrial park include the cheese factory of Köröstej Kft., the plant of the NAGÉV group engaged in the manufacturing of steel structures, the facility of Dispomedicor Zrt., a producer of medical instruments, as well as the plant of Farmmix Kft., whose business activities include the packaging and trade of pesticides, seeds and fertilizers.

HAJDÚBÖSZÖRMÉNY WESTERN INDUSTRIAL PARK

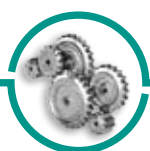
Hajdúböszörmény Western Industrial Park, or M35 Business Park, as it is more recently called, is located on the western edge of the town, near the Hajdúböszörmény exit of motorway M35. In addition to privately owned plots, the municipal government is the owner of approximately 8 hectares of land where Hajdúböszörményi Ipari Park Üzemeltető és Városfejlesztő Kft. invites enterprises required skilled work force to settle.

KABAPARK INDUSTRIAL PARK

The industrial park is located just outside of the town of Kaba along main road no. 4, at a distance of 30 km from the junction of motorway M35. A favourable feature of this industrial park is that it has a 6 km long internal network of 8 industrial railway tracks. The industrial park consists of 40 hectares with all utilities, which can be extended to more than 200 hectares. On the largest part of the industrial park, the former Kaba sugar factory had its operations. Some smaller businesses currently use the plant, while on other areas of the industrial park there are mainly companies engaged in the processing of agricultural products.

NORTH-HAJDÚSÁG AGRO-INDUSTRIAL PARK

The agro-industrial park is located outside of the incorporated area of the town of Hajdúnánás, 2 km from motorway M3. The area has its own industrial railway track connection to the Tiszalök-Debrecen railway line. The park has an irrigation canal connection to Keleti (Eastern) Main Canal, running at a distance of 3 km.



The motivation behind the establishment of the agro-industrial park was to create a favourable environment attractive to working capital and trade investors for the processing of the locally produced agricultural products. There are currently 7 enterprises operating in the industrial park, on an area of approximately 10 hectares and employing almost 300 people. An additional, nearly 25-hectare development area may provide investors with a modern production environment. The enterprises already settled in the agro-industrial park have extensive professional practice, and engage in agricultural activities on good-quality, partly irrigated land. The most significant among them is Tedej Zrt., engaged in animal husbandry, crop production and the processing of agricultural products.

HAJDU INDUSTRIAL PARK

The currently 58-hectare Hajdu Industrial Park, developed and operated by Hajdu Infrastruktúra Zrt., which is a part of the Hajdu Group, is located halfway between Debrecen and Nyíregyháza, just outside of the town of Téglás, along with main road no. 4 and the Budapest–Záhony railway line, and at a distance of 15 km from motorway M35. The park also has an additional development area of 150 hectares. The company operating the park can have the plots of at least 4000 square meters in size formed in accordance with the demands of the companies settling in the park. Hajdu Industrial Park has its own industrial railway tracks, which means that the companies operating there can also use the opportunities inherent in the transportation of goods by rail.

DEBRECEN LOGISTICS CENTRE AND INDUSTRIAL PARK (DELOG)

Debrecen Logistics Centre and Industrial Park, which plays an important role in regional logistics, is developed and operated by DELOG Kft., which is a part of the Trans-Sped Group.

Trans-Sped has been present on the logistics market since 1990, when it started out as an international forwarding company. In the past 25 years, it is developed into a company group with various subsidiaries serving different branches of logistics, as well as a nationwide network of offices and divisions, employing a total of 500 persons.

The group's Debrecen Logistics Centre and Industrial Park has a total covered warehousing capacity of 35,000 square metres in the 3 to 12 metres high, completely renovated or newly constructed, environmentally efficient halls. In the warehouse halls there is a possibility for shelved storage and for block storage as well. Since the warehouse halls of the industrial park are currently operated with a 100% utilisation rate, DELOG Kft. is expanding its capacities by a new, 4,200 square metre facility. The cornerstone of this new facility, which will provide room for 3 more tenants, and will also include offices and a state-of-the art production plant, was laid in May 2015.

The Trans-Sped Group provides complex logistics services for its partners, including short- and long-term storage, domestic storage for third parties, and "A"-type storage in customs warehouse, transshipment between road and road, road and railway, as well as bar code goods management. The Group also regularly sends trucks to all over Europe and into the CIS states. Trans-Sped operates, in addition to the headquarters in Debrecen, a forwarding office in Budapest, Kecskemét, Pécs, Szeghalom, Székesfehérvár and Tiszaújváros.

Trans-Sped Kft. provides comprehensive export and import custom-house services at several sites in Hungary. Based on its comprehensive range of licenses the smooth and fast border-crossing of the goods of clients is ensured.

Trans-Sped Logisztikai Szolgáltató Központ Kft. also joined the companies involved in the dual higher education programme, in the framework of which students spend a significantly longer than average professional practice with the group.

TRIMODAL LOGISTICS CENTRE AT DEBRECEN INTERNATIONAL AIRPORT

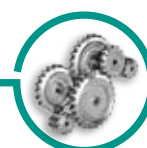
In 2012, XANGA, a private capital investment and infrastructure development group headquartered in Debrecen, started the implementation of a trimodal logistics centre at Debrecen International Airport, which may have a determining role in providing logistics services not only for the city and its environment, but also the larger, cross-border region. The base will combine three transportation and forwarding modes: in addition to public roads, also air cargo services provided by the international airport that is compliant with the Schengen norms, and rail transport by way of the industrial tracks connected to the national railway network.

In the first stage of the development, by the second half of 2015, a total of 25,000 square metres of facilities were built, which includes, in addition to the traditional logistics halls, also a 5,000-square-metre cargo hall with direct airport connection, which is indispensable for air cargo services, a covered railway transshipment yard, and an intermodal shipping container terminal.

In the following years, XANGA intends to further expand the logistics base with an additional 25,000 square metres of facilities. With the increase in the volume of shipping containers, a new pair of industrial tracks will also be built and the container terminal will be expanded.

It is expected that in the next several years and decade, a significant volume of goods currently transported internationally on road will be shifted to railways, which will require an expansion of the existing railway terminals and the construction of new ones. The already operating trimodal logistics centre, the terminals of which can be further developed

INVESTMENT OPPORTUNITIES





Container terminal at Trimodal Logistics Centre

and expanded in the future will provide a connection by way of the railway network to the sea ports playing an important role in European standards (Hamburg, Rotterdam, Koper). This will then create an opportunity for goods arriving to Europe by sea to be brought directly to Debrecen on container trains, and then diverted to road transport in the newly established terminal, and also in the opposite way, for goods coming from the region by road to be put in containers and sent directly to the sea ports.

The scope of the terminal will reach far beyond Debrecen. The scheduled container train running from March 2015 can serve the regions of Miskolc, Nyíregyháza, Tiszaújváros, Mátészalka and Békéscsaba, as well as Western Romania. As a result, the competitiveness of the East-Hungarian region will increase significantly, and this will allow new industrial production companies, requiring complex logistics services, to appear in the region.

3.2 BUSINESS INCUBATORS, INNOVATION CENTRES

Even though it is enterprises in economically more disadvantaged areas that would be in bigger need of incubation services, the business incubators in Hajdú-Bihar County are concentrated in the city of Debrecen.

DBH Serviced Office, Főnix Incubator House and Business Centre, and Cívus Incubator House, as well as the Enterprise Development Centre, operated by the Chamber of Commerce and Industry of Hajdú-Bihar County, offer enterprises making their home there offices for rent, which may be, depending on the provider, also fully furnished and with IT network and another, broad range of services. The Bioincubator Centre, located on the campus of the University of Debrecen, specifically caters for the needs of biotechnology companies that wish to build on the intellectual climate and

infrastructural opportunities provided by the university. In addition to Debrecen, the Hajdú-Bihar County Enterprise Development Foundation also operates a business incubator in the centre of Püspökladány, where local enterprises can rent not only offices, but also smaller workshops, with the possibility of using various contractors' services as well.

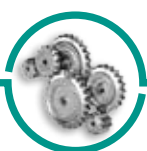
For industrial production companies, the private capital investment group XANGA develops business incubation and innovation centres in Debrecen, in the Debrecen Regional and Innovation Industrial Park and also in the environment of Debrecen International Airport. In the industrial park, an industrial business incubator encompassing an industrial production plant as well as offices and social areas was completed by mid-2014 on a total area of nearly 6,000 square metres, which currently provides turn-key production facilities for 5 enterprises in units ranging between 500 and 2,000 square metres.

In the Trimodal Logistics Centre at Debrecen International Airport, an incubation and innovation centre is currently under construction on a total area of 8,000 square metres, which will consist of a 3,000-square metre part on three floors, including offices and social areas, and a 5,000-square metre, sectionable, industrial and logistics hall with an internal height of 12.5 metres, equipped with traditional industrial gates and docking stations. The facility is structurally completed, and will be opened in the spring of 2016, after the building completion works are finished in accordance with the needs of the tenants. The innovation centre will serve as a location for the operations of the international companies providing aviation-related maintenance and other services, as well as for other businesses engaged in development, production and packaging activities in high-added value industries.

3.3 BUSINESS CLUSTERS IN HAJDÚ-BIHAR COUNTY

A cluster is a network of entities (producers, suppliers, researchers, service providers) that work in the same sector or combine the same sectors. Members of a cluster create a network-based organization in the interest of reducing certain costs and increase the efficiency of their activities. The costs of the operation of the cluster are borne by the members.

The significant resources available to clusters justify a preliminary screening of business networks forming clusters. The most important purpose of cluster accreditation is to choose the forms of network-based cooperation that are suitable for realising significant development projects by way of their high innovation and export performance and the efficiency inherent in the cooperation, and which are capable of achieving results that are outstanding in regional terms.



PHARMAPOLIS INNOVATIVE PHARMACEUTICAL CLUSTER

The establishment of the Pharmapolis Innovative Pharmaceutical Cluster represents the general intentions of the economic sectors dominantly present in Debrecen on the basis of which they wish to cooperate on the promotion of industrial networking supported by the makings of the region. The founders of this accredited cluster include the largest Hungarian pharmaceutical company Richter Gedeon, the University of Debrecen, the Chamber of Commerce and Industry of Hajdú-Bihar County, and the Asset Management Holding of the Municipality of Debrecen.

The objective of Pharmapolis Cluster is manifold: it wishes to strengthen the less developed elements in the innovative chain of the Hungarian pharmaceutical industry in line with the export interests of the economic stakeholders, and it also intends to contribute to the improvement of European innovative capacities. They intend to reach these goals by adopting the pharmaceutically-specified elements of the European Technological Platforms. In the course of its R&D cooperation projects the Pharmapolis Debrecen Innovative Pharmaceutical Cluster puts a great emphasis on the development of new, innovative products as well as on disseminating the results of R&D&I activities carried out by the member organizations in a wide circle.

PHARMAPOLIS INNOVATIVE FOOD CLUSTER

The purpose of the establishment of the accredited cluster building on the knowledge base of the University of Debrecen and the University of Kaposvár is to create a market-driven innovation-based system of cooperation attracting Hungarian and foreign capital, as well as highly qualified researchers and experts in the fields of biotechnology and agricultural sciences. Apart from the universities, some of the key members of the cluster include the Municipality of Debrecen, the Chamber of Commerce and Industry of Hajdú-Bihar County, and from among the corporate stakeholders, the meat processing company Pick Szalámigyár Zrt. and number of small and medium-sized enterprises interested in the development, production and manufacturing of functional foods.

NORTHERN GREAT PLAIN THERMAL HEALTH INDUSTRY CLUSTER

Hungary in general, and specifically the Northern Great Plain region in particular, have significant thermal water resources and very favourable geothermal conditions even in international comparison. The Northern Great Plain Thermal Health Industry Cluster was created by way of the merger of two earlier clusters, the Northern Great Plain Thermal Cluster and the Thermal Health Industry Cluster. Members of the cluster include small and medium-sized enterprises, local authorities and their companies, as well as service providing businesses, which assist the cluster in its work and reinforce environmentally conscious thinking.



Pharmapolis Science Park building

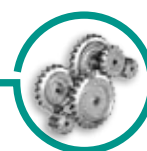
The priority objective of the cluster is to help the development of the thermal and medicinal tourism of the Northern Great Plain Region, to expand the tourism-related offerings of the region, and to contribute to the growth of the volume of tourism. In the course of the operation of the cluster, its members consider it an important aim to enhance the quality of accommodations and the standards of tourism infrastructure in general, and also to develop services related to thermal water, also aiming at foreign patients able and willing to pay for such services.

NORTHERN GREAT PLAIN INFORMATION TECHNOLOGY CLUSTER

In the past decade, the significance of the ICT sector has increased in Hajdú-Bihar County and the region significantly, both in terms of the number of companies and the employment figures. An important objective of the Northern Great Plain Information Technology Cluster, which has close to thirty members, was to contribute to the further development of the member companies, to increase their competitiveness, and to assist them in appearing on international markets, with the use of joint tools, resources and strategies.

Well-qualified professionals are an important precondition of the success of IT companies. Keeping this in mind, the cluster places special emphasis on cooperation with educational institutions and the practical training of students.

INVESTMENT OPPORTUNITIES







ECONOMIC
AND ENTERPRISE
DEVELOPMENT
ORGANISATIONS
IN THE COUNTY

4 ECONOMIC AND ENTERPRISE DEVELOPMENT ORGANISATIONS IN THE COUNTY

4.1 CHAMBER OF COMMERCE AND INDUSTRY OF HAJDÚ-BIHAR COUNTY

The Chamber of Commerce and Industry of Hajdú-Bihar County is the economic self-government organization of the business community of Hajdú-Bihar County. With its activities aimed at the conciliation and intermediation of interests and the development of the economy, it contributes to the successes of the enterprising community and of the economy of the county and the region.

Its mission is to provide for its members the highest possible quality of services and professional advice. It plays a leading role in the region in the realization of a business and economic environment, where members can prosper and efficiently compete both within the country and on the global market. In addition to its statutory functions, the chamber plays an active role in economic development, contributing to economic strategies, providing opinions on laws, regional development strategies and programmes on regional, county and local levels, in the interest of increasing the competitiveness of the businesses.

In the interests of the services available to businesses, it participates in various enterprise development projects, paying special attention to strengthening cross-border cooperation. It has particularly good partnerships with the county and local governments, research institutions, universities, the various professional and interest-representing organizations, chambers abroad, enterprise development associations and embassies.

One of the most important tasks of the Chamber is the development of international relations, which supports both the local firms in their efforts to appear on external markets, in the foreign enterprises and investors to settle in the region. Through the Enterprise Europe Network, the Chamber provides an opportunity to search for business and technological partners in 55 countries of the world, via 600 partner organizations.

The Chamber of Commerce and Industry of Hajdú-Bihar County operates its customer service office in the Building of Non-profit Economic Development Organisations; in addition, it also maintains regional offices on some of the larger settlements of the county (Berettyóújfalu, Hajdúböszörmény, Hajdúnánás, Hajdúszoboszló, and Püspökladány) in order to ensure a more direct connection with its clients.

In the interest of achieving its objectives, HBKIK provides the following services to its members:

- EU information, foreign trade;
- trade development;
- economic information, regional development;
- information on grant and funding opportunities;

- information and advice on intellectual property protection;
- authentication of documents;
- legal advising;
- vocational training;
- business development services, events organizing;
- the operation of the Conciliation Board;
- the intermediation and comprehensive administration of the loan products under the the Széchenyi Card programme;

The Chamber's Enterprise Development Centre, located on Petőfi Square, offers an excellent opportunity for newly formed and small enterprises to operate in an exclusive business environment.

4.2 DBH GROUP

The Dutch-Hungarian DBH Group, looking back on a history of over 20 years, offers comprehensive business infrastructural services ranging from physical infrastructure (serviced office) to business services for small and medium-sized companies. Its activities include project and subsidy management, IT and ERP services, financial, accounting, tax and business advisory services, as well as marketing strategy and business development consultancy.

In addition, thanks to its own venture capital fund, it also provides financial investment and financing to enterprises, as well as start-up incubation and acceleration.

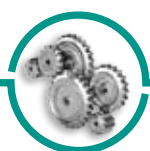
The chief purpose of the services of DBH is to facilitate and help the growth of companies settling in the region, and to optimize and improve their operations here. The group's scope of services enable their clients to concentrate on their main activity, as the experts equipped with knowledge of the local business environment and international experiences, combined with the state-of-the-art infrastructure create the perfect business environment for them.

The group has offices in the Netherlands, Hungary, the Czech Republic and Romania, as well as an extended business portfolio from the United States through Western Europe to the Caucasus.

4.3 THE HAJDÚ-BIHAR COUNTY ENTERPRISE DEVELOPMENT FOUNDATION

The Hajdú-Bihar County Enterprise Development Foundation was founded in 1993 by the Hungarian Enterprise Development Foundation, the Hajdú-Bihar County Government, the local governments of the settlements of the county, OTP Bank, and several interest-representing organisations and chambers, for the purpose of starting subsidized microcredit financing.

The Foundation, looking back on a history of almost a quarter century, makes available all existing subsidized credit schemes to enterprises, thereby completing the objectives set forth at the time of its foundation: to provide a comprehensive package of services related to the starting and development of enterprises in the county, in a one-stop-shop system, by way of intermediating non-refundable support, in the form of the following:



- subsidized microcredits,
- training and employment programmes,
- consultancy, and
- general office and information services.

The Foundation's projects are designed in such a way that all "profits" and grants are for the benefit of the enterprises who are its clients. The Foundation currently has an office in Debrecen, which was modernised in the autumn of 2013. In addition, it also has local representatives across the county, who contact the enterprises in the field and thus intermediate and provide the services of the Foundation to them. The Foundation is a member of the European Microfinance Network (EMN).

4.4 INNOVA ÉSZAK-ALFÖLD REGIONAL INNOVATION AGENCY

With the cooperation of regional key players, INNOVA Észak-Alföld Nonprofit Kft. was established in 2008 as a business association of independent legal personality. From the three key elements of the triple helix, i.e. industry, university and government, currently the latter two are represented among owners of this organisation aiming to bridge the innovation gap, while companies are involved through partnerships.

The objectives of INNOVA include:

- spurring market-oriented RDI cooperation,
- developing an environment supportive of innovation,
- identifying and developing innovative human resources and innovative ideas, and thereby
- enhancing the innovation capacity of the region.

INNOVA can provide assistance to its clients in the following areas:

1. Catalysing the creation of RDI networks and cooperation
2. Writing of grant applications, project management
3. Consultancy
4. Communication

INNOVA also has extensive experience in the field of international projects. In the framework of nearly different 15 types of programmes (both Hungarian and international), they have successfully participated in a large number of innovation-related projects (e.g. health industry, food processing, IT, PCP, science communication, innovation strategies), as a result of which the number of project partners is also continuously increasing.

4.5 HAJDÚ-BIHAR COUNTY DEVELOPMENT AGENCY NON-PROFIT LTD.

Hajdú-Bihar County Development Agency was originally established in 1997 as a business association owned by the Hajdú-Bihar County Government and a working organization of the Hajdú-Bihar County Development Council. Then, from 1999, it operated as the Hajdú-Bihar County Development Agency Public-Benefit Non-profit Company, and from 2009

as a non-profit limited liability company, engaged in complex activities related to county-level territorial development.

The Hajdú-Bihar County Development Agency Non-profit Ltd. considers all projects and initiatives affecting the county and the region as important, serving the population of the county and the region, the local governments, enterprises, civil and other professional organizations and their development.

The principal activities of the Hajdú-Bihar County Development Agency Non-profit Ltd.:

- project generation
- providing advice with grant applications
- writing grant applications, project development
- drafting development plans, development strategies and concepts
- general project management
- writing feasibility studies
- preparation and management of international projects
- promotion of investments

The aim of the Agency is to provide as efficient and high-quality service to its existing and potential future clients as possible. They wish to strengthen their cooperation, in addition to the local authorities, also with the business and the civil sectors.

4.6 XANGA INVESTMENT & DEVELOPMENT GROUP

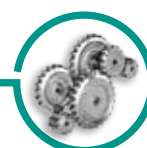
XANGA Investment & Development Group is a venture capital investment group committed to the development of the city of Debrecen and its environment. Its main activities include the establishment of industrial facilities and service units with state-of-the-art infrastructure and capable of receiving high-standard technology transfer, thereby assisting Hungarian and foreign production and service providing companies in settling in the city of Debrecen and in the region.

It was in 1999 that, on the basis of market indications, the idea emerged in its professional staff consisting of enterprise development experts that they should not merely provide the preparatory work for Hungarian SMEs and foreign businesses interested in settling in Hungary, but should assist them in the process by way of complex services. As a result, their professional staff has effected the settling in of several companies in the region, and continues to support their operations through a variety of high-quality services.

XANGA Investment & Development Group provides the following services to its partners:

- economic development advising;
- writing and management of grant applications;
- financial and accounting services;
- venture capital investment;
- industrial utilities and infrastructure development;
- turnkey industrial property development;
- cargo and airport services.

The two main locations where the group is engaged in the above activities are the Debrecen Regional and Innovation Industrial Park, which is owned by them, and Debrecen International Airport, which they operate.







MAJOR COMPANIES
IN THE COUNTY

	Company name	Sector/industry	Net revenue from sales in 2014 (million HUF)	Average statistical headcount in 2014 (persons)
1.	TEVA Gyógyszergyár Zrt.	manufacture of pharmaceutical preparations	265,325	2,855
2.	KITE Mezőgazdasági, Szolgáltató és Kereskedelmi Zrt.	wholesale of agricultural machinery and implements	229,072	901
3.	TIGÁZ Tiszántúli Gázszolgáltató Zrt.	trade of gas	182,765	529
4.	NI Hungary Software és Hardware Gyártó Kft.	manufacture of electronic circuit cards	163,078	1,073
5.	E.ON Tiszántúli Áramhálózati Zrt.	electric power distribution	47,356	777
6.	FAG Magyarország Ipari Kft.	manufacture of bearings and driving elements	34,453	1,332
7.	Alföldi Sertés Értékesítő és Beszerző Szövetkezet	wholesale of live animals	29,346	6
8.	TIGÁZ-DSO Földgázelosztó Kft.	distribution of gas	22,691	940
9.	Agrifirm Magyarország Zrt.	manufacture of prepared feeds for farm animals	20,433	125
10.	CHEMICAL-SEED Mezőgazdasági, Beszerző, Értékesítő, Fejlesztő, Szolgáltató, Export-Import Kft.	wholesale of other intermediate products	18,851	63

TOP 10 companies in Hajdú-Bihar County

(Source: TOP 100 publication of the Chamber of Commerce and Industry of Hajdú-Bihar County – 2015)

5 MAJOR COMPANIES IN THE COUNTY

Last year, on the basis of their net revenue, the following companies occupied the first ten places on the TOP 100 list of Hajdú-Bihar County. In the following, we provide a brief introduction on some of the most significant companies in the various sectors and industries.

5.1 AGRICULTURAL PRODUCTION AND PROCESSING ACTIVITIES

AGRIFIRM MAGYARORSZÁG ZRT.

The main activity of the company is the production of feeds for poultry and swine. With plants located in Kaba, Győr and Bócs having a total combined production capacity of 200,000 tonnes, they are able to serve 70% of the territory of Hungary. The semi-intensive feed production allows the company to sell 600,000 bags of finished products, mainly for the subsistence farmers' market. Their aim is to use the R&D and product development activities, based on Dutch and Hungarian experiences, in order to introduce further products to the market, thereby continuously improving the natural indicators of the production and animal raising partners.

Net revenue from sales (2014): 20,433 million HUF

Number of employees (2014): 125

BAROMFI-COOP KFT.

This family enterprise operates an integrated system in which Baromfi-Coop Kft. is engaged in activities related to poultry hatching and raising, feed production and the fattening of broilers, while Master Good Kft., another member of the group, is responsible for the slaughtering and processing of chickens. Annually, the group keeps 225 thousand hens and hatches approximately 25 million chicks.

Net revenue from sales (2014): 16,272 million HUF

Number of employees (2014): 433

HAGE HAJDÚSÁGI AGRÁRI-PARI ZRT.

The main business activity of the company is the farming of swine. The company is engaged in the raising of slaughter pigs and breeding animals on 12 plants, and in the production of insemination material at its artificial insemination station. Their stock of 11,500 sows allows them to produce and sell 250,000 slaughter pigs, 20,000 porkers and 7,000 breeding animals annually.

Net revenue from sales (2014): 7,499 million HUF

Number of employees (2014): 215

NAGISZ ZRT.

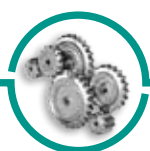
The company, looking back at a history of 65 years, is engaged in integrated production activities in the area of Nádudvar. Within the group of companies, the following branches operate: hen, turkey and swine farming, the production of feed mixes, and wildlife management. With operation at full capacity, the group is able to produce 23 million chicks, 7 million turkey poults and 52 thousand fattener pigs. The member companies produce animal feeds and industrial plants on a total leased area of 3,500 hectares. In addition to the above, the group also provides building construction and agricultural machinery repair services for its partners.

Net revenue from sales (2014): 18,153 million HUF

Number of employees (2014): 684

TRANZIT-KER ZRT.

The division of the company producing the highest value is engaged in the raising of geese and ducks. The company has nearly fifty plants, including its own master stock breeding and hatching plant. Transzít-Ker is a leading company in Europe in the production of goose meat. With over 120 hectares of walnut plantations and its drying plant capable of processing 1,500 tonnes of walnuts and 400 tons of kernels,



the company is also a market leader in Hungary in the field of walnut production and processing.

Net revenue from sales (2014): 12,181 million HUF
Number of employees (2014): 236

5.2 INDUSTRY

5.2.1 CONSTRUCTION INDUSTRY

HUNÉP ZRT.

A significant part of the company's revenue comes from the construction of public buildings in the field of education, healthcare, tourism, commerce and other service areas. One of the major, recently completed projects of HUNÉP Zrt. was Nagyerdei Stadium in Debrecen. Additional important construction projects of the company include the Debrecen Court of Appeals, the University of Debrecen, Faculty of Engineering building, Agóra Science Centre in the botanical garden of the university, as well as the building of the Oncoradiology Centre on the campus of the University Medical School.

Net revenue from sales (2014): 9,550 million HUF
Number of employees (2014): 123

KEVIÉP KFT.

The company pursues a broad range of activities: during their existence of several decades, they have constructed a significant number of industrial and communal facilities, public institutions, commercial units, public service, sports and other multifunctional facilities; further, they have also realized several infrastructural and environmental projects. Some of the recent high-profile projects of the company include the reconstruction of the Békás Pond area, the open-door theatre in the Nagyerdő area of Debrecen, Hotel Lycium, Kölcsey Convention Centre, MODEM Modern and Contemporary Arts Centre, as well as Főnix Events Hall in Debrecen.

Net revenue from sales (2014): 12,901 million HUF
Number of employees (2014): 182

NÁDÉP KFT.

In addition to performing the role of general contractor in the construction of agricultural, industrial, commercial, educational, healthcare facilities, as well as public and residential buildings, the company also participates in the implementation of energy-related projects. Heat and electricity production, as well as refrigeration technology are also important fields of the company's activities. The projects of the company include the Department of Dentistry at the University Medical School, the visitor and educational centre of the Hortobágy National Park, as well as the upgrading of the heat energy system of the meat processing plant of Gyulai Húskombinát Zrt.

Net revenue from sales (2014): 2,296 million HUF
Number of employees (2014): 65

5.2.2 MACHINE INDUSTRY, METALWORKING

FAG MAGYARORSZÁG KFT.

The company is a member of the market leader Schaeffler Group, an integrated supplier of parts for automotive and in-

dustrial uses. They have more than 4,200 employees on their three Hungarian plants: they make LuK clutches in Szombathely, tapered roller bearings in Debrecen, and their activities also include the distribution of INA and FAG products as well as technical consultancy in Budapest. In the field of industry, the group is present with nearly 225 different products. The plant in Debrecen is one of the largest employers of the county. The company cooperates with several universities, and operates its own scholarship programme.

Net revenue from sales (2014): 34,453 million HUF
Number of employees (2014): 1,332

FLEXI FORCE HUNGARY KFT.

The company is a member of the publicly listed Swedish company group ASSA ABLOY, which has a total of 43 thousand employees worldwide. Its main activities and their activities also include the manufacturing parts and fittings, complete hardware sets and electrical operators for industrial and residential sectional overhead doors. The company sells its products of own development through the regional centres in 50 countries of Europe, Asia and the Americas.

Net revenue from sales (2014): 6,236 million HUF
Number of employees (2014): 108

HAJDU AUTOTECHNIKA ZRT.

The company is primarily engaged in the manufacturing of automotive and other parts and units, as well as the design and production of manufacturing tools. As a Tier 1 and Tier 2 supplier, it primarily manufactures parts produced by metal fabrication, characteristically sheet metal fabrication and sheet metal formation. The company's products are used in makes of automobiles such as Alfa Romeo, Audi, BMW, Fiat, Ford, Jaguar, Mercedes-Benz, Opel, Suzuki, Toyota and Volvo. Its non-automotive customers also include FAG, LEGO, Grundfos and HAJDU.

Net revenue from sales (2014): 5,647 million HUF
Number of employees (2014): 177

HAJDU HAJDÚSÁGI IPARI ZRT.

The company with a past of over sixty years is one of Hungary's major manufacturers of household appliances, some of which are its own development while others are produced on the basis of licenses. The main categories of products manufactured include heat technology appliances (boilers and hot water storage tanks), solar heating systems, and large appliances such as washing machines and spin dryers, sold under the HAJDU brand name.

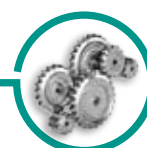
Net revenue from sales (2014): 6,889 million HUF
Number of employees (2014): 431

5.2.3 THE MANUFACTURING OF MEDICAL INSTRUMENTS

DISPOMEDICOR ZRT.

Dispomedicor has accumulated approximately half a century of experience in the production and sale of various medical instruments. The company has over 200 employees at its two sites

MAJOR COMPANIES IN THE COUNTY



in Debrecen and Hajdúböszörmény. Its product range includes disposable hypodermic needles, syringes, infusion and transfusion bags, hygienic pads and surgical bandages. A smaller part of its products are sold domestically, while the rest is exported to several countries in Europe, Asia, Africa and America.

Net revenue from sales (2014): 4,308 million HUF
Number of employees (2014): 239

MEDICOR KÉZIMŰSZER ZRT.

Building on Debrecen's traditions in this branch of industry, Medicor is Hungary's leading and one of the world's reputable manufacturers and distributors of medical hand instruments. The company's current portfolio consists of 10,000 products of its own development and 3,500 specifically made to customers' specifications, which include surgery and dentistry tools used in both human and veterinary medicine (scissors, clamps, forceps, etc.). 95% of the company's production is for export markets.

Net revenue from sales (2014): 2,841 million HUF
Number of employees (2014): 201

5.2.4 ELECTRONICS INDUSTRY

NI HUNGARY KFT.

The main activity of the Debrecen subsidiary of National Instruments Corporation, a market leader in the field of automatic measurements and control, is the manufacturing of electronic products. 95% of the group's hardware manufacturing takes place in Debrecen, which is also the location of the IT, legal, finance and service centres serving Europe, Asia and the Americas. The recently opened Science Park is also related to the R&D activities of the company. In addition to its partners, NI Hungary Kft. also pays special attention to its employees: in a survey of the best companies to work for in Europe, the company came in at the 6th place in 2012.

Net revenue from sales (2014): 163,078 million HUF
Number of employees (2014): 1,073

5.2.5 PHARMACEUTICAL INDUSTRY

TEVA ZRT.

The pharmaceutical industry looks back on a history of over a hundred years in Debrecen. Biogal Pharmaceutical Works, which had also previously played an important role in the economy of the city, was purchased by the Israeli company TEVA in 1995. The Debrecen plant has since become one of the world's largest and most modern tabletting and packaging facilities, which exports more than 500 types of products to 70 countries in the world in addition to serving Hungary. As a result of the opening of the Generic R&D Centre, the Debrecen facility has become a leader among the units of the group developing products for the European market. The company, which is also the location of an off-site department of the University of Debrecen, plays a significant role in education related to the pharmaceutical industry.

Net revenue from sales (2014): 265,325 million HUF
Number of employees (2014): 2,855

RICHTER GEDEON NYRT.

Richter Gedeon Nyrt. is an innovation-driven speciality pharma-

ceutical company, which is present with 200 different products manufactured in 5 facilities in 38 countries through its commercial companies and representative offices. Its portfolio includes original, generic and licensed products. Based on a strategic decision to create a biotechnology portfolio, in 2012 Richter opened its new Biotechnology Plant in the city of Debrecen, which develops biosimilar protein products with mammalian cell process.

Net revenue from sales (2014): 353,709 million HUF
Number of employees (2014): 11602
(of which 187 in Debrecen)

5.2.6 FOOD PROCESSING INDUSTRY

HAJDÚSÁGI GABONAIPARI ZRT.

With a 9% market share, this is Hungary's third largest milling company. The total combined milling capacity of the two plants in Hajdúnánás and Berettyóújfalú is 390 tonnes/day. In 2014, the total amount of wheat milled was over 100,000 tonnes. In addition to wheat and rye milled products for human consumption, the company also has products used as animal feeds or components for the same.

Net revenue from sales (2014): 7,918 million HUF
Number of employees (2014): 150

PENTAFROST KFT.

The company, with a history of over two decades, is engaged in the production and sale of frozen fruits and vegetables. The combined annual output of the two plants in Debrecen and Vas megye exceeds 60,000 tonnes of quick frozen products, 90% of which are sold in the European Union and exported to Eastern markets, with the remaining 10% sold in Hungary.

Net revenue from sales (2014): 10,340 million HUF
Number of employees (2014): undisclosed

TRANZIT-FOOD KFT.

The main profile of Tranzi-Food Kft. is the complete processing of waterfowl raised by the company group, including approximately 2 million geese and 6 million ducks per year. In addition to the primary processing, the company also has a plant producing de-boned and halved roast ducks and geese, as well as marinated products. A significant part of the premium-quality products are sold on export markets in Western Europe, America, South Africa and the Far East.

Net revenue from sales (2014): 14,925 million HUF
Number of employees (2014): 601

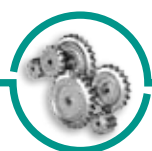
5.3 TRADE AND SERVICES

5.3.1 TRADE

ALFÖLDI SERTÉS ÉRTÉKESÍTŐ ÉS BESZERZŐ SZÖVETKEZET

This cooperative was founded in 2003, and it currently coordinates the sale of some 650,000 heads of swine per year to Hungarian slaughterhouses as well as processing facilities abroad. Their share on the Hungarian market is over 20%.

Net revenue from sales (2014): 29,346 million HUF
Number of employees (2014): 6



CHEMICAL-SEED KFT.

The principal activities of the company include the trade of agricultural input materials (fertilizers, pesticides, seeds), as well as the provision of services related to crop production. Chemical-Seed Kft. sells over 50,000 tonnes of fertilizers annually. In addition to its headquarters in Debrecen, the company also operates plants in Berettyóújfalu and Kaba, as well as outside of Hajdú-Bihar County, in Jászfényszaru and Békés.

Net revenue from sales (2014):	18,851 million HUF
Number of employees (2014):	63

GSV KERESKEDELMI KFT.

GSV is a leading company on the Hungarian construction materials and ceramic goods market, as well as the operator of Gulyás Tüzép, a builders' depot in Debrecen. While the construction materials sold by the company are mainly from the major Hungarian manufacturers, its ceramic and interior decoration products are predominantly from Italian, Spanish, Serbian, Polish and Turkish producers.

Net revenue from sales (2014):	6,149 million HUF
Number of employees (2014):	134

KITE ZRT.

Headquartered in Nádudvar, the Hungarian-owned company operates in 5 regions with 19 plants. In addition to the trade and servicing of agricultural machinery and the supply of parts, its main profile also includes the farming of field and horticultural crops, feed production, as well as environmental services. The company also operates a credit bureau as an independent organisational unit, whose task is to manage the comprehensive financing process for partners purchasing machines from KITE.

Net revenue from sales (2014):	229,072 million HUF
Number of employees (2014):	901

5.3.2 ENERGY SUPPLY

E.ON TISZÁNTÚLI ÁRAMHÁLÓZATI ZRT.

E.ON Hungária Zrt. is one of Hungary's leading energy companies. It has subsidiaries supplying electricity in Western and Eastern Hungary (Transdanubia and the Trans-Tisza region), as well as subsidiaries supplying natural gas in Transdanubia. The group supplies electricity for two and a half million customers and natural gas for over half a million customers in a total of 15 counties. E.ON Tiszántúli Áramhálózati Zrt. is a member of the group, supplying electricity on nearly 400 settlements on a total of 18,728 square kilometres, i.e. one fifth of the country. It has over 760 customers and the total length of its network is 25,436 km.

Net revenue from sales (2014):	47,356 million HUF
Number of employees (2014):	777

TIGÁZ GROUP

Tigáz Group is one of Hungary's major natural gas distributing and supplying companies, which serves one third of Hungary with natural gas. The parent company is TIGÁZ Zrt., the majority (98%) shareholder of which is one of the leading integrated energy companies of the world, the Eni Group of Italy. The

company is headquartered in Hajdúszoboszló where natural gas was found and has been extracted since 1925. Based on the license of the Hungary Energy Office, the natural gas distribution activity has been performed since 2007 by TIGÁZ-DSO Földgázelosztó Kft. The company operates a gas distribution network on 1093 settlements, with a total combined length of 33,700 km, and it supplies natural gas for over 1,230,000 customers. The group also includes Tigáz GEPA Kft., which is the company providing repair and maintenance services.

TIGÁZ Zrt.:

Net revenue from sales (2014):	182,765 million HUF
--------------------------------	---------------------

Number of employees (2014):	529
-----------------------------	-----

TIGÁZ-DSO Kft.:

Net revenue from sales (2014):	22,691 million HUF
--------------------------------	--------------------

Number of employees (2014):	940
-----------------------------	-----

5.3.3 SHARED SERVICE CENTRES (SSCS)

BRITISH TELECOM

The Hungarian units of British Telecom (BT) have grown into a strategic base of the international operations of the company. Employees working at the Budapest and Debrecen units provide support for 3 thousand multinational companies and government organisations in 12 European countries, among other things, in the fields of client management, financial services, network and IT solutions, as well as the various business services. Almost all employees of the company have higher education diplomas, speaking at least two, but some as many as four or five foreign languages.

Net revenue from sales (2014):	undisclosed
--------------------------------	-------------

Number of employees (2014):	undisclosed
-----------------------------	-------------

IT SERVICES HUNGARY KFT.

The company is a Hungarian subsidiary of T-Systems International. In addition to its headquarters in Budapest, the company has 4 branches outside of the capital city; the Debrecen branch employs 1500 people, which makes it one of the largest employers of the city. The activities of the company include system integration and IT outsourcing, the full scope of software and hardware platform services, remote and local server operation services, as well as network management and network supervision services.

Net revenue from sales (2014):	44,569 million HUF
--------------------------------	--------------------

Number of employees (2014):	4,092
-----------------------------	-------

(of which 1,700 in Debrecen)

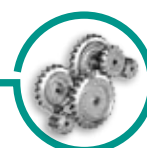
MERLIN-IT HUNGARY KFT.

The multinational company, operating call centres in numerous countries of the world, also maintains offices in Budapest and Debrecen. The company provides customized complex IT and help-desk services for its clients working in the areas of logistics, commercial aviation, healthcare and the pharmaceutical industry, e-commerce and the technological industry, to mention just a few.

Net revenue from sales (2014):	863 million HUF
--------------------------------	-----------------

Number of employees (2014):	186
-----------------------------	-----

MAJOR COMPANIES IN THE COUNTY







CULTURE, LEISURE
AND SPORTS
IN HAJDÚ-BIHAR
COUNTY

6. CULTURE, LEISURE AND SPORTS IN HAJDÚ-BIHAR COUNTY

6.1 CULTURE AND LEISURE

Hajdú-Bihar County is exceptionally rich in valuable cultural artistic and intellectual traditions. Considering the whole of the intellectual and cultural life, the "capital of the Trans-Tisza region", Debrecen is of particular importance, as it has been not only a regional but also a macroregional centre for centuries.

There are numerous cultural events looking back at a history of long decades that are held in the county each year. Foremost among them are the week-long Debrecen Flower Festival, as well as the Equestrian Days and the Bridge Fair of Hortobágy. From among music-related events of the county that are known nationwide, the Béla Bartók International Choir Competition, held on more than 40 occasions, the International Military Band Festival, first held over 30 years ago, the Debrecen Wine and Jazz Festival, as well as Campus Festival, should be mentioned.

Debrecen Summer School specializes in teaching Hungarian as a foreign language and diffusing knowledge of Hungarian culture. Unique among Hungary's similar language institutions, this summer school draws upon a great and

long-standing tradition. Established in 1927, it has grown to become the biggest Hungarian summer school. Most of the courses include events which serve to provide entertainment value as well as information about Hungarian culture and also opportunities to study the language in an informal way.

In addition to the large-scale cultural events, there are many museums, memorial buildings and permanent exhibitions on several settlements of the county, the largest among which is Déri Museum of Debrecen. Additional significant museums include the Ferenc Medgyessy Memorial Museum, also in Debrecen, the Pastors' Museum in Hortobágy, the Bihar Museum of Berettyóújfalu, and the Ferenc Karacs Memorial Museum of Püspökladány.

There is a countless variety of opportunities for leisure activities in the county. In the previous chapters, the medicinal and thermal baths and spas utilising the thermal water treasures of the county have been briefly introduced. Also offering very pleasant and relaxing experiences are visits to the performances of Csokonai National Theatre, Agóra Science Centre, the Botanical Garden, or to the zoo and the amusement park in the Nagyerdő (Great Forest) of Debrecen.

Information on current events in Debrecen is available at the web page <http://rendezvenyek.debrecen.hu/debrecen/event-portal/event-table>.

Sport	Event	Year
Athletics	World Youth Championship in Athletics	2001
Gymnastics	World Artistic Gymnastics Championship	2002
Ice hockey	U18 Ice Hockey World Championship	2004
Handball	European Women's Handball Championship	2004
Ice hockey	Division I Ice Hockey World Championship	2005
Duathlon	Duathlon European Championship	2005
Gymnastics	European Artistic Gymnastics Championship	2005
Judo	European Judo Team Championship	2005
Athletics	World Road Running Championship	2006
Athletics	U23 Athletics European Championship	2007
Swimming	European Short Course Swimming Championship	2007
Basketball	FIBA Europe Under-18 Championship	2008
Fencing	European Fencing U23 Championship	2009
Ice hockey	U20 Division II Ice Hockey World Championship	2009
Football	Futsal European Championship	2010
Kendo	European Kendo Championship	2010
Pentathlon	European Modern Pentathlon Championship	2010
Swimming	European Swimming Championship	2012
Skating	World Short Track Speed Skating Championship	2013
Handball	European Women's Handball Championship	2014

The list of prestigious international sporting events held in Debrecen between 2001 and 2014



The Nagyerdei Stadium.

(Source: www.dvsc.hu)

In recent years, the volume of conference and business tourism has considerably increased around the world and also in Hungary. Debrecen now ranks high on the list of locations that are popular among organisers of conferences. Among other things, this is due to the fact that the infrastructure necessary for such events is now fully available in the city: excellent accessibility by roads, rail and air, high-quality accommodation and conference halls, as well as a variety of venues for events in general.

6.2 SPORTS IN THE COUNTY

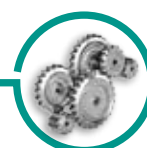
In addition to cultural life, Hajdú-Bihar also has a very vibrant sports life. Pursuant to the provisions of the Sports Act, the Hajdú-Bihar County Local Government provides for the physical education and sports organization tasks in the county. From among the local government's mandatory tasks, the most important and largest area encompasses the work related to sports federations. There are 29 sports federations in the county. From 1 October 2001, the local government has provided a home for these in the Oláh Gábor Street sports complex in Debrecen. The assistance and support provided to sports federations takes the form of financial support and various benefits given to them.

In the years preceding the millennium, a number of large-scale investment projects have contributed to giving a boost

to sports life. Over the course of the past 14 years, phenomenal development could be observed in terms of the facilities: the new athletic stadium was completed in 2001, Főnix Arena in 2002, the Ice Hall in Tócsóskert was built in 2005, followed by the Sports Aquatic Complex in 2006. In 2014, the new, 20,000-seat Nagyerdei (Great Forest) Stadium was completed in the location of the old stadium. The county and its seat have become a major centre and destination both for those actively pursuing sports and the sports-loving public. Since 2001 a total of 20 prestigious international sporting events were held in Debrecen, which included 7 world and 13 European championships.

Hajdú-Bihar and the Debrecen are increasingly recognized also internationally as a hospitable county and city that are deeply committed to sports, which also largely contributes to the increasing of sports-related tourism.

In terms of competitive sports, we can find a number of local teams competing in the national first divisions. In addition to team sports, the county can also boast of some outstanding talents of individual achievements, such as Éva Riszto (Olympic champion) in swimming, Petra Senánszky (World Champion) in finswimming, Tímea Nagy (European championship bronze medallist) in boxing, Norbert Kalucz (Hungarian champion and Olympian) and Zoltán Kecskés (8th place in Olympics) in weightlifting.



APPENDIX

Contact details of organisations active in economic and enterprise development in Hajdú-Bihar County

CHAMBER OF COMMERCE AND INDUSTRY OF HAJDÚ-BIHAR COUNTY

Seat: 4025 Debrecen, Petőfi tér 10.
Postal address: 4002 Debrecen, Pf. 199
Customer service: 4025 Debrecen Vörösmarty u. 13-15.
E-mail: hbkik@hbkik.hu
Website: www.hbkik.hu
Phone number: +36-52/500-721, +36-52/500-710

DEBRECEN UNIVERSITY

Seat: 4032 Debrecen, Egyetem tér 1.
E-mail: info@unideb.hu
Website: www.unideb.hu
Phone number: +36-52/512-900

DEBRECEN MUNICIPALITY MAYOR'S OFFICE

Seat: 4024 Debrecen Piac u. 20.
E-mail: kabinet@ph.debrecen.hu
Website: www.debrecen.hu
Phone number: +36-52/511-400

INNOVA ÉSZAK-ALFÖLD NON-PROFIT LTD.

Postal address: 4031 Debrecen, Kürtös u. 4.
E-mail: innova@eszak-alfold.hu
Website: www.innova.eszakalfold.hu
Phone number: +36-52/880-250

HAJDÚ-BIHAR COUNTY COUNCIL

Seat: 4024 Debrecen, Piac u. 54.
E-mail: elnok@hbmo.hu
Website: www.hbmo.hu
Phone number: +36-52/507-524

DBH GROUP

Seat: 1077 Budapest, Kéthly Anna tér 1.
- GreenPoint
E-mail: zsolt.kereszturi@dbh-group.com
Website: www.dbh-group.com
Phone number: +36-1/464-9504

XANGA INVESTMENT & DEVELOPMENT GROUP

Seat: 4025 Debrecen Hal Köz 3/A 2. em 4-5.
E-mail: info@xanga.hu
Website: www.xanga.hu
Phone number: +36-52/534-950

HAJDÚ-BIHAR COUNTY ENTERPRISE DEVELOPMENT FOUNDATION

Seat: 4029 Debrecen, Csapó u. 26.
E-mail: info@hbmvk.hu
Website: www.hbmvk.hu
Phone number: +36-52/500-330

HAJDÚ-BIHAR COUNTY DEVELOPMENT AGENCY NON-PROFIT LTD.

Seat: 4024 Debrecen, Piac u. 54.
E-mail: fejleszt@hbmfejleszt.hu
Website: www.hbmfejleszt.hu
Phone number: +36-52/507-537



Egy Bioszimiláris Fejlesztés Tudás & Technológia Transzfer Térképe

Technológia Transzfer Konferencia
Szeptember 30. 2018
Debrecen

Dr. Bogdán Erik
Főosztályvezető, Biotechnológiai Főosztály
Nádorán-Gabonai Művelődési és Sportközpont



"Tudás, mint lélek,
hűvösben érke,
de melegben
megszárad."

(Háttér: György Albert)



DR. FÜLÖP ZSÓFI
Nádorán-Gabonai Művelődési és Sportközpont





International Technology-Transfer Benchmarking Days 29th September – 1st October, 2015

TECHNOLOGY AND KNOWLEDGE TRANSFER FOR ECONOMIC GROWTH

The Chamber of Commerce and Industry of Hajdú-Bihar County has implemented a successful project with the title “The Creation of a Knowledge Park in the City of Debrecen, in the pharmaceutical and food processing industries, as well as the prioritised areas of IT and electronics” (project no. TÁMOP-4.2.1.C-14/1/Konv-2015-0004), in partnership with the University of Debrecen, the Municipality of Debrecen, and INNOVA North Great Plain Regional Development and Innovation Agency Nonprofit Ltd.

The aim of the project, realised in 100% from EU and national funding, is to create a strategic foundation for the cooperation of industry, academia and the local government, and to establish new forms of cooperation. By way of implementing the project, the consortium partners wish to create the conditions of a chain of services and service providers that, in alignment with the needs of industrial and academic stakeholders, identifies and makes visible the directions of development, and is therefore able to harmonise research activities with economic opportunities and market expectations, thereby supporting the more effective utilisation of research results.

In the framework of the project, the Chamber engaged in activities that benefited businesses directly or indirectly in terms of increasing their competitiveness.

From the Chamber, 18 staff members participated in an intermediate-level course on industrial property protection, where the various forms of IP protection were introduced, ranging from patents, through utility models and designs to geographical indicators. The most important characteristic feature of the different forms of IP protection is that they provide exclusive rights to their holders for a given territory and for a certain period of time. This protection, of course, is not “free”, as the application and registration mean costs, and in many cases it is recommended that a patent agent be used, but in case of the marketization of innovative developments, the investment is well worth it by way of the added value.

The innovation background and capacities of the enterprises, as well as their demands for innovation-related services, were assessed by the Chamber with the use of a questionnaire. Among other things, this survey identified the key factors that businesses consider to be the impediments of innovation. These include the scarcity of capital, lack of financing and the high level of costs involved with developments. Companies appeared to be in need of services such as market research, business planning, grant writing, marketing and communication, the intermediation of business and technology partners, as well as training and infocommunication.

The Chamber prepared an international database, available through its website, on the organisations providing assis-

tance with innovation, as well as technology and knowledge transfer. This database includes chambers of commerce and industry, state-owned investment and R&D agencies, scientific and technological parks, research institutions and innovation centres, which are active participants in the innovation and technology transfer process. The list of organizations and institutions may serve as a starting point for the formation of consortia for EU grant applications, partnerships and even successful cooperation in the field of technology transfer.

At the innovation and process management workshops organised in the framework of the project, companies have had an opportunity to become acquainted with topics such as designing business processes, performance measurement, organisational development, the introduction of IT systems, business development, operational planning or the protection of intellectual property. With a view to the large interest, the Chamber also organised a workshop on the topic of management skills and enterprise development.

Researchers and other professionals in the focus areas met on seven occasions in the course of the project, in the framework of cluster researchers' clubs, where they discussed the project portfolio of the accredited innovation clusters related to the University of Debrecen and its knowledge base. They held talks on the opportunities for joint developments as well as the related needs for funding. The clusters have declared that they wish to cooperate further in alliance with each other. In the future, they will build their project pyramids together, by forming further focus areas.

For the purpose of disseminating international experiences and good practices, the Chamber organized a three-day international conference, where noted professionals from Hungary and abroad discussed successes and good practices related to technology transfer in the fields of food processing, pharmaceutical industry, as well as IT and electronics. In the framework of the event, national and EU-level grant opportunities were also introduced in the areas of RDI, and the Hungarian and international aspects of intellectual property protection were highlighted.

As the closing of the project, the Chamber organised a “Meeting of researchers and enterprises”, the aim of which was to facilitate the economic utilisation of the RDI activities pursued at the university by giving research groups an opportunity to present their results, close to the stage ready for exploitation, to businesses and venture capital investors with potential interest.



**HAJDÚ-BIHAR MEGYEI
KERESKEDELMI ÉS
IPARKAMARA**
CHAMBER OF COMMERCE AND INDUSTRY OF HAJDÚ-BIHAR



**HUNGARIAN
GOVERNMENT**

SZÉCHENYI 2020

European Union
European Social
Fund



INVESTING IN YOUR FUTURE

SZÉCHENYI 



HUNGARIAN
GOVERNMENT

European Union
European Social
Fund



INVESTING IN YOUR FUTURE