ENTREPRENEURISM AND INNOVATION IN HUNGARY

MORE INSIDE:
- Olympian glow of gold
- Managing recovery
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A more proactive future?

Hungary needs to develop a strategy to change from being reactive to active in integrating into the global economy, along with renewing its country brand to attract and retain FDI, says GE’s Ezsõ Szabó, who recently received the Knights’ Cross Order of Merit of the Republic of Hungary.

Szabó, who joined GE in 1996 after a career in government and a period of study in the United States, is the company’s corporate communications and public affairs leader for CEE. That regional overview, coupled with her background, gives her a wider worldview than many. It is not that she isn’t a proud Hungarian; it is simply that there is more to her than that.

“First I am a human being, then a woman, then a Hungarian, then someone from Central and Eastern Europe, and finally I am a global citizen,” she explains. “But these are like the layers of an onion, you cannot take one in isolation from the others.”

She says her country has lost the advantages it enjoyed in the aftermath of a successful regime change in 1990. “To build the perception of a location as favorable for FDI takes a long time, but Hungary was able to do that from the early ‘90s until 2001. Then we had W1 and the world changed. After that, Hungary was able to give an answer to the questions posed by the new situation, but it could have been better.”

Since the political changes, Hungary’s approach to attracting FDI has been reactive, Szabó says; it took what was offered. “What we should do is switch to a more proactive mind set, we should look at what the country can offer, find a couple of focus areas and figure out what we need to change as a country to develop the area.”

This game requires a visionary element. Designing a new Hungary brand that would help to keep and attract FDI amid increased competition would add imputed Global partners, like GE, have valuable experience we can share.”
Making the law human

If you have an interest in law, but not in being a lawyer, what do you do? For Andrea Illés the answer to that particular conundrum was easy. She took an equal if not greater interest in people, and went to work for a law firm as an HR specialist. She became so good at it, she now holds a regional position.

"I'm quite hard to explain, actually," the 34-year-old says. "I still love law, and was particularly fascinated by employment and criminal law." Illés had already worked in IT, and studied finance and accountancy before she realized that career path wasn't for her, and switched to legal studies. "Soon after that I knew I wanted to work for a law firm, but not as a lawyer. My law studies help me to understand the way lawyers think and act and proved to be very useful in my work." Seven years ago she joined the Budapest office of international law firm Linklat- ers as an office manager and HR advisor. By 2008, she was in line to become the firm's regional HR manager, but then came news that Linklaters was splitting off four regional offices - Bratislava, Bucharest, Budapest and Prague - into a separate regional office of international law firm Linklaters and the management have always been supportive," Illés says.

And it was not just people management that required attention. Although it has a firm managing partner, Kinstellar has a structure where each of the offices carries equal weight, and there is no official headquarters. "At the beginning, setting up the HR and L&D department and its policies took a lot of work, making sure we had the same rules and approach in each country. The laws, and especially the taxation, is different in each jurisdiction, of course, but we have to cover all 'umbrella policies' where possible. Shortly after the spin off we started to enter new markets which required extra attention, was very time consuming and also challenging." The firm now boasts six offices, Serbia and Turkey having been added in 2010. Although each market is different, the approach to HR throws up similar challenges. "When you have outstanding people working for you, there is always the threat that competitors will try to poach them. It is important both for sustaining the quality of Kinstellar's work and the stability of the firm to retain people. Given the economic situation, it is a challenge explaining to our colleagues why we must take some decisions in the interests of the company, but we must balance that by developing talented people, making sure they have the right career path. We liaise with some global law firms on training and secondments, which helps, as well as developing training courses in-house. Personally, as a qualified coach, offer coaching for senior lawyers, which is a relatively unusual approach in law firms. Although it is time consuming, it is always a pleasure to work with such intelligent people," Illés says. And how does Hungary compare with other countries in the region? "Hungary's economy has seen better days, but other countries which went through similarly challenging times are back on track now," Illés says. And although this year may not be the best for the Hungarian market, Kinstellar Hungary is doing well. It was Hungarian Firm of the Year at the IFLR European Awards in London in March, managing partner Csilla Andróki was named Lawyer of the Year 2012 for Banking & Finance in May by Best Lawyers in Hungary, and most recently it was named Tax Firm of the Year – Hungary at the DealMakers Annual Tax Awards in August.

"I think it is just a matter of time for Hungary. It has a really great location and such talented people. I travel quite a bit now, and have to get to know other nations as well, but I am still a great fan of the Hungarian market. They are very proactive, really hard working and very clever, they are capable and want to understand their role in the long-term strategy of the firm. If they could become just a little more self-confident, they would become influential leaders."

Olympian glow of gold

Even now, Hungarian Olympic Committee (MOB) President Zsolt Borkai seems a little taken aback by the success of his country's sportsmen and women at the London 2012 Olympic Games.

Even so, and despite the IOA's $400,000 bill, the MOB had agreed to contribute $350,000, afigure which covered travel and living costs for athletes through to the opening ceremony. "It was a lot of money, but I think we made the right decision," he recalls, "In order to achieve our targets, we had to deliver. We had to aim for the best and hope for the best."

Borkai's aim was to "fulfill the nation's expectations." But the world was a very different place in 2012. The recession, plus the IOC's new policy of allowing athletes to individually fund their way to London, meant the MOB's budget was slashed by 80%. Money is clearly important, though. The UK now pursues a deliberate policy of directing funding towards those who hit and maintain certain standards. Fall below that, and cash is withdrawn. Co- incidence or not, Team GB had its most successful year in 2012. A statement put out by the Prime Minister's Office made it clear how much the medal haul meant to the country, "This is the first time since the 1992 Barcelona Olympics that Hungary has come in the top ten. Such Olympic success for Hungary has been long awaited: in Beijing the Hungarian Olympic Team finished in 21st place, and in 2008 it was 32nd. Now we have the chance to make history and win a gold medal in the future." Borkai is sure that if the system continues to improve, and the MOB's decision to allow each athlete to fund themselves in addition to MOB funding pays off, a golden year for Hungary will be just a matter of time, but how much longer?

"This is the first time since the 1992 Barcelona Olympics that Hungary has come in the top ten. Such Olympic success for Hungary has been long awaited: in Beijing the Hungarian Olympic Team finished in 21st place, and in 2008 it was 32nd. Now we have the chance to make history and win a gold medal in the future."

Chairman of the Hungarian Olympic Committee (MOB) Zsolt Borkai.

"Whatever happens, we were not expecting a result like this one. We were very happy. It is very hard work, but it feels worth it," Borkai says. Hungarian Olympic Committee President Zsolt Borkai, President Zsolt Borkai, a former gymnast, has been a strong advocate for Hungarian sports. "It started a long time ago, with zoltán Magyar [1976 and 80], went through me, and now we have Krisztián Berki. I think we have special training, but maybe also the Hungarian people have special bodies! I don't know." Borkai became President of the MOB in 2010, when his predecessor, Pál Schmitt, was elected President of Hungary. But why did he take up the role? "I got a lot of things from sport, and I thought I must now give something back, to help others," he says.

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"It is not just about money, of course; the government-backed program introduced in 1995 has been very important. Five team sports in particular have been targetted by the government: basketball, handball, football, ice hockey and water polo."

The head of Hungary's Olympic organization was himself a gold medal winner on the pommel horse in the Seoul 1988 Olympics, and forms part of a long line of gymnastic champions. "It started with Zoltan Magyar [1976 and 80], went through me, and now we have Krisztián Berki. I think we have special training, but maybe also the Hungarian people have special bodies! I don't know."

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The 47-year-old has been mayor of his hometown of Győr since 2006. Do sport and politics mix? "I think so, yes. Being president of the MOB is an honorary role, it is not paid, being mayor of Győr is my job. They work together well. I am happy I can help sport through being president, and I can also help my home through being mayor."
Vulnerable arts?

A frequent visitor to Hungary, Barbara Lanciers, 32, an Associate Director at the Trust for Mutual Understanding in New York, was able to marry her Hungarian heritage with a love of the arts to study in the country. She passes on her tips to help other expats navigate through life here.

HOW LONG DID YOU LIVE AND WORK IN HUNGARY, AND WHAT BROUGHT YOU HERE?

I lived in Budapest for 10 months during the 2007-08 academic year on a Fulbright Scholarship. My area of study was collaborations between American and Hungarian theatrical professionals and institutions since 1990; I was based at the Hungarian Theater Museum and Institute (OSZMI) in Buda. The deep, recent artistic relationship between Hungary and the United States was my case study in order to highlight the positive impacts of international cultural exchange.

DID YOU HAVE ANY EXPERIENCE OF HUNGARY BEFORE COMING HERE FOR WORK?

My grandmother fled from Budapest in 1944 and eventually settled in New Jersey. I had a very peripheral understanding of my Hungarian heritage during my childhood. It wasn’t until I was in graduate school in my mid-20s and began writing a play about my grandmother’s life that I traveled to Budapest to interview family members and see her beloved home city. That sparked a love of the country that continues to thrive in me. In addition to my Fulbright, I have traveled to Hungary more times than I can count. – I visit on average twice a year. I am currently working with a tutor on learning the language. The progress is slow but rewarding.

WHAT MOST SURPRISED YOU ABOUT LIFE IN GENERAL, AND IN PARTICULAR ABOUT DOING BUSINESS IN HUNGARY?

I am always in awe of the incredible talent of Hungarian artists, particularly in the performing arts. I suppose this shouldn’t have been a shock to me with Hungary’s rich history in music, literature, opera, and theater, but it was nonetheless. Some of my most incredible theatrical experiences have been in large Hungarian repertory theaters, and, most poignantly, the Hungarian Heritage with a love of the arts to study in the country. She passes on her tips to help other expats navigate through life here.

WHAT WOULD YOU RECOMMEND A NEW EXPAT DO IN ORDER TO START MAKING THE MOST OF THEIR TIME IN THE COUNTRY?

Begin learning the language. Read the greats of Hungarian literature and poetry. Visit the museums. Go see plays and dance pieces. Eat authentic cuisine – sample the wine! Hungary is such an incredible place with a complicated and fascinating history. Immerse yourself in every way. If you are open, Hungary has innumerable gifts to give.

WOULD YOU RECOMMEND HUNGARY AS A GOOD PLACE TO BE BASED, AND WHY?

Emotionally, this is a very difficult question for me to answer. If you asked me three years ago, I would have said yes. And I even thought about moving to Budapest full time. But now I don’t see any openings or opportunities for an American with an arts background to make a life in Hungary. I see only opportunities to visit – maybe for an extended period of time – but not to create a home base.

WHAT ONE THING WOULD YOU CHANGE ABOUT THE COUNTRY, IF YOU COULD?

Stability.

WHAT DO YOU MISS MOST ABOUT THE COUNTRY?

When I am away from Hungary, I miss the incredible people, the friends and colleagues that have become so important to me over the years. I miss running on the beautiful Margaret Island in Budapest. Hungary has truly become my second home, which means I will never be away for too long.
German logistics company KÜHNE-NAGEL has inaugurated a HUF 6 bln ($26 mn) base near German carmaker DAIMLER’s plant in Keckeméret. It will supply parts to the Daimler plant, said Benedek Kis, business development manager for the company’s Hungarian unit. About 175 people will work at the new ‘Ri’ laboratory will enable the Mátészalka plant to supply the European market with special-quality lenses. The subsidiary produces four million lenses a year, employing almost 700 workers.

Isofocusing machine HUNGRAPE KFT has inaugurated a HUF 3 bln ($13.2 mn) biomass furnace investment at its plant in Szabadségújháza in June, with Prime Minister Viktor Orbán participating at the inauguration. Austria’s AGRANA INTERNATIONAL and EASTSTARCH, a joint venture between the Decatur, Illinois-based ARCHER DANIELS MIDLAND COMPANY and the UK’s TATE & LYLE, have equal shares in Hungarana.

German-owned transport industry supplier HÜNBER HUNGARY KFT has inaugurated a €11 mn (HUF 3 bln) expansion at its base in Nyíregyháza, northeast Hungary, news wire MTI reported. The firm’s business director József Dobi said the investment had created 50 jobs, bringing total headcount at the base to 450.

Steel maker ISD DUNAFFER ZRT completed a HUF 10 bln ($43.3 mn) investment in mid-June, increasing production capacity at its hot-rolling mill in Dunaújváros, central Hungary. The investment is the first phase of a two-three year modernization program, as a result of which the group plans to increase production capacity by up to 40%, CEO Evgeny Tankhilevich said. The ISD Dunaffer group, one of Hungary’s biggest exporters, currently employs more than 7,000 workers, producing up to 1.8 million tons of steel products a year, 80% of which are exported, primarily within the European Union.

A HUF 6 bln ($26.9 mn) innovation center that offers world-class infrastructure to Hungarian SMEs doing research and development has been inaugurated in Debrecen (eastern Hungary). The center, dubbed the Pharmapolis Drug Industry Science Park, is the result of cooperation between the city, the local business chamber and drugmaker GEDEON RICHTER NYRT. The 10,500sqm park is expected to become the workplace of 120 researchers.

German polymer-based products company REHAC has laid the cornerstone of a 660 mnl (HUF 17.4 bln) fender plant in the Győr Industrial Park, near the AUDI FACTORY. The 26,000sqm building is expected to start operating in Q2 2013 with about 200 people, turning out half a million bumpers a year, said managing director Markus Grundmann. A possible second phase of the investment will depend on demand, he added. The fenders will be installed on Audi A3 and TT models, made in Győr, as well as on Q models made in Bratislava.

German-owned window systems maker BOTO ELEKTRO CERVA has completed the first phase of a HUF 3 bln ($12.7 mn) expansion at its plant in Lovő, west Hungary, managing director Ernő Kocsis said at a press conference. The second phase of the production and warehouse expansion will be completed by the end of this year, Kocsis added.

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Property developer SIO PROPERTY INVEST, a unit of ERSTE PROPERTY, has opened a HUF 5 bln ($22 mn), 17,000sqm shopping center in Sófok, on Lake Balaton. An old department store at the site was originally demolished in 2008, but construction halted because of the crisis. ERSTE BANK HUNGARY, which was financing the investment, agreed a year and a half later to take over the project company through its property unit. The mall, dubbed Só Plaza, has a duplex cinema and a 200-space car park.

Hungarian chemicals company TVK NYRT, a unit of oil and gas company MOI NYRT, has decided to build a butadiene extraction plant at its base in Tiszajárvás (northeast Hungary), rather than in Bratislava, the city’s MP, Roland Mengyi, told MTI. TVK CEO Zolt Pethő said in the company’s Q4 report in May that the HUF 30 bln ($127.5 mn) base would have an annual capacity of 130,000 tons, and is expected to go online at the end of 2014.
Hungary officially in recession

The Hungarian economy is by definition in recession after its GDP declined for the second consecutive quarter in 2012.

Following a 0.7% drop in the first quarter, Hungary’s GDP decreased by 1.2% in the second quarter of 2012, according to the preliminary figures of the Hungarian Central Statistical Office (KSH). “Stagnation was recorded in about half of the industries of the national economy,” the KSH said.

“The performance of information and communication industry increased, while that of construction declined significantly.” One of the most alarming developments is that the increase of exports-oriented industry, which was the main driving factor of growth in the last two years, is slowing down.

“In the summer, the government announced new growth stimulating and job creating measures, which reflect a shift away from austerity,” Erste Bank analyst Zoltán Árokszázillási said. But as the revenues side of the budget remains pretty uncertain, he sees a roughly HUF 500 billion ($2.2 bln) hole in next year’s budget. “We think that if these measures are not removed, Hungary will not be able to come to an agreement with the IMF,” he stressed. Árokszázillási foresees that construction will have to give up its over optimistic macroeconomic outlook, making it easier to reach an agreement with the IMF. “Although market financing is still available, an agreement could restore the confidence of both financial and strategic investors,” he stressed. This, in turn, could further strengthen the forint rate.

“The monetary council of the Hungarian National Bank (MNB) also urges an agreement “in order to achieve a sustained reduction in the risks associated with financing government debt”.

According to the current official forecast, Hungary’s GDP will stagnate this year and rise 1.5% next, while analysts think that the economy will shrink by about 1% in 2012 and grow by 1% in 2013. “Next year’s growth forecast is based partly on the very low base as well as on the fact that Audi’s new automobile production plant will start operations in 2013,” Suppán said. At the same time, Dassier is reportedly considering plans to double capacity at its Mercedes plant in Kecskemét (90 km southeast of Budapest) to 300,000 units per year.

“Investments can hardly pick up when Hungary’s economic outlook is still uncertain, the government’s intentions are not clear and the performance of the country’s main export partners is weak,” Árokszázillási said. In addition, both demand and supply of credit has remained weak, he added.

High indebtedness and the austerity measures act as barriers to the development of domestic demand, according to Árokszázillási. Erste expects a 1.5% decline in private consumption this year.

“The performance of the construction sector is still catastrophic,” said Suppán. According to the KSH, construction output decreased by 11.2% year-on-year in June 2012. The output of buildings and civil engineering works, the two main sub-sectors, decreased. On the upside, the stock of orders was slightly above the level of the previous year due to an increase in new contracts. Construction producer prices rose by 1.9% in Q2 compared to the same period of the previous year.

Erste’s average inflation forecast is 5.8% for 2012, which it considers quite high for an economy in recession. Hungary’s consumer price index accelerated to 5.8% year-on-year in July from 5.6% in the previous month. Árokszázillási pointed out that inflation has been kept high by government measures this year, such as the increase in the standard VAT rate and in excise taxes. In 2013, the annual average inflation rate is expected to continue to exceed the MNB’s official 3% target due to further fiscal measures.

The unemployment rate seems to have stabilized, at least statistically, primarily due to the public work program, said Árokszázillási. At the same time, the private sector is still not strong enough to increase employment. The annual average unemployment rate is expected to remain a little more than 1% both this year and next.

The budget deficit could nevertheless remain under 3% this year, at around 2.8-2.9%, according to Árokszázillási. However, next year’s deficit could reach 3.5%, or even close to 4% without the transaction tax revenues from the central bank, he added.
Budapest bourse sees drastic drop in turnover
by GABRIELLA LOVAS

Despite every effort to head off the trend, turnover at the Budapest Stock Exchange (BÉT) has shown a continuous decline for two years.

Equities turnover on the spot market of the Budapest bourse dropped by more than 50% year-on-year to HUF 252 billion ($1.1 bln) in July due to a decline in both share prices and trading volumes, according to monthly statistics published by the BÉT. Brokers claim that foreign investors are avoiding Hungarian assets for the same endlessly repeated reasons, such as the uncertainties of the economic environment and the unpredictability of governmental measures. The stock exchange management hopes that the introduction of a market making system known as Xetra, which is expected to go live in the fall of 2013, will result in an increase in trading turnover.

Of the dominant players on the bourse, the management of Hungarian oil and gas company MOL outlined a gloomy outlook after the release of the company's second-quarter results. Partly due to problems related to MOL's Croatian unit INA, MOL could not benefit from the favorable business environment in the refining segment, which is expected to deteriorate in the second half of the year, said KBc Equitas chief analyst András Somi. Potential good news from the Kurdistan region of Iraq and recently announced efficiency enhancing measures could be the main drivers of stock performance. Therefore, despite the short-term difficulties, KBc maintains a positive long-term outlook for MOL.

The performance of the upstream business line was weighed down by the lack of revenues from Syria and the lower production in Croatia and Hungary. According to Pál Richter of Budapest Fund Manager, problems in Syria, which will not be solved anytime soon, remain a heavy burden on the group. Downstream, shrinking margins are not expected to improve during the coming months.

In the case of OTP Bank, the first thing an investor looks for in any report is the quality of the loan portfolio. Despite beating expectations yet again with a HUF 41 bln ($183.3 mln) after tax profit in the second quarter, the loan portfolio worsened further. By the end of June, the ratio of 90 days past due delinquencies had risen to 18.8% from 17.4% three months earlier. The bank's revenues reached HUF 208 bln ($930.3 mln) in the period.

Pharmaceutical producer Richter reported better than expected revenues and operating profits in Q2, despite a significant increase in costs caused by the launch of its new Esmyia product and the clinical trials of the antipsychotic drug Cariprazine, which targets the treatment of conditions such as schizophrenia and bipolar disorder. KBc Equitas' Somi pointed out that preparation for the latter's market introduction (expected near the end of 2012) could have a positive impact on the stock price. Richter's low exposure in the Hungarian market, the stock performance could be adversely affected by rumors of further fiscal tightening.

Pál Richter added that domestic sales are expected to further decline, adding that Richter's Hungarian competitors have adopted aggressive pricing strategies. He expects slower sales in the highly profitable United States and CIS markets.

After the release of its second-quarter results, Magyar Telekom chairman-CEO Christopher Matthesen said that the company maintains its target of a 4-6% decline in EBITDA, excluding one-off effects, for the full year. However, Somi has doubts about the company's ability to meet the EBITDA target, as it managed to avoid a drop in sales revenues only by increasing the proportion of low-profit services. Richter added that the management was forced to launch a comprehensive cost-cutting program, too, adding that he expects an increase in the price of certain services.

The telephone tax will be an extra burden on Magyar Telekom in the second half of the year, with the extraordinary levy on the telecom sector to be scrapped only in 2013, Somi pointed out. In addition, the market entry of a fourth mobile provider is looming. MPVI Mobil, a consortium of postal company Magyar Posta, the Hungarian Electricity Works (MVM) and the Hungarian Development Bank (MfB), was announced in January as the winner of the biggest block – 5MHz – offered in an auction of the 900MHz band.
For all its world-renowned engineering skills and ability to attract companies like Mercedes and Audi, most observers agree that it is through entrepreneurship and innovation that Hungary will break free of sluggish growth, return to its former vigor and influence within the region, and also have meaningful impact across the world. But can that really happen? According to three experts interviewed by Voice – an academic, an entrepreneur and an investor – the answer is ‘Yes’.

one of our three expert witnesses would claim success for Hungary is a given, but all believe the pieces are there, half the battle will be in lining them up in the right order. “Hungarians are very entrepreneurial, though it has been constrained,” explains László Czirják, co-founder and co-delegate. Steve Jobs was heavily involved of control with the self-confidence to you are in the world, people confuse lose it is a totally different planet. Wherever you go from 20 years ago,” he says. “It is not the one job to which the state should commit itself. “Government should provide the infrastructure,” he says. “It is exactly what it did with the M0 [orbital highway around Budapest]: 15 or 20 years ago the southern part was built and now there are businesses and factories springing up all around it. That’s what governments should do, provide the background and then get the hell out of the way and let the markets and the businesses create the rest of the stuff.”

Czirják, in particular, identifies two or three related core problems amongst what he calls the “nails in the road” that many other challenges feed from. “What is lacking is not necessarily capital, but the self-confidence to compete, and also the practical best practices of how to run a business. The old boy network here grew up under communism or privatization can be in people’s minds. But if you are founder/entrepreneur/manager a more difficult challenge is whether you can actually manage people. If it is 3-12 people you can do it. Once you get over 20 people, you need a second level of management. If it is over 100 people it is a different game; 300 even more different. Once you get to the size of a LogMeIn, many institutions are doing the best they can with the resources they have, which are not growing; if anything, these resources are shrinking. Money is going to have been a strategy that gets government, NGOs, entrepreneurs, large MNCs, and business angels to buy-in and support entrepreneurship and innovation.”

For all the talk of networking and connections, Horwitch says the support network is beginning to come together, though much more needs to happen. “I think that lot of what is going on is not recognized yet. At CEU Business School we are now working with a number of institutions; at our school we don’t have life sciences, design or engineering, we focus on business, so we are joining forces with technology-based universities and design universities in Budapest. There is a great deal going on, but there is no critical mass yet; the ecosystem needs to be created, you have to have the networks in place,” Horwitch says. “Institutions are trying, universities and others are creating incubators for start-ups. We need more resources, clearly. Many institutions are doing the best they can with the resources they have, which are not growing; if anything, these resources are shrinking. Money is going to have to come from the EU, other companies, investors. CEU Business School got a $7.5 million gift from George Soros to nurture innovation. In a sense we were lucky in that we have a benefactor who is interested in entrepreneurship. Now many people want to be entrepreneurs, and several institutions are trying to help. What is lacking is a strategy that binds all this together. In all small countries that have been successful there has been a strategy that gets government, NGOs, entrepreneurs, large MNCs, and business angels to buy-in and support entrepreneurship and innovation.”

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Ever more entrepreneurial events are appearing on the Hungarian calendar, says Benkő. “AmCham is trying to get involved with innovation events like the Singularity University global challenge (see Positive impact and other stories in the June
Which is where October’s Entrepreneurship Summit, initiated by AmCham and jointly organized with CEU Business School, the Entrepreneurship Foundation, the Hungarian Venture Capital Association and the U.S. Embassy, comes in. The event will provide examples of what is possible, will worth more than $500 million and traded on the NASDAQ, and one of the founders of video streaming website Ustream, Hungarian Dr. Gyula Feher. But it will also feature a number of case studies, so that professors will have actual Hungarian successes to take back with them to the classroom, ranging from the huge (LogMeIn) to smaller companies.

“We want to make the summit accessible, we want an entrepreneur just starting out to believe that success is attainable. We are including a smaller case study to which people can relate more easily. It helps in building the self-confidence to say ‘I can do this too’. That is what the summit is about, to show it is possible,” explains Czirják. Horwitch, too, has high hopes for the summit. “It is perfectly timed. At our business schools we have holographic round tables on such topics as being a global entrepreneur, life sciences innovation, smart cities (you need smart infrastructure your idea to become an entrepreneurial hub), angel investors, and other subjects. We got very good turnouts, with more people attending each successive event. There is a lot of interest, and people are hungry for knowledge related to innovation. The global dimension of entrepreneurship we found to be particularly relevant, which is why Gabor Garai, a renowned tech venture and merger attorney – and Hungarian General Consul – based in Boston, and Sean Phelan, an angel investor and advisor to university incubators in London, are among our keynote speakers at the Entrepreneurship Summit.”

But while the process of building the life support systems and educating the entrepreneurs of Hungary goes on, so does the march of progress. What fields might the next Prezi or LogMeIn emerge from, and how might Hungary fit in, and could Hungary realistically be involved? Benkő believes there are two or three areas worth keeping an eye on. “One is anything to do with nanotechnology in medicine, nano bots, etc. Another is genetics – I was recently talking to a Hungarian guy who has developed an algorithm to help if you are connected to the human genome much more quickly and efficiently than we currently can. Another will be communication between modes of transport, cars that will talk to each other. Bill Ford gave a TED (the cutting edge Technology Entertainment and Design conference) talk a year ago and said currently there are 800 million vehicles on the roads; at current rates that will rise to 2-4 billion by 2050, which is going to present serious problems. In 2020, according to Ericsson, there will be 50 billion devices hanging off the internet. What are we going to do with all that data? I’m now working with some Hungarians who have developed a means to digitalize the emotions in the human voice and convert that into business information. Those emotions have always been there, we have just never been able to do anything with it before. So we are talking about nanotechnology, genetics and communications, all areas where Hungarians are very well placed to prosper.”

Will Hungary prosper? Czirják expects the summit to make a difference. “Will there be an impact? Yes! We are going to the grass roots level, engaging the professors, academics, and providing them and entrepreneurs directly with content to educate best practices as easy as possible. It is common practice for organizations like LogMeIn, which does some micro angeling now, are great – though the market still needs to open more, thinking wise. I really think this holistic approach of advocating by AmCham will have an impact, that we will have a lot more successful entrepreneurs, multiples of what we have today, in three-five years.”

Horwitch also sees plenty of potential. “I’m hopeful in general; there is more work to be done, but I think the pieces are there to be put together. A considerable amount of recent research into
innovation clusters shows that there is no predetermining factor for success. Some places are obvious like Silicon Valley, or Cambridge in the UK, while others less so like Eindhoven in the Netherlands, or Seattle in the States. Human will power is the important thing. Academic institutions are also stepping up to the plate, though we all need to work together for more resources.” Benkő agrees, particularly about human will power. “I was at Yellowstone National Park a couple of weeks ago: there was not a single piece of litter, yet hundreds of thousands of people go through there; if you put your mind to it, anything is possible.”

CEU INNOVATIONSLAB
Acts as both a business incubator and a bridge between academia and business in Budapest and the Central and Eastern European region. According to its website “It is an environment where entrepreneurs learn from fellow entrepreneurs and mentors as they grow their businesses. Where MBA students and CEU faculty can be start-up founders. Where established firms can try out new ideas to improve their companies. CEU InnovationLab embodies the spirit of experimentation that is at the heart of great laboratories. We invite you to join us, share what you know, what you do, and what you want to do.” The incubator is a flagship initiative of Central European Business School’s Institute for Entrepreneurship and Innovation, which was established in November 2011 with a grant from philanthropist George Soros. It aims to actively carry out the Institute’s dedication to creating economic opportunity in Hungary and the region by nurturing a culture of entrepreneurship and linking academia and business.
Source: business.ceu.hu/innovationslab

COLABS
Colabs, founded in 2009, describes itself as a central hub for tech, design and business talent startups. “Annual Colabs you will find the highest concentration of startup experience in Hungary. This supportive environment gives you countless opportunities to learn from fellow entrepreneurs, mentors and investors,” its website says. It promises “full startup support” with a number of targeted events. “Get inspired at Startup School. Find your first investor at Startup Weekend. Build your team with StartupFlyer. Work together at the Startup Center. Get your first investment from the Seed Program and get VC funding at the Elevator Pitch Competition.”
Source: colabs.hu/

EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY
The EIT is a Budapest-based body of the European Union established in March 2008, with the mission of increasing European sustainable growth and competitiveness by reinforcing the innovation capacity of the EU. This translates into developing a new generation of innovators and entrepreneurs. To do so, the EIT has created integrated structures (Knowledge and Innovation Communities), which link the three sides of the so-called “Knowledge Triangle” (higher education, research, and business) to one another thereby boosting innovation and entrepreneurship. The KICs focus on priority topics with high societal impact, currently: Climate change mitigation, Information and Communication Technologies, and Sustainable Energies. EIT operations are conducted by a team of 40 in Budapest, Hungary and led by the EIT Director, José Manuel Leceta. Knowledge and Innovation communities gather hundreds of partners in 17 co-location centers in Europe.
Source: eit.europa.eu/about-us/
FOOD & DRINK

Halkakas halabisztró

Perhaps because the country lacks a sea coast, Hungarians aren’t that big on fish. Fresh fish here often means carp, a fatty, bony, bottom feeder that can often have a mucky aftertaste. But the Balaton, Danube, Tisza, and smaller lakes and streams, harbor a wealth of good fish: trout, frogs (zander), catfish and indigenous varieties of perch.

A relatively new downtown ‘fish bistro’ has been making a splash by using the best local fish to turn out truly appetizing dishes at lunch-counter prices. The straightforward and pleasing preparations are showing people what can be done with the local catch – and providing an excellent source for affordable fresh fish.

The main ingredients here come straight from an artificial lake in a remote spot between the Balaton and the Danube. Réti major, where there’s a fish farm run by the father of Halkakas owner Zsuzsanna Levai. Wild fish may sound more exciting, but farming seems to ensure that the ingredients are consistently high quality. The carp they serve tastes cleaner and the catfish has a juicy, hearty but flavorful meat that works in a lot of dishes. Chefs Kristinna Kőből chooses catfish for her signature fish and chips. They also show up in the ‘gyros’ platter: chunks of strongly seasoned signature fish and chips. They also show up in the ‘gyros’ platter: chunks of strongly seasoned...
I came to Hungary for the first time, as an adult, in 1994. I grew up in Ireland, with a very strong awareness of being a Hungarian, with a name like “Kós” – it is not a very common surname there! I haven’t regretted it for a day. I intended to come for two years to work with PwC.

It took two years to get to know Budapest, I started to enjoy the city in the third. Then I decided to stay in the region, married a Hungarian colleague from the office, and here I am, apparently for good, with three 100% Hungarian kids.

I enjoy Budapest very much, as a city it is just the right size, much bigger than Cork, where I grew up but still with that small community feeling. Here I find all the sophistication of the world, yet it is still not too large… Apart from the first six months, when I lived in Istenhegyi utca, in the first years before I married I lived downtown, actually in Octogon, then I moved to Régiposta utca, to an even more centrally located area. It was easy to walk to Cynano’s to have a great dinner practically every second night. I even celebrated my 30th birthday there. And celebrated my 40th in Café Kós, my favorite place in Pest.

My father moved back in 1995, and we loved visiting the city, and good food. We took many dozens of visiting friends there, all of whom had a hell of a good time. The highlight for us as a family, particularly my father, was taking our kids and their grandparents to the zoo. We saw there together. My sons swim competitively so császárfalutó, near to our office is the perfect place for me – food and service alike – a top place in the region. I often go to its sister institution, Osztia di Fausto, which is conveniently located very near to our office.

My sons swim competitively so Császárfalutó is my other favorite, with the great Kós Károly pavilions, a world-class pool. I can hardly wait for the new show inside the Grand Rock, called the Magic Mountain. (We can come in wintertime, too.) Bugnyás and Gundel used to be restaurants I often visited in the early days. I tried to be faithful – many Budapest connoisseurs hop from one new and trendy place to the next. If I’m happy at a place, I will gladly go there regularly. I still enjoy the vibrant restaurant scene in Budapest. Fausto’s is the perfect place for me – food and service alike – a top place in the region.

We even have a joke about the Irish swimmer who went to the Olympic Games and turned half way – his usual distance… The great enthusiasm for swimming and water polo is fantastic in Hungary. Swimming is great, and we bring our kids to Komjádi every day. (It needs a bit of renovation, though, I have to admit.) What I also enjoy is that you can meet the great champions here every day – Gyurta, Darnyi and the others! It has a tremendous effect on the kids. They are in the company of legends – a great inspiration for them.

I am a very lucky and fortunate person – I keep on experiencing the good sides of Budapest. I am still thrilled that I could rebuild my Hungarian identity, and I have three beautiful Hungarian children. My Budapest friends often ask me how I see problems in Budapest. I am not a good subject for that; I am too preoccupied with its beauty and its charms. I have seen Budapest from many angles. For a time I lived in Pest and worked in Buda, now I live in Buda, in a very nice area, in a great house, basically designed by my wife. I also enjoy the museum scene here in Budapest; I hear there are more than 80 of them, so there are many more to see.

As a family man, I am fatally attached to Vásártörténeti Park, a nice theme park, very popular, and an eternal hit in our family. Oh, and the Museum of Transport and Technology is also a great family place for us. A great collection, well done shows, and dedicated staff – we enjoy it every time. I am not a typical expat – sports play too much a part in our family. It comes from my father, who was a star rugby player and a great javelin thrower and swimmer (a record holder in Ireland) and showed me how to be successful in business and in sports. My rugby career was unfortunately cut short by injuries.

When I first came to Budapest, I was considered Irish here, while I was considered a Hungarian in Ireland. That is no longer the case. Budapest is my city now. And it makes me very happy, indeed.
Leadership resilience
by BOBIN MARSHALL

Whether your market is contracting, or you are going through rapid growth, your employees remain key attributes. That was one of the fundamental messages reaffirmed by the AmCham seminar Leadership Resilience: Surviving and Thriving in Tough Times, sponsored by SpenglerFox.

Thus it was clear that, while their individual situations were very different, motivating and engaging staff, particularly key employees, was a common theme. The important thing, as Zsuzsanna Tóth, the head of human capital solutions, CEB for SpenglerFox said, is to find the right tool for each individual problem. “There is no one size fits all solution.”

For Hajtó at ING, the solution for a manager who had problems with assertive language but otherwise was “a very good professional colleague, respected by clients and partners” was to offer support in the form of coaching. The result was clear. “Today we have a good leader, a good manager who is able to meet the market challenges.”

For Bartos at Sió, dealing with equally frustrated management and workers, in an environment where the March 2012 figures show a 16% smaller market sector compared to March 2011, the answer was in setting out key performance indicators for the first time. “It was important that these KPIs were measured and leading in the same direction”, she said. And with most managers having been at Sió for 5-10 years, there was a “need for fresh [outside] blood and people who know the industry benchmark for what KPIs are used.”

With Avis having gone through a merger and the new American owners very keen on developing the SSC already in place in Budapest to take on both front and back office functions, there are going to be “extreme changes in the role of the SSC, the reality for every individual will be a change in skill sets”, Nemeth explained. On top of that, Bogdán pointed out, the average age of the SSC workforce is a relatively young 28, which means appropriate ways of motivating the so-called Generation Y have to be found. Here assessment centers have also helped identify knowledge gaps among staff, especially middle managers, which in turn helps generate personal development plans and aids in succession planning. SSCs have a higher churn rate than many industries, so a future goal will also be a measureable increase in retention rates.

Part of the answer in establishing whom Valentinyi should promote at Havi Logistics (biggest customer McDonald’s) was provided by assessment centers dealing with several candidates. But the general manager said his SpenglerFox consultants were also constantly “challenging me about what was needed. That made me think, and sometimes made me change my mind.” A different, outside perspective was always useful, he noted.

Getting a major project of the ground such as introducing KPIs across a company requires board level buy-in, Tóth warned, but all key staff should be involved in the process of establishing measurable targets, if only because employees usually have a better grasp of the day-to-day challenges than senior management. One additional benefit mentioned by several of the speakers was enhanced recognition of the strategic role in business planning that HR can play.

Tóth believes resilience is an underrated management skill. SpenglerFox have identified eight basic components, from self-belief and optimism to vision and support. Could these be learned, she was asked. “We have all these competences when we are born, but somehow we lose them or forget them. I would not say you can win back that original status, but you can improve them,” she said.

And that was done through a number of tools, including conventional approaches such as coaching, and less obvious methods. “Most are driven by the right side of the brain, so if you use tools that affect the right hand side, that is going to help.”
Flagship of the future

The electronics industry is widely considered to be one of Hungary’s breakout points. An AmCham conference on the subject said the export-oriented sector has shown resistance to the crisis and has a great potential to create jobs. However, in some cases, it still needs more support from the state.

That the American Chamber of Commerce in Hungary should organize a one-day conference, entitled The flagship sector of the future: Electronics in focus (held in the Budapest Marriott Hotel on June 5) should be of no great surprise. Not only does the sector attract a lot of American investment and covers one-third of Hungary’s exports, it also generates 6.9% of the country’s GDP. Considering the indirect effects of the industry, to true hidden total might reach anywhere between 8-20%, even without automotive electronics. It provides livelihoods for 100,000 families and offers business opportunities to more than 170 companies.

“The sector’s resistance to crisis is clearly shown in its growth data,” AmCham president István Havas noted when speaking on the sidelines of the conference. It is a fact that, when it comes to electronic manufacturing, Hungary performs well. The country’s electronics production is the best in the region and in the worldwide comparison of product-complexity index, Hungary ranks 14th in the extent of its export products. Also, as the Hungarian electronics industry produces almost fully for export, the sector does not much depend on local economic circumstances, one of the reasons why it is being identified as a possible tool for Hungary to finally step back onto the path of long-term economic growth.

As AmCham board member Márk Hetényi pointed out, “innovation appears in the entire electronics manufacturing process” and such leading edge solutions support cost-efficiency. According to Köry Bukvai from the Hungarian Investment and Trade Agency (HITA), the sector attracts investments continuously. This is no surprise since the world’s aging society is likely to sharply increase demand for medical electronics devices, both at home and abroad. Not to mention that Hungary already has a good name when it comes to consumer electronics.

László Ábrahám, the managing director of hardware and software producer NI Hungary, pointed out that a major advantage of the electronics industry is that “if Hungarian market players can improve technology, we do not have to feel frightened if the work force is one cent cheaper in China”.

And yet, as AmCham president István Havas pointed out, the sector, is not even mentioned in Hungary’s state development program, the New Szechenyi Plan (ÚSzT). “While the auto industry is nicely presented in the USZT, there is not a single word in the document about the electronics industry,” he said. It is a pity, he pointed out, since workplaces could be created in this sector with relatively low financial investment, while the industry could also employ a wide range of people from the semi-skilled to fully qualified professionals.

His criticism was not an isolated one. Abraham also warned that the decreasing quality of science education in Hungary might result in serious workforce problems in a few years’ time. “This needs immediate state intervention,” he said.

On another crucial issue, namely recent changes in the regulations of the environmental tax, which eliminated the electronics manufacturers’ ability to take care of the proper waste management instead of paying a fee (now obligatory for all manufacturers of certain products), Ádám Balog, deputy state secretary for taxation at the National Economy Ministry asked for patience from the market players, adding that there is, as yet, no intention to ease the regulation. Nonetheless, Balog added on the positive side that the government is determined to keep motivating R&D activities through tax policies, which will obviously have a favorable effect on the electronics industry as well.
Managing recovery

by ROBIN MARSHALL

The immediate pain of reform is obvious if unavoidable, members of AmCham were told at a recent business forum by Minister of Human Resources Zoltán Balog. The mid- to long-term picture will look much better, but only if the Fidesz-led government finds the courage others have lacked.

Speaking on Friday June 22 at the Budapest Marriott, Balog described a lengthy period of systemic failure by successive governments. “False compromises have allowed the status quo to survive the last 20 years,” Balog said. Worse yet, unnecessary jobs were created within the public sector to artificially keep employment levels up. “The same applies to Greece. We all know that the most public servants [in the EU] are in Greece, and Hungary follows that.”

He recalled a New Year greeting parishioners would say to his father – like him a pastor; “May the New Year be no worse than the old.” It summed up “very negative survival strategies” that had resulted in a culture of ever-greater government spending on staff and subsidies, requiring ever-bigger loans to meet the costs and all the while failing to overhaul and reform creaking systems. Now there is a concerted attempt to create a more transparent system that will benefit society and business alike, Balog promised.

He is a relatively new ministerial appointment, following Miklós Réthelyi who resigned as Minister of National Resources in May. At the same time, the office was renamed the Ministry of Human Resources; according to Balog, this is not only a better name, it also better fits his vision: “The only capital we have are human resources, but we need to use the term 'human capital' because we need to consider human beings in their entirety.”

The government website describes his ministry as being responsible for “the functioning of the national healthcare and welfare system in Hungary; the development of school education from nursery to university; the protection of our cultural heritage, promotion of the development of human resources, but we need to use the term ‘human capital’ because we need to consider human beings in their entirety.”

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In response to a question on cuts in the national drugs budget, he admitted that, viewed in isolation, it appeared bad. “There are cuts in drug spending but in next year’s budget, if plans work out, we can introduce new funds in the health sector in fields we feel are especially weak, which Hungary has not seen since 2006.” More money for staff, hospital renovations and equipment renewal were in line, he said.

Education was another problem area. Balog claimed Hungary’s was the “only public education in Europe where there is no government, no central control”. Answering a question on Roma integration, he said much could be learned from U.S. examples, but early engagement was key: “The Hungarian education system in Europe presents least chances to poor children to do better, whereas our kindergartens are very strong in terms of integration, so we need to support that as early as possible.” Encouraging parents to spend time with their children in after-school clubs could also be an effective way of building community, he said.

The educational system must produce qualifications that are useful and useable, relevant to market needs, the minister said. Teachers ought to teach well, and be paid accordingly. “But who is entitled to talk about raising the salaries of teachers when we do not know how many there are in Hungary?” he asked. In the current situation the government “cannot predict how many teachers we will need in 10 years’ time”, he added.

“If we know this we can talk about raising the salaries of teachers. Without this it would simply be an irresponsible approach. And the same applies to health and social care,” he claimed.

“I am looking at figures no one else has looked at in the last 20 years. What is the ratio between healthcare workers and patients in Borsod county and Budapest, for example?” Unless and until such detailed analysis is made, real reform is a pipedream, he implied. “We need a management approach. We have an opportunity, and it is our responsibility to use it.”

The minister concluded with an appeal to businesses to partner government in the interests of mutual long-term gain: “I offer my trust and cooperation but in order to really cooperate we need your trust. We need to improve in terms that we do not rush sectors with taxes, but I hope that, as the system is consolidated, we are better able to coordinate tasks. We are responsible for our future together.”
Europe still relevant
by ROBIN MARSHALL

For Jake Slegers, chair of AmChams in Europe, the crucial challenge continues to be reminding people that the Old Continent remains a vital, rewarding place to do business.

ACE

as the organization is known, is an umbrella network for more than 40 member AmChams drawn from across Europe. Its mission is to ‘exchange best practice ideas, mutual member company benefits and to provide a forum for discussion, debate and where necessary representation on issues relevant to the European business environment.’ Slegers, executive director of AmCham Slovakia since December 2000, began his two-year term on January 1 this year, having been elected by his AmCham CEO and executive director peers.

The economic outlook isn’t special for anyone in Europe right now, and, as the chairman says half in jest, just how bad the news is depends on what week this is. But Slegers, a native of Tyler, Minnesota, says that makes the core message even more important.

“People quite often make the mistake of confusing the possible break up of the euro with the break up of the EU; it is the euro zone that is in question, not the EU,” he points out. A Greek exit from the former, though unwelcome, does not mean the break up of the latter, he stresses. “We remain confident that Europe remains relevant, though of course there are forces much bigger and thus AcE is also reaching out to LatAm and Asia in particular, both to learn from organizations there, and to help members look beyond Europe.

When Voice spoke with Slegers, he was in Hungary for a regional training program involving six CEE AmChams. “This has a very regional focus, having started out as a Visegrad Four [Czech, Hungary, Poland and Slovak] initiative but over the years has expanded to cover the region.”

Thus it was that representatives from Austria, Poland, Serbia, Slovakia, and Slovenia joined their Hungarian hosts at Balatonfured (as the name might imply, it is close to Lake Balaton) in late August. “It is a really useful opportunity to share best practices as it has a much more regional focus but includes staff as well. Indeed, there are only three executive directors attending, whereas it is we who tend to go to the other conferences. Many of the staff might not have peers in their own country; it is great for them to learn from others’ experiences, and it also makes it much easier to make a phone call once you have that personal contact. I certainly found that of great value when I first joined ACE; I learned so much from others who had been executive directors for years before me.”

Regional AmChams at Balaton

The annual regional training course for staff members of AmChams in Europe was organized this year by AmCham Hungary and held in Balatonfured. Colleagues from Austria, Poland, Serbia, Slovakia, and Slovenia joined us for four days at Lake Balaton. From nine in the morning until three in the afternoon we held best practice sharing and brain storming sessions structured around fixed subjects, while in the afternoons we entertained our guests, taking them for a walk in Tihany, invited them to enjoy wine tasting and even indulge in a Renaissance dinner after a medieval martial arts show. We learned a lot from each other and had a very good time together. Regional cooperation between AmChams offers some great opportunities, and we discussed possible ways of identifying synergies and working more closely together for the benefit of our memberships.
AmCham Romania

ADOVANCY AND LOBBYING

Having advocacy as one of the major areas of activity, AmCham Romania remains committed to helping build a local business environment defined by transparency, predictability and stability. This ideal can only become tangible through concrete steps, like:

• elaborating proposals for the next EU financial framework (2014-2020);
• coming up with an anti-bribery and corruption set of rules;
• advocating for a fair, efficient and accessible banking system;
• getting involved in the modernization of fiscal administration and legislation;
• supporting education and performance through our Knowledge-Based Export Program;
• identifying and matching opportunities between local and foreign investors, economically viable and with the highest added value.

WHAT HAS NOT WORKED?

We have come to the conclusion that reactivity is not a real option when advocating in Romania, therefore we are proactive and ‘ahead of the curve’, so we propose solutions to the authorities that are effective and produce concrete results in the economy.

The main challenges AmCham Romania had to face were instability and insufficient transparency in the consultation process. Especially in the areas affected by the ongoing labor code reform and tax reforms. While these actions will help in a lot of areas and will increase the strength of the country, we see areas for improvement in the speed of execution. With more than 75 years in the country, IBM is a longstanding partner to the Hungarian government. As a significant investor in Hungary, we do believe that the successful execution of these actions will be necessary to drive further possible investments and we are keen to ensure that Hungary and the Hungarian government will benefit from the most advanced services in the world based on the latest business processes and technologies, such as cloud computing and business analytics.

HOW WOULD YOU DESCRIBE THE CURRENT BUSINESS ENVIRONMENT IN HUNGARY?

In recent years the Hungarian government has embarked on many important initiatives, such as a reduction in administrative burden, labor code reform and tax reforms. While these actions will help in a lot of areas and will increase the strength of the country, we see areas for improvement in the speed of execution. With more than 75 years in the country, IBM is a longstanding partner to the Hungarian government. As a significant investor in Hungary, we do believe that the successful execution of these actions will be necessary to drive further possible investments and we are keen to ensure that Hungary and the Hungarian government will benefit from the most advanced services in the world based on the latest business processes and technologies, such as cloud computing and business analytics.

HOW HAS DOING BUSINESS IN HUNGARY CHANGED SINCE THE COMPANY WAS SET UP HERE?

It might be a surprise that IBM Hungary was established in 1936. We were among the very few companies the communist regime didn’t dare to nationalize, as our machines were just essential to handle the statistic data of the country in the following decades as well. IBM has been investing in workplaces, professional development and partnerships throughout this time. A whole ecosystem of talent and business revolves around IBM’s operations in Hungary.

IBM was also one of the first companies to set up a service center in Budapest in 2004. We believe that we played an important part in the development of the country’s economic and business environment. The past ten years have seen the establishment of the service delivery sector in the country. In line with the development of local skills, these centers have become more sophisticated and today we offer some of the most advanced services in the world based on the latest business processes and best global practices.

WHY IS IT IMPORTANT TO BELONG TO AN ORGANIZATION SUCH AS AMCHAM?

AmCham is a community with well-known members from every industry, an important organization with a healthy diversity of companies in terms of size and operation. It is also a platform for us leaders to get to know one another more closely; to build new relationships, sometimes initiate new cooperations as well. If I stress how important it is that non-profit organizations are also represented in AmCham: that gives members a chance to get better involved with relevant social issues.

WHAT ONE THING WOULD YOU LIKE TO SEE CHANGED ABOVE ALL OTHERS TO IMPROVE THE BUSINESS ENVIRONMENT?

Grabbing opportunities is still not the biggest strength of Hungarian business practice. Plenty of EU resources are at disposal for improving technologies, for smart enterprises or city developments. I think we have to make more efforts to exploit them effectively.

VITAL STATISTICS

Number of members (at foundation and currently): 11
Number of activities: 68
Number of members (in foundation and currently): 11

CONTACT DETAILS

Executive Director, Ms. Anca Harasim
E-mail: harasim@amcham.ro
Website: www.amcham.ro

IBM Hungary

COMPANY NAME: IBM Hungary
FIELD OF BUSINESS: Information Technology
WHEN ESTABLISHED (PARENT COMPANY AND HUNGARIAN COMPANY): IBM Co.: 1911, IBM Hu: 1936

BIOGRAPHICAL DETAILS OF PERSON ANSWERING QUESTIONS:

Zsolt Veres (44) has been the General Manager of IBM Hungary since February 2011. He has spent 12 years at IBM and held various sales leadership positions at IBM Hungary and IBM CEMA between 1999 and 2002, then gained experience at SAP and Oracle before returning to IBM in 2011.

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WHAT ARE THE GREATEST CHALLENGES IN DOING BUSINESS IN HUNGARY RIGHT NOW?

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WILL YOU LIKE TO SEE CHANGED ABOVE ALL OTHERS TO IMPROVE THE BUSINESS ENVIRONMENT?
New members on board

DANA Hungary Gyártó Kft.

CEO: Mr. Zoltán Király
Address: 9027 Győr, Kardán u. 6.
Phone: +36 96 515-847
Fax: +36 96 515-862
E-mail: zoltan.kiraly@dana.com
Web: www.dana.com

Axle and transmission production for heavy vehicles, oil cooler production for passenger cars, spare part distribution.

Salesianer Miettex Magyarországi Kft.

CEO: Mr. Szilveszter Urbán
Address: 1119 Budapest, Nándorfejérvári út 42-44.
Phone: +36 1 463-7100
Fax: +36 1 463-7171
E-mail: office@salesianer.hu
Web: www.salesianer.hu

Founded in 1986 as a family enterprise in Vienna and still under family ownership - a strong foundation for reliable textile-rental solutions. The core business of the company is the supply of a complete range of rented textiles. Our range of products and services comprises a textile-rental service for the hotel and catering trades, workwear for industry, trade and commerce, and textile supply for the health services sector. Also included are classroom textiles, washroom hygiene, as well as mats for rent and promotional mats.

Menedzsmentor Kft.

CEO: Dr. Róbert Dobay
Phone: +36 70 430-1222
E-mail: info@menedzsmentor.com
Web: www.menedzsmentor.com

Menedzsmentor is one of Hungary’s leading change management companies. Going against the mainstream, they focus on the organization’s and people’s strengths to make sustainable changes instead of solving problems and curing weaknesses. They are valuable partners for strategic project management, leadership development, coaching or build out and rearrangement of business units.

American chamber of commerce in Hungary

Nonprofit Kft.

CEO: Mr. József Kínpán
Address: 1031 Budapest, Nimród u. 3.
Phone: +36 1 350-9686
Fax: +36 1 350-9687
E-mail: info@pentolt.hu
Web: www.pentolt.hu

Pentolt Kft. is a professional engineering company in electronic security systems that protect your buildings against fire, intrusion, theft, and similar hazards. We provide turnkey solutions in the industrial, official, hotel, and administration fields. We are the representative partner and competence center of major American manufacturers such as Fike and Honeywell.

Virtualis Erőmű Program Nonprofit Kft.

Program Director: Mr. Attila Gáspár
Postal address: 1353 Budapest, Pf. 5/4.
Phone: +36-30-341-0440, +36-1-787-1870
E-mail: iroda@virtualiseromu.hu
Web: www.virtualiseromu.hu

Virtual Power Plant Program™ helps Hungary to fulfill 1/3 of its obligation towards the European Union to improve energy efficiency by 2020. As part of the program an Energy Efficiency Excellence Award was launched in 2011 to foster awareness in industrial energy efficiency. It also creates a knowledge base of opportunities and methodology to disseminate national and international best practices.

Reménység Gyermeksegély és Rehabilitációs Alapítvány

CEO: Mr. Szilveszter Kiss
Address: 8674 Nágocs, Ady Endre uca 11.
Phone: +36 20 379-8100
Fax: +36 84 372-74320
E-mail: remenyseg@remenyseg.hu
Web: www.remenyseg.hu

Reménység Foundation was established in 1991, and acts on social needs, in 1997, the organization started to care for orphaned children. The foundation became a public benefit organization in 2006. It works in Nágocs, in Somogy county. Nowadays the foundation has institutes for elderly people and addicts (in Pécs).
AmCham events – photo coverage

LEADERSHIP RESILIENCE: SURVIVING AND THRIVING IN TOUGH TIMES
Tuesday, July 03, 2012
Location: Kempinski Hotel Corvinus, 1051 Budapest, Erzsébet tér 7-8.

BUSINESS FORUM WITH ZOLTÁN BALOG, MINISTER OF HUMAN RESOURCES
Friday, June 22, 2012
Location: Budapest Marriott Hotel, 1054 Budapest, Apáczai Csere János u. 4.
BUSINESS AFTER HOURS
AT HARD ROCK CAFE BUDAPEST
Tuesday, June 12, 2012
Location: Hard Rock Cafe Budapest

THE FLAGSHIP SECTOR
OF THE FUTURE:
SEMICONDUCTORS IN FOCUS
Tuesday, June 05, 2012
Location: Budapest Marriott Hotel, 1052 Budapest, Apáczai Csere János utca 4.
Dear Reader, please join us on Tuesday, November 6 in the Corinthia Hotel Budapest at our U.S. Election Night Party! Regardless of your nationality or political preference, you will be immersed in the excitement and fun surrounding the last few hours of a long contest. By 6:00 AM (local time), we should be able to greet together the new President of the United States of America. So let’s follow the last few miles of the race together on a huge screen, indulging in culinary delights, answering the questions of a tricky quiz, winning raffle prizes and mingling with a crowd of 1,500-odd guests.

I believe that this evening is sending a message. The person who will be the leader of a great nation is someone everybody wants to meet, in person or virtually (i.e. via the screens). A contestant from the other big party challenges the incumbent President, who has been holding this position for four years. The beauty of it is in the competition itself. I like competition in general, and in this case I appreciate the fact that that voters have a say, although indirectly only, in deciding who should be the next tenant of the White House. Simply put, this is a cornerstone of parliamentary democracy, a basic political freedom that people happily exercise (there is always this special jamboree/festival atmosphere).

Judging by their statements and reactions mirrored in media, American citizens are not less disillusioned or divided than the sons and daughters of other nations when it comes to politics, politicians, political parties, ideologies, management of the financial crisis, etc. And still…

The presidential election in the United States is a phenomenal process, reaching its zenith on November 6. The supporting and the entertainment are great, but even greater is the fact that choice is being made, that no political party can entrench its dominance forever. So please join us to celebrate choice. Cheer up!

Péter David
IF WE NEVER VENTURE INTO THE UNKNOWN HOW DO WE GET ANYWHERE NEW?