Envisioning a Better Future?

MORE INSIDE:

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**Dear Members, Dear Friends,**

If you have spent any amount of time in Hungary over the last three years, you have likely noticed that the topic of entrepreneurship has slowly crept near the top of many agendas. This includes that of AmCham. As society concerns itself with sowing the seeds for future generations, we put the focus on finding and encouraging those pioneers who will launch and lead organizations in fields that are only beginning to emerge. Some of these will be innovative ideas; some may be different business models for existing ideas. But it’s not enough to talk about it. AmCham’s Transparency and Governance committee has taken it upon itself to organize the Third Entrepreneurship summit to inspire entrepreneurs – decided and undecided – to adopt an exciting way of thinking. But it’s not enough to be excited. The committee has worked out a program – called ‘Start Your Business’ – to encourage entrepreneurs to play within the bounds of the law, to create and contribute so to speak. At AmCham we believe in making an impact within a framework. The program serves to show several examples of successful entrepreneurs, their paths, and their nuggets of wisdom. No two ventures are alike, but cross-pollination from one sector to another can help entrepreneurs in divergent industries to learn from one another and to learn from one another’s experiences.

I encourage you to read the program to get a feeling for the complexity of the organization surrounding the summit. From universities to private business people, their companies, AmCham staff, to other civic organizations, we’ve endeavored to include others in shaping this part of the Hungarian business landscape. People and companies giving of themselves, produce outstanding results. I am proud to know many involved and know that with each passing year, the bar is raised. We learn and adapt, learn and adapt.

If you feel a slight tug to help organize, support, and mentor leaders and businesspeople of the future, we’d be happy to discuss how you could contribute to this wonderful effort. Hats off to those involved. It’s a big step to help others take a small step.

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**FACIng AM CHAM ITSELF?**

**You HAVE HAD A CHANCE TO GET YOUR FEET UNDER THE TABLE AND SETTLE IN NOW.**

**WHAT HAS SURPRISED YOU MOST ABOUT THE JOB?**

Although I was managing huge organizations, this time I need to engage volunteers and coordinate their work. While it is fulfilling on one hand, it also requires very different leadership capabilities and in my view personal engagement becomes even more important.

**WHAT ARE THE BIGGEST CHALLENGES IN THE ROLE AND FACING AMCHAM ITSELF?**

During my discussions with our members and our staff, they have already achieved a lot in their career, and it is very fulfilling to see that they devote time and energy to AmCham to move forward things they believe in.

**WHAT ATTRACTED YOU TO THE POSITION IN THE FIRST PLACE?**

The board asked me the same question during the recruitment process and my answer was – and still is – that I would like to work with interesting, inspiring people to promote the business environment in Hungary. During the first three months in the job I have met more than 50 professionals representing many different industries. These people hold important leadership positions, they have already achieved a lot in their career, and it is very fulfilling to see that they devote time and energy to AmCham to move forward things they believe in.

**HOW WILL YOU JUDGE WHETHER YOU HAVE BEEN SUCCESSFUL IN THE CEO’S POST?**

Beside informal feedback from our members and our staff, there is a very clear indicator: increasing retention of current members and a growing number of new members.

**YOU HAVE HELD HIGH-POWERED JOBS FOR A NUMBER OF YEARS AND YOU ALSO HAVE TWO CHILDREN. HOW DO YOU MAINTAIN A HEALTHY WORK/LIFE BALANCE?**

I have been lucky as I could always count on the help of my parents, helping me look after the children and organizing things at home. Still today my mother stays with us during the week, which is not only a big help but also transmits the values of living in a big family, with three generations together. When my previous employer moved to Budaörs, we took the decision to move there so I didn’t lose time in traffic. When I am asked for advice by younger women I always stress that I am most interested in is what they expect from AmCham. As we have almost 400 members, ranging from big international companies to SMEs and NGOs: we have to find a structured way to target and communicate our services to meet their needs. In the past AmCham has been a powerful and impactful organization, which is a very good base from which to define those areas where we can be a credible partner for decision makers in improving the competitiveness of our market. If I look not only at GDP but also the brain power concentrated in AmCham, represented by our members from almost all industries, I am confident the chamber can act as a source of information and be a think tank for working out overarching recommendations. Our challenge now is to define those areas of focus that coincide with the interests of both our members and decision makers.

During the summer our team was busy preparing for a strategic discussion with our board members and committee chairs to collect their input into the definition of our strategy. On August 28 we had a very dynamic and fruitful discussion to determine the direction and next steps. It really promises to see how active the participants were, sharing their thoughts and transmitting their energy and commitment. Currently we are working on finalizing our strategy, defining how best we can create value and make an impact in a structured way. My task is to make sure we have an executable strategy and detailed work plan for 2015 in place to mobilize and motivate not only AmCham staff, but also our members for the effective execution.
Creating a Culture of Whistleblowing

Ahead of AmCham’s Workshop on Whistleblowing (for more details see page 35), VOICE spoke to keynote speaker Anna Myers about the importance of the subject.

Culture is probably the biggest challenge. Sharing information or warning others of risk should be unremarkable, but in the context of work relationships it can challenge notions of duty, loyalty, and obligations. Employers can do a lot to create a more open and responsible workplace by encouraging communication on a wide range of subjects – and be ready to account for their conduct when necessary. It is also important that there is public debate about what whistleblowing means and why it is important in real terms.

HOW AND WHY Did YOU FIRST GET INVOLVED WITH WHISTLEBLOWING?

That is a good question. I had never heard of whistleblowing until I applied for the job of legal officer at Public Concern At Work nearly 15 years ago. But it made perfect sense to me – the value and importance of people speaking up in the interest of others. What amazes me is that whistleblowing is now something that young lawyers and practitioners might actually seek out rather than just fall into as so many of us did.

WHY Is It SO IMPORTANT To ENCOURAGE WHISTLEBLOWING?

The activities of organizations – whether it is in the public or private sectors – affects people’s lives in real and direct ways, in the products sold and the services provided. No matter what systems we put in place, things can go wrong. Whistleblowing is about communication. Inside organizations, whistleblowing can act as an early warning system but, importantly, whistleblowing is also a matter of public responsibility. It is our back-up alarm when systems of oversight fail or are corrupted. In my experience, whistleblowing saves lives and livelihoods.

WHAT ARE THE BIGGEST CHALLENGES IN ENCOURAGING PEOPLE TO SPEAK UP?

People

Incentivizing Whistleblowing

Tara Lee is global chair of DLA Piper’s Cross Border Litigation practice, and will be one of the key speakers at AmCham’s upcoming whistleblowing workshop. VOICE asked her about the growth of the future area, and likely future developments.

HOW DID YOU FIRST BECOME INTERESTED IN WHISTLEBLOWING?

Through my work defending clients facing whistleblower originated lawsuits. After successfully defending a very-high visibility case brought by the U.S. Government and a whistleblower a few years ago (we obtained a total dismissal of the government’s case, and the U.S. Court ruled that the whistleblower had no case), I became particularly interested in reform initiatives and some of the ancillary effects and unintended consequences of whistleblowing laws.

IS THERE A MEASURABLE GROWTH IN ACCEPTANCE FOR WHISTLEBLOWING? DO YOU THINK BUSINESSES TEND TO TOLERATE IT AS A NECESSARY EVIL, OR EMBRACE IT AS A VITAL PART OF CORPORATE RESPONSIBILITY?

In certain sectors (healthcare, pharmaceuticals, finance, defense), whistleblowers are a significant means of detecting fraud. I think most businesses recognize that, and even value it, but there is still definitely some legitimate skepticism recognizing that the incentives created for reporting fraud often have little impact on actually preventing (as opposed to detecting) fraud. I certainly think that whistleblowing carries less stigma than it did 20 years ago, and is more accepted as an aspect of corporate culture. A culture that accepts the reporting of wrongdoing is a critical step towards the goal of preventing wrongdoing.

WHAT Is, OR SHOULD BE, THE ROLE OF WHISTLEBLOWING IN THE BUSINESS WORLD?

There really isn’t a one-size-fits-all way to incorporate whistleblowing into a business culture. The role of whistleblowing in Japan will never be exactly the same as in Djibouti. What is critical everywhere is that corporate leadership structures a compliance program that ensures ethical behavior and enables employees to speak up without fear of retaliation. Ideally, an employee’s personal moral compass, duty of loyalty to the company, and the goals of the organization would all align. When they do, a whistleblower who is willing to come forward helps prevent both overly fraudulent conduct and organizational practices that are wasteful or potentially harmful to public safety, and everyone benefits.

WHAT ARE THE LATEST TRENDS, INTERNATIONALLY? SHOULD THE WHISTLEBLOWING SUPPORT SYSTEM BE DEVELOPED ORGANICALLY, OR DOES IT REQUIRE STATE LEGISLATION TO GET THINGS MOVING?

I think the trend internationally is to enact legislation that incentivizes whistleblowing, in particular in order to uncover fraud against the government. The United States’ experience with whistleblowing legislation, especially in the last ten years, demonstrates pretty convincingly that corporate whistleblower protections increase dramatically after mandating legislation. Some corporations historically develop those programs organically, but because those programs can be quite expensive, more corporations do so once legislation mandates it. There have been some interesting studies recently in the United States tracking the advantages of smaller companies choosing to remain privately held, rather than becoming publicly traded, specifically to avoid the oversight and compliance costs associated with triggering the whistleblower protections required of public companies in the States.

HOW MUCH Of YOUR ROLE AS HEAD Of THE DLA Piper’s GLOBAL INVESTIGATION PRACTICE Is DEVOTED To VARIOUS ASPECTS Of WHISTLEBLOWING?

More and more. Ten years ago it was probably less than 10% of my work. Last year, more than half my caseload was responding to complaints originated by whistleblowers.

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VOICE talks to State Secretary for Foreign Affairs and Trade László Szabó

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And before that worked

elite lilly for 17 years. How

do you hope to bring your experience of the commercial world to bear in relation to your new role, responsible for foreign policy and trade?

There are several similarities with my previous tasks. In the past years I have not only worked for the success of Teva, but also for Hungarian products reaching more Hungarian patents and for improved investments in the pharmaceutical sector.

Since 2010, Teva has established one of the world's biggest tablet production sites in Debrecen, and one of the world's most modern sterile units in Gödöllő. This has also significantly contributed to employment and economic growth. In order to get more investment we had to convince global leaders to choose Hungary as their investment destination.

I also had to transform this huge, but occasionally inefficient firm and change the conditions of competition for our exporters. For Hungary the early and peaceful resolution of the conflict between Ukraine and Russia is of key political as well as economic importance.

What are we going to be the most

important developments affecting trade globally, and specifically for Hungary?

Hungary is one of the most open economies in Europe – the share of exported goods and services is growing and reached 95% of our GDP. Though our deep integration into world trade brings a high level of dependence on global economic developments, our foreign trade has shown remarkable resilience during the global slowdown experienced in recent years. We are running a high trade surplus amounting to some 7% of our GDP and this sector keeps making a positive contribution to our GDP growth. We hope that the economic recovery in Europe will continue and expect emerging markets to grow at a higher than average rate. We want to take advantage of both these processes and diversify our exports towards markets with a higher growth potential.

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How has the office changed since you took over?

The biggest achievement is that the office is becoming more project-based in its functioning, which means that we are searching for projects that have specific financing. We strive to get investors or help companies to market their target products abroad. We continue monitoring until projects turn into a smoothly running enterprise without any outside help.

Will the launch of the new

parliamentary term have any impact on the work of your office?

New resources for innovation will be available soon and that will certainly set things in motion. Those with creative ideas have an excellent opportunity to turn them into reality. Some HUD 100-150 billion will have to be spent from the structural funds.

What is the so-called mentor

club organized by NIH?

We now have 170 entrepreneurs under the guidance of 140 mentors. In one case the mentor has even become an angel investor in the company. Another product got a whole new (and much more marketable) look after its creators were encouraged by their mentor to take part in a design contest. The latter proves what a difference a creative environment can make.

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At the start, the office can play in the process of innovation, but also by identifying needs that require such a solution. They could then order the best product from among those manufactured. Thus we could create a large market for innovation. On the one hand, the state gains access to high-tech materials, and for the producers, in turn, will have that crucial reference that they can use to sell their items more easily globally. This is what is called ‘government incubation’ since the state provides a market for innovation, which can then be driven faster financially.

European funds will be available under the Horizon 2020 scheme, what role will they play?

There’s enormous interest in those funds. Hungarians have filed the sixth most applications for grants among the EU28, which is a higher ratio at the top of the region in this regard. Clearly not all applications will be accepted, however, the really good ones will have a second chance. Monitoring of the structural funds, so they can be implemented from domestic resources.
It isn't necessarily all doom and gloom out there...

**Business NEWS**

**RZBC TO BUILD HUF 31 BLN CITRIC ACID PLANT IN HUNGARY**

China’s RZBC group will build a HUF 31 bln ($127.7 mln) citric acid plant in Kacserbarcika (203 km northeast of Budapest, near Miskolc), government and company officials announced on September 2. The government approved a one-off HUF 1 bln ($4.1 mln) investment subsidy for the plant, while RZBC committed to employing 165 people for the next ten years, said Ministry of Foreign Affairs and Trade state secretary Péter Szijjártó. The government decided last year that the plant would be completed by the end of 2015. A Chinese-Hungarian joint venture has been established to build the plant. The government decided last year that the state’s stake would be no more than 49%.

**AGCO-GSI INAUGURATES PLANT IN HUNGARY**

GSI, part of AGCO Corporation, an American agricultural equipment manufacturer based in Duluth, Georgia, has inaugurated a HUF 670 mln ($2.7 mln) plant in Bocskicskő, near Budapest. The plant, the company’s first in Europe, will target Bulgaria, the Czech Republic, Romania, Russia, Slovakia, and Ukraine, as well as the Hungarian market. GSI Hungary managing director Jason Colwell said the plant is planned to create 125 jobs.

**CHINA BBCA BUILDING HUF 53 BLN CITRIC ACID PLANT**

China BBCA laid the cornerstone for the company’s HUF 53 bln ($218.5 mln) citric acid plant in Szolnok (120 km southeast of Budapest) on September 9, city Mayor Ferenc Stály announced. The mayor said that China BBCA would hire 440 people to work at the facility. Stály said in March that the plant would be completed by the end of 2015. A Chinese-Hungarian joint venture has been established to build the plant. The government decided last year that the state’s stake would be no more than 49%.

**DOW AGROSCIENCES OPENS HUF 600 MLN PLANT-BREEDING STATION**

Dow AgroSciences Hungary, the Hungarian unit of the American agricultural-chemical and technology company Dow AgroSciences, inaugurated a new plant-breeding station worth HUF 600 mln ($2.4 mln) in Szeged on September 2. Dow AgroSciences Hungary CEO Imre Erdélyi announced. The Hungarian unit was awarded HUF 300 mln in European Union funding for the construction. Erdélyi said that the unit would conduct R&D activities focusing on maize and sunflowers at the facility. The investment created 21 jobs, increasing the total number of employees working at the unit to more than 50.

**WING CREATES NEW PRODUCTION HALL FOR GE**

Property developer WING reported the completion of a 11,000 sqm, HUF 4.5 bln ($18.5 mln) production hall for General Electric at its East Gate Business Park in Fót, near Budapest. GE now leases 17,500 sqm, and it created more than 100 new jobs at the industrial park, WING reported. The eight-month-long construction of the unit was supported with EU funding of HUF 272 mln and financed by UniCredit Bank. GE is planning to make central control units for power plants at the site.

**GEDEON RICHTER AND U.S. FIRM MARKET NEW DRUG IN EUROPE**

Hungarian drug producer Gedeon Richter has concluded an agreement with U.S. biopharmaceutical company Palatin Technologies to develop and commercialize bremelanotide, an active ingredient in a drug designed to treat female sexual dysfunction, the Hungarian company announced. The drug will be marketed in the European Union and in a few other countries.

**MSD INAUGURATES DISTRIBUTION CENTER IN HUNGARY**

American drug maker MSD inaugurated a regional distribution center on the outskirts of Budapest on September 3. The company reported that the center was set up with the co-operation of international express delivery company UPS. MSD Pharma Hungary managing director Thomas Straunatz said the center would serve 14 countries in Central and Eastern Europe. MSD Pharma is Hungary’s fifth-biggest pharma company.

**NAVIGATION SOFTWARE FIRM ACQUIRES U.S. PEER NFUZION**

Hungarian navigation software developer NNG, which makes the iGO application, has bought U.S. peer nfuzion with the aim of expanding its profile, the company’s media agent told national news agency MTI. NNG started focusing its business on navigation solutions in 2008 and now seven of the world’s top ten carmakers use its products. The company employs more than 600 people.
Hungary Tops EU Growth for Q2

Hungary's macroeconomic landscape was dominated by a huge positive surprise when Q2 figures revealed the economy had expanded by 3.9%, year-on-year, with construction and industry the main drivers.

Indeed, the figures were so good that Economy Minister Mihály Varga was able to boast on September 3 that Hungary’s annual economic growth was the fastest among the 28 European Union member states for the quarter. While that probably says more about the on-going sluggish recovery within the Union, and among eurozone members in particular, there is no denying Hungary’s improved performance.

Varga said growth was on a healthier and more balanced track than previously, and also noted that investments were up by more than 20%. “This means we can expect investments in the future, and with them, more jobs,” state news wire MTI quoted him as saying.

GDP growth in Hungary was at its highest for eight years, right the way back to Q1 2006, the economy ministry said in a statement on the same day. Households consumption, which grew by 2.4%, also hit an eight-year high. The ministry projects growth of 3.1% for the whole of 2014.

The ministry put the growth down to “stable and dynamic growth,” the ministry reported. “Despite the high base value, the growth rate recorded in agriculture was higher than expected thanks to favorable weather conditions. Higher foreign and domestic demand in the auto industry contributed to the growth in industrial production. The performance of the service industry gradually improved over the past period, recording an overall 2.1% increase in the second quarter. More specifically, higher consumption boosted trade, favorable tourism data impacted tourism, while industrial production increased transport activities. The declining performance seen in the financial sector eased primarily thanks to the central bank’s Funding for Growth Scheme.”

The Hungarian economy has been on a consistent growth path since Q2 of 2013, the ministry noted.

Analysts, however, continue to sound a more cautious note. “I would be very happy to say we are the leading economy in the EU, but that is definitely not true,” says András Somi, Head of Research and Content at KBC Securities Hungarian Branch Office. “It has been remarkable growth, but affected by a few one-time factors, that is why we cannot expect it to continue all year. The macro environment has improved in the past quarters, but we are not out of the tunnel yet.”

Ákos Kuti, Head of Research at Equilor Investment Ltd., said the level of growth was “a pleasant surprise”, but pointed out that growth had been expected thanks in particular to two events: the ‘Funding for Growth Scheme’ through which the Hungarian National Bank makes cheap money available to banks to lend to business, and the expansion of the local units of car producers such as Audi and Mercedes.

But those boosts to the economy cannot last forever. “Current indicators suggest growth from the current point will be rather limited. We will not see a big expansion in the next one or two quarters, indeed we expect weaker growth for the second half of the year and also next year,” Kuti emphasized. “While would not mean a decline, however growth would stay in positive territory, but be more muted than the last quarter. Similarly, Erste Bank Hungary also sounded a note of caution in research it issued in late August: “After the outstanding performance expected for this year, we expect a slowdown of economic growth in the medium-term horizon.”

Apart from anything else, 2014 has been outstanding performance expected for this quarter as well, with a 5.6% growth rate recorded in agriculture, 7.2% in industry and 19.1% in the construction industry.”

“Thanks to the surprisingly strong second quarter, we have elevated our full-year average economic growth forecast to 3.3% from the previous 3.0%. However, we see upside potential to this level as we try to remain conservative because of the external risks. We still expect a slowdown in quarterly GDP development this year, due to the possible indirect negative effect of the Russian sanctions.” Its prediction for real GDP growth for 2015 is now put at 2.3%.

Equilor’s Kuti warned that growth had been expected for years and also noted that GDP growth for 2015 is now put at 2.3%.

“Whatever the figures for those in work have been on the rise for sometime, cynics have pointed out the large number of so-called ‘fostered workers’, those employed on public work schemes in order to qualify for welfare handouts, that have been included. The national economy ministry seems now to be aware of that changes. It is very hard for companies to update and keep up with all the changes, even for multinational companies to adjust.”

EMPLOYMENT UP, UNEMPLOYMENT DOWN

As might be expected, a growing economy has also seen improved figures for those in work. According to a Ministry for National Economy statement from September 4, the employment situation has continued to improve in Hungary. “In the period May-July 2014, the number of people in employment aged 15-74 years was up by 164,000, from 3,963,000 one year ago to 4,127,000. Accordingly, the employment rate improved from 51.9% to 54.3% in the same period.”

Looked at another way, the unemployment rate fell by 1.2 percentage points to 7.9%. In May-July 2014, the number of jobless people was down by 92,000 year-on-year to 354,000. The last time the unemployment rate was below 8% was in Q3 of 2008, the ministry said.

While the figures for those in work have been on the rise for sometime, cynics have pointed out the large number of so-called ‘fostered workers’, those employed on public work schemes in order to qualify for welfare handouts, that have been included. The national economy ministry seems now to be aware of that line of attack, and noted in an August 28 statement on the May-June figures that, “The vast majority of these new jobs were created within the private sector, in vie of the fact that the number of migrant workers and people employed in public work programs did not increase significantly during that time, the Ministry of National Economy’s Minister of State for the Labor Market and Training Sándor Czomba said.”

RATES HELD STEADY

Having finally brought to an end its record-breaking run of rate cutting, which stretched all the way back to August 2012 and moved the interest rate from 7% then to 2.3% in July 2014 via 24 consecutive steps, the central bank held the rate steady at that level.

“The MPC [Monetary Policy Council of the Hungarian National Bank] seems want to maintain a low interest rate environment for as long as possible,” Erste Bank noted. “Apart from their stronger commitment to stimulating economic growth, the ongoing ‘Funding for Growth Scheme’ as well as the IRS facilities provided by the CB to commercial banks could make the MPC refrain from rate hikes. However, the likely rate increases by the Fed next year, as well as the more uncertain global market environment, should eventually make tightening unavoidable in Hungary.”
BSE Making no Headway

The long fallow period the Budapest Stock Exchange has been going through for the past few years shows little sign of ending anytime soon, analysts tell VOICE.

The BSE doesn’t seem to be going anywhere,” says András Somi, Head of Research and Content at KBC Securities Hungarian Branch Office, part of the KBC, the Brussels-based Bank Assurance group. “It is finishing almost as the same level where it started the quarter. The main trend is that we do not have a trend, sadly.”

The reasons behind that are cumulative. On the back of the financial crisis, investors fled the equity markets and have been slow to return. On top of that, political issues have also affected the bourse. “The general stance of the government towards the equity and capital markets has not been investor friendly,” says Somi. And his is far from a lonely voice. Ákos Kuti is Head of Research at Equilor Investment Ltd. “In 2010 the first sector taxes were announced, which applied to telecoms, retail companies, energy companies and the banks. This changed the way investors looked at Hungarian stocks a lot. There is a significant underperformance compared to the peer group – Czech, Poland – as well as Western Europe and the United States.”

The position is little helped by the fact that by four blue chip companies dominate the BSE, and all of them face problems to a greater or lesser degree. The three with most immediate challenges are drug maker Richter Gedeon, oil and gas company MOL, and banking group OTP. All of them have exposure to Russian and/or Ukrainian markets, and thus are affected by the crisis in the latter, but each also has its own specific issues: MOL is in a protracted legal battle over its shareholding in Croat peer INA, Richter has been hit by delays in new drug releases, and OTP, like all banks in Hungary, faces the forced conversion of FX-denominated mortgage loans into HUF loans at a rate that is advantageous to the customer.

The fourth blue chip is Magyar Telekom, which has no exposure in Ukraine and is, according to some rumors denied by the company itself, a candidate for a buy-out by its parent company Deutsche Telekom. Both Kuti and Somi, however, believe this has already been priced in by the market, with little chance of a surge in stock prices.

Long-term, taking a view over a year or more, Kuti believes Richter may be the better bet. “It is working very hard to shift risks from the region by finding other markets and revenue streams. It has also just announced a deal with a U.S. partner [Palatin Technologies] to develop and market a new drug in Europe.” For Somi, however, the more immediate answer is to look beyond the big four. “One of our favorites is TVK, the petrochemical unit of MOL, which has some potential. It has a huge factory which will start production in the first half of 2015 and that will have a big impact on its profits at an EBITA level, and I do not think that has been fully priced in. There are some problems, though. It has a very low free float, with 94% owned by MOL, and only the other 6% of shares available, and institutional investors do not like that sort of ratio.”

Other potential targets mentioned by Somi include the Graphisoft business park, which might see some upside from the improved domestic economic situation, and the Danubius Hotels Group, although Russian travelers have become an increasingly important segment for Hungarian tourism, and those figures might be affected if the Ukrainian crisis continues.
Envisioning a Better Future


The keynote address was made by acclaimed Canadian futurist Riel Miller, Head of Foresight at UNESCO’s Bureau of Strategic Planning, who discussed how societies must become more flexible and much less afraid of risk to overcome what he called the “poverty of the imagination that stands in the way of grasping the creativity of the present.” In a nutshell, we cannot achieve the best we are trained to try to bend the future to our present perspectives. “We have a colonialist vision of the future. We allow ourselves to be dominated by closed, anti-death thinking, that impoverishes us. [ ...] Systems for experimentation have been very weak.” Miller believes we have to “understand anticipatory systems” much better and adapt our “capacity to rethink what is emerging in the present.” We also need to reflect on where we are, and learn that “risk carries ‘reward’, that there is no ‘failure’ if we treat failure as a teaching tool. “Crisis is essential,” he says, “crisis is feedback, in the same way death is essential.”

At times it all seemed a little esoteric. Miller talked of murmurations, of heterarchy, and of anticipatory systems (see box below). And there were clearly areas where he and his roundtable guests were bound not to be in perfect agreement. Hétenyi posed the provocative question of what part government would play in a murmuration-like economy. Turóczy, the deputy state secretary, was unsurprisingly keen to talk it up. “From a theory point of view, from an economic policy point of view, the role of government is to intervene where the market fails. I am skeptical there will be no failures. If the system fails, there is a legitimate role for government to play. How to intervene? It is quite difficult to intervene in a murmuration. But the system must be somewhat more complex than pure murmuration. Birds are homogenous, society is not.”

Miller’s speech was followed by a roundtable conversation moderated by Mark Hétenyi, European Finance VP at Flextronics and an AmCham board member, in which the futurist was joined by Joerg Bauer, President of National Economy, Ferenc Pongrácz, from the Ministry of National Economy, and László Turóczy, deputy state secretary for competitiveness at the Ministry of National Economy.

The purpose of looking at the future, Miller argued that universities should teach about the future, specifically a new ‘science’ of futures.

“Smart government can make the system more effective and efficient for us all. Distribution of creativity is not even; where liquidity is not there, government has to intervene.” Miller is far from an anarchist, however. What he sees is the potential for a more creative society, and one that values all members of society better, if we only look at the way we organize ourselves differently. "We have always organized the way we live for work: the forest for hunting, the field for farming, the city for factories. What if we organized our work for life; what would that look like?" he had asked earlier. Pointing out that there is no ‘chief starling’ in a murmuration, and the algorithm for creating one on a computer is relatively straightforward, he implied there is still much for us to learn by looking again, and from a different view point, at nature.
Moving to a new Model of Education

Reflecting the educate.innovate slogan for AmCham’s 25th anniversary year, a number of educationalists were invited by the chamber to attend the launch of the Visionary Series. Here two of those guests, Prof. Dr. József K. Tar from the Institute of Applied Mathematics in the John von Neumann Faculty of Informatics at Öbuda University, and Dr. Tibor Dóry, director and associate professor at the Knowledge Management Center of Széchenyi István University, reflect on some of the ideas presented by Riel Miller.

Riel Miller speaks a lot about the need for systems, processes, and people, to become less afraid of failure, rather to embrace it as feedback. Universities are not always seen as the most adventurous institutions; is this a step they can take, and should they?

TD: Entrepreneurship education and experience learning courses could prepare students and young graduates for real life failures. It is better that failure happens in a controlled environment and students learn from it than trying to protect them from it and delaying their experience of failure to a time when they cannot cope with it.

JT: I am convinced that Riel Miller is absolutely right. I am also convinced that this question cannot be tackled at the restricted and narrow level of economy or at the level of universities. I think that in general it is a question of the cultural level of the whole society. As normally nothing can be obtained “absolutely free of charge or expenses”, for such feedback somebody somehow has to pay. The details depend on the model of the society as a whole. I believe that two typical extreme models can be considered from this point of view:

1) The ‘We are living in the wilderness!’ society model: This is typical for poor societies. We always believe that we have only a single “bullet”: if we waste it we cannot survive, no one will help us. In such societies the benefit of the feedback may be for everybody but its price is paid by the single entity (person or company) that actually failed. The low level of solidarity...
makes this price too high, even fatal. Such structures culturally refuse to consider failure as a feedback. They rather consider it as a rightful punishment.

2) The 'Society as a living organisms' model. In this model solidarity is at high level, the persons working for the failed companies can survive and join prospering organizations or establish new one. In this society the price of the feedback is distributed between the players and does not seem to be critical or fatal. I think that on a longer time-scale only such constructions will prosper or thrive. Our environment is so complex that no one can surely avoid failure. Such distribution of expenses is of vital significance.

Regarding the status of the universities I believe that their present position is very far from their original destination. The reason of this 'shift' is technology development. The original mission of universities was the production of ideas (i.e. neither direct profit nor skills for directly producing profit) to understand our place under the Sun. 'Science' and dealing with science naturally belonged to this effort.

As 'science' step by step became part of the industrial production and economy, this mission latent was modified. At the time being universities have the duties as follows:

1) Take part in the "mass production" of "industrialists" i.e. students at BSc level. Acquiring this level seems to be the minimum for finding a job. These students are trained for the implementation of various algorithms without the need for the ability of higher-level abstraction.

2) The M.Sc. and rather the Ph.D. level of education is needed for a narrower circle the members of which are able to actually conduct R&D activities at the companies. Conducting such educational activities also assumes some R&D activities on behalf of the universities.

3) Since a considerable part of R&D is conducted at private companies the scientific results also remain private property and are not shared with the R&D activities at the universities. This fact has some effect on financing the universities, or more precisely, on financing their various activities.

I think that the present system of financing the R&D activities of the universities makes them organizations that are not seen as the most adventurous institutions. Any research or development means dealing with issues that presently seem to be "obscure", we struggle with problems in which we are in lack of any "well matured expertise". The conditions of such financing contracts seem to be rather rigid and inappropriate to take such risks. (Imagine Christopher Columbus had to sign a contract in which the detailed geography and ethnography of the territory to be discovered is preciously prescribed. If he fails in meeting these requirements and discovers something else he has to pay the money back!).

So I think that the universities should take this step, however, the key of the success is the financing system that does not uniquely depend on the universities.

The rector of the University of Pannonia, told the seminar "Traditional universities will disappear". What do you think university education will look like in 25 years' time? Will it still be primarily regarded? How will curricula be structured in the future, and by whom?

TD: Universities should provide students with numerous co-curricular courses (e.g. elective entrepreneurship classes, company project seminars, soft skills training) that could serve experience learning. Also, supporting student initiatives such as Formula Student teams, organization of business plan competitions, and 'hackathons' would serve the creative spirit of students, and they would be prepared for competition in the labor market.

JE: I cannot foresee the future, however I think that at the different 'mission levels' different situations will be found.

1) At the level needing low abilities for abstraction and large volume of 'lexical knowledge' (i.e. at the B.Sc level), Internet-based education will dominate. Such education does not demand too much personal contact between the student and the teacher. The curriculum can be developed accordingly, even with the teachers having little contact with the students.

2) I hope that in the M.Sc. level in which the essence is the human contact between the teacher and the student the 'traditional format' will survive in a small segment. Such form of education does not need too much money in a small volume. I'm not sure whether a complete 'life in the campus' is necessary, but some freedom surely is needed for both the teachers and the students.

3) I think that the Ph.D. level education presently suffers from overregulation that should be released for obtaining higher intellectual freedom.

4) Depending on the structure of financing, R&D at university level may remain as 'rigid' as nowadays it is.

We talk about medicine becoming increasingly tailored to individual patients. Might something similar happen with education?

TD: Tailored education somehow contracts the mass (state) higher education concept we confront nowadays. Certainly it would be great, but we would need a tremendous amount of money that even the richest cannot afford.

JE: Yes, I think it should happen at M.Sc. and Ph.D. level.

What primary role will tertiary education serve: turning out well-rounded human beings, or a suitable work force?

TD: Nowadays, tertiary education is focusing on well-trained employees, who could be seen as 'disciplined soldiers'. However, the longer-term forecasts suggest that self-employment will and should be drastically increased, as jobs offered by multinationals and large companies disappear. In this sense, higher education should focus much more on the educational needs of the self-employed, which is pretty different from the traditional training.

JE: I think that both aims are important.

Together with the expectation that only the small segment of the population will have actual jobs "turning out well-rounded human beings" in the sense that they obtain a cultural level at which the "limited significance in the economy" can be endured will become more and more significant.

The chamber has in recent years placed a priority focus on doing its bit to bring the future a little closer, paying particular attention to education and innovation (here we look at some of that work).

Corporate Governance Workshops

The Governance & Transparency (G&T) Committee launched a Workshop series nine years ago to help bolster dialogue between the business and Hungarian academic communities. Annual workshops focus on corporate governance and business integrity issues.

'Board Simulation' Roadshow

A role play case presentation of a fictional stock exchange listed board meeting where six or more G&T Committee members demonstrate the business implications of corporate governance issues. Students watch a typical board meeting enacted. Sensitive issues and difficult decisions are discussed. Originally created three years ago as a proposed teaching tool for local universities.

Corporate Governance Grant Programs

The Grant Programs (HUf 5 million of funds altogether) provided financial support to professors in Hungarian colleges, business schools and universities who introduce new or further develop existing courses devoted – partly or fully – to the topics of corporate governance and ethics.

'Start Your Business' Roadshow

Sessions at university campuses structured to inspire students through stories of real Hungarian entrepreneurs and then follow-uppartner organizations where the students‘ first steps towards entrepreneurship can be plotted with the help of legal, financial and HR experts.

Entrepreneurship Summit Series

Aims to bridge the gap between being passionate about a potential business venture and making it a reality by educating and inspiring young professionals. Each summit lays the groundwork for young professionals by stimulating ideas and honing skills through business development workshops, case studies and keynote speakers.

AmCham Foreign Language Learning Initiative

The main goal is to promote the importance of foreign language learning to high school students, since we believe language skills are a key factor to economic success. The initiative has thus far reached 125 high schools and involved 150 Language Ambassadors from 53 different companies, who gave a combined 285 lectures. The program received the
The Rebirth of Gozsdu Courtyard

Ruins of wooden houses survived in the inner city housing blocks in Pest, and are still visible. Many come with a sign 'apartments for sale'. (Apparently there was a real estate bubble.)

The passageway between the two streets had apartments on the top floors and originally was a high school for fast-track communist children. And they are great magnets for expats of all ages. Gozsdu udrvar is large, chaotic, funny and spectacular. While city planners dreamed of erecting iconic buildings, designed by Zaha Hadid and the like (her project was stopped by the crisis of 2009-2012), this gradual development has provided bigger leverage for Budapest tourism than any new building could have.

A Crash Course in Ruin Pubs and Roof Bars

What are they?

Ruin pubs originally appeared in unused inner city housing blocks in Pest, and are still using original rooms, but with new touches. Young business people rented the garden area or yard on a short-term basis, and they proved to be an instant success. Visithungary travel summarized requirements for setting up such an establishment thus: “Search for an old building in downtown Pest, rent the cellar and the ground floor, do not renovate anything, invite some contemporary artists and designers, recreate the atmosphere of the ‘70s, build a bar and serve some drinks, invite a band and open until the morning comes.” The Hungarian name is ‘hurokkontor’ (literally ruin pub). They became ever more popular, and the proliferation soon led to a form of quasi snobbery. One was supposed to know about the latest openings, and almost everyone went to ruin pubs. They became ever more visible and popular since then.

The most spectacular places in Gozsdu udrvar in 2014 are Kókusz and Gólya. A large and interesting recent newcomer is called Biddő Bistroet, in Nagymező utca 3, opposite the Cápajátszó Center.

Ruin Pubs: a Sub-Species

If you are in Budapest, it’s a great idea to start early, before dawn, in one of the ruin pubs local to roopohf, and enjoy the site of the urban jungle and of the sunrise from there. The very first of the species popped up on top of the otca elegant Corvin Department Store in 2008. It was revamped in 2013. It is large, trendy and centrally located, everyone knows it. Tip ‘Top Bar’, on the contrary, is much smaller, and opened in 2013. It is accessible from a ruin pub downstairs, called Kozhely (a pun, meaning both “public place” and “commonspace”). The whole building is cross of a ruin pub and chic rentable office place. There is a wonderful view from the top: the spires of nearby University Church, even the chain of the National Museum – not to speak of Buda. Here, as in all ruin pubs, you are supposed to pay after every drink.

The Rebirth of Gozsdu Courtyard

The longest and most complex arcade in Budapest is 240 meters long, it connects Dob utca 16 and Király utca 13. It consists of courtyards and seven attached buildings. The passageway between the two streets had apartments on the top floors and originally 45 small shops and workshops on the ground floor. The arcade bears the name of wealthy lawyer Ennémul Graf (Gyödő Manó in the Hungarianized form of the name.) He died in 1870, at the age of 68, and left his fortune to his foundation to support the studies of Hungarian-born students in the Austria-Hungarian Monarchy. During Communist times the courtyard was made into social housing, and was neglected, as all other communally owned buildings. A foreign developer had renovated it by 2007, but for a long time it seemed to be a failure, until in 2012-13 it gradually came to life, as one pub opened after another. There are about 20 cafés, restaurants and pubs – and many ‘apartments for sale’ signs. (Apparently the more pleasant it is to live, the less attractive it is to live there.)

A Budapest Paradox

The decline of the so-called old Jewish District (inhabited by few Jewish Hungarians since the terrible events of 1944-45) is a direct consequence of the apparently too-quick privatization of the Budapest housing stock in 1991-92. The blocks would have to be renovated first, privatized later. The new landlords were supposed owners of a sort, they were unable to maintain and renovate the buildings they had their property in. Developers came and bought the old, decaying blocks from the owners then razed the buildings (often two or three decaying ones) and erected some low-quality new building that neither fitted the quarter, nor even the street line. So it is obvious that a highly negative tendency in Budapest – unstoppable decay, and a lack of funds in the public sphere – contributed to creating a unique symbiosis of the old and new: the genre of ruin pubs, an uniquely Budapest experience. And the names are very funny, often with hidden meanings.

A Ground

Lifestyle

András Török’s budAPEst

American Chamber of Commerce in Hungary

Tip ‘Top Bar’

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Positive Impact

The challenges of coping with rapidly changing technologies, data protection issues and maintaining an ethical approach, all while continuing to drive growth and helping nations develop through infrastructural investment, were among areas covered by Telenor Group President and CEO Jon Fredrik Baksaas when he became the latest Global Leader on the AmCham Podium on September 10.

A
nd the timing was apposite, as Baksaas was in the country to celebrate 20 years since Telenor started operations in Hungary with what was then called Pannon GSM. It was also Telenor’s first business venture outside Norway, a step that would lead to today, where it is directly present in 13 markets, and represented in another 17 through its ownership of VimpelCom Ltd. Increasingly, as it moves into previously underfunded countries like Bangladesh, or Myanmar (formerly Burma), the telecom sector can play an important role in laying down infrastructure that allows people to connect with distant family members, most obviously, but also access to health advice, to education, and, yes, to entertainment. But it was the human connections Baksaas was keen to emphasize. “The engagement which this industry creates, is so beautiful. In short, we impact society, and of course it is our ambition to do that in a positive way.”

This was telecommunications presented in its best light. “This industry is full of challenges but also opportunities. If we believe that connectivity drives better options for people, particularly in modern development, then our industry drives the positives,” Baksaas said. Much of that focus is on the less developed world, but there is plenty to be done here, too. The group president made the point that, for years, Europeans mocked U.S. mobile phone services for being outdated and unwieldy. That is no longer the case. “Today the United States has a well developed national network for 4G services driven by regulation in such a way that players in the market have invested enormously.” The European response had been national, rather than continental, fragmented, and non-holistic. As a result Europe has fallen behind, Baksaas said.

“Development comes in stages, and the next is 4G. If a government really wanted it rolled out quickly it would use incentives. In Hungary it has been more concerned with using the sector as a taxation source rather than to drive development.”

Telenor has long had a reputation for being an ethical player, and applying the same ethics wherever it operates, as far as the local laws allow. “We hope we have stumbled upon child labor, security
issues.” Countries like Myanmar are on a journey, however, not everything will be perfect from day one, and companies like Telenor can help, the president believes. There was much talk about data security and privacy issues, areas that affect us all, wherever in the world we live, in myriad ways. Baksaas illustrated the point with using the sector as a taxation source rather than to drive development.

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Telenor dealt with requests from the government of Pakistan will shut down mobile services because they can be used to create big groups of people in a very short time. If that happens, we are ordered to shut down in certain areas. We do not like it, but we have to because of the local laws.”

Another questioner wondered how hard it was to convince authoritarian regimes to accept more transparent methods.

“Opening the door is not a problem. Myanmar was particularly concerned about reaching global standards. The problems usually come after a few years, when you get a change in government, then you can reach points where it is no longer as clear as before. Then we have to be ready to present out point of view, we have to be firm in creating an industrial position.”
Become a Disability-friendly Workplace!

Each year, the Ministry of Human Capacities, the American Chamber of Commerce in Hungary, the EFQM Hungarian Partner and the Salva Vita Foundation award the Disability-friendly Workplace title to successful applicant companies. Since 2010, nearly 50 workplaces have obtained the title.

Such recognition brings prestige, pride and commitment to any organization and fits well with corporate CSR practices. In addition to the title, companies receive the right to use the Disability-friendly Workplace logo in their internal and external communications (such as websites, leaflets, advertisements, reports, etc.). Using the logo not only signifies that the employer is ready to work with disabled individuals, but also that they are committed to equal opportunities.

The Salva Vita Foundation introduced the award to help physically and mentally challenged job-seekers find employers who are open to them. Any workplace from the open job market can compete for the award, including public and private sector organizations, SMEs and multi-national corporations. The competition criteria are easily adaptable to the company’s capabilities, and large investments are not required. Instead, recognition comes from continuous progress: Participants need to invest in improvements that facilitate equal opportunity treatment. These can be special training for executives where they learn how to work with a disabled colleague, the creation of an obstruction-free communications environment for hearing impaired or mentally challenged colleagues (e.g.: having a sign language interpreter present for job interviews), implementing safeguards for the retention of employees should they become disabled in an accident or even advertising vacant positions on job portals for disabled persons.

In short, the title is an important indicator to both disabled and non-disabled workers alike: It is a statement that their workplace appreciates them and cares for their well-being. It helps build trust and a positive atmosphere.

The Salva Vita Foundation is happy to give information regarding the recruitment and employment of handicapped individuals or the competition itself. See more details on: www.fbm.hu
AmCham News

Jubilee Thanksgiving Charity Drive

The AmCham Foundation, like the chamber itself, is celebrating its 25th anniversary and has launched its Jubilee Thanksgiving Charity Drive with, as ever, the purpose being to help handicapped children living in poverty anywhere in Hungary.

With the 2014 tender, ACF would like to give support in three categories:

**When I’m 25:**
1. I will be healthy! Promoting healthy lifestyles, and physical and mental health (e.g., health education, improving the quality of life, promoting physical and mental well-being through sports, education, work therapy, healing or rehabilitation, healthy eating, etc.)
2. I will speak your language, I will have a profession! Supporting children’s education and development, and promoting career choices (for example, language learning, language labs, talent management, training, actively assisting disadvantaged communities, providing opportunities for free time activities, social work and development, etc.)
3. I will be an artist! Talent search and management in a variety of artistic activities by promotion, and offering instruction at anything from beginner to proficient level (e.g., courses, workshops in a variety of art forms, assisting disadvantaged communities, by addressing some artistic activities, etc.).

An external expert committee (including a teacher, a foundation manager, a sociologist, and an AmCham volunteer) will evaluate the tenders in mid-September. On the basis of their recommendation, the AmCham Foundation’s Advisory Board – in accordance with the Board of AmCham – will select the institutions to be supported.

Please keep checking your mailbox for any updates concerning the tender’s progress.

Furthermore, we would cordially like to ask members of AmCham to give these disenfranchised but talented kids, who may not be able to keep up with their peers due to a limiting social situation, a chance through their financial support.

We are kindly asking for your generous support in this matter.
Dare to Dream About HR
by DAVID MARK ARNOLD

The second AmCham HR Dream Day, a workshop initiated by the HR committee on the business impact of human resources, was held at the Google Ground on May 21. The chamber partnered with Assessment Systems, Flextronics, AON Hewitt, Oracle, Arthur Hunt and 10 Minute HR with the aim of developing the role of HR professionals in the workplace.

Dr. Tomas Chamorro-Premuzic, a professor of Business Psychology at University College London, gave the keynote speech in an intriguing lecture entitled, ‘ROI in HR and the Digital World’. He talked at length about the future of talent identification using digital resources. A person’s Facebook profile, for example, can reveal many useful details about their personality, interests, political affiliations, and even intelligence.

If this resource were expanded and the data compiled into a prospective employers’ database, a whole new method of searching and hiring new employees could occur. Chamorro-Premuzic also pointed out that while people may take issue with companies using public information for their gain, Internet users continue to put ever more data into the public forum. The pool of analyzable data continues to grow considerably over time, with no indication of it slowing or halting in the near future, he said.

The next speaker was Csaba Fehér, of Oracle, who focused on the presence and influence of HR in any given company. Fehér emphasized who focused on the presence and influence of HR in any given company. Fehér emphasized the importance of the marriage of HR techniques and technological advancement. He also spoke of the significance of a company’s relationship to its employees, highlighting that employees should receive as much care and consideration from a company as any of its customers. He also elaborated on how to retain good employees as much care and consideration from a company as any of its customers. He also elaborated on how to retain good employees and who can have a viable market share, as long as there is a relevant customer base that sustains it.

Zsolt Fehér, of Assessment Systems, further debated the differences between the corporate level and HR employees using straightforward questions such as who is more pessimistic, and do you have a personal or corporate policy to measure HR success? Fehér demonstrated a clear division that exists between the corporate level and HR, and possibly evidence of a lack of comprehension of function or respect between the respective units.

Lunch in the garden of Google Ground led directly into a panel discussion on expectations of HR by CEOs. This segment contained input from Aafah Ahmed (City), Tibor Czako (Flextronics), Edina Heal (Google), Péter Sipos (Luthansa), and Matthias Stickler (Otto), and was moderated by Ann Hewitt’s Eva Virág. All those speaking agreed that HR professionals need the strength and courage to stand up for themselves, but while Ahmed declared that HR should be a corporate partner, Sipos also petitioned HR to sometimes allow CEOs to say no!

After the discussion, the CEOs broke everyone into four groups, each focusing on a different theme: Defining HR Strategy; ‘Assessing Measurability of Project Efficiency’; Defining the HR Department as a Profit Center; Instead of a ‘Cost Center’; and ‘Visibility and Tools of the HR Department’.

Besides the expected associations with HR – namely, recruiting/hiring, performance management, and HR strategy – many now also understood HR to be an important strategy and business partner.

During a break in lectures, workshop participants had a unique opportunity to take part in ‘HR Speed Dating’. The idea was to rapidly share ideas and create connections by sitting down at one of the three booths with representatives from Aon Hewitt, Assessment Systems, and Oracle. In just a few minutes both parties had a chance to quickly become acquainted with each other and their goals and if their priorities matched a follow up meeting could be scheduled right on the spot.

After the break, Gergely Toth, of Interactive Advertising Bureau, urged HR managers to heed the importance of Hungarian companies keeping up with technology and innovation. He pointed out that the market is changing dramatically, citing online craft bee distributor Beerjobber, which caters to a wide variety of beer tastes and preferences by allowing customers to select options from many different locations. Any product can now have a visible market share, as long as there is a relevant customer base that sustains it.

Launched this year, the Executive Committee (ExCo) of ACE will issue an annual tender open to all member chambers. Participating AmChams will be able to present projects without limitation, but under the assumption that national organizational changes could benefit from introducing the same project at their own chamber. Proposals must include a short description of the project and an executive summary describing its purpose, the greatest benefits for any national chamber picking up the project, any challenges of which AmChams should be aware, target audience, funding sources and overall budget, and a detailed plan of how to introduce and manage the project.

“AmChams in Europe is a remarkable network,” says Ajša Vodnik, ACE Ex-Co member, executive director of AmCham Slovenia, and one of the people behind the creative network idea. “Within AmChams in respective countries, great projects and initiatives are implemented and I believe that this kind of reward will further encourage chambers to present in a structured way projects that are already in progress nationally and which can be transferred to and applied by the majority of other chambers in the network. This is another opportunity for us to share best practices and create platforms that spark new ideas and benefits for our members all over the Europe,” she adds.

TENDER SCHEDULE
ExCo will invite bids in January of each year. The deadline for submitting projects will be the end of May, with the Committee evaluating all bids and selecting three for the short list over the summer. At the fall Best Practices meeting the three short-listed bids will be presented at a so-called ‘Creative Network Session’. An essential part of the bidding process is therefore the presentation of the project, as each of the top three will be given a 15-minute presentation slot. Voting will take place at the board meeting during the autumn session, with the winner announced at the same meeting. Having won the tender, the winning chamber should be willing to devote 10-12 hours annually to help other AmChams to develop similar programs or ideas.

In 2014 the tender deadlines have been slightly modified to allow for the fact that it is only just being introduced, although the first winner will still be announced at the fall meeting. The winning Chamber will receive an award of €2,500 and a crystal trophy.
New Members On Board

CORPORATE

AXN Central Europe / Sony Pictures Television

General Manager: John Rossiter
Address: 1062 Budapest, Teréz körút 55-57.
Phone: +36 1 376-2888
E-mail: HU_AXN_Reception@spe.sony.com
Web: www.axn.com

Sony Pictures Television, a Sony Pictures Entertainment company, is one of the television industry's leading content providers. It produces and distributes programming in every genre, around the world and for a multitude of platforms. SPT's worldwide television networks portfolio includes 126 channel feeds available in 168 countries, reaching more than 980 million cumulative households worldwide. SPT Networks’ worldwide television networks portfolio includes highly successful brands such as AXN, AXN Black, AXN White, AXN Spin and AXN HD.

iCentre

Finance Manager: Péter Gyerkes
Address: 1038 Budapest, Bécsi út 77-79.
Phone: +36 1 449-5523
E-mail: info@icentre.hu
Web: www.icentre.hu

iCentre is the first Premium Apple Reseller and Service Provider in Hungary. We serve our clients in three stores and in a Premium Service. The Centre Apple Premium Reseller's expert team is dedicated to help customers to choose the best solution for their needs in a professional way of thinking and a system-oriented approach and are used by a large scale of partners including SMEs and large enterprises.

RAiffeisen Bank Zrt.

CEOs: Heinz Wiedner
Address: 1054 Budapest, Akadémia u. 6.
Phone: +36 1 475-1130
E-mail: info@raiffeisen.hu
Web: www.raiffeisen.hu

Founded in 1986, Raiffeisen Bank Zrt. is one of the largest banks within the 18-unit network of the Austrian Raiffeisen Bank International AG. Raiffeisen Bank Zrt., as a universal bank, offers a wide range of both asset- and liability side products to large, medium-sized and small corporate clients as well as to private individual clients. For further information please visit our web-page at www.raiffeisen.hu or contact us at 0036404848484.

BUSINESS

Celgene Kft.

Country Manager: Martin Kwakkelstein
Phone: +36 1 475-1130
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Web: www.celgene.com

Celgene is a global biopharmaceutical company committed to improving the lives of patients worldwide. At Celgene, we seek to deliver truly innovative and life-changing treatments for our patients.

Jones Lang LaSalle Kft.

Managing Director: Ferenc Furulyás
Address: 1064 Budapest, Steinbach tér 14.
Phone: +36 1 489-0202
E-mail: budapest@eu.jll.com
Web: www.jll.hu

JLL is a financial and professional services firm specializing in commercial real estate services and investment management. We create value for companies and institutions that invested in and use real estate. Our 48,000 people work across 1000 locations in 70 countries to serve the global, regional and local needs of corporates, investors and developers.

ALLWIN Informatika kft.

CEO: Dániel Szilárd
Address: 1111 Budapest, Zenta u. 1.
Phone: +36 21 255-9468
E-mail: info@allwin.hu
Web: www.allwin.hu/en

ALLWIN Informatika is a dynamic developing software development company with 20 employees. Our main activities are bespoke software development, ERP system and CMS portal development. Our solutions reflect an engineering way of thinking and a system-oriented approach and are used by a large scale of partners including SMEs and large enterprises.

Kálman Tamás

CEO: Ottó Magera
Address: 1138 Budapest, Madarász Viktor u. 47-49.
Phone: +36 1 475-5000
E-mail: kapcsolat-hun@holcim.com
Web: www.holcim.hu

Holcim Magyarország Kft. is a member of Holcim Group. Holcim is one of the world’s leading suppliers of cement and aggregates (crushed stone, sand and gravel). We also supply ready-mix concrete and asphalt, and provide related services.

Managing Director: Dániel Szöllősi
Address: 1111 Budapest, Zenta u. 1.
Phone: +36 21 255-9468
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Web: www.allwin.hu/en

Kálman Tamás

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Phone: +36 70 32 07061
E-mail: kalmantamas@uzleticoaching.eu
Web: www.uzleticoaching.eu

My name is Tamás Kálmán. I am the module leader of the International Business School (IBS), teach at the Budapest College of Communication and Business (BCK), and I am also active as a business coach. I have been working for Hungarian and multinational companies in the last 10 years. I can help you to increase your performance, spend more time with your loved ones, find balance in your life and avoid burn-out.

AmCham News
The Municipality of Hajdúböszörmény

Mayor: Attila Kiss
Address: 4220 Hajdúböszörmény, Bocskai tér 1.
Phone: +36 30 339-3310
E-mail: polgarmester@hajduboszormeny.hu
Web: www.hajduboszormeny.hu

The Municipality of Hajdúböszörmény provides for manufacturing companies - free of charge industrial plot over 50 jobs - 25,000 job seekers in 20 kms and - a dedicated vice mayor, smoothing your investment’s implementation and operation in the town. For more details visit: www.m35businesspark.hu

Uniquely in Central Europe, Flow Aviation provides high-level and cost effective private air transportation services. Our main goal is to offer flexible and tailor made aviation services to corporate, governmental and private customers at an affordable price. Our stable financial background is ensured by our main shareholder Euroventures.

Chestnut Global Partners Central Europe (CGPCE) is a leader in the design and delivery of employee assistance, work-life, wellness and related support services. We are providing EAP programs to multinational and local companies in Hungary, Romania, Poland, Bulgaria, Serbia, Croatia, Czech and Slovakia. Our CEE headquarters is in Budapest, our branch offices are located in Warsaw and Bucharest.

Inzelt Law Firm

Attorney: dr. András Inzelt
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Inzelt Law Firm is a client oriented law office, that provides legal services for both local and international clients. The office is specialized in all aspects of commercial law, but in cooperation with our partner law firms we are always able to deliver the best legal solution for any kind of upcoming legal problem. The office is the member of Péter & Gondos and Partners Lawyers’ Association.

JOIN US TODAY

For information visit our website at www.amcham.hu or contact our Membership Manager, Ms. Ilona Tobola-Barabas in the AmCham Office. Phone: 462-5044, Email: ilona.tobola-barabas@amcham.hu

WHISTLEBLOWER

Employee or other contracted party who reports illegal activities going on inside the company.

How can you increase corporate compliance and transparency?

We are honoured to host the following keynote speakers at the event, to be followed by two expert roundtables:

- Dr. László Trócsányi, Minister of Justice (invited)
- Tanya H. Lee, Partner, BCL Piper Global Law Firm, Global Chair, Cross Border Litigation, Managing Partner, Northern Virginia Office.
- Anna Myers, Incentive Coordinator, Whistleblowing International Network, London, United Kingdom.

Date: Monday, 29 September, 2014
Time: 08.30-13.30
Location: Budapest Marriott Hotel, 1052 Budapest, Apáczai Csere János u. 4.

To register and for more info please send an email to anita.arval@amcham.hu.

 american chamber of commerce in hungary

VOICE

CEOs

Priscilla Várnagy, Hungary Kft. be-novative
CEO
Address: 9700 Szombathely, Belsikátor 3.
Phone: +36 20 561-9026
E-mail: info@be-novative.com
Web: www.be-novative.com

Re-novative is a young, dynamic company, which develops its unique software: be-novative. With be-novative, companies can motivate their employees to share and implement their creative development ideas and look for answers to the most important challenges, questions, problems that the company is facing. be-novative enables companies to find hidden talents and motivated employees and to build visionary organizations, where continuous innovation is the core element of the organization.

CEO: Anita Tompa, Jutka Süle
Address: 1026 Budapest, Gárdonyi Géza ut 57.
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Web: www.chestnutceu.com

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Web: www.flowaviation.com

Uniquely in Central Europe, Flow Aviation provides high-level and cost effective private air transportation services. Our main goal is to offer flexible and tailor made aviation services to corporate, governmental and private customers at an affordable price. Our stable financial background is ensured by our main shareholder Euroventures.

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AMCHAM INDEPENDENCE DAY FAMILY CELEBRATION 2014
Sunday, July 06, 2014
Location: Gundel Restaurant, Budapest

AMCHAM MINI MORNING SEMINAR ON HOT HUNGARIAN COMPETITION LAW ISSUES IN A EUROPEAN CONTEXT.
Wednesday, June 11, 2014
Location: AmCham Conference Room

AMCHAM CAREER SCHOOL WITH ANDREA KÖVÁGO-LAKY, MANAGING DIRECTOR, FORD KÖZÉP-ÉS KELET-EURÓPAI ÉRTÉKESÍTŐ KFT.
Tuesday, June 10, 2014
Location: AmCham Conference Room

MA ÉPÍTENI A JÖVŐT: PRAKTIKUS TANÁCSOK KIS- ÉS KÖZÉPVÁLLAL- KOZÁSOKNÁK: ERP - CÉGES HÁLÓZATOK – „HOMO NETWORKIENSIS”
Friday, May 23, 2014
Location: KoWerk Office
AMCHAM HR DREAM DAY: SECOND WORKSHOP ON THE BUSINESS IMPACT OF HR

Wednesday, May 21, 2014
Location: Google Ground

László Szepkút, Chairman, HR Committee of AmCham Hungary

Aftab Ahmed, Country managing director, Citi and Edina Heál, Country manager, Google

AMCHAM COMMUNICATIONS SCHOOL WITH SZabolcs Ferenc, SVP Corporate Affairs, MOL Group & Bence Gáspár, Head of Media Communications Department, OTP Bank

Monday, May 12, 2014
Location: AmCham Conference Room

EXTRAORDINARY IT COMMITTEE MEETING WITH CHRIS MATTHESEN, CEO, MÁGYAR TELEKOM

Monday, May 12, 2014
Location: AmCham Conference Room

START YOUR BUSINESS EVENT AT THE UNIVERSITY OF GÖDÖLLO

May 5, 2014
Location: University of Gödöllő

Előd Solti, SYB program coordinator and Dániel Rátai, founder of Leona3do

OPEN CAREER SCHOOL EVENT WITH RÓBERT ALFÖLDI, FORMER DIRECTOR OF THE NATIONAL THEATRE

Tuesday, April 22, 2014
Location: AmCham Conference Room

AMCHAM COMMUNICATIONS SCHOOL WITH PÉTER UJ, CHIEF EDITOR, 444.HU AND GÁBOR KARDOS, CEO, 444.HU

Monday, May 5, 2014
Location: AmCham Conference Room
**Budapest Marriott Hotel**

**FIELD OF BUSINESS**: Hospitality

**WHEN ESTABLISHED (PARENT COMPANY AND HUNGARIAN COMPANY)**: Marriott International was founded in 1927; the Budapest Marriott Hotel was established in 1992 and officially reopened in 1994 after a large refurbishment.

**WORKFORCE**: Marriott International: 146,000 Associates, Marriott Hungary (Marriott, Courtyard and Marriott Executive Apartments): 276 Associates

**BIOGRAPHICAL DETAILS OF INTERVIEWEE**: Rick Enders, 45, General Manager (26 years with Marriott International)

**HOW LONG HAS THE COMPANY HAS BEEN AN AMCHAM MEMBER?** From August 13, 1994

**SINCE WHEN HAS IT BEEN AN AMCHAM PATRON?** Since November 1, 2012

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**How would you describe the current business environment in Hungary?**

It has become much easier over the years, especially since Hungary is now part of the European Union.

**What are the greatest challenges in doing business in Hungary right now?**

Finding the right talent: many talented candidates are leaving the country to gain international experience and not that many are coming back from a financial perspective.

**What one thing would you like to see changed above all others to improve the business environment?**

Further putting Budapest on the world map as being a great destination for incentive groups, corporate groups and leisure and, in addition to this, to have more international long-haul carriers flying into Budapest.

**Why is it important to belong to an organization such as AMCHAM?**

Getting additional information on what is happening within the country, meeting interesting people who are invited by the chamber, attending seminars that are tailor made to the industry.

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**Coca-Cola HBC Hungary Ltd.**

**FIELD OF BUSINESS**: Beverages

**WHEN ESTABLISHED (PARENT COMPANY AND HUNGARIAN COMPANY)**: Since 1886 in the United States, since 1968 in Hungary

**HUNGARIAN OPERATION WORKFORCE**: 1,150

**BIographies DETAILS OF INTERVIEWEE**: Minas Agelidis, 45, general manager (15 years with the company)

**LENGTH OF TIME THE COMPANY HAS BEEN AN AMCHAM MEMBER**: Since 1994

**LENGTH OF TIME AN AMCHAM PATRON**: Since 2006

**How would you describe the current business environment in Hungary?**

Countries and companies have become more interconnected and interdependent than ever before. Trade barriers have been broken down, capital and know-how can move freely and fast, bringing never before-seen opportunities and competition to Hungary. The challenges experienced by European markets have also brought about significant changes, causing a decrease in domestic consumption in almost all EU countries and impacting our industry as well. Although we see some good signs (e.g. consumption is on the rise), recovery from recession will take some more years. It will take a lot of cooperation to strengthen Hungary’s competitiveness, so continuous sharing of ideas is also required between the government and companies. The strategic partnership agreement signed by Coca-Cola HBC Hungary and the Hungarian government in 2012 laid down the framework for a common dialogue.

**What are the greatest challenges in doing business in Hungary right now?**

The ever-changing economic environment; certainly it is not a domestic but a global phenomenon, yet Hungary cannot escape these international trends.

**What one thing would you like to see changed above all others to improve the business environment?**

Networking and learning from other industries.

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**AmCham News**

**Patron membership offers us first hand information and insights, exclusive top-to-top meetings and an opportunity to further contribute to AmCham’s policy-making initiatives.**
Getting on Board

Before joining AmCham I spent almost 22 years with the same company. I stayed for more than two decades not only because I loved what I was doing and had wonderful development opportunities, but also because I thought there is no other company taking such good care of its people, showing such good leadership examples. I am still thankful for the wonderful years I spent with them.

But in the last three months the world opened up around me. While I still believe that I had a unique privilege to work for one of the best, now, visiting our members and seeing not only their business results and success stories, but also their firm commitment in investing in the AmCham community and also in future generations, simply amazes me.

I am inspired to see our committed board members and committee chairs, and the members who devote volunteer hours and days to making this organization better and to making Hungary a better place. After three months I understand that AmCham is a strong community with even stronger values that we must build on. As you might now the tenure of our current president Willy Benkő is about to end in December and some of our long-time and very supportive board members – Eszter Szabó and Márk Hetényi – cannot renew their positions at the coming Board elections. I encourage you to consider running for a position. Not only for personal or corporate visibility, which is of course an added benefit, but for the chance to tap into the great potential this organization has and will have in 2015!

If you are interested in standing for Presidency or Board member-at-large, please note that the deadline for submission to the AmCham Office, including an expression of interest and other related nomination material is 2 p.m. local time on Monday, November 3, 2014. Please watch your email for detailed information on the election rules, procedures and deadlines.

Irisz Lippai-Nagy
RENDEZ-VOUS IN PARIS

Or in more than 1,000 destinations thanks to one of the largest networks in the world with KLM and our SkyTeam partners.