

## A collage of black and white photographs depicting various events and activities. The images include group portraits of people in formal attire, individuals giving presentations at podiums, people engaged in conversations, and a group of children in a classroom setting. The text "ANNUAL REPORT 2016" is prominently displayed in large, bold, blue capital letters across the center of the collage.

## A collage of black and white photographs showing various scenes of students and faculty at a university event, overlaid with the large blue text "ANNUAL REPORT 2016". The photos depict students in classrooms, at a podium, and in group settings, suggesting a year of academic and extracurricular activities.



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# LETTER FROM THE PRESIDENT

**Ferenc PONGRÁCZ**  
President



Dear Members,

Many times over the past two years I was reminded of a traditional Chinese proverb: “May you live in interesting times”. This proverb is meant to be used ironically – some even call it a curse – with the clear implication that “interesting times” bring confusion, chaos and are harder to navigate. We do live in interesting times. There is so much change around us – technological, political, social and economic – that it could hardly get more interesting. But I believe change should not be seen as a curse, it should be used as an opportunity. We need to understand, that we live in a historic moment in time, and the actions we take today will have a lasting impact.

AmCham Hungary, which I have had the privilege to be president of for two years, strives to be an engine for this positive change. Our organization has been in a constructive partnership with Hungary for 27 years on a variety of topics affecting competitiveness and this has not slowed down for one minute. It has only got stronger.

Here I must say that a chamber is only as strong as its members. Since 2014, we have managed to grow our membership, and what is even more important, we grew in quality. The work that we do has resonated with the largest investors in the country, and today our members represent 222,000 employees and a total net revenue of more than HUF 18,000 billion in 2015.

Our strength lies not only in our numbers, but in our advocacy work. As a result of our structured dialogue with the government, we have many success stories to report on. Let me share just a few of our latest achievements: corporate tax will be lowered to 9%, something our chamber has been advocating for a long time; two new trades – business services associate in SSCs and sales representative in the FMCG sector – were added to the revised National Register of Vocational Qualification (OKJ) program on our suggestion; and incentives to enhance employee mobility were increased by the government, also based on our recommendations.

Our partnerships are manifold, as we know that for a positive change all stakeholders need to be engaged. We not only have a very strong working relationship with a number of ministries, but we are proud to work with the U.S. Embassy, with the newly established United State-Hungary Business Council, with hundreds of high schools, over a dozen universities, several NGOs and of course our 370 members. I invite you to read in more detail about our partnerships and the advocacy work we do on pages 10-13.

Writing a summary of the past two years in this letter is impossible, as there have been so many great stories, events, friendships, and memories to remember. The pages of this Annual Report are a good testimony of the work that we have done. I would rather close with wishing our new president and the new board interesting times to live in!

## AMCHAM BOARD MEMBERS 2015-2016

	President <b>Ferenc PONGRÁCZ</b> IBM Hungary		First Vice President <b>Márk HETÉNYI</b> MKB Bank Zrt.		Second Vice President <b>Dr. Andrea JÁDI NÉMETH</b> bpy I Jádi Németh Attorneys at Law
	Secretary Treasurer <b>Csaba LÁSZLÓ</b> KPMG Advisory Ltd.		Board Member <b>Farkas BÁRONY</b> GE Hungary Kft.		Board Member <b>Liam CROW</b> First Med Kft.
	Board Member <b>Péter CSUCSKA</b> Lexmark International Technology Hungary Kft.		Board Member <b>Bea ELŐD</b> Citi Service Center Budapest		Board Member <b>Andrea JUHOS</b> LHH Magyarország, Career Consultants Kft.
	Board Member <b>Krisztina VARGA</b> Hewlett Packard Enterprise		Board Member <b>Judit ZOLNAY</b> MetLife Europe Limited Magyarországi Fióktelepe		Chief Executive Officer <b>Írisz LIPPAI-NAGY</b> AmCham



# LETTER FROM THE CEO

**Írisz LIPPAI-NAGY**  
CEO



Dear Members,

Last year, at the end of my note in the Annual Report, I made a promise. A promise to continue the work in the spirit of Laci Metzing, "the Rock", in a way which would make him very proud of us.

Well, I hope – if he sees us from above – he feels equally as proud as I feel looking back on what we have accomplished in 2016. Reviewing the Annual Report will also explain to you why I believe AmCham has strengthened its relevance for our members, for the government and for the wider community.

Our long term Advocacy Roadmap – outlined by our Policy Agenda – paved the way for regular and constructive discussion with our government partners. Our flagship events – the Industrial Internet Lab at Brain Bar, and the "Business Meets Government" and "Competitive Education" conferences – for the second time triggered the elaboration of the "Cooperation for a More Competitive Hungary" document, which summarizes the recommendations of our members to improve competitiveness in the area of Investment, Competitive Workforce, Innovation and Digital Economy. Experience shows that our recommendations are taken seriously, impacting on legislative changes, such as in the field of promoting mobility or in evaluating innovation grants – just to name a couple of examples.

Discussion also intensified with the U.S. Ambassador, providing opportunities for informal meetings and discussions with industry representatives from electronic manufacturers, the health industry and shared service centers.

We also reached out to the wider community, asking secondary school students about their views on education and future workplaces. This gratifying experience is a clear testimony of AmCham's commitment to consult and represent the views of all impacted stakeholders in favor of

our members – in this case in guaranteeing a competitive workforce in the long run. It is an experience we plan to continue in the future, providing a platform for discussion and common programs.

The forthcoming pages will detail why I owe a big vote of thanks to ALL of you. It shows how dedicated people can make a change. Sometimes the change is small, may be not even visible. I believe if we can make small changes, starting in our communities, it will have a lasting impact in the long run.

Thank you ALL for your trust and support. Special thanks to the AmCham Board for the dedication, stimulating discussions, availability and eagerness to help even in the most difficult of times.

And last, but not least, great thanks to my wonderful team. This time last year we didn't know how to continue without Laci. Knowing him, I am sure he would be most proud of our team. As a mother, I very consciously have to work at enabling my children to be independent. While my heart breaks from missing them, it is also filled with joy at seeing them fly. I believe I can only be a successful mother if they can live without me. Equally, Laci built a great, independent team and I am sure he would be happy seeing us today! While we miss him and quote him every day, we were also able to renew the way we work. We reorganized our tasks, taking over responsibilities from the position of Laci and giving opportunities to Barbi and Peti who joined us this year. With my team, I know whatever we do is in good hands and I am always assured that they will deliver beyond expectation. It is a real joy working with them!

We are looking forward to a great 2017 with you!

## AMCHAM STAFF

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<p><b>We would like to thank our interns in 2016:</b> <b>Letícia Borbély, Dóra Divinyi, Bence Fábián,</b> <b>Rebeka Gáti, Bence Juhász, Balázs Kovács,</b> <b>Grace Lenoci, Ágnes Mas</b> <b>and Bianka Sztaneva</b></p>			<p><b>Communications and Events Assistant</b> <b>Péter KOVÁCS</b></p> <p>E-mail: <a href="mailto:peter.kovacs@amcham.hu">peter.kovacs@amcham.hu</a> Phone: +36 1 428-2082</p>



**Secretary Treasurer:**  
**Csaba László (KPMG)**  
**Finance Manager:**  
**Ildikó Bryják**

# SECRETARY TREASURER'S REPORT

As Secretary Treasurer, I am pleased to report that, thanks to the expanding activity of AmCham, our financial performance remained stable in 2015.

AmCham recorded a slight profit of 766 THUF in 2015, opposed to the 182 THUF profit planned in the annual budget. On the revenue side, we achieved 152 MHUF (which is 88.37% of the 2014 figure) and our costs were 149.5 MHUF (87.13% compared to 2014). The financial situation of the chamber is strong; we have ~35.39 THUF in reserves.

Revenues from membership fees along with the large number of events not only provided sufficient income for the day-to-day operations in 2015, but also made it possible to make necessary investments (CRM and website development, etc).

In March 2016 our auditor, BDO Magyarország Tanácsadó Kft. (BDO) reviewed the financial statements, contracts and board minutes for 2015, and after consulting with the accounting company (Memolux), it issued an unqualified auditor's report. This confirms that the procedures at AmCham are done in a true and professional manner; the balance sheet and financial report gives a clear and accurate picture of the organization (please see pages 82-83). There was no need to address any subject in the management letter.

I would like to thank Memolux Kft. and BDO Magyarország Tanácsadó Kft. for their professional work and continued help. I would also like to thank my predecessor, Péter Fáth, the AmCham Board and staff for their support.

## AmCham's Revenue Structure

Our total revenues in 2015 somewhat decreased (152 MHUF vs. 172 MHUF in 2014). The membership fee income was slightly lower than the previous year's (115.2 MHUF vs. 122.6 MHUF). In 2015, 75.7% of the chamber's income was made up of membership fees, as opposed to 71.3% in 2014.

Net sales (29,174 THUF) includes revenues from

- Events: 26,362 THUF (in 2014: 35,942 THUF)
- Further sources of income are activities concluded in the form of a business association, resulting in an income of 2,812 THUF altogether (ads, sport/social events).

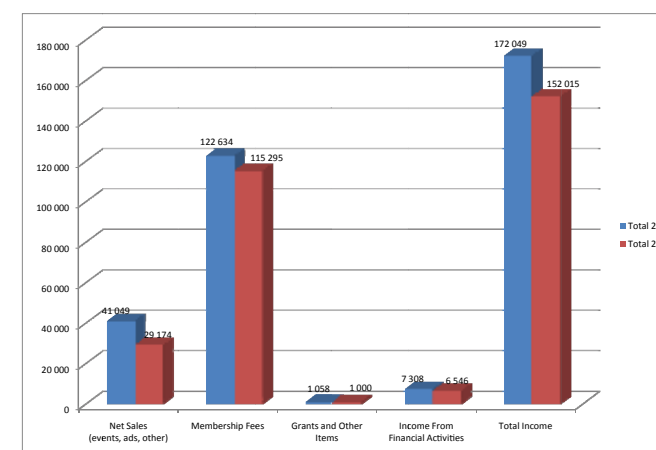
Our income deriving from entrepreneurial activity is separated from income deriving from our basic activity. In 2015 the proportion of income from entrepreneurial activities was 1.93% within all activities.

The other incomes include, in addition to the membership fees, other items (1,242 THUF) such as subsequently deductible VAT, reversal of impairment loss and subsidies.

Income from financial operations: 6,546 MHUF (interest of long-term-bank-deposits, realised and accrued interests of government bonds, realised and accrued interests of treasury notes, interests of fixed deposits etc.).

There were no extraordinary items in 2015.

## AmCham's Revenue Structure in 2014 and 2015



## AmCham's Cost Structure

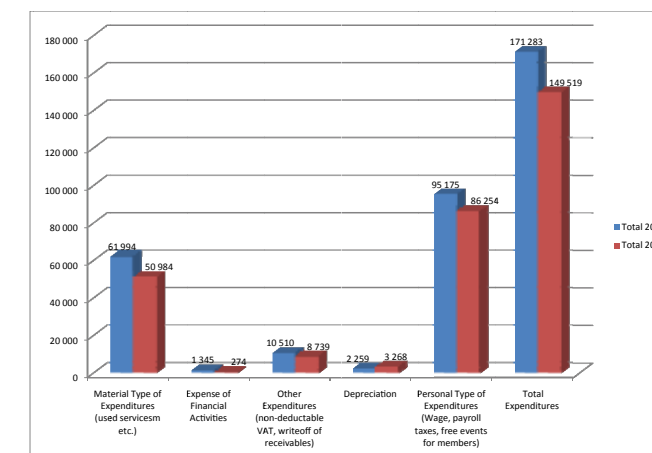
The material expenditures level in 2015 was lower in 2015 (50,984 THUF) than in 2014 (61,994 THUF) and personal type costs decreased significantly (86,254 THUF in 2015 vs. 95,175 THUF in 2014).

The personal expenditures (86,254 THUF) include wages, payroll taxes, cafeteria payments; the costs of services (related to committees, board meetings, and exclusive events for patron members) provided to the members for free are also indicated here.

The most significant items of the other expenditures of 8,739 THUF (in 2014: 10,517 THUF) are non-deductible VAT, write-offs of receivables and company car tax.

The expenditures of financial activities (274 THUF) include interests of 70 THUF paid within the purchase of government bonds, 200 THUF realized exchange rate loss and 3 THUF realized and accrued exchange rate loss related to securities, and interest of 1 THUF paid to the bank.

## AmCham's Expenditures in 2014 and 2015



The Chamber had no extraordinary expenditures in 2015.

<b>Year end result in 2015</b>	<b>THUF</b>	<b>2,738</b>
Result of basic activity	THUF	4,034
Result of entrepreneurial activity	THUF	-1,296

2016 HIGHLIGHTS

# 2016

# *Highlights*

# ADVOCACY HIGHLIGHTS

Since AmCham's 25th Anniversary, we have engaged in a regular and dynamic dialogue with the Hungarian Government, aiming to achieve our vision that is to achieve a ten-spot World Competitiveness ranking improvement in ten years for Hungary with CEE. In accordance with this vision, AmCham launched its first "Policy Agenda" document in June 2015, highlighting the most important priorities for our advocacy work between 2015-2017.

## "Cooperation for a More Competitive Hungary 2016" recommendation package

To discuss issues crucial for raising Hungary's competitiveness, AmCham in cooperation with

our strategic partner HIPA and with the support of EMMI and NHIT organized two strategic conferences in 2015: the First "Business Meets Government" summit and the "Competitive Education" conference. As a result of professional discussions, a 19-point summary of recommendations and commitments with the title: "Cooperation for a More Competitive Hungary" was compiled and published in February 2016.

**High-level consultation with Minister Szijjártó**  
Minister of Foreign Affairs and Trade Péter Szijjártó was appointed by Prime Minister Viktor Orbán to discuss the "Cooperation for a More Competitive

Hungary" recommendations in detail with a high-level AmCham delegation on April 19. Minister Szijjártó and the AmCham delegation had a focused and in-depth discussion on the most important issues raised by the business community in Hungary. These topics include the labor market, education, innovation, regulatory environment and the overall investment strategy. Minister Szijjártó reflected on the strategic working plan of AmCham and shared the government's approach on enhancing competitiveness, incorporating many business recommendations.

## Second "Business Meets Government" summit

In September, at the second "Business Meets Government" summit, leaders representing business and government gathered once more to discuss what had been achieved from the 19-point recommendations and the mutual commitments, and to highlight new challenges that need to be addressed as a matter of urgency. At the conference, Minister Szijjártó praised the fact that growth and fiscal discipline now go hand-in-hand, which serves as a solid base for strategic planning. A series of measures, scheduled to enter into force next January, should make Hungary an attractive location for investment, especially for R&D centers, and help companies create more high quality jobs.

## "Tudsz jobbat!" nationwide high-school competition and the second "Competitive Education Conference"

In August, along with HIPA and supported by EMMI and NGM the "Tudsz jobbat!" nationwide high school competition was launched, to get a better picture on students' views about how they imagine the future of education and workplaces. For the students participating in the competition a half-day conference and award ceremony was organized in October. The second "Competitive Education Conference" provided platform for dialogue between students, teachers, company representatives and government representatives including State Secretary for Education László Palkovics and Deputy State Secretary for Vocational and Adult Education László Odobina. At the conference's finale, Mary Popkids put on a great show for the students. AmCham's new recommendation package, currently

being compiled, with the title "Cooperation for a More Competitive Hungary 2017" will be based on the professional discussions of conferences and meetings held in 2016, and will channel messages of our members to each other and to decision-makers.

## I. PARTNERSHIPS

AmCham Hungary's advocacy activities in 2016 were guided by our Policy Agenda 2015-2017, and the "Cooperation for a More Competitive Hungary 2016" recommendation package. AmCham efforts in advocacy rely on following pillars:

- strong membership (see membership report on page 61)
- robust advocacy work of the Investment, Talent, Innovation and Healthy Nation Policy Task Forces, and Regulatory Committee (see reports on pages 14-31)
- structured partnership with key stakeholders.

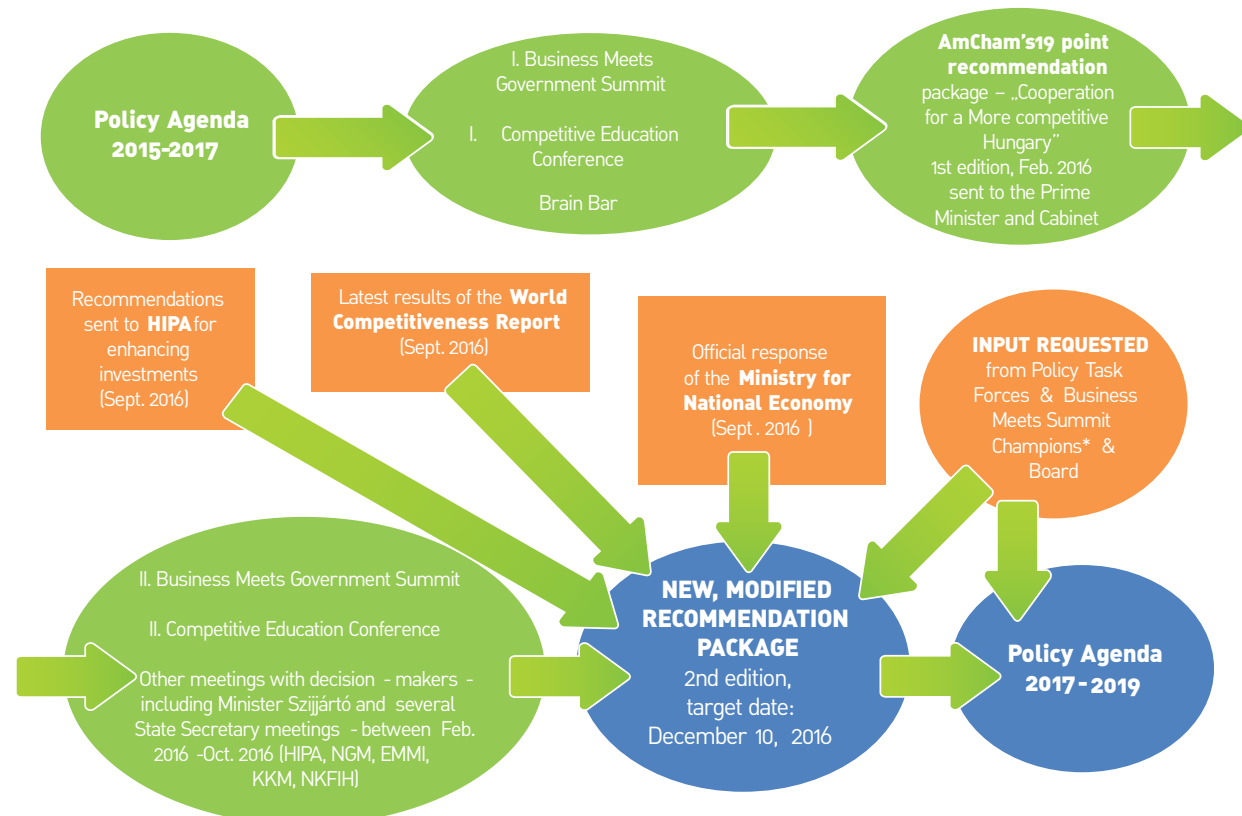
### Ministry for National Economy (NGM)

Cooperation and regular consultation took place at a number of meetings: the Strategic Working Group meetings in April and October; the second "Business Meets Government" summit in September, second "Competitive Education Conference", state secretary meetings and expert meetings. A real dialogue is also manifested in the ministry's official response to the "Cooperation for a More Competitive Hungary" recommendations.

### Ministry of Foreign Affairs and Trade (KKM) & Hungarian Investment Promotion Agency (HIPA)

Cooperation is based on the Strategic Agreement signed in 2015. Regular consultations, joint events and projects continue: the "Business Meets Government" summit series, "Competitive Education Conference" series, organization of the "Tudsz jobbat!" high school competition. HIPA representatives actively contribute to the work of AmCham Policy Task Forces. AmCham participated in the official meeting organized by the Hungarian Ministry of Foreign Affairs and Trade for the representatives of the Indiana Economic Development Corporation (IEDC).

## "Cooperation for a more competitive Hungary"





### Ministry of Human Capacities (EMMI)

Cooperation and regular consultation took place at a number of meetings: “Business Meets Government” summit in September, “Competitive Education Conference” in October, State Secretary Roundtable in June, and numerous professional meetings. The organization of the “Tudsz jobbat!” high-school competition was also supported by EMMI.

### Ministry of Justice (IM)

AmCham has a well-established, formal cooperation framework with the Ministry of Justice based on the Strategic Partnership Agreement that was first signed in 2011, then re-confirmed in 2014. In 2016, AmCham’s Regulatory Committee sent its professional input to the ministry in a number of legislative areas. During the year, several professional consultations took place at AmCham between Regulatory Committee members and ministry experts.

### National Research, Innovation and Development Office (NKFIH)

In 2016, regular consultation took place between AmCham’s Innovation PTF and NKFIH on R&D&I related issues. Meetings with vice president Dr. Ferenc Friedler were held in July, and in September at the “Business



Meets Government” summit. AmCham supports the work of NKFIH by sharing its industry expertise and knowledge of R&D related corporate processes at the Advisory Board.

Hungarian Association of Customs Affairs (Magyar Vámszövetség)

In April 2016, AmCham and the Hungarian Association of Customs Affairs signed a cooperation agreement in order to facilitate consultation and professional collaboration in the subjects of international trade regulations and custom affairs. Joint efforts are coordinated at the Investment PTF.

### U.S.-Hungary Business Council (USHBC)

AmCham cooperates with the USHBC, which is a platform for dialogue between U.S.-based American corporate executives and the top government leaders responsible for the U.S.-Hungary bilateral relationship. In June, representatives of AmCham and USHBC met Prime Minister Viktor Orbán to discuss the economic ties between Hungary and the United States. A joint business forum was also organized.

### U.S. Embassy, Budapest

AmCham cooperates with the U.S. Embassy in Budapest by jointly organizing high-level events. In 2016, a high-level exclusive “Fireside Chat” meeting series was introduced, where AmCham industry representatives meet with Her Excellency Colleen Bell, U.S. Ambassador to Hungary. “Fireside Chat” events were hosted by U.S. Senior Commercial Officer Dale Wright. In 2016, three such meeting were organized: March – Electronic manufacturing industry representatives; June – Shared services sector representatives; and September – Healthcare company representatives. Finally, the jointly organized U.S. Election Night party on November 8 attracted more than 1,200 participants .

## II. CONTINUED COMMITTEE WORK

AmCham’s Governance & Transparency (G&T) Committee has also been actively advocating for more transparency via a variety of channels. AmCham has been represented since 2012 at the government’s anti-corruption working group meetings (the Open Government Partnership) via the G&T Committee; the NGO Working Group has been finalizing a position paper with specific recommendations for a more transparent not-for-profit sector, and the committee continued its educational Board Simulation roadshow, with a developed case study.

AmCham’s Tax Committee has been advocating for a long time that corporate income tax should be gradually decreased in Hungary to a flat 10% to improve our investment climate and thus our regional and global competitiveness. The committee is very proud to report to members that due to structured and constructive dialogue with the government the CIT will be lowered to 9% from 2017.

The Electronics Manufacturers’ Committee has been actively advocating for a series of recommendations, meant to help attract more FDI into the Electronics Manufacturing sector. One of the requested legislative changes in the Hungarian requirements was related to internally used test equipment.

Also, the committee reviewed and made specific recommendations to the government’s strategic Irinyi Plan for innovative industry development emphasizing that the electronic industry is a strategic segment that makes a substantial contribution to economic development.

Finally, our HR committee organized a successful workshop in April – the third “HR Dream Day” – to advocate for the digitalization of HR, and to look for a fresh answer to the burning talent pool challenge companies are facing: engaging the 50+ workforce.

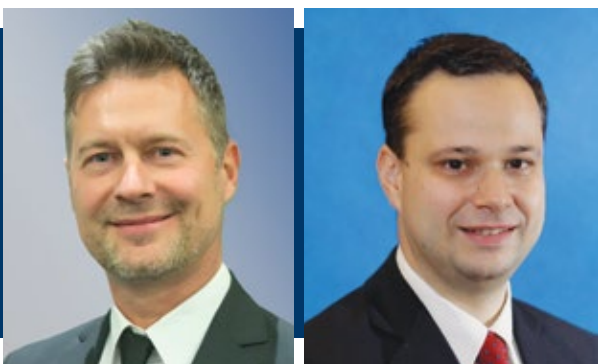
For more on our committee activities, please see pages 64-77.





INVESTMENT

# INVESTMENT POLICY TASK FORCE



**Policy Task Force Lead: Dr. Farkas Bársony**  
**Board Pair & Advisor: Dr. Norbert Fogarasi**  
**Advisor on Financial Institutions and Services Sector: Bea Előd**  
**Coordinators: Írisz Lippai-Nagy, Judit Szilágyi**

## MISSION

“To increase Hungary’s global competitiveness by enhancing the country’s attractiveness for FDI.”

## OBJECTIVES

The Investment Policy Task Force has defined three main objectives for the period of 2015-2017:

1. To create a sustainable, investor-friendly business environment to keep and attract more FDI into Hungary and the region
2. To maximize the economic and employment impact of FDI
3. To create and clearly communicate an investment strategy and align the country’s education strategy accordingly

## OVERVIEW

Members of the Investment Policy Task Force, who are representing a wide range of sectors, work closely to foster the above goals and objectives.

According to the Global Competitiveness Index prepared by the World Economic Forum every year, Hungary is ranked 69th (out of 138) in 2016-2017. For sustainable growth and enhanced competitiveness, Hungary’s investment promotion strategy needs to be adjusted to the innovation driven global environment. Therefore, the Investment PTF suggests more focus on high value-added industries, building on the competitive advantages of existing, well-developed sectors such as, but not limited to, the pharmaceutical, electronics manufacturing and mechanical engineering industries, the shared service, ICT, financial and professional services sectors.

## MAIN ACHIEVEMENTS AND ACTIVITIES IN 2016

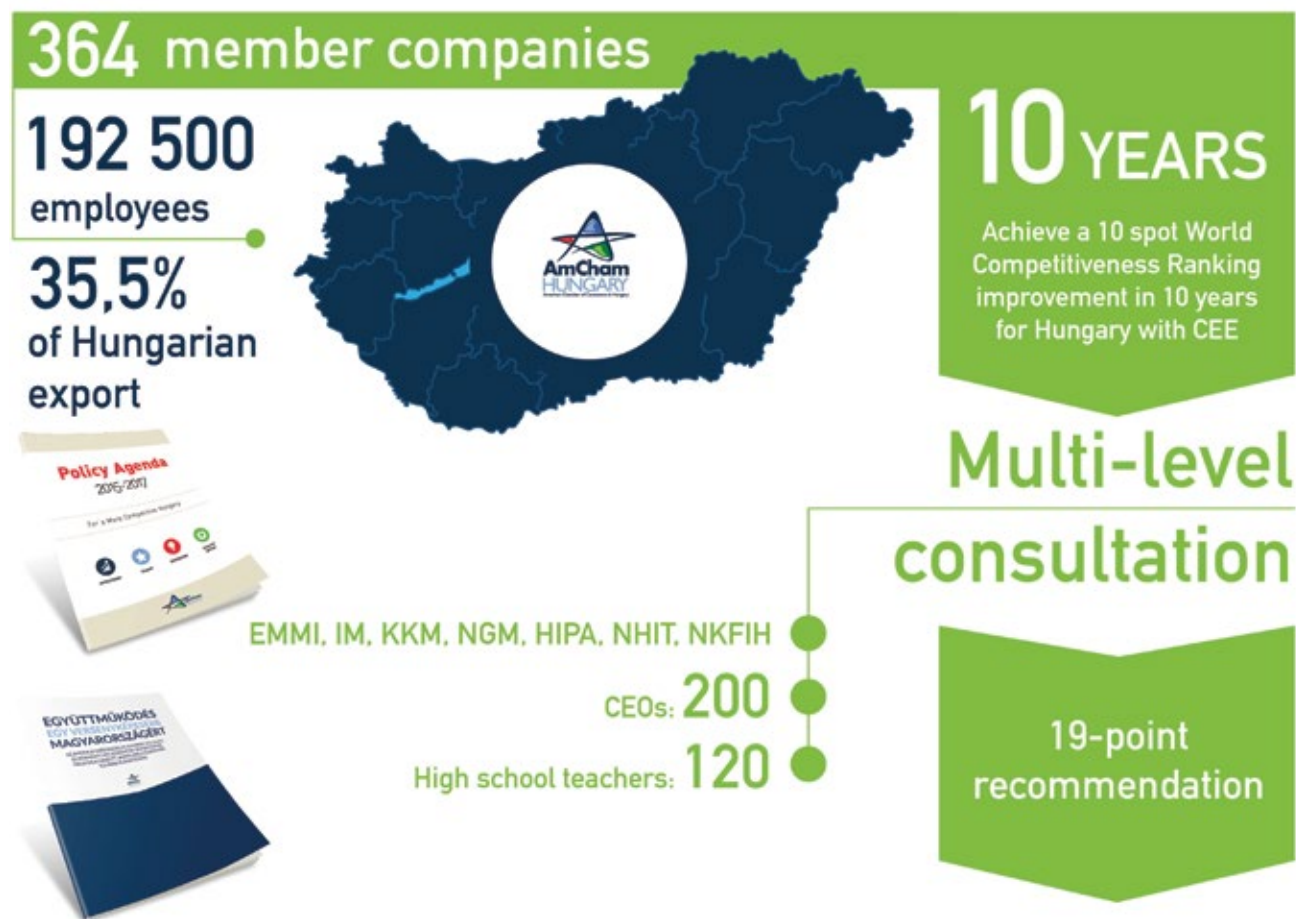
**Partnership with HIPA:** Based on the Strategic Partnership Agreement signed with the Hungarian Investment Promotion Agency (HIPA) in 2015, a regular, meaningful dialogue has been successfully established between the two organizations. The Investment PTF in partnership with HIPA is pledged to support decision makers in appreciating corporate business processes and company procedures (including global decision making process). In 2016, the following two flagship events were organized jointly by AmCham and HIPA: the “Second Business Meets Government Summit” and the “Second Competitive Education Conference”.



**“Business Meets Government Summit”:** In line with AmCham’s goal and vision, that is “to achieve a ten-spot World Competitiveness Ranking improvement in ten years for Hungary with CEE”, this flagship event was held for the second time to continue the dialogue on key challenges and priorities for improving Hungary’s competitiveness. Like the first summit, one of the main goals of the event was to develop a tangible list of recommendations in four selected areas: Business Sophistication and Environment, Digital Economy, Labour Market and Innovation. The event was hosted by Farkas Bársony, lead of the Investment PTF. Minister of Foreign Affairs and Trade Péter Szijjártó delivered the opening speech at the event, after which participants went on to exchange views in four closed-door roundtable discussions covering the four priority areas. High-level government representatives included István Lepsényi, secretary of state for economic regulation, Róbert Ésik,

president of HIPA, Ferenc Friedler, vice president for innovation and general affairs, National Research, Development and Innovation Office, Ádám Szigeti, head of department, Department of Research and Development in Higher Education, Ministry of Human Capacities, Attila István Simon, deputy minister of state for labor market, Ministry for National Economy.

**“Cooperation for a More Competitive Hungary” (2015/2016):** The essence of a series of professional discussions within AmCham in 2015, especially at the first “Business Meets Government Summit” and the first “Competitive Education Conference”, was summarized and published in a document titled “Cooperation for a More Competitive Hungary”. The document, which incorporates 19 points of recommendation and commitment, was published and sent to the Prime Minister and the government in February 2016. This document served as a key instrument and guide for the chamber’s advocacy



activities throughout the year. Follow-up meetings with key decision-makers and stakeholders were organized to focus discussion on how to best implement the recommendations to enhance competitiveness. Recommendations have been thoroughly discussed with decision-makers of the Ministry for National Economy, HIPA, and Ministry of Human Capacities. There have been numerous legislative changes and impactful results based on this dialogue, about which Investment PTF lead Farkas Bársony presented a report to the membership at the second “Business Meets Government Summit”. A new issue of the “Cooperation for a More Competitive Hungary” recommendation package is due to be compiled by the end of 2016.

#### Cooperation with the Ministry for National Economy

The Ministry for National Economy and AmCham established a Strategic Working Group to ensure more progressive and structured relation between the two organizations and held a kick-off meeting on December 9, 2015, with the participation of István Lepsényi, secretary of state for economic regulation. Driven by the Investment PTF, two high-level working group meetings were organized in 2016, where participants discussed a great number of competitiveness related issues, in line with AmCham’s 19-point recommendation package, including taxation issues, the impact of Brexit on the Hungarian economy, the vocational training system, industry–university cooperation and many more. Three sector specific discussions also took place, providing insight into the

opportunities and challenges specific to the electronic manufacturing industry, the healthcare industry and the telecommunications industry.

#### Sustainability (non-financial) reporting obligation

The EU imposed a new reporting requirement regarding the disclosure of non-financial and diversity information, that is sustainability reporting (also known as CSR reporting), which will become a new standard in the EU from Q1 2017. Certain companies, specified under new legislation, will have to disclose information in Hungary including description of policies, results of policies, risk assessment, management bases and performance ration in many areas.

The Investment PTF has initiated discussions with Ministry for National Economy to understand the ministry’s approach in this area. The Investment PTF has been dedicated to support our members in preparing for the sustainability (non-financial) reporting obligation that will come into force. In February 2016, representatives of the Investment PTF met the director and expert colleagues of the Accounting Department of the Ministry for National Economy responsible for new legislation. AmCham provided information on the sustainability (non-financial) reporting obligation to the membership.

Cooperation Agreement with the Hungarian Association of Customs Affairs: On April 22, a cooperation agreement was signed between AmCham and the Hungarian Association of Customs Affairs in order to facilitate consultation and professional collaboration in the subjects of international trade regulations and custom affairs. József Vizsy, chairman of the Hungarian Association of Customs Affairs and Dr. Farkas Bársony, Investment PTF leader signed the documents at the Custom Affairs Conference in Eger.

Cooperation with Committees: The Investment PTF cooperated and regularly exchanged views on key taxation related issues with the Tax Committee and also cooperated with the Electronic Manufacturers’ Committee in the preparations for the regular AmCham-Ministry for National Economy strategic working group meetings.



## FUTURE GOALS

The Investment PTF is committed to:

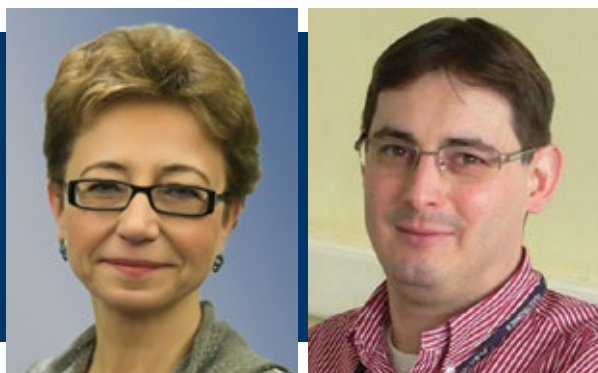
- Work closely with strategic partners (HIPA, NGM, IM) on realizing the above goals;
- Advocate for raising Hungary’s competitiveness based on the set of recommendations prepared at the second “Business Meets Government Summit”;
- Provide a platform for regular and meaningful dialogue between the government and business; organize the third “Business Meets Government Summit” in 2017;
- Support policy-makers in better understanding local and global corporate decision-making processes;
- Support decision-making by conducting impact assessments before measures are introduced;
- Enhance communications with current and prospective foreign investors





TALENT

# TALENT POLICY TASK FORCE



**Policy Task Force co-leads:**  
**Andrea Juhos (Lee Hecht Harrison Hungary),**  
**László Szépkúti (Flex)**  
**Coordinators: Írisz Lippai-Nagy, Judit Szilágyi**

## MISSION

To represent the needs of businesses regarding the Hungarian talent pool in order to improve Hungary's long-term competitiveness.

## MAIN ACHIEVEMENTS AND ACTIVITIES IN 2016

The Talent PTF organized regular meetings for member company representatives to discuss advocacy issues related to a competitive education system and share best practices.

## REGULAR DIALOGUE CONTINUED WITH DECISION-MAKERS

The Talent PTF continued its dialogue with key decision makers from the Ministry of Human Capacities (EMMI), the Ministry for National Economy (NGM) and the Hungarian Chamber of Commerce and Industry (MKIK) on making the public education and vocational training system more competitive in Hungary.

### Dual vocational training system

On January 11, deputy state secretary for vocational and adult education, László Odrobina and his colleagues from NGM were special guests at an extraordinary Talent PTF meeting, where discussion focused on the dual vocational training system.

On February 10, AmCham, represented by its President Ferenc Pongrácz, CEO Írisz Lippai-Nagy, Talent PTF co-lead László Szépkúti and other members, had an official meeting at MKIK with president László Parragh and educational and vocational training director János Szilágyi to discuss strategic level cooperation in a number of issues.

On February 24, the Talent PTF meeting was held, where MKIK's educational and vocational training director gave a presentation on the chamber's goals and activities with a special focus on vocational training.

### National Register of Vocational Qualification (OKJ) program

On January 12, representatives of the Talent PTF met deputy state secretary Odrobina and colleagues

to continue discussions on the introduction of new training courses and qualifications (OKJ program) in order to better satisfy the needs of SSCs and the FMCG industry. AmCham is very proud to report that the ministry has incorporated our recommendations, and in July announced the addition of two new categories – "business services associate in the SSC" and "sales representative in the FMCGs sectors" – to the revised National Register of Vocational Qualifications.

### "Cooperation for a More Competitive Hungary" – 2016 recommendation package

The Talent PTF organized several meetings to follow-up on recommendations that came out of the first "Competitive Education Conference", which were also incorporated into the "Cooperation for a More Competitive Hungary" recommendation package targeting (i) better balance between key competences/skills and encyclopedic curriculum, (ii) importance of career and labor market orientation and talent management, (iii) competitive foreign language skills:

On June 16, state secretary László Palkovics from EMMI was the guest of an extraordinary meeting to discuss education policy recommendations as described above, and learn about the future priorities of policy makers.

Key recommendations were also on the agenda of AmCham – NGM Strategic Working Group meetings held in April and September. The PTF actively contributed to the Labor Market/Education focused roundtable discussion of the second "Business Meets Government" summit held on September 27. Talent PTF co-lead László Szépkúti moderated the discussion.

## SHARING BEST PRACTICES

The Talent PTF is committed to share best practices within the membership, therefore we facilitated a number of meetings to this end:

- 24 February: Presentation on Digital education, focusing on Microsoft Hungary's experiences and

## FUTURE GOALS

In 2017, the Talent Policy Task Force plans to:

- Continue to work closely with our government partners (Ministry of Human Capacities, HIPA);
- Provide a platform for regular dialogue between all stakeholders and advocate for a more competitive labor force and education system
- Organize a Competitive Workforce Event in 2017;
- Present and share best practices and focus on activities /projects that show the right track towards the future;
- Continue our talent-related programs, the Career & Language Ambassador programs, launch the "Mentor a school" program;
- Develop programs and activities to attract and help integrate young Hungarian graduates of foreign universities to the Hungarian labor market

the "Okosportál" project, presented by Ádám Merényi, educational business unit leader from Microsoft

- May: Digital Education Strategy survey and strategy. The Talent PTF circulated an online educational survey, the goal of which was to evaluate Hungary's preparedness for digital education reform and to provide input for the Digital Education Strategy, as part of the so-called Digital Welfare Program led by Tamás Deutsch.
- October 17: Talent shortage and workforce retention in key jobs - Joint meeting of the HR Committee and the Talent Policy Task Force. AmCham Hungary supported research conducted by Pivot Human Capital and the Szent István University to examine talent shortage and retention in key jobs in Hungary. The most important findings of the survey were presented to AmCham members.





## LANGUAGE AMBASSADOR AND CAREER AMBASSADOR PROGRAMS

With the objective to bring real life examples to schools, AmCham has continued the highly successful Language Ambassador Program. Since its launch in 2011

- we have reached 130 high schools from 26 cities
  - involved 240 Language Ambassadors from 59 different companies
  - almost 490 lectures were given
  - In 2016, nearly 70 visits have been organized
- In 2015 we also launched the Career Ambassador Program that gives students the opportunity to visit our member companies, in an effort to better familiarize them with the type of jobs on the labor market. Since its launch
- ten companies hosted 30 visits from 22 different schools
  - more than 450 students participated in total

### Participating companies in the Career Ambassador Program are:

1. AMWAY
2. CITI
3. ExxonMobil Budapest BSC
4. GE
5. HPE
6. Jabil Circuit Magyarország
7. KPMG
8. Lexmark
9. PepsiCo (FÁÜ Zrt.)
10. SpenglerFox
11. TATA Consultancy Services

Demand for both the Language and Career Ambassador Programs is at an all-time high, but we believe there is always room for more! We encourage our members to join these initiatives.

## COOPERATION WITH CSR AWARDS

AmCham has been a supporting partner of a campaign, awarding Hungary's most Family Friendly Companies for many years now and we endorse and support the Disability-Friendly Workplace Award that was initiated and organized by the Salva Vita Foundation with the aim to promote the encounter of job seekers with disabilities and those employers who are ready to employ them.

## TUDSZ JOBBAT! CREATIVE COMPETITION FOR HIGH SCHOOL STUDENTS

An important pillar of AmCham's "Cooperation for a More Competitive Hungary" concerns the fully-fledged reform of education. Therefore, as part of a joint initiative with HIPA, EMMI, and NGM, a nationwide competition called

"Tudsz Jobbat!" ("You Know Better!") was launched in August. The competition was sent to all high schools in Hungary, with AmCham looking for teams of 3-5 students who were willing to stand up and present their thoughts and ideas in a creative form (projects, videos or presentations) about how they imagine the future of education and workplaces.

### Tudsz Jobbat! Competition – Project in numbers

- 39 submissions in two categories
  - 27 applications – "School of my dreams"
  - 12 applications – "Workplace of my dreams"
- 39 participating schools
- 199 participating students
- 54 participating teachers

### Second Competitive Education Conference

The best projects were presented on October 11 at the second "Competitive Education Conference" organized by AmCham Hungary and HIPA, EMMI and NGM, at Akvárium Klub in front of government representatives, business leaders and 250 students from all over the country.

The awards ceremony was followed by a roundtable discussion where students, teachers, industry experts and government representatives including State Secretary for Education László Palkovics and Deputy State Secretary for Vocational and Adult Education László Odobina exchanged their thoughts on possible next steps in making the education system more competitive. During the conference, students also received career orientation firsthand at the 12 interactive educational booths, set up by company representatives and educational experts.

### Winning Teams

#### "Workplace of my dreams" category:

##### I. place: Waking Dreams Co. Team

(Bálint Márton Elementary and Secondary School)

#### "School of my dreams" category:

##### I. place: The Future is Ours Team

(Kosztolányi Dezső Secondary School)

##### II. place: TeamWolf

(Alternatív Közgazdasági Gimnázium)



### III. place: IT Class Team

(Salgótarjáni SZC Borbély Lajos Szakgimnáziuma, Szakközépiskolája, Szakiskolája és Kollégiuma)

The winning teams received prizes, including the opportunity to "shadow" a business leader or a government representative for a day at one of the following organizations: Ministry of Human Capacities, the Hungarian Investment Promotion Agency, Morgan Stanley, Celanese and at Flextronics.

Students came up with numerous suggestions that can be grouped into three main categories: (I) infrastructure/digitalization, environment, tools; (II) curriculum, methodology; and (III) social sensitivity. AmCham will include the ideas of the students in its revised version of the 19-point recommendation package.

### What Students Want



**59%** modern, sustainable building



**26%** more secure entry system



**70%** IT tools



**50%** learning from e-books



**44%** language / international exchange



**78%** feel overwhelmed



INNOVATION

# INNOVATION POLICY TASK FORCE



**Policy Task Force Co-Leads: Csaba Márkus (Deloitte) and Joerg Bauer (GE Hungary)**  
**Coordinator: Írisz Lippai-Nagy, Judit Szilágyi**

## OBJECTIVES

The Innovation Policy Task Force has defined four main objectives for the period 2015-2017:

- Focus on innovation as a corner stone of macroeconomic policy;
- Stimulate high-value added R&D projects that lay a solid groundwork for sustainable growth after 2020;
- Encourage long-term cooperation between large enterprises, SMEs and academia on R&D projects;
- Attract more people to Science, Technology, Engineering and Mathematics (STEM);

## MAIN ACHIEVEMENTS AND ACTIVITIES IN 2016

### **Regular dialogue along main objectives maintained with decision-makers**

As a follow-up to the first AmCham-HIPA-NHIT “Business Meets Government Summit”, held on October 27, 2015, the Policy Task Force formulated its recommendations on how to stimulate high-value added R&D projects in Hungary, how to attract more investments in R&D, and to help increase the country’s competitiveness. Recommendations were incorporated into the 19-point recommendation package titled “Cooperation For a More Competitive Hungary” that was published and sent to decision-makers in February 2016.

A detailed list of R&D&I related suggestions and commitments focused on four key areas:

## MISSION

To improve and recognize innovation and R&D as a driving force of economic growth and a competitive edge for Hungary, while representing the needs of businesses to enhance this development.

## OVERVIEW

By April 2015, AmCham Hungary had defined its vision, new strategy and new way of work, according to which four Policy Task Forces were established to dedicate focus and resources to the selected four key areas. One of these is the Innovation Policy Task Force, whose activities will serve the above mission.



(1) Coordinated government approach to stimulate increased corporate R&D spending and R&D&I-related investments.

(2) Effective operation of a grant system, that will contribute to achieving the government’s following two goals regarding R&D spending: (i) to reach at least 1.8% GDP proportionate R&D spending by 2020, and (ii) corporate R&D spending should drive increased R&D spending.

(3) Hungary should shift support from pure R+D to also include innovative projects.

(4) Fostering long-term cooperation between startups and large companies; and the introduction of grant schemes aiming to support the startup ecosystem.

The Innovation PTF held several meetings with decision-makers to follow-up on these

recommendations. On July 14, a discussion took place with two high-level government representatives Dr. Antal Nikodémus, representing the Ministry for National Economy and Dr. Ferenc Friedler, Vice President of the National Research, Development and Innovation Office (NKFIH) at AmCham.

In order to shift support to innovative projects, the introduction of a new R&D grant scheme has been further discussed at meetings with the Hungarian Investment Promotion Agency (HIPA).

The Innovation Policy Task Force is also dedicated to support the work of the NKFIH by sharing its industry expertise and knowledge of R&D related corporate processes. AmCham is represented on the Advisory Board of the NKFIH by its President Ferenc Pongrácz.





### AmCham Brain Bar Lab: Industrial Internet, the game changer of our time

As part of the Brain Bar Budapest festival held in early June, AmCham's Innovation Policy Task Force organized a Lab titled Industrial Internet, the game changer of our time, at the LogMeIn headquarters. The goal of the AmCham Lab was to examine and discuss key challenges that the industrial internet, also known as Industry 4.0, is bringing for Hungary. In diverse teams involving business, government representatives, innovators and academia,



participants discussed what different scenarios could be envisioned for Hungary's future development and what will be the impact of industrial internet in seven areas: education, work, manufacturing, services, social system, healthcare, services and entrepreneurship. Discussion focused on the actions we need to take today to become and stay competitive in these areas. Keynote speeches were delivered by Alan Kirman, professor emeritus of Aix Marseille University on "Will AI Replace Humans in the Near Future?" and by Peter Rožek, country sales director for CEE, Rockwell Automation on the "Connected Enterprise".

### Second Business Meets Government Summit

The Innovation PTF prepared and organized an innovation focused roundtable discussion, where participants discussed the following four topics and challenges in detail:

- Introduction of a new R&D grant scheme to attract new and stimulate the expansion of existing R&D centers of larger corporations in Hungary.
- How to help R&D projects performed jointly by academia and the corporate sector become more efficient in the context of the Higher Education and Industry Cooperation Center (FIEK).
- How to enhance cooperation of large companies and startups, including mentorship relations where mentorship costs would be legally recognized.
- How to train entry level IT specialists in large number, to ease the labor shortage of skilled IT professionals within the shortest possible time.

## FUTURE GOALS

Planned activities of the Innovation Policy Task Force include:

- Preparation of innovation and R&D related recommendations and positions
- Organization of regular Innovation PTF meetings
- Organization of an AmCham workshop within the framework of the Brain Bar Festival 2017
- Organization of an Innovation Roundtable at the "Business Meets Government Summit" 2017
- Launch of "Business Meets Academia" sessions in 2017





HEALTHY  
NATION

# HEALTHY NATION POLICY TASK FORCE



**Co-Policy Task Force Leads: Dr. Judit Zolnay (Metlife) and Dr. Csaba Szokodi (Mölnlycke)**  
**Coordinators: Írisz Lippai-Nagy, Barbara Révész**

and productive nation and workforce, which increases the country's prosperity, GDP and competitiveness. By April 2015, AmCham Hungary had defined its vision, new strategy and new way of work, according to which four Policy Task Forces were established to dedicate focus and resources to the selected four key areas: one of these PTFs is the Healthy Nation Policy Task Force.

## OBJECTIVES

The Healthy Nation Policy Task Force has defined its objectives in relation to four key areas for the period of 2015-2017:

1. Promoting active health management creates a Healthy Nation and may increase healthy life expectancy
2. A Healthy Nation with a healthy workforce increases the economy's assets
3. A Healthy Nation requires efficient healthcare and effective use of resources
4. A prerequisite of a Healthy Nation is sufficient financial means to implement public health policies

## MAIN ACHIEVEMENTS

**Fireside Chat with Ambassador Colleen Bell** -- On September 8, AmCham Hungary organized a "Fireside Chat" with Her Excellency Colleen Bell,

## MISSION

To increase awareness of collaborative opportunities between the government and AmCham to increase the responsibility of citizens and companies to keep and/or improve the mental and physical health of the Hungarian population."

## OVERVIEW

Health is a desired status for both individual members and for the whole of society; it is the basis for everybody to enjoy life, and achieve personal or community goals. It is a wish and goal for each government to have a healthy



U.S. Ambassador to Hungary, which was the third occasion in a high-level, exclusive but informal industry-specific meeting series. At the event, CEOs of more than 15 AmCham member companies from the healthcare sector had the opportunity to meet with Ambassador Bell and to present their business perspective on Hungary. After introducing their companies' activities, participants had a fruitful and informal discussion with the ambassador about the importance of the industry and current issues in the Hungarian healthcare sector. AmCham's Healthy Nation policy agenda was also introduced at the event by PTF leads Judit Zolnay and Csaba Szokodi.

**Dialogue with the Ministry for National Economy** – The Ministry for National Economy and AmCham established a Strategic Working Group to ensure more progressive and structured consultation between the two organizations. István Lepsényi, Secretary of State for Economic Regulation and other ministry representatives met the AmCham delegation on April 29. The meeting concluded with a sector-specific discussion, where the ministry introduced its agenda in the healthcare industry, then Judit Zolnay and Csaba Szokodi had the opportunity to share key messages of the PTF. The quarterly meeting with State Secretary Lepsényi was followed up by a closed-door meeting with Dr. Ágnes Feketéné Fényi where key issues of the State Secretary meeting were discussed in more detail.

Within the framework of the strategic working group, secretary of state István Lepsényi, Zoltán Marczinkó, deputy state secretary and other high-level ministry representatives met the AmCham





delegation on October 24. Erika Némethi, CEO of the Association of Innovative Pharmaceutical Manufacturers, emphasized concerns about the disadvantageous impact on competitiveness of sector specific taxation.

**Brain Bar Roundtable** – In June, AmCham joined the Brain Bar Budapest event. The goal of the AmCham Lab was to examine and discuss key challenges that the industrial internet, also known as Industry 4.0, brings to Hungary. In diverse teams of 10-12, involving business, government representatives, innovators and academia, the future of seven topics – including healthcare and healthcare industry – were discussed. The team led by Attila Ferik from GE Healthcare and the Healthy Nation PTF co-leads touched upon topics such as wearables and their effect, data analytics – big-data, regulatory barriers to healthcare innovation adoption and legal aspects.

**Interview in the Pharmaceutical Executive Magazine** – In May, an interview with Healthy Nation Policy Task Force co-lead Csaba Szokodi, Zénó Kuluncsics Development Operations Manager from Amgen, and AmCham CEO Írisz Lippai-Nagy was published in the Healthcare & Lifesciences Review of Hungary, a leading strategy publication of the industry globally.



**10 000 steps** – AmCham Hungary has continued its “10,000 Steps” health awareness campaign. In the Fall 2015 Challenge, 100 teams from 30 AmCham companies participated. In 2016, 27 companies, 104 teams and 791 employees participated in the challenge. AmCham Hungary has also participated with three teams, two from staff members and one team from AmCham’s Board. The AmCham Mini League achieved an outstanding result – above the global average.

Covering **564,013 km**, or **881,264,046 steps** and with **35,368,728 kcal** burned, 78% of participating employees are now highly aware of their physical activity levels, 82% of participating employees now rate their overall health as either good, very good or excellent.

## PLANS FOR 2017

Future activities of the Healthy Nation Policy Task Force include:

- Formulate recommendations and positions for a healthier nation
- Work closely with our government partners (Ministry of Human Capacities, Ministry for National Economy, HIPA) on realizing the PTF’s goals
- Continue Annual Sports Day and other employee awareness programs



# REGULATORY COMMITTEE REPORT



**Chairperson:**  
**Dr. Gábor Orosz**  
**(National Instruments)**  
**Coordinators:**  
**Írisz Lippai-Nagy,**  
**Judit Szilágyi**

- Constitutional, Administrative & Tax Law – Dr. Péter Nagy
- IP, IT, Telecom, Data Protection – Dr. István Réczicza
- Civil, Commercial Law – Dr. János Tóth
- Customs, Trade Compliance – Dr. Tamás Lőcsei
- Corporate Law – Dr. Zoltán Csehi
- Public Procurement Regulation – Dr. Balázs Fazekas
- Labor Law – Dr. András László
- Energy – Dr. Zoltán Faludi
- Banking and Financial Markets – Dr. Erika Papp
- Competition / Unfair Trade Practices / Consumer Protection – Dr. Tihamér Tóth
- Anti-Illicit Trade – Dr. Gusztáv Bacher
- Property Law, Environmental Regulations – Dr. Györgyi Viszmeg

## MINISTRY OF JUSTICE: REGULAR CONSULTATION CONTINUED

The Strategic Partnership Agreement – first signed in 2011, then reconfirmed in 2014 – ensures that AmCham has a well-established, formal cooperation framework with the Ministry of Justice and can engage in regular and direct consultation on its legislative proposals. As a result, AmCham had a solid base to contribute and make an impact on the Hungarian legislation.

On January 18, AmCham, represented by President Ferenc Pongrácz, CEO Írisz Lippai-Nagy, Regulatory Committee chairman Gábor Orosz, and several committee Working Group Leads, had a high-level discussion with Minister of Justice Trócsányi and deputy state secretary Zoltán Nemessányi, where the minister thanked the committee for its outstanding professional input and support that has been regularly provided within the framework of the Strategic Cooperation Agreement, and also shared his cabinet's priorities for the upcoming year and confirmed that the ministry views AmCham as a strategic ally in articulating the standpoint of businesses in Hungary and stressed that it looks forward to continuing the well-established, close cooperation with the chamber.



## MISSION

The Regulatory Committee has continued its aim to fulfil its legal supporting function assisting fellow committees and the AmCham Board, and operating as a workshop for many of the most highly skilled practicing attorneys in Hungary and the representatives of AmCham member companies. The committee continues to consist of various working groups corresponding to the relevant fields of law, each led by a highly reputed expert:

## PROJECTS AND ACHIEVEMENTS IN 2016

Member companies' practical experiences in transatlantic data transfer  
In early March, AmCham sent input to the Hungarian National Authority for Data Protection and Freedom of Information ("NAIH") on member companies' practical experiences in transatlantic data transfer in order to support NAIH's work: there are great efforts made within the EU and the U.S. to create a new, solid legislative basis for transatlantic data transfer, as soon as possible. In the AmCham position, the chamber stressed the need for a timely solution and the importance of rapid implementation of the new legislative scheme called EU-US Privacy Shield.

On June 6, a delegation of the committee met Attila Péterfalvi, President of NAIH, and his colleagues to discuss cooperation between the two organizations. AmCham is dedicated to continue close cooperation with NAIH to represent members' interests.

### **Draft bill modifying the credit Collateral Register scheme**

In April, the Regulatory Committee responded to a Ministry of Justice request for recommendations on the draft bill modifying the credit Collateral Register scheme. In its response, AmCham welcomed the innovation that the new register will officially certify the genuine existence of facts recorded in it and the requirement that entries may only be registered, amended or deleted subject to a legal statement, final and binding court order or official resolution. However, the Regulatory Committee opined that the rules of document review provided in the bill are too formal and do not ensure that the main goal set in the general reasoning of the bill is achieved.

### **New Civil Procedure Code (the "New CPC")**

As requested by the Ministry of Justice, the Regulatory Committee has sent its recommendations on the draft bill on the New CPC to the Ministry in June. The Regulatory Committee has been participating in the legislative reform process preparing the New CPC since early 2015 and had worked out proposals with regards to two specific areas: class action and the direction in substance of the course of proceedings, which was submitted to the Ministry of Justice in October 2015.

### **Modification of unfair and restrictive market practices legislation**

Upon the request of the Ministry of Justice, AmCham has sent its position on the draft modification of the Act LVII of 1996 on Prohibition of Unfair and Restrictive Market Practices in September. The Regulatory Committee discussed key elements of the new legislation with Ministry experts, including Deputy State Secretary Zoltán Nemessányi at a meeting held in October.

### **Planned revision of legislation pertaining to in-house counsel regulation**

The Ministry of Justice began the revision of legislation pertaining to in-house legal counsel this year. The Regulatory Committee has been engaged in active dialogue with representatives of member companies on this issue, and also has reviewed the guiding basic principles specific to planned revision, within the framework of public consultation. The Regulatory Committee will continue to closely follow legislative developments in this area.

### **Continued engagement of the Committee members**

We have experienced a remarkable participation level from our Committee members in the course of 2016. These Committee Members dedicate their time and resources to a number of projects during the year and contribute to exceptionally high quality internal legal discussions over different proposals, all while duly representing AmCham in the Ministry consultations listed above.

## FUTURE GOALS

The Regulatory Committee provides legal professionals with a critical opportunity to discuss and advance common policy issues while exhibiting a strong track record of quality and productivity. As such, our main goal remains to provide well-researched and theoretically grounded, practical materials to reflect members' interests appropriately. The committee also plays an important role by providing support to fellow committees in legislative related issues, on their request.



# COMMUNICATIONS

## OUR COMMUNICATIONS CHANNELS

First and foremost, in 2016 AmCham's website received a major facelift. Since 2009, AmCham has been developing a fully integrated customer relationship management (CRM), including an online membership and event database, invoicing platform with online payment, e-campaign manager and content management system (CMS).

It has been a rocky road and the design of the website has not been touched for years. With the CRM close to being finished, we decided to improve the looks of our website to meet current trends and also user needs. While we redesigned the look, we also implemented changes we hope you will like: social plug-ins throughout for Facebook, LinkedIn and Twitter; login via your LinkedIn account; registration to events made easy; more content, less clutter; easy and intuitive navigation.

In 2016 we printed six issues of **Journal**, our official print publication, appearing on a near bimonthly basis. Journal complements the regular updates and news on the website and social media, as well as the annual report and the biannual **Policy Agenda** publication, which details the priority areas where the chamber is concentrating its efforts.

AmCham members receive '**FRESH** - Your Weekly News and Events Update from AmCham', our **e-Newsletter** every week. This one pager gives a quick update on events, news, business offers, committees and more.

AmCham is also active on a number of **social media** channels. On **Facebook** we communicate with more than 1,500 followers on a daily basis, generating regular activity on the page by sharing event galleries, media clippings and invitations to our upcoming events. We also maintain a **LinkedIn** group with around 600 members and a **Twitter** page with more than 500 followers. We recently launched an **Instagram** account, for our visual content.

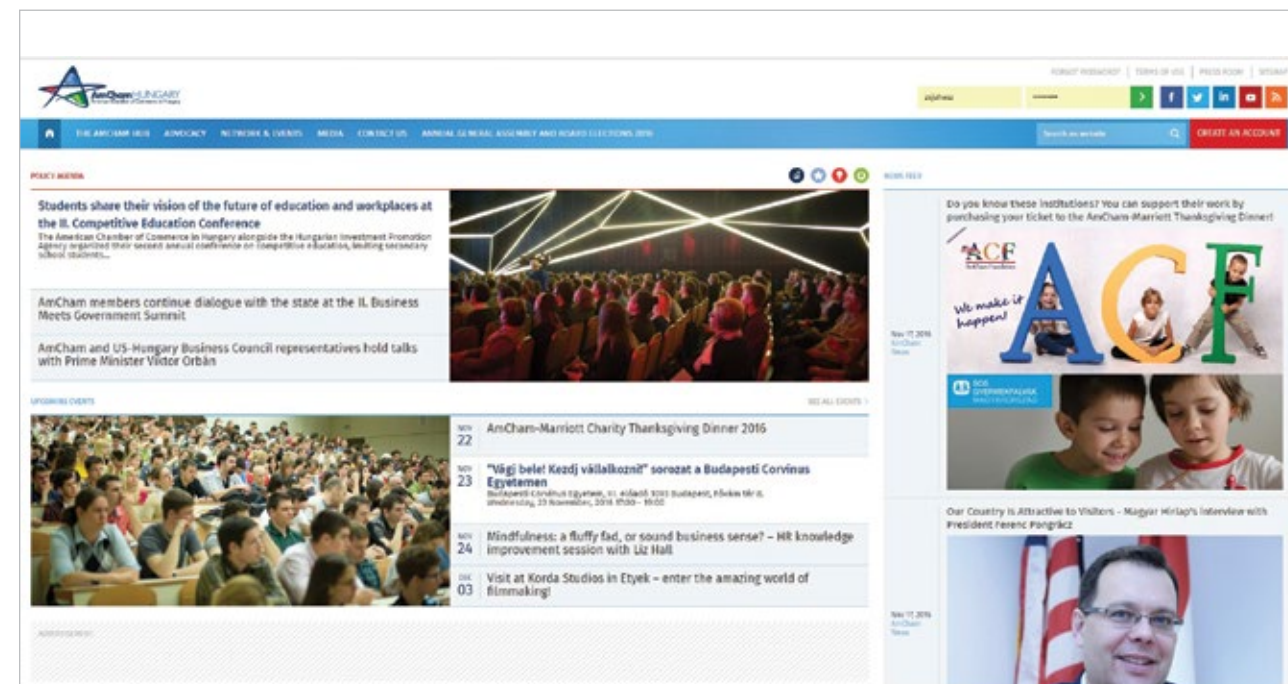


## AMCHAM IN THE PRESS

Between November 2015 and November 2016 the events, activities and statements of AmCham received regular and wide-scale coverage in the Hungarian printed and electronic media. The number of published articles in connection with AmCham in this time period is more than 250, while several of our events, conferences and press conferences received TV and radio coverage as well. The most outstanding press coverage was generated by the "Business Meets Government" conference, the U.S. Election Night Party and the "Tudsz Jobbat!" campaign and the "Competitive Education"



conference. In 2016 we also had the privilege to be interviewed by Figyelő on our education programs, by an international healthcare magazine and by Magyar Hírlap our advocacy work.



2016 EVENTS

2016

*Events*



# EVENT HIGHLIGHTS



Ambassadors Bell and Szemerényi



Nikola Gruevski

## EVENTS PROVIDING ACCESS TO DECISION MAKERS

### Business Forums + Patron Dinners

- Over the past 12 months, we have hosted a number of leaders from government and business, including:
- Nikola Gruevski, Prime Minister of the Republic of Macedonia
- Dr. György Matolcsy, Governor of Magyar Nemzeti Bank
- H.E. Colleen Bell, U.S. Ambassador to Hungary and H.E. Réka Szemerényi, Hungarian Ambassador to the United States
- László Parragh, President, Hungarian Chamber of Commerce and Industry
- István Tarlós, Mayor of Budapest
- H.E. Iain Lindsay, British Ambassador to Hungary
- Council of American Ambassadors



István Tarlós



György Matolcsy



Ambassador Iain Lindsay



László Parragh



## CAREER SCHOOL

Our traditional Career School was given a new twist, with a new set of topics and speakers and it outgrew the confines of the AmCham conference room in 2016. The series provides recently promoted managers and aspiring leaders a chance to learn directly from top business executives, in a non-threatening environment.

The audience could learn invaluable lessons on leadership from Christopher Mattheisen (Magyar Telekom), Ágnes Horváth (McDonald's), István Havas (EY), Dr. Farkas Bársony (GE Hungary), Krisztina Horváth (Cisco), Ágnes Fábíán (Henkel), Dr. Judit Zolnay (MetLife), and Katalin Pintér (Gerbeaud), while AmCham President Ferenc Pongrácz and former President William Benkő discussed their paths to success, life balance and how they overcome their failures.



Judit Zolnay, CEO, MetLife & Christopher Mattheisen, CEO, Magyar Telekom



Agnes Horvath, CEO, McDonald's & Istvan Havas, Senior Partner, EY with moderator Irisz Lippai-Nagy



William Benko, Former President, AmCham & Agnes Fabian, CEO, Henkel



Krisztina Horvath, CEO, Cisco & Farkas Barsony, Managing Director, GE Hungary with moderator Dorottya Bach



John Cantwell



Róbert Dobay



Judit Ábri

## HR ACADEMY

HR Academy returned for another series, this time offering the opportunity to young, mid-level HR professionals to learn about the latest trends in the field from the most successful local HR solution providers. During the seminars, we covered a wide range of topics including the challenges of the Hungarian labor market, competency models, the challenges of executive search, the benefits of retaining employees, leadership development with the help of coaching, gamification, e-learning practices, analytical tools and diversity. At the end of the series, our participants took a final exam and managed to pass with flying colors. During the first two semesters, 52 people signed up for the series.

We would like to thank our speakers: Tamás Fehér (Trenkwalder), Dóra Magyarosi (Assessment Systems), Tammy Stellini (HAYS Hungary), Csaba Csedő (Pivot Human Capital), Gergely Sztetics (Practify), Judit Ábri (Executive Coach), Róbert Dobay (Menedzsmentor), András Koharek (ARTudásmenedzsment), John Cantwell (Dramatrix), Gábor Füzér (Assessment Systems), Júlia Szűcs (Arthur Hunt) and Judit Hegedűs (TransAtlantic Consulting).

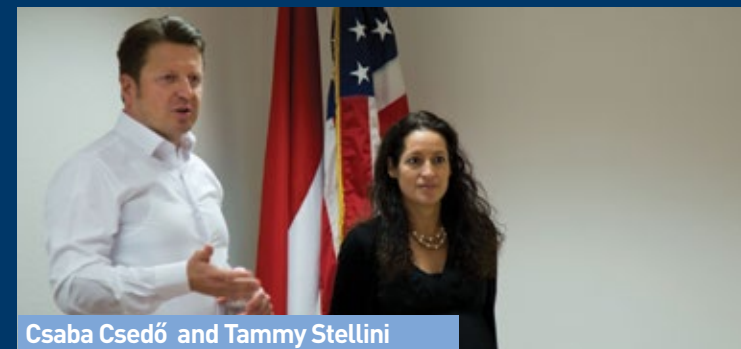
Special thanks to ARTudásmenedzsment, which provided an e-learning platform for the HR Academy students to use for presentations and discussions.



Gergely Sztetics



András Koharek



Csaba Csedő and Tammy Stellini



Tamás Fehér and Dóra Magyarosi



## SEMINAR AND MINI SEMINARS

In 2016, AmCham Hungary was once again fortunate to partner with many wonderful member companies to organize seminars in order to educate participants on relevant issues and share ideas. Our seminars provide a platform for companies to display their expertise and connect with a wide range of AmCham Hungary members.

In March, the experts of Dentons explained the current issues of International Data Transfer, while the team of Grant Thornton discussed the latest developments in the fields of cybercrime and cyber security. Aaron K. Olson, Aon's global head of talent management presented his book "Leading with Strategic Thinking" and shared his thoughts on leadership styles.

Solti and Partners Consulting brought us Stressz-M to introduce their platform and the "Support Your Well-Being" self-development program to help tackle the issue of growing shortages in high-skill labor.

CryptTalk held a morning seminar on the protection of business communication and the challenges of cyberspace. Cyber secret futurist Arthur Keleti discussed security and the future of cyberspace, Péter Szabó of Silent Signal introduced the benefits of ethical hacking, while Szabolcs Kun, CEO of CryptTalk talked about cellphone surveillance.

Erős Ügyvédi Iroda / Squire Patton Boggs LLP provided fast growth solutions to fast growth companies, discussing international taxation issues, unfamiliar legal and regulatory environments, and import and export challenges. Moreover, a day before the U.S. Presidential Election, the law firm brought in international trade policy expert Frank Samolis to examine the likely U.S. trade policy under the new president.







Balázs Fürjes and Tamás Lőcsei

### PROFESSIONAL CONFERENCES & WORKSHOPS

With our conference and workshop topics we always try to focus on various aspects of Hungary's global competitiveness and this year's events all served this goal.

In April we hosted the third "HR Dream Day", our successful workshop discussing the current trends of HR, including two key issues – the effects of digitalization and the talent pool shortage – at a packed Google Ground. For more on the event please read the HR Committee's report on pages 72-73.

In April, AmCham also co-hosted an extraordinary Business Forum on the BUDAPEST2024 Olympic and Paralympic Bid, attended by more than 100 business leaders and Olympic champions, and opened by Minister of Foreign Affairs and Trade Péter Szijjártó and Budapest Mayor István Tarlós.

Even though the host of the 2024 Olympics will not be announced until September 2017, campaigns by the candidate cities are in full swing. The AmCham event held at the



HR Dream Day

Corinthia Hotel Budapest on April 20 aimed to give attendees more detail on the process and the likely business impact of a successful bid. The Hungarian capital is up against Los Angeles and Paris. Budapest is building its hopes on a new set of rules adopted by the International Olympic Committee (IOC) called Agenda 2020 that aims to make hosting cheaper and more profitable.

In May, the 11th Regional Tax Conference was hosted by AmCham Slovakia, in cooperation with three other CEE AmChams (Czech Republic, Hungary and Slovak Republic). The full-day conference brought together tax experts from the governmental and business communities throughout the region to review best practices and to highlight problems and outline possible solutions.

AmCham also proudly held the fully booked Brain Bar Lab in June, the second "Business Meets Government" summit in September and the second "Competitive Education Conference" in October, which you can read more about on pages 22-25, 14-17 and 18-21, respectively.



Péter Szijjártó



### OUR TRADITIONAL SOCIAL EVENTS

We regularly organize social and family events which we believe strengthen the AmCham community. The Super Bowl Party, Independence Day, and the Thanksgiving Dinner help our members meet in a friendly atmosphere while providing a good networking opportunity. Strong and continued interest in these events proves their importance for our members.

Last year's annual Thanksgiving Dinner was held together with the Budapest Marriott Hotel and featured authentic American cuisine, entertainment for the kids, a live performance by Vera Tóth and a successful charity silent auction and raffle with more than HUF 3 million income. The proceeds from the auction supported the SOS Children's Villages and the annual charity drive of the AmCham Foundation.

June 2016 saw AmCham's Seventh Annual Family Sports Day and Soccer Tournament in Telki. We had more than 150 people enjoy the hospitality of the Global Football Park & Sport Hotel, where our members participated in several sporting activities including: a day-long soccer tournament, table tennis, and a full-court basketball tournament. Basic health check-ups were also provided.

The Independence Day Celebration was held at Gundel Restaurant and the Budapest Zoo in July. More than 200 members and their families enjoyed the half-day event.





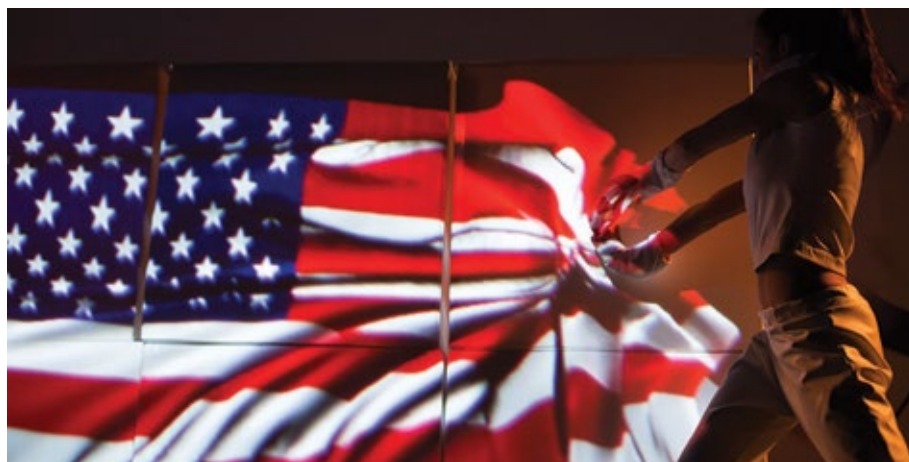
## U.S. PRESIDENTIAL ELECTION NIGHT PARTY

More than 1,200 guests attended the quadrennial United States Election Party, jointly organized by AmCham and the U.S. Embassy, at the Corinthia Hotel Budapest on November 8, 2016. The party is said one of the biggest in Europe, and was attended by government, diplomatic and business representatives including, U.S. Ambassador Colleen Bell.

Highlights included live video feeds from the major U.S. news networks, two shows by internationally acclaimed 3D dance group Freelusion, a mock election in the Oval Office, authentic campaign materials and decoration directly from the United States, a free guide on all you need to know about the U.S. Presidential Elections 2016, a moderated policy debate and a quiz on U.S. history, the candidates and the electoral system at six different educational stations.

Live music was provided by the Hungarian Air Force Band, with American-style catering, including bagels, hot-dogs, burgers, and BBQ ribs.

We would like to thank our partners and sponsors – especially Citi and Arconic – for supporting this wonderful evening.





# EVENT LIST BY TYPE

BETWEEN NOVEMBER 2015 AND 2016, AMCHAM ORGANIZED MORE THAN 60 MAJOR EVENTS WITH OVER 4,800 PARTICIPANTS.

LIST OF EVENTS  
(NOVEMBER 2015-NOVEMBER 2016)

PROFESSIONAL EVENTS

Professional events bring together mid- to senior level executives from the Hungarian business community, delivering exclusive insight and perspectives on a variety of topics from top-level speakers from Hungary and abroad.

BUSINESS FORUMS

Nikola Gruevski, Prime Minister of the Republic of Macedonia on the AmCham Podium – November 2015

Dr. György Matolcsy, Governor of Magyar Nemzeti Bank – December 2016

Ambassadors Colleen Bell and Réka Szemerkenyi on the AmCham Podium – January 2016

László Parragh, President, Hungarian Chamber of Commerce and Industry – May 2016

István Tarlós, Mayor of Budapest – May 2016

SEMINARS

Current Issues in International Data Transfer – March 2016

Cyber Security and Cyber Crime – Current Risks and Handling Approach – March 2016

Strategic Leadership in the Spotlight - AmCham Seminar with Aaron K. Olson, Aon Global Head of Talent Management – May 2016

To Infinity and Beyond: Fast-growth solutions for fast-growth companies – June 2016

Tegyel a Jóllétéért! – AmCham reggeliszeminárium és kerekasztal-beszélgetés – September 2016

Threats & Vulnerabilities – Awareness and Preventing Best Practices in Connection With Anti-terrorism – September 2016

The New Hungarian Code of Civil Procedure – October 2016

The Protection of Business Communication: How to Prepare for the Challenges of Tomorrow? – October 2016

A Look Ahead – U.S. Trade Policy Following the 2016 U.S. Elections – November 2016

CONFERENCES

First Competitive Education Conference – November 2015

Third HR Dream Day - Looking into the Crystal Ball of HR - April 2016

BUDAPEST2024 Olympic and Paralympic Bid – Motivations, Ambitions, Legacy – April 2016

AmCham Brain Bar Lab: Industrial Internet, the Game Changer of Our Time – June 2016

Second Business Meets Government Summit – September 2016

Tudsz Jobbat! Nationwide Competition Launched as Part of the Second Competitive Education Conference – October 2016

START YOUR BUSINESS PROGRAM

SYB! at Semmelweis University – January 2016  
SYB! at Óbuda University – April 2016

BOARD SIMULATION PROGRAM

BS at Wirtschaftsuniversität Wien – May 2016  
BS at Budapest Corvinus University – October 2016

CAREER SCHOOL SPECIAL EDITION: STEP UP THE LEADERSHIP LADDER (FIVE SESSIONS)

Growing by Making Others Grow with Ágnes Horváth, CEO, McDonald's & István Havas, Senior Partner, EY – May 2016

Trust and Enable with Katalin Pintér, Owner and Managing Director, Gerbeaud & Ferenc Pongrácz, President, AmCham & Business Development Executive for South-East Europe, IBM Hungary – May 2016

Freedom Through Responsibility with Krisztina Horváth, CEO, Cisco & Farkas Bársony, Managing Director, GE Hungary – May 2016

Mastering Communications with Ágnes Fábián, CEO, Henkel & William Benko, Former President, AmCham- June 2016

Work Smarter, Live Better with Judit Zolnay, CEO, MetLife & Christopher Mattheisen, CEO, Magyar Telekom – June 2016

AmCham would like to thank Előd Solti, Dorottya Bach, András R. Nagy and Edit Bencsik for their support in moderating the series.

HR ACADEMY FALL SEMESTER (FIVE MODULES)

Selection of Employees I – speakers: Tamás Fehér (Trenkwalder) and Dóra Magyarosi (Assessment Systems) – September 2016

Selection of Employees II – speakers: Tammy Stellini (HAYS Hungary) and Csaba Csedő (Pivot Human Capital) – October 2016

Development of Employees I – speakers: Gergely Szertics (Practify) Judit Ábri (Executive Coach) and Róbert Dobay (Menedzsmentor) – October 2016

Development of Employees II – speakers: András Koharek (ARTudásmenedzsment) and John Cantwell (Dramatrix) – November 2016

Analytical Tools – speakers: Gábor Füzér (Assessment Systems), Júlia Szűcs (Arthur Hunt) and Judit Hegedűs (TransAtlantic Consulting) – November 2016

EXTRAORDINARY MEETINGS

Fireside Chat with the U.S. Ambassador: Electronic Manufacturers - March 2016  
SSC Sector – June 2016  
Healthcare Sector – September 2016

Open Meeting on dual vocational training with the Ministry for National Economy – January 2016

Exclusive Regulatory Committee meeting with Minister Trócsányi – January 2016



Minister Szijjártó met with AmCham to discuss “Cooperation for a More Competitive Hungary” – April 2016

AmCham regular quarterly meeting with State Secretary István Lepsényi – April 2016

State Secretary Roundtable with Dr. László Palkovics, State Secretary for Education – June 2016

Extraordinary Innovation Policy Task Force Meeting – July 2016

AmCham’s Regulatory Committee meeting with the Ministry of Justice – October 2016

HR knowledge improvement session with Dr. Rose Aghdami – February 2016

#### **PATRON DINNERS**

Council of American Ambassadors – April 2016

H. E. Iain Lindsay, British Ambassador – September 2016

#### **ANNUAL GENERAL ASSEMBLY AND BOARD ELECTIONS**

December 2015

#### **INSIGHT – AMCHAM’S DEBRIEFING DINNER FOR TOP EXECUTIVES**

May 2016

#### **SOCIAL EVENTS**

AmCham Hungary’s social events provide AmCham members with a range of friendly and enjoyable events, giving them the opportunity to meet new people and share common interest.

#### **THANKSGIVING DINNER**

November 2015

#### **AMCHAM SUPER BOWL 50 PARTY**

February 2016

#### **BUSINESS AFTER HOUR EVENTS**

Aria Hotel – June 2016

Hotel Moments’ Bistro Fine – September 2016

#### **ANNUAL SPORTS DAY AND WALK THE WALK EVENT AS PART OF THE 10,000 STEPS CAMPAIGN**

June 2016

#### **INDEPENDENCE DAY FAMILY CELEBRATION**

July 2016

#### **U.S. ELECTION NIGHT PARTY**

November 2016

#### **AMCHAM FOUNDATION ACTIVITIES**

A Day to Make it Happen with AmCham Foundation: Fairy-tale performance with audio narration for visually impaired children – December 2015

A Day to Make it Happen with AmCham Foundation at “RÉS” Szociális és Kulturális Alapítvány, Családok Átmeneti Otthona – April 2016

A Day to Make it Happen with AmCham Foundation at Bliss Foundation, Bólyai utca Children’s Home and Kézzelfogható Alapítvány – Vakokiskolája – October 2016

## OUR SPONSORS

AmCham Hungary appreciates the engagement of all its members companies and sponsors and is pleased to recognize in particular the following companies who were the largest sponsors of its programs and activities in the 2016 financial year:



#### **We would also like to thank the following companies for their support:**

3M, Analogy, Arenim Technologies AB., AR Tudásmenedzsment, Assessment Systems, BRANKO, Dr. Rose Egészségügyi Szolgáltató Kft., Dentons, Duna Medical Center, Erős Ügyvédi Iroda / Squire Patton Boggs (US) LLP, IB Grant Thornton Consulting Kft., Mansfield and Associates, Menedzsmentor Bt., Oracle Hungary, Persecutor Kft., Réczicza Dentons Europe LLP, SAS Institute Kft. and Solti & Partners Consulting Kft.

2016 MEMBERSHIP

# 2016

*Membership*



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CORPORATE MEMBERS

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## BUSINESS MEMBERS

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SOS-Gyermekfalu Magyarországi Alapítványa  
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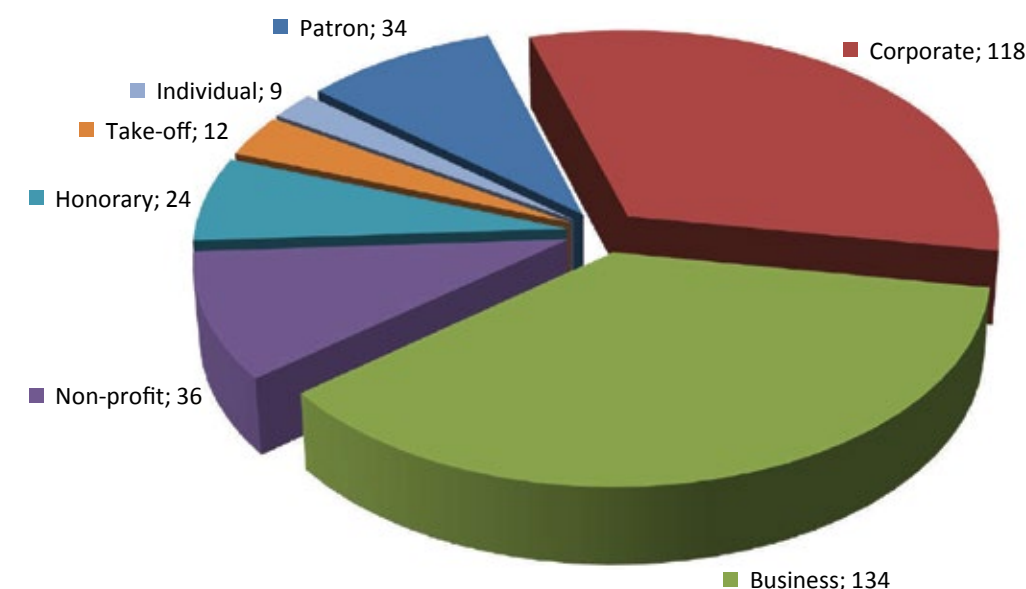
Benko, William  
Bienerth, Gusztáv, Dr.  
Bina, Steven  
Blinken, Donald  
Boone, Theodore S.  
Brinker, Nancy G.  
Bush, Edward J.  
Czirják, László  
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Shade, Michael J.  
Simonyi, András  
Sugár, András  
Szablya, Helen  
Tufo, Peter F.  
Walker, George Herbert

## MEMBERSHIP REPORT

### I. Membership in numbers

As of November 21\*, 2016 AmCham Hungary's membership consists of 367 members, from which 34 are Patron, 118 Corporate, 134 Business, 36 Non-profit, 12 Take-off, 9 Individual and 24 Honorary members.

Membership structure as of November 21, 2016



### II. Key figures of AmCham membership in 2015\*\*

Collective number of employees at member companies in 2015 stood at 222,547

Our members generated a total net revenue of more than HUF 18 trillion in 2015

There is extremely wide and strong representation of different business sectors in the membership:

- 8 out of the 10 largest banks
- 12 out of 16 Shared Service Center operating companies
- 6 of the 10 largest electronics manufacturing companies
- 8 of the 10 largest international law firms
- All 5 of the largest telecom service providers

\*Closing of 2016 Annual Report editing.

\*\*To be able to report full year on reliable sources, 2015 data is used.

Sources: AmCham database, BBJ's Book of List, Figyelő TOP 200, [www.opten.hu](http://www.opten.hu), Ministry of Justice: <http://e-beszamolo.kim.gov.hu/>



## 2016 COMMITTEES

# 2016

Electronic Manufacturers'

Facilities Management

Governance and Transparency

Human Resources

Membership

Taxation

Committees provide a platform for members to share best practices and for professional networking. Each committee develops an annual action plan for managing specific projects with tangible deliverables. Committees provide professional support to AmCham's endeavors such as publications, programs and workshops.

# *Committees*

# ELECTRONIC MANUFACTURERS' COMMITTEE



**Chair:**  
**László Ábrahám**  
**(NI Hungary)**  
**Coordinators:**  
**Írisz Lippai-Nagy,**  
**Judit Szilágyi**

## MISSION

"To raise awareness and highlight the weight and role of the electronic manufacturing sector in the Hungarian economy; and to find areas of common interest of electronic manufacturing companies and joining forces in these areas."

## OBJECTIVES

- Continue sharing best practices among members
- Continue dialogue with decision makers with a special focus on competitiveness and education in order to represent the interests of the sector

## OVERVIEW

In 2016, member companies of the committee continued to share best practices. The committee has been actively engaged in AmCham advocacy efforts and contributed to regular meetings with the Ministry for National Economy.

## MAIN ACTIVITIES AND ACHIEVEMENTS IN 2016

László Ábrahám, chair of the committee, presented an overview of the electronics manufacturing sector's current status and trends and shared the committee's initiatives with state secretary István Lepsényi at the AmCham – Ministry for National Economy (NGM) Strategic Working Group kick-off meeting held on December 9, 2015. Among other things, the committee requested legislative changes in the Hungarian requirements related to internally used test equipment. As a result, the Hungarian decree implementing the EU Low Voltage Directive, equipment manufactured for own use (test stations/fixtures/other internally used units) are no longer subject to CE marking requirement from July 15, 2016.

## PLANS FOR 2017

The committee will continue its advocacy activities, in line with the electronic industry strategic document, and plans to follow-up on its recommendations with decision-makers (Ministry for National Economy, HIPA). The committee also plans to continue its education-related activities, and to organize educational forums with relevant professors and university/faculty/departments.



## ADVOCATING FOR BETTER RECOGNITION OF THE SECTOR

The government published its strategic plan for innovative industry development called the Irinyi Plan, which has been reviewed and discussed in detail by members of the Electronic Manufacturers' Committee. At the AmCham-NGM Strategic Working Group meeting held on April 29, László Ábrahám presented AmCham's feedback on the key goals of the Irinyi Plan and also presented the committee's suggestions in the field of education: a special focus needs to be paid on a more practice-oriented curriculum and methodology at all levels of the education and vocational training system; there is also a need for better career orientation, and there is an urgent need to orient more students to the so-called STEM fields.

In line with AmCham's "Cooperation for a More Competitive Hungary" recommendation package, the committee continues to advocate for those changes that would help improve the direct cooperation of companies and schools, and for the possibility to direct a certain part of the vocational contribution to schools. The committee welcomes and recognizes the recent legislative change to abolish VAT on items freely presented by companies to schools as a major development in this area.

In March, member companies of the Electronic Manufacturers' Committee, along with AmCham president Ferenc Pongrácz and CEO Írisz Lippai-Nagy, met H.E. Colleen Bell, Ambassador of the United States to Hungary and Dale Wright, U.S. Senior Commercial Officer. This meeting was the first occasion of a high-level, exclusive and industry-specific 'Fireside Chat' meeting series. After introducing their companies, participants had a fruitful and informal discussion with Ambassador Bell about Hungary's electronic manufacturing industry, which is a key element of innovation and economic competitiveness and contributes massively to Hungarian GDP and exports. In the fourth-quarter of 2016, the committee created an electronic industry strategic document that gives an overview of the special role the electronic industry plays in the development of the Hungarian economy. Electronic manufacturing is strongly tied to the seven strategic industry segments as defined by the Irinyi Plan, and the committee advocates for the recognition of the electronic industry as a strategic sector as well.



# FACILITIES MANAGEMENT COMMITTEE



**Chair: József Jung (EY)**  
**Coordinator: József Gál**

“ The goal of the committee is to provide a platform for regular professional input and oversight on facilities related matters, and to encourage the exchange of opinions and experiences among the member companies. Through this experience, the members are supported in how to integrate FM processes within an organization and improve the effectiveness of a company's primary activities. ”

## OVERVIEW

Our first meeting in February was held at the Eiffel Palace offices of CBRE. The presenters gave an outlook on upcoming real estate development projects for 2016 and what new facilities these would bring to the market.

The second meeting was hosted at NI's offices at Infopark. We discussed the processes and legal requirements for energy audits, which is now mandatory for large companies in accordance with the EU 2020 goals. While companies may go at the process alone, there are significant risks in doing so, considering the vagueness of some of the legislature – it is a much safer route to hire a professional energy audit company, which significantly mitigates the inherent risks.

In June, we visited Telenor's headquarters in Törökbálint, where we thoroughly discussed and compared the LEED, BREEAM and DGNB green certificate systems that are already well-established abroad and have been gaining significance in Hungary as well for the past decade. As in many other areas, the bar here is also rising and careful planning and thinking in advance is necessary if one wishes to adequately prepare for the future – a take away for developers, lessors and tenants as well.

On the fourth meeting at EY we discussed office refurbishment and redesign – a topical subject for many of our committee members. The labor market trends of the past few years have made careful and timely planning an absolute must, as there is only a small number of competent and trustworthy contractors, and their availability is limited.

The fifth and last committee meeting in this year will be held after this publication goes to print, in late November. We will further explore the topic of office interior management and design in view of newly available technologies and tenant expectations.

Employee satisfaction is an important factor in workforce retention, and office spaces make a large contribution to that. Costs, however, can also run away. Finding the optimal ROI is as important as ever.

## PLANS FOR 2017

The main focus of the committee will remain providing interesting and useful information; introducing new trends and handling hot issues within the area of Facility Management; keeping and strengthening a good working relationship amongst our members, within AmCham and other professional organizations; and encouraging new companies to join the committee.

# GOVERNANCE AND TRANSPARENCY COMMITTEE (G&T COMMITTEE)



**Co-Chairpersons:**  
**László Czirják** (Co-Founder/Managing Partner, iEurope Group, and former AmCham President)  
**David Young** (Managing Partner, Amrop Kohlmann & Young, and former AmCham First Vice President)  
**Coordinator: József Gál**

topics have included compliance, internal audit, and whistleblowing. These events have attracted speakers such as the U.S. Ambassador Colleen Bell and Minister of Justice László Trócsányi. The G&T Committee continues to provide compliance-related best practices as and when asked by the government.

**Private Sector Engagement** – The G&T Committee is working on various projects and is creating publications that engage the private sector in promoting best practices and in encouraging entrepreneurship.

**Board Simulation** – A role-playing simulation case study, written and copyrighted by AmCham, that presents a fictional stock exchange listed company's board meeting. In this enactment, six or more volunteer committee members demonstrate on stage the business implications and challenges of corporate governance issues in a large company setting. Students get to experience firsthand how a typical board meeting occurs. Discussions are playacted with deliberate intensity when sensitive issues and difficult decisions are discussed. The simulation was originally created five years ago at the request of Hungarian professors who lacked real-life case



study teaching tools. The simulation has been already playacted at five different Hungarian universities (BCE, BME, PTE, ELTE, and CEU) and has recently crossed Hungary's borders with an event at Wirtschafsuniversität in Vienna, Austria. Overall this case study reached almost 700 students. The committee plans to launch a second board simulation case study next year that focuses on an SME scenario. This has been developed at the request of university professors who sought additional teaching tools including case studies, for the more common SME governance challenges.

**Start Your Business series** – In 2016 included four sessions at university campuses across Hungary (SE, ÓE, SZIE and BCE). Since its launch in 2012, more than 1,750 students have attended events. At each program, students are inspired by the presentations of Hungarian entrepreneurs who have successfully built their own startup companies. These programs also feature panel discussions by venture capital, legal, financial and HR experts







who help guide students' in their first steps towards launching their business. Interactivity is at the core of the sessions with a Q&A block after each speech and the panel discussion. The events end with a relaxed networking opportunity.

**Jövő Vezetői Facebook page** – Regularly updated with information and events related to G&T Committee activities to create a connection between the present and future generations of the business community.

**Monitoring and Commenting on Legislation / Providing Input** – The committee continuously monitors and comments on new legislation, regulations and policies of relevant bodies (e.g. ministries, BSE, etc.) It also cooperates with other AmCham committees and Policy Task Forces in a number of areas.

**Publications** – “Vallalkozni Jó! (Entrepreneurship is Good!)”- In 2016 AmCham digitally published its September 2014, AmCham publication of the same name. This is a collection of interviews with 16 legendary Hungarian entrepreneurs, and presents their mindset, passion and approach. It explores their motivations rather than describing specific startup evolutions. The common theme that led to success is undeniable: Their

topics have included compliance, internal audit, and whistleblowing. These events have attracted speakers such as the U.S. Ambassador Colleen Bell and Minister of Justice László Trócsányi. The G&T Committee continues to provide compliance-related best practices as and when asked by the government.

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# HR COMMITTEE



**Chair: Zsolt Fehér**  
**(Assessment Systems)**  
**Coordinator: Zsófia Juhász**

## VISION

The HR Committee will improve the competitiveness of Hungary and contribute to a better society by supporting members to achieve world-class levels of HR effectiveness and impact.

## OVERVIEW

The HR Committee started its work in 2009. Our main goal has been to bring more attention to HR issues in member companies, to involve HR leaders and managers in AmCham's life and to create a platform for thinking together, sharing issues and challenges, learning from each other and sharing best practices. In addition, the HR Committee was also created as a platform for corporate and non-corporate HR professionals to meet and get to know each other better.

## HR DREAM DAY III.

The committee organized the fully booked HR Dream Day III – Looking into the Crystal Ball of HR on April 14 at Google Grund. The event argued that we are living in an era of digital disruption and we must realize that technology cannot be beaten; we should rather utilize digital tools and information in order to keep up and increase efficiency. Speakers outlined two of the biggest tasks: reskilling HR and finding the right balance between old and new ways. The future of HR lies in forecasting, careful planning and finding the right models.

Marcus Orlovsky, director of the London-based Bryanston Square delivered a powerful keynote speech giving a compass to HR leaders in the digital era. He claimed the key to success now is effectiveness through the utilization of people and assets in the best possible way. In order to succeed, business leaders must know their own company and should not be afraid to change.

Another key topic of the workshop was finding a fresh answer to the burning talent pool challenge companies are facing: engaging the 50+ workforce. Chérie Carter Scott, Ph.D., best-selling author and life coach addressed the participants. One aspect of coaching is guiding a person in his/her quest for reinvention, she said. It is an opportunity to find a purpose in their lives, a sense of meaning, and a new identity after retirement. Vitality is a quintessential part of the reinvention, it stems from health, stable financial situation, relationships (especially with younger people), and passion – things that make us get up in the morning.

The program was continued by workshops on two different topics in four groups focusing on how HR can support businesses. The topics were Digital HR Methods (moderated by Szabolcs Szelei, digital transformation evangelizer & Tom Kürti, head of Kürt Academy) and Talent: Baby Boomers (moderated by Éva Uzsák, head of innovation and PR at Aon Hewitt Hungary and Bob Mansfield, VP international development at Mansfield & Associates). The event will be continued in 2018.

## HR ACADEMY SEASON II.

The committee continued the HR academy series for young, mid-level HR managers. The purpose of the series was to learn from the most successful HR solution providers in five modules on the latest trends in selection and development of employees and analytical tools. To read more on the series please see page 39.

## REGULAR MEETINGS

We also held regular meetings with the following speakers and topics in 2016:

- March 23: Future of HR roundtable with Tamás Barathi, founder at Colibri HR Solutions, winner of the HR Innovator Award 2015; Viktória Kelevéz, senior HR manager, Budapest Bank; second place in the HR Innovator Award 2015 and Lili Gergácz, HR director, Kürt Zrt; member of the HR Innovator Award Jury
- June 20: Extraordinary HR committee meeting with Ágnes Kovács, Olympic champion on "The Road to the Olympic Gold – motivation and competences enabling peak performance".
- Our special guest speaker was arranged by András Hajnal, co-founder of Sportalkímia.
- October 17: Talent shortage and workforce retention in key jobs - Joint meeting of the HR Committee and the Talent Policy Task Force

The HR Staff knowledge improvement session was also continued this year with guest speaker Liz Hall on Mindfulness, arranged by AmCham member company Coaching Határok Nélkül (CHN). This year we also cooperated successfully with the Talent Policy Task Force of AmCham in organizing the first "Competitive Education" summit, held on November 19.



## FUTURE PLANS

Next year we will continue to strive to involve non-HR executives in the work of the HR committee to constantly monitor and support the need of business development, meanwhile to showcase the power and importance of this often downgraded area.



# MEMBERSHIP COMMITTEE REPORT



**Co-Chairs: Dr. Andrea Jádi Németh**  
(bpv JÁDI NÉMETH Attorneys at Law)  
**Krisztina Varga** (Hewlett Packard Enterprise)  
**Coordinator: Ildikó Takács-Berka**



## COMMITTEE GOALS

To increase membership by targeting quality companies and to work on the retention of members; to assist the board and AmCham working groups in all areas related to membership with a view to extending the scope of our quality and innovative services, and providing value for an increasing range of businesses

## OBJECTIVES

- To host a successful INSIGHT event for the full membership with a high number of member representatives and potential companies, where members can give a full and up-to-date status of our mission and the results of the Policy Task Forces.
- To maintain and contribute to an up-to-date list of potential member companies
- To enhance attractiveness and increase awareness of AmCham membership by effectively communicating and representing its Policy Task Forces, to showcase the content of these PTFs and their significance in the AmCham network.
- To enrich the already valuable AmCham membership portfolio by strengthening its presence and driving power concerning foreign direct investments and innovation.

## ACTIVITIES

We organize two strictly AmCham activity-themed events per year. One is the Annual General Assembly at yearend where we inform our members about that year, what we achieved. We also share our financial results, and our board members are elected.

To have another opportunity to give updates on our activities during the year, we organise our INSIGHT event in June, where the whole membership is invited. This event provides a platform to inform our members about what we do, the progress we have made and most importantly to provide an opportunity for direct input, questions and feedback.

Organizing the INSIGHT during May-June and the AGA in December provides an opportunity for regular personal engagement with our members.



This year INSIGHT was a late afternoon event turning into dinner, and we invited not only our members but also the representatives of companies who might be interested in our activities and who could enrich our powerful membership base should they join. Besides providing details of professional objectives and the commitment of the Policy Task Forces, the event proved to be an excellent networking opportunity.

Another key platform for networking in 2016 was our two Business After Hours event, generously hosted by Aria Hotel and Hotel Moments' Bistro Fine. We are grateful for their hospitality!



**Business After Hours**





**Committee Chair:**  
**Botond Rencz (EY)**  
**Committee Coordinators:**  
**Írisz Lippai-Nagy,**  
**Judit Szilágyi**

## MISSION

- identify and implement changes needed in Hungarian tax legislation with the aim of making it more competitive
- assist members in their advocacy efforts
- respond to members' common requests with direct dialogue with decision-makers
- provide members with the opportunity to keep up to date with tax changes and key developments
- continuously update the AmCham Board about developments in the tax law and discuss with the board how to comment on these changes.

# TAX COMMITTEE OVERVIEW

As a follow-up to the first AmCham-HIPA-NHIT "Business Meets Government Summit", held on October 27, 2015, the Tax Committee in cooperation with the Investment PTF formulated their recommendations on how to attract more investments into Hungary and how to help increase the country's competitiveness by creating a competitive, investment-friendly business and tax environment. Recommendations were incorporated into the 19-point recommendation package "For a More Competitive Hungary" that was published and sent to decision-makers in February 2016.

Among business environment related suggestions, the committee highlighted those aiming to tailor a tax system that provides better support for FDI: OECD's Action Plan on Base Erosion and Profit Shifting (BEPS) will fundamentally change the competitiveness strategies countries follow. Profits will be taxed at the place where business activities are performed. AmCham has been advocating for a long time that CIT should be gradually decreased in Hungary to flat 10% to improve our investment climate and thus our regional and global competitiveness. The committee is very proud to report to members that as a result of structured and constructive dialogue with the government the corporate income tax will be lowered to 9% from 2017.

AmCham also advocated for the further reduction of bureaucracy and over-regulation in general, as that will improve Hungary's international competitiveness. Hungarian regulations are often stricter than the EU standards or the EU requirements. Over-regulation decreases the competitiveness of Hungary against other Central and Eastern European or Western European countries. It is important to comply, but over-regulating is an additional burden to all stakeholders (government and businesses alike) in terms of time and costs.

## 11<sup>TH</sup> ANNUAL REGIONAL TAX CONFERENCE

On May 5, 2016, AmCham Slovakia hosted the 11th Regional Tax Conference that focused on the attractiveness of tax systems, as well as latest developments on OECD and EU initiatives on tax evasion and profit shifting. The full-day conference was a joint event of four



the European Commission and the OECD to review best practices and to highlight problems and outline possible solutions. The Hungarian Ministry for National Economy delegated Zoltán Pankucsi Deputy Secretary of State to the conference.

Among several important topics, participants discussed:

- Tax system attractiveness – how V4 countries can attract more investments by effective tax policy
- OECD BEPS Initiative/EU ATAD – measures against tax evasion and practical implications for the V4 region

A guest speaker at the conference was Arthur Laffer, author of the "Laffer curve", who was a member of President Ronald Reagan's Economic Policy Advisory Board, a former advisor to Prime Minister Margaret Thatcher, and a Wall Street Journal columnist.

### Second Business Meets Government Summit

The Tax Committee, in cooperation with the Investment PTF prepared and organized a "Business Environment" roundtable discussion at the second "Business Meets Government Summit" held on September 27.

State Secretary István Lepsényi represented the Ministry for National Economy at the closed door discussion moderated by Botond Rencz, where participants discussed some key elements of the envisioned development of the Hungarian economy, where the key target is the transition from employment creation FDI projects to quality and higher value-chain FDI projects. A recommended action point was the cooperation and consultation of business and government to make Hungary an attractive high value-chain location, initiating a paradigm shift.

Other related suggestions included the increase of sustainability and efficiency, the decrease of bureaucracy and the introduction of new subsidies supporting the paradigm shift. Business representatives also confirmed that for future development it is essential to manage the labor shortage challenge.

AmChams (Czech Republic, Hungary, Poland and Slovak Republic); AmCham Hungary was represented by Botond Rencz, Tax Committee Chair. The conference brought together Visegrad group countries' political leaders, tax experts, representatives of public institutions and the business community, as well as experts from

## FUTURE GOALS

For 2017, planned activities of the Tax Committee include:

- Developing tax and business environment related recommendations and positions
- Active involvement in meetings with key decision makers (NGM, HIPA) to follow-up policy recommendations
- Organization of a State Secretary roundtable discussion with Norbert Izer, Deputy State Secretary of the Ministry for National Economy
- Developing content and participation at the 12th Regional Tax Conference 2017 to be held in Prague
- Developing tax and business environment related recommendations for the third "Business Meets Government Summit" in 2017, in cooperation with the Investment PTF



# AMCHAM FOUNDATION (ACF)



**Members of The Board of Trustees:**  
**Dr. Péter Komáromi, chairman**  
**Mária Gordon, representative**  
**Zsuzsa Rajki, member**  
**Secretary: Erika Bosnyák**

**Founder: Ádám Terták**  
**Representatives of the Supervisory Board:**  
**Edit Bencsik, Dr. István Gortvay,**  
**László Hajdú**

## GOALS:

- To help children in need of social, mental or physical support
- To provide transparent and ethical charity services for donor corporations
- To promote corporate social responsibility and the ethos of volunteerism in the Hungarian business culture

**27 YEARS' EXPERIENCE**  
**NEARLY 100 CHILDREN'S INSTITUTIONS**  
**MORE THAN HUF 380 MILLION GRANT**

Thank you AmCham members! Because of supporters like you, we are able to provide help and life-changing relief to children in need. ACF is proud of the commitment we make to children's well-being.

Our supporters – domestic and multinational companies – help the less fortunate through monetary and in kind donations, along with hours of voluntary work.

The AmCham Foundation is comprised of volunteers who are not financially compensated for their work. Anybody can join the foundation, depending on his/her time and determination. In order to operate successfully, the AmCham Foundation relies on a solid core, namely the AmCham Foundation Board of Trustees and secretary.



## ACTIVITY REPORT OF 2015-2016

- **Special theater for all senses on December 13, 2015.** The AmCham Foundation enabled a performance of a fairy-tale with audio narration on December 13, 2015 for visually impaired children, with the implementation of the AKKU association, together with one of the winners of the 2015 ACF tender, the Manna non-profit association. The performance was alive, exciting, and most of all, understandable for visually impaired children,

bringing remote cultures closer to them through visual and tactile senses. Children were able to witness an exemplary integration – this theater play was a unique experience, where the visually and/or other impaired children could enjoy the performance together with healthy peers.

- **Close to 100 corporate volunteers helped out at a temporary home for families run by the RÉŠ Foundation on the outskirts of Budapest on April 23, 2016.** Families living in temporary homes are usually in a dire financial situation, which makes their options for organizing family free-time limited. This home run by the RÉŠ Foundation is dedicated to helping these families spend quality time together. It was this goal that the ACF sought to support by organizing its traditional spring corporate volunteering day entitled "A Day to Make it Happen". Employees of AmCham member companies helped to renovate the institution's playground and create a relaxing garden.





- **The AmCham Foundation donated a special prize to Ákos Török, an aspiring virtuoso on June 4, 2016.** The young artist received a free master course by Ádám György in order to realize his dream.
- In 2016, one of the missions of the AmCham Foundation was to support a disadvantaged, young musical talent. We asked the successful television program Virtuózok and the György Ádám Kastélyakadémia to select a precious young talent who was not fortunate enough to make it into the show's final. It was an especially great honor to support a Hungarian talent from across the border.
- **Lexmark employees donated HUF 110,000 to Aprónép Alapítvány via the AmCham Foundation.** The money will be spent on a PlusoptiX Pediatric

Autorefractor worth more than HUF 2 million - a device that can measure the eyes of infants within one second. In order to add more value to this donation, Lexmark volunteers helped the hospital by painting and cleaning its rehabilitation department. More than 16 volunteers worked 125 hours. In addition, Lexmark also purchased paints, brushes and other necessary items worth HUF 100,000.

- The beginning of autumn marks the opportunity for AmCham member companies to offer volunteering activities to their employees. **The AmCham Foundation's regular initiative, "A Day to Make it Happen" event is a steady staple** for those who wish to participate in a meaningful, well-organized volunteering activity.



- **On October 1, more than 100 volunteers** participated in three different venues to make the everyday environment of children nicer and safer. Employees from various companies, such as KPMG, Xerox, Tata Consultancy, Lexmark and NCR Hungary helped renovate the playground and the fence that children with multiple disabilities use everyday at a school operated by the **Bliss Foundation**.
- Together with students from BME High School (who collected valuable hours in social work, required for graduation), employees of AmCham member companies (AmCham Office, Lexmark, Tata Consultancy and Urmet Kft.) cleaned the gardens of the **Bólyai utca Children's Home**, created a barefoot trail and assembled pallet furniture.
- Finally, a team of about dozen volunteers (from Tata Consultancy and HIPA) worked in the School for the Blind, painting a ceramic workshop. Erzsébet Móga, President of the Kézzelfogható Alapítvány commended about the volunteering day: "We have a great relationship with the AmCham Foundation, ever since we started working with them. They are fast and professional; it is a delight working with them." While the team waited for the paint to dry, Ms Móga showed the volunteers how the ceramics were made, and they got so excited about the various benefits of pottery that the two groups volunteered to co-organize team building events with **the School for the Blind**. "We will work out the curriculum in January, and we can launch the project during the spring," explained Ms Móga.

**THINK BIG – SUPPORT THE SMALLEST!**  
For more details please visit our webpage:  
**[www.amchamfoundation.hu](http://www.amchamfoundation.hu)**!



# APPENDIX TO THE SECRETARY TREASURER'S REPORT

## American Chamber of Commerce in Hungary Simplified Balance Sheet 31 December 2015

Thousand HUF		
ASSETS	2014. december 31.	2015. december 31.
<b>A. Fixed assets</b>	<b>84 944</b>	<b>44 165</b>
I Intangible Assets	4 614	6 423
II Tangible Assets	2 083	2 347
III Financial investments	78 247	35 395
<b>B. Current Assets</b>	<b>46 425</b>	<b>93 199</b>
I Inventory	0	0
II Receivables	14 625	9 669
III Securities	19 625	73 300
IV Cash and bank deposits	12 175	10 230
<b>C. Prepayments</b>	<b>9 612</b>	<b>4 285</b>
<b>Total Assets</b>	<b>140 981</b>	<b>141 649</b>
EQUITY AND LIABILITIES	2014. december 31.	2015. december 31.
<b>D. Equity</b>	<b>70 740</b>	<b>73 479</b>
I Subscribed capital	2 426	2 426
II Capital change	67 548	68 315
III Tied up reserve	0	0
IV Valuation reserve	0	0
V Profit for the year from basic activity	1 731	4 034
VI Profit/(loss) for the year from Entrepreneurial Activity	-965	-1 296
<b>E. Provision</b>	<b>0</b>	<b>0</b>
<b>F. Liabilities</b>	<b>24 385</b>	<b>18 780</b>
II Long-term liabilities	0	0
III Short-term liabilities	24 385	18 780
<b>G Accruals</b>	<b>45 856</b>	<b>49 390</b>
<b>Total Liabilities &amp; Equity</b>	<b>140 981</b>	<b>141 649</b>

## American Chamber of Commerce in Hungary Simplified Profit and Loss Account 31 December 2015

	2014			2015		
	Basic activity	Entrepreneurial activity	Total	Basic activity	Entrepreneurial activity	Total
1 Net sales	35 942	5 107	41 049	26 362	2 812	29 174
2 Capitalized value of own performance	0	0	0	0	0	0
3 Other income	123 649	43	123 692	116 535	2	116 537
thereof:			0			0
- Membership fees, payments from Founders	122 634	0	122 634	115 295	0	115 295
- Subsidies	0	0	0	1 000	0	1 000
- Other	1 015	43	1 058	240	2	242
4 Income from financial activities	7 079	229	7 308	6 420	126	6 546
5 Extraordinary income	0	0	0	0	0	0
thereof:			0			0
- Payments from Founders			0			0
- Subsidies			0			0
<b>A Total income (1+2+3+4+5)</b>	<b>166 670</b>	<b>5 379</b>	<b>172 049</b>	<b>149 317</b>	<b>2 940</b>	<b>152 257</b>
6 Material expenditures	58 882	3 112	61 994	48 708	2 276	50 984
7 Personal expenditures	92 311	2 864	95 175	84 508	1 746	86 254
thereof: Benefits granted to executive staff	19 996	645	20 641	19 810	390	20 200
8 Depreciation	2 188	71	2 259	3 205	63	3 268
9 Other expenditures	10 255	255	10 510	8 593	146	8 739
10 Expenditures of financial activities	1 303	42	1 345	269	5	274
11 Extraordinary expenditures	0	0	0	0		0
<b>B Total expenditure (6+7+8+9+10+11)</b>	<b>164 939</b>	<b>6 344</b>	<b>171 283</b>	<b>145 283</b>	<b>4 236</b>	<b>149 519</b>
thereof: expenditure of non-profit activities	0	0	0	0	0	0
<b>C Pre-tax result (A-B)</b>	<b>1 731</b>	<b>-965</b>	<b>766</b>	<b>4 034</b>	<b>-1 296</b>	<b>2 738</b>
12 Tax payable	0	0	0			0
<b>D After-tax result (C-12)</b>	<b>1 731</b>	<b>-965</b>	<b>766</b>	<b>4 034</b>	<b>-1 296</b>	<b>2 738</b>
13 Approved dividends	0	0	0			0
<b>E Profit/loss of the year (D-13)</b>	<b>1 731</b>	<b>-965</b>	<b>766</b>	<b>4 034</b>	<b>-1 296</b>	<b>2 738</b>



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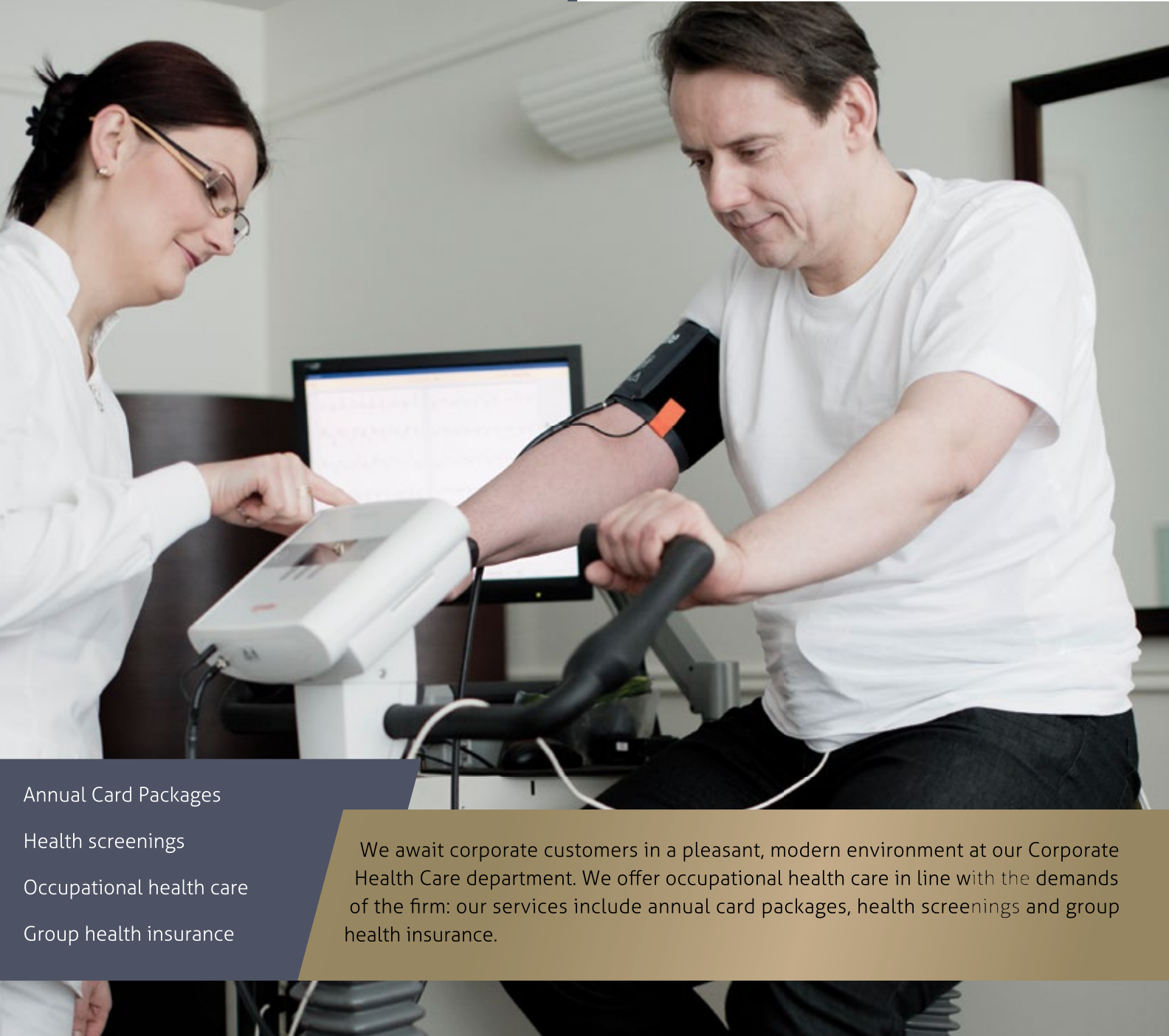
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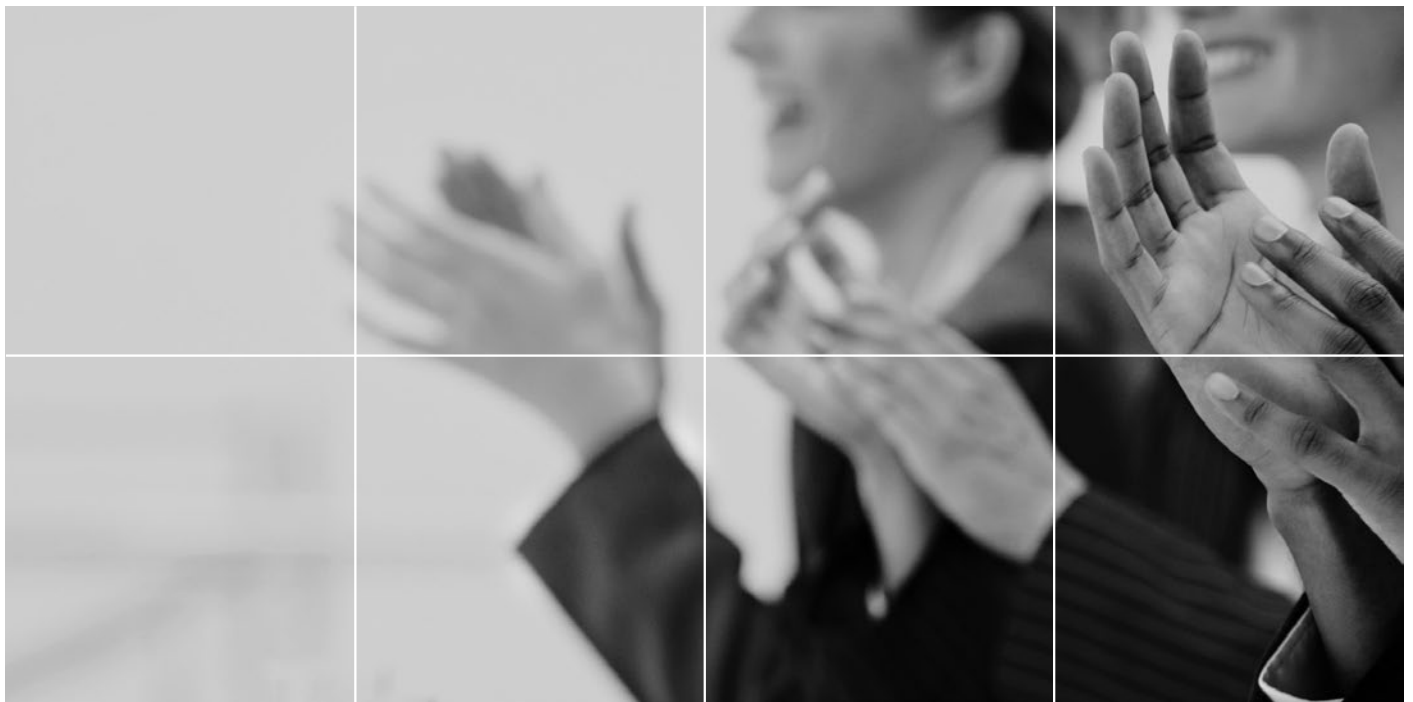


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