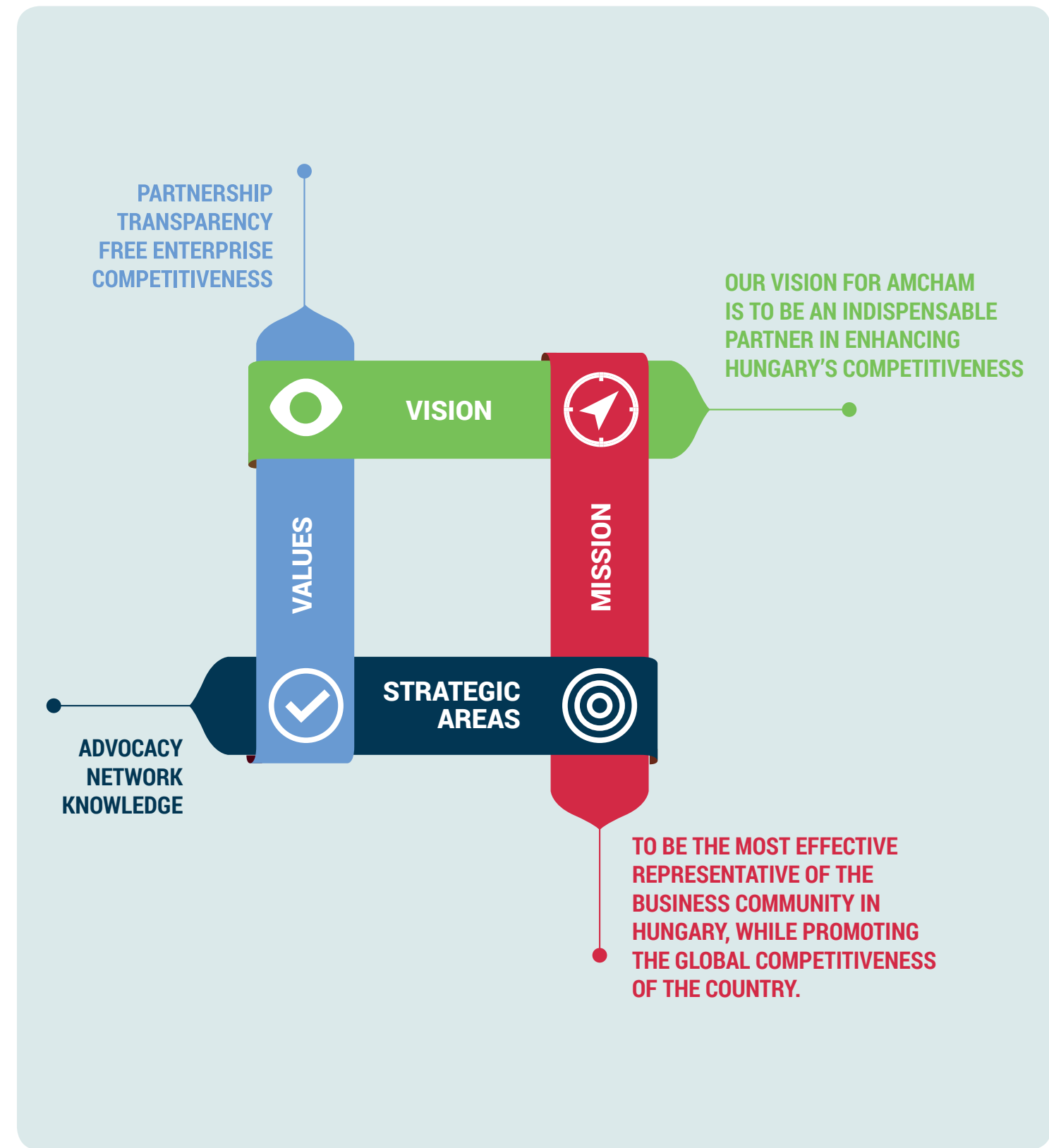


ANNUAL REPORT

2017



AMCHAM HUNGARY



2017 IN NUMBERS

363
member
companies

70
major
events

4,200
event
participants

60+
Policy Task Force and
Committee meetings

30
policy positions and
recommendations

50+
meetings
with gov't

400+
professionals
involved



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LETTER FROM THE PRESIDENT

Dr. Farkas Bársony

Dear Members,

Perseverance pays off. And let me tell you, we are persevering.

In 2004, AmCham Hungary published a position paper on taxation, highlighting that the most immediate improvements to national competitiveness may be made through reform of the taxation system and urging a reduction of the Corporate Income Tax (CIT). Thirteen years later, the government announced a 9% CIT rate – the lowest among OECD member states – and Minister of Foreign Affairs and Trade Péter Szijjártó referenced and thanked AmCham as a persevering partner, which had consistently urged such a reduction.

The above example is only one of the dozens of advocacy recommendations AmCham Hungary's community has

proposed to the government since 1989. We have clear messages in a number of areas – investment, competitive workforce, innovation, digitalization or the regulatory environment – and we continue to develop positions and recommendations that we share with our government partners during over 50 meetings annually. Our structured dialogue with the government allows us to keep the most pressing issues of our corporate members on the table. (For our comprehensive advocacy summary, please turn to pages 10-21.)

Highlighting only one of these platforms for dialogue, I am honored to represent the AmCham community at the newly established Competitiveness Council, as per the invitation of the Minister for National Economy. The mere existence of such a council is a very positive sign that the government considers national competitiveness a key issue. However, this panel of experts also functions as a professional workshop, discussing topics such as company formation or the widening of the labor pool, training reform or enhancing the country's innovation potential.

That said, such platforms would be meaningless without the robust content and input coming from our membership. We are thankful for the growing commitment and engagement of our volunteer experts – including our board, our PTF and committee leadership and our members – in our various advocacy projects, working groups and events, where we gather and synthesize membership input.

This advocacy work has led to a number of success stories (see full list on page 16) we are proud of in areas such as R&D, taxation, labor mobility and industry 4.0. However, the list of our recommendations is long; there is still a lot to do. We see that the global economic race is heavily focused on digitalization and a competitive workforce. And there is no magic wand, no foolproof solution; we must figure out our own ways, together.

With that, I wish our community a productive 2018, with many more success stories!

AMCHAM BOARD MEMBERS 2016-2017



President
Dr. Farkas BÁRSONY
PwC Hungary



First Vice President
Márk HETÉNYI
MKB Bank



Second Vice President
Dr. Andrea JÁDI NÉMETH
bpv | Jádi Németh Attorneys at Law



Secretary Treasurer
Csaba LÁSZLÓ
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Krisztina VARGA
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Board Members at large
Dr. Judit ZOLNAY
Metlife Hungary



Chief Executive Officer
Írisz LIPPAI-NAGY
American Chamber of Commerce in Hungary



LETTER FROM THE CEO

Írisz Lippai-Nagy

cooperation in particular was in focus in 2017. While Budapest remains the main target for FDI in Hungary, a lot of work needs to be done to promote country-side locations with excellent infrastructure, talent pool and high standards of living.

2017 was the third year for our flagship events – the “Business Meets Government Summit”, the “Competitive Education Conference” and the Business Meets Universities workshops. By now, both our members and government decision makers know how best they can contribute to the success of these events, which are major milestones in our dialogue. These flagship events gather and transmit the key messages and recommendations worked out based upon your inputs at the Policy Task Force and State Secretary meetings throughout the year. These recommendations are compiled in the “Cooperation For A More Competitive Hungary” which – for the third time – has been shared with government decision makers and forms the basis for the advocacy discussions for the year to come. By now, the AmCham recommendations pack has become a brand and is often referred to as the “17 Points” of AmCham.

AmCham is committed to keep working on the same path, strengthening our advocacy flow – Policy Task Force meetings, State Secretary meetings, flagship events, recommendations – in the future, complemented by innovative projects and events to increase membership experience.

Knowledge and Best Practice Sharing are the other key elements of our

daily work, where our committees play a leading role both within the AmCham community and outside, focusing mainly on educational institutions. The spectrum is as wide as the interests our economy faces today, such as involving the inactive population into the labor market, digital workplaces or improving the integrity of the business environment, just to name a few.

We are a very powerful network and community, which is further boosted by our professional and social events, providing excellent opportunities to get to know each other, and share thoughts and ideas about everyday challenges impacting our economy. And, of course, to do business.

As we look back and see all we have accomplished during the year, my most important task is to say “Thanks” for all your support and input. It is such a great feeling to be part of this active community, where everybody has a vested interest and shared responsibility in moving things forward. I would like to also express my appreciation to my team, whose restless efforts and dedication guarantees the quality and success of all what we do.

It has been great to work with you in 2017, and I am eager to see all of the great things we will do together in 2018!

Dear Members,

Our Chamber is about to conclude a very successful year, a year of stabilization. We strengthened our portfolio serving our members and we continued to work towards our common aim: making Hungary more competitive.

We have closed the cycle of the first “Policy Agenda 2015-2017” and published the second “Policy Agenda 2017-2020”, as we revisited the direction of our advocacy work for the next three years to come.

As AmCham continuously strives to lead by example, our new Policy Agenda was launched with the support of a special “woman”, called Mónika – a robot developed by university students in Debrecen.

Mónika symbolizes several aspects of our advocacy work. Digitalization became a new focus area in the Policy Agenda according to our members’ interest; education in general has been on the AmCham agenda for a long time and business-university

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We would like to thank our interns in 2017:

Dóra Divinyi, Gergely Kovács,
Márton Lázár, Sandor Sebestyén
and Éva Szantner.

SECRETARY TREASURER'S REPORT

Secretary Treasurer:
Csaba LÁSZLÓ (Corvinus University)
Finance Manager: Ildikó Bryják



As Secretary Treasurer, I am pleased to report that, thanks to the expanding activity of AmCham, our financial performance remained stable in 2016.

AmCham in 2016 was able to reach a slight profit of THUF 255 as opposed to the THUF 70 profit planned in the annual budget. On

the revenue side, we achieved MHUF 179.2 (118% of the 2015 figure) and our expenditures were MHUF 178.9 (119% compared to 2015).

Revenues from membership fees along with those from the many events not only provided sufficient income for the day-to-

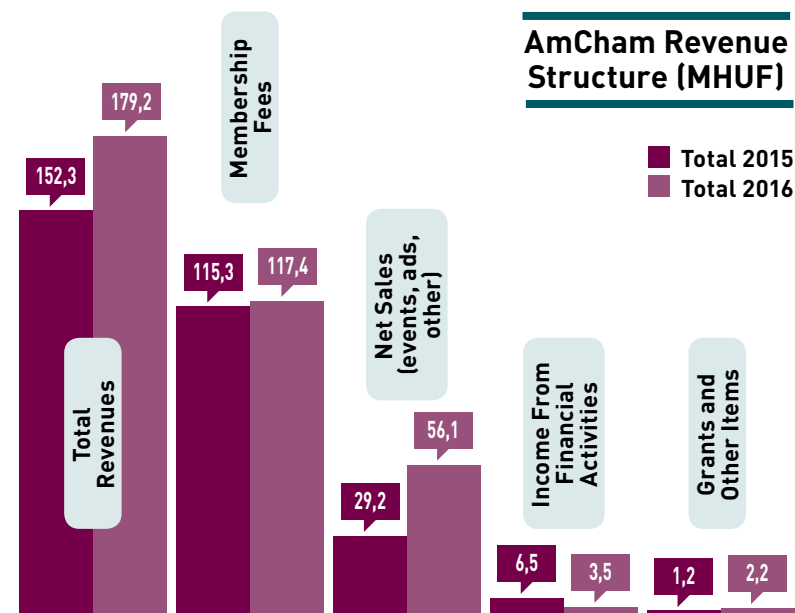
day operations in 2016, but also made the further development of the AmCham website and CRM possible, and further contributed to the sound financial stability of the chamber.

2016 was an exceptional year, as the organization of the Election Night Party with 1,200 participants

modified the usual revenue and cost structure of AmCham.

In April 2017, our auditor, BDO Magyarország Tanácsadó Kft. (BDO) reviewed the financial statements, contracts and board minutes for 2016 and, after consulting with our accounting company (Memolux), issued an unqualified auditor's report. This affirms that the procedures of AmCham are done in a veritable and professional manner; the balance sheet and financial report gives a clear and accurate account of the organization. (Please see pages 84-85.) There was no need to address any issues in the management letter.

I would like to thank Memolux Kft. and BDO Magyarország Tanácsadó Kft. for their professional work and continued help.



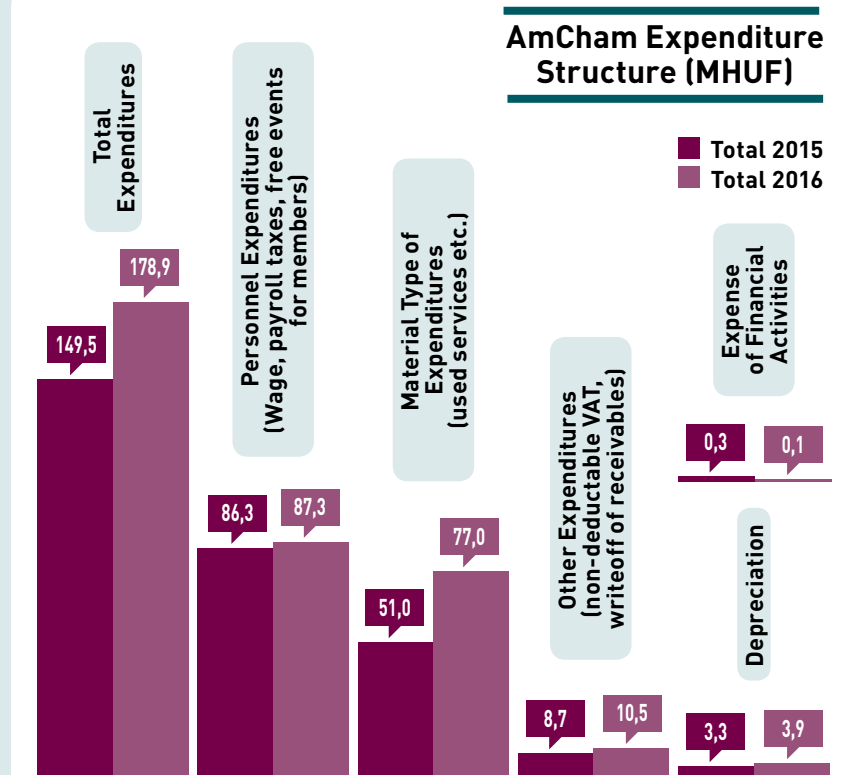
AmCham Revenue Structure (MHUF)

Our **total revenues** in 2016 increased (MHUF 179.2 compared to MHUF 152.3 in 2015) due to the organizing of the Election Night Party.

The **membership fee** income was slightly higher than that of the previous year's (MHUF 117.4 in 2016 compared to MHUF 115.3 in 2015). In 2016, 65.5% of the chamber's income was derived from membership fees, as opposed to 75.7% in 2015.

The **net sales** tab (MHUF 56.1) includes revenues from:

- Events: MHUF 51.6 (in 2015: MHUF 26.4)



- Further sources of income from entrepreneurial activities, resulting in a total of MHUF 4.45 income (ads, sport/social events). Our income derived from entrepreneurial activity is separated from income from our basic activity. In 2016 the proportion of income from entrepreneurial activities was 2.64% of all activities.

Income from financial activities totaled MHUF 3.5 (interest from government bonds, treasury notes, etc.). The change of ratio in the mix of short- and long-term bonds resulted in an altered revenue from these sources. **Other items** (MHUF 2.2) include subsequently deductible VAT,

reversal of impairment loss and subsidies.

AmCham Expenditure Structure (MHUF)

AmCham's **total expenditure** increased in 2016 (MHUF 178.9 vs. MHUF 149.5 in 2015) due to the organizing of the Election Night Party.

Personnel type expenditure slightly increased because of internal restructuring (in 2016 MHUF 87.3 vs. MHUF 86.3 in 2015). Personnel expenditure includes wages, payroll taxes and cafeteria payments. Costs of services (related to committees, board meetings, and exclusive

events for patron members) that are provided to members for free are also included here. The amount of **material expenditure** in 2016 was higher (MHUF 77.0) than in 2015 (MHUF 51.0).

The most significant items under **other expenditure** (MHUF 10.5 in 2016 and MHUF 8.7 in 2015) are non-deductible VAT, write-off of receivables and company car tax.

The **expenditures of financial activities** (THUF 130) include realized exchange rate difference related to securities.

Year end result in 2016 THUF 255

2017 HIGHLIGHTS

“ Our vision for
AmCham
is to be an indispensable
partner in enhancing
Hungary's
competitiveness.”

We are proud of the success stories
of our community. On the following
pages we would like to highlight
some of these stories on

- Advocacy
 - Flagship Events
 - Projects
- And Communications
-

ADVOCACY FLOW: A STRUCTURED DIALOGUE WITH GOVERNMENT

In 2014 AmCham Hungary decided to revisit the way it operates in order to:

- communicate to members and all other stakeholders its vision, mission and strategies
- channel the opinion of members on a planned, structured manner to the government
- create the platforms for our members to contribute and
- establish regular, well-planned and documented discussion with the decision makers.

As a first step in fall 2014 AmCham Hungary reconfirmed its mission: "To be the most effective representative of the business community in Hungary, while promoting the global competitiveness of the country", and defined the World Economic Forum Competitiveness Report to be the measurement in reviewing progress made in this area.

Through deep analyses of the 12 Pillars of the Report, AmCham Hungary identified those 4 areas where AmCham can impact on improving the competitiveness of the country, being: Investment, Talent, Innovation, Healthy

Nation. A strategic document, called the "Policy Agenda 2015-2017" was compiled to detail the challenges, the recommendations and commitments in these 4 respective areas.

At the same time Policy Task Forces (PTF) were established and annual flagship events and forums were launched for each focus area to provide platform for our members to join provide input for the advocacy topics.

In June 2017 AmCham Hungary issued its second Policy Agenda 2017-2020 with the following 4 focus areas: Investment, Competitive Workforce, Innovation and Digitalization.

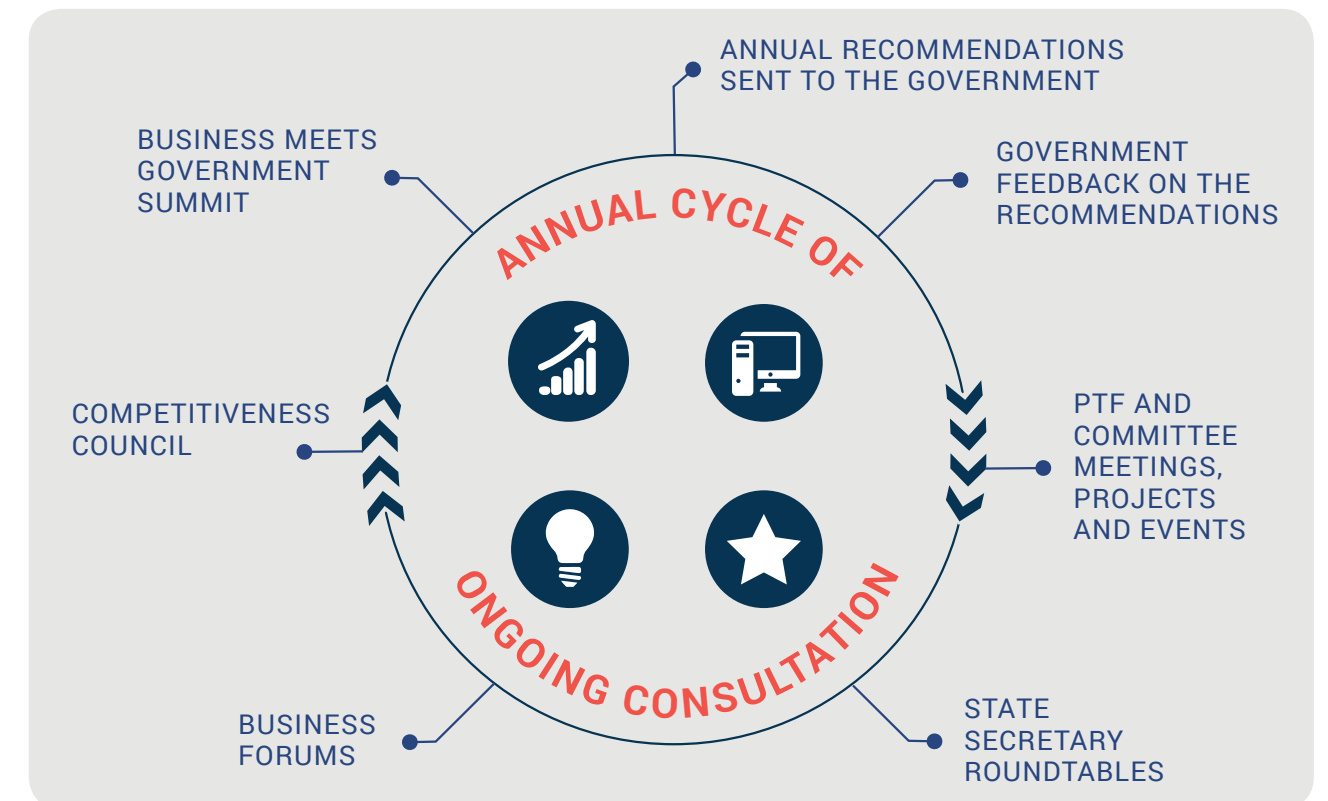
As a result of this more organized and structured advocacy flow, our activities are easier to plan and to explain to key stakeholders. Our members have a better understanding of our next steps and where they can tap in to advocacy topics. Our government partners also welcome the structure, as they can now count on our recommendations, making it easier to plan the discussions and prepare ahead.

THE AMCHAM WAY OF WORKING

AmCham's advocacy activity is based on an annual cycle of consultations, event highlights and policy publications. Policy Task Forces (PTFs) and committees provide the input for the advocacy activity throughout the year through their projects and events. The advocacy recommendations that come out from these activities are

discussed and further developed at the regularly organized State Secretary Roundtables, Business Forums, the meetings of the Competitiveness Council (established by the government in 2017, please see page 17) and also at AmCham's annual flagship events: The Business Meets Government Summits; the Competitive Education

Conferences; and the Business Meets Universities workshops. A recommendation package titled "Cooperation For A More Competitive Hungary" is compiled and shared with the government each year; the 2017 package was sent to the government in December 2016 and has been discussed throughout this year.



POLICY AGENDA



The Policy Agenda defines how the AmCham community can improve Hungary's competitiveness, what is needed to make Hungary more attractive for international investors, and also what is required from the regulatory environment to achieve our common goals. The publication will continue to be a strategic paper, an outline and guidance, not a tactical playbook.

The four focus areas are:

- Investment
- Competitive Workforce
- Innovation
- Digitalization

In order to put a system in place to support these topics we created the so-called Policy Task Forces. These professional groups – incorporating the brainpower of our expert members – worked out the Policy Agenda in close cooperation with the AmCham Board of Directors. Based on the advocacy roadmap outlined in the Policy Agenda, we have a regular, structured and dynamic dialogue with the Hungarian government, aiming to improve Hungary's competitiveness.

This is a living document... Please talk to us, share your ideas for improvement, challenge us and, most of all, we invite you to actively contribute by joining a Policy Task Force!

As the cornerstone of our advocacy work and in accordance with our vision, AmCham launched its second Policy Agenda in June 2017.

AmCham Hungary published its first Policy Agenda in June 2015, after a series of stakeholder meetings. The first Policy Agenda was based on the pillars of the Global Competitiveness Report (GCR), focusing on those areas most critical to be improved, and where the biggest impact could

be made. The second edition also closely follows the GCR findings; however, it also incorporates many of the learnings of the advocacy work of the past two years. These are also manifested in the dialogue with the government, and in our events, programs and publications including the establishment of the Digitalization Policy Task Force. The paper serves as a firm backbone to our future advocacy work and provides a clear indication of our priorities.

“COOPERATION FOR A MORE COMPETITIVE HUNGARY 2017” RECOMMENDATION PACKAGE

In December 2016, AmCham along with its board members and partners completed and sent AmCham's "Cooperation For A More Competitive Hungary 2017" recommendation package to Prime Minister Viktor Orbán and his cabinet. Highlights included creating a more balanced industrial portfolio, enabling Hungary to climb up the value chain, the introduction of an R&D grant scheme to attract new R&D centers and

stimulate the expansion of the existing setups of larger corporations, the continued cutting of red tape and the need for more cloud-based e-government solutions.

Minister of Foreign Affairs and Trade Péter Szijjártó was appointed by Prime Minister Viktor Orbán to discuss these recommendations in detail with AmCham. Minister Szijjártó and the AmCham delegation

met in March 2017, where the minister reflected on AmCham's proposals and asked for further elaboration of certain recommendations, which were developed and sent to him in April 2017. The dialogue about our recommendations also continues at the AmCham-Ministry for National Economy (NGM) working group meetings with State Secretary István Lepsényi and representatives of the relevant departments.



SUCCESS STORIES AND POLICY PROGRESS IN 2017

The “Cooperation For A More Competitive Hungary 2017” recommendation package was issued in December 2016 and AmCham is proud to report that we have made considerable progress in many areas since then. As a result of expert level consultations, we recognize several new policy measures and government initiatives that are in line with our recommendations. The following list provides an overview of these measures:

- Reduction of **Corporate Income Tax to 9%** was a game changer for Hungary.
- Gradual, continued and predictable **reduction of the labor tax burden**.
- Significant and favorable changes were introduced in the **non-refundable cash incentive system** with the purpose of **supporting R&D activities** and technology-intensive investments in Hungary.
- We see a very positive trend in making **Hungary an attractive location for R&D centers** and value-added investments.
- Implementing regulation of **R&D qualification of project groups** has become effective.
- Government strategy has been developed to enhance **Industry 4.0 related innovation** and cooperation among large corporations and startups. A new accreditation framework

and corresponding incubation methodology and qualification system have been worked out.

- At the joint request of AmCham, DUIHK and JVSZ, the Ministry for National Economy assured the industry that the planned measures implying **real-time online data connection** between companies and the **National Tax and Customs Administration** of Hungary when issuing an invoice will become effective **only after a test period**, and companies would have enough time for the preparations.
- AmCham’s President Dr. Farkas Bárony was invited to join the National Competitiveness Council established by the government and Minister for National Economy Mihály Varga in 2017.
- The government’s strategic economic development plan (the Irinyi Plan) considers the **electronic manufacturing industry as a strategic industry** and increased focus is paid to sector specific development plans.
- Increased **support for dual education** in higher-level education.
- Increased focus on raising the **efficiency of language learning** in public education.
- Introduction of a **Career Orientation Day** in public education.
- Industry specific **Sector Skill Councils** have been established so that industry

players can provide regular and structured input for a more competitive and up-to-date (vocational) training system and curricula.

- Planned legislation of the **modification of the Law on Labor Safety**, impacting the regulatory framework of remote work, reflects AmCham’s input.
- Following an expert level consultation between AmCham and the Ministry of Justice on the draft legislation of **GDPR**, a **working Group** was established by the Ministry to provide a forum for inter-ministerial consultations and to help develop further legislative pieces in different areas of law within the implementation process of GDPR in Hungary.
- **Simplified licensing procedure** threshold lifted from 5 to 10% on **employment of non-EU (third country) residents**.

AmCham is dedicated to support implementation of the aforementioned new measures and is also committed to continue dialogue with our partners about those topics where consensus has not yet been reached. AmCham would like to thank members for sharing their expertise and for their contribution toward developing policy recommendations.

PARTNERSHIPS

We are proud of our meaningful and structured partnerships with key stakeholders.

Ministry For National Economy (NGM)

Strong cooperation and regular consultations between AmCham and the Ministry for National Economy have taken place. A number of meetings and events were organized with the ministry: the Strategic Working Group meetings in March, July and October; the third “Business Meets Government Summit” in September; the third “Competitive Education Conference” and State Secretary meetings with Gáborné Pölöskei Deputy State Secretary for vocational training and adult education. AmCham participated in several expert level meetings on topics, including: the electronic manufacturing industry strategy; the Industry 4.0 strategy; implementing the regulation of R&D qualification of project groups. AmCham also supported the ministry’s activities by contributing to the organization of its events and projects, for example Automotive Hungary, the EURES online job fair, and the establishment of the industry specific Sector Skill Councils.

Ministry Of Foreign Affairs And Trade (KKM) and the Hungarian Investment Promotion Agency (HIPA)

Cooperation is based on the Strategic Agreement signed in 2015. Joint events and projects include the “Business Meets Government” summit series and the “Competitive Education Conference” series. HIPA representatives actively contribute to the work of AmCham Policy Task Forces and committees. AmCham supports the activities of KKM and HIPA, and participates in the official visits organized by the ministry and the agency. In 2017, AmCham participated in business consultations with representatives of the Site Selectors Guild (SSG), as a professional partner of HIPA to jointly present Hungary’s potentials as an investment location.

Ministry Of Human Capacities (EMMI)

EMMI once again partnered with us for our “Competitive Education Conference” event in 2017, and delegated Deputy State Secretary Boglárka Illés and Deputy State Secretary Zoltán Maruzsa

to open the conference and attend a roundtable, respectively. Cooperation and consultation took place at a number of other meetings, including the “Business Meets Government Summit”, and a State Secretary Roundtable on vocational training and education in April. An expert level consultation took place about the possibilities of extending summer internship programs in Hungary for students studying abroad.

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, and re-confirmed in 2014. In February, Deputy State Secretary Zoltán Nemessányi participated at AmCham’s extraordinary committee meeting to present and discuss the Ministry’s legislative agenda for 2017. During the year, AmCham’s Regulatory Committee sent its professional input to the IM in a number of legislative areas, and several professional consultations took place between Regulatory Committee members and ministry experts, including the AmCham position on the implementing GDPR legislation.

Competitiveness Council

A National Competitiveness Council was established by the government and Minister for National Economy Mihály Varga invited AmCham President Dr. Farkas Bárony to join. Council members include the minister, the President of HIPA, President of the German-Hungarian Chamber of Industry and Commerce, and the President of the Hungarian Chamber of Commerce. President Bárony channels AmCham’s recommendations into the work of the Council. Its meetings are now part of the chamber’s annual cycle of ongoing consultation with decision makers and a new opportunity to conduct our advocacy activity and contribute to the improvement of Hungary’s competitiveness.

National Research, Innovation And Development Office (NKFIH)

In 2017, regular consultation took place between AmCham’s Innovation PTF and the NKFIH on R&D&I related issues. At the third “Business Meets Government

Summit” in September, President József Pálincás represented NKFIH in the public and closed-door roundtable discussions and discussed R&D&I related recommendations with AmCham representatives.

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 on international trade regulations and custom affairs. In early 2017, a joint survey was conducted on industry experiences with Hungarian export control and authorization procedure for dual use items. Joint efforts are coordinated at the Investment Policy Task Force.

U.S.-Hungary Business Council (USHBC)

AmCham cooperates with the USHBC, which is a platform for dialogue between U.S.-based corporate executives and the top government leaders responsible for the U.S.-Hungary bilateral relationship. Following last year’s successful visit, in June 2017 representatives of AmCham and USHBC met the government’s leadership to discuss economic ties between Hungary and the United States of America.

U.S. Embassy, Budapest

AmCham cooperates with the U.S. Embassy in Budapest by jointly organizing high-level events. Patron Members of AmCham met Chargé d’Affaires David J. Kostelancik in April for a Patron dinner. AmCham also hosted a Business Forum with Chargé d’Affaires Kostelancik and Dr. László Szabó, then the delegate Ambassador of Hungary to the United States, which was their first official address together. Before their podium discussion, AmCham Patron members had an exclusive meeting with Dr. Szabó. During the AmCham General Assembly in 2016, U.S. Ambassador Colleen Bell and Hungarian Ambassador Réka Szemerényi were awarded the Dr. Iván Völgyes Award, recognizing individuals who made significant contributions to the work of AmCham and the development of U.S.-Hungarian business relations.



THIRD 'BUSINESS MEETS GOVERNMENT SUMMIT'

In September 2017, AmCham and the Hungarian Investment Promotion Agency (HIPA) organized the third "Business Meets Government Summit" with the aim of setting out proposals on how to improve education, taxation, the regulatory environment, innovation, and digitalization. The primary objective of the conference has, since its inception, been to develop a coherent national

strategy to make Hungary a more competitive place to invest in. Leaders representing business and government discussed what had been achieved from the 17-point recommendations and the mutual commitments, and to highlight new challenges that need to be addressed as a matter of urgency.

In his opening remarks, HIPA president Róbert Ésik praised

the results of previous years as several proposed items have been implemented. Hungary has also moved up the value chain and improved its FDI ranking in comparison to other V4 countries. "We at HIPA will make sure that constructive ideas will continue to get support," he concluded.

The speech by Minister of Foreign Affairs and Trade Péter Szijjártó on U.S.-Hungarian economic

relations was followed by a State Secretary panel discussion on the main challenges that various investors may face when considering Hungary. Eventually, high level representatives of AmCham's membership sat down with government officials to seek solutions together.

AmCham President Dr. Farkas Bárony stressed that considerable progress has, indeed, been made since the regular structured dialogue with the government started; cutting the corporate income tax to 9%, for example, was a game changer. Other

achievements include improving dual education, providing R&D incentives and putting an increased focus on language training. Such measures must have contributed to the fact that Hungary has advanced nine places in the World Economic Forum's latest annual global competitiveness ranking, released just prior to the event.

We believe that the event served AmCham's advocacy goals, especially to make Hungary more competitive globally, more attractive to investors and to think ahead of the game in the current economic race, in areas

such as innovation, digitalization and education. We will continue the dialogue with our members, the business community at large and our government partners to find new inflection points for the development of our economy and to achieve further success stories, similar to those of 9% CIT, reduction of labor taxes, and the "Invented in Hungary" paradigm shift.

2017
BUSINESS MEETS
GOVERNMENT
SUMMIT



THIRD COMPETITIVE EDUCATION CONFERENCE

On May 4, 2017, more than 200 corporate, governmental and education experts and students gathered at the third Competitive Education Conference at the InterContinental Hotel. The main goal of this year's event, besides creating a platform, sharing knowledge and best practices, was to collect constructive recommendations in the fields of education and labor force that would develop Hungary's competitiveness.

The event was established in 2015 by AmCham and the Hungarian Investment Promotion Agency (HIPA) in cooperation with Ministry of

Human Capacities and the Ministry for National Economy with the goal to create a dialogue between academic organizations, companies and the government on key issues concerning education and a competitive workforce.

The professional background of the latest event was provided by three current, youth-focused pieces of research, the main findings of which were discussed by the participants. In their niche research, Engame Academy was exploring how Hungarian students studying abroad see their future. The online survey was conducted with the participation of

500 students currently attending foreign universities or recently graduated. Some 40% of them would like to move back to Hungary, 30% was not sure, and 30% stated that they are not willing to come back. PwC's latest Employer Brand Research was based on interviews with more than 12,000 students from various secondary and higher education institutions, as well as by interviewing young graduates. The research makes it easier for companies to see what expectations young people have of employers, and which preferences and criteria are important to them when they make decisions about designing their career or choosing their workplace. Finally, the large

scale Hungarian Youth Research survey conducted by the New Generation Center (Új Nemzedék Központ) in 2016 examined questions regarding starting a family and career development of young adults.

The presentations were followed by a plenary panel discussion with Deputy State Secretary for Vocational Training and Adult Education Gáborné Pölöskei, Deputy State Secretary for Public Education Zoltán Maruzsa, university professors, students and company representatives on the survey results and the main questions addressed by the conference.

During the conversations, numerous ideas and suggestions were formulated. From the ideas touching upon the field of education, it is crucial to emphasize that, in many cases,

attending a foreign university does not necessarily guarantee better and more valuable qualification than a Hungarian degree program. On one hand, it is definitely rewarding to spend 3-5 years at a foreign university if the students specialize in a particular topic and get admission to a top university focusing on that field of research. On the other hand, a semester-long international exchange program might not only be an adventure, but also a great learning experience that can be used later at work. International experience offers the best way for students to develop skills that the Hungarian education system is not focusing properly on yet. These include presentation skills, project and teamwork, and digital education. During the second part of the Conference participants had

discussions with high level government representatives covering four topics: how young people can be inspired to return to Hungary, how Hungary could be made attractive to upcoming talents, how companies could adapt to the new demands and expectations of the employees, and what the education system can do to reduce the gap between the skill level of graduates and company expectations. The recommendations collected from these roundtable discussions will be channeled into the "Cooperation For A More Competitive Hungary 2018" recommendation package.



PROGRAM HIGHLIGHTS

We run numerous successful programs, in line with our advocacy goals. The following is a summary of our flagship projects:

- Business Meets Universities Project
- Language and Career Ambassador Program
- 10,000 steps global challenge
 - Board simulation
 - Start Your Business!



BUSINESS MEETS UNIVERSITIES PROJECT

AmCham launched the Business Meets Universities project in January 2017 to focus on enhancing cooperation between business and academia in R&D&I programs, and on improving our innovation ecosystem. In this project, AmCham's Innovation Policy Task Force is dedicated to initiate a dialogue that creates a mutually beneficial advantage, and cooperation with measurable benefits for both the academic and the business spheres.

The importance of the effort is highlighted by the fact that Hungary fell from 50th to 80th in the World Economic Forum's

global competitiveness ranking. One of the main reasons for the decline is that innovation has been losing ground, whilst relationship between the business and academic sector has been poor.

The scope of the project involves university interviews, a corporate survey and a workshop. First a corporate survey analyzed the status and challenges of business-university cooperation from the industry's perspective, then in May 2017 a workshop was organized with all the stakeholders: corporate representatives, university professors and

government officials to exchange ideas. Since June, AmCham has been organizing small group discussions with distinguished representatives of university partners to understand the processes and influencing factors that shape research and innovation activities in the academic sphere. This dialogue will continue in 2018.





LANGUAGE AND CAREER AMBASSADOR PROGRAMS

With the objective of bringing 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 250 Language Ambassadors from 60 different companies;
 - given almost 490 lectures.
- In 2015, we also launched the Career Ambassador Program

that gives students the opportunity to visit our member companies where they attend focused programs in an effort to better familiarize them with the type of jobs on the labor market. Since its launch

- ten companies have hosted 32 visits from 22 different schools;
 - more than 470 students have participated in total.
- 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.

New initiative

In 2017, the Competitive Workforce PTF and the Digitalization PTF initiated a joint project (as a reform of the Language Ambassador Program) to help students discover the current career possibilities and better connect business and education. The new initiative is based on the feedback we have from our ambassador programs that students are usually more interested in the Ambassador's work and career path while they easily acknowledge the importance of language learning. In order to better meet schools' and students' needs, we would like to put more emphasis on career orientation while also keeping the importance of language learning on the agenda. Through this new initiative, a matchmaking digital platform will be created where schools and company volunteers can find each other and make connections in an easy and efficient way. The development of the website will be a joint project with TATA Consultancy Services, which kindly offered to host and develop the website for AmCham.



10,000 STEPS GLOBAL CHALLENGE

AmCham Hungary has been part of the "10,000 Steps" health awareness campaign since 2015 and once again continued the world's biggest and most successful health initiative in 2017.

The challenge kicks off a 100-day journey; employees compete in teams of seven, tracking their activity (primarily steps, but cycling, spinning and swimming can all be converted) with a daily target of 10,000 steps. The program also contains phases of nutrition, sleeping,

balance, stress-management, etc. The goal of the program is to improve employees' health and also to make them more competitive, engaged, motivated and productive.

By this year, 62 of our member companies had successfully taken part in the challenge, engaging more than 2,100 employees since late 2015.

In the spring challenge starting in May of this year, 89 teams from 20 AmCham companies participated. AmCham Hungary also took part in the competition with three teams comprised of AmCham staff members and the AmCham Board.

The teams of AmCham's member companies collectively covered 502,709 kilometers, which breaks down to 777,477,421 steps. As for the evaluation of the program, 75% of the participants say they are now "aware", "very aware" or "highly aware" of their physical activity levels. Before the program, 59% of the participating employees rated their overall health as either "good", "very good" or "excellent", while after the 100 days, 82% of them did so! Also, 84% of your employees now meet the recommendation of 10,000 steps per day versus the 19% before the 10,000 steps challenge.

The challenge will continue in May 2018, so get on board!



BOARD SIMULATION

The Board Simulation educational case study series was designed to present real-life business and ethical challenges faced by boards of directors at various types of companies to professors and students. Each fictional case study focuses on corporate governance decisions in interesting circumstances. A role-playing simulation is acted out by volunteers from the AmCham membership, who draw upon their own experiences to enrich the classroom. This

critical strategic decisions. The audience can watch how these decisions are influenced by various facts, personalities and circumstances, and how the potential consequences are considered. Best practices are explored and students get to experience firsthand how a typical board meeting occurs. The topics discussed at the meeting are designed in a multi-layered way in order to complement the studies of both undergraduate and graduate students.

small- and medium-sized enterprise scenario. In this case, the debate between this privately held company's board of directors emphasizes the dilemma faced by a formerly fully family-owned business now having to negotiate its future strategy with a venture capital investor. Family tensions complicate the debate, as do other considerations. Here, again, corporate governance best practices are drawn upon. The pilot event took place in English at the Central European University, with more than 50 students in attendance, to positive acclaim. A Hungarian version will be debuted at other universities in Hungary. Both simulations were created at the request of Hungarian professors who lacked real-life case study teaching tools. The mission of the Governance and Transparency Committee is to improve the accountability, governance, integrity and transparency of private, non-profit, and public-sector practices; to foster a better next generation of leaders; and to encourage and to boost competitiveness, entrepreneurship and sustainability in Hungary. Educating tomorrow's leaders in corporate governance best practices is an important step to achieving that goal. We encourage the reader to follow the "Jövő Vezetői" Facebook page to receive advance notification of where the next Board Simulation event will be held.

educational program serves as an important pillar of engagement between AmCham and academia. To date, two cases have been conceived, debated and eventually crafted into a theatrical setting by members of the Governance and Transparency Committee. The first case study debuted in 2011 and presents a board of directors meeting of a fictional large stock exchange-listed company. In this enactment, six or more volunteer G&T Committee members demonstrate on stage real business debates revolving around various

Discussions are playacted with deliberate intensity when sensitive issues and difficult decisions are discussed. This case has been playacted in Hungarian and English numerous times at six universities in Hungary (BCE, BGE, BME, PTE, ELTE, and CEU) as well as two universities abroad (Wirtschaftsuniversität in Vienna, Austria and Comenius University in Bratislava, Slovakia). Overall, this case study will have reached about 900 students by the end of 2017. The second case study debuted this year and focuses on a



"START YOUR BUSINESS!"

The "Start Your Business!" program is a panel lecture series and joint effort by AmCham and the Hungarian Venture Capital Association to promote the spirit of entrepreneurship and contribute to the fostering of a new generation of domestic entrepreneurs. It allows successful entrepreneurs to share first hand their passion and drive with students and with other aspiring entrepreneurs. It also helps demonstrate that a garage-to-success entrepreneur can work in Hungary and that Hungarian innovation can be commercialized successfully both locally and globally. The speakers discuss what traits make up a successful entrepreneur and give a sense of the challenges an entrepreneur might face.

The initiative was created and is driven by AmCham's Governance & Transparency Committee. The

program was repeatedly hosted at a diverse segment of Hungarian universities (including BCE, BGE, BME, DE, EKE, ÓE, PPKE, PTE, SE, SoE, SZE, SZIE, SZTE) in Budapest, Debrecen, Eger, Sopron, Pécs, Komárom, Győr, Gödöllő and Szeged. In 2017, the program crossed the border for the first time into Komárno, Slovakia where we were hosted by the Selye János University. By the end of 2017, the program will have reached more than 2,000 students.

First and foremost, the program is directed at aspiring entrepreneurs and those who are weighing different career options. The actual audience is comprised not only of university students but has also included university professors, entrepreneurs, as well as corporate employees who all seek to understand the challenges and the mindset. The feedback is that the program has proven to be educational for a wide range of stakeholders. The format has two established entrepreneurs share their stories on how they got from idea stage to launching an actual business; what difficulties they encountered during this process; and how they overcame these difficulties. The presentations are followed by a panel discussion of professionals, including legal experts, venture capitalists and the entrepreneurs themselves. The event always concludes with a networking event for the entrepreneurs, experts, professors and students. We encourage the reader to follow the "Jövő Vezetői" Facebook page to receive advance notification of where the next SYB! event will be.



COMMUNICATIONS

As a transparent organization AmCham Hungary strives to maintain easily accessible communications channels, with clear, structured messages to report on our key activities. These channels not only report on our advocacy activities, but also engage students on social media and help create a buzz around our social and professional events.

OUR COMMUNICATIONS CHANNELS

We are targeting distinctly different audiences with a plethora of projects and events each year, therefore we have developed different channels with different content and strategies over the years.

Our primary means of communicating with our members is, of course, face-

to-face, at our regular events and meetings; however, we also have online and print platforms to keep all members up-to-date. In 2017, we printed six issues of Journal – The Voice of AmCham Hungary, our official publication. Journal complements the regular updates and news on the website and social media, as well as the annual report.

Our most important advocacy-related publication in 2017 was the Policy Agenda 2017-2020, 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 1,800 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 target students via our “Jövő vezetői” Facebook page, with programs such as the “Start Your Business!” or “Board Simulation” roadshow. A LinkedIn page was launched this year – replacing what was previously a group – and we have a Twitter page with more than 600 followers. We also recently launched an Instagram account, for our visual content.



AMCHAM IN THE PRESS

Between November 2016 and November 2017 events, activities and statements by AmCham received regular and wide-scale coverage in the Hungarian printed and electronic media. The number of published articles in connection with AmCham numbers more than 250 in this time frame, 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 “Competitive Education Conference” and our regular Business Forums. In 2017, we also had the privilege to be interviewed by Világgazdaság, Magyar Hírlap and Manager Magazin on competitiveness and investment trends.



2017 POLICY TASK FORCES AND COMMITTEES

Advocacy input from our membership is channeled most effectively through our PTF network, while our committees provide an excellent platform for networking and knowledge exchange. The following pages are a brief summary of the key achievements of the following professional groups:

Policy Task Forces:

- Investment
- Competitive Workforce
 - Innovation
 - Digitalization

Committees:

- Electronic Manufacturers
 - Facilities Management
 - Governance and Transparency
 - HR
 - Membership
 - Regulatory
 - Taxation
-



INVESTMENT POLICY TASK FORCE



Policy Task Force Lead:
Ferenc Pongrácz
(IBM Hungary)
Board Representative:
Péter Gerendási
(Deloitte)
Coordinator:
Judit Szilágyi

MISSION

"To increase Hungary's global competitiveness by enhancing the country's attractiveness for investments."

OVERVIEW AND OBJECTIVES

Members of the Investment Policy Task Force (Investment PTF) represent a wide range of sectors and work closely to foster the mission. According to the Global Competitiveness Index prepared by the World Economic Forum every year, Hungary was ranked 60th (out of 138) in 2017-2018. 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, and the shared service, ICT, financial and professional services sectors.

The Investment PTF has defined three main objectives for the 2017-2020 period:

- Create an investor-friendly business environment to increase total investments, with special regard to attracting high value-added new investments;
- Invent in Hungary: Encourage shift to a knowledge-based economy;
- Align Hungary's education strategy to this new investment strategy.

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2017

"Cooperation For A More Competitive Hungary 2017" Recommendation Package

The essence of a series of professional discussions within AmCham in 2016 was summarized and published in a document entitled "Cooperation For A More Competitive Hungary 2017". The document, incorporating 17 recommendations and commitments, was published and sent to the Prime Minister and the government in December 2016. This document served as a key instrument and guide for the chamber's advocacy activities and consultations of the Investment PTF throughout 2017.

Cooperation With The Ministry For National Economy

The Ministry for National Economy and AmCham established a Strategic Working Group in 2015 led by Secretary of State for Economic Regulation István Lepsényi. Driven by the Investment PTF, three high-level working group meetings were organized in 2017, where participants discussed a great number of competitiveness related issues, in line with AmCham's 17-point recommendation package, including taxation issues, the implementing regulation of R&D qualification of project groups, the vocational training system, industry-university cooperation, labor supply, the implementation of the EU's General Data Protection Regulation (GDPR), the education and training support system of SMEs, the establishment of industry specific Sector Skill Councils, and many more. In February, consecutive professional meetings were organized with the Ministry for National Economy to discuss the development plans of the electronic manufacturing industry. In March, AmCham along with CEOs of SSC member companies, presented an overview and insight on the global trends and opportunities and challenges specific to the SSC sector in Hungary. In February, a joint survey with the Hungarian Association of Customs Affairs was conducted on industry experiences with Hungarian export control and authorization procedure for dual use items.

Consultation And AmCham Recommendations On Industry 4.0. Strategy

In July, AmCham representatives were invited to the Ministry for National

Economy to give their opinion and share their comments on the ministry's draft Industry 4.0 Strategy and proposals. Following the meeting, AmCham compiled and sent its members' comments to the strategy. In the document, AmCham stressed the importance for such a comprehensive strategy and among other things, suggested that Hungary should focus even more on becoming a leader in a specific technology based on innovative solutions.

Policy Progress In Several Areas

Since the issue of the "Cooperation For A More Competitive Hungary 2017" recommendation package, we have made considerable progress in many areas, and there have been several new measures that are in line with our recommendations. The followings are some examples:

- Reduction of Corporate Income Tax to 9%, a game changer for Hungary
- Gradual, continued and predictable reduction of the labor tax burden
- Significant and favorable changes introduced in the non-refundable cash incentive system with the purpose of supporting R&D activities and technology-intensive investments in Hungary. We see a very positive trend in making Hungary an attractive location for R&D centers and value-added investments.

- The government's strategic economic development plan (Irinnyi Plan) considers electronic manufacturing to be a strategic industry and increased focus is paid to sector specific development plans. Government strategy has been developed to enhance Industry 4.0 related innovation and cooperation among large corporations and startups. A new accreditation framework and corresponding incubation methodology and qualification system have been worked out (Accredited Industry 4.0 Corporate Incubator qualification system). 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 maintained 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 2017, the following two flagship events were organized jointly by AmCham and HIPA: the "Third Business Meets Government Summit" and the "Third Competitive Education Conference".

"Business Meets Government Summit":

AmCham together with HIPA organized this flagship event for the third time to continue the dialogue on key challenges and priorities for improving Hungary's competitiveness and attracting more investments to Hungary. Similarly, to the previous summits, one of the main goals of the event was to develop a tangible list of recommendations in four selected areas: Business Environment, Digital Economy, Labor Market and Innovation and R&D. In his opening remarks, HIPA president Róbert Ésik praised the results of previous years as several proposed items have been implemented. AmCham President Dr. Farkas Bárony stressed

that, indeed, considerable progress has been made since the regular structured dialogue with the government started; cutting the corporate income tax to 9%, improving dual education, providing R&D incentives and putting an increased focus on language training. Such measures must have contributed to the fact that Hungary has advanced nine places in the World Economic Forum's latest annual global competitiveness ranking that the Minister of Foreign Affairs and Trade Péter Szijjártó also highlighted in his opening speech. The speeches were followed by a plenary panel discussion on the most important challenges investors might face in Hungary with István Lepsényi, Secretary of State for Economic Regulation, Róbert Ésik, president of HIPA, József Pálincás, President of the National Research, Development and Innovation Office, Dr. Tamás Deutsch Prime Ministerial Commissioner for the Digital Success Programme, Dr. Zoltán Viktor Maruzsa, Deputy State Secretary for Education, Ministry of Human Capacities and Gáborné Pölöskei, Deputy State Secretary for Vocational Training and Adult Education, Ministry for National Economy. After the panel, participants went on to exchange views in four closed-door roundtable discussions covering the four priority areas.

FUTURE GOALS

The Investment Policy Task Force is committed to:

- Continue structured consultations with strategic partners (HIPA, NGM, IM) and key government partners (Ministry of Foreign Affairs and Trade, Ministry of Human Capacities) on realizing the above goals;
- Advocate for raising Hungary's competitiveness based on the set of recommendations prepared at the third "Business Meets Government Summit";

- Provide a platform for regular expert-level dialogue between government bodies and business community; organize the fourth "Business Meets Government Summit" in 2018;
- 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.



COMPETITIVE WORKFORCE POLICY TASK FORCE



Policy Task Force Lead:

Andrea Juhos
(Lee Hecht Harrison
Hungary)

Board Representative:

Judit Zolnay
(Metlife)

Coordinator:

Judit Szilágyi

MISSION

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

OVERVIEW AND OBJECTIVES

At the annual AmCham Policy Agenda Strategic Discussion, the AmCham leadership decided to consolidate two highly interrelated Policy Task Forces (PTFs) –Talent and Healthy Nation – by creating the new Competitive Workforce PTF.

The Competitive Workforce PTF has the following objectives:

- Widen labor supply and make the labor market more flexible,

in order to ensure business continuity;

- Support wide-scale promotion of key competencies and skills in education;

- Support programs enhancing mental and physical health awareness;

- Make Hungary an attractive employer brand.

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2017

The Competitive Workforce PTF organized regular meetings for member company representatives to discuss advocacy issues and share best practices.

Regular Dialogue Continued With Decision-makers

The Competitive Workforce 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 how to make the public education and vocational training system more competitive in Hungary, in line with the below recommendations incorporated in the "Cooperation For A More Competitive Hungary 2017" package (among others):

- to widen the labor market supply
- to revise the training aid system
- to support with an appropriate budget the transformation of the public education system in order to enhance focus on developing key competencies
- to change the vocational training contribution system
- to extend the digital labor market
- to equally support dual education and dual vocational education

In April, AmCham's Competitive Workforce PTF organized meetings with State Secretary for

Labor Market and Training Péter Cseresnyés and with Gáborné Pölöskei, Deputy State Secretary for Vocational Training and Adult Education of the Ministry for National Economy, to discuss AmCham's recommendations and areas of future cooperation with the participation of member companies.

In May, AmCham supported the execution of research that was conducted by the Ministry for National Economy to survey the scope and focus of corporate training at large international companies. The ministry planned the revision of the adult education system by identifying the needs and the best practices of the corporate sector.

In September, AmCham also supported the establishment of industry specific Sector Skill Councils. The main objective of the ministry is to better incorporate industry expertise and labor market expectations into the system of vocational training and adult training. By creating this platform, industry representatives can provide structured input. AmCham will closely follow the work of the Skill Councils, which

are coordinated by the Hungarian Chamber of Commerce and Industry.

Need For Flexible Employment Schemes

Several member companies are considering, or already have introduced remote work schemes for their employees. Understanding this trend, AmCham presented its concerns about the current regulatory environment to State Secretary István Lepsényi at its regular working group meeting with the Ministry for National Economy in July. As a follow-up, the State Secretariat for Labor Market worked out modifications to the Act XCIII of 1993 on Labor Safety. The Competitive Workforce PTF, together with the Regulatory Committee, reviewed the planned modification, and suggestions were sent to the ministry in early September. The ministry was very open and accepted several of our arguments. The planned legislation, which is in the pipeline, will reflect AmCham's input. The new law would provide clearer guidelines on the scope of responsibility, with special regards to the obligation of the employer for preliminary

evaluation of suitability of home office working conditions and would grant exemption of responsibility for the employer in a situation where the employer has no influence over certain circumstances.

Policy Progress In Several Areas

As a result of high level and expert level consultations with decision makers, we recognize several new policy measures and government initiatives that are in line with our recommendations.

- Increased support for dual education in higher-level education.
- Increased focus on raising the efficiency of language learning in public education
- Introduction of a Career Orientation Day in public education.
- Industry specific Sector Skill Councils have been established so that industry players can provide regular and structured input for a more competitive and up-to-date (vocational) training system and curricula.
- The planned legislation of the modification of the Law on Labor Safety impacting ► ► ►

COMPETITIVE WORKFORCE POLICY TASK FORCE

► ► ► *Continued from page 35.*

the regulatory framework of remote work, reflects AmCham's input. In the second half of 2017, further, expert level consultations continued about specific regulatory issues important for our members.

AmCham advocacy success regarding the procedure for the licensing of third-country employees

AmCham has been advocating for the further facilitation of the employment of non-EU (third country) residents, as a means to widen the labor supply in Hungary. AmCham sent its position to the Ministry for National Economy in October and recommended that the employment licensing procedure of third-country employees needs to be simplified and speeded up. A simplified licensing procedure is applied when less than 5% of employees are from a third-country. AmCham sent several suggestions to the current licensing procedure, including the elevation of the aforementioned threshold to 10%. AmCham welcomes this policy success and will continue its advocacy work in order to make licensing procedure more favorable for companies.

Summer Internship For Hungarian Students Studying Abroad

AmCham has been advocating for the need for reducing the administrative barriers that Hungarian students studying abroad face when applying for internship positions in Hungary. Based on consultations with Engame Academy (education center for students applying for foreign universities), AmCham suggestions were developed and shared with the Ministry for National Economy in October. AmCham's position is that an increased availability and a more favorable administrative framework of summer internship programs would be an important factor to maintain ties with Hungarians studying abroad and therefore can be an effective instrument in attracting talent back to Hungary.

AmCham would like to thank members of the Competitive Workforce PTF for sharing their expertise and for contribution to developing our policy recommendations as well as participating in several meetings with decision makers.

Flagship Event: The Third "Competitive Education Conference"

In May 2017, AmCham together with HIPA organized the third "Competitive Education Conference" titled "How To Sell Your Company To Your Future Employees", with the professional support of the Ministry for Human Capacities and the Ministry for National Economy. The half day conference was highly successful in attracting more than 200 participants from relevant stakeholder groups and in providing a platform for constructive dialogue on a number of topics, including: how to inspire young people to return to Hungary, how Hungary could become more attractive for young talents, how companies could adapt to the new demands and expectations of the employees, and what the education system can do to reduce the gap between the skills of the graduates and company expectations. For more on the conference, please see pages 20-21.

Sharing Best Practices

In February, Fanni Szigeti, representative of the "Women In Science" Foundation gave an inspiring presentation to members of the Competitive

Workforce PTF and discussed best practices on how all stakeholders can help the successful orientation of girls and women to STEM careers.

Family Friendly Companies Campaign And Award

AmCham has been a supporting partner of a campaign to find Hungary's most Family Friendly Companies for many years now. The competition, run by the Három Királyfi, Három Királyné Mozgalom (Three Princes, Three Princesses Movement), is open to both multinationals and domestic businesses. The prize is awarded to companies that have humanistic and supportive

company cultures and which, furthermore, are committed to support work-life balance within their own organizations. They should take particular care of their employees with small children. AmCham endorses the Three Princes, Three Princesses Movement and regularly shares information with its members on the Family Friendly Company competition and award.

Disability-Friendly Workplace Award

AmCham endorses and supports the Disability-Friendly Workplace Award that was initiated and organized by the Salva Vita Foundation with the aim of bringing together job seekers with

disabilities and those employers who are ready to employ them. The award is granted jointly by the Ministry of Human Capacities, AmCham Hungary, the EFQM Hungarian Partner and Salva Vita for employers who meet the tender criteria.

The award recognizes those employers who are committed to permanently improving their practices concerning the recruiting, employment, and retaining of people with disabilities. It may include the preparation of executives and staff for integrating people with disabilities; the improvement of accessibility, and the defining of guiding principles concerning co-workers with disabilities.

FUTURE GOALS

In 2018, the Talent Policy Task Force plans to:

- Continue to work closely with our government partners (Ministry for National Economy, Ministry of Human Capacities, HIPA);
- Provide a platform for regular and meaningful dialogue between all stakeholders on

education and labor market issues;

- Advocate for a more competitive labor force and education system, based on recommendations prepared at the third "Business Meets Government Summit", and the third "Competitive Education Conference";
- Organize a Competitive Workforce event in 2018;
- Present and share best

practices and focus on activities/projects that show the right track towards the future;

- Promote active participation of companies in collaborative programs with educational institutions;
- Develop programs and activities to attract and help integrate young Hungarian graduates of foreign universities to the Hungarian labor market.



INNOVATION POLICY TASK FORCE



Policy Task Force Lead:

Csaba Márkus
(Deloitte)

Policy Task Force Co-Lead:

Joerg Bauer (GE Hungary)

Board Representative:

Bea Előd (Citi)

Coordinator:

Judit Szilágyi

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 AND OBJECTIVES

In 2016 Hungary's ranking fell from 50th to 80th in Innovation, according to the Global Competitiveness Index (GCI). This was mainly due to the poor performance in university-industry collaboration (109th place), while the level of quality of scientific research institutions is very impressive (39th place). Therefore, the Policy Task Force decided to further examine solutions and best practices for enhancing university-business cooperation and gave special focus to this area in its annual plan. AmCham is dedicated to support the creation of an enabling innovation environment, where universities can retain high-level scientific goals, can establish and maintain close cooperation with industry and can also become successful in business activities.

The Innovation Policy Task Force has defined four main objectives for the 2017-2020 period:

- Focus on innovation as a cornerstone of macroeconomic policy;
- Encourage long-term cooperation between large enterprises, SMEs and academia on R&D projects;
- Stimulate high-value added R&D projects that lay a solid groundwork for sustainable growth after 2020;
- Create scalable pilot opportunities driven by future technologies and innovation.

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2017

"Cooperation For A More Competitive Hungary 2017" recommendation package

As a follow-up to the second AmCham-HIPA "Business Meets Government Summit" held in 2016, a detailed list of R&D&I-related suggestions and commitments were developed in the following four key areas, and were incorporated in the "Cooperation For A More Competitive Hungary" recommendation package:

- The support of high value-added manufacturing and services, and the promotion of product and service innovation.
- A coordinated government approach to stimulate corporate R&D spending and to attract new R&D centers to Hungary.
- Suggestions specific to the current R&D grant system.
- Encouraging cooperation between large corporations, universities, investors and startups.

Policy Success And Progress

We recognize several new policy measures and government initiatives that are in line with our recommendations. These include:

- AmCham members have been actively involved in proposing amendments to the EKD (VIP) cash grant regime to specifically support technology-intensive investments as from January 2017. These changes particularly support innovative industrial solutions promoted by Industry 4.0 and in accordance with the Irinyi Plan of the government.
- We have supported the creation of a new, R&D EKD cash grant regime introduced to

attract new, as well as support the expansion of existing, R&D centers in Hungary as from January 2017. This new grant opportunity not only made cash grants available in Budapest and Pest County even for large companies, but also supported the government policy to promote high value-added projects in Hungary ("Invented in Hungary").

- AmCham also recognized that corporate R&D spending could also be increased if, beyond the current project based R&D qualification, R&D project groups could be qualified as R&D, thereby reducing the administrative burden of R&D qualification of companies with a large number of R&D projects each year. Our members have participated in various technical discussions with the Ministry of National Economy, and the government decree on R&D qualification was amended early in November 2017, making R&D qualification of project groups possible as from 2018. AmCham would like to thank members of the Policy Task Force for sharing their expertise and for their contribution to developing policy recommendations.

The "Business Meets Universities" Project

In line with our commitment to encourage long-term cooperation between large enterprises, SMEs and academia on R&D projects, the Innovation PTF launched the "Business Meets Universities" project in January 2017 with the mission to initiate a dialogue that creates a mutually beneficial advantage, and cooperation with measurable benefits for both the academic and the business spheres.

In March, the PTF conducted a short, corporate survey among member companies to assess ongoing and completed joint university-industry R&D&I projects (typical types of joint projects, experiences of companies, challenges, etc.). Based on the findings of this survey, a list of priorities and discussion topics have been developed for the project.

In May, AmCham organized the "Business Meets Universities Workshop" to examine key elements of the "Invented in Hungary" paradigm shift, by focusing on how to

enhance cooperation between business and academia in research, development and innovation programs, and enhance the development of the innovation ecosystem. Read more on page 23.

"Business Meets Universities Workshop"

The "Business Meets Universities Workshop" brought together representatives of universities, corporations, startups and government to examine key elements of the paradigm shift from the "Made in Hungary" approach to the "Invented in Hungary" principle by focusing on how to enhance the development of the local innovation ecosystem. The event started with the presentations of two internationally well-known guest speakers, Christopher Ball, Director of the Central European Institute and speaking on behalf of Quinnipiac University and Prof. Dr. Aard Groen, Professor of Innovative Entrepreneurship & Innovation at the University of Twente and the University of Groningen. They shared their experiences in industry-university collaboration and best practices and delivered some key messages, such as the importance of recognizing the need to adjust timing and deadlines, finding a "champion" to drive the projects, networks and policies. In the second part of the workshop, all participants joined working groups and discussed how to identify best practice projects of business-university cooperation, and how to retain high level

scientific goals and become successful in business activities. They also discussed how to build an innovation ecosystem around a large company, namely successful models for ecosystem hubs in the world.

Since early June, AmCham has been organizing small group discussions with distinguished representatives of our university partners to better understand those factors that shape research and innovation activities in the academic sphere and also influence the level, content and success of cooperation with the industry. Participants of these meetings have discussed various topics, ranging from university IP policies, transparency in pricing of academic research services, R&D project management and human resource management by the university, promotion possibilities of university research competencies, level of internal and external cooperation in research projects, etc.

Third "Business Meets Government Summit"

In September, the Innovation PTF organized a roundtable discussion at the third "Business Meets Government Summit" to discuss key elements of an innovative ecosystem, with the participation of József Pálinkás, president of the National Research, Development and Innovation Office and István Szabó, head of department at the Ministry of Human Capacities.

FUTURE GOALS

In 2018, the Innovation Policy Task Force plans to:

- Prepare innovation and R&D related recommendations and positions;
- Work closely with our government partners: Ministry for National Economy, National R&D and Innovation Office, Hungarian Investment Promotion Agency, Hungarian

Intellectual Property Office;

- Organize an innovation flagship event – where key findings and recommendations of the "Business Meets Universities" project can be discussed with all stakeholders;
- Organize an Innovation Roundtable at the "Business Meets Government Summit 2018";
- Share international and local best practices for a stronger local innovation system.



DIGITALIZATION POLICY TASK FORCE



Policy Task Force Lead:

Barna Erőss
(Tata Consultancy Services)

Policy Task Force Co-Lead:
Péter Molnár (GE Hungary)

Board Representative:
Krisztina Varga
(DXC Technologies)

Coordinator: Rebeka Gáti

MISSION

To help the Hungarian business community realize the tremendous business value brought by digitalization and to help companies in this revolutionary transformation.

OVERVIEW AND OBJECTIVES

In February 2017, the AmCham Board together with Policy Task Force (PTF) and committee leaders and Patron members gathered to analyze AmCham's strategic goals and position, as well as possible future development plans for the chamber. One of the most important inputs from the membership was a greater need to focus on new trends, mainly positioning Hungary in the digital era. Therefore, a new, Digitalization Policy Task Force was established.

The Digitalization PTF has defined four main objectives for the 2017-2020 period:

- Support structural change in the Hungarian education system for a

digitally competent society along well-defined output metrics;

- Adapt innovative digital technologies based on sector specific best practices to create a more effective business environment, and identify a "moon-shot" project to foster Hungary's world-wide reputation across the digital eco-system;
- Support the development of an enabling digital infrastructure in Hungary, ensuring that the digital economy and digital society can grow;
- Support the government in becoming more efficient in providing one-stop shop e-government services to companies and citizens.

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2017

Formulation Of The PTF

At the kick-off meeting, members decided to create the following working groups to give special focus in key areas:

- Digital Education
- Digital Economy and Infrastructure
- Digital Government and Policy

Starting Dialogue With Decision-makers

In the "Cooperation For A More Competitive Hungary 2017" recommendation package AmCham already had recommendations connected to Digitalization:

- Recommendation on effective actions to extend the digital labor market;
 - The introduction of more e-government services with the aim of reducing bureaucracy: proposed adaptation of modern cloud-based ICT technologies and the creation of supportive legislative background for e-services;
 - Proactive acting of decision makers and institutions responsible for the regulation of data protection and the regulatory environment for the safe usage of data generated at service providers.
- In July, the Digitalization PTF leadership met State Secretary for Economic Development and Regulation István Lepsényi and participated at the AmCham-NGM working group to discuss AmCham's digitalization related recommendations, as above. This

dialogue continued in October, at the seventh AmCham-NGM working group meeting, where further consultations took place.

"Digital Labor Market Conference"

The ICT Association of Hungary (IVSZ) organized the "Digital Labor Market 2017" conference in partnership with AmCham Hungary. The other organizing partners were the German-Hungarian Chamber of Industry and Commerce, the Hungarian Chamber of Commerce and Industry and the Big Four. The goal of the conference was to call for a sector-wide cooperation addressing the growing issue of the digital labor shortage and the development of digital competencies. AmCham President Dr. Farkas Bárony participated in a panel discussion and highlighted the role of education: how digitalization and a flexible education system built to develop competencies are the key to produce future employees who are capable of adapting to new situations quicker. The conference was attended by State Secretary Péter Cseresnyés, EU Commissioner of Education, Culture, Youth and Sport Tibor Navracsics, and Commissioner of the Digital Prosperity Program Tamás Deutsch.

5G Coalition

The 5G Coalition (5GK), initiated by the Digital Success Program, was formed with the aim to make Hungary a European hub for 5G developments and to take a leading role in the region in 5G-based applications. The goals of the 5GK is to make Hungary one of the centers of 5G development in Europe by 2018, to take a leading role in the region in testing applications based on 5G and to become one of the first countries to introduce 5G. The coalition will create a professional platform for stakeholders and it will contribute to the elaboration and implementation of the Hungarian 5G strategy and testing environment. In June, representatives of AmCham participated in the preparatory

meeting held at the Ministry of Human Capacities, where Commissioner Deutsch, along with two experts of the Digital Success Program, Vilmos Both and Ákos Mácz, presented the goals of the 5GK and its planned activities. The coalition was formally established on June 19, and AmCham, among 50 other companies, business chambers, universities, research institutes and civil organizations, was a founding member. Two plenary sessions have been held since then and five working groups were established. Members of the Digitalization PTF joined the Applications and Sample Systems group, which is responsible for the identification of 5G-based applications and the involvement of developers.

Working Closely With ICT Association Of Hungary (IVSZ) And The Digital Pedagogical Methodology Center

Several meetings were held with representatives of the ICT Association of Hungary to better understand the challenges of digitalization in Hungary, the initiatives and strategies introduced by the government, and areas where AmCham could have a real impact for the benefit of the business community it represents.

In June, Ádám Horváth, manager of the Digital Pedagogical Methodology Center was the guest of the Digitalization PTF meeting, where he discussed issues related to the structural changes of the education system and the introduction

of well-defined output metrics. The recommendations formulated during these discussions were channeled into the "Business Meets Government Summit" event and will be incorporated into the "Cooperation For A More Competitive Hungary Recommendation 2018" recommendation package.

Third "Business Meets Government Summit"

The Digitalization PTF organized a roundtable discussion at the third "Business Meets Government Summit" to discuss the need and possibility for defining a "moon-shot" project for Hungary. The PTF believes that for Hungary's future development it is very important to identify digital initiatives where Hungary could be a global leader. Our goal is to make Hungary a digital hub (with a special focus on Budapest) and to that end, AmCham supports projects that give a competitive advantage in the digital ecosystem. The representatives of the Ministry for National Economy and the Ministry of National Development acknowledged the importance of such "moon-shot" projects. Further, detailed recommendations have been developed as a result of the discussions and will be incorporated in the next issue of the "Cooperation For A More Competitive Hungary Recommendation 2018" recommendation package.

FUTURE GOALS

In 2018, the Digitalization Policy Task Force plans to:

- Prepare digitalization-related recommendations and positions;
- Support AmCham governmental partners in taking effective measures to expand the digital labor

market and in upgrading digital education;

- Work closely with the ICT Association of Hungary (IVSZ) and the Digital Success Program (DJP) with regards to the Digital Workforce Program;
- Share best practices for digital technologies and solutions.

ELECTRONIC MANUFACTURERS' COMMITTEE

Chair:
László
Ábrahám
(NI Hungary)
Coordinator:
Judit Szilágyi



MISSION

The committee's mission is to raise awareness and highlight the weight and role of the electronic manufacturing sector in the Hungarian economy, and also to find areas of common interest for electronic manufacturing companies and joining forces in these areas.

OVERVIEW OF 2017

In 2017, member companies of the committee have been actively engaged in AmCham's advocacy efforts and have represented the priorities of the sector at several high- and expert-level meetings organized with the Ministry for National Economy. The committee has two main 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.

ACTIVITIES AND ACHIEVEMENTS

Successful Advocacy For The Better Recognition Of The Sector

In 2015, the government published its strategic plan for innovative industry development called the Irinyi Plan, which was reviewed and discussed in detail by members of the Electronic Manufacturers' Committee. In 2016, the committee created an electronic industry strategic document to present 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 advocated for the better recognition of the electronic industry. This key message was incorporated in AmCham's "Cooperation For A More Competitive Hungary" recommendation package issued in December 2016. AmCham sent its proposal on an industry strategy for the electronic

manufacturing sector as well as the recommendation package to the Ministry for National Economy; that was followed up with a series of expert level discussions. The February meetings provided an excellent opportunity for key electronic manufacturing industry representatives to share their concerns and suggestions on priority areas for future development. Representatives of the Ministry of National Development, the Ministry of Human Capacities, and the Hungarian Investment Promotions Agency also participated at the meeting. As a result of the consultations, AmCham was informed that the government considers the electronic manufacturing industry to be a strategic industry (and part of the Irinyi plan together with the ICT sector) and increased focus will be paid to sector's specific development plans. Committee chair László Ábrahám represents AmCham and the committee in a strategic working group established by

the ministry, whose main goal is to prepare a comprehensive industry strategy. In October, an extraordinary committee meeting was held at the Tatabánya plant of Sanmina-SCI, a company celebrating its 20th anniversary in Hungary in 2017. Participants had a lively discussion on a number of sector specific topics, and the team was then invited on a company tour around the Sanmina-SCI plant. In September, the Ministry for National Economy with the Hungarian Chamber of Commerce and Industry established industry specific Sector Skill Councils, including one focusing on the electronic industry. The main objective of the ministry is to better incorporate industry expertise and labor market expectations into the system of vocational training and adult training. Several of our committee members have become members of this Skill Council, and

FUTURE GOALS

The committee plans to:

- Continue advocacy activities and meet with government decision-makers to discuss committee recommendations;
- Organize committee meetings and off-site meetings at members' factories to share best practices;
- Provide input to make training materials more up-to-date and practical, and monitor the activities of the electronic manufacturing Sector Skill Council;
- Conduct education-related activities with the participation of relevant professors and university departments.

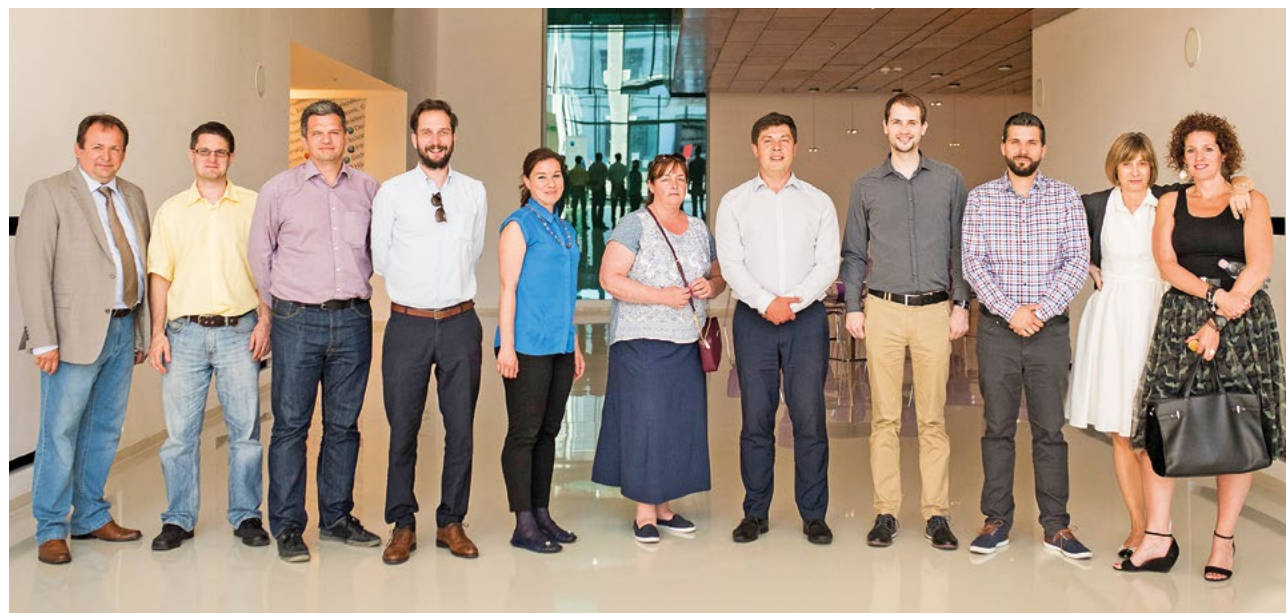
through this platform, industry representatives can provide structured input. At the October meeting, committee members have started discussions on two interrelated topics: waste management in Hungary and the interpretation of the Basel Convention in Western European countries. The committee has developed a recommendation on increasing the efficiency of waste management and on encouraging

the circular economy through making changes to the regulation of the environmental product fee in Hungary. Another position has been developed to ask the government to support the activities of domestic electronic manufacturers who provide repair and testing services by advocating for the proper interpretation of the Basel Convention to the competent governmental bodies of signatory countries to the convention.



FACILITIES MANAGEMENT COMMITTEE

Chair:
József Jung
(EY)
Coordinator:
József Gál



OBJECTIVES

The goal of the committee is to provide a platform for facilities management professionals to discuss FM-related matters, learn of new trends, and exchange opinions and experiences with other experts. Special emphasis is given to the topic of integrating FM processes within an organization, and as a result, improving the effectiveness of a company's primary activities.

OVERVIEW OF 2017

Our first meeting in February was held at EY, where Erika Chiuhan shared her experiences of the European Facilities Management conference in Milan. She gave the members an overview of the latest trends in FM, as well as a general account of the Conference's atmosphere.

At the second meeting, we hosted the representatives of Leo FM, a professional organization for

property and facility managers. They informed our members of their general activities and presented the advantages of their benchmarking methodology – a crucial tool in navigating the complexities of today's office market.

In April, Krisztina Westermann from Smart Office Solutions and András Dobos from LAB5 Architects discussed with our members how the effectiveness of communication can be

maximized when working with interior designers, builders and office furniture suppliers. As any FM who has worked through a reconstruction or refurbishment project can attest, good communication can make all the difference.

For the fourth meeting, committee members were invited to the headquarters and production center of CooperVision, located at the ProLogis Business Park in Gyál. Barnabás Teleszky, utility and facility manager and Viktor Veres, technical director, gave a presentation on the challenges they face and the solutions they apply at a sophisticated production and logistical unit and a state-of-the-art visitors' center in a facility mainly intended for cargo storage.

PLANS FOR 2018

The committee will remain focused on providing interesting and useful information to its members; the introduction of new trends and handling hot issues within the area of facility management. We wish to keep and strengthen our good working relationship amongst our members within AmCham, as well as other professional organizations. We encourage new companies to join the committee!

Returning to the Eiffel Palace offices of CBRE, Judit Varga, head of offices, analyzed the latest trends of the office market, and whether the current surge would wear out in the near future. At the center of the analysis was one of the hottest topics of today's business environment: creating an attractive and accommodating working environment for "Generation Y" employees, while also meeting the needs of the older generations.

At the time of writing, the fifth and last committee meeting in this year was due to be held in late November at the premises of Konica Minolta. With everything going digital, offices will be no exception. From document management to fully digital workstations, the future is something that we should all try to anticipate to the best of our abilities.



GOVERNANCE AND TRANSPARENCY COMMITTEE



Co-Chairs: 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

MISSION

To improve the accountability, governance, integrity and transparency of the private, non-profit, and public-sector practices; to foster a better next generation of leaders; and to encourage and to boost competitiveness, entrepreneurship and sustainability in Hungary.

OVERVIEW

The Governance and Transparency Committee (G&T Committee) seeks to guide leading stakeholders, including academia, business leaders, entrepreneurs and community stakeholders, by promoting best practices in the areas of governance, transparency, integrity, ethics and entrepreneurship. This is highlighted in AmCham's Position Brief No. V: "Good Corporate Governance as a Pillar of Hungarian National Competitiveness". The G&T

Committee has forged a strong partnership with academia and gives these educators (at their request) content for their classrooms by providing practical business presentations and discussions, real-life case studies and networking possibilities that are otherwise lacking. This committee also leads AmCham in its promotion of best practice entrepreneurship (and hence innovation) and considers this subject a key factor in increasing the competitiveness of the country. It seeks to spark the entrepreneurial spirit in future generations and to build a better future generation of leaders in Hungary.

The G&T Committee has created and manages numerous projects that support its mission and the goals set down in the AmCham Policy Agenda. The projects also span the three sectors of private, public and not-for-profit. Many of these are done in partnership

with academia, involving Hungarian and even some foreign universities, particularly those focused on best practice governance, integrity and entrepreneurship. The committee also works with AmCham Policy Task Forces in topics concerning Hungary's competitiveness, as well as with the Regulatory Committee on monitoring new legislation. The deliverables from these projects also seek to encourage the use of best practices and promote integrity and transparency.

PROJECTS

Academic Engagement: Nearly every year the G&T Committee seeks to reinforce its direct dialogue with academia. Either special workshops are organized with a focus on a specific topic or professors are invited to attend conferences or events. Professors seek partnership with the business community

since they lack adequate case studies of real world challenges from the region that can be used to educate the next generation of Hungarian leaders. The G&T Committee seeks to satisfy at least part of this demand by offering meaningful content that can be leveraged by the professors to reach multiple students who are seeking practical knowledge to complement their coursework.

Government Engagement: The G&T Committee also encourages integrity and transparency in both the public and private sectors. One of the key venues that the G&T Committee uses to hold a constructive dialogue on this topic is its

annual conference on integrity issues. Most recently entitled "The Corporate Compliance Challenge: Crisis Prevention and Threat Management", the main message this year was that everywhere the legal framework is getting tougher regarding anti-corruption, and it is also up to businesses themselves to make a difference by promoting fair and open markets by complying with those rules. The opening remarks at this year's event were delivered by David Kostelancik, Chargé d'Affaires at the U.S. Embassy in Budapest, who stressed that no matter how much of a pro-business attitude a country has, corners cannot be cut when it comes to compliance mechanisms and

fighting corruption. The main speaker at the event was Fabien Ganivet, partner at DLA Piper and a former advisor to the cabinet of Homeland Security and of the minister of defence of France. In his speech, Ganivet pointed out that international anti-corruption standards all have a common thread that finds its roots in the U.S. Foreign Corrupt Practices Act of 1977, and that a convergence in regulations is taking place.

Private Sector Engagement:

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



► ► ► *Continued from page 47.*

Board Simulation: This case study series travels to Hungarian universities to present playacted board meetings that are choreographed to highlight and answer a wide and interesting range of corporate governance questions that may arise in a typical company setting. One of the cases is set in a publicly traded (stock exchange listed) company setting, while the other is focused on a privately held, small/mid-size company environment. One of these cases has also been presented in Austrian and Slovakian Universities. More information on the Board Simulation can be found on page 26.

Start Your Business!: This program has sought to develop a stronger sense of entrepreneurship in Hungary since its launch in 2012. AmCham's G&T Committee brings interactive seminars to universities across Hungary and even abroad. More information on this event can be found on page 26.

Jövő Vezetői: Our Facebook page is 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 G&T Committee continuously and actively 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, such as finding solutions to the challenges of innovation policy and boosting national competitiveness through fostering entrepreneurial talent.

PUBLICATIONS

“Vállalkozni Jó!”

(“Entrepreneurship is Good!”) is a printed and digital publication containing interviews with 20 legendary Hungarian entrepreneurs. It presents the mindset, passion and approach of the entrepreneurs and the power of putting Hungarian innovation into practice. It explores their personal motivations rather than describing their specific startup company's evolution. The common theme that led to their garage-to-success stories is undeniable: Their positive thinking, passion and untiring determination. The first, printed booklet version of the publication was prepared by the G&T Committee following a lengthy effort involving nearly 50 volunteers. The committee works to extend the digital version of the publication (available at www.amcham.hu/vallalkozni-jo) by adding two new entrepreneur interviews each year.

Prior Publications also include:

- Position Brief No. V: “Good Corporate Governance As A

Pillar Of Hungarian National Competitiveness”

- “Glossary Of Corporate Governance And Business Integrity Terms: English-Hungarian / Hungarian English”
- “Corporate Governance Guidance And Principles For Unlisted Companies In Europe” Hungarian translation
- Contributor to “English-Russian/Russian English: Business Integrity Glossary” published by Central European University

Partnerships And Cooperations

Many of the G&T Committee's projects are undertaken in cooperation with other chambers of commerce, academic institutions and NGO organizations including: Budapest Business School, Budapest University of Technology and Economics, Central European University, Corvinus University of Budapest, Debrecen University, Embassy of the United States of America, Hungarian Venture Capital Association (HVCA), Óbudai University, Pázmány Péter Catholic University, Szeged University, Szent István University in Gödöllő, Széchenyi István University in Győr, University of Pécs (Simonyi BEDC), and Young Entrepreneurs Association Hungary (FIVOSZ).

A more detailed description of the G&T Committee's projects and activities can be found at www.amcham.hu/committee/governance-and-transparency.



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 OF 2017

Our main goals in 2017 were to:

- Foster and address HR issues that are important to the global competitiveness of the country;
- Provide members with an opportunity to actively participate in resolving issues of common interest impacting the operations of their respective businesses;

- Create transparency for HR values towards business leaders;
- Learn from each other.

REGULAR MEETINGS FOCUSED ON SOLUTIONS

In his letter to committee members early in 2017, committee chair Zsolt Fehér wrote: "I believe the challenges are clear; we just need to know how to tackle them and help our members to find the best solutions. During recent years as part of our competitiveness initiative, AmCham Hungary has already determined the major workforce issues currently facing

Hungary, such as the lack of skilled blue-collar workers or IT professionals, the wide salary gap between Western European workplaces and Hungary, and the exclusion of 50+ job seekers from the talent pipeline. During 2017, the HR committee does not plan to ask any more questions: it's time to take action and offer SOLUTIONS, as much as we can."

The annual agenda was designed around the above concept; therefore, on March 28 we brought seasoned experts to the table to learn more about available solutions. We kicked off the roundtable series with a strategic



CEO session on HR's role in solving business challenges. Our invited guests were Krisztina Varga, regional business operations director of DXC Technology and Márk Hetényi, chief digital and retail officer of MKB Bank, who put the scope of the issue in a relevant business perspective.

Our next session on May 18 was an IT education roundtable entitled: "Can Business Solve The Shortage Of Digital Workforce?" discussing the current challenges in IT education, and what answers the private sector has found to tackle the issue with the following invited speakers:

- Gábor Bonyhádi, CMO, CodeCool;
- Barbara Fazekas, founder-CEO, Green Fox Academy;
- Gyula Csitári, founder, Logiscool;
- Szabolcs Filep, CEO, Progmasters.

On June 13, we looked for an answer for the following question: "Where is the wage spiral headed? Can increased compensation keep the workforce in Hungary and bring talents home?" The discussion concluded that, until we guarantee relatively higher wages, there is no point in talking about the soft factors of keeping talents in the country and attracting workforce from abroad.

We discussed salary benchmarks and trends, with the following invited speakers:

- Tünde Jakabos, market leader CHS (Czech Republic, Hungary, Slovakia), Korn Ferry;



As one of our panelists highlighted, there were 87 million 65+ people in Europe in 2012 and this figure will grow to 123 million by 2030 (according to Eurostat data); therefore, we cannot wait to come up with solutions and our panel agreed that a mindset change on both the employers' and the employees side is essential to find a breakthrough. The HR Committee intends to continue the dialogue on issues affecting Hungary's competitiveness, from the HR perspective.

KNOWLEDGE IMPROVEMENT SESSIONS

We also held regular HR knowledge improvement sessions with the following speakers and topics in 2017:

- **September 26:** Mindfulness at work with Liz Hall
Our special guest speaker was arranged by Judit Ábri, founder of Coaching Határok Nélkül (CHN).
- **November 28:** Agile HR - Design Thinking with Hari Abburi
Our special guest speaker was arranged by Judit Ábri, founder of CHN and Csaba Csényi, founder of Ambiance Regional Consulting.

FUTURE PLANS

Next year we will organize our fourth "HR Dream Day" workshop in the spring and will continue to strive to involve non-HR executives in the work of the committee. We will also continue dialogue on AmCham advocacy topics closely connected to the lack of available workforce, such as IT education, salary benchmarking, flexible employment opportunities and 50+ workforce.

MEMBERSHIP COMMITTEE

Co-Chairs: Dr. Andrea Jádi Németh
(bvp JÁDI NÉMETH Attorneys at Law)
Krisztina Varga (DXC Technology)
Coordinator: Ildikó Takács-Berka



MISSION

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 of 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 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 the significance of the AmCham network;
- To enrich the valuable AmCham membership portfolio by strengthening its presence



and driving power concerning foreign direct investments and innovation.

ACTIVITIES

We organize two events annually, where we report to the membership on AmCham’s activities. One is the Annual General Assembly at yearend where we inform our members about what we achieved in that year. We also share our financial results, and a number of board members are elected. In order to have another opportunity to give updates on our activities during the year, in June we organize our “Insight” event, where the entire membership is invited. This event provides a platform to inform our members about what we do, the progress we have made and most importantly an opportunity for direct input, questions and feedback. Organizing the “Insight” event 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; we invited not only our members but also the representatives of companies who may be interested in our activities and who could enrich our powerful membership base should they decide to join. Besides providing details of professional objectives and commitment of the Policy Task Forces, the event proved to be an excellent networking opportunity for those present.



REGULATORY COMMITTEE

Chair:
Dr. Gábor Orosz,
(National Instruments)
Coordinator:
Judit Szilágyi



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:

- 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 Vismeg.

Ministry Of Justice: Regular Consultation Continued

The Strategic Partnership Agreement – first signed in 2011, then re-

confirmed 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 with government experts. As a result, AmCham had a solid base to contribute and make an impact on Hungarian legislation.

On February 9, an extraordinary committee meeting was held with Deputy State Secretary Zoltán Nemessányi to discuss the Ministry of Justice's legislative agenda and priorities for 2017, and the possibilities for cooperation. The Deputy State Secretary thanked the Regulatory Committee for its outstanding professional input and confirmed that the ministry views AmCham as a strategic ally in articulating the standpoint of businesses in Hungary. He also indicated that the ministry looks forward to continuing the well-established, close cooperation with the chamber in the public consultation part of the legislative work.

PROJECTS AND ACHIEVEMENTS IN 2017

- In February, upon the request of the Ministry of Justice, the committee sent its feedback on the

planned new legislation of Private International Law.

- In February, AmCham sent its comments to the draft legislative sample documents that are to be used by civil organizations at court proceedings. The AmCham position was prepared together with the Governance & Transparency Committee.

- In March, the committee in cooperation with the Hungarian Association of Competition Law sent comments on the draft legislation of General Administrative Regulations, and also on the draft legislation connected to secret data collection related to the new Act on Criminal Proceedings.

- In April, it sent its comments on draft modification of selected pieces of legislation related to strengthening the competitiveness of the Hungarian legislation.

- In May, it sent its comments on the planned modification of the Act XLIX of 1991 on Bankruptcy and Liquidation.

- In June, the Regulatory Committee sent its comments to the Ministry of Justice on draft modification of 21/2006. (V.18.) Decree of the Ministry on company registration procedure and 6/2017. (VI.1.) on provision of headquarters.

- In September, the Regulatory Committee together with the

Competitive Workforce Policy Task Force have developed and sent its feedback to the Ministry for National Economy on the planned modification of the law regulating labor safety (Act XCIII of 1993 on Labor Safety), which impacts the regulatory framework of remote work. The Ministry thanked the committee for the input and accepted several of the recommendations.

- In October, in cooperation with the Hungarian Association of Competition Law, the committee sent its feedback to the Ministry of Justice on the planned modification of the Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices.

- Also in October, the committee sent its suggestions to the Ministry on the draft new Act on the protection of business secrecy and undisclosed know-how.

HARMONIZATION OF HUNGARIAN LAW WITH GDPR

In early Summer 2017, the committee started discussions on the General Data Protection Regulation (GDPR) that will be implemented by May 25, 2018, and issues around the harmonization process. In order to better understand priority issues of member companies in relation to the implementation process of GDPR, the committee launched a short, online survey among the membership. More than 60 companies participated in the survey. The findings of the survey were later shared with the Ministry of Justice and the Hungarian National Authority for Data Protection and Freedom of Information (NAIH) in order to help

decision-makers see the topics where companies would welcome more information and guidelines. In August, the Regulatory Committee developed a package of recommendations on the planned modification of Act CXII of 2011 on Informational Self-Determination and Freedom of Information ("Privacy Act") to harmonize Hungarian law with the GDPR. AmCham has sent its position to the Ministry of Justice in early September, advocating for more structured, transparent legislation to make law-interpretation as clear as possible for economic players, and to ensure a more competitive regulatory environment. In September, AmCham was invited to an expert-level meeting with representatives of the Ministry of Justice to discuss the AmCham position in details.

In early October, the committee met with Attila Péterfalvi, president of NAIH and presented the AmCham position on the harmonization of the Hungarian law to GDPR. It shared a summary of the expected responsibilities and requirements of a data protection officer (DPO), a position that will be required by the GDPR, as seen and recommended by committee experts. President Péterfalvi thanked AmCham for its cooperation and invited the committee to give further input and continue consultations.

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 material to reflect the members' interests appropriately. We also play an important role by providing support to fellow committees in legislative related issues, at their request.

Following expert level consultations, a working group has been established by the Ministry of Justice to provide a forum for inter-ministerial consultations and to help develop further legislative pieces in different areas of law within the implementation process of GDPR in Hungary. The Regulatory Committee has been invited and will delegate members to this working group.

With the professional support of the committee, AmCham is organizing a half day conference at the end of November for its members, with the participation of the president of NAIH and László Péter Salgó, Deputy State Secretary of the Ministry of Justice to provide a platform for discussions on priority issues related to GDPR.

Continued Engagement Of Committee Members

We have experienced a remarkable participation level from our committee members in the course of 2017. These members dedicate their time and resources to a number of projects during the year and contribute to exceptionally high quality internal legal discussions over proposals, while also duly representing AmCham in the Ministry consultations listed above.

TAX COMMITTEE

Chair:
Botond Rencz
(EY Hungary)
Coordinator:
Judit Szilágyi



OVERVIEW AND OBJECTIVES

The Tax Committee focuses on the following objectives:

- identify and implement changes needed in the Hungarian tax legislation with the aim to make 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 tax law and discuss with the Board on how to comment on these changes.

As a follow-up to the Second AmCham-HIPA "Business Meets Government Summit" held in 2016, the Tax Committee in cooperation with the Investment PTF formulated 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 "Cooperation For A More Competitive Hungary" recommendation package that was published in December 2016. Among business environment-related suggestions, the committee highlighted those aiming to tailor a tax system that provides better support for FDI.

Minister of Foreign Affairs and Trade Péter Szijjártó was appointed by Prime Minister Viktor Orbán to discuss these recommendations in detail with AmCham. Minister Szijjártó and the AmCham delegation met in March, where the minister reflected on AmCham's proposals and asked for further elaboration of certain recommendations, including tax-related matters.

On April 5, the Tax Committee held an extraordinary committee meeting, where a more detailed position was developed, and was sent to Minister Szijjártó later that month. The dialogue about our recommendations also continued at the AmCham-Ministry for National Economy (NGM) working group meetings with State Secretary István Lepsényi and representatives of the relevant departments.

The Tax Committee is very proud that, due to consistent, structured and constructive dialogue with the government, the corporate income tax rate was lowered to 9% in January 2017, which substantially contributes to the improvement of the investment climate and our regional and global competitiveness.

The Tax Committee closely followed the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS), which will fundamentally change the

competitiveness strategies countries follow. Profits will be taxed at the place where business activities will be performed.

The committee also advocated for the further reduction of bureaucracy and over-regulation in general, as this would improve Hungary's international competitiveness. Hungarian regulations are often stricter than the EU standards or requirements. Over-regulation decreases the competitiveness of Hungary against other 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.

THIRD BUSINESS MEETS GOVERNMENT SUMMIT

The committee, in cooperation with the Investment PTF prepared and organized a "Business Environment" roundtable discussion at the third "Business Meets Government Summit" held on September 28.

The roundtable, moderated by committee chair Botond Rencz, was held with the participation of two distinguished guests, István Lepsényi, State Secretary of the Ministry for National

Economy and Róbert Ésik, President of HIPA. Roundtable participants, who were high-level representatives of the most well-known international and Hungarian companies, raised various topics and discussed key elements of Hungary's competitiveness in the new international business environment. Participants agreed that a key target is the transition from employment creation FDI projects to quality and higher value-chain FDI projects. In 2017, there have been significant improvements in the Hungarian business climate, such as the tax rate reduction, and the paradigm shift in the investment strategy from "Made in Hungary" to "Invented in Hungary". The Hungarian business environment needs to be evaluated at an international level, and effective cooperation

is needed between industry players and the government to proactively react to changes in international business climate.

Participants also confirmed that, for future development, it is essential to manage the labor shortage, as in particular regions this is critical. Unfortunately, the mobility of the workforce is not high, therefore companies have requested that the government support the relocation of entire families, which can be a more successful model for increasing mobility. Recommendations formulated at the roundtable will be incorporated and published in AmCham's "Cooperation For A More Competitive Hungary 2018" recommendation package, serving as a guideline for AmCham's advocacy work in 2018.

FUTURE GOALS

For 2018, 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 tax and business environment-related recommendations for the fourth "Business Meets Government Summit 2018", in cooperation with the Investment PTF.

2017 EVENTS HIGH LIGHTS

PROFESSIONAL CONFERENCES & WORKSHOPS



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

How does the internet alter classrooms, and what can be done about the **digital education** of the current and future workforce? These were the most critical questions addressed at a joint conference on May 17 of **Telenor Hungary** and AmCham, featuring renowned experts. Alexandra Reich, CEO of Telenor Hungary, highlighted the importance of providing more mobile data to facilitate communication on-the-go. But Reich simultaneously warned about the need to educate people about how mobile data can and should be used meaningfully. As Krisztina Varga, a teacher, said, kids are great at technology, but they don't know how to handle their emotions, solve problems or communicate. Therefore, that all needs be taught. Schools have been equipped with digital devices before, but teachers were left on their own as they often didn't know how to use those gadgets most effectively. Jerry Kürti, CEO of Tabetello System, a young organization with the mission to increase the use of digital technologies in public and corporate language education, hailed the strengths of online interactive education. AmCham's Digitalization Policy Task Force was represented in the roundtable by Barna Eröss, IT operations head at Tata Consultancy Services and moderator Krisztina Varga, regional business operations director at DXC Technology.

The legal framework is getting tougher regarding anti-corruption worldwide, but it is also up to businesses themselves to make a difference at promoting fair and open markets by strictly complying with those rules – that was one of the main messages of the Corporate **Compliance Challenge: Crisis Prevention and Threat Management conference** hosted by AmCham on October 3, 2017.

PROFESSIONAL CONFERENCES & WORKSHOPS



No matter how much of a pro-business approach the country has, corners cannot be cut when it comes to compliance and corruption, noted David Kostelancik, Chargé d' Affaires of the U.S. Embassy in Budapest in his opening remarks. "At every company, corruption should be put on the top of the priority list," Kostelancik said. In his keynote speech, Fabien Ganivet, partner at sponsor DLA Piper and a former advisor to the cabinet of Homeland Security and of the minister of defense of France, highlighted the trend that negotiated settlements are increasingly used rather than prosecution in foreign bribery charges by the United States, United Kingdom and other national authorities.

The annual conference was championed by members of the Governance and Transparency Committee, Judit Budai, partner at Szecskay Attorney as Law, Dávid Kőhegyi, head of compliance and investigations at DLA Piper, and David Young, co-chair of the committee.

As this report goes to print, we will also have concluded our **'Ready, Set, GDPR' conference** on November 28, championed by the Regulatory Committee. Attila Péterfalvi, president of the Hungarian National Authority for Data Protection and Freedom of Information (NAIH) and Deputy State Secretary of the Ministry of Justice, László Salgó were confirmed to open the conference with more than 100 attendees. We will summarize the key learnings of this event in our 2018 report.

AmCham also proudly held the fully booked Business Meets Universities workshop in June, the third "Business Meets Government Summit" in September and the third "Competitive Education Conference" in May, which you can read more about on pages 18-23.

BUSINESS FORUMS



In 2017, we hosted three Business Forums with high level guests. On February 24, **Mihály Varga**, Minister for National Economy stepped on the podium where he lauded AmCham's work in improving Hungary's economic competitiveness and declared that the chamber is regarded as a strategic partner that shares the government's objectives. The minister also announced the foundation of the Competitiveness Council, where AmCham President Dr. Farkas Bárony was invited as a regular member.

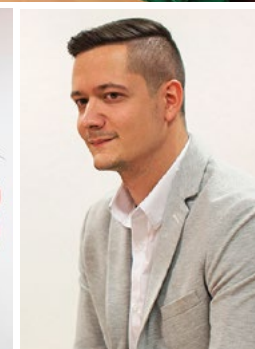
A month later, **Péter Szijjártó**, Minister of Foreign Affairs and Trade addressed our membership. He reiterated the government's desire to move from the "Made in Hungary" concept to "Invented in Hungary" in order to become a more favorable destination for R&D&I. Moreover, the minister highlighted the growing significance of economic relations between Hungary and the United States as it has become the second biggest investor and the largest export market outside of the European Union.

In June, **Chargé d'Affaires David J. Kostelancik**, of the U.S. Embassy and **Dr. László Szabó**, then the Ambassador-designate of Hungary to the United States, sat down to discuss the current business climate and the relationship between the States and Hungary.

Ambassador Szabó claimed the chamber has a tremendous impact on economic policy and further encouraged the membership to continue its strong advocacy work and keep working on brave new ideas.

Chargé Kostelancik praised the strong foundations of the U.S.-Hungary bilateral relationship and added that American business executives praise the business-friendly environment and the government's approach to competition and innovation.

CAREER SCHOOL



Our Career School series returned in 2017 with two semesters featuring ten speakers from various fields. As always, we wanted to provide young employees and middle managers with a platform to learn from top business executives and other successful people. During our discussions, moderated by Dr. Andrea Juhos and Judit Ábri, our guest speakers discussed their road to success, their way of work, their failures and even touched on relevant issues such as the migration of young Hungarians to the West, education in Hungary, the future of telecommunication and women in science.

We would like to thank our speakers for sharing their thoughts and experiences with us at the Career School:

Spring semester: Csaba László, secretary treasurer of AmCham, former Minister of Finance, Áron Szilágyi, two-time Olympic champion saber fencer; Adél Kováts, director of Miklós Radnóti Theater; Taira-Julia Lammi, CEO of ABB and László Lovász, president of the Hungarian Academy of Sciences.

Fall semester: Stefano Longo, country manager of Adecco; David Blunck, CEO of Invitel; Márk Bencsics, quarterback of the Hungarian National American Football Team and the Budapest Wolves, NFL Commentator on Sport TV and Communications Expert at MOL; Zsófia Mautner, blogger, Chili & Vanilia; Ilona Dávid, president and CEO of Magyar Államvasutak.

Our Career School series will return in 2018 with new speakers and a redesigned format.

SEMINARS



In 2017, we partnered with eight companies to share ideas, discuss the most relevant subjects and inspire people during our seminars.

In February, Reilly Financial Advisors travelled to Budapest from Prague to talk about the financial complexities expats face, and returned in September to give a general financial education using the analogy of a road trip to help participants understand a broad range of financial tools and concepts.

In March, Cor Leonis Films in partnership with Coaching Határok Nélkül brought world renowned motivational speaker and best-selling author Lisa Nichols to "help you realize your potential".

The experts of CMS Budapest prepared us for the General Data Protection Regulation at the Hungarian Academy of Sciences, and Grant Thornton introduced the Rules of Switching to IFRS (International Financial Reporting Standards) in April.

May was our busiest month this year: András M. Horváth from Hegymegi-Barakonyi and Partner Baker & McKenzie Attorneys-at-Law provided an update on Competition Law. A week later, former AmCham President William Benkő's Speak Academy helped our guests find their inner confidence by improving their public speaking skills.

In October, Gergely Dévényi from KÜRT Akadémia explained the latest IoT (Internet of Things) trends in manufacturing, energy, education, telecommunication and startups.

At the final seminar of the year, the experts of Önbizalom Akadémia presented new research about Hungarians and self-confidence.

COOPERATIONS



Each year, AmCham cooperates with selected Hungarian and international organizations on a number of projects and events. The following are excerpts of the most important cooperations from 2017.

In April, AmCham was a founding partner of the **Digital Labor Market 2017 conference** organized by the ICT Association of Hungary (IVSZ) in partnership with the German and the Hungarian Chamber of Industry and Commerce and the Big Four in order to call for sector-wide cooperation in addressing the growing issue of the digital labor shortage and the development of digital competencies.

The conference was opened by State Secretary of the Ministry for National Economy, Péter Cseresnyés, Deutsch Tamás, Commissioner of the Digital Prosperity Program, and Tibor Navracsics, the EU Commissioner of Education, Culture, Youth and Sport. In the plenary panel discussion, AmCham President Bársony highlighted the role of education: "In order to remain competitive, effectiveness is

quintessential. Digitalization and a flexible education system built to develop competencies are the key to produce future employees who are capable of adapting to new situations quicker. We need to focus on education and training first."

On May 25, SSC Heroes and Kinnarps hosted the **Next Generation Shared Services Day 2** with AmCham CEO Írisz Lippai-Nagy participating as a moderator of a panel, featuring a live interview with Marc Galjaard, managing director of Friesland Campina Service Center EMEA and Tünde Kis, vice president of the Hungarian Investment Promotion Agency. The goal of the event was to discuss the most important trends influencing the sector with outstanding speakers and representatives and to provide innovative solutions and best-practices that help to take advantage of these trends and promote the development of the shared services industry.

Throughout the year, AmCham cooperated with the Ministry for National Economy on a number of professional conferences, including Automotive Hungary, Euroskills (to be held in 2018) and the EURES job fair.

We also joined the following **awards** as jury members and promoters:

- BBJ Expat CEO Award, run in conjunction with HIPA
- Invented in Hungary Award by HIPA
- Family Friendly Company Award by Three Princes, Three Princesses Movement
- Disability-Friendly Workplace Award by Salva Vita Foundation
- Zynteship Award by Colibri

In 2017, AmCham's leadership also accepted numerous invitations to speak. President Bársony, for instance, presented at a Világgazdaság conference on the new era in the world economy, spoke at an Industry 4.0 conference arranged by the Ministry for National Economy, and participated in a roundtable on industrial policy organized by the Hungarian Economic Association. Joerg Bauer, co-chair of the Innovation PTF, spoke at an Industry 4.0 summit organized by the Hungarian National Association of Machinery and Power Engineering Industries, and AmCham CEO Írisz Lippai-Nagy talked about digitalization at the annual economist traveling congress and at a Századvég conference on U.S.-Hungarian relations, among many others.

SOCIAL EVENTS



In order to strengthen the AmCham community, we frequently organize social and family events. The purpose of these occasions is to provide a networking opportunity in a pleasant atmosphere and a relaxed mood where members can have a great time. Strong and continued interest in these events proves their importance for our members.

As always, the first major social event of the year was the **Super Bowl Party** hosted by TGI Fridays where we witnessed one of the most unforgettable and gripping games of all time, featuring the New England Patriots and the Atlanta Falcons.

In February, the first **Business After Hours** event of the year was hosted by K&K Hotel Opera near the famous Andrassy boulevard and we spent a delightful evening at The Ritz-Carlton, Budapest in May.

As per tradition, our **Independence Day Celebration** was hosted in the garden of Gundel Restaurant and in Budapest Zoo; more than 250 people gathered to celebrate the 241st birthday of the United States.

On September 16, AmCham hosted its eighth annual **Sports Day** at the marvelous Globall Hotel Telki with more than 220 participants. Fifteen teams clashed on the pitch of the official training center of the Hungarian Men's National Soccer Team and after a gripping series of matches, Ernst & Young emerged victorious. Six teams faced off on the basketball court, defending champions Delphi played against the team of Sykes and a new champion was crowned after a last second shot granted them a one point win.

During the skill challenges, Péter Molnár from Corinthia became the 2017 free throw champion while Szilárd Koczor from Budapest Bank was the last one standing at the penalty spot outside.

SOCIAL EVENTS



Szilárd was definitely not done for the day; he went on to beat Richárd Zakics (Delphi), last year's juggling champion.

Meanwhile, new names arrived to challenge defending champ Sándor Zakics (also from Delphi) in table tennis, but their efforts were thwarted as he retained his title.

More than a dozen hikers lead by AmCham CEO Írisz Lippai-Nagy weathered the rain in the morning as they reached the top of the Nagy Kopasz hegy to climb the Csergezán Pál belvedere.

The annual **Thanksgiving Dinner** co-hosted with the Budapest Marriott Hotel was a tremendous success as we managed to shatter our previous records. More than 350 people attended to celebrate a grand old American holiday with traditional cuisine and they raised HUF 4.6 million for SOS Children's Villages and the AmCham Foundation, who will use this money to support institutions working with underprivileged children.

The world-renowned Attraction shadow theater group, winners of the 2013 Britain's Got Talent opened the night with a truly spectacular performance. The volunteers of SOS Children's Villages entertained the children, who could also hang out with Neckermann's Lollo and Bernie. Even Santa Claus stopped by early bearing gifts!

Guests were lining up all night at SelfieMe's camera to take the craziest selfies, and the mixers from TGI Fridays kept pouring fantastic cocktails for the festive crowd. Our wonderful donors offered more than 75 prizes, so the silent auction tables were busy throughout the evening and close to 500 raffle tickets were sold, with all proceeds going to the charity organizations.

LIST OF EVENTS

Between November 2016 and 2017, AmCham organized more than 70 major events with more than 4,200 participants.

NOVEMBER 2016-NOVEMBER 2017

PROFESSIONAL EVENTS

Professional events bring together middle 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

- Mihály Varga, Minister for National Economy – **February 2017**
- Péter Szijjártó, Minister of Foreign Affairs and Trade – **March 2017**
- Chargé d'Affaires David J. Kostelancik, US Embassy and Dr. László Szabó, appointed Ambassador of Hungary to the United States on the AmCham Podium – **June 2017**

SEMINARS

- Financial Complexities Expats Face – **February 2017**
- Lisa Nichols, motivational speaker and best-selling author – **March 2017**
- The Rules of Switching to International Financial Reporting Standards by IB Grant Thornton – **April 2017**
- Preparing for the GDPR – Where we are, what we saw, and what comes next – **April 2017**

- Roundtable discussion with Nancy Zucker Boswell, Director of the American University's U.S. International Anti-Corruption Law Program – **April 2017**
- Roundtable discussion with Telenor CEO Alexandra Reich on connectivity, digital education and affordable digital services – **May 2017**
- Competition Law Update in Hungary – **May 2017**
- Speak-Légy jó előadó! – **May 2017**
- General Financial Education – **September 2017**
- IoT Trends: Basics and Business Applications – **October 2017**
- Hungarians and Self-confidence – **November 2017**

CONFERENCES/FLAGSHIP EVENTS

- Third Competitive Education Conference – "How To Sell Your Company To Your Future Employees" – **May 2017**
- Business Meets Universities: Cooperation and innovation, the accelerators of the Hungarian economy – **May 2017**
- Third Business Meets Government Summit – **September 2017**
- The Corporate Compliance Challenge: Crisis Prevention and Threat Management – **October 2017**

EDUCATIONAL SERIES

Start Your Business! (SYB!) Program

- SYB! at Szent István University – **November 2016**
- SYB! at Budapest Corvinus University – **November 2016**
- SYB! at J. Selye University – **April 2017**
- SYB! at Budapest Business School – **October 2017**
- SYB! at Budapest University of Technology and Economics – **November 2017**

Board Simulation (BS) Program

- BS at Corvinus University of Budapest – **April 2017**
- BS at Central European University – **June 2017**
- BS at Budapest Business School – **October 2017**
- BS at Central European University – **November 2017**

CAREER SCHOOL SERIES

- Career School Spring Series – **April-May 2017**
Guests: László Csaba, Secretary Treasurer of AmCham, Former Minister of Finance // Adél Kováts, Director, Radnóti Miklós Theater // Taira-Julia Lammi, CEO, ABB // Áron Szilágyi, two-time Olympic champion, Hungarian saber fencer // László Lovász, President, Hungarian Academy of Sciences
- Career School Fall Series – **October-November 2017**
Guests: Stefano Longo, Country Manager of Adecco // David Blunck, CEO, Invitel // Márk Bencsics, Communications Expert, MOL; NFL Commentator on Sport TV; Quarterback, Hungarian National American Football Team // Zsófia Mautner, Blogger, Chili & Vanilia // Ilona Dávid, President and CEO of Magyar Államvasutak

EXTRAORDINARY MEETINGS

- Mindfulness: a fluffy fad, or sound business sense? – HR Knowledge improvement session with Liz Hall – **November 2016**
- Quarterly strategic working group meeting with

István Lepsényi, Secretary of State for Economic Regulation and other high-level representatives of the Ministry for National Economy

– **December 2016**

- AmCham's Electronic Manufacturers' Committee met representatives of the Ministry for National Economy to discuss in detail AmCham's Electronic Industry Strategy recommendations – **February 2017**
- AmCham's Electronic Manufacturers' Committee met representatives of the Ministry for National Economy to discuss in detail AmCham's Electronic Industry Strategy recommendations – **February 2017**
- AmCham's Regulatory Committee welcomes Deputy State Secretary Dr. Zoltán Nemessányi – **February 2017**
- Quarterly strategic working group meeting with István Lepsényi, Secretary of State for Economic Regulation and other high-level representatives of the Ministry for National Economy – **March 2017**
- AmCham delegation visited the Cambridge Union Society in the UK – **March 2017**
- AmCham's Competitive Workforce Policy Task Force met Péter Cseresnyés, State Secretary for Labor Market and Training in the Ministry for National Economy and Gáborné Pölöskei, Deputy State Secretary for Vocational Training and Adult Education to discuss areas of cooperation – **April 2017**
- Competitive Workforce Policy Task Force met with Gáborné Pölöskei, Deputy State Secretary for Vocational Training and Adult Education – **April 2017**
- IT education roundtable – **May 2017**
- Where is the wage spiral headed? Can increased compensations keep the workforce in Hungary and bring talents home? – **June 2017**
- Innovation Policy Task Force members met representative of Budapest University of Technology and Economics to discuss business-university cooperation – **June 2017**

► ► ► Continued from page 69.

- Meeting with State Secretary István Lepsényi, Gáborné Pölöskei Deputy State Secretary for Vocational Training and Adult Education, Simon Attila István, Deputy State Secretary of Labor Market – **July 2017**
- Meeting with Zoltán Marczinkó, Deputy State Secretary for Economic Development and Regulation on Industry 4.0 Strategy – **July 2017**
- Meeting with Dr. László Péter Salgó, Deputy State Secretary for the coordination of legislative drafting and public law legislation on GDPR – **September 2017**
- Engaging and Enabling 50+ workforce – **October 2017**
- 7th AmCham-NGM Strategic Working group meeting with Antal Nikolett, Deputy State Secretary for International Economic Relations – **October 2017**
- AmCham consultation with Attila Péterfalvi, president of the Hungarian National Authority for Data Protection and Freedom of Information (NAIH) on GDPR – **October 2017**
- Extraordinary AmCham Electronic Manufacturers' Committee meeting held at Sanmina-SCI Magyarország, Tatabánya – **October 2017**
- Innovation Policy Task Force members met representatives of ELTE to discuss business-university cooperation – **October 2017**
- Innovation Policy Task Force members met representative of Pázmány Péter Catholic University to discuss business-university cooperation – **October 2017**

PATRON DINNERS

- Róbert Ésik, President, HIPA – **January 2017**
- David Kostelancik, Chargé d'Affaires, U.S. Embassy – **April 2017**
- Zoltán Cséfalvay, Ambassador, the Permanent Delegation of Hungary to OECD and UNESCO – **November 2017**

ANNUAL GENERAL ASSEMBLY

AND BOARD ELECTION

– **December 2016**

INSIGHT – AMCHAM'S DEBRIEFING DINNER FOR TOP EXECUTIVES

– **June 2017**

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 interests.

- Superbowl LI Party – **February 2017**
- Independence Day Family Celebration – **July 2017**
- Annual Sports Day – **September 2017**
- AmCham-Marriott Charity Thanksgiving Dinner – **November 2017**

BUSINESS AFTER HOUR EVENTS

- K+K Hotel Opera – **February 2017**
- The Ritz-Carlton, Budapest – **May 2017**

AMCHAM FOUNDATION ACTIVITIES

- Visit to Korda Studios in Etyek: Enter the Amazing World of Filmmaking! – **December 2016**
- Cake and Coke with the AmCham Foundation – **March 2017**
- AmCham Foundation's Spring Buzz: Corporate Volunteer's Day – **May 2017**
- Cake and Coke with the AmCham Foundation on Children's Rights – **June 2017**
- Internet Safety at School and at Home – **October 2017**
- A Day to Make it Happen with AmCham Foundation and Zsótér Pál Foundation; Snow Angel Foundation of Móra Ferenc Elementary School and Hóangyal Alapítvány – **October 2017**
- ACF Code Theater – **November 2017**

OUR SPONSORS

AmCham Hungary appreciates the engagement of all its member companies and sponsors and is pleased to recognize in particular the following companies who were the most generous sponsors of its programs and activities in the 2017 financial year:



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

3M, CBRE, IB Grant Thornton Consulting, Kajtár Takács Hegymegi-Barakonyi Baker & McKenzie Attorneys at Law, Kürt Academy, Önbizalom Akadémia, Reed Magyarország, TATA Consultancy Services, and Virt DB.

2017 MEMBERSHIP



PATRON MEMBERS



AMCHAM MEMBERS

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Fáth, Péter
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Tufo, Peter F.
Walker, George Herbert

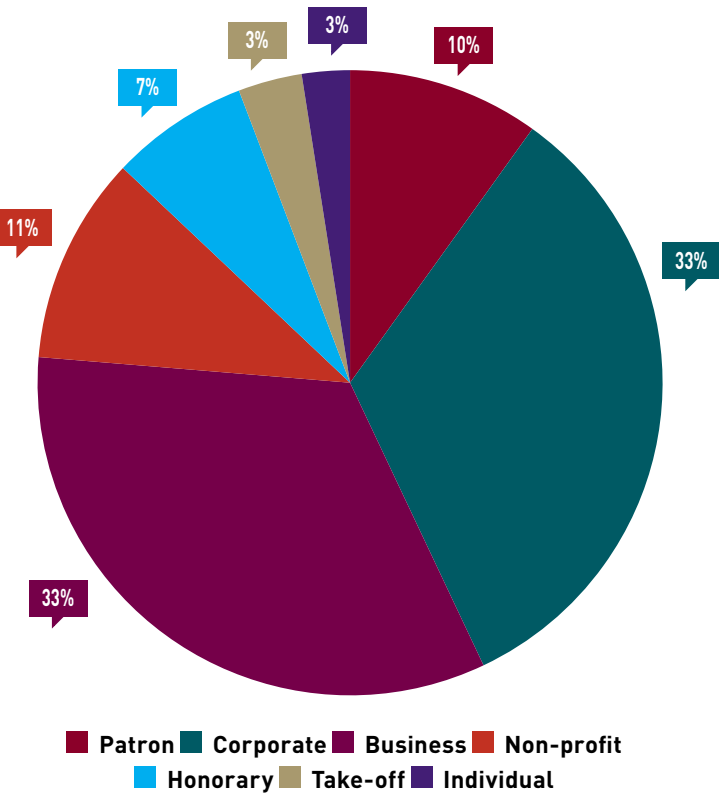
MEMBERSHIP REPORT

MEMBERSHIP IN NUMBERS

As of November 21*, 2017 AmCham Hungary's membership consist of **363** members, from which there are **36** Patron, **120** Corporate, **121** Business, **39** Non-profit, **12** Take-off, **9** Individual and **26** Honorary members.

*Closing of 2017 Annual Report editing

Membership structure as of November 21, 2017



KEY FIGURES OF THE AMCHAM MEMBERSHIP IN 2016**

- We represented 232,000 employees of our member companies**
 - Our members generated a total net revenue of more than HUF 18,3 trillion**
 - Very wide and strong representation of different business sectors in the membership*:
- eight out of the ten largest banks
 - nine out of ten largest SSCs
 - six out of the ten largest electronics manufacturers
 - nine members among the ten largest international law firms
 - all five of the largest corporate finance consultants
- all five of the largest telecom and internet service providers
- **To be able to report full year on reliable sources, 2016 data is used
Sources: AmCham database, BBJ's Book of List, Figyelő TOP 200, www.opten.hu, Ministry of Justice: <http://e-beszamolo.kim.gov.hu/>

AMCHAM FOUNDATION (ACF)

Members of The Board of Trustees:

Dr. Péter Komáromi, chairman
Mária Gordon, representative Edit Bencsik member
Secretary: Erika Bosnyák Founder: Ádám Terták
Representatives of the Supervisory Board: László
Hajdú, Balázs Somogyi, Szent-Ivány Ágnes



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

28 years' experience

110 children's institutions

More than HUF 400 million granted

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 2016-2017

Getting To Know The Wonderful World Of Filmmaking!

On December 3, 2016, more than 70 disadvantaged children (from Bólyai Gyermekotthon, Cseppkő Gyermekotthonok, Kézzelfogható Alapítvány, RÉŠ Szociális és Kulturális Alapítvány) and more than 50 AmCham member company employees visited the Korda Filmpark's interactive exhibition and attend the studio tour. During the nearly three-hour program, the children were able to learn who does what in a film crew, the process of making a movie from idea to execution, and what sound supervisors actually do, among other things. We were enlightened about the working process in the sound studio. We could simulate the clatter of hoofs from adventure movies, and were shown a number of other film secrets. The most exciting part was learning how they made some of the effects for the film "Giants and Dwarves", and naturally the motorcycling on the bank of the Danube effect! The guests saw how they make water scenes, and what it is like when a battleship blows up (the line for this attraction was particularly long!) All-in-all, the children were able to taste the wonderful world of movie making, and as a takeaway present were able to have their photo taken in "New York" and a "Medieval" village.

We are grateful to the ExxonMobil BSC and Interag Holding for their support and to other AmCham members for their attendance to witness the children's happiness.

Spring Buzz – We Made It Again!

The goal of the "Spring Buzz – A Day to Make It Happen" Volunteers' Day on May 20, was to improve the surroundings of two children's institutes in Budapest (Cseppkő Gyermekotthoni Központ and Bólyai Gyermekotthonok Hűvösvölgyi Gyermekotthona). More than 120 volunteers, employees of AmCham member companies (Avis Budget Group, Exxon BSC, Lexmark Hungary, MAPI, NCR Hungary, Tata Consultancy, Urmet), students from BME Kéttannyelvű Gimnázium, and social workers of the two children's institutes spent their day to improve the environment where the disadvantaged children are fostered and educated.

Indian Summer Brought Helping Hands

In the beautiful fall sunshine, more than 100 volunteers worked on October 14 within the framework of the "A Day to Make It Happen" corporate volunteer day by joining the ACF's invitation. Volunteers from Tata Consultancy and NCR Hungary were among the first ones to apply. Thanks to EXXON, KPMG, Lexmark, Urmet and other individual volunteers, more than 100 people helped the institutional employees and their relatives in the buildings and garden of Zsótér Pál

Foundation, Kézzelfogható Foundation and the Hóangyal Foundation (Érd). A few of the involved companies offered more than volunteers and financial help to ensure that the day ran smoothly, bringing supplies of cleaning products, paint, tools and baked goods with them in the morning. Volunteer work is a long tradition at the AmCham Foundation.

ACF Generosity Award 2017 Winners

For 28 years, the AmCham Foundation has been helping institutions that are supplying or supporting children who are permanently in need or require help due to extraordinary circumstances. The Foundation established the Generosity Award in 2005, in order to thank those supporters who – compared to their own opportunities – contribute the most to the Foundation's goals. In 2017, the AmCham Foundation involved nearly 250 volunteers in helping many different foundations, children's homes and schools with more than 2,000 working hours. Overall, the AmCham Foundation reached more than 500 children in eight institutions in 2017. The winners of this award, besides their commitment to the good cause, contributed with both funds and volunteer work to the success of the AmCham Foundation. The winners of this year are: ExxonMobile BSC Hungary and NCR Hungary.

ACF Code-Theater

On November 18, 2017, with nearly 100 children participating, the AmCham

Foundation launched its new program named: ACF Code-Theater, with the purpose to teach safe internet/IT usage for children living in state and foster care in Hungary.

Children and teenagers are flooded by information and communication technology. It has become an essential and common part of their daily life. They don't question the pros and cons; they don't read the manuals; they just use the technology. Social media is an extension of their social life and a platform to meet one another. They use ICT to meet, to play, to date, to connect, to explore the world and to construct (multiple) identities.

This is a huge problem, especially for children living in state and foster care, because the majority of them are coming from the poorest regions or stay with foster families in isolated small rural communities. Using these devices, they are more exposed to internet abuse and/or crime simply because of lack of education or awareness. Our program aims to educate them about proper usage, empowering them with 21st century skills. With a series of interactive rehearsals, our aim is to move kids out of their normal/comfort zones, meet with others facing the same problems

and give them solutions and approaches to solving and addressing problems together. Our program will touch upon internet bullying, internet addiction, and usage of reliable online help pages. We are grateful to the KPMG for providing the site and an IT expert!

Farewell Zsuzsa Rajki

In 1989, during a business trip in the United States, Zsuzsa Rajki participated in a Thanksgiving Charity Drive. The sophistication and spirit of this event left such a deep impression on her that, upon returning to Budapest, she decided to establish a Thanksgiving Charity Drive for AmCham in Hungary in November 1989. Her efforts bore fruit that same year. The donations – including medical equipment and toys – from the very first AmCham Thanksgiving Charity Drive went to benefit the children, maternity and gynecological wards of MÁV Hospital. In 2001 the AmCham Foundation was established with the help of. Ádám Terták, amongst others. For 16 years, Zsuzsa has been the representative of the AmCham Foundation. We would like to thank Zsuzsa for everything she has brought to our Foundation, for the time and work she gave during the 16 years she served as a Representative of AmCham Foundation and the 28 years she has worked on the AmCham Charity Drives. We would like to ensure that Zsuzsa's work continues to inspire future generations as well, therefore we are introducing a new award: the "Zsuzsa Rajki Award for Young Talent". We named this award after Zsuzsa, because we want her example to shine and remain with us as long as our Foundation is in operation. The Award will be granted through a charity tender for the first time in 2018.

THINK BIG – SUPPORT THE SMALLEST!

For more details please visit our webpage: www.amchamfoundation.hu!

APPENDIX TO THE SECRETARY TREASURER’S REPORT

AMCHAM HUNGARY SIMPLIFIED BALANCE SHEET DECEMBER 31, 2016

Thousand HUF					
ASSETS		Nyitó	Állomány Változás	2015. december 31.	2016. december 31.
A. Fixed assets		42 058	-8 896	44 165	33 162
I	Intangible Assets	10 468	-4 602	6 423	5 866
II	Tangible Assets	23 490	-21 124	2 347	2 366
III	Financial investments	8 100	16 830	35 395	24 930
B. Current Assets		106 794	4 413	93 199	111 207
I	Inventory	0	0	0	0
II	Receivables	15 683	-8 047	9 669	7 636
III	Securities	1 069	85 270	73 300	86 339
IV	Cash and bank deposits	90 042	-72 810	10 230	17 232
C. Prepayments		685	6 238	4 285	6 923
Total Assets		149 537	1 755	141 649	151 292
EQUITY AND LIABILITIES					
				2015. december 31.	2016. december 31.
D. Equity		33 992	39 741	73 478	73 733
I	Subscribed capital	2 426	0	2 426	2 426
II	Capital change	23 118	47 934	68 314	71 052
III	Tied up reserve	0	0	0	0
IV	Valuation reserve	0	0	0	0
V	Profit for the year from basic activity	12 373	-11 109	4 034	1 264
VI	Profit/(loss) for the year from Entrepreneurial Activity	-3 925	2 916	-1 296	-1 009
E. Provision		0	0	0	0
F. Liabilities		37 460	-12 493	18 780	24 967
II	Long-term liabilities	0	0	0	0
III	Short-term liabilities	37 460	-12 493	18 780	24 967
G. Accruals		78 085	-25 493	49 391	52 592
Total Liabilities & Equity		149 537	1 755	141 649	151 292

AMCHAM HUNGARY SIMPLIFIED PROFIT AND LOSS ACCOUNT DECEMBER 31, 2016

Thousand HUF							
		2015			2016		
		Basic activity	Entreprene- urial activity	Total	Basic activity	Entreprene- urial activity	Total
1	Net sales	26 362	2 812	29 174	51 629	4 456	56 085
2	Capitazed value of own performance	0	0	0	0	0	0
3	Other income	116 535	2	116 537	119 432	175	119 607
	thereof:	0	0	0	0	0	0
	- Membership fees, payments from Founders	115 295	0	115 295	117 372	0	117 372
	- Subsidies	1 000	0	1 000	736	0	736
	- Other	240	2	242	1 324	175	1 499
4	Income from financial activities	6 420	126	6 546	3 388	92	3 480
A	Total income [1+2+3+4]	149 317	2 940	152 257	174 449	4 723	179 172
	thereof: income of non-profit activities	0	0	0	0	0	0
5	Material expenditures	48 708	2 276	50 984	73 832	3 193	77 025
6	Personal expenditures	84 508	1 746	86 254	85 122	2 223	87 345
	thereof: Benefits granted to executive staff	19 810	390	20 200	20 209	547	20 756
7	Depreciation	3 205	63	3 268	3 782	102	3 884
8	Other expenditures	8 593	146	8 739	10 322	211	10 533
9	Expenditures of financial activities	269	5	274	127	3	130
B	Total expenditure [5+6+7+8+9]	145 283	4 236	149 519	173 185	5 732	178 917
	thereof: expenditure of non-profit activities	0	0	0	0	0	0
C	Pre-tax result [A-B]	4 034	-1 296	2 738	1 264	-1 009	255
10	Tax payable	0	0	0			0
D	After-tax result [C-10]	4 034	-1 296	2 738	1 264	-1 009	255



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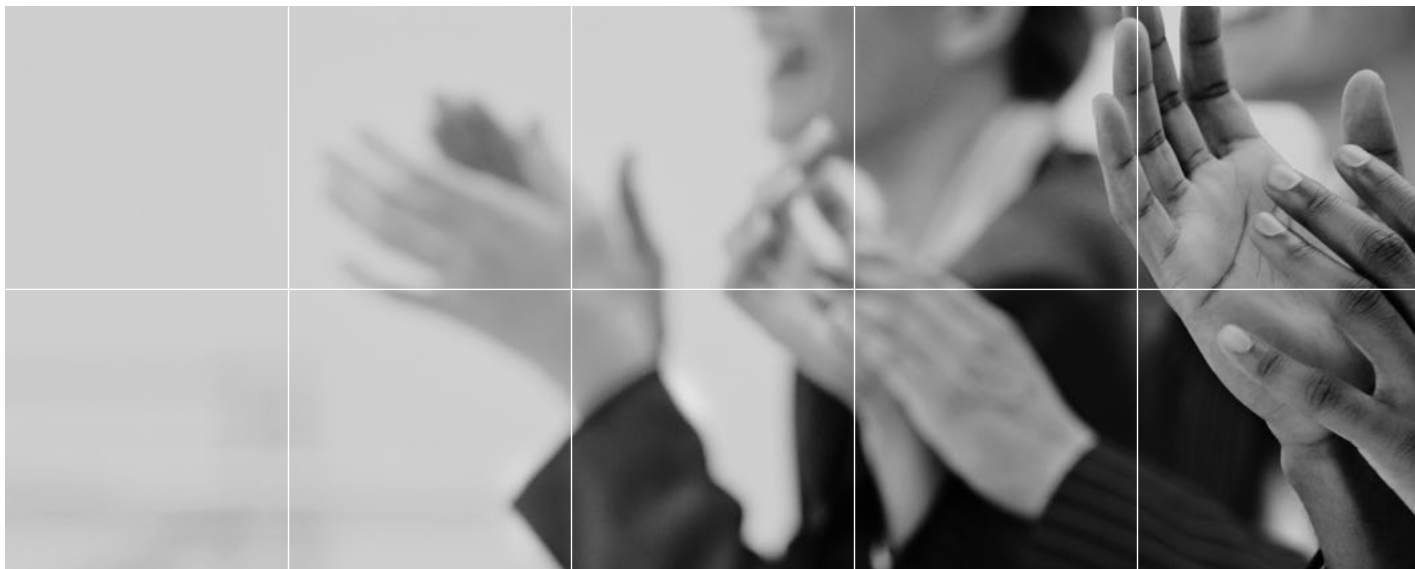
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