AmCham’s annual family day event is open only to AmCham members. Enjoy an extensive All American BBQ Buffet at Gundel Restaurant (Gundel Károly út 4, District XIV) and many other attractions, including children’s animation, and full access to all the wonders of the neighboring Budapest Zoo.
AmCham’s Quarterly Meeting With State Sec. István Lepsényi
Secretary of State for Economic Regulation István Lepsényi, Deputy State Secretary Antal Nikoletti and other high-level representatives of the Ministry for National Economy (NGM) met an AmCham delegation on December 15 for a quarterly strategic working group meeting. AmCham’s outgoing president Ferenc Pongrácz and recently elected President GE Hungary Kft. Dr. Andrea Márk HETÉNYI, Second Vice President, MKB Bank Zrt. and First Vice President, Dr. Farkas BÁRSONY, welcomed the delegation. The meeting was attended by participants from various AmCham committees and organizations.

The two parties established the cooperation between the ministry and the chamber. State Secretary Lepsényi gave a detailed evaluation of Hungary’s current economic environment, and also thanked AmCham for its professional and operational support in the organization of the Regional Digital Conference held in November. Participants discussed several topics where progress has been made based on AmCham’s recommendation package, and the ministry’s activities in relevant fields such as innovation, labor force mobility, etc. The AmCham delegation also presented the new 17 point “Cooperation for a more Competitive Hungary 2017” recommendation package published in December. The next quarterly meeting of the AmCham-NGM Strategic Working Group is targeted to take place in March. The two parties established the group in 2015 to ensure more progressive and structured consultation between the organizations.

Electronic Manufacturers’ Committee Meeting at NGM
AmCham’s Electronic Manufacturers’ Committee, led by László Ábrahám, and AmCham CEO Irén Lippai-Nagy met representatives of the Ministry for National Economy on February 8 to discuss in detail the chamber’s Electronic Industry Strategy recommendations, which are broadly in line with the government’s own industry strategy known as the Ingyen Plan. Earlier this year, the committee sent its recommendations regarding the strategy to the ministry along with action points, and initiated an expert-level consultation. The February meeting provided an opportunity for key electronic manufacturing industry representatives to share their concerns and suggestions on priority areas for future development. Representatives of the Ministry for National Development, the Ministry of Human Capacities, and the Hungarian Investment Promotion Agency also participated at the meeting.

Draft Sample Documents for Court Proceedings
On February 23, AmCham sent its comments on the draft legislative sample documents that are to be used by civil organizations at court proceedings, within the public consultation of the legislation published by the Ministry of Justice. The Governance & Transparency Committee prepared AmCham’s position for the chamber.

Regulatory Committee Welcomes Dep. State Sec. Dr. Zoltán Nemessányi
AmCham’s Regulatory Committee, led by Dr. Gábor Onrust, welcomed Deputy State Secretary Dr. Zoltán Nemessányi and expert colleague Sára Kovács from the Ministry of Justice on February 9. Nemessányi thanked AmCham for its outstanding professional input and the support that has been provided regularly within the framework of the Strategic Partnership Agreement signed between the two organizations in 2013, and then renewed in 2016. Nemessányi gave an overview of the ministry’s recent legislative work and its priorities for 2017, and also indicated that it is looking forward to continuing the well-established, close cooperation with the chamber in public consultations. At the meeting, participants discussed and selected legislative areas where AmCham will be best able to support the preparatory work of the ministry with its recommendations.
Minister for National Economy Mihály Varga has given AmCham a ringing endorsement, saying its work was “highly appreciated” and the chamber is a “strategic partner” that shares government objectives.

The minister was speaking at a business forum at the InterContinental Budapest on Friday, February 24. “I very highly appreciate the work of members of the chamber in improving economic competitiveness,” he said, starting his speech in English before switching to Hungarian.

He noted that much of what AmCham was promoting was “in line with government objectives”, adding: “We [the government] regard AmCham as a strategic partner.”

As government representatives have done so often in recent rhetoric, Varga made much of the new economic and political realities of a world that sees the United States putting “America First” under President Donald Trump, and Britain on the verge of pulling out of the European Union.

He said the United States was a vitally important partner to Hungary, being the second biggest investor after Germany, and the number one export destination outside of the European Union.

“We all agree that partnership between the government and U.S. companies is important, and different visions, a different balance are necessary for long-term development. The new situation offers new challenges migration, immigration, the development of the world economy. Brave approaches and new economic policies are needed,” he told members. “This coming year and next could be a period of economic growth of extraordinary pace, for which we have waited a long time.”

In a speech that extolled the economic success of Hungary, he noted that “important external judges” such as the ratings agencies were looking much more favorably on the country now.

Even the relatively poor performance of Hungary’s GDP growth last year was given a positive twist. Noting that 2016 effectively fell between two EU funding cycles, and therefore saw a drop in the money available for investment, Varga suggested that the growth achieved in 2016 carried much greater significance than the figure alone might imply.

“This 2% is perhaps more valuable than the 3% or more in previous years... Now, last year we could see whether Hungarian growth could be maintained without EU funding. After 2020 [the end of the current EU funding cycle], if EU funding is not available, there is growth potential in the Hungarian economy.”

He identified agriculture, the services sector and increased internal demand as strong drivers of the economy, but noted that industry had performed less well and construction was a definite drag on last year’s figures. He also accepted that, having gone from 12% unemployment in 2010, when Fidesz was returned to power, to 4.6% unemployment last year, these positive figures also carried a downside, namely a growing shortage of labor that affects all fields.

Varga said there were 67,000 vacant positions in the economy, ranging from high value jobs to the low skilled. “There are 7,000-8,000 vacant jobs for cleaners, this problem is sector-neutral. Actual and available reserves [in the population] should be mobilized; training should be made up-to-date to accommodate the needs of the economy.”

The government was working to that end, he said, and again praised AmCham for its input and suggestions, saying many ideas had already been taken onboard and implemented. The government itself, working with employers and unions, had reached a complex six-year agreement to lower employer contributions (set to come down to 15% by 2022), he said, while raising the minimum wage and the guaranteed minimum wage.

The long awaited competitiveness council, which will advise the government now appears close to formation. “Partners have been invited in the past few days. I am pleased to say [AmCham] President Farkas Bársony has been invited and has said yes.”

Looking forward, Varga identified three key areas for improving GDP growth: 1) improvements in competitiveness and efficiency; 2) quality jobs that create higher added value; and 3) the involvement of more Hungarian SMEs in multinational value chains.

This is an edited version of an article that also appears in the Budapest Business Journal.

AmCham Publishes “Cooperation for a More Competitive Hungary 2017” Recommendations

AmCham has completed and sent its revised “Cooperation for a More Competitive Hungary 2017” recommendations package to Prime Minister Viktor Orbán and his cabinet.

The first version of the recommendations package was published in February 2016, and AmCham has had the opportunity to discuss its original 19 points with both its own membership and the government throughout the last 10 months.

AmCham says the new 17-point package, sent to the government on December 14, represents the chamber’s commitment to move Hungary’s economy and the country forward. Importantly, it considers the publication a “living document”, open for further dialogue.

The new package focusses on enhancing the FDI environment, widening the labor market pool, developing the training framework, creating a more balanced industrial portfolio, enabling Hungary to climb up the value chain, the introduction of a new 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.

It is not solely the work of AmCham educational partners include seven universities, 150 high school teachers and even 300 students. The publication is separated into four broad chapter heads: General Business Environment, contains three recommendations; Competitive Workforce eight; Research & Development and Innovation four; and Digital Economy two.

The executive summary can be found on the AmCham website at: http://bit.ly/2DI4MUS
Two years ago the AmCham community launched a new way of working with its AmCham Policy Agenda 2015-2017 to reframe and redefine the focus of the organization. Since 2015 we have had several success stories and also experiences we can build on today,” says AmCham CED, Irisz Lippay-Nagy. As part of the preparations for producing the successor “Policy Agenda 2017-2020” framework, the AmCham board met with PTF and committee leaders and Patron members to analyze where the chamber is now, where it is headed in the next three years, and also to reinforce advocacy work, she explained.

“One of the most important inputs was a greater need to focus on new trends, mainly positioning Hungary in the digital era. Therefore, the AmCham Board, together with the Policy Task Force and committee leadership, decided to set up a new PTF named Digitalization,” the CED announced.

At the same time, AmCham also decided to consolidate two highly interrelated PTFs – Talent and Healthy Nation – into one, creating the new Competitive PTF. This new professional group will work with the membership in order to widen the labor market supply in Hungary and to promote mental and physical health awareness programs, among others. The other focus area of the former Healthy Nation PTF namely the challenges and opportunities facing the health industry, will be taken up by the Investment Policy Task Force, as are all other sector specific issues, such as electronic manufacturers or SSCs. The fourth PTF remains Innovation.

“We encourage you all to join one of these platforms in order to influence our advocacy work,” Lippay-Nagy said.

Digitalization on the Revised AmCham Policy Agenda Roadmap for 2017-2020

AmCham has updated and reformed its Policy Task Force (PTF) groups as it builds a new roadmap for the way it works moving forward.

Investment Policy Task Force
Pledge to make investment and reinvestment a priority
8:30-10 a.m., March 23 (Thursday)
8:30-10 a.m., November 16 (Thursday)

Digitalization Policy Task Force
8:30-10 a.m., March 2 (Wednesday)
Upcoming meetings will be announced soon

Innovation Policy Task Force
Identify Innovation as a cornerstone of macroeconomic policy
8:30-10 a.m., March 21 (Thursday)
8:30-10 a.m., November 15 (Thursday)

Competitive Workforce Policy Task Force
Foster cross-sector cooperation to educate & retain talent
10:30-12 p.m., March 16 (Thursday)
10:30-12 p.m., May 24 (Tuesday)
10:30-12 p.m., September 27 (Wednesday)
10:30-12 p.m., October 25 (Wednesday)
10:30-12 p.m., November 29 (Wednesday)

BlackRock’s Budapest innovation center to create 500 jobs
US-based investment management corporation BlackRock is setting up an innovation center in Budapest that will create 500 jobs, Minister of Foreign Affairs and Trade Péter Szijjártó revealed on January 26. The center will deal with product development and the way client data is managed, as well as with creative marketing. BlackRock managing director Patrick Olson said the company had decided to build in Budapest because of the local education system, quality of infrastructure, security, quality of life and the governments commitment to the endeavor. The government is awarding the company HUF 280 mln (USD 946,000) in training support for new hires.

Bosch to move regional logistics hub to Hungary
In 2017, German engineering giant Bosch is moving its Central and East European regional logistics center to Hatvan, about 60 km northeast of Budapest, from 2018, Minister of Foreign Affairs and Trade Péter Szijjártó announced on January 26. The move will create 250 jobs, Szijjártó said. Hungary’s state-owned National Industrial Park Operating and Development Company will build a HUF 17 bln (USD 583 mln) industrial park on the outskirts of Hatvan for Bosch, which will lease 50,000 sqm of the area for a period of 15 years. Bosch will also commit to raising the value of its orders from local suppliers by EUR 60 mln over the next six years as part of the arrangement. Bosch’s local headcount will rise to 1,270, higher than any other foreign-owned employer in the country, Daniel Kostich, who heads the Bosch group in Hungary, said the agreement on the logistics center in Hatvan is Bosch’s most important model project and will serve as a precedent for the entire group.

Coca-Cola Hungary signs dual education agreement with universities
Coca-Cola HBC Hungary has signed a dual education agreement with four Hungarian universities. — Saint István University, the University of Szeged, the University of Pécs and Babes University — it announced on January 24. According to a recent survey university students think positively about dual vocational training, as the majority finds the possibility of professional improvement a more important factor than wages when choosing a workplace. Coca-Cola recognized this tendency in signing the agreement, the company said. Under the agreement, students will be able to gain degrees that are more valuable than others, the company expects. This year, the program will make it possible for more than 30 students to gain working experience. The most important condition of competitiveness today is clearly a well-trained workforce, therefore we expect dual training to spread in the case of universities, as well as companies,” said Máté Agedlás, general manager of Coca-Cola HBC Hungary. Currently the subsidiary directly employs 4,900 people in Hungary.

GSI Hungary eyes investment exceeding USD 772 mln
The head of GSI Hungary, the local unit of U.S.-based farm machinery maker GSI, announced a more than HUF 5 bln (USD 17.2 mln) investment at the company’s base in Batorbány, on the outskirts of the capital, on February 13. Zoltán Németh said GSI Hungary would spend HUF 2.3 bln (USD 7.9 mln) of its own money on machinery and equipment, while a property developer builds a HUF 3 bln (USD 11.3 mln) production hall at the base. The investment was earlier declared “of special importance to the national economy,” smoothing administrative procedures. GSI Hungary expects headcount to rise significantly in the coming years, Nemeth said. The company employs more than 100 people at present, of whom three-quarters are skilled professionals, he added.

Hilton Garden Inn Budapest City Center to open in summer 2018
Hungary’s Accet Hotel Management announced on January 31 it will open the Hilton Garden Inn Budapest City Center under a franchise agreement with hotel company Hilton in the summer of 2018. Hungarian news agency MTI reported. A foreign investor is building the HUF 8 bln (USD 27.3 mln) hotel, Accet Hotel Management told MTI. The 212-room hotel will be located near the Hungarian State Opera House. Accet Hotel Management manages 16 hotels with almost 1,600 rooms in Hungary.

Little Caesars may try to conquer Europe via Hungary
US pizza restaurant chain Little Caesars is planning to enter the European market by expanding into Hungary and Poland, according to reports. The chain has reportedly already started recruiting franchise partners. The company is currently present in all states in America, and in 20 additional countries around the world. It is the third largest pizza chain in the United States, behind Pizza Hut and Domino’s. Pizza. The company is reported to have started recruiting franchise partners. It is also said to be open to revamping current pizza restaurants in Hungary using its own brand.

Stiljár announces four Japanese investments in Hungary, totaling USD 89.5 mln
Four agreements on new Japanese investments in Hungary have been signed, Hungary’s Minister of Foreign Affairs and Trade Péter Szijjártó told Hungary’s news agency MTI in a telephone interview after holding talks in Tokyo on February 13. The four companies will bring total investments of USD 89.5 mln (HUF 26 bln) to Hungary, creating 400 jobs. Two of the investors are active in the automotive sector, one in the food industry and one in the hotel industry. The minister said there are 131 Japanese-owned companies in Hungary employing 33,000 people. Szijjártó noted, which have so far invested USD 4.4 bln in the country.

ThyssenKrupp to build another plant in Hungary
Germany-based automotive giant ThyssenKrupp is planning to build a new plant in Hungary’s second city Debrecen through an investment of HUF 11 bln (USD 37.8 mln), which is being supported with a HUF 3.8 bln (USD 13 mln) government grant. Construction of the new factory on the 100,000 sqm area is set to start this year and be finished in 2018, Marc de Bastos Eckstein, managing director of ThyssenKrupp Presta Hungary, and Minister of Foreign Affairs and Trade Péter Szijjártó announced in a joint statement on February 3. With the new plant, which will be ThyssenKrupp’s second in the country and will provide jobs for approximately 250 people, the company will be putting out more than six million springs and stabilizers on an annual basis.
**New Members On Board**

**Cloudera Hungary Kft.**

Cloudera is an American-based software company that provides Apache Hadoop-based software, support and services, and training to business customers. Cloudera's open-source Apache Hadoop distribution targets enterprise-class deployments of that technology.

**Hungária Med-M Kft.**

The Pillars of our health-preserving activities are our carefully and professionally elaborated screening examinations: • Condition measuring and health-counter/welfare fund screening tests • Health-plan making • Manager-screening • Cardiologic screening • Cancer preventive screening • Special medical examinations • Occupational health examinations. Our tests are well-organized, made on a high professional level by experts in an exclusive environment.

**K+K Hotel Opera**

K+K Hotel Opera is situated right next to the Opera House. The hotel features 200 stylish and air-conditioned guest rooms. The Bar & bistro serving trendy international and local cuisine. The hotel is the perfect choice for leisure and business travelers. K+K Hotel Opera features seven modern meeting rooms which will be an ideal venue for corporate or private events.

**PSP Siklóssy és Partner Vezetői Tanácsadó Kft.**

PSP is a subsidiary of the international personnel consulting group Porgess, Siklóssy and Partner based in Germany. As experts of custom tailored executive search we are successful since 1991 in Budapest. We are proud of our longstanding client relationships, most of our assignments are follow-up appointments from satisfied customers.

**Analogy**

How do you make sure that your training programmes are effective, measurable and long-lasting? Practify is a gamified learning effectiveness software and methodology that enables long-term behavioural change, ensures training content becomes smoothly implemented into daily work practices and delivers tangible results.

**fOrgXpert International Kft.**

fOrgXpert International Kft. is a consulting firm providing a large variety of management consulting services to executives of midsize, large and global companies and potential FDI investors. fOrgXpert International Kft. is also a specialist of setting up shared service centers, business focused HR strategy. Its offerings include HR maturity assessments of GBOs and SSCs, unique and specialised skill development of professionals, executive coaching and setting up talent acquisition strategies including it’s channel mix.
The AmCham Hungary Wall of Fame Winter 2017

Patron Dinner with Róbert Ésik, President of HIPA at Budapest Marriott Hotel (January 25)

Super Bowl LI Party at TGI Fridays (February 5)

Business After Hours at K+K Hotel Opera (February 16)

Morning Seminar with Reilly Financial Advisors on the Financial Difficulties Expats Face (February 23)
Winners of AmCham’s ‘Tudsz Jobbat!’ Competition Meet With Government Reps

The students behind the winning project in the dream workplace category of AmCham’s “Tudsz Jobbat!” creative competition met with the Minister of Foreign Affairs and Trade Péter Szijjártó and staff at the Hungarian Investment Promotions Agency (HIPA) on January 31.

The Bálint Márton Elementary and Secondary School team had put together a project called the “Waking Dream Co.” for its winning entry, in which the students placed an emphasis on the clear assignment of tasks, social inclusion and performance-driven assessment. They also focused on the potential of teleworking and the importance of employee well-being.

Vice president István Papp and Dóra Kalocsa, head of the protocol and communications department, welcomed the students and their teacher at HIPA. The students were able to discuss the agency’s role in Hungary’s economy, ask questions and share their ideas about the ideal workplaces of the future. As part of the program the students also visited the Ministry of Foreign Affairs and Trade where they had an official meeting with the minister.

A few days earlier, on January 17, the winners of the dream school category of “Tudsz Jobbat!” were invited to the Ministry of Human Capacities. The Kosztolányi Dezső Secondary School students had presented a project called “The Future is Ours” that featured social sensitivity and a logic for progressive change to be achieved by small steps.

As part of the prize, the ministry (which, among other things, is responsible for education) had organized an interesting and comprehensive visit for the students so they could get an insight into the relevant topics and ongoing projects at its various departments.

For the “Tudsz Jobbat!” creative competition, students were asked to exercise their creativity in two categories: “School of my Dreams” and “Workplace of my Dreams.” Invitations were sent to every high school in Hungary with the best two projects selected by a jury and presented at the “Second Competitive Education Conference” on October 11, 2016, organized by AmCham in partnership with the Ministry for National Economy, the Ministry of Human Capacities and HIPA at the Akvárium Klub in front of government representatives, business leaders and 250 students from all over the country.

The day began with an official meeting with State Secretary for Education Dr. László Palkovics, followed by a visit to the Department of Higher Education and Research Development, where they talked about nurturing talent, scholarships and research and development. A meeting followed this with members of the Higher Education and Training Department, where language exams, the university admission process, and career path opportunities were discussed. As with the earlier visit, the students were able to gain much useful information, share their opinions and ask questions directly of the decision makers.

Most recently, on February 15, the two winning teams came together for a morning to get to know more about chemical solutions company Celanese, one of the main sponsors of last year’s education conference at which they had won their respective categories.

The teams started with an interactive discussion where staff introduced the company and its sector, giving students the opportunity to ask questions and give input. Next, the group visited four different sections of the company where they got an insight into how various departments – such as HR or Supply Chain – work. After a wrap-up meeting, the visit was concluded with a lunch.

What do 186 Hungarian CEOs think about the outlook for their companies, sectors and general business environment?

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PwC’s Hungarian CEO Survey
AmCham Office Staff

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- BARBARA RÉVÉSZ

Communications and Events Assistant
- PéTER KOVÁCS

AMCHAM OFFICE CONTACT INFO • H-1051 Budapest, Szent István tér 11. • Phone: +36 1 266 9880
Fax: +36 1 266 9888 • Email: info@amcham.hu • website: www.amcham.hu

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