

JOURNAL

VOL VIII. ISSUE 31, JANUARY 2022

THE EUROPEAN UNION'S 2022 **PRIORITY CHECKLIST**



By Journal Staff

One of our most fascinating guests at AmCham this year was Dr. Fabian Zuleeg, chief executive of the Brussels-based European Policy Center, who spoke at the seventh Business Meets Government

summit (for more on this, see pages six and seven). Journal tracked him down again to talk about the trends and events that will shape 2022, the recovering economy and the future of the EU, and other issues impacting the continent's competitiveness.

JOURNAL: Waves of COVID-19 and other "black swan" events aside, what do you think will be the dominant themes for 2022, and which will be the most significant?

Fabian Zuleeg: The key EU themes continue to be the twin transition, the economic, social and political implications of COVID, and

geopolitical/geoeconomical tensions, as well as the future of EU integration and democracy, including the challenges to the rule of law. The French Presidential election and the new German government will be watched with keen

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DEAR AMCHAM MEMBERS, DEAR FRIENDS,

2021 has been an incredibly rewarding year at AmCham. Despite the various challenges we have all faced with a pandemic raging on for almost two years, our chamber remains strong and more driven than ever to be the best business community in Hungary.

Although we quickly learned to work – and succeed – in an online or hybrid environment, the essence of life at AmCham is meeting new people and working with other members on issues that really matter to the business community. But, thanks to the vaccinations, we have stepped on the road leading to normalcy, allowing us to see each other this fall at various AmCham events, such as the VII Business Meets Government Summit (see page 6), the business forum with the Minister of Finance Varga (page 8), the Compliance Conference and the HR Academy (page 5), and of course the XXXIII General Assembly (page 4).

With a new President in Zoltán Szabó, the Policy Agenda, our strategic guideline for 2021-2025, and a new way of working, 2021 was about renewal, and we will continue with the same mindset next year.

First of all, we will prepare a survey to get feedback from the membership and gain a better understanding of how we can provide better services to you.

On the event front, we will increase our focus on issues such as sustainability and healthcare, bring you new perspectives, and create more networking opportunities in addition to popular events like the Business Meets Government Summit, the business forums, and Insight.

Moreover, we would like to open new committees and working groups in line with the pillars of the Policy Agenda to address

the most relevant issues businesses face and to facilitate cooperation between members.

With sustainability in our sights, we will also discontinue Journal, the chamber's print paper, with this being the final issue, to decrease our carbon footprint and introduce a new and improved digital publication to communicate with our members. Although it is an exciting development, it is also a bittersweet moment to write the final letter in Journal after six years and 31 issues.

As always, we are thankful for your support and commitment to AmCham, especially during these challenging times.

Wishing you all a healthy and prosperous new year.

Sincerely,
Irisz Lippai-Nagy,
Chief Executive Officer



BUSY EVENT SEASON ONLINE AND OFFLINE

Besides the VII Business Meets Government Summit, our flagship event, conferences such as The Compliant A.I., and the annual business forum with Minister of Finance Mihály Varga (all reported on in full elsewhere in this issue of Journal), we also brought you a couple of special offline and online events this fall.



Chargé d'Affaires Marc Dillard, AmCham SVP Dávid Kóhegyi, and Szabolcs Takács, Hungarian Ambassador to the US.

We kicked off the autumn 2021 season with our traditional **Ambassadors Forum** with Szabolcs Takács, Hungarian Ambassador to the United States, and Marc Dillard, Chargé d'Affaires at the U.S. Embassy in Budapest. The diplomats discussed cooperation between the two countries in areas such as defense, security, the economy, and future American investment opportunities in Hungary and also touched upon the U.S. withdrawal from Afghanistan.

While the easing pandemic situation allowed us finally to meet face-to-face this fall, we continued to host online events such as the **AmCham LIVE** webinar series, Policy Forums, and a joint conference.

On Sep. 15, we invited epidemiologist Dr. Beatrix Oroszi for an update and a Q&A about the COVID-19 pandemic as well as health and safety guidelines.

At the end of September, three diplomats of the Permanent Representation of Hungary to the EU were invited to the virtual stage of the **AmCham Policy Forum**.

Katalin Czene, Eszter Bársony, and Gergő Kottra gave an overview of the ongoing negotiations and possible implications of the upcoming Digital Services Package, a cornerstone of the bloc's European Green Deal Policy.

In cooperation with Mastercard and AmCham Slovenia, we also organized the first **CE Digital Finance Summit** on Oct. 12 to draw attention to exciting and successful digital initiatives in finance across the region. The event took place against the backdrop of Slovenia's EU presidency and Hungary's Visegrád 4 presidency. Keynote presenters from the Czech Republic, Hungary, Poland, Slovakia, and Slovenia provided exciting insights into the digitalization of the financial services industry.

THE EUROPEAN UNION'S 2022 PRIORITY CHECKLIST

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interest at a political level. In terms of priorities, climate action has to be at the top of the list.

JOURNAL: How do you see the future of the EU? What are the global dimensions that shape its future or limit opportunities? What do you see as the biggest challenge of today?

FZ: In light of the key themes noted above, the fundamental question for the European Union is how to work together in the face of these challenges. If the EU is fragmented and undermined by Euroskeptic and nationalistic tendencies, it will diminish the capacity to act of all its members.

JOURNAL: The pandemic is the same threat everywhere, but the reactions and the economic impacts are different in regions and countries. How do you evaluate the response of the EU? How can the EU support the more vulnerable areas with a slower recovery trajectory?

FZ: The pandemic is aggravating some of the socio-economic inequalities that predate the crisis, both within and between countries. The EU is using its recovery and resilience funding to disproportionately support those economies that need the most help. However, there is still a risk that some countries or regions are left behind in the structural changes in our economies, which also has political implications.

JOURNAL: Do you expect Brexit and the disagreements over the Northern Ireland protocols (if not settled by then) to affect EU competitiveness next year?

FZ: It depends on the outcome. While not the most likely outcome, the situation could escalate into a trade war, in which case there would also be an impact on EU competitiveness, although proportionately much less than on the EU.

JOURNAL: Will the EU finally take a stricter stance against Hungary and Poland over the rule of law concerns and withhold payments?

FZ: There will be more pressure on Hungary and Poland, with the threat of funding being withheld. Whether that happens will also depend on reactions in these countries and compliance with European Court of Justice rulings.

JOURNAL: The digitalization of business is a major issue all over the Union and is one of the reasons why the continent underperforms economically and is lagging the United States and the Far East in tech. How can Europe keep up with the rapid digital transformation?

FZ: Europe needs a pro-active industrial policy that supports EU companies in developing key future technologies. At the same time, there should be support for implementing existing digital technologies, where many EU SMEs lag behind international comparators.

JOURNAL: How can we avoid an outcome where smart solutions increase the gap between countries or segments of society?

FZ: Making the twin transition fair is crucial to maintain political support. This entails building in consideration and mitigation of distributional consequences from the beginning, rather than doing it as an afterthought. A critical issue here is skills development across the whole society.

JOURNAL: How has the transatlantic relationship changed since the Biden administration?

FZ: It is much improved, and the Trade and Technology Council is a positive expression. However, this should not distract from the need for Europe to develop its capacity to act in the geopolitical sphere, also as insurance for any deterioration in the transatlantic relationship in the future. Or, indeed, in its relationship with countries like China and Russia.

JOURNAL: After passing a historic infrastructure development bill at home, do you think the United States might re-engage in financing infrastructure development in foreign countries, as it has in the past? If for no other reason than to balance Chinese dominance in this area.

FZ: While the U.S. will be more proactive in countering what it sees as the Chinese threat, at the same time, there is also a greater focus

on itself and less engagement with global affairs, including, for example, a degree of neglect of the international multilateral institutions.

About Dr. Fabian Zuleeg

Dr. Fabian Zuleeg has been the chief executive of the European Policy Center since October 2013, with overall responsibility, including providing strategic direction, managing its staff and resources and representing the EPC. He is also its chief economist, a post he has held since January 2010. Fabian has a doctorate in the political economy of EU accession from Edinburgh University. Before joining the EPC, he worked as an economic analyst in academia, the public, and the private sector.

His analysis focuses on EU economic policies, including economic governance and economic and monetary union, the EU budget, industrial policy, trade, the Single Market, European labor markets and Europe's economic and social model. He has a long-standing interest in the political economy of European integration, with a particular focus on the U.K.-EU relationship, analyzing the impact of Brexit on the United Kingdom and the rest of the EU, as well as the process of separation.



Robin Marshall editor-in-chief of the BBJ and Fabian Zuleeg, chief executive of the European Policy Center.

SOLID FOUNDATIONS, AMBITIOUS PLANS

The 33rd General Assembly and Board Elections of the American Chamber of Commerce Hungary were held in person and face-to-face on December 1, 2021, and served as yet another occasion to demonstrate the power of the AmCham community.



The new AmCham Board from L to R: Ildikó Beck, ex-officio member Nathan Seifert (US Embassy), Péter Csucska, Krisztián Toka, CEO Írisz Lippai-Nagy, President Zoltán Szabó, Supervisory Board Chair Andrea Jádi Németh, Second Vice President Dávid Kóhegyi, First Vice President Timea Pesti, Matt Zeller, Orsolya Ludwig, Secretary Treasurer Michael Carlson, Supervisory Board Member David Young. Not pictured: Róbert Bencze, István Katona, ex-officio members Farkas Bársony, Ferenc Pongrácz.

By Levente Hörömpöli-Tóth

Like most organizations, AmCham endured a difficult time during the pandemic. However, as President Zoltán Szabó said in his report on the activities of the past 12 months, the chamber had emerged more robust than ever.

"We learned how to be more effective in what we do and how we do it. We managed to become more streamlined in terms of all three pillars of our strategy, the Policy Agenda; that is smart growth, human capital and business environment," he said.

Members now have greater freedom to drive more bottom-up activities and cooperate for more tangible results. Work continued in committees, working groups and in the form of initiatives despite the COVID situation, the president said. The chamber's annual policy recommendation pack, which lays the foundation for its annual advocacy work, was duly forwarded to the competent governmental bodies.

Events switched back to face-to-face mode from the early summer on, with the highlight being the seventh edition of the Business Meets Government Summit on October 8, Szabó recalled. The latter featured renowned guests such as Minister of Foreign Affairs and Trade Péter Szijjártó and the deputy governor of the National Bank of Hungary Barnabás Virág.

"What really matters is the people of our community who continued to support our cause and were always ready to go the extra mile, even during the tough times of the pandemic," Szabó noted.

Stable Finances

"AmCham Hungary's finances are stable, but we are only as strong as our membership," Secretary-Treasurer Mike Carlson reminded the audience, noting that up to 70% of total revenues come from membership fees. Therefore, membership retention is the key focus area for 2022.

The year 2020 was closed with a HUF 21.5 million profit, with total revenues of HUF 178.7 mln and total expenditures of HUF 157.2 mln. All that was achieved even though incomes from events were down by 69% compared to 2019. However, the financial outlook is positive, with Carlson planning to stick to the rigor of securing a solid foundation.

There will be a lot happening next year under the three core pillars of AmCham's activity

portfolio. The advocacy effort will see a series of new events such as conferences on healthcare and sustainability, not to mention the return of the HR Dream Day. State secretary roundtables, policy and business forums, and meetings with government participants are also in the pipeline, as chief executive officer Írisz Lippai-Nagy revealed in her presentation of the 2022 annual plan.

"We are not experts of a particular area, but we are very good at how to synthesize all your input and make sure it represents the values and interests of the AmCham community," Lippai-Nagy said. "Feel free to suggest new topics that should be added to our Policy Agenda or that can be a trigger to set up a new committee. Our policy officers are always there for you if you have any suggestions."



Under the knowledge pillar, members will continue to have the opportunity to sharpen their skills further and benefit from seminars, leadership masterclass series, board simulations, and career orientation programs.

Community Events

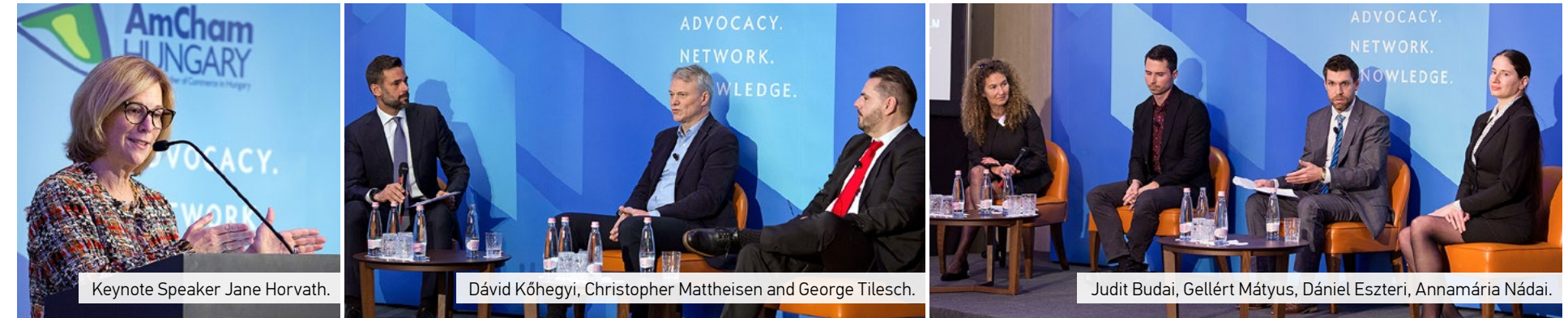
AmCham community events will, of course, continue in the upcoming months. Patron dinners are underway, and there will be plenty of occasions for informal networking in after-hours events and at the annual Insight dinner. The hope is that AmCham will be able to bring back its hugely popular Independence Day family celebration and the Thanksgiving charity dinner in 2022 without any restrictions. The membership satisfaction survey is another novelty to look forward to.

"AmCham is a powerful community, and although working online is effective to share knowledge and have discussions, nothing matches being together," Lippai-Nagy concluded. She also announced that next year would see an end to the paper copy era of the Journal magazine.

AmCham Foundation (ACF) is a bridge between donors and beneficiaries, and it's a role model for CSR and related activities, said Edit Bencsik in her report on the latest results of the charitable organization. 2021 was big in challenges and small in opportunities and donations. Despite the limited resources, important achievements were made, from foster home refurbishment to computer donations. A total of HUF 1.5 mln was raised for three educational institutions.

As is traditional, the general assembly also served as the occasion for presenting the annual Dr. Iván Völgyes Award. Völgyes is deemed by many to have been the father of modern lobbying in Hungary. He left for the United States in 1956, and he went on to bring numerous U.S.-based companies to Hungary, generating more than USD 1 billion in investments. This year Dr. Péter Komáromi, chairman of the board of trustees at the ACF, won the award.

In the board elections LeasePlan CEO Timea Pesti won the role of First Vice President. Mike Carlson was confirmed as Secretary-Treasurer, being the only candidate. Matt Zeller and Krisztián Toka were voted Board Members-at-Large, with Dr. Andrea Jádi Németh reelected as the chairperson of the Supervisory Board. David Young remains the Supervisory Board member.



Keynote Speaker Jane Horvath.

Dávid Kóhegyi, Christopher Mattheisen and George Tilesch.

Judit Budai, Gellért Mátyus, Dániel Eszteri, Annamária Náda.

HOW TO ENSURE AI IS WORKING FOR US, NOT AGAINST US

The Compliant AI, the latest event in our Compliance Conference series, was initiated by AmCham's Governance and Transparency Committee to address the most pressing challenges in corporate compliance and integrity, focused on the legislative and ethical aspects of AI development and deployment on November 11.

The host of the conference, held under Chatham House Rules, was AmCham Second Vice President Dávid Kóhegyi, local partner and head of compliance and investigations, DLA Piper Budapest, who also delivered the opening and closing remarks.

Participants were also greeted by Derek Westfall, acting deputy chief of mission at the U.S. Embassy in Hungary, who shared some thoughts on the high priority of AI in American strategic thinking and foreign policy.

The first keynote speech was delivered by Dániel Császár, strategic and cabinet director of Magyar Közlöny, on the Hungarian government's AI and data protection strategy and the importance of appropriate legislation in the sector.

Jane Horvath, the global chief privacy officer of Apple Inc., gave the second keynote speech,

followed by a Q&A with the audience. Horvath is responsible for overseeing Apple's compliance with international privacy laws, as well as working internally and externally on developing issues related to privacy.

Following a break, the first panel began with two technology insiders: Christopher Mattheisen, CEO of Microsoft Hungary, and George Tilesch, president of the PHI Institute. They discussed the current state of AI, global trends in its development, and related ethical considerations from a macro-level approach with moderator Dávid Kóhegyi.

The second panel discussion focused on the practice of AI- and data compliance and legal and ethical frameworks within the European Union. The expert participants of the panel were: Dániel Eszteri, director for incident reporting at the Hungarian National Authority for Data Protection and Freedom of Information; Annamária Náda, senior consultant for internal audit, risk and compliance services at KPMG; and Gellért Mátyus, senior deep learning engineer at Continental Automotive. The session was moderated by Judit Budai, senior partner at Szecskay Attorneys-at-law. Both panel discussions were followed by Q&A sessions with the audience.

We would like to thank Continental Automotive, DLA Piper, KPMG Hungary, and Microsoft Hungary for making the event possible.



Judit Forgács and Tamás Zemlényi.

Zsuzsanna Friedl, William Benkő and András Hajnal.

HR ACADEMY: PREPARING FOR POST-PANDEMIC SUCCESS

The pandemic has arguably altered almost every facet of life, including the field of HR. Numerous new challenges have arisen to test HR professionals; from an acute, widespread labor shortage to handling the transition to a hybrid form of working, the hurdles have been plenty.

To help navigate these rough waters, we reintroduced our HR Academy, an interactive event series dedicated to addressing the most pressing issues in the field and showcasing best practices from industry leaders to equip HR professionals with the tools to achieve post-pandemic success.

We dedicated each of the five sessions to a different issue and invited HR leaders from multiple sectors to share their experiences. For the inaugural session on Oct. 26, 2021, our guests were Dávid Bauer, head of HR at MOL, and Éva Kreiter, HR director at Dreher Sörgyárak Zrt.,

who addressed current obstacles regarding recruitment and onboarding.

For the second session on Nov. 2, we invited Zsuzsa Friedl, chief people officer at Telekom, and András

Hajnal coach, trainer, and Olympic diver, to share their thoughts on performance and talent management.

With COVID-19 cases surging, we switched to a hybrid mode from Nov. 11 when development,

upskilling, and mentoring were on the agenda for Zsuzsanna Emri, HR director at KPMG, and Tamás Zemlényi, division HR leader at UPS Hungary.

On Nov. 19, the challenges of managing diverse teams were discussed by Balázs Fremda, head of HR at Morgan Stanley, and István Lenk, managing director of Eaton Hungary.

Finally, for the closing session on Nov. 30, by now entirely online, our guests were László Szócs, HR director for GBS Europe and HR business partner for GBS at BP, and Zsuzsanna R. Tóth, HR director of Vodafone Hungary, who shared their thoughts about motivating the workforce and enhancing the employee experience.

We would like to thank our moderators for their professional contributions: András Marcio Kovács, Profession; Vilmos Benkő; Judit Forgács, ForgXpert; Andrea Juhas, LHH; and Róbert Dobay, Menedzsmentor, also the host and sponsor of the series.



Andrea Juhas, István Lenk, and Balázs Fremda.

Dávid Bauer, Éva Kreiter, and András Marcio Kovács.



Minister of Foreign Affairs and Trade Péter Szijjártó.

BUSINESS MEETS GOVERNMENT RETURNS FULLY IN PERSON FOR 7TH SUMMIT

Having been held as a hybrid event last year due to COVID, the seventh annual AmCham-Hungarian Investment Promotion Agency “Business Meets Government” summit was once again held fully in person on October 21, allowing analysis and discussion of the macroeconomic trends that will lay the foundations of our post-pandemic future.

In his opening speech at the conference, held at the Marriott Hotel Budapest, the Minister of Foreign Affairs and Trade Péter Szijjártó talked about what made Hungary stand out from Europe in handling the pandemic. The key was that Hungary realized early on that the coronavirus was not only a healthcare challenge but would also have severe effects on the economy, he said.

The major debate last spring was around whether the state should finance unemployment or the prevention of it, he said. “We decided on the latter and put together the most robust investment incentivizing program to date.”

Last year a total of 1,435 companies decided to take advantage of the scheme, he added. As a result, HUF 1.7 trillion in investment has been made and 270,000 jobs saved, with 22 U.S. companies involved in the program securing 14,000 jobs.

Meanwhile, the state had not ended the regular cash incentives available before the pandemic either, Szijjártó noted. Of this, USD 220 million in investment was related to U.S. companies,

and 15 new contracts were signed. American companies created the highest number of jobs in 2020, the minister said.

Talking of records, Szijjártó highlighted that the country has never seen such a high growth rate as in the second quarter of this year (18%), and there have never been so many people employed since the days of Communism.

During the summer, the economic performance of the country reached the level of the pre-pandemic times, Szijjártó continued, adding that the global economy will only arrive at a similar stage in the second quarter of next year according to forecasts.

“This means we are 1.5 years ahead of the level of the global economy”, he said.

Quicker Reopening

Launching an extensive vaccination program earlier than many countries was one reason for that “advantage,” Szijjártó said, as it allowed Hungary to reopen sooner than most European states.

“The second reason was that you kept people employed, invested in new capacities and modernized technologies so when it comes to the global race for the redistribution of the economic capacities, without exaggerating, I can say that Hungary is one of those who won,” Szijjártó told the audience.

The minister also talked of future plans, including further investment in higher education, digitization, and the steps the state has taken to ensure the security of the energy supply.

Deputy Governor of the National Bank of Hungary (MNB) Barnabás Virág gave a brief overview of the country’s macroeconomic performance after the pandemic.

“Only 11 member states of the EU have been able to reach pre-crisis GDP-levels; six of these are from the CEE region, including Hungary,” he said. Looking ahead, the region and Hungary will also be the fastest to recover from the pandemic, he added.

The country is in a good position in terms of employment, having managed to retain and even increase its employment rate.



Deputy Governor of the MNB Barnabás Virág.

“We were able to hold the rate of investment at a relatively high level, at around 27%,” Virág said. Keeping this rate high had contributed to a great extent to the country’s recovery, he noted.

Top Priority

Inflation is a top priority for Hungary, and elsewhere, the deputy governor said. Once economies reopened, inflation rates jumped. Supply chain disruption, soaring fuel and commodity prices, and environmental issues have been the main factors behind it. Since rapidly rising inflation can jeopardize the recovery process, it is critical that the MNB focus on the fight against it, Virág said.

“Trans-Atlantic ties are the most important ones we have in the world in terms of business volume, etc.,” Zuleeg said regarding relations between Europe and the United States. “But we should also note that the U.S. acts in its own interest, and that will not always coincide with those of Europe.” He added that the key focus of the current administration is China, “and that will affect our transatlantic relations.”

The plenary meeting was, as usual, followed by several breakout sessions to discuss matters in more detail. With panels drawn from various government ministries and departments, experts, and relevant businesses, audience members could choose from: Business Environment; Digitalization and Data; Healthcare, Labor and Employment; and Sustainability. These sessions were followed by lunch and networking.

The VII. Business Meets Government Summit was organized by AmCham Hungary and the Hungarian Investment Promotion Agency, and supported by 3M, Andersen in Hungary, Bridgestone, BT-ROC, Celanese, Citi, CMS, Continental, Contintest, Google, Janssen Cilag, LeasePlan, Medtronic, Philip Morris International, TATA Consultancy Services

“We were among the first central banks in Europe to have opened a monetary tightening cycle in June, and we will go as long as is needed.”

Turning to future challenges, Virág highlighted several areas. “The labor market shortage bottleneck reappeared, and the competition for talent will be tougher, though still quite far from what Western economies have,” he acknowledged. In the future, wage convergence will continue, and Hungary must increase salary levels and improve productivity. It will also have to prepare for an extremely rapid digital transformation, he added.

In the third section of the plenary, Fabian Zuleeg, chief executive of the European Policy Center, and Robin Marshall, editor-in-chief of the Budapest Business Journal, discussed the challenges Europe faces in a global competitiveness race.

“Sustainability is not an option. This is an existential question. If we continue to put it off, we are not going to address the problem and what we are going to end up with is a global ecosystem that is not functioning,” Zuleeg said, addressing a question from Marshall on the greening efforts of the continent. “We can discuss how quickly this transition should take place and what sensible steps are along the way.”

He also emphasized the need for Europe to catch up in many areas in new technology where it is currently lagging. “One way to catch up is to create the right frame to boost not only public but private investment,” he said.



AmCham president Zoltán Szabó.

GROWTH PROSPECTS LOOK GOOD, DESPITE SOME DARK CLOUDS

It is a “realistic expectation” that Hungary’s economy could grow by 5-6% in 2022, Minister of Finance Mihály Varga told the American Chamber of Commerce at one of his regular business forum meetings with the lobbying organization.



Minister of Finance Mihály Varga.

That growth reflects the strength of the region, the finance minister said, with 10 EU countries “already performing at the level before the pandemic.” Top of the list is Ireland, but that benefits from the multinationals based there for tax reasons, Varga pointed out. The remainder were from the Baltics and Central and Eastern Europe.

“Hungary has been able to return to the growth path even though tourism, which generates 8-10% of GDP, has not returned,” the minister told AmCham members.

The detailed analysis of GDP data necessarily takes time, he noted: Q2 closed in June, but exactly how well the economy had performed could only be seen when all the numbers had been crunched at the end of August.

To try and bridge that gap, the government has developed what Varga called the “weekly economic index,” which pulls data from online cash registers, Google searches for products and services, and the like.

That weekly snapshot reveals that despite the shutdowns of German and Japanese automakers because of the global microchip shortage (a move

that the minister confessed had left him “rather alarmed” initially), Hungary is “still doing well.”

Varga said there was an excellent chance “of recording good figures” for the full year in 2021, a view he said was shared by analysts. “Some experts say we might reach 8% [GDP growth]. I would be very happy with that, of course, but I would also be happy if we reached 7-7.5%. Even the most pessimistic say 7% GDP growth can be counted on.”

Dynamic Growth

Further evidence of the “dynamic” nature of Hungary’s economic growth could be found in the recent upgrade by Moody’s Investor Services, one of the three major international rating agencies, to Baa2.

“Moody’s cannot be described as ‘friendly’ to the Hungarian economy, so we were surprised when it upgraded. It is still far from an ideal situation; we are not yet at [the highest] triple-A level, but we are working on that.”

The minister acknowledged that there were some “dark clouds on the horizon.” He highlighted four, including fuel and energy prices, along with inflation, which he said “goes

hand-in-hand with relaunching the economy” but was “above the expected level everywhere.”

Thirdly, “The virus itself is not yet over,” he warned, “there is going to be a fourth wave.” Mutations of the virus also presented a threat, as evidenced in Israel. “There might be a situation where we have to introduce measures to prevent the spread of the virus.”

The fourth cloud he characterized as a “lack of things” such as those automotive microchips, or the recent fuel crisis in the United Kingdom, prompted not by a lack of fuel, but a lack of HGV (heavy goods vehicle) drivers to transport it. He also cited a lack of labor in construction and the lack of containers hitting logistics operations. “That was not there before but is characteristic of our period.”

Although not one of his “four clouds,” Varga also made a pointed reference to the lack of EU approval for Hungary’s Recovery and Resilience Facility (RRF), the negotiations over which were supposed to be concluded by the end of September.

The RRF makes loans and grants available to support post-COVID reforms and investments. The aim is to mitigate the economic and social impact of the coronavirus pandemic and to

make European economies and societies more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions.

Launch Ready

“It is ready to launch; however, we are still waiting for EU approval.” Thus far, 19 EU member states have had their RRF plans approved, most recently Malta on October 5. From the region, the Czech Republic, Croatia, Slovakia, and Slovenia have all been greenlighted, but not Hungary or Poland. Varga said the reason for the delay was “political.” Unless funds are released soon, “we will be left behind,” the minister feared.

Hungary had therefore conducted “very successful” FX bond issues in dollars and euros to “make up for missing EU funds.”

An audience member asked what the government was doing to improve competitiveness since Hungary is only mid-table within the EU. The minister pointed out that he chairs the advisory National Competitiveness Council, set up in 2016, and featuring key scientific and economic players, the president of AmCham among them.

“We have been able to take steps forward, competitiveness did improve, but I am not yet satisfied. [...] The Hungarian economy has to become more competitive.” The solutions are complex and long-term, he said. One example he gave was that of life-long learning. In Hungary, just 10-11% of Hungarian adults are enrolled in adult education. “In Austria, the level is 40-50%. Definitely, we have to follow that.”

Asked about the landmark global minimum tax (adopted by the OECD later that day), Varga replied that “We are not planning on changing our stance,” that setting taxes had to remain a national, rather than EU, competence. He praised the “very intensive cooperation within the EU and outside” to reach an agreement. “I would like to thank the U.S. Treasury for their contribution” to finding a “good compromise,” he added.

The OECD, the G7, and the United States had all proved flexible, the finance minister said. That cooperation had resulted in an agreement that had been “really hard-fought” and was, he thought, “unprecedented.”

The forum was supported by BT-ROC, Continvest and Philip Morris International Hungary.



Minister Mihály Varga with members of the AmCham board.

PATRON PROFILE: VERONIKA SPANAROVA, CITI HUNGARY

In the final patron interview for the last ever issue of Journal, we talked to Veronika Spanarova, Citi’s Managing Director, Country Head for Hungary, about the impact of COVID, the recovery, and her expectations for 2022.



JOURNAL: Nearly two years in, what are the main lessons for businesses from the COVID-19 pandemic? Are there any changes that remain for the long term?

Veronika Spanarova: The pandemic has been a challenging time for everyone, both from a business perspective as well as from a personal point of view. At the same time, as with every difficult situation, this one has also brought things that we could learn from, shaping our businesses and lives going forward.

I would mention two that we have seen develop and will be building on.

1) Digital acceleration. Even before the pandemic, every business had digitalization initiatives in place in various stages of thinking and implementation. The situation brought additional focus and motivation to progress these, both required by the fact that in-person meetings and interaction became more difficult for some time, and also to focus on efficiency. Although we cannot and do not want to replace in-person interaction, which has an invaluable place in establishing new relationships, a sense of belonging, and cooperation, many processes will stay digital after the pandemic for ease and efficiency purposes, with more and more people comfortable with this method of communication.

2) Flexibility and Agile decision-making. The pandemic re-defined the need for flexible working arrangements, which could be utilized and introduced as needed. Again, in-person interaction in the business environment will continue to be crucial; however, flexibility has been tested and proven for many additional arrangements and situations. This fast-changing environment also requires agility in processes and decision-making, which is an aspect that, in my view, was accelerated. We can take many good lessons and examples from this environment that will stay with us for a longer period.

JOURNAL: What measures would you like to see that could aid the recovery of the economy in Hungary?

VS: Hungary has successfully attracted foreign investments, and the last two years have not been an exception. This brings further opportunities for highly specialized jobs to be created and opportunities for talented people to have exciting and diverse careers. To continue on this trajectory, the continuation of programs that support education and R&D&I projects is

crucial. We have seen good examples of these programs working in practice; it is important that they continue long-term.

JOURNAL: What are your projections for 2022? For what changes and trends should business leaders prepare?

VS: We foresee that the focus of corporates will continue to be on efficiencies, primarily through digitalization and innovation both in terms of production and operation. Flexibility, agility and resilience will also grow in importance. Across the region, we see a notable trend for mid-sized companies to go international beyond their home market and expand across Central Europe.

JOURNAL: Tell us about the trends shaping the finance sector? How does Citi adapt to the changes?

VS: The finance sector in Hungary is robust, well-capitalized and innovative. We see many interesting innovations where the finance sector plays an important role. For instance, digitalization can contribute significantly to the success of our clients, where fintechs and traditional banks are in partnership.

In this value-creating collaboration, fintechs offer expertise in advanced digital solutions and an agile work environment. At the same time, they can benefit from the legacy of experience and robust global networks that traditional banks like Citi provide, as well as deep relationships built up over many years.

At Citi, we have a clearly defined strategy that we have been pursuing in Hungary. Being the most global bank, we support our clients and companies coming to Hungary, growing internationally, and looking for banking solutions on international markets. We are determined to continue with this strategy, supporting our Hungarian and international clients with more digital solutions and innovations while also focusing on the Planet through our net-zero commitment for our operations by 2030.

We also continue our growth trend in the Business Service Center – Citi Solutions Center. We have grown significantly in the last two years and now employ more than 2,700 colleagues. We continue to grow in size

and seniority and specialization of the roles that are placed in Hungary. This increases the importance of our Solutions Center for Citi globally and brings additional specialized functions here: Financial reporting, Information Security, and Technology professions, to name a few examples.

JOURNAL: Citi has been a long-term member and strong supporter of AmCham. What do you value most about your membership?

VS: Indeed, Citi is an active member of AmCham in many markets where we operate. AmCham is a strong platform for companies supporting the same values and way of doing business in all countries, provides essential connectivity and discussions on market trends, and is a crucial partner for creating and maintaining a sound business environment. I would like to take a moment and thank everyone on the AmCham team for their strong commitment, dedication, and professionalism with which they do their day-to-day work. You are an important partner in forming the country's business strategy, and we are honored and happy to be part of this community.



NEW MEMBERS ON BOARD

CORPORATE



Heineken



CEO:
Nikos Zois
Web: www.heinekenhungaria.hu

HEINEKEN Hungária Sörgyárak Zrt. builds on a 125 years of brewing experience of Sopron Brewery's, while the history of HEINEKEN dates back 140 years. In a "normal" year, we are proud that 25 million Heineken's are served each day across 192 countries. HEINEKEN is committed to build up local brands. We are proudly developing Soproni, Hungary's favourite beer which is a strong pillar of Soproni Óvatos Duhaj, Hungary's favourite beer specialties. The world's most international beer brand and the most sustainable brewing company, focusing to reduce the water consumption and CO2 footprint of beer production. HEINEKEN Hungária is committed to promoting responsible alcohol consumption, supporting local communities and growing local ingredients for beer production.

CORPORATE



Novartis Hungary



Country President:
Matt Zeller
Web: www.novartis.hu

Novartis is reimagining medicine to improve and extend people's lives. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world's top companies investing in research and development. Novartis products reach more than 800 million people globally and we are finding innovative ways to expand access to our latest treatments. About 110 000 people of more than 140 nationalities work at Novartis around the world.



KRAFT FM



Managing Director:
István Jászberényi
Web: kraft-fm.hu

Kraft FM Kft. has been operating independently as a technical FM company since 2007, the last 14 years have been characterized by a dynamic growth, which is due to the combination of projects won on the market and the acquisition of market participants by our owner. With the acquisition of Szigma Hungary Zrt. (which boasts a large industrial construction and FM history), and Porreal Kft. (a Hungarian subsidiary of the Austrian PORR company), we have today developed into a competent Technical Operator service provider combining several different company cultures. Kraft FM Kft. is part of the Kraft group, whose technical roots allow us to claim that: "technical operation is in our genes!" Our revenue in 2020 was ~ 22,5 MEUR - 240 employees. With our Group background we are able to ensure high qualified technician staff to the possible pro-ject start-ups.

CORPORATE

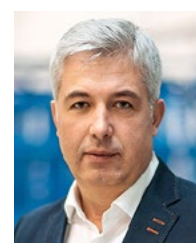


Salesforce.com



Regional Sales Director:
Géza Mátrai
Web: www.salesforce.com/hu

Salesforce.com, Inc. is an American cloud-based software company headquartered in San Francisco, California. It provides customer relationship management (CRM) service and also provides a complementary suite of enterprise applications focused on customer service, marketing automation, analytics, and application development.



MATECO-HUNGARY KFT.



Founder and General Director:
Csaba Farkas
Web: www.mateco-hungary.hu

We established our company in 1999 with the aim of satisfying the needs for lifting equipment and work platforms used in structural architecture and to offer a solution to every problem demand for machinery arising from working up high above the ground that enables quick and effective work performance. We offer high-quality machines with modern construction for rent and sale. Mateco Group rental fleet comprises over 32 000 working platforms in more than 700 different designs. With over 150 own locations in Europe and more than 80 strong partners around the world, we pursue a clear goal: to supply the best height access technology for our customers. In Hungary we provide more than 1200 working platforms for rent in and outside the country. Our fleet: Scissor lifts and boom lifts, Multifunctional telehandlers, Forklifts for in and outside, Self-propelled working platforms and material lifts, Trailer mounted boom lifts.

CORPORATE



Siemens Mobility Kft.



CEO:
László Ludvig
Web: www.mobility.siemens.com/hu/hu.html

Siemens Mobility is a separately managed company of Siemens AG. As a leader in transport solutions for more than 160 years, Siemens Mobility is constantly innovating its portfolio in its core areas of rolling stock, rail automation and electrification, turnkey systems, intelligent traffic systems as well as related services and software development. With digitalization, Siemens Mobility is enabling mobility operators worldwide to make infrastructure intelligent, increase value sustainably over the entire lifecycle, enhance passenger experience and guarantee availability.



NEW MEMBERS ON BOARD

CORPORATE



VISA Europe Services LLC



Country Manager:
Ede Kiss
Web: www.visa.hu, www.visa.co.uk

Our technology and innovation make digital payments a reality for consumers, businesses, banks and governments. Visa's journey begins in 1958, the year that Bank of America launched the first consumer credit card programme for middle-class consumers and small to medium-sized merchants in the U.S. It did not take long for the company to grow. The company expanded internationally in 1974 and introduced the debit card in 1975. In 2007, regional businesses around the world were merged to form Visa Inc and, in 2008, the company went public in one of the largest IPOs in history. In 2016, Visa completed the acquisition of Visa Europe. Today, Visa operates in more than 200 countries and territories with products and services available on any device - cards, laptops, tablets and mobile devices. We continue to evolve, but our focus remains the same - to be the best way to pay and be paid, for everyone, everywhere. Visa, the network working for everyone, everywhere.

TAKE-OFF



Sharity Mobile Application Zrt.



Co-Founder:
Dr. Farkas Bárony
Web: app.sharity.hu

Sharity is an app that can be downloaded to a mobile phone and is a set of algorithms that provide its operation, developed in partnership with our Big Four multinational consulting partner company. It is aimed at creating an innovative, transparent donation culture and making CSR activities of conscious social responsibility companies widely known. Please take a look at our little animation (<https://youtu.be/uEDbbBLBesM>), which briefly summarizes the essence of the application. We hope that we can achieve joint success in making our world a better place.



BUSINESS



Párisi Udvar Hotel Budapest



General Manager:
Schwindt-Kiss
Web: parisudvarhotel.hu

Párisi Udvar Hotel Budapest is located in the city center on the Pest side, surrounded by iconic sites, shops, restaurants, and cafés, right next to the river Danube. The hotel offers 110 upscale and spacious guestrooms including 18 luxurious suites and 2 exquisite residences. King and double queen accommodations, as well as connecting rooms, are available. The palatial Art Nouveau rooms, inspired by the fusion of gothic, Moorish and Oriental styles and the enchanted history of the famous building are the guarantee of an extraordinary stay. The marvelously renewed iconic passage space became home to the hotel's restaurant, the Párisi Passage Café & Brasserie. Our chef, Lajos Lutz created something extraordinary, by combining the latest technologies and the art of cooking, while using honest and local ingredients and saving the flavors of Hungarian cuisine. If guests wish to dine in privacy, we offer 24-hour room service including a late-night menu."

NON-PROFIT



PMI Budapest, Hungarian Chapter



Vice President:
László Kremmer
Web: www.pmi.hu

PMI Budapest, a local, Hungarian Chapter is an organization that is part of the Project Management Institute (PMI). The chapter was established in 2003 and it works in association legal form according to Hungarian Law. Prior to PMI chartering the chapter, local project management associations and multinational and local companies in Budapest supported the chapter for more than 1 year and helped the chapter become part of PMI. Our mission: to build a voluntary project management professional community for the professional development of project managers. Our vision: is to be the most influential project management professional organisation in Hungary with an active professional community.



VGD Hungary Kft.



Partner:
Gyöngyi Ferencz
Web: vgd.hu/en

The VGD Hungary's aim is to support clients to achieve their goals by offering effective solutions in the context of a long-term, supportive and cooperative partnership - and even to become a European or global market player. Audit | Tax | Accountancy | Payroll | VAT & Fiscal Representation Services. More than 20 years' experience as professional service providers. Integrated cross-border financial solutions to support clients in all business affairs from incorporation to auditing. Client-friendly, IT-oriented, efficient tax, auditing and accounting services. Highly skilled, results-driven, professional team which draws on our up-to-the-minute know-how. International experience and expertise in a range of different international standards.

JOURNAL is published on behalf of the American Chamber of Commerce in Hungary by Business Publishing Services Kft., Madách Trade Center, 1075 Budapest, Madách Imre út 13-14.

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STEADY GROWTH, RESILIENCE & FLEXIBILITY: 7TH BUSINESS SERVICES HUNGARY CONFERENCE AND AWARDS

The Hungarian Investment Promotion Agency (HIPA) hosted the 7th Business Services Hungary Conference and Award Ceremony, co-organized with AmCham Hungary's BSS cooperation, on Nov. 25, focusing on the sector's key tendencies and trends, and honoring major achievements in three categories.

The conference was opened by the Minister of Foreign Affairs and Trade Péter Szijjártó, who acknowledged the business services sector's pivotal role in the country's economic

wellbeing, pointing to the extraordinary growth these companies have experienced in the last five years.

Szijjártó's speech was followed by the welcome remarks of Tünde Kis, deputy CEO of HIPA, and Zoltán Szabó, President of AmCham Hungary.

In a video message in her keynote speech, Melanie Seymour, head of global client service at BlackRock, relayed her thoughts on talent acquisition and development, advising HR professionals to take more "risks" in employing talents.

Seymour's message was followed by a presentation of the results of the comprehensive survey conducted among 78 business service centers. According to the study, the sector has been growing, maintaining a positive outlook for the future, and both attracting and retaining talent, despite the difficulties brought about by the pandemic.

In the event's first panel discussion, participants Júlia Szatmári, center head and senior vice president of engineering at Diligent, Mónika Pais, managing director of Diageo, Mart-in Kikstein, general manager of Roche Services (Europe), Róbert Hosszu, managing

director of NI Hungary, and moderator Tünde Kis, deputy CEO of HIPA, discussed the latest trends and initiatives of the sector. The panelists shared their companies' experience regarding the pandemic, competition, and talent acquisition and identified areas where more action is needed for BSS companies to achieve greater success.

The second panel discussion featured Alex Laffan, director for Central Europe and customer & product at TESCO Business Services; John Ford, country lead and vice president for workplace technology at LogMeIn; Mariann Mészáros, vice president for human resources at Deutsche Telekom IT Solutions, and Dóra Debreczeni, center head and head of HR at Vodafone Shared Services Europe, who shed light upon how they view leadership dilemmas and the narrative from a CEO perspective. The discussion was moderated by Éva Gombás, an executive search and strategic HR consultant.

The conference featured an award ceremony where Diageo received Center of Excellence of the Year recognition, Morgan Stanley was lauded for being the Best in Educational Cooperation, and Alex Laffan of Tesco was named BSC Manager of the Year.

At the end of the event, two breakout workshops were held, one on the future of office space and location trends moderated by CBRE and the other on employer branding, recruitment, and talent retention, led by Hays.

We are proud that this year, three AmCham members were recognized with the BSC Excellence Awards for their extraordinary work and incentives, based on the survey results and an independent jury; congratulations!

BSS Open Days Attract 200-plus participants

From Oct. 26-28, the BSS Hungary working group organized the BSS Open Days event series for the second time, on this occasion in the virtual space. The event attracted 200-plus university students and career changers who wanted to learn more about the opportunities provided by the business services sector. Twenty-one speakers from 14 different service centers introduced the perks of working in the industry, highlighting employee centricity, the outstanding office environment, and flexible and fast career paths.