



## PM Says That Hungary is Out of the Pit

August 31, 2009

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August 29, 2009

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## Hungary Attracted Second Most Venture Capital in 2008

September 1, 2009

Hungary attracted EUR 476 million in venture capital in 2008, the second most in the region, the Hungarian Venture and Capital Association (HVCA) said on Tuesday.

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#### General Information for Investors

ITD Hungary offers general information about investment regulations and company registration in Hungary.

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#### Taxation in Hungary

The Hungarian taxation system has developed to the level of complexity found in Western Europe. ITD Hungary supplies all important information for investors in order to organize their activity smoothly in Hungary.

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#### Corporate Legislation

Becoming familiar with local corporate legislation is a prerequisite for successful investments. Hungary has harmonized its regulations with the European and international systems.

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### Focus

## Households' Forint and Foreign Currency Deposits Up Last Month

August 31, 2009

Households' net forint and foreign currency deposits rose in the month compared with June. Seasonally adjusted data for non-financial corporations showed net repayments of existing loans. Net repayments of foreign currency-dominated loans increased significantly compared with June, while net forint borrowing was slightly positive.

In July, seasonally and exchange rate adjusted net forint borrowing by households amounted to HUF 20.7 billion. Net repayments of foreign currency loans amounted to HUF 17.1 billion, broadly the same as in the previous month. Households' net new forint and foreign currency deposits amounted to HUF 69.0 billion and HUF 62.5 billion respectively, reaching, or slightly increasing above the level in May.

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Recent macroeconomic data and analyses suggest that Hungary has transcended the most severe phase of the global economic crisis, Prime Minister Gordon Bajnai said over the weekend.

Speaking during a visit to the Orczy Mansion, currently under renovation in Gyongyos, Mr. Bajnai remarked that the government's establishment of a HUF 2,800 billion (EUR 10.37 billion) economic-development fund, of which it has already disbursed HUF 440 billion, shows that Hungary's economy is evolving in spite of the crisis.

The prime minister noted that data showing the construction sector in Hungary to have grown 16 pct yr/yr in July as well as recently published economic assessments suggest that the country has already emerged from the worst part of the economic crisis.

## Households' New Euro Loans for House Purchase Rose

August 31, 2009

In July 2009 the total amount of households' new euro loans for house purchase rose slightly, that of forint loans fell marginally and that of Swiss franc-denominated housing loans remained unchanged at the previous month's very low level. The seasonally adjusted amount of new forint-denominated general purpose mortgage loans rose slightly from a low level, while those of euro and Swiss franc loans remained practically unchanged. The seasonally adjusted amount of new personal loans rose slightly, due mainly to

an increase in forint loans. The seasonally adjusted amount of the new euro loans also rose, while Swiss franc lending ceased almost completely. Forint loans made up 48 pct of new housing loans, 8 pct of general purpose mortgage loans and 90 pct of personal loans.

## Forras Buys Spa Hotel in SE Hungary

August 29, 2009

HARTBERG Investments, a unit of Hungarian holding company Forras, has bought the Erkel Hotel in Gyula (SE Hungary), business daily Napi Gazdasag reported on its website on August 29. The price of the transaction was not disclosed. The Erkel Hotel, Gyula's biggest, is next to the city's thermal baths.

## Hungary Attracted Second Most Venture Capital in 2008

September 1, 2009

Hungary attracted EUR 476 million in venture capital in 2008, the second most in the region, the Hungarian Venture and Capital Association (HVCA) said on Tuesday. Hungary followed Poland, which drew EUR 627 million in venture capital, but beat the Czech Republic, securing a third place with EUR 441 million. In terms of venture capital in relation to the GDP, Hungary was sixth in all of Europe in 2008. The biotechnology sector drew the most - EUR 616 million - venture capital in the region in 2008. The sector was followed by the communications segment, drawing EUR 492 million, and the financial services sector, with its share of EUR 308 million.

## Foreign Visitors' Shopping Spree Grew in the First Half of 2009

August 25, 2009

In the first half of 2009, foreign visitors spent a total of HUF 544 billion in Hungary, 21 pct more than a year ago. Meanwhile, the Hungarians spent HUF 379 billion abroad, 25 pct more than a year ago. At the end of the period, passenger traffic had a balance of HUF 166 billion, HUF 16 billion more than in the first half of 2008.

## Retail Sales Decreased in the First Half of 2009

August 25, 2009

The volume of retail sales - based on calendar adjusted data - decreased by 3.2 pct in the first half year of 2009 and by 2.2 pct in June compared to the same period of the previous year. Compared to the previous month, the volume of retail sales increased by 0.5 pct according to seasonally and calendar adjusted data.

## HUF 500 Million Phylazonit Bacteria Fertilizer Plant Inaugurated

August 25, 2009

Agrova Bio, Phylazonit and Szuro Trade inaugurated a HUF 500 million Phylazonit bacteria fertilizer plant in Beszterec (NE Hungary) on August 25.

The companies won a HUF 125 million grant from the European Union for the investment, said Phylazonit Managing Director Peter Vajda.

The 600-square-meter plant will turn out an annual 12 million liters of liquid bacteria fertilizer. Clients have already placed orders for the plant's entire daily output of 45,000-50,000 liters this year.

## Kienle and Spiess Hungary Completes Logistics Center in Hungary

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Kienle and Spiess Hungary completed a HUF 1 billion (EUR 3.75 million) 5,000-square-metre logistics center in Tokod (North-Hungary). Peter Orban of Kienle and Spiess Hungary said they will serve their customers from Tokod instead of the company's center in Germany. The company also increased the size of its production hall and plans to set up more production lines after the crisis, due to increasing demand for their products. Kienle and Spiess Hungary laid off 105 workers earlier this year. Germany's Kienle and Spiess manufactures electric motor and generator components in Tokod. Kienle and Spiess employs a total of 1,350 people and generates annual revenue of EUR 234 million.

## Green Power Plant Inaugurated by Hungarian-Japanese Investors

August 28, 2009

Hungarian and Japanese investors inaugurated a HUF 14 billion, 20MW biomass-fueled power plant in Szakoly (NE Hungary) on Thursday. The plant was built by South-Nyireg Bioenergy Works, its operator and 62 pct owner, as well as by the Hungarian companies Liget, Gea Egi, Vis and Japanese electricity company Tohoku Epco. Its construction was financed in equal part by the Hungarian Development Bank (MFB) and K and H Bank. The plant's owners were awarded a HUF 200 million state grant for workplace creation. The Tisza Cooperative, which grows energy crops on 7,000 hectares, will supply fuel for the plant. Ash from the plant will be used to fertilize farmland in the area. Agriculture Minister Jozsef Graf participated

at the inauguration of the plant, which is Hungary's first biomass-fueled power plant built as a greenfield investment.

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