



2014

1.13

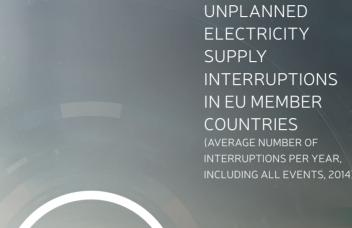
1.99



he ratio of **power interrup**tions is significantly lower than the EU average. It is also important to mention that Hungary uses ground lines for power lines instead of aerials that provides much more security for the users.

# **Broadband** coverage

What is more, Hungary is among those 10 EU countries where NGA fixed broadband coverage was available on more than 2/3rd of the country's territory in 2014 (according to the map of IHS Technology made by proxy of the European Committee).



INCLUDING ALL EVENTS, 2014)



Report on the Quality of Electricity and Gas Supply - 2016 (Annex A to Chapter "Electricity - Continuity

OUNTRY
_uxembourg
The Netherlands
Denmark
Germany
stonia
Great Britain
rance
Austria
Belgium
Spain
lungary
ithuania
Sweden
inland
reland
Zzech Republic
Portugal
taly
Greece

2.20 Croatia Malta Latvia 2.78 Poland Slovenia 4.31 5.10 Romania Bulgaria Cyprus Slovak Republic **AVERAGE** 1.67



# **COMPETITIVE**

**MOST** COMPETITIVE ELECTRICITY PRICES IN THE EU.

Besides, the government of Hungary is firmly committed to decrease the energy costs of companies after significantly moderating the energy costs of the Hungarian households. In the long run with the expansion of the Paks Nuclear Power Plant electricity prices are expected to become more favourable.

Moreover, construction prices are more favourable in Hungary than in the majority of other EU countries. The construction price level in Hungary accounted for approximately half of that of the EU28 in 2015.

# **AVERAGE ELECTRICITY**

PRICES IN THE EU (MEDIUM SIZE INDUSTRIAL CONSUMERS)

Sweden	0.077	The second second
Finland	0.085	2
Czech Republic	0.088	3
Romania	0.091	4
Luxembourg	0.094	5
Poland	0.099	6
Hungary	0.100	7
Slovenia	0.103	8
Netherlands	0.104	9
Estonia	0.105	10
Croatia	0.113	11
Lithuania	0.114	12
France	0.119	13
Bulgaria	0.120	14
Cyprus	0.124	15
Austria	0.127	16
Slovakia	0.131	17
Spain	0.134	18
Belgium	0.135	19
Greece	0.136	20
Portugal	0.138	21
Latvia	0.141	22
EU-28	0.145	
Malta	0.149	23
Ireland	0.150	24
United Kingdom	0.164	25
Italy	0.177	26
Germany	0.197	27
Denmark	0.266	28

Source: Eurostat

(first half of 2016, all taxes and levies included, EUR per kWh, Band IC: 500 MWh < Consumption < 2 000 MWh)

# **STRONG ICT** SECTOR DATA CENTRES IN HI INCADY

DATA CENTRES IN HU	INGART		
	DATA CENTRE	SITES	CAPTIVE/OPEN
14400 m <sup>2</sup>	T-Systems	4	Open
2820 m²	Invitel	3	Open
1920 m <sup>2</sup>	T-Systems (GTS)	3	Open
600 m <sup>2</sup>	Telenor	2	Open
590 m²	Proserver	1	Open
300 m <sup>2</sup>	DoclerNet Hosting	1	Open
2000 m <sup>2</sup>	Wigner	1	Captive
2000 m <sup>2</sup>	КВС	2	Captive
600 m²	NISZ	2	Captive
200 m <sup>2</sup> ·····	MVM	2	Captive

Quality of the ICT workforce is one data centres. Among these, Wigner of the main reason why many ICT Hungary (Nokia, Ericsson, Vodafone, IBM, Tata, Microsoft).

Significant modernization investments have been conducted by large data centre service providers T-Systems and Invitel. Moreover, Hungary which are ready to be several end-user organizations have decided to expand their captive

providing value added hosting for companies have already chosen CERN and the implementation of MVM's (Hungarian Electricity Private Limited Company) data centre have been the most significant recently.

> It is also important to mention that there are several data centres in acquired.

## **IVSZ CLOUD WORKING GROUP**

The largest and most significant interest group of the Information and Communication Technologies industry in Hungary is called IVSZ

- Approximately 450 precious member companies
- Data Centre and Cloud Workgroup since 2011
- The prime competence centre of this market segment
- Over 25 experts meet regularly to create the basis of the further developments
- Creates significant value to investors via easy access to expertise, fast market overview and mature market conditions



# **SUPPORTIVE** GOVERNMENT

# **DIGITAL NATION DEVELOPMENT STRATEGY**

The future and success of the Hungarian ICT sector is important to the Government, therefore it has set a so called Digital Nation Development Strategy with goals to be achieved by 2018 and 2020:

## Super fast internet:

- a) By 2018 at least 30 Mbps Internet network throughout the country
- b) Network connection of local public institutions

# Digital community and economy development:

- a) Providing digital devices (laptop, tablet)
- b) Smart city services
- c) Regional economic development programs
- d) Local SMEs' IT developments (equipment, software, service)

## **E-government services:**

- a) Creating integrated customer points: contact with citizens and enterprises through 260-280 one stop government
- b) By 2020 all public services should be electronic and the use of them should be mandatory for enterpris-

# Digital competence:

- a) Adult education, e-inclusion, mentoring those without digital competence
- b) Introduction of new educational program that includes use of digital devices and extra IT lessons apart from the lessons in public

#### **FAVOURABLE TAXATION SYSTEM**

#### CORPORATE INCOME TAX

The most competitive corporate income tax rate in the EU.

#### SOCIAL CONTRIBUTION TAX

Further plans of lowering the social contribution were announced as a plan (2-2%) during a four-year period.

#### TAX INCENTIVES IN FAVOUR OF R&D ACTIVITIES

Social contribution tax benefit in favour of R&D activities – Based upon 50% of the negative corporate tax base arising from the deduction of the direct costs of R&D activities performed by the company, the stated amount arising from the corporate tax rate of the above indicated amount may be deducted from the social contribution tax paid after the employees.

**Development tax incentive** – Lower step in criteria is effective: currently an investment with a HUF 3 billion investment amount and 150 new job creation can qualify (in preferential region: HUF 1 billion investment with 75 new job creation). The requirement with regard to the number of newly created jobs has been decreased from 150 to 50 (in preferential regions from 75 to 25).







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**AFTER** 

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HUNGARY

