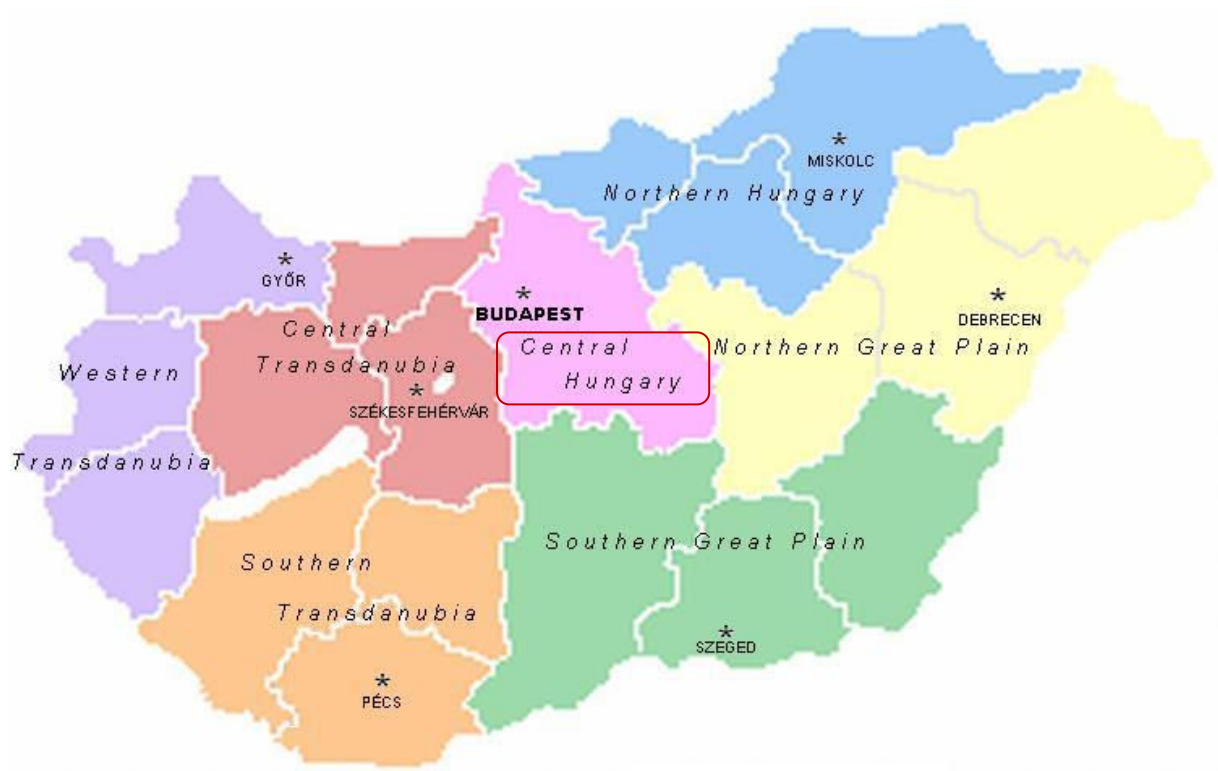


Central Hungary



Budapest, November 2008

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1. Central Hungary – In the Heart of the Country

Central Hungary has a core position in Hungary – in geographic, economic and cultural sense, as well. Its area includes the Capital and Pest County, surrounding Budapest. The territory of Central Hungary is 6,919 km². Central Hungary lies at the meeting-point of several different natural-geological areas. In the north there are mountains and in the south there are loess and sand plateaux. The region is also divided into two parts by a one hundred kilometre stretch of the river Danube. Out of Pest County's 187 settlements in 16 micro regions, there are 45 towns, 142 villages enabling a high concentration of the population.

Budapest actually consists of three cities: Óbuda, the oldest section, with Celtic and Roman ruins on the Buda side of the Danube; Buda in the gently rolling hills on the western bank, famous for its historic Castle Hill and beautiful residential area; and bustling Pest with its shopping, government and commercial districts on the flat plain of the east bank. Pest, Buda and Óbuda were united in 1873, giving birth to the 'Queen of the Danube', one of the most beautiful World Heritage sites. Only Budapest can say of itself that it has Europe's largest Parliament, largest functioning synagogue, first underground railway and there is no other capital city in the world with more than 100 thermal springs. The visitor will find side by side the remains of fortresses and buildings from Roman times, more than 42 still operating Turkish and medicinal baths, Gothic and Baroque buildings, and the incredibly rich Art Nouveau architectural heritage. The river Danube with its 11 bridges and the contrast between the hills of the Buda side and the plain of the Pest side also give Budapest its unique beauty.

On the territory of present-day Budapest the 2,000 year-old ruins of Aquincum, including Europe's largest amphitheatre, remind us of the ancient Romans' military and defence line. In 1241-42 one quarter to one third of the country's population perished and towns and villages were destroyed during the invasion of the Mongols. Most of Hungary's properly fortified castles and towns - including the new town of Buda, which became the capital of Hungary at this time - were first constructed or surrounded by solid stone walls in the decades following the invasion, against the return of the Mongols. The famous library of King Matthias I - the Corviniana - in Buda gave home to the first locally printed book, a history of Hungary dedicated to the King, published in 1473. The Ottoman Turks had been at the borders of Hungary since the 1370s, and in 1541 they even seized Buda in a bloodless coup. The buildings of the 150-year Turkish regime are memories of the once resident Turkish culture. At the turn of the 20th century Budapest played a considerable role in the birth of the modern world. Relics of the 40-year Soviet rule in Hungary have been preserved in an open-air Statue Park Museum.

Budapest is a traditional sightseeing destination thanks to its 237 monuments, 223 museums and galleries, 35 theatres, 90 cinemas, 2 opera houses, 12 concert halls and nearly 200 places of amusement and it is also an ideal location for international conference tourism and – due to its thermal springs - a spa centre of world reputation. In the Danube bend Szentendre is famous for its lively cultural life regarding fine arts and its outdoor village museum. Esztergom is the seat of the Roman Catholic Primate of Hungary. The ruin of the Zsámbék basilica and monastery built in the 13th century is still an imposing sight. Ráckeve is a favourite holiday area for anglers and water sportsmen. Vác is a one thousand year-old cathedral town. In Gödöllő the 250-year-old Royal Mansion is a significant work of Hungarian baroque architecture. Outstanding cultural events include the Budapest Spring and Autumn Festivals organised annually. The region is also host to several sporting events like the Hungarian Formula 1 Grand Prix, held in August every year.

Central Hungary's economy can be characterised by a high percentage of contribution to the national GDP, a concentration of the business entities, an ever growing importance of financial and logistics services, as well as dynamic real estate development and great attraction of FDI.

Central Hungary is the most important transport node in the country. The area has a denser than average road and railway network of high standard which – along with the river Danube as TEN Corridor X - is deeply integrated into the Pan-European transport system. Ferihegy Airport of Budapest is an international airport with two terminals. There are 32 industrial parks in Central Hungary, mainly specialized in serving businesses dealing in logistics but also offering excellent conditions for vehicle and electronic companies and industrial activities with strong innovational content. The local labour force has the professional qualifications required by multinationals of the service and trade sectors, as well as industries producing high added value.

The region plays a central role in education and research. More than one fourth of all students attending secondary schools learn in institutions of Central Hungary while 27.9% of high-level education students pursue their studies here. In the education of economists and technical experts the region has the greatest capacity in Hungary. 62.6% of scientific researchers and developers of the country work here. Two third of the state budget devoted to R&D has been invested in Central Hungary. Most headquarters of research centres are located in Budapest.

www.kozpontiregio.hu
www.users.zetnet.co.uk/spalffy
www.gotohungary.com

2. Regional Characteristics

2.1 General indicators and figures

			Central Hungary
General indicators and figures	Area*, km ²		6,919
	Population, thousand persons*	thousand persons	2,897
	<i>Thereof:</i> age of 0-14 years, %	%	14.3
	age of 15-64 years, %	%	69.2
	age of 65-x years, %	%	16.4
	GDP**	million EUR	45,128
	<i>Thereof:</i> Agriculture, %	%	0.7
	Industry and construction, %	%	22.0
Services, %	%	77.3	
GDP per capita**	thousand EUR	15.8	

*2008

**2006

2.2 Industry, construction

			Central Hungary
Industry, construction	Industrial production, volume index*	%	105.5
	Industrial sales*	%	107.0
	<i>Thereof:</i> Domestic sales, volume index	%	105.8
	Export sales, volume index	%	108.7
	Production of construction, volume index**	%	84.2

*2008 Q1-3

**2008 Q1

2.3 Enterprises

		Central Hungary
Enterprises	Number of registered enterprises*	494,038
	<i>Thereof:</i>	
	in manufacturing	32,033
	in construction	35,000
	in trade	84,899
	providing real estate/business services	225,102
	others (%)	117,004
	Number of enterprises per 1 000 inhabitants	181
	Number of foreign-owned enterprises**	17,585
	Number of 100% foreign owned companies**	12,661

*2007

**2006

2.4 Investment*

		Central Hungary
Investment	Foreign direct investment stock	million EUR 37,705
	Share in total FDI stock in Hungary	% 69.3

*2006

2.5 Main foreign companies present in the region

Company name	Profile
Ericsson	Telecommunications
General Electric	Technical manufacturing, financial services
Nokia	Telecommunications
Temic Telefunken	Electronics
Siemens/PSE	IT
Samsung	Electronics
WET Automotive Systems	Automotive
Philips	Electronics
E.ON	Energy supply
Metro	Retail
T-Com	Telecommunications
Vodafone	Telecommunications
T-Mobile	Telecommunications
Telenor/ Pannon GSM	Telecommunications
Tesco	Retail
Suzuki	Automotive
Budapest Airport	Airport operation
British American Tobacco	Manufacturing
IBM	Manufacturing
Solectron	Manufacturing
OMV	Trade
Shell	Trade
Opel Southeast Europe	Trade
Porsche Hungária	Trade
Spar	Trade
Auchan	Trade
Cora	Trade
Unilever	Trade
Michelin	Automotive
Phoenix Pharma	Pharmaceuticals
Sanofi Aventis/Chinoin	Pharmaceuticals
Strabag	Real estate developer
Chevrolet	Automotive
Ford	Automotive
Nissan	Automotive
Bosch	Electronics
Panrusgáz	Energy supply
GMAC	financial services
Henkel	Consumer products
Electrolux	Electric manufacturing

2.6 Labour market

			Central Hungary
Labour market	Number of employed people*	thousand persons	1,240.10
	Economically actives*	thousand persons	1,299.40
	Economically inactives*	thousand persons	930.2
	Participation rate**	%	59
	Employment rate**	%	56.2
	Unemployment rate***	%	5.7
	Number of unemployed***	thousand persons	59.3
	<i>Thereof:</i>		
	Man	thousand persons	25.5
	Woman	thousand persons	33.8
	Number of registered jobseekers***		
	<i>Thereof:</i>		
	younger than 19	thousand persons	0.64
	20-24	thousand persons	3.78
	25-34	thousand persons	12.19
35-44	thousand persons	11.52	
45-54	thousand persons	11.92	
55-	thousand persons	5.93	
<i>Thereof:</i>			
with high level education	%	11.12	
with secondary education	%	58.41	
with primary school or less than 8 grades	%	30.47	
Gross average monthly wages***	EUR	926.19	
Blue-collar***	EUR	560.98	
White-collar***	EUR	1211.69	

*2008 Q2

**2007

***2008 Q3

2.7 Education*

			Central Hungary
Education	Number of secondary schools		497
	<i>Thereof:</i>		
	grammar schools		247
	specialized secondary schools		250
	Graduates / year		6,900
	Number of vocational schools		116
	Graduates / year		14,962
	Number of bilingual schools		44
	Number of universities or colleges		39
	Number of university - college graduates / year		25,078
<i>Thereof:</i>			
Engineer		1,376	
Business		6,560	
IT		3,077	
Others		14,065	

*2007/2008

2.8 Research and development*

			Central Hungary
R&D	Number of R&D units		1,374
	Number of R&D personnel		16,252
	R&D expenditure	million EUR	638.0

*2007

2.9 Infrastructure

			Central Hungary
Infrastructure	Public road network*	km	2,687
	Public road per 100 km ²	km	38.8
	Main telephone lines per 1 000 inhabitants**		437

*2006

**2007

3. Industrial Parks

3.1 List of industrial parks

Budapest:

- Európa Center Üzleti és Logisztikai Ipari Park
- Észak-pesti Ipari Park
- Harbor Park Ipari Park
- IKARUS Budapesti Ipari Park
- INFOPARK

Pest County:

- AIRPORT Ipari Park (Tököl)
- ÁTI-Sziget Ipari Park (Szigetszentmiklós)
- Batta Ipari Park (Százhalombatta)
- Budaörsi Ipari és Technológiai Park (BITEP) (Budaörs)
- CBA Logisztikai Központ és Agráripari Park (Alsónémedi)
- Ceglédi Innovációs Centrum és Ipari Park (Cegléd)
- Dabasi Ipari Park (Dabas)
- Duna Ipari Park (Pécel)
- Dunavarsányi Ipari Park (Dunavarsány)
- East Gate Business Park (Fót)
- Euro Business Innovációs Ipari Logisztikai Park (Budaörs)
- ÉMI Szentendre Ipari Park (Szentendre)
- Gödöllői Ipari Park (Gödöllő)
- M5-Gyál Ipari Park (Gyál)
- M5 Ipari Park (Újhartyán)
- Multimédia Ipari Park (Fót)
- NAGYKŐRÖSI IPARI PARK (Nagykőrös)
- OBO Ipari Park (Bugyi)
- Ráckevei Ipari Park (Ráckeve)
- SÓSKÚTI IPARI PARK (Sóskút)
- Szada Ipari Park (Szada)
- Szigetszentmiklós-Leshegy Innovációs Központ és Ipari Park (Szigetszentmiklós)
- TERMINÁL Ipari Park (Páty)
- Váci Toperini Ipari Logisztikai Üzleti Park (Vác)
- VIKTÓRIA IPARI PARK (Üllő)

3.2 Informational material on industrial parks

Industrial Parks subsidies in 2007-2008 of the ROP

Central Hungarian Regional Operative Program			
Applicant	Settlement	Investment value	Subsidy value
OBO Bettermann Ltd.	Bugyi	1,980,896,184	500,000,000
MAFILM Plc.	Fót	550,186,451	142,000,000
Autóker Ltd.	Gyál	2,433,937,951	500,000,000
GIP Plc.	Gödöllő	952,002,178	472,193,081
ATI-Sziget Ltd.	Szigetszentmiklós	262,516,236	68,175,465
Total:		6,179,593,000	1,682,368,456

Results of the industrial park program

SPECIFICATIONS	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of parks	28	75	112	133	146	160	165	165	179	179	198
Size of the park area (in hectares)	2,350	4,950	6,800	7,640	8,100	8,800	9,050	8,738	9,847	9,888	11,530
Built in ratio (%)	21.5	30.0	34.5	32.9	38.4	40.1	42.7	48.0	48.5	53.0	52.6
Number of companies	320	685	980	1,495	1,760	2,152	2,450	2,467	2,989	3,184	3,585
Number of employees (thousand persons)	27	59	82	110	115	128	139	139	171	186	199
Investment volume (billion HUF)	166	316	427	662	1,003	1,264	1,256	1,463	1,650	1,987	2,221
Turnover of companies (billion HUF)	619	930	1,651	2,665	3,294	3,483	3,430	4,623	5,433	7,553	8,449
Export volume of the companies (billion HUF)	514	698	1,281	2,211	2,560	2,596	2,270	3,369	3,480	4,888	5,440
Export ratio (%)	83	75	78	83	78	75	66	73	64	65	64

Sources:

- Hungarian Central Statistical Office
- Public Employment Service
- Ministry of Education and Culture
- Ministry of National Development and Economy
- Hungarian National Tourist Office
- Regional development agencies