Hungary
Hungarian Chemical Industry Association (Mavesz)

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<th>Turnover</th>
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| **€15.2 billion** | Ivan Budai  
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**Direct employees**

83,193

**CHEMICAL INDUSTRY SNAPSHOT**

A big industry growing well

The chemical industry plays a large role in Hungary’s economy. Sales of Hungarian chemicals and chemical products nearly doubled from €2.8 billion to €5.0 billion during 2009-2016, registering a growth rate above the EU chemical industry average.

Industry output, including oil refining, chemicals and pharmaceuticals production as well as rubber and plastic products, reached €15.2 billion in 2016 – 22.6% of total manufacturing production.
HOW ARE WE DOING?

The industry has been on a continuous growth track since 2012 due to expanding export markets and the high level of investments into production capacities and the further expansion of the chemical value chain, particularly in petrochemistry. The leading Hungarian chemical companies are important regional players in the Central European chemicals market of petrochemicals, polymers, carbon fibers, fertilizers and others.

The growth is export driven, above 60% of chemical products manufactured in Hungary are exported and sold predominantly in the EU Single Market.
Backed by a strong research base

The chemical and pharmaceutical industries have a long history in Hungary, as do research, development and innovation that are particularly essential now to the competitiveness and sustainable development of the country’s chemical companies. Producers operate laboratories and research centres. The Research Centre of Natural Sciences of the Hungarian National Academy and the technical universities of Budapest, Veszprém, Debrecen and Miskolc engage in both basic and applied research projects in cooperation with companies and/or under EU programmes and projects.

A leading employer

The industry is a big employer, with more than 80,000 workers, including 14,000 in chemicals and 17,000 pharmaceuticals. By 2016 the number of employed exceeded has in fact exceeded the pre-crisis levels.

With gross wages above the national average, the chemical sector is a valued employer.
REGIONAL CLUSTERS

Built upon infrastructure

Hungary has a developed infrastructure of motorways, roads and railways as well as advanced communications network and energy supply systems provide the necessary background for chemical industry development. For the chemical industry the recent development of intermodal logistic capabilities for the transportation of goods is of particular importance.

In addition, the geographical location of the country makes it a natural choice for investments and operations in Central and South Eastern Europe.

Important chemical clusters are located in three regions:

**Northern Hungary**

- 20% of sales
- focus on petrochemical and polymer production
- two large companies with <€1 billion turnover, backed by SMEs
- Close collaboration with universities in Miskolc and Debrecen

**Central Hungary (Budapest and environs)**

- 45% of sales
- focus on oil refining, petrochemicals and polymers; specialty and fine chemicals; and pharmaceuticals
- Large presence of SMEs
- Close collaboration with Budapest Technical University and Veszprém Pannon University.

**Central Transdanubia**

- 8% of sales
- focus on fertilizers, carbon fibres and agrochemicals
- Many SMEs
- Close collaboration with Veszprém Pannon University
PREPARING THE FUTURE

Strengths

- A strong petrochemical base
- Scale economies of scale, up-to-date technologies and sound environment practices
- Capacity enhanced by investment to meet demand from automotive, electronics and agriculture
- A location of choice for serving Hungary and South-Eastern Europe

Weaknesses

- Highly dependent on imported feedstock and and energy sources
- High energy prices are weakening competitiveness

OUR CONTRIBUTION TO A COMPETITIVE EUROPE

Focussing on talent

A supportive industrial policy and a less bureaucratic and financially much less burdensome regulatory framework at both the European and national level are prerequisites for the sustainability of the chemical industry. Education and training are vital. Hungary has a solid educational system, from elementary school to universities, and the teaching of science subjects at all levels of education and the importance of the technical professions are increasingly emphasized. At the same time special efforts and programs should be undertaken by both business and government to make natural sciences, and in particular, chemistry more attractive to the younger generations.

Working together to retain skills

Chemical companies are making considerable efforts to attract young people to the industry. They maintain close relations with vocational training schools, specialized high schools and technical universities to provide the succession to an ageing workforce and not less importantly, to have an influx of young, well-trained and highly educated people to operate new production facilities that emerge as a result of investments in the sector.

Landscape of the European Chemical Industry Website:
http://www.chemlandscape.cefic.org/country/hungary/