



## Hungary

### Hungarian Chemical Industry Association (Mavesz)

Turnover

**€5.4 billion**

Direct employees

**15,039**

National contact



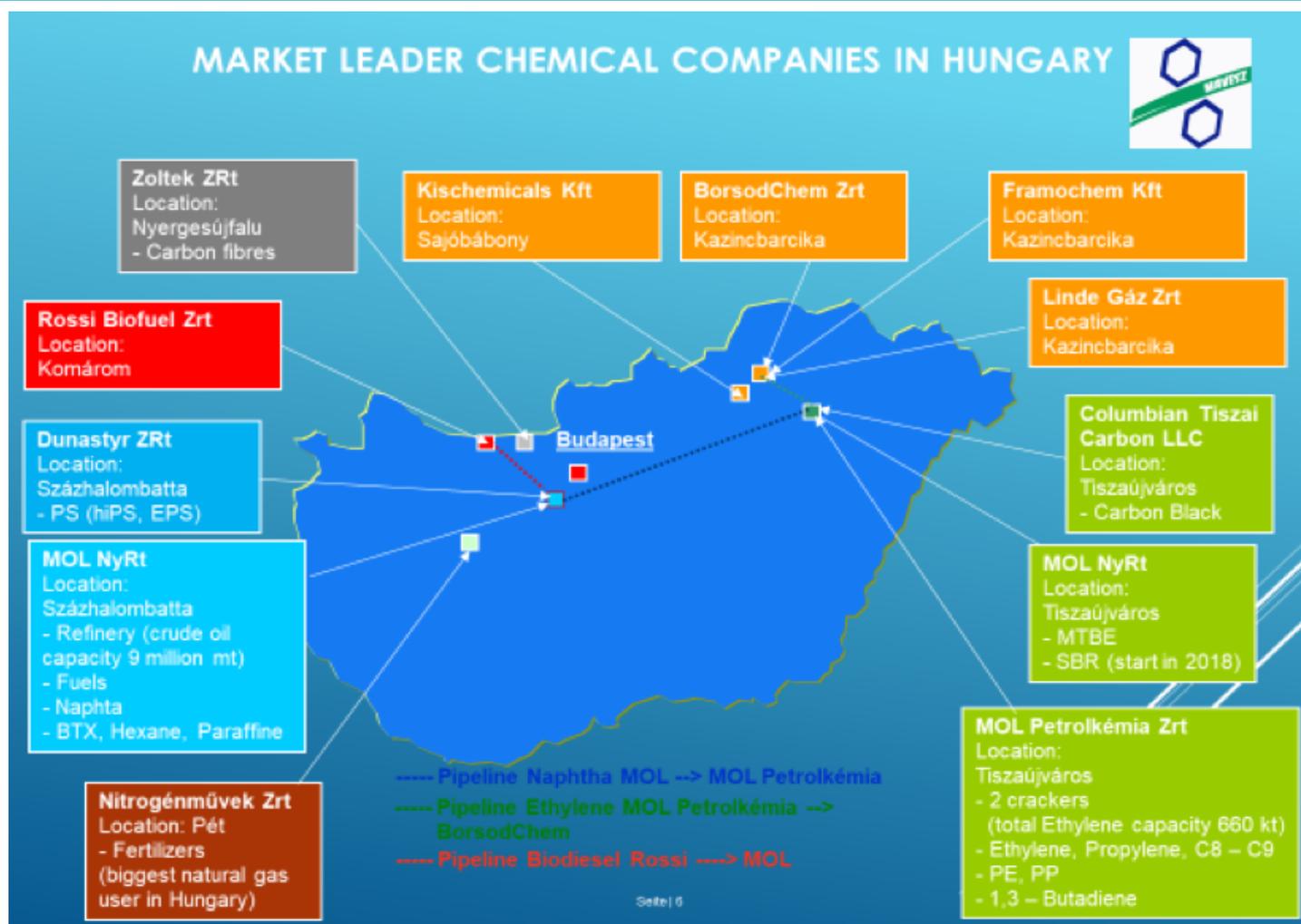
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## CHEMICAL INDUSTRY SNAPSHOT

### An important industry growing well

The chemical industry plays an important role in Hungary's economy. Sales of Hungarian chemicals and chemical products nearly doubled from €2.8 billion to €5.4 billion during 2009-2019, registering a growth rate above the EU chemical industry average.

Chemical industry output, including the manufacturing of plastics in their primary forms (organic and inorganic chemicals, fertilizers and other agrochemical products, carnon paints, cosmetics and other consumer chemicals) amount to 6 % of the total manufacturing industry of the country. Hungary is also a leading producer of acryl based carbon fibers.

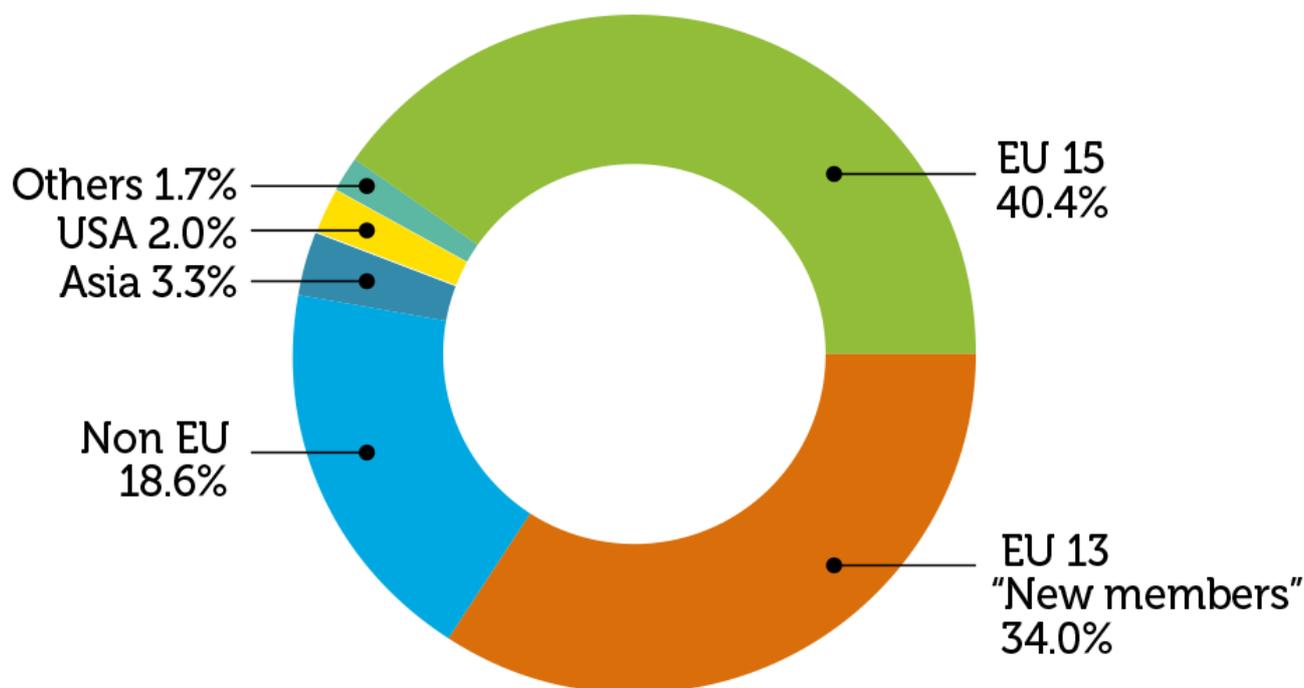


## HOW ARE WE DOING?

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 energy efficiency, 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 agrochemical active ingredients.

The growth is export driven, about 70% (in 2018: 67,8%) of chemical products manufactured in Hungary are exported and sold predominantly in the EU Single Market.

## Hungary chemical industry export markets (NACE 20, 2017)



Largest export markets  
 - Germany  
 - Central European countries

### 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. The market leader companies operate laboratories and research centers. The Research Centre of Natural Sciences of the Hungarian National Academy, and also 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 programs and projects.

### An employer of highly trained workforce

The chemical industry is not a labor intensive branch of the economy, with only 15 thousand highly trained employees – 6,300 white collar and 8,700 black collar workers. It is an important contributor to the GDP of the country, distinguishing itself as one of the knowledge industries of Hungary.

The number of employed increased by 2.1 % in 2018 in comparison with the previous year due to new production facilities with the completion of investment projects in the sector.

## 2017/2018 full time employment (previous year = 100,0)

Blue collar workers	101,1
White collar workers	103,8
Total	102,1

## 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 that provide the necessary background for the operation and development of the chemical industry. For the sector the recent development of intermodal logistic capabilities for the transportation of goods and the ongoing improvement of railways are 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, with significant capacities for agrochemical active ingredients and phosgene production
- Two large companies, each with <€1,5 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
- 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, sound environment for new investments
- Economies of scale, up-to-date technologies and sound environment practices
- Capacity enhanced by investment to meet demand from automotive, electronics, construction industries and agriculture
- A location of choice for serving Hungary, and Central and South-Eastern Europe

### Weaknesses

- Highly dependent on imported feedstock and energy sources

## 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. The teaching of science subjects at all levels of education and the importance of the technical professions are increasingly recognized and emphasized by government policies. At the same time special efforts and programs should be undertaken by both business and government to make natural sciences, and in particular, chemistry and chemical professions more attractive to the younger generations.

### Working together to retain skills

Chemical companies are making considerable efforts to attract young people to the industry. The Hungarian Chemical Industry Association plays an increasingly active, supportive role in this effort. 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 ongoing and further investments in the sector.

Landscape of the European Chemical Industry Website:

<http://www.chemlandscape.cefic.org/country/hungary/>