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BMI In Focus Event: Hungary

New Horizons & Key Opportunities

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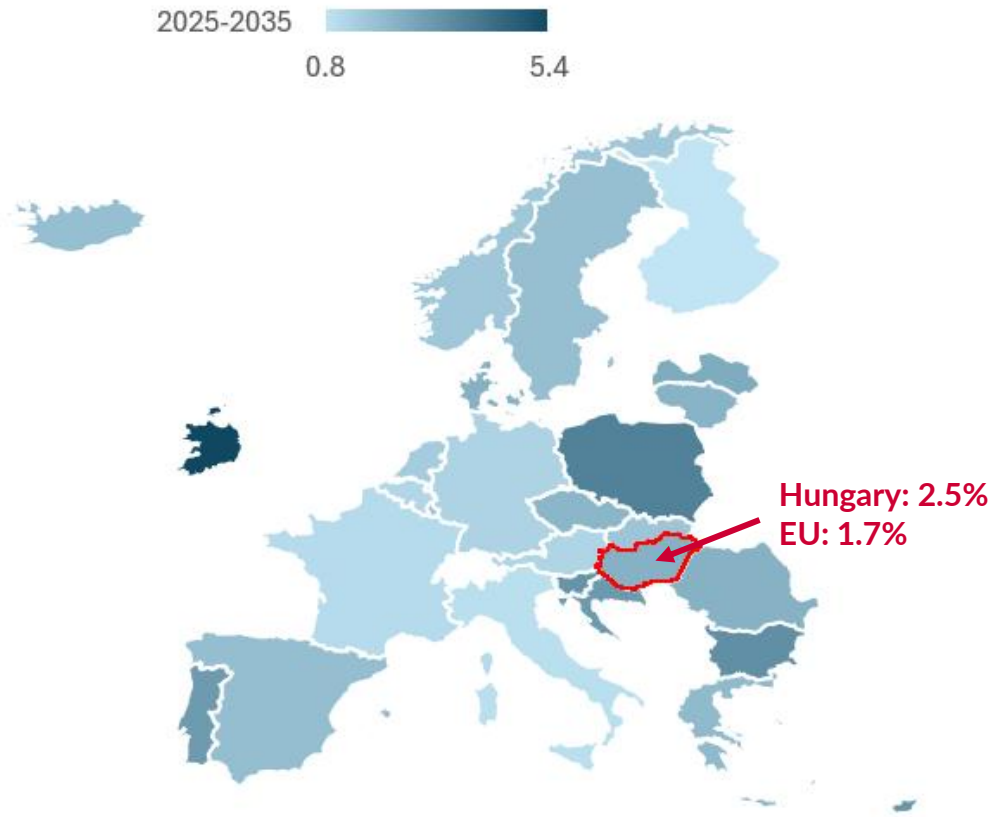
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Regional Growth Outlook: Hungary Is All Set For A Strong Recovery

Hungarian Growth To Exceed That Of The EU

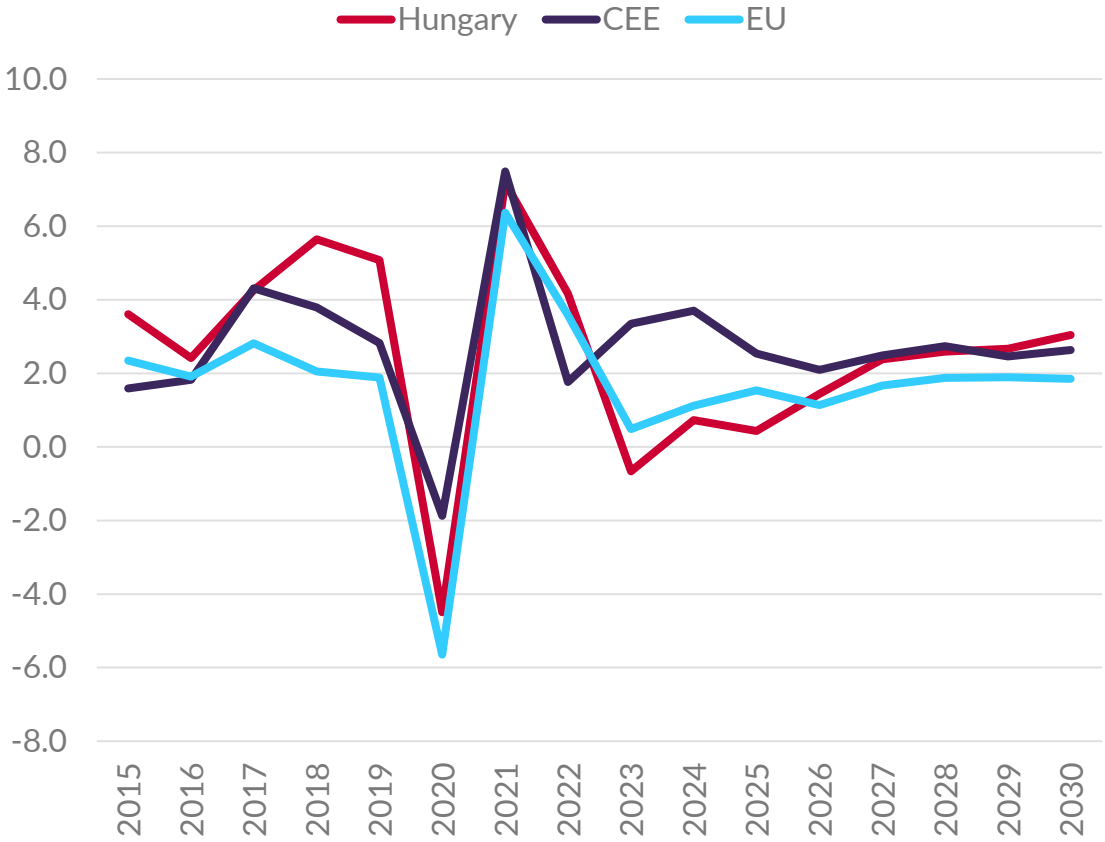
EU- Average Annual Real GDP Growth Over 2025-2030f



f = BMI forecast. Source: Eurostat, BMI

Hungary To Overtake The Region Amid Investment Growth

Selected Geographies - Real GDP Growth, %

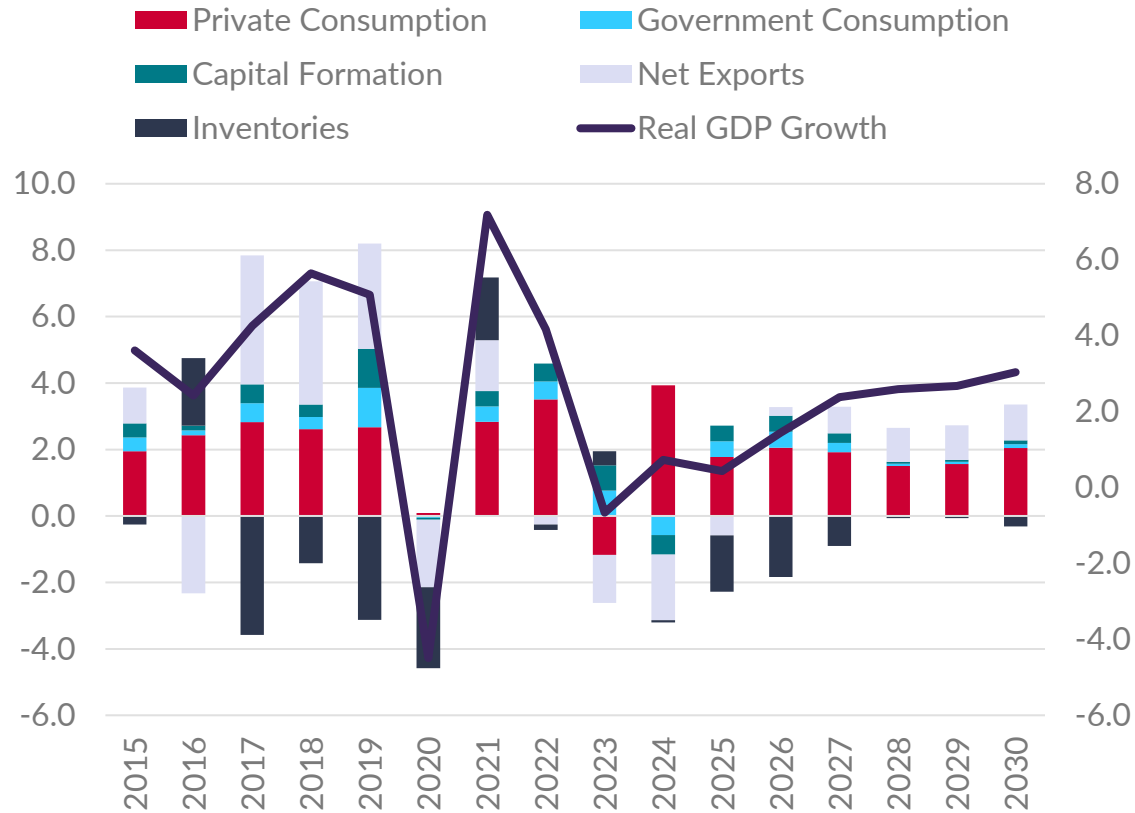


f = BMI forecast. Source: Eurostat, BMI

Macroeconomic Outlook: EU Funding Relief Will Support Growth

Growth On A Steadying Course

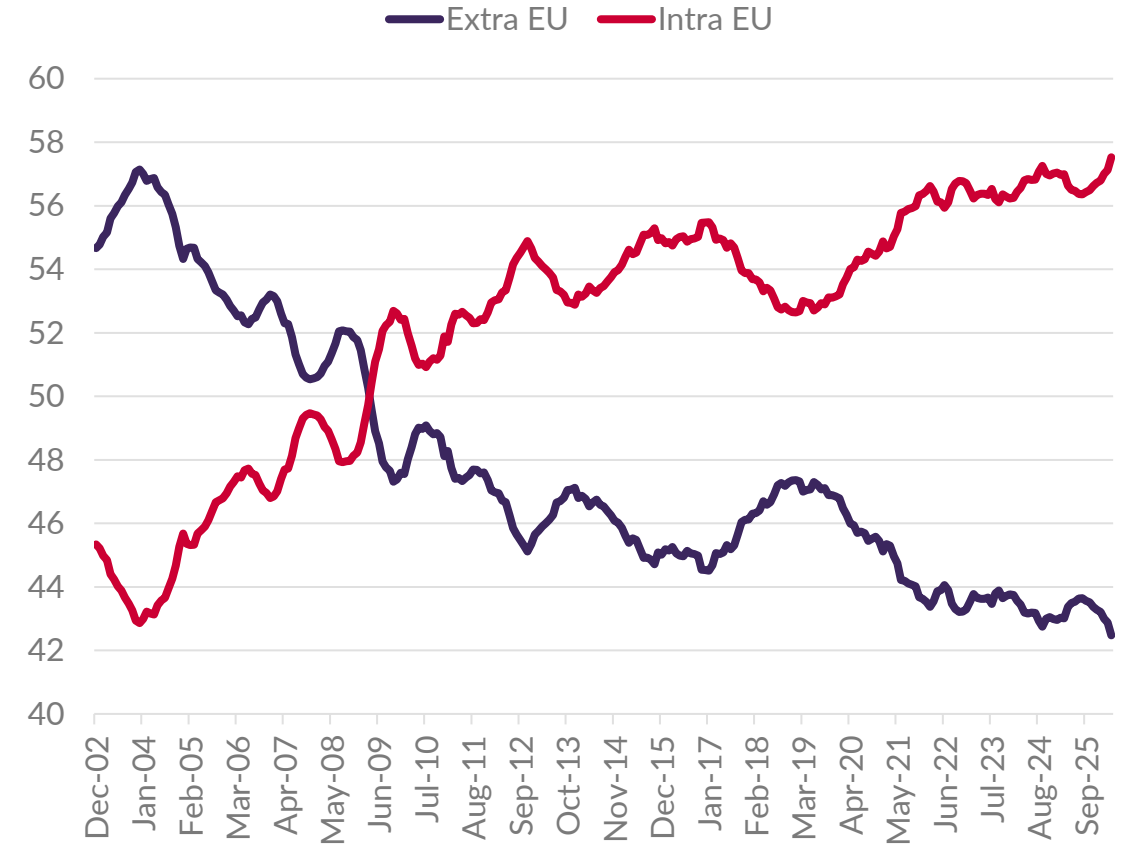
Hungary – Real GDP Growth By Components



f = BMI forecast. Source: Eurostat, BMI

Leveraged Against Intra-EU Trade Protects Hungary

Hungary – Trade Volumes By Blocs, % of Total



f = BMI forecast. Source: Eurostat, BMI



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Trade Analysis: Hungary Exports To A Wide Range Of EU Markets

Hungary Is Integrated In European Supply Chains

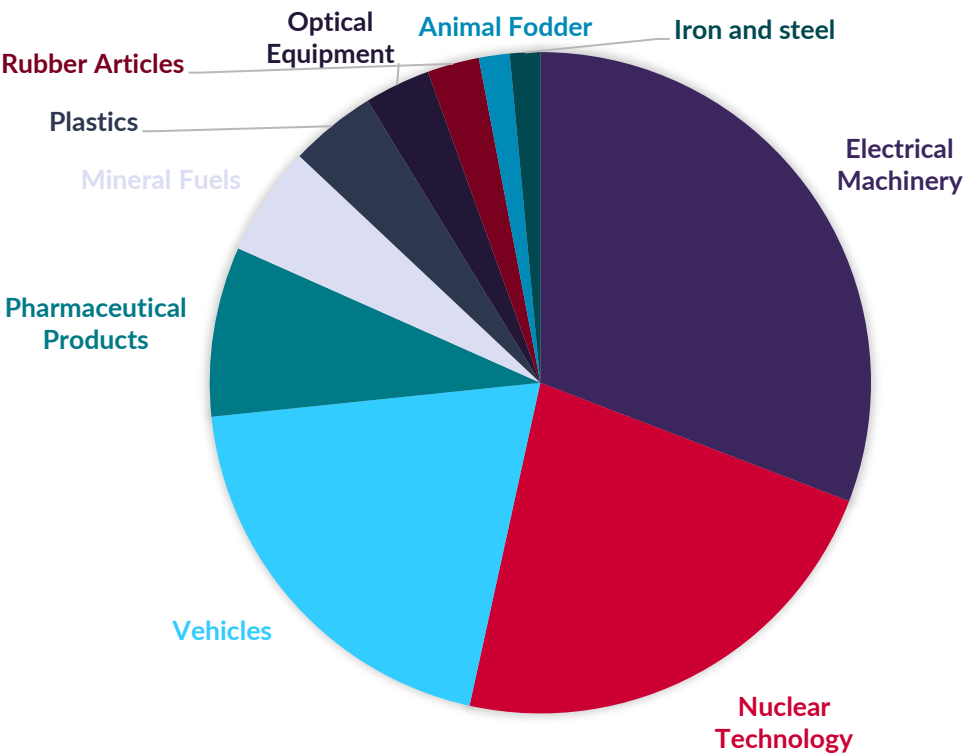
Hungary – Top 15 Goods Trade Partners, USDbn (2024)



Source: TradeMap, BMI

What Hungary Currently Imports

Hungary – Goods Import Breakdown (2024)

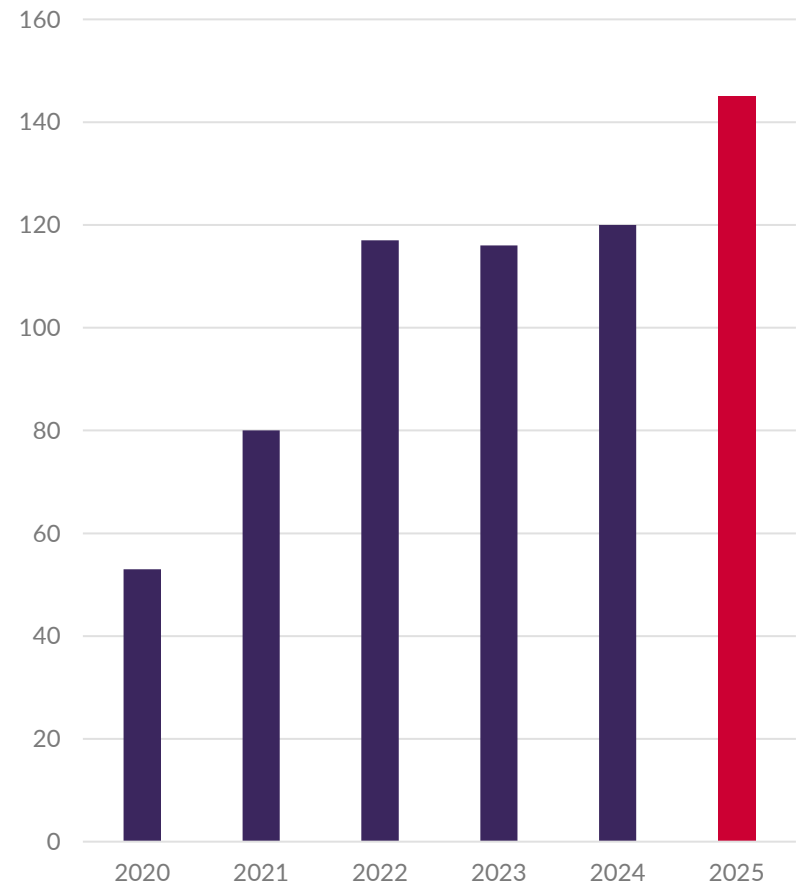


Source: TradeMap, BMI

Dubai-Hungary Synergy

Deepening Trade Ties

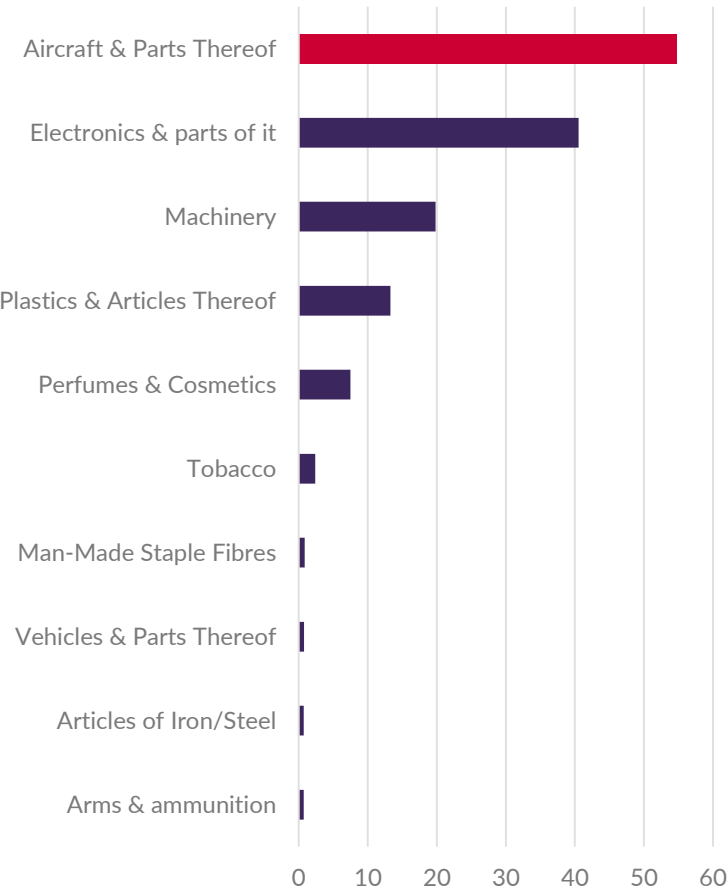
Dubai – Total Non-Oil Exports To Hungary, USDmn



Source: Dubai Chambers – Research and Data Department

Aircraft And Parts A Key Export

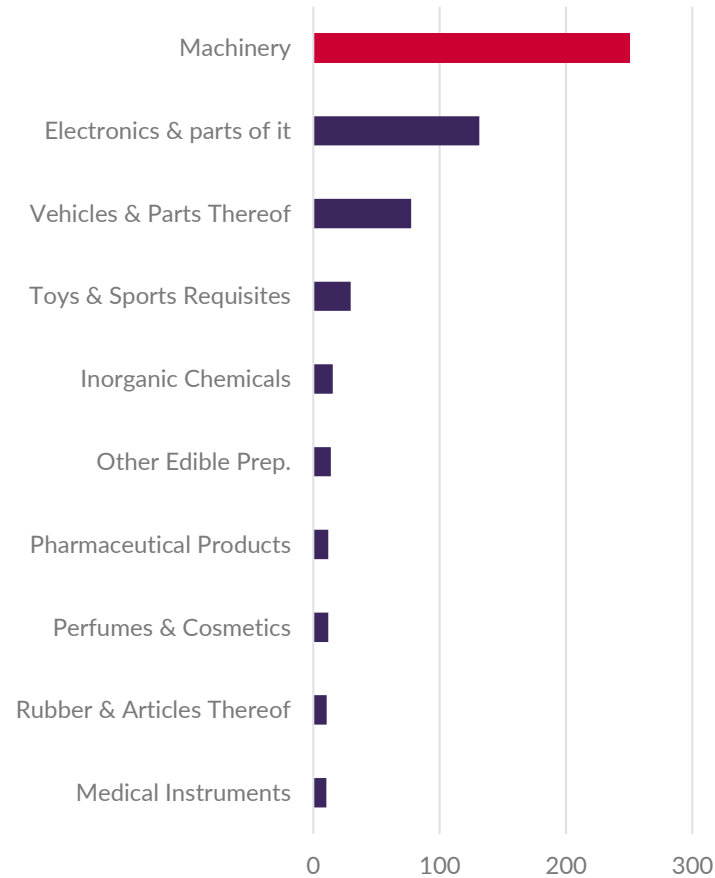
Dubai – Top Exports To Hungary, USDmn (2025)



Source: Dubai Chambers – Research and Data Department

Relatively Diverse Goods Mix

Dubai – Top Imports From Hungary, USDmn (2025)

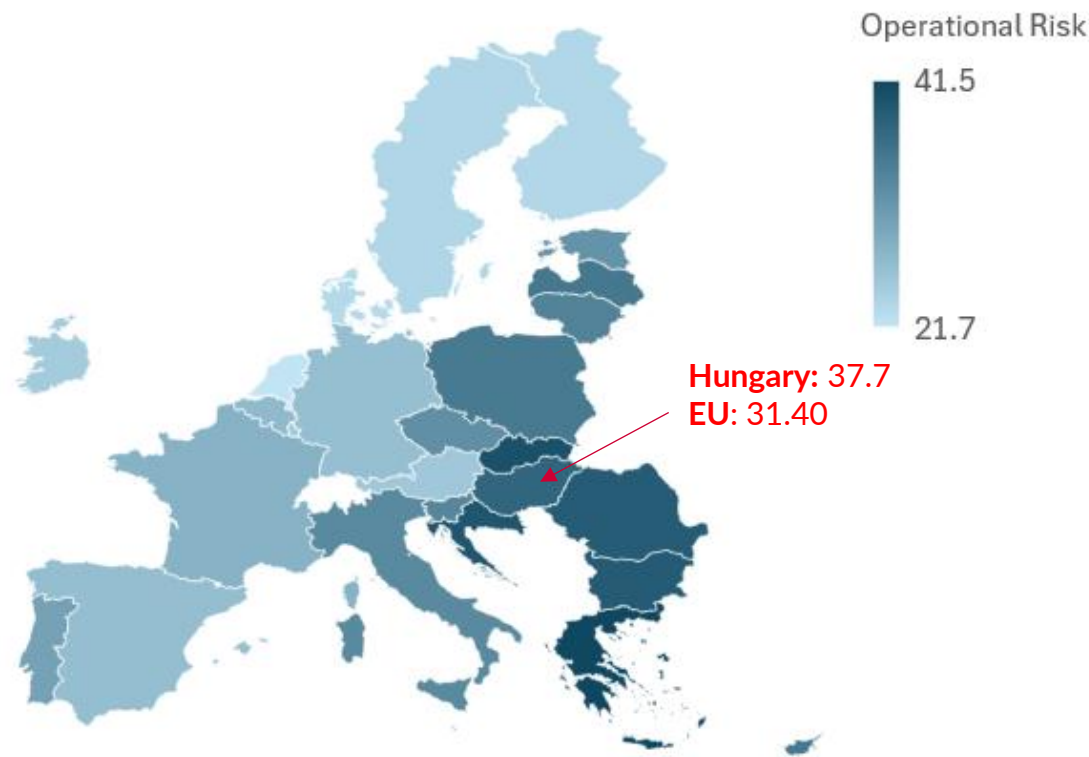


Source: Dubai Chambers – Research and Data Department

Business Environment: Hungary Is At Par With Peers

Hungary Close To The Regional Aggregate

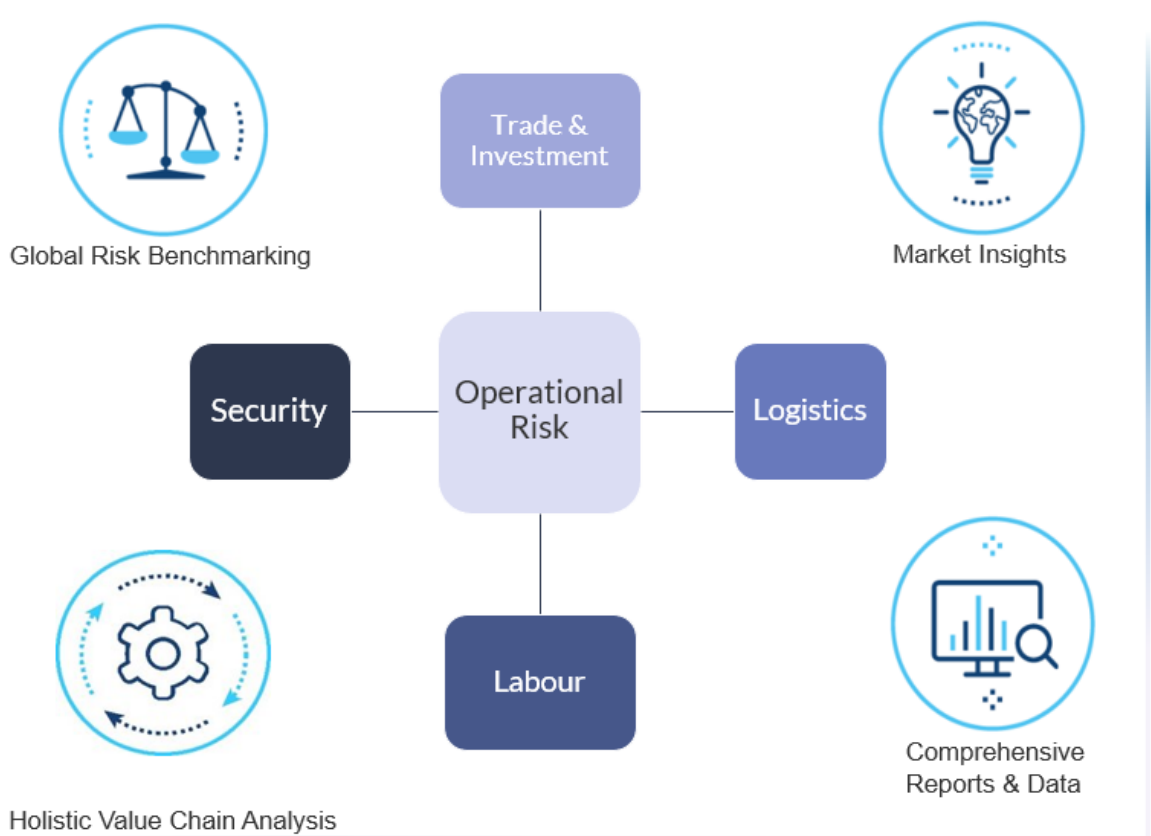
EU- BMI's Operational Risk Index Score



Note: Scores out of 100. Lower score = lower risk. Source: BMI

BMI Operational Risk Index Components

BMI's Operational Risk Methodology & Offering



Source: BMI



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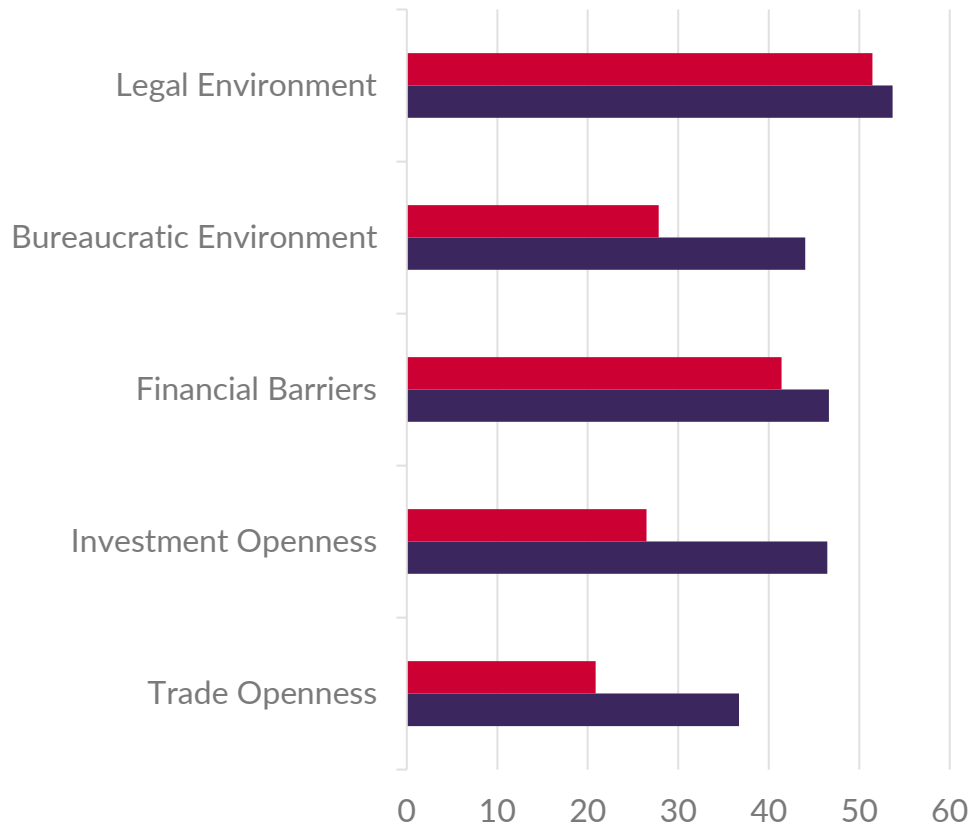
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Business Environment: Substantial Positive Reforms

Better Investment Environment Than Wider Region

Hungary – Trade And Investment Risk Index Components

■ Hungary ■ CEE



Note: Scores out of 100. Lower score = better environment. Source: BMI

Structural Strengths

- The EU's **lowest corporate tax rate at 9.0%**.
- Ranked in the **top 10 of OECD economies in the Tax Foundation's International Tax Competitiveness Index**.
- Qualified labour force with **labour costs below many EU peers**.
- Central location in Europe **with motorway and rail links to both Western and Eastern European markets**.
- EU member since 2004, which supports **the alignment of its legal and regulatory framework with EU standards**.
- The state **offers a range of support measures for investors**, including tax incentives, cash subsidies and state aid, depending on project type, size and location.
- Relatively **strong operational conditions**, with the World Bank's Business Ready 2025 ranking Hungary in the top 20% for Operational Efficiency and in the top 40% for Public Services and Regulatory Framework.
 - This is supported by: **electronic tax filing systems, 20-day process to register a firm and two days for border clearance of goods**.

Complemented By Planned Policy And Rule of Law Changes

- The government recently ended a 4-year long wartime state of emergency, which had allowed policymaking by decree, a move that **should support policy stability, legal certainty and could potentially reduce regulatory risk for businesses**.
- The government **is advancing measures to fight corruption and improve judicial independence**, which could support investor predictability.



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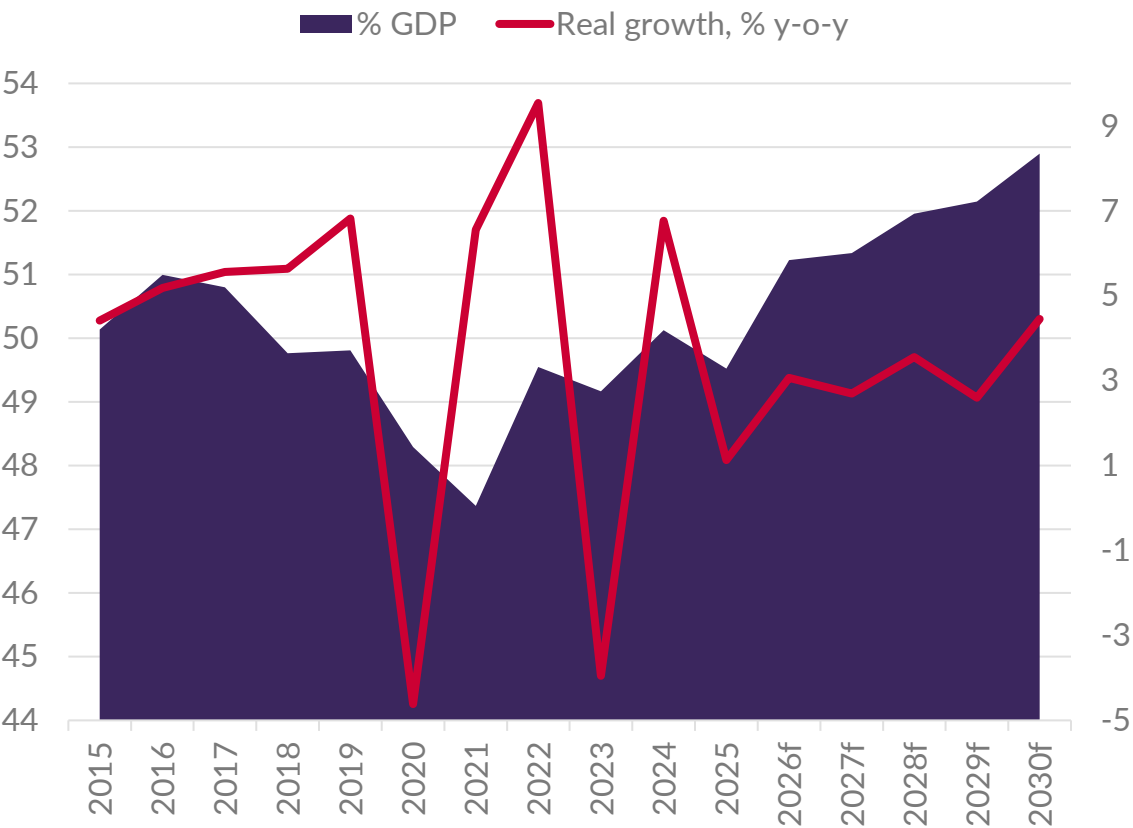
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Key Industries To Watch: Consumer & Retail

Household Spending To Continue Growing...

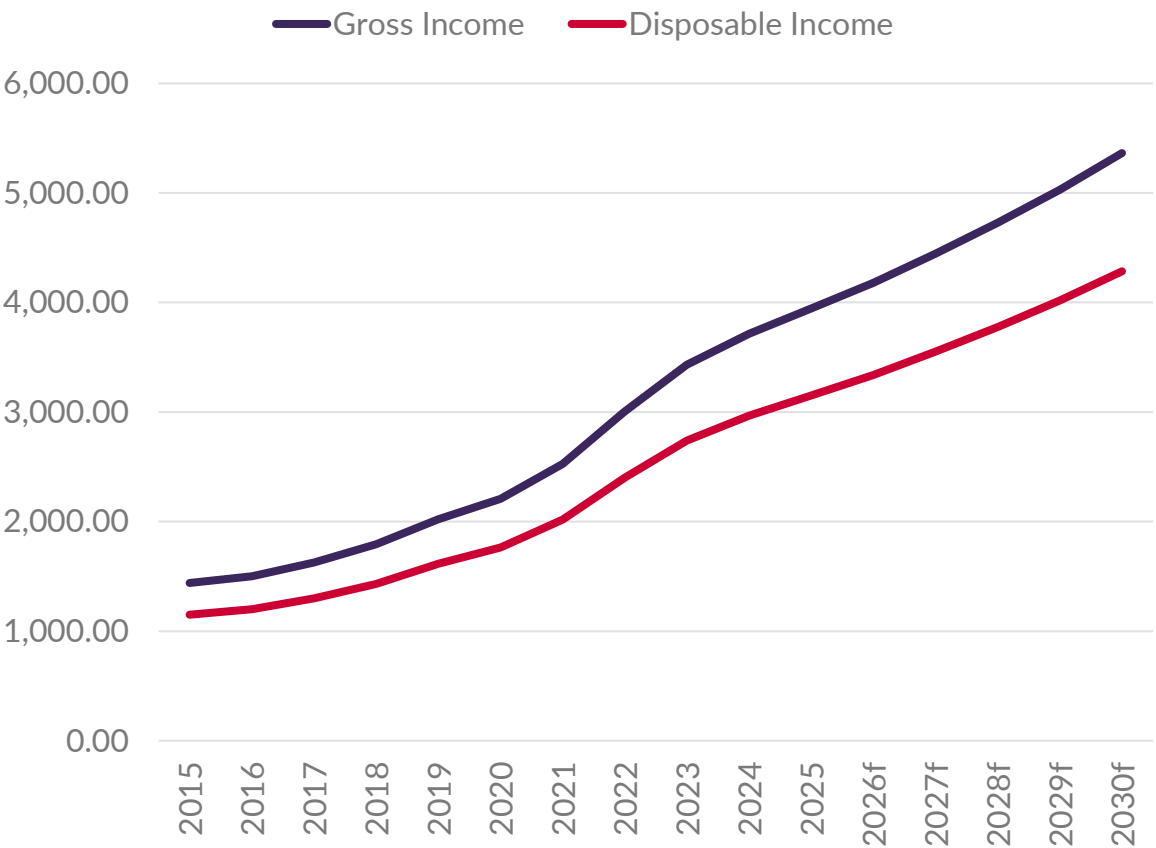
Hungary – Household Spend



e/f = BMI estimate/forecast. Source: Eurostat, BMI

... Fueled By Rising Disposable Incomes

Hungary – Income Per Capita, HUF

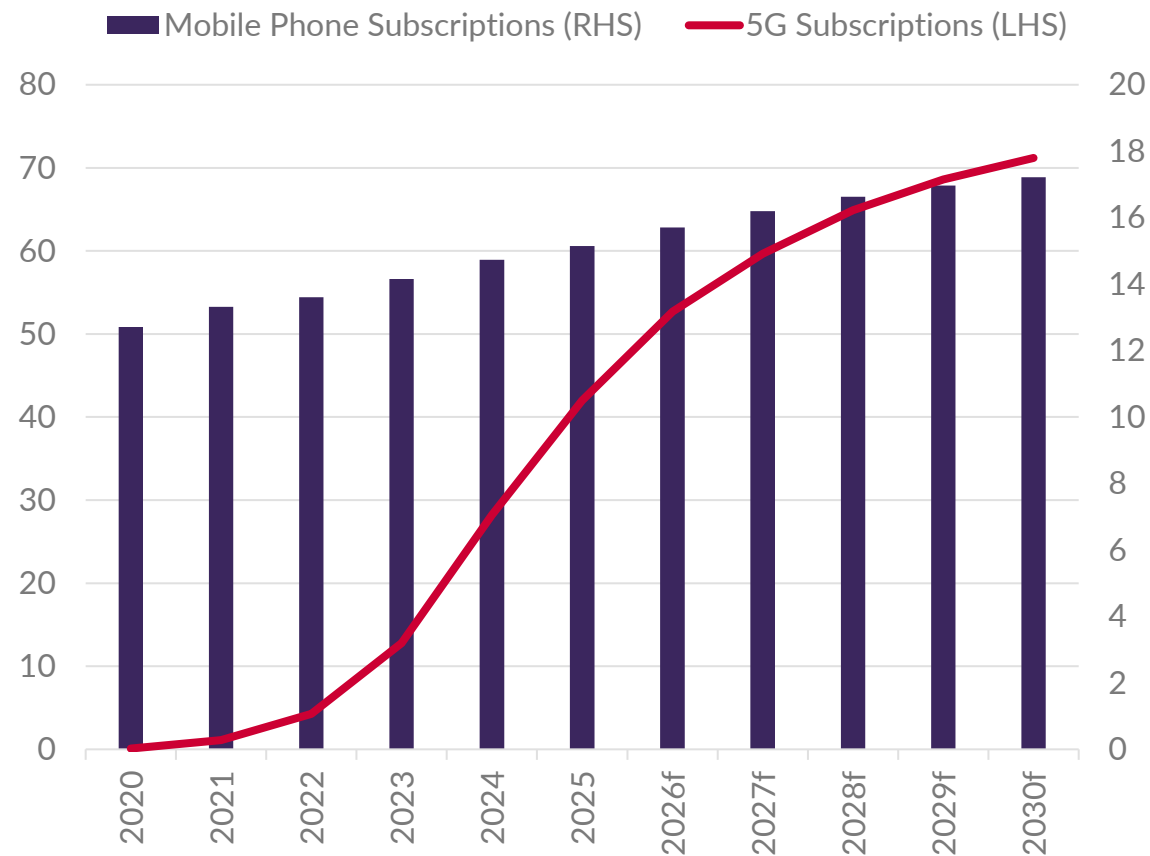


e/f = BMI estimate/forecast. Source: Hungary Central Statistics Office, BMI

Key Industries To Watch: Spotlight On E-Commerce

Increasing Quality Of Digital Access...

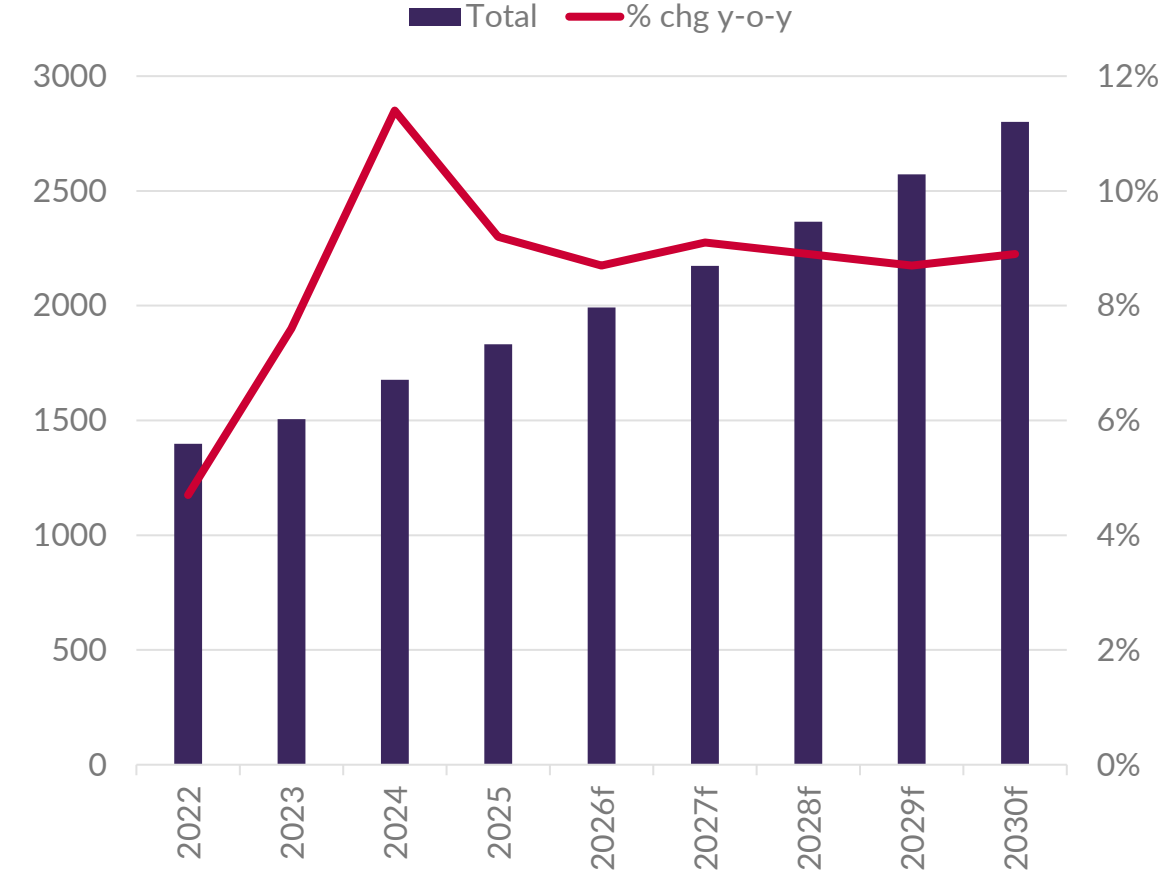
Hungary – Total Mobile Phone Subscriptions & 5G Subscriptions, % of total



e/f = BMI estimate/forecast. Source: Operator results, BMI

To Fuel Continued Growth In Online Spending

Hungary – E-Commerce Spending, HUFbn

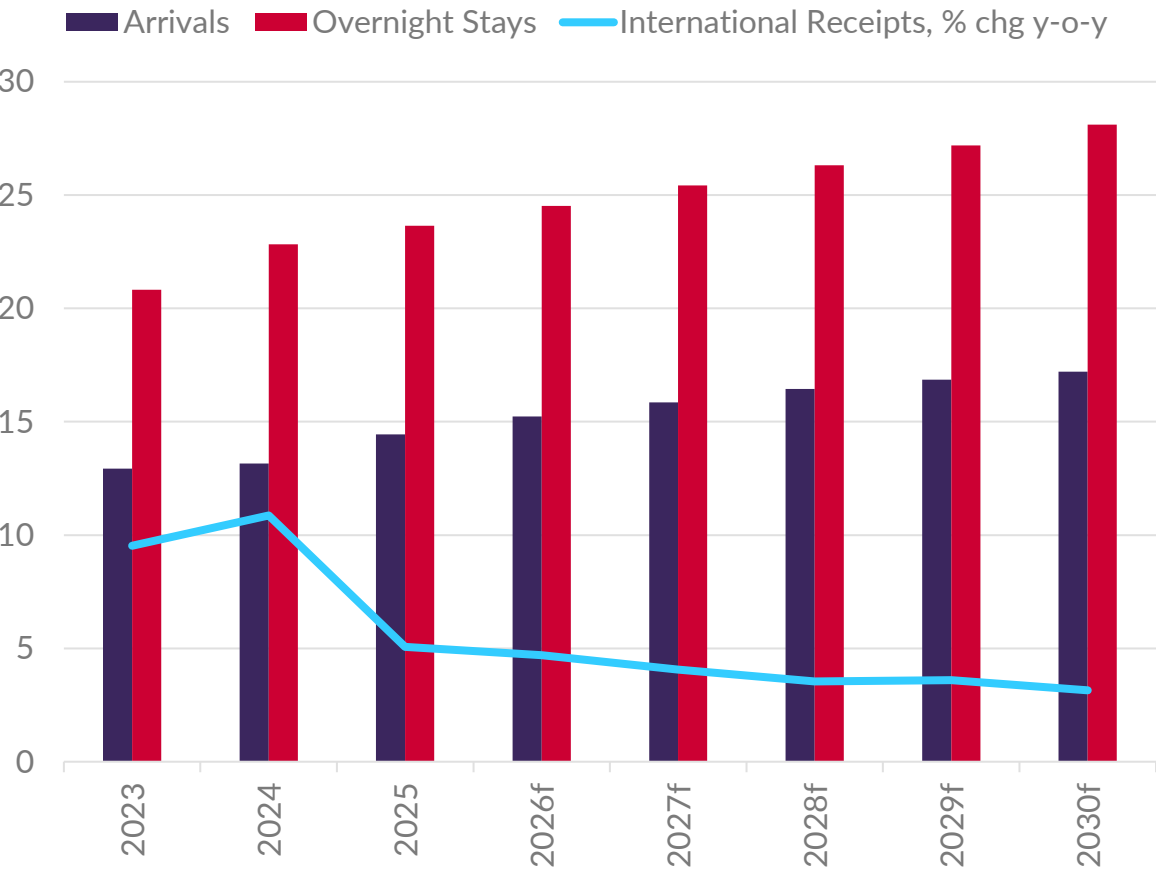


e/f = BMI estimate/forecast. Source: BMI

Key Industries To Watch: Tourism

Solid Prospects In Tourism Industry

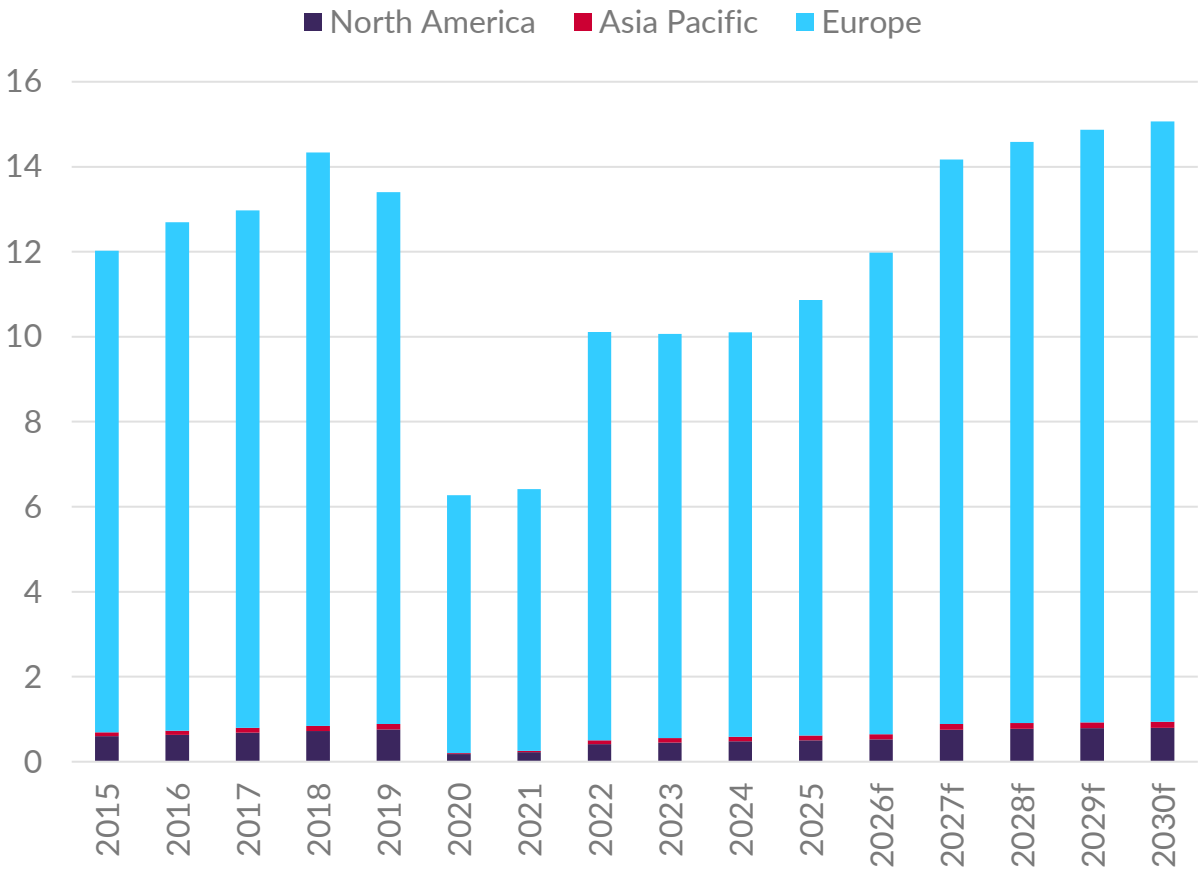
Hungary – Tourism Metrics, mn



e/f = BMI estimate/forecast. Source: National sources, BMI

Europeans To Continue Dominating Arrivals

Hungary – Tourist Arrivals By Regions, mn



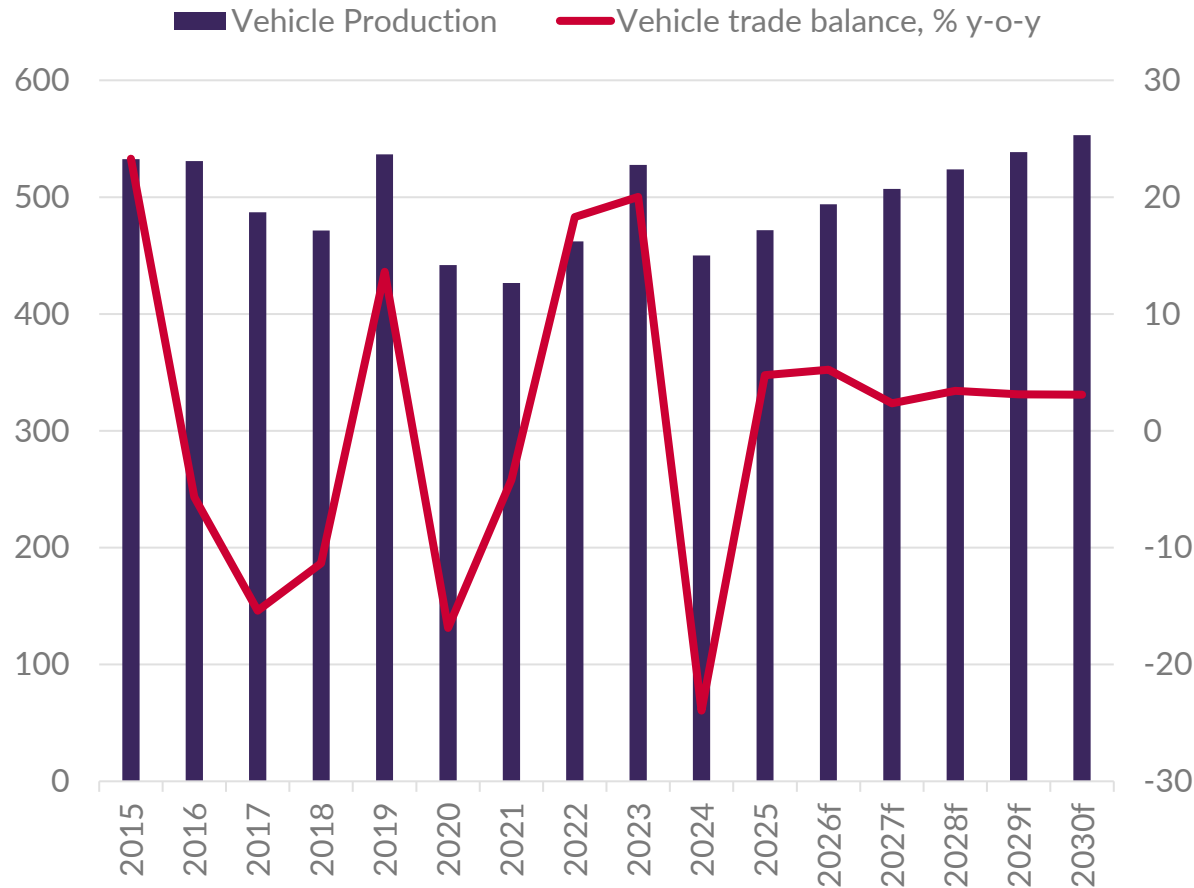
e/f = BMI estimate/forecast. Source: National sources, BMI



Key Industries To Watch: Automotives

Continued Growth In Vehicle Production

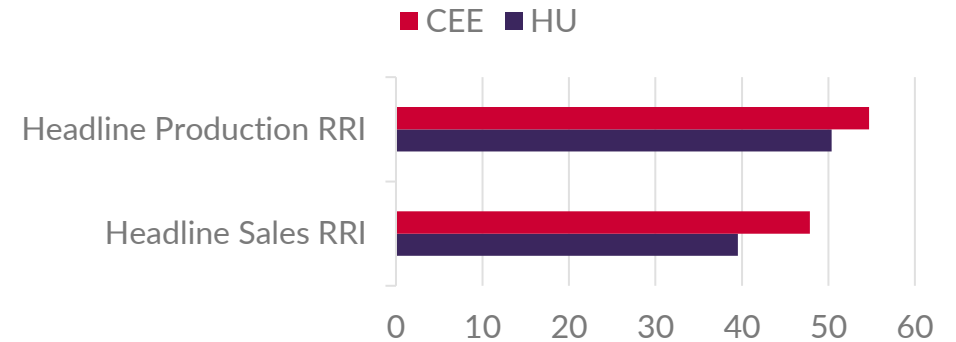
Hungary – Vehicle Production, thousands



e/f = BMI estimate/forecast. Source: KSH, BMI

Lower Industry Risk Than Wider Region

Hungary – Automotive Industry Headline Risk/ Reward Index



Note: Scores out of 100. Lower score = lower risk. Source: BMI

- **Scale:** 700+ automotive companies, only country besides Germany to host production units of Europe's 3 premium car manufacturers.
- **Innovation:** autonomous and electric vehicle testing supported by the 265 ha ZalaZone test environment and public-road AV testing.
- **Talent:** 57,000 automotive-related tertiary students, 78,000 vocational students, and an automotive workforce equal to about 3.5% of national employment.



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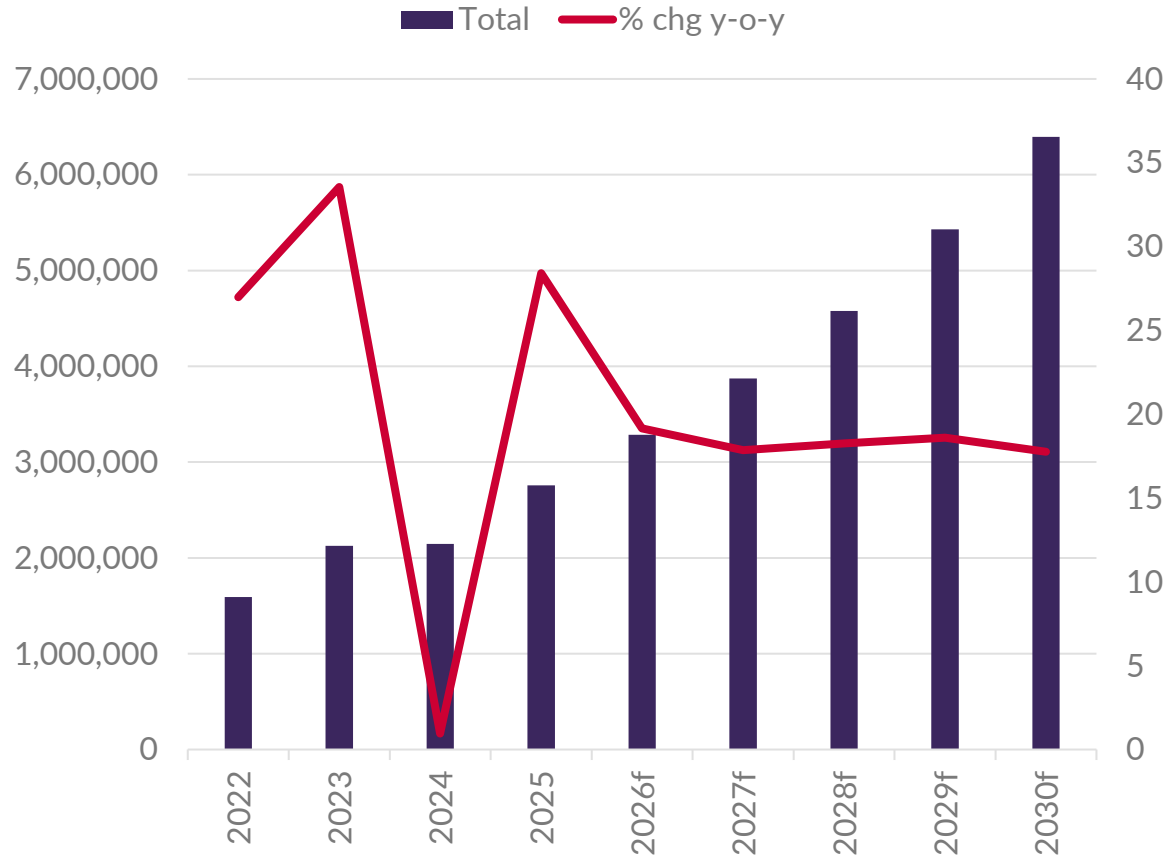
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Key Industries To Watch: Batteries

Demand For Battery EVs To Remain Strong In Europe

Europe – Battery Electric Vehicle Sales



Source: Official sources, BMI

An Emerging EV Battery Powerhouse

- **Ambitions:** Aims to reach 300+ GWh battery cell manufacturing capacity by 2030, placing it amongst the top 5 globally for cell manufacturing capacity.
- **Full Battery Value Chain Already Present:** Components, cell, module, pack, and recycling.
- **Investment Footprint:** ~EUR27bn in FDI, with 60+ projects realized by 40+ companies.

City Spotlight: Debrecen

- 1500+ ha of industrial parkland
- More than HUF10bn in infrastructure spending from state, EU and city funds, with more support underway.
- Battery producers include EVE and CATL



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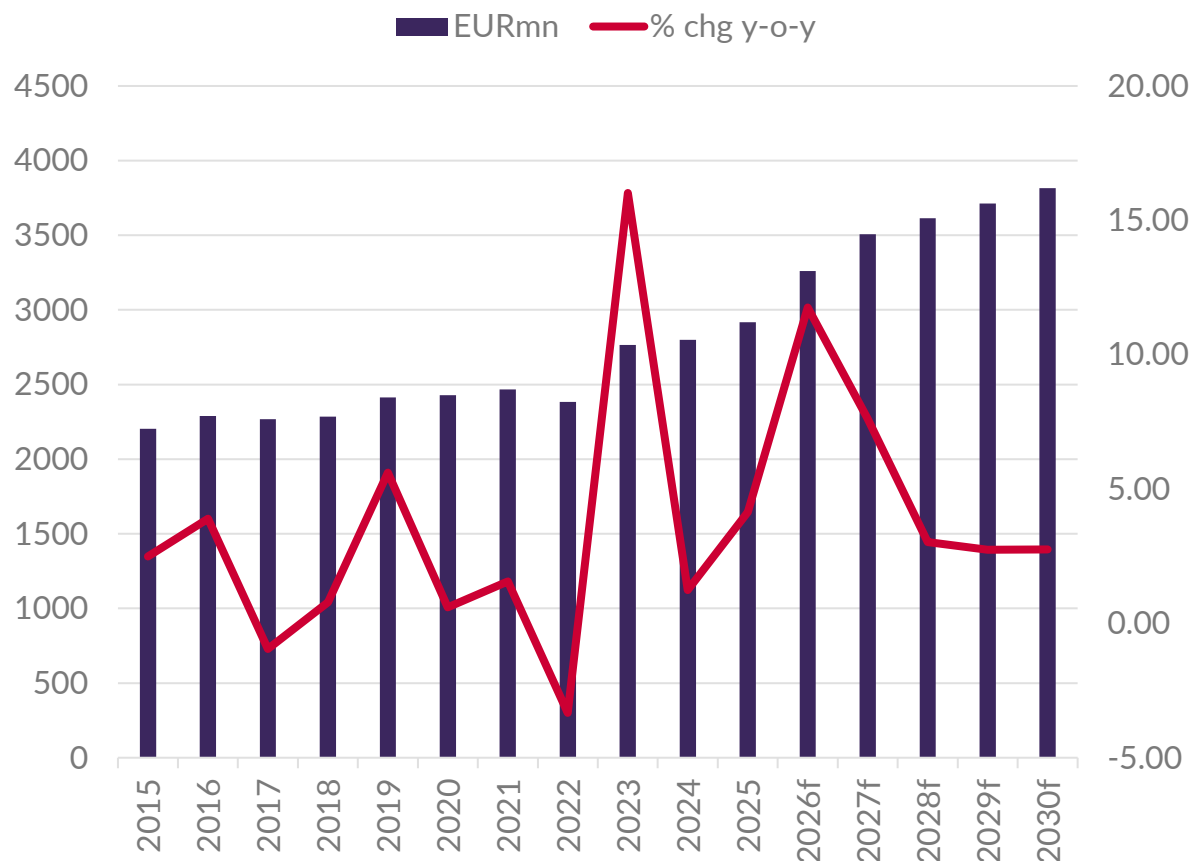
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Key Industries To Watch: Healthcare & Pharmaceuticals

Pharmaceutical Sales To Continue Growing

Hungary – Pharmaceutical Sales



e/f = BMI estimate/forecast. Source: BMI

An Attractive Investment Destination:

- Boasts 80+ pharma companies and 27,000+ employees in pharma production.
- All top 10 global drug and biotech companies have manufacturing/ R&D activities in Hungary.
- EUR6.6bn life sciences FDI stock.

Key Strengths:

- **Robust talent base:** 14 universities serving 28,700 life sciences students, with university collaboration through 4 science parks.
- **Solid innovation base:** about 300 innovative biotech and medtech SMEs and startups.
- **Strong innovation activity:**
 - 51% of pharma companies undertake innovation activities,
 - 37% of patents in force are pharmaceutical patents,
 - ~300 clinical trials registered annually.



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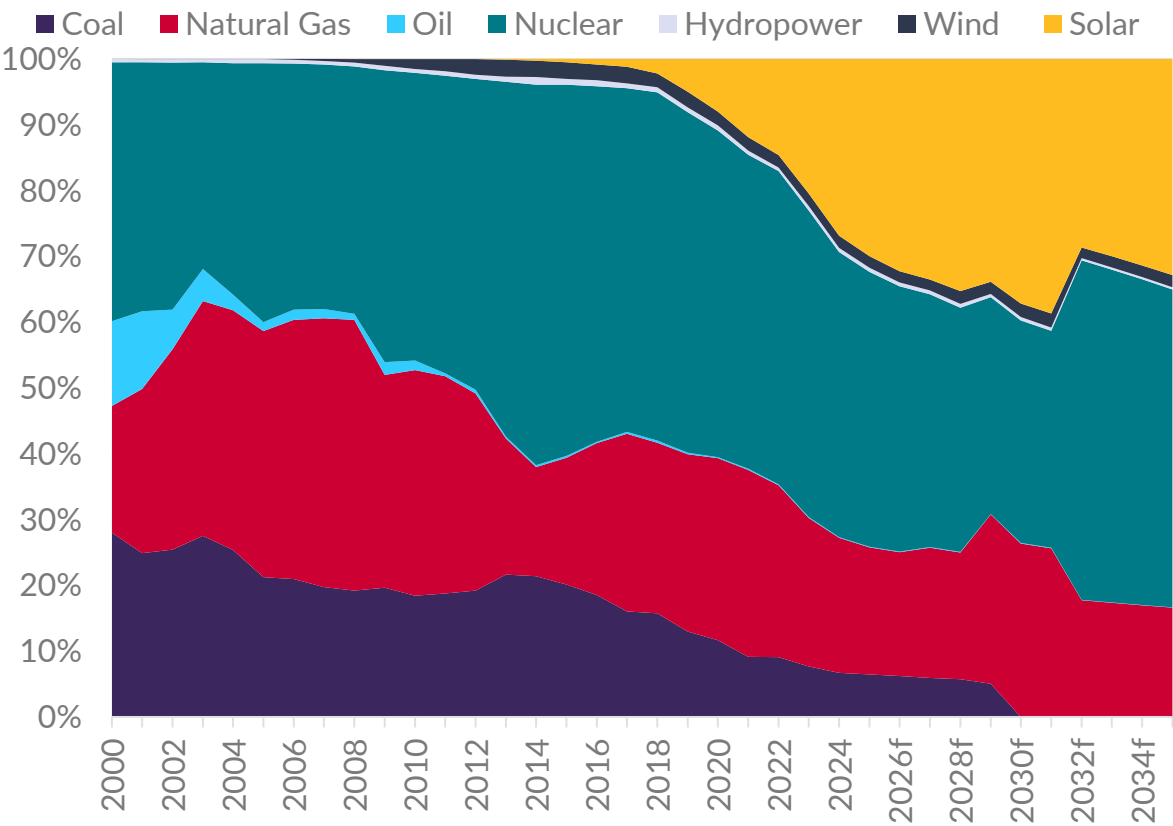
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Key Industries To Watch: Power & Renewables

Hungary's Solar Capacity Will Continue To Rise On Successful Policy Support Schemes

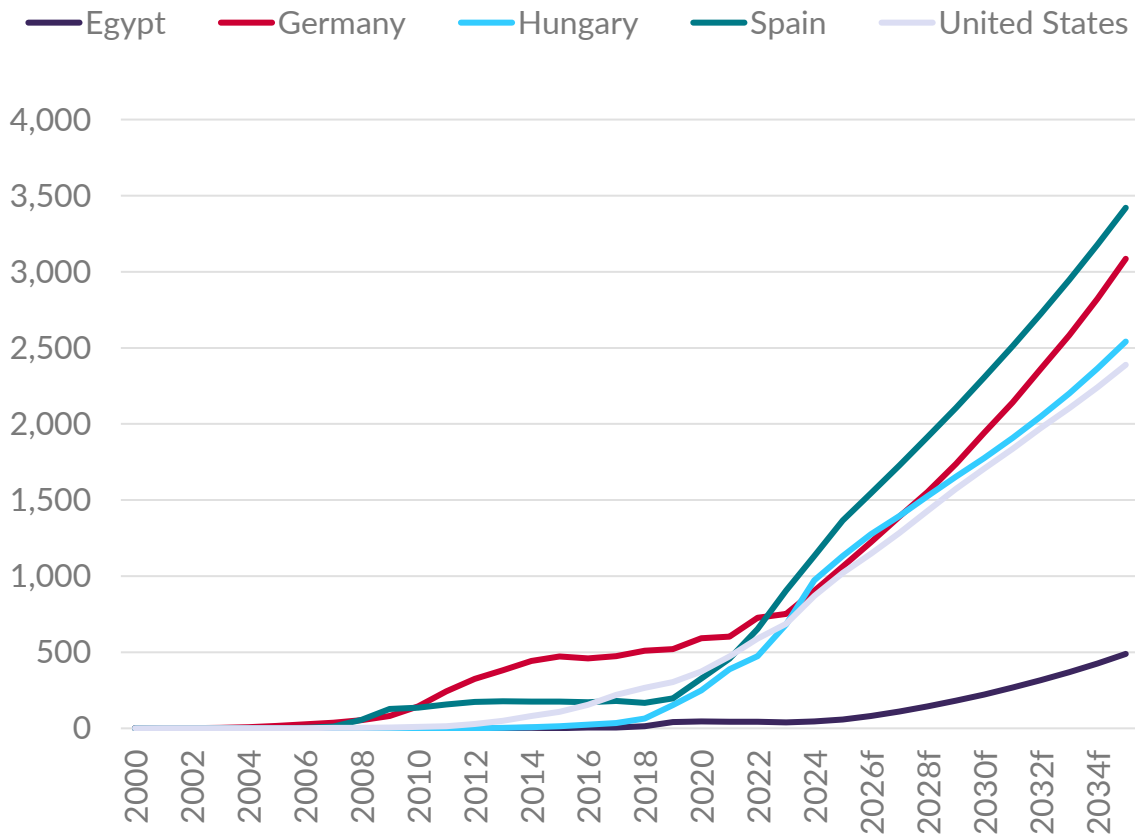
Hungary - Forecasted Share of Power Mix by Generation Type, TWh



e/f = BMI estimate/forecast. Source: EIA, national sources, BMI

Solar Sector To Grow Strongly Amid Policy Support

Select Countries- Solar PV generation, kWh/cap



e/f = BMI estimate/forecast. Source: EIA, national sources, BMI



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Q&A

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