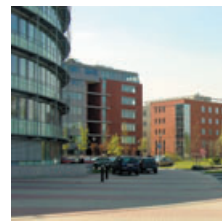
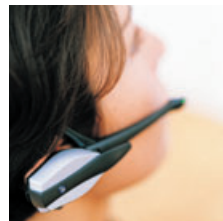
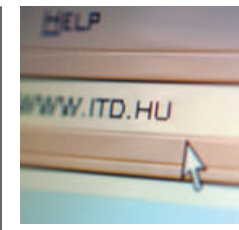


The ICT sector in Hungary Converging on success



ITD
HUNGARY

Hungary, an outstanding business location for ICT companies

Located in the heart of Europe, Hungary is the perfect place for investors seeking to expand their operations in Central and Eastern Europe. In Hungary, your company will find a highly skilled, creative, motivated, flexible and hard-working workforce with one of the highest productivity rates in the region. Long-term political and economic stability reflects the country's successful transition to a modern market economy and, thanks to EU accession, investors settling in Hungary have access to a market of 493 million people. Scores of multinational companies have based their manufacturing and service operations and, in some cases, European headquarters and R&D centres in Hungary, bringing some EUR 70 billion in foreign direct investment over the years. Hungary is a land of creativity, with information and communications technology undoubtedly one of the main drivers of innovation and economic growth. Many IT companies with long track records in Hungary have also begun relocating research and development activities here, including HP-Compaq, Nokia, Siemens, Ericsson and SAP.

Characteristics of the Hungarian ICT sector

According to WITSA (World Information Technology and Services Alliance), the total value of the ICT market in Europe was EUR 785.7 billion in 2007, representing 6% of total GDP. The IT market (hardware, software and services) accounted for EUR 355.3 billion, while the value of the telecommunications market totalled EUR 435.6 billion.

Hungary ranks top for per capita ICT expenditure and ICT expenditure as a percentage of GDP in the region. The Hungarian ICT market has also shown strong growth in recent years. Between 2003 and 2007, the average annual growth rate was 6.5%, well above the EU average of 2.6%. Today, the Hungarian ICT market represents 12.8% of the CEE total with sales reaching EUR 5.9 billion in 2007 – 46% higher than in 2003. The ICT market is expected to grow further at a steady pace of around 4.5-5% in the coming years.

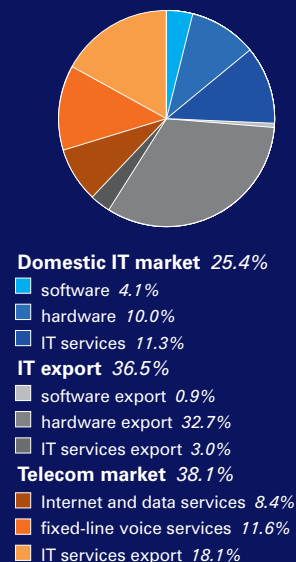
The IT market in Hungary grew 8.8% year-on-year in 2007 to reach a value of EUR 1,983 million. Hardware accounted for 49.7% of the total, while software had a 20.2% share and IT services made up the remaining 30.1%. IDC expects IT spending in Hungary to rise at a compound annual growth rate (CAGR) of 7.4% over the five-year forecast period to total EUR 2,840 million in 2012.



Hungarians who have changed the ICT industry

ICT enjoys a remarkable tradition in Hungary – many Hungarian scientists and engineers have left an indelible mark on information technology and computer programming. **János Neumann** (later known outside Hungary as John von Neumann) began his career in Budapest before working on the Neumann architecture used in virtually all computer systems. The operational principles of the IAS Computer he created in 1951 still determine the way a PC works today. Another Hungarian-born scientist, **John G. Kemeny**, was the man behind the user-friendly BASIC programming language. The predecessor of the 3.5" floppy disk was invented and developed in the Radio Technology Factory in Budapest by **Marcell János**. In terms of technology, that 3" cartridge-type disk barely differed from the ubiquitous 3.5" disk that emerged later.

Distribution of ICT Spending, 2007



Source: IDC, 2008

Why Hungary?

Following in the footsteps of these pioneers, Hungarian companies are successfully blazing new trails in a variety of ICT niches:

CAD/CAM design – Graphisoft

- the world's leading developer of Virtual Building™ solutions including object-based three-dimensional modelling, building simulation and collaborative architecture
- ArchiCAD® is an object-oriented and fully integrated 2D/3D CAD solution sold in 80 countries in 22 languages, and used by over 100,000 professionals worldwide
- launched the world's first 5D virtual construction solution

Character recognition – Recognita

- applications to recognise special characters, such as accents specific to various languages, Recognita is among the worldwide market leaders in optical character recognition (OCR) software

Language Technology – MorphoLogic

- creation of the Hungarian spell-checking module
- product range includes proofing tools, search and recognition support tools as well as electronic dictionaries, machine translation programmes and a wide range of linguistic analysis tools
- XML and localization services developed for electronic and dictionary publishing

IT security, data protection – Kürt

- unique, top-level security technology
- data recovery from heavily damaged magnetic disks, even those burnt or partially destroyed

Anti-virus protection – VirusBuster

- anti-virus and other IT security solutions including workstation, server and mail server protection, as well as anti-virus management systems for the most commonly used platforms
- products have won several international awards

Software development for mobile communications – ITware

- SMS application platform providing flexible bulk text messaging and premium SMS services via a fully functional Web interface
- fleet management system for transportation companies

Embedded mobile applications – Cellum (formerly Enigma)

- unique, cutting-edge architecture to make secure transactions over the GSM network
- support for mobile banking, mobile signature/authentication and payment of tolls, parking and utility bills

E-identification and secure collaboration platforms – E-GROUP

- e-identification and authentication (mobile as well as non-mobile), strong e-identities (PKI- and non-PKI-based, wireless-PKI and digital signatures), NFC (Near Field Communication), RFID, smartcards, and industry-specific transaction and document workflow/DRM solutions, including payment systems

Digital filmmaking and colouring – Colorfront

- market leader in colour correction software (now fully owned by Autodesk Inc.)

There are several factors that make Hungary the ideal location for service sector investments:

- A talented, creative, flexible and highly qualified labour pool
- Professional, technical and foreign language skills
- Outstanding business infrastructure in terms of telecommunications, power supply and office space
- Central location – a genuine business centre in the heart of Europe
- Competitive labour costs combined with high productivity
- Attractive incentives and supportive government
- Outstanding quality of life

Why invest in the Hungarian ICT sector?

- Outstanding growth rate in recent years
- Internationally high per capita expenditure on IT
- Booming segments, fast-growing software market
- Highly skilled, cost-effective workforce
- Continuous expansion of large multinational ICT companies into Hungary, many of which are relocating R&D activities
- Favourable policy environment

Why work with Hungarian software specialists?

- Hungarian scientists have played major roles in the development of information technology
- Students receive excellent mathematical and IT education
- Hungarian IT experts consistently prove themselves on the international stage
- Hungarian employees are creative and willing to work
- Hungarians are highly motivated

Major ICT sub-sectors

Hardware production

Hungary has grown into one of the major players in hardware production in Central and Eastern Europe and leads the region for computer assembly and communications equipment manufacture. In 2007, the sector accounted for 18.43% of manufacturing output, 26.5% of total manufacturing exports and 11% of industrial employment (Hungarian Central Statistical Office). The value of computer production was EUR 2.56 billion, while communications equipment manufacturing was worth EUR 11.41 billion. Sales of desktops, notebooks and accessories were estimated at around EUR 695 million in 2007 and are expected to grow at a compound annual growth rate (CAGR) of 6% to reach EUR 900 million by 2012. Laptop sales are growing rapidly, with Acer doubling its sales in Hungary to 73,000 units last year, totalling roughly 40% of the 200,000 total volume. In the same period, desktop sales fell by 20%.

Hardware sales are expected to increase by a further 6% in 2008, boosting the growth of the IT sector as a whole. Key market drivers will include FDI in IT outsourcing, EU market regulations, and increased demand from SMEs stimulated by EU structural funding.

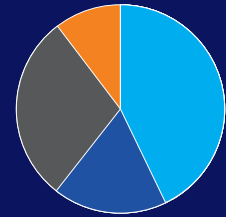
PC penetration in Hungary has been improving steadily in recent years and reached 54% of homes by the end of 2007. Some 1.5 million homes or around 3.8 million people are hooked up to the Internet (87% of them on broadband), and Web use at educational institutions and Internet cafés is widespread.

Software production

The Hungarian software market grew by almost 10% and reached EUR 350 million in 2007. The CAGR is forecast at around 8.2% for 2007-2009 (EITO 2008), making this the fastest growing IT segment in Hungary. According to BMI (2007), the compound annual growth rate will reach 11% between 2003-2010.

Operating systems and system-level software accounted for around a fifth of the market, with their share of the total growing by 0.2 percentage points as compared with 2006. System and network management and storage software ranked second with 11.1%, followed by business applications on 9.9%. The largest annual growth rates came in business intelligence, including document and content management and workflow systems, and development and integration tools and CRM applications, achieving 11% and 18% growth respectively. For the first time in many years, license sales in 2007 fell in the dominant sectors of the software industry. These sectors were data and database management software, enterprise resource planning systems and business software (Source: IDC 2008).

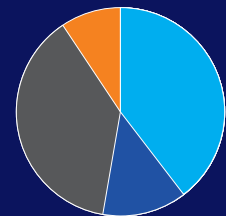
Breakdown of hardware spending in 2007
Total: HUF 231 billion



- Client/desktop hardware 42.9%
- Server/data centre hardware 17.7%
- Network devices and IT security hardware 29.1%
- Other hardware 10.3%

Source: IVSZ IT industry research, 2008

Breakdown of software spending in 2007
Total: HUF 95 billion



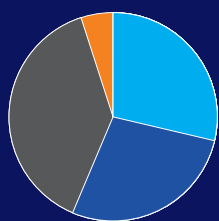
- Systems infrastructure software 39.5%
- Application development and implementation tools 13.3%
- Business applications 37.8%
- Other software 9.4%

Source: IVSZ IT industry research, 2008

Software exports by technology segment in 2007

- Operating systems and system-level software
- System and network monitoring and storage software
- IT security software
- Development and integration tools
- Data management software
- Business intelligence
- Business applications
- ERP systems
- Vertical applications, production planning and management
- CRM applications
- Mapping solutions
- Document, content and workflow management systems
- Other software
- Total**

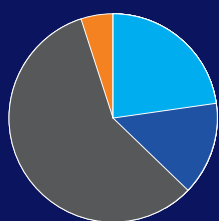
Breakdown of IT services spending in 2007 – hardware
Total: HUF 87 billion



- Client/desktop hardware 28.8%
- Server/data centre hardware 27.5%
- Network devices and IT security hardware 38.7%
- Other hardware 5.0%

Source: IMSZ IT industry research, 2008

Breakdown of IT services spending in 2007 – software
Total: HUF 136 billion



- Systems infrastructure software 22.7%
- Application development and implementation tools 14.7%
- Business applications 57.6%
- Other software 5.1%

Source: IMSZ IT industry research, 2008

HUF million	%	Annual growth
629	3.2	54.3
3,095	15.9	94.9
1,231	6.3	53.0
1,074	5.5	361.5
590	3.0	44.3
172	0.9	113.6
125	0.6	-16.6
763	3.9	49.6
3,204	16.5	65.6
712	3.7	115.0
110	0.6	29.3
781	4.0	-57.9
6,963	35.8	33.9
19,451	100.0	43.1

Source: IMSZ IT industry research, 2008

IT services

The Hungarian IT services market is expected to expand to EUR 802 million by 2009, up from EUR 659 million in 2007. As the market matures, services will comprise more than 40% of the total market.

In 2007, the Hungarian market for hardware maintenance services recorded a 7.4% increase and reached around EUR 131 million. As in previous years, sub-contracting remained a common strategy for hardware vendors, allowing them to benefit from the competitive pricing of local players. In the next few years, externalisation of support tasks, as well as falling prices, will affect the growth of this market – a 5.5% CAGR is estimated for this segment between 2007-2009, as against 10.3% for the total IT services market.

With an estimated value of EUR 399 million in 2007, the project services segment represents the largest share of the Hungarian IT services market at nearly 60%. For the 2007-2009 period, the Hungarian project services market is expected to grow at a 10.7% CAGR, predominantly driven by projects in local and central administration related to EU issues and by ERP implementations in the SME sector. (EITO 2008)

IT Outsourcing

This sector is relatively well developed in Hungary. The outsourcing market showed robust growth of 11.4% in 2007, reaching EUR 100 million. (IDC, 2008). The end-to-end IT outsourcing sector is highly concentrated with the top ten market players accounting for almost 80% of the market, although market concentration is falling largely thanks to entrants to the application hosting market. Furthermore, captive outsourcing is gaining more and more ground in Hungary, especially in the telecommunications sector.

Telecommunications

End-user spending in the telecommunications market in Hungary reached EUR 3.5 billion in 2007. This is almost 2% down on the previous year, a fall largely attributable to the contraction of the voice market. While fixed-line voice communications have fallen steadily in recent years, the market for mobile voice services also fell slightly in 2007. All key indicators show a contraction of the fixed-line voice market in Hungary, including market value and subscriber numbers. This is primarily due to the switch from fixed-line to mobile calls, whereby consumers are cancelling their fixed-line subscriptions in favour of mobile services. The growth of new technologies and services is also producing an increasingly competitive environment.

Telecommunications providers are entering the television market, while cable operators are offering telephone services. Mobile data solutions, such as 3G coverage, also allow mobile carriers to offer television services. These new technologies are having a fundamental effect on the Hungarian telecommunications market.

The market for IP-based voice services is growing rapidly in Hungary. Cable providers in particular have embraced VoIP as a means of competing in the voice market. Provision of VoIP in conjunction with broadband Internet access is now commonplace. The number of DSL connections reached 745,000 in 2007 after several years of rapid growth. DSL and cable remain the most popular means of Internet access. The three leading players on the Hungarian cable Internet market (Magyar Telekom, UPC and Fibernet) split a total market share of almost 80%. The number of cable Internet connections had reached 575,000 by the end of 2007 with the ability of cable providers to bundle Internet, cable TV and telephone services offering them a distinct advantage. However, the launch of IPTV services by DSL operators shifted the balance in their favour. Magyar Telekom already had 9,200 IPTV subscribers by late 2007, for instance.

Mobile voice services comprised 48% of the total telecommunications market in 2007 with mobile penetration reaching 106% and continuing to grow. GSM services continue to account for the lion's share of mobile subscriptions, but since all three service providers have entered the market for 3G services, the market is expanding rapidly. However, UMTS subscriptions accounted for just 1% of the total market in 2007. Demand for 3G services will also grow as 3G enabled handsets become more widespread.

In 2007, mobile data services, including SMS, MMS and other services, contributed 14% to the total telecommunications market and their share is expected to increase steadily and at a rate outstripping that of voice services (Source: IDC 2008).

IT Exports

The export revenue of IT companies reached EUR 9.05 billion in 2007, 6% higher than in 2006. Around 37.3% or EUR 3.38 billion originated from IT software and services, translating into 8.4% growth. The remaining 62.7% came from other activities, such as manufacture of consumer electronics, electronic components, mobile phones, telecommunications equipment and offshore/nearshore process outsourcing (IDC 2008). Hungarian-based companies manufacturing for global and European markets drive Hungarian IT exports. Hardware products manufactured and exported by multinational companies make up as much as 89.6% of Hungarian IT exports, while exports of IT services account for 8.1% of the total (Source: IVSZ IT market study 2008). Small and mid-sized IT companies producing exports focus primarily on IT services and development of propriety software rather than reselling activities. Fewer companies build their exports on the latter (Source: ITD IDC IT export study).

Key statistics, 2007

- Number of employees: 90,000
- Number of companies: Approx. 5,000 (IDC estimate)
- IT export ratio: 60%
- Mobile penetration: 119.1% (11.95 million subscriptions) in November 2008
- PC penetration: 54%
- Internet penetration: 38%
- Broadband penetration: 33%
- ICT spending per capita in 2007: EUR 919
- ICT spending as percentage of GDP in 2007: 9.15%



Cooperation between industry and academia

Technical universities and institutions

Total number of students taking technical courses: 55,000



Technical universities:

- Budapest Technical University
- Zrínyi Miklós National Defence University, Budapest
- Széchenyi István University, Győr
- University of Miskolc
- Pannonia University, Veszprém
- University of Debrecen
- Szent István University, Gödöllő
- University of Pécs
- University of West Hungary, Sopron

Technical institutions:

- Budapest Technical College
- Gábor Dénes College, Budapest
- College of Dunaújváros
- Kecskemét College
- Eötvös József College, Baja
- College of Nyíregyháza

Source: Ministry of Education

Successful co-operation between multinational firms and universities

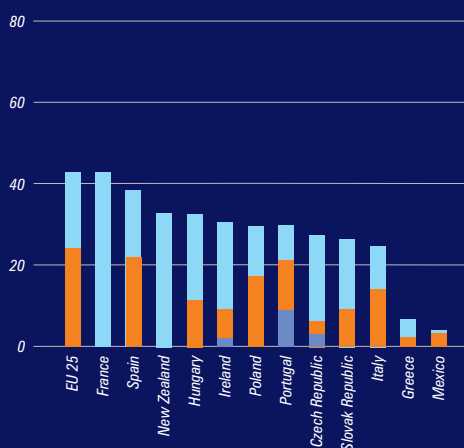
- Infopark, Budapest – Budapest University of Technology and Economics, ELTE University of Natural Sciences, IBM, Hewlett Packard and Panasonic
- Innovation and Knowledge Centre, Budapest – Budapest University of Technology and Economics and nine major IT companies
- Digital Community Centre, Miskolc – Miskolc University and Hewlett Packard
- Research and Training Program, Szeged – Szeged University and Tata Consultancy
- eScience Knowledge Centre, Budapest – ELTE University of Natural Sciences, Delta Eletronik, Econet, ESRI and MultiRáció
- Oracle Competency Center, Budapest – Budapest Technical College
- CISCO Networking Academy Program, Budapest – Budapest Technical College, Universities of Szeged, Pécs and Veszprém
- SAP Competency Centre – Budapest Technical College
- SUN Java and Solaris Certificates

Major companies involved in R&D in the sector:

- Siemens – Siemens's Sysdata is Hungary's largest software house
- Ericsson: R&D related to telephone exchanges
- Nokia: Three R&D divisions in Hungary
- Tata: European R&D centre
- SAP: established its R&D centre in Budapest in 2005

Household broadband internet (2003-2007)

In % of households ■ 2003 ■ 2005 ■ 2007



Source: OECD Information Technology Outlook, 2008



Education

The primary strength of Hungary remains its highly qualified and creative workforce, thanks to its world-class education system.

- Hungary's active labour force of around 4.1 million is highly educated and skilled.
- All diplomas require at least one language examination and basic computing skills. Around 90% of students speak English. The second most popular language is German followed by French.
- Hungarian employees are regarded as flexible, service oriented, highly motivated and very efficient, as well as open-minded and eager to learn.

The largest IT faculties in Hungary

Budapest

- Budapest University of Technology and Economics, Faculty of Electrical Engineering and Informatics
Number of students enrolled at the IT Faculty: 8,000
- Eötvös Loránd University, Budapest, Faculty of Informatics
Number of students enrolled at the IT Faculty: 3,000

Szeged

- University of Szeged, Faculty of Informatics
Number of students enrolled at the IT Faculty: 2,000

Debrecen

- University of Debrecen, Faculty of Informatics
Number of students enrolled at the IT Faculty: 2,000

Pécs

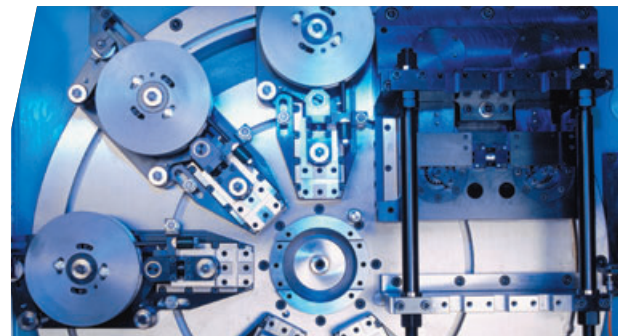
- University of Pécs, Institute of Mathematics and Information Technology
Number of IT students: 1,800

Miskolc

- University of Miskolc, Institute of Informatics
Number of IT students: 1,300

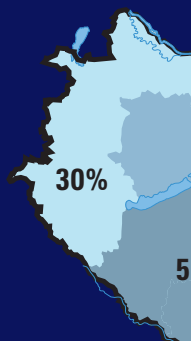
Veszprém

- Pannon University, Faculty of Information Technology
Number of students enrolled at the IT Faculty: 1,300



Maximum regional intensity rates of state subsidies

Cash subsidy + tax allowance + any other state subsidy (excluding training subsidy) combined cannot exceed the maximum regional subsidy intensity rate for the given location. These are between 25% and 50%, depending on the state of development of the region.



Catalysts for investment

Government incentives and subsidies

Gross salaries of IT professionals

IT-Hardware	HUF	EUR
Service Technician	160,829	661.2
PC Technician	167,298	687.8
Service Engineer	292,418	1,202.1

IT-Software	HUF	EUR
Database Analyst	306,075	1,258.3
Web Designer	192,470	791.2
IT Analyst	460,213	1,891.9
IT Architect	547,776	2,251.9
IT Consultant	462,095	1,899.7
IT Manager	549,375	2,258.5

IT Project Manager, Specialist	541,261	2,225.1
IT Tester	295,889	1,216.4
Programmer	340,406	1,399.4
Software Engineer	447,414	1,839.3

IT-Systems management	HUF	EUR
Database Administrator	325,947	1,340.0
IT Network Administrator	246,444	1,013.1
IT Security Specialist	490,679	2,017.2
IT System Administrator	260,307	1,070.1
Systems Administrator	261,867	1,076.5
IT/Technical Support Specialist	579,683	2,383.1
Webmaster	170,325	700.2

The Hungarian Investment and Trade Development Agency (ITD Hungary) provides a one-stop service to support investments establishing new manufacturing and service sector facilities worth at least EUR 10 million. As part of a tailor-made incentive package, ITD Hungary undertakes all-inclusive management of projects granted direct cash subsidies, and provides VIP treatment and comprehensive information about other subsidies available for high-value investment projects.

I. Tenders co-financed by the European Union. This is a non-refundable cash subsidy fully approved by the EU and issued by the Hungarian Government. (Available tenders can be found on the ITD Hungary website.)

II. In cases where no EU co-financed subsidy is available, the Hungarian Government offers a special incentive package for projects with eligible costs exceeding EUR 10 million.

The Special Incentive Package may consist of the following elements:

1. Cash subsidy assessed by individual Government decision

- Non-refundable subsidy, defined as a percentage of eligible costs, based on the Government's decision
- At least 50 (or, in preferred regions, 25) new jobs must be created
- Decision factors: wage related costs, location of the project, number of jobs created, ratio of graduates, training costs
- On receipt of all necessary project data, ITD Hungary will send an official incentive offer within 30 days

2. Development tax allowance

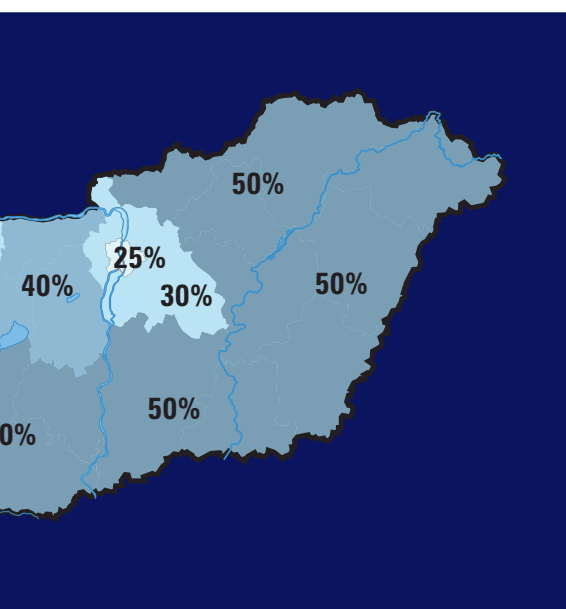
- Minimum EUR 12 million investment with 150 new jobs in developed regions and EUR 4 million with 75 new jobs in less developed regions
- 80% of corporate income tax (currently at 16%) can be deducted for a period of up to 10 years

3. Training subsidy

- From 50% to 90% of total training costs, depending on the type of training and location of the investment

4. Job creation subsidy

- Granted to projects located in less and least developed micro-regions and settlements, which create at least 500 jobs in less developed areas, or at least 200 in least developed micro-regions; the ratio of registered unemployed within the newly-recruited staff should exceed 50% and 30%, respectively.
- Subsidy per investment:
 - HUF 260 million (EUR 1.04 million) if headcount increases by at least 500
 - HUF 160 million (EUR 640 thousand) if headcount increases by at least 300
 - HUF 80 million (EUR 320 thousand) if headcount increases by at least 200



Testimonials

10 11

Cognizant

"It was in early 2008 that Cognizant, a Fortune 1000 company listed on the prestigious NASDAQ-100 and S&P 500 indices, came to engage with Budapest. In October 2008, we formally opened our delivery centre in the Hungarian capital, Cognizant's first such centre in Continental Europe. The proactive assistance we have received from the Hungarian Investment and Trade Development Agency has been instrumental in the realization of our vision to set up operations in this country of rich history, initiation and technological know-how. Thanks to the vital support that ITD Hungary provided in terms of guidance on understanding the country and its economic and policy frameworks, building the necessary rapport with the local academia and industry, and setting up a delivery centre to boost local support of Cognizant's European and multinational customers with a European delivery presence, kick-starting operations in a new geography never felt like a challenge. On behalf of Cognizant, I would like to thank ITD Hungary for their help and look forward to working with them again in the future." *Farhat Nooruddin, Country Manager // Cognizant Technology Solutions Hungary Kft.*

SAP

"The accumulated knowledge in the field of business process technology and the stable infrastructural background helped us to make an easy decision. R&D plays a fundamental role in SAP's life, because, from the point of view of both our clients and our company, innovation is the driving force of success. SAP Labs Hungary will contribute greatly to expanding the capacity of our SCM applications, enabling us to provide support to our clients, their business partners and their own clients in establishing the adaptive corporate networks of the future."

Claus Heinrich, Member of the Board // SAP AG.

Morgan Stanley

"The choice of Hungary was due to positive experiences with the quality of its labour force and the country's political and economic stability."

Jonathan Chenevix-Trench // President of Morgan Stanley International and Eileen Murray // Head of Morgan Stanley Global Operations and Technology

Tata Consultancy Services

"The unique advantages of the Hungarian branch can be summarized as favourable location, all European countries easily accessible within two hours, a growing economy, EU accession, and technically qualified and highly skilled professionals with language knowledge at a reasonable cost." *SV Mani // Head of TCS Hungary*

IVSZ, the Hungarian Association

of IT Companies (www.ivs.hu) founded in 1991, is a strong and effective lobbying force as well as an intellectual think tank of Hungarian IT and telecommunications companies. IVSZ is currently considered the only major IT association in Hungary and one of the largest ICT associations in Central and Eastern Europe. With more than 330 members, it represents over 75% of the total annual output of the sector and its membership consists of a balanced mix of SMEs, large Hungarian enterprises and multinational corporations. The main aim of IVSZ is to achieve an internationally integrated and innovative Hungarian ITC industry that can be highly competitive on the global market as well as the priority sector of the Hungarian economy. IVSZ is a catalyst of the Hungarian IT industry through its high professional and ethical standards and acts to promote a modern and competitive e-economy and society. In addition to being the consulting partner of local government and public administration, IVSZ operates a broad international network enabling it to provide effective support for its members both domestically and within the EU.

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 900 IDC analysts provide global, regional and local expertise on technology and industry opportunities and trends in over 90 countries worldwide. For more than 43 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. *You can learn more about IDC by visiting www.idc.com.*

Did you know?

Outstanding business infrastructure IT parks in Hungary

- Infopark, Budapest – www.infopark.hu
- Graphisoft Park, Budapest – www.graphisoftpark.hu
- Talentis Business Park, Zsámbék – www.talentis.hu
- Corvin Park, Budapest – www.corvinpromenade.com
- Airport Debrecen Business Park – www.airportinvest.hu

Favourable Policy Environment

- Information Society Strategy approved in 2003 and extended in 2004 with 19 additional programmes
- National Development Plan II, 2007-2013 has earmarked 3% (approximately EUR 790 million) of EU funds for the development of the ICT sector
- 10% tax deduction on software developers' labour costs
- Public Web Project launched in 2004
- EUR 40 million government programme
- 7,300 access points in first phase by September 2005
- eHungary Points (a complementary project that aims to extend Internet coverage across the country)
- New Electronic Communications Strategy for 2006-2010 aims to strengthen competition in the market

Sources on the Internet:

- National Communications Authority – www.nhh.hu
- Hungarian Association of IT Companies – <http://english.ivsz.hu>
- Inter-University Centre for Telecommunications and Informatics – www.etik.hu
- John von Neumann Computer Society – www.njszt.hu
- National Office for Research and Technology – www.nkth.gov.hu/english
- Hungarian Official Journal Publisher – www.mhk.hu
- National Development Agency – www.nfu.hu
- Ministry of Transport, Telecommunications and Energy – www.khem.gov.hu
- Telecoms Industry Information System – www.e-stat.hu (registration required)
- Digital media news for Hungary – www.telecompaper.com
- UNESCO Information Society and Trend Research Institute, Hungary – www.ittk.hu/english
- International Telecommunications Union, ICT – Free Statistics Home Page – www.itu.int/ITU-D/ict/statistics

- **The Hungarian ICT market grew by 50% between 2002–2007**
- **Following the attacks on the World Trade Centre in New York, a Hungarian company Kürt Zrt. recovered key data from the wreckage**
- **A unique invention from a Hungarian company makes it possible to see 3D images without 3D glasses.** Holografika Kft, owned by electrical engineer Tibor Balogh, has developed a screen that does not require positioning or head tracking and allows an unlimited number of viewers to see the same natural 3D scene simultaneously. Holografika has been working on developing a solution to generate a perfect and real 3D view for several years. Thanks to the company's newly developed technology, objects can appear either in front of or behind the screen. This invention is expected to be applied to simulators and in the field of virtual reality and CAD systems. The HoloVizio 3D stand won the audience Best Exhibit Award in the SME category at the ICT 2008 trade fair in Lyon, France
- **An important program that enables the blind to use computers was developed by a Hungarian company, Recognita (Nuance Communications Inc.)**
- **Graphisoft's ArchiCAD 3D software**, an early pioneer in the field of 3D visualization and modelling, is distributed in 80 countries and 25 languages and used by more than 75,000 architects
- **Even the largest digital film laboratory in Hollywood has purchased a license to use post-production software developed by Colorfront Kft.** The software was also used to produce some scenes in The Lord of the Rings and Harry Potter. More than a year ago, Colorfront Kft. was acquired by Autodesk, a company headquartered in California
- **One of the first access control solutions deploying automatic number plate recognition was installed at Ferihegy Airport in 1992** The heart of the system is the Carmen® license plate recognition software developed by Adaptive Recognition Hungary Inc. Today, this software is used in 128 countries around the world. Carmen® is the only software on the market with higher than 95% accuracy in recognizing Latin, Cyrillic, Persian, Chinese and Arabic license plates.

ITD Hungary is the Hungarian government's Investment and Trade Development Agency, established by the Ministry of National Development and Economy to promote inward investment and bilateral trade. With representative offices in the eight regional centres of Hungary and a foreign network operating under Hungary's diplomatic services at 55 locations in 43 countries, ITD Hungary is a single point of contact for executives exploring investment and trade opportunities in Hungary. The Agency provides foreign investors with high-quality support for key decision-making processes and a wealth of supplementary services, including:

Project preparation

- In-depth, tailored information on the local economy and business climate, corporate taxation and the legal environment, as well as sector specific overviews
- Site visits, meetings with local, regional and government bodies and introductions to local suppliers, service providers and experts
- Information on available incentives

Implementation

- Site selection assistance, coordination of licensing procedures
- Finalisation of incentives agreements
- Assistance with recruitment and visa application
- VIP treatment for expatriate employees

After care

- Intermediary role for future developments between government bodies and foreign companies operating in Hungary
- Support and generation of reinvestments

Through a diverse set of marketing tools and support programmes, ITD Hungary offers substantial logistical, financial and professional assistance to both start-up and established Hungarian exporters.

ITD Hungary also co-ordinates the Hungarian activities of the Enterprise Europe Network, supported by the European Commission. The network offers support and advice to businesses across Europe and helps them make the most of opportunities in the European Union.

ITD Hungary develops and distributes printed and electronic business guides, trade directories and information booklets in a variety of languages. The Agency arranges business programmes for individual visitors and delegations, organises conferences, exhibitions, product showcases and other business events.

For more information please contact:

ITD Hungary Headquarters, H-1061 Budapest, Andrásy út 12.

- Ms. Mónika Kiss, Project manager,
Phone: +36 1 472 8134, E-mail: monika.kiss@itd.hu
- Ms. Ágnes Bíró, ICT consultant,
Phone: +36 1 473 8263, E-mail: agnes.biro@itd.hu

www.itdh.com

