

Service Sector

Key arguments to invest in the Hungarian Service Sector

- ✓ Geostrategic location
- ✓ Access to a large talent pool – your key to success
- ✓ Low operational costs
- ✓ Supportive business environment
- ✓ Quality of life – Excellent place to live and work
- ✓ Make your presence in Hungary! Some others have already...

✓ **Geostrategic location**

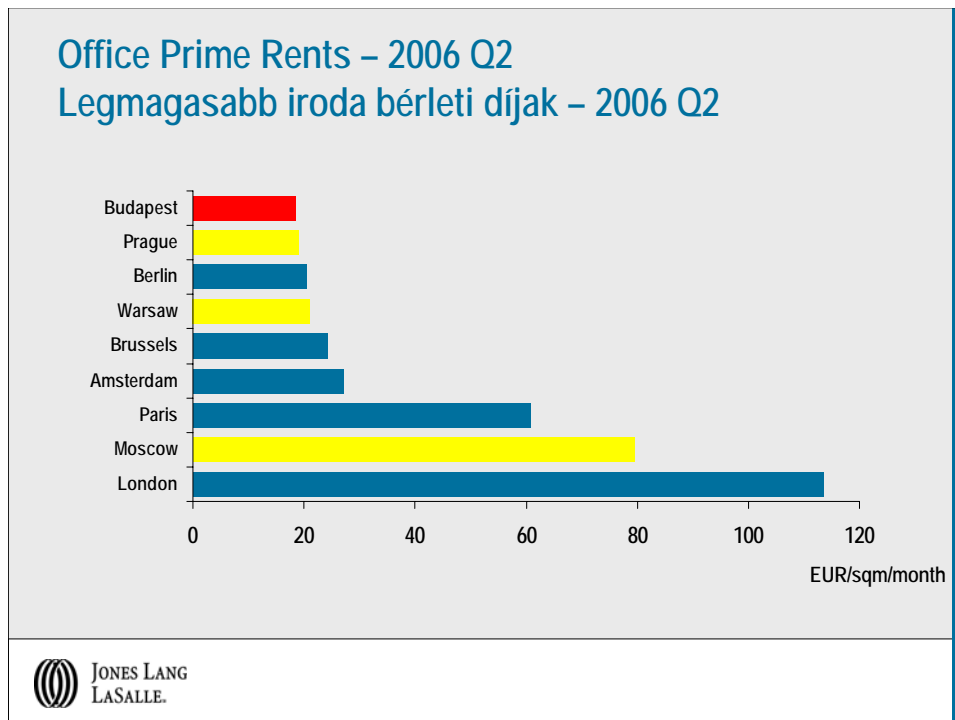
- Proximity to Western Europe
- Enormous market and workforce potential due to the **full EU membership** (The EU is a market of nearly **500 million people** accounting for 11% of the world's population)
- **One-day return trips** to European destinations are possible from most inland locations
- Excellent air transportation, **2,300-2,400 direct flights** weekly to 5 continents

✓ **Access to a large talent pool – your key to success**

- Hungary's active **labour force** of about **4.1 million** is highly educated and skilled
- All **diplomas** go with at least one language exam and computer skills. **90%** of the students speak **English**, second most popular language is **German**
- Hungarian employees are seen as **flexible, service oriented, highly motivated** and **very efficient**, they are **open-minded** and **keen to learn**
Click [here](#) and learn more about the Hungarian labour market...

✓ **Low operational costs**

- Besides the basic savings compared to the Western European prices, for projects located outside the capital, **wage savings can be up to 40%** (source: Deloitte)
- Budapest has approximately **1.6 million square meter of modern office space**, almost half of which was built during the past five years
- The recent boom in office construction resulted in a **15 % vacancy rate** in Budapest in 2006. The other big cities can also boast developing office market at even lower costs



✓ Supportive business environment

- Service sector has a great significance in Hungary since this sector accounted for the highest rate of FDI stock (49%) in 2004
 - Transparent [legal](#) and financial systems are fully harmonised with EU regulations
 - More than 30,000 companies from multiple foreign countries are already present in Hungary
 - [One-stop shop service provided by ITDH](#), a world-class investment promotion agency
- Click [here](#) and learn more about how to set up a business in Hungary...

✓ Quality of life – Excellent place to live and work

- High number of foreign students in the Hungarian tertiary education (14,491 in academic year 2005/2006, 3% of the total students) *Source: Statistical Yearbook of Higher Education 2005/2006*
 - Foreign language education is available from nursery to university level
 - Plentiful leisure activities and facilities, including thermal baths – a tradition dating back more than 100 years and with over 1,300 thermal springs all over Hungary.
 - Thousand-year-old and internationally recognised culture
- Click [here](#) and learn what Hungary can offer you as an expat...

- ✓ **Make your presence in Hungary! Some others have already...**

Recent investments in the service sector



US-based Morgan Stanley selected Budapest from over 100 locations for its business solutions and IT operations. The newly established services centre will employ approximately 500 people by 2009.



The US-based technology company, Corning Inc. established a shared services center in early 2006 and expects to fully integrate its financial processing operations by late 2007.



Convergys Corporation, a US-based global leader in customer care, HR and accounting services created 300 jobs in its first service centre in the CEE region based in Hungary.



Sykes launched a second call center in Hungary's third largest city Miskolc, paving the way for more than 200 new jobs. Sykes offers call center services in 17 languages to numerous European countries.

The Hungarian service sector at a glance

In the past 15 years Hungary has become a major destination for foreign capital. Over the last 5-6 years, there has been a significant shift in the proportional distribution of FDI inflows. Since 2000, **more than half of the total capital invested in Hungary has flowed into the service sector** creating numerous new jobs. The first SSCs were set up in the year 2000 and since then a **constant growth** has characterized the sector.

Budapest, as the capital of Hungary, is centre for all kind of business activities, where **relatively low labour costs** and **young, well-educated managerial workforce** speaking several **foreign languages** can be found. It is already a proven destination for shared service activities of companies such as **IBM, GE, Diageo, EDS, Alcoa, Sykes, ExxonMobil, Morgan Stanley**. These companies are growing constantly and capitalizing on what Hungary can offer.

Budapest is a **vibrant, cosmopolitan** capital with a young, multilingual, flexible and well educated workforce at the right cost, which is the main driver for all shared service operation. However, Budapest with its excellent characteristics is not the only ideal location for **successful shared service operations** in Hungary.

Deloitte's Global Location & Facilities Services – a site selection consultancy with a track record of more than 47 location projects for SSCs over the last 4 years – has searched and examined Hungary for potential SSC locations. Five good – though admittedly little known – “pearls” emerged from Deloitte's analysis: Debrecen, Kecskemét, Pécs, Székesfehérvár and Szeged.

According to Deloitte, these cities should be considered as so-called “Under the Radar Locations” - destinations “off-the-beaten-track” that have all the characteristics to make your **business successful** and offer an **attractive cost/quality ratio** that can stand comparison with Budapest and other capitals or Under the Radar Locations.

5 Pearl Cities

With the number of students in tertiary education (2005/2006)



Source: Statistical Yearbook of Higher Education 2005/2006

If you want to learn more about the Hungarian service sector, please send us a query by clicking [here](#).

We are happy to provide you with further information on:

- Sector Analysis by an International Consultant Company
- Sector specific salary and real estate costs
- Detailed information on the language literacy and the education level
- List of HR companies
- List of Real Estate Companies
- List of BPOs present in Hungary
- Ideal locations in Hungary where you can make your own success story.
- Etc.

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