



Invest in Hungary 2026

A Strategic Guide for Global
Business Services Investors

KPMG. Make the Difference.

01

Executive summary
P. 3

02

**Hungary as an
investment target**
P. 6

03

**The strategic role
of GBS**
P. 16

04

**Why Hungary for GBS
operations**
P. 20

05

**Hungary's GBS
Landscape**
P. 37

06

Bibliography
P. 61

01

Executive summary



Executive summary

Hungary's investment proposition has evolved from a low-cost nearshore location into a mature EU-based operating platform for multinational business services. Its value lies in the combination of EU regulatory alignment, competitive fully loaded labor costs, a sizeable and experienced GBS workforce, strong university pipelines, multilingual capabilities, and a maturing multi-location delivery model anchored by Budapest and supported by regional university cities.

While Hungary is not the largest CEE market, its proposition is distinguished by its balance:

it offers enough scale for complex multifunctional operations, a mature services ecosystem that reduces execution risk and a cost structure that remains materially attractive versus several regional peers.

For investors, Hungary should be viewed less as a pure labor-arbitrage location and more as a **platform for enhanced finance, supply chain management, data analytics and other high value-add services.**

Improving Investor Confidence Strengthens Hungary's Investment Case

Following the 2026 change in government, Hungary has entered a period of improving investor sentiment, supported by a more predictable policy environment, closer cooperation with EU institutions and stronger prospects for accessing EU funding. The improvement is also reflected in financial markets: **yields on 10-year Hungarian government bonds declined from around 7% in 2025 to approximately 5.2% by mid-2026**, consistent with a meaningful reduction in the country's sovereign risk premium. At the same time's, Hungary continues to offer **one of the most competitive investment support frameworks in Central and Eastern Europe**, combining the **EU's lowest corporate income tax rate (9%) with development tax allowances**, that can substantially reduce corporate tax liabilities for eligible projects, alongside cash

incentives, training support and R&D funding opportunities. Together, these developments strengthen Hungary's investment proposition through greater policy predictability, improved investor confidence, a highly competitive incentive framework and expanded access to EU-backed funding programs.

Hungary links the factory floor with the service platform

Hungary's GBS proposition is reinforced by one of the country's defining strengths: **a deep and diversified manufacturing base.** By the end of 2024, Europe accounted for approximately 66% of Hungary's foreign direct investment (FDI) stock, while Asia represented 23%, reflecting Hungary's dual role as a **platform for established Western European value chains and fast-growing East Asian industrial investment.** Germany remains the largest ultimate investor, while South Korea and China have become significant contributors to the country's electric vehicle, battery, electronics and advanced manufacturing sector.

This industrial footprint strengthens Hungary's GBS proposition by creating a natural adjacency between production networks and the business services that

support them. Functions such as procurement, supply chain coordination, logistics administration, finance, HR, IT support, engineering documentation, quality support, reporting and industrial analytics can be delivered in close proximity to manufacturing operations.

Hungary combines mature business services capabilities with a large industrial base, enabling closer integration between operations and service delivery and supporting manufacturing-adjacent GBS at scale.



Scale, maturity and experience combine to reduce execution risk

Hungary now hosts more than 245 business service centers employing over 118,000 professionals. Around 60% of service centers have operated for more than 10 years, while the number of centers increased from 156 to 245 between 2021 and 2025.

This combination is powerful. **Long-established centers demonstrate operational maturity, workforce retention and the ability to absorb increasingly complex mandates.** At the same time, continued growth in the number of centers indicates that **Hungary remains attractive to new market entrants, not only existing operators.** The result is a well-developed ecosystem comprising experienced service-center leaders, recruiters, advisors, universities, technology providers and professionals already familiar with multinational operating models.

Hungary offers one of the strongest cost-to-capability ratios in the CEE region

Hungary combines a competitive labor-cost position with one of the region's most mature and scalable GBS ecosystems. While **Romania** may offer lower costs in selected roles, Hungary consistently and

significantly outperforms **Poland and Czechia** on both gross salary and fully loaded labor costs, while generally maintaining a cost advantage over **Slovakia** once employer contributions are taken into account.

The finance benchmark illustrates this particularly well. **A typical 9-person general Ledger team** comprising one team lead, four senior accountants and four junior accountants **can be operated at an annual fully loaded labor cost of approximately EUR 267,000 in Hungary.** Hungary delivers annual savings of approximately EUR 21,000 versus Romania, EUR 56,000 versus Slovakia, EUR 86,000 versus Poland and EUR 175,000 versus Czechia for a single finance team of this size.

The higher education base is not just large — it is functionally aligned with the future GBS agenda

Hungary's higher education system provides both scale and relevance for GBS operations. With more than **350,000 higher education students, including more than 48,000 international students and a large population enrolled in foreign-language programs**, the country offers one of the most substantial graduate talent pipelines in the region relative to its size.

Strong pipelines in **business, IT and engineering** support the functions most

frequently targeted for centralization, while the increasing internationalization of universities enhances multilingual and internationally focused talent availability. As service centers expand into more specialized and knowledge-intensive activities, this alignment becomes **a strategic advantage rather than simply a recruitment benefit.**

Budapest anchors scale; regional cities extend capability

Budapest is the anchor of Hungary's GBS ecosystem, accounting for nearly **39% of national GDP** while hosting **less than 18% of the population.** The capital also concentrates approximately **85% of Hungary's business service centers, more than 160,000 university students**, the country's deepest multilingual and experienced GBS talent pool, and its most developed office market. This makes Budapest the **natural choice for complex, multifunctional and higher-value operations.**

Regional cities complement Budapest by adding role-based capacity rather than acting as generic substitutes. **Debrecen is the strongest regional growth hub**, particularly for scalable manufacturing-adjacent services, engineering, procurement, IT and life sciences support. **Szeged offers strong IT, research and knowledge-services capabilities; Pécs provides a stable**

mid-scale talent base with a large international student population; while **Győr, Miskolc and Székesfehérvár are particularly relevant for engineering, manufacturing support, procurement, logistics and industrial services.**



02 Hungary as an investment target

Hungary as an investment target

Hungary as an EU-connected operating platform

Hungary's attractiveness for GBS investment is driven less by the size of its domestic economy than by its **role as an EU-based operating platform for regional and pan-European service delivery**. Since joining the European Union in 2004 and the Schengen Area in 2007, the country has become an established location from which multinational organizations coordinate activities across Central and Eastern Europe while remaining **fully embedded within the EU's legal, regulatory and data governance frameworks**. This provides access to the EU single market of approximately **450 million consumers** while allowing organizations to manage regional operations from a **cost base that remains materially below that of most Western European locations**.

This positioning is particularly relevant for GBS operations. Hungary enables multinational companies to deliver regional or pan-European services from within the EU, which simplifies data governance, regulatory compliance, contracting, labor mobility and

collaboration with European headquarters. **The Central European time zone supports same-day cooperation with most European business units**, while proximity to Western European decision centers allows transition teams, governance leads and business stakeholders to work together without the complexity of long-haul delivery models.

For companies seeking nearshore scale, Hungary offers a practical balance: close enough for effective management and control, but materially more cost-competitive than Western European locations.

Connectivity reinforces this proposition. Budapest is Hungary's main international access point and one of the better-connected business locations in Central Europe, with **Budapest Ferenc Liszt International Airport offering approximately 160 direct destinations across more than 50**

countries. Major European business centers – including Vienna, Munich, Frankfurt, Warsaw, Amsterdam, Zurich, Paris and London – are generally reachable within one to three hours, enabling efficient travel for transition programs, governance meetings, training, executive oversight and stakeholder engagement. **This accessibility reduces the coordination burden typically associated with geographically dispersed delivery models.**

The country's transport infrastructure further enhances its suitability as a regional operating base. **An expressway network exceeding 1,800 kilometers, together with extensive rail connections, Danube inland waterway access and integration into the Trans-European Transport Network (TEN-T)**, provides efficient links to neighboring EU markets as well as the Western Balkans. For organizations operating both manufacturing and business services, this creates opportunities to integrate regional supply chain management, procurement, finance, customer operations and manufacturing support within a single operating footprint.

The strategic proposition is therefore broader than geographic centrality.

Hungary offers an established EU-based delivery platform that combines regulatory certainty, operational accessibility and regional connectivity with a mature and scalable GBS ecosystem.

For investors, this supports a delivery model capable of balancing governance, operational control and cost competitiveness while serving multiple European markets from a single location.

Economic profile and macro stability

Hungary is a mid-sized, open EU economy that strikes an **effective balance between scale and accessibility**, with the economic depth to support complex multinational operations while remaining a market where foreign investment can meaningfully influence growth, skills development and business transformation. While Hungary is not in a high-growth phase, its **macro fundamentals remain sufficiently stable for investors**, especially for GBS-type operating models.

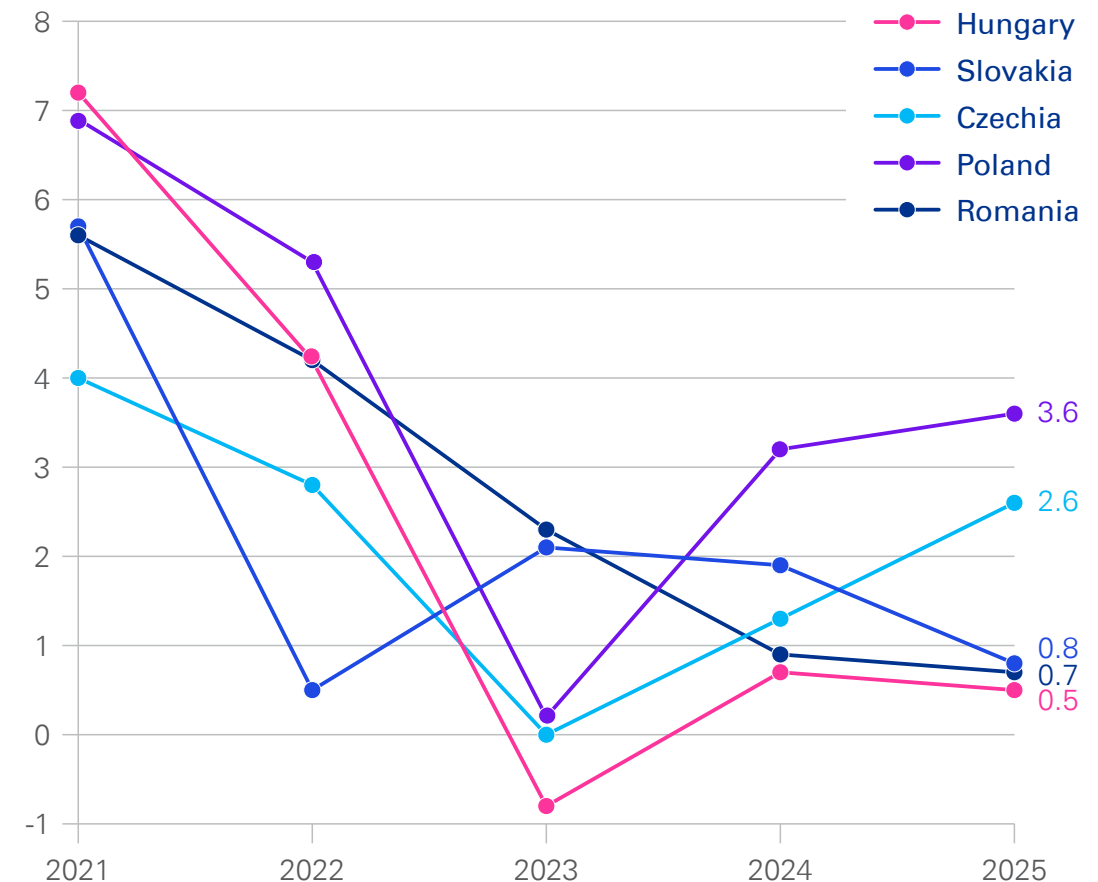
Recent growth has been subdued but is gradually stabilizing. **In 2025, GDP reached approximately EUR 218.8 billion**, while real GDP growth was around 0.5%. Weak industrial performance continued to weigh on overall growth, partly offset by more resilient services activity and household consumption.

For investors, the key message is that Hungary entered 2025 from a low-growth position, but without a broad-based macroeconomic deterioration.

The wider macroeconomic environment remains broadly stable. Inflation has moderated from the previous period of elevated price pressures, while **unemployment remains low at around 4.4%**, signaling labor market resilience but also a tight talent market. A current **account surplus of approximately 1.7% of GDP** points to improved external balances, while **public debt of around 74.6% of GDP** remains elevated but manageable. Overall, **Hungary combines subdued near-term growth with resilient fundamentals**, supporting long-term investment planning but requiring realistic assumptions on wage pressure, labor availability and financing conditions.

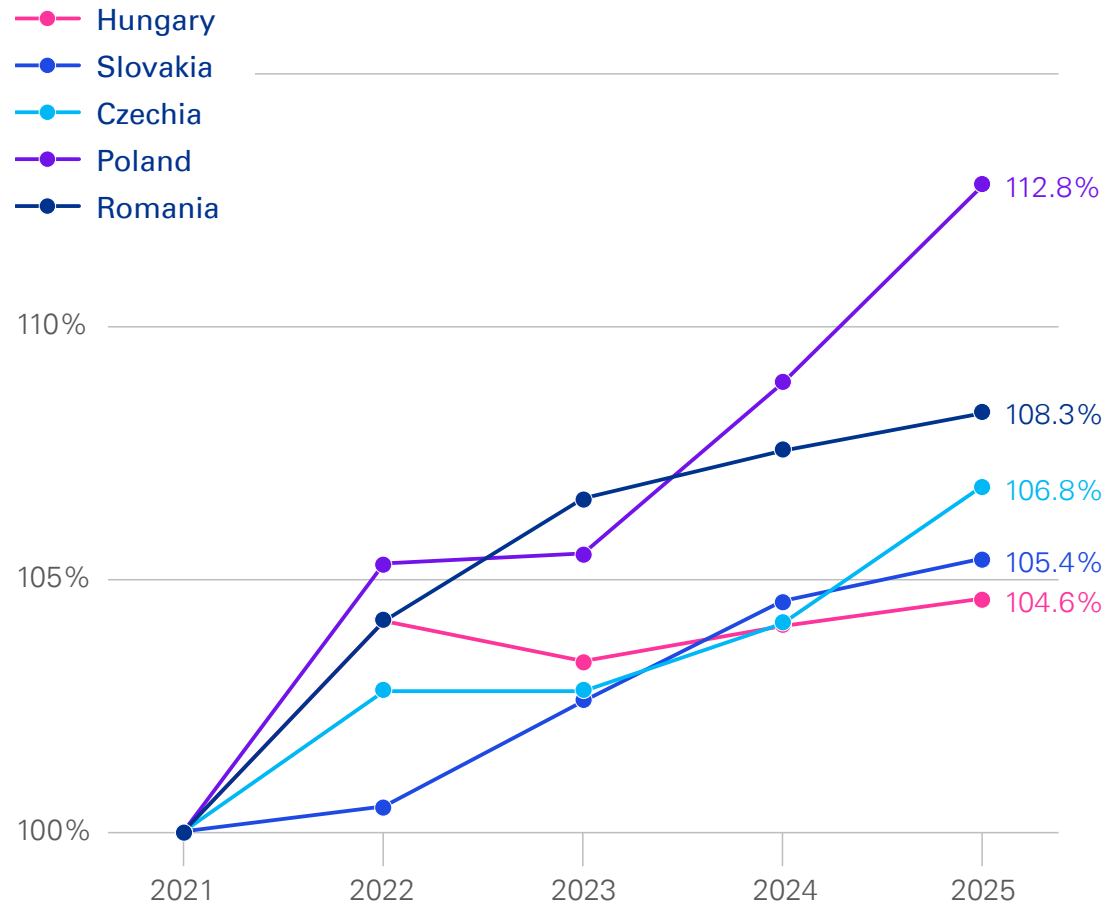


Real Growth in CEE Countries, 2021 – 2025 (%)



Source: Eurostat Database

Aggregated real GDP growth between 2021 and 2025



Source: Eurostat Database

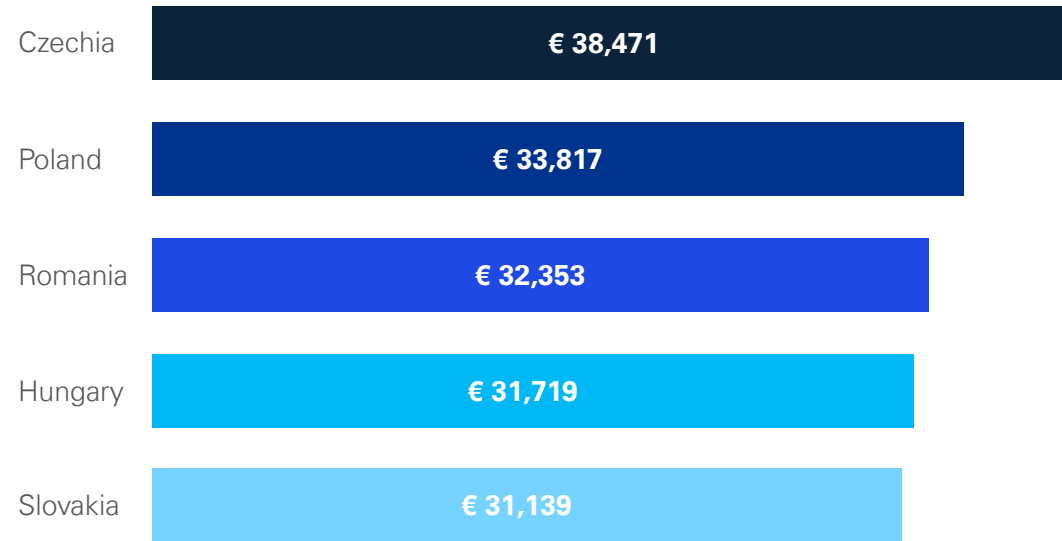
The post-pandemic growth surge across CEE has given way to a more uneven economic landscape. While all countries in the region benefited from strong growth in 2021-2022, performance diverged significantly thereafter, reflecting differences in economic structure, exposure to inflation and energy market shocks, and domestic demand dynamics.

Hungary experienced a sharper slowdown in 2023 than its regional peers, followed by a gradual return to growth in 2024-2025.

As a result, **cumulative GDP expansion over the 2021-2025 period remained below that of Poland, Romania and the Czech Republic.** At the same time, the data also shows that growth moderation has been a regional phenomenon rather than a Hungary-specific trend, with **most CEE economies recording substantially lower growth rates in recent years** than during the immediate post-pandemic recovery.



GDP per capita (PPS) in Selected CEE Countries, 2025



Source: Eurostat Database

GDP per capita (PPS) varies considerably across CEE, highlighting differences in economic development and productivity levels within the region. Measured in Purchasing Power Standards (PPS), which account for differences in price levels between countries, **Hungary is positioned in the middle of the peer group, balancing solid purchasing power with a competitive cost environment.**

Looking ahead, the key trend is not the pace of growth in any single year, but the **increasing divergence within the CEE region.** Following a period of economic adjustment, **Hungary has returned to growth and is entering a more balanced phase of expansion, supported by improving macroeconomic stability.** Real GDP growth is forecast to accelerate to **1.8% in 2026 and 2.1% in 2027**, while inflation is

expected to moderate to around 3%, pointing to a gradual strengthening of economic activity and a more stable operating environment.

An additional indicator of economic maturity is the relationship between Gross National Income (GNI) and Gross Domestic Product (GDP). **In 2025, Hungary's GNI-to-GDP ratio stood at 97.73%**, indicating a relatively modest net outflow of primary income, largely reflecting profit repatriation by foreign-owned enterprises. In practical terms, the gap between domestic output and resident income is relatively limited, suggesting that Hungary's FDI-driven model does not create an unusually large income leakage compared with regional peers.

This pattern is consistent across Central and Eastern Europe, where foreign direct investment has played a significant role in economic development while also generating cross-border income flows. All benchmark countries recorded GNI-to-GDP ratios below 100% in 2025, reflecting net primary income outflows. **Hungary recorded the highest ratio among the countries analyzed (97.73%)**, followed by Slovakia (97.53%), Romania (97.25%) and Poland (96.17%). The Czech Republic recorded the lowest ratio (95.74%). Although differences across the region are relatively modest, the results suggest that Hungary retains a comparatively larger share of domestically generated income than its regional peers.



The national-level picture also masks a **strong internal concentration of economic activity**. In 2024, Budapest accounted for 38.9% of Hungary's GDP, while only 17.59% of the country's population lived in the capital, highlighting a strong concentration of economic activity relative to its demographic weight.

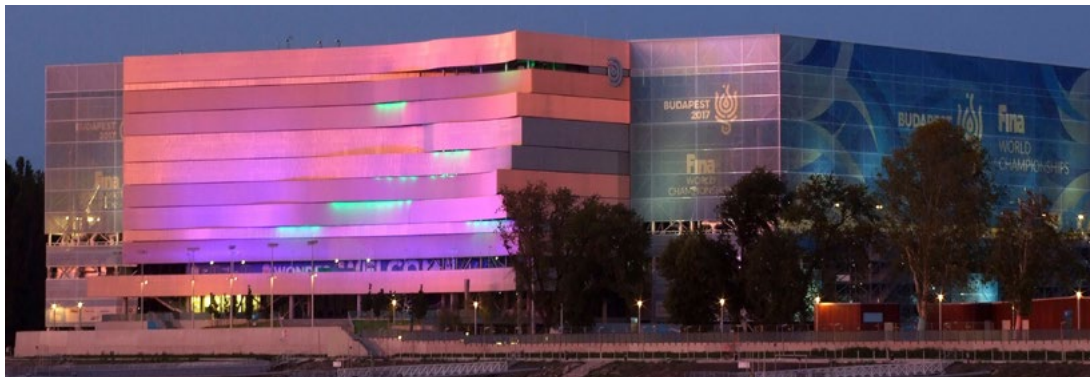
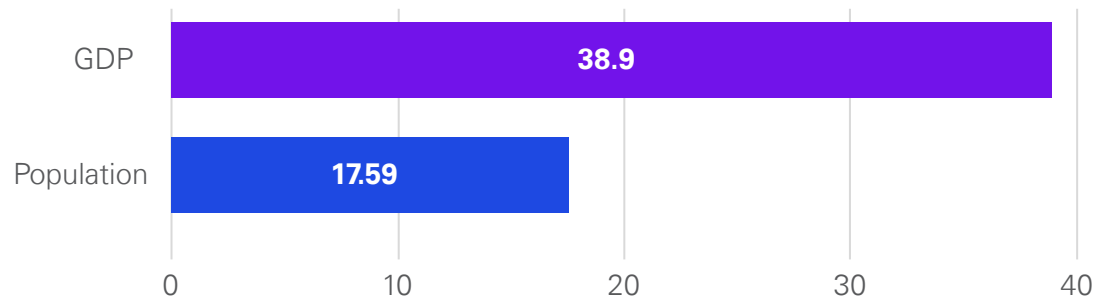
Budapest remains the country's main economic center and the natural first-choice location for complex service operations, while **regional cities provide additional scalability** through university-based talent pools and lower labor-market saturation.

Exchange-rate environment and currency risk

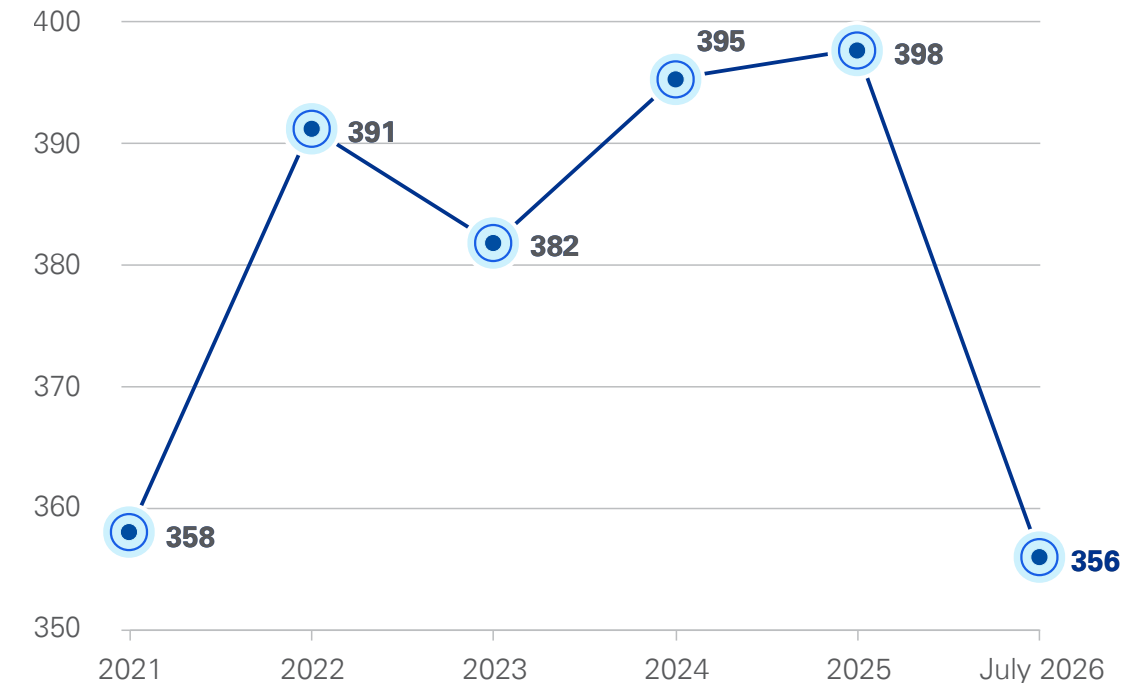
As an EU Member State outside the euro area, **Hungary offers investors full access to the European Single Market while maintaining an independent currency, the Hungarian forint (HUF).**

This creates a degree of foreign-exchange exposure, as salaries, local services and a significant share of operating costs are typically denominated in HUF, whereas financial reporting, investment cases and group performance are often measured in EUR, USD or other corporate currencies.

Budapest's Share of Hungary's GDP and Population (2024) (%)

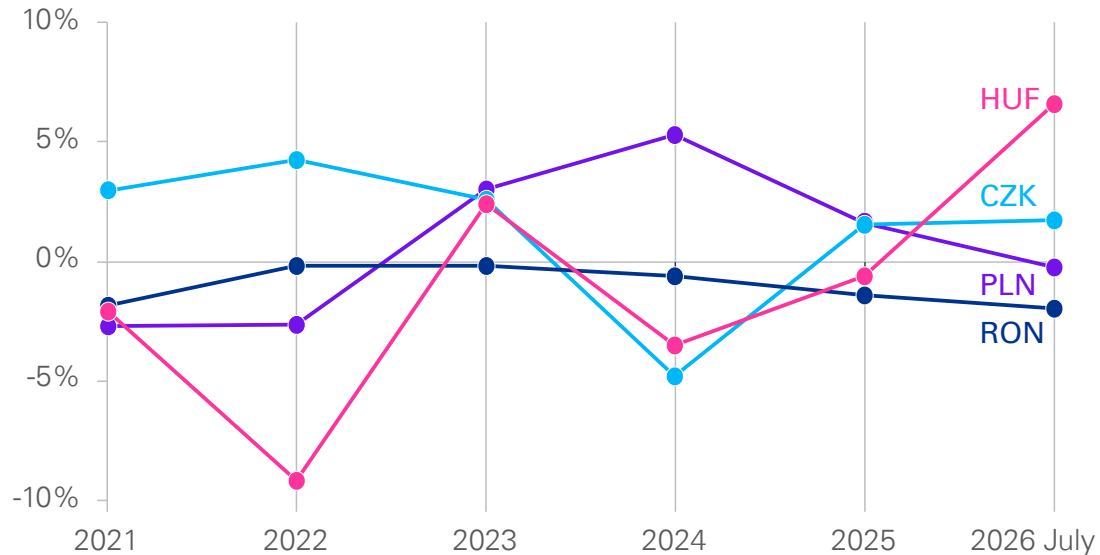


EUR/HUF Exchange Rate (Annual Average, 2021-July 2026)



Source: European Central Bank

CEE Currency Trends: Appreciation and Depreciation Against Euro (%)



Source: European Central Bank Database

Among the major CEE currencies, the Hungarian forint exhibited the highest volatility against the euro during the period analyzed. Annual movements ranged from a depreciation of more than 9% to an appreciation of more than 6.6%, significantly exceeding the fluctuations observed in the Polish zloty (PLN), Czech koruna (CZK) and Romanian leu (RON). By contrast, the Romanian leu remained the region's most stable currency, with annual changes generally contained within a narrow range.

The Polish and Czech currencies experienced moderate fluctuations and comparatively lower exchange-rate risk.

The most significant adjustment occurred in 2022, when the forint weakened sharply against the euro amid broader regional and global market turbulence. However, the subsequent period demonstrated the currency's ability to recover, with exchange-rate movements becoming more moderate across the region.

Although HUF continues to be more sensitive to external economic and financial developments than its regional peers, recent years indicate a return to a more stable trading range.

This is particularly visible in Hungary's exchange-rate trajectory since 2024. Following several years of elevated volatility, the forint strengthened significantly and traded broadly within the 350–360 EUR/HUF range during 2026, compared with levels approaching 400 EUR/HUF in 2022. While exchange rates are influenced by multiple macroeconomic factors, the improvement reflects stronger market confidence and a more predictable economic environment than during the inflation and energy crisis period.

For investors, the forint is a planning variable, not a structural obstacle.

A weaker HUF can improve euro-denominated cost competitiveness, but if sustained, it may also feed into inflation, wage expectations and imported-cost

pressure. A stronger HUF supports price stability and investor confidence, although it can reduce Hungary's nearshore cost advantage.

In practice, this risk is familiar and manageable. Companies typically address it through natural hedging, periodic recharge-rate reviews, currency clauses in intercompany agreements and sensitivity analysis around salary and operating-cost assumptions. Hungary's non-euro status therefore adds volatility compared with euro-area locations but also preserves a flexible cost base. With disciplined financial planning, FX exposure can be built into the investment case without weakening Hungary's broader GBS proposition.



Financing conditions and risk premium

Hungary's sovereign risk premium has declined noticeably since the **2026 government transition**, strengthening the country's appeal for investors. The **yield on 10-year government bonds**, which averaged close to 7.0% in 2025, **fell to around 5.16% by 24 June 2026**, reflecting improved market confidence in Hungary's economic and political outlook.

The decline has been supported by a **more predictable policy environment, closer cooperation with EU institutions, improved prospects for accessing EU funding and lower levels of institutional uncertainty**. Together, these factors have contributed to a more favorable perception of Hungary among international investors.

The implications extend beyond government debt markets. Lower benchmark yields generally support more favorable financing conditions, improve the economics of long-term projects and reduce the cost of capital for investment decisions.

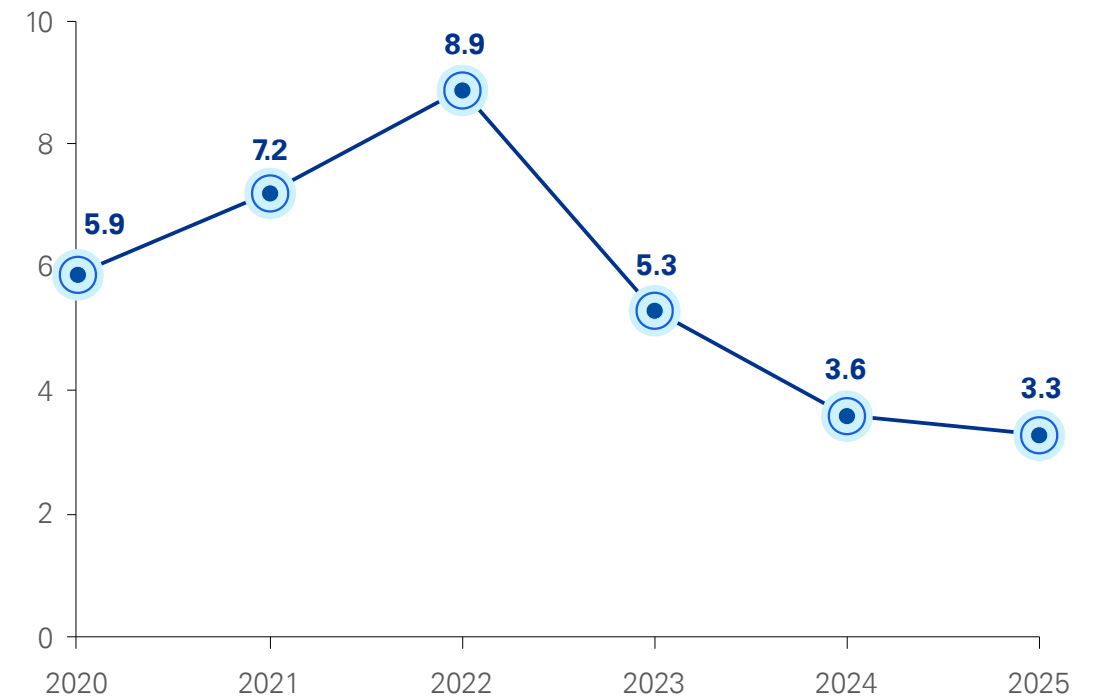
For companies considering new investments, capacity expansions or regional growth initiatives, a lower Hungary-specific risk premium can improve overall project viability and competitiveness.

Investment track record and FDI profile

Hungary has maintained a strong position as **one of Central Europe's leading FDI destinations**, supported by decades of foreign investment and the presence of major multinational corporations. **Net FDI inflows reached nearly EUR 9 billion in 2022**, driven by a wave of large-scale industrial investments and post-pandemic capital allocation. **While inflows moderated to approximately EUR 3.7 billion in 2024 and EUR 3.3 billion in 2025**, this reflects a normalization from exceptionally high levels rather than a weakening of investor confidence. Importantly, Hungary continues to attract substantial greenfield and expansion investments in a global environment characterized by slower growth, geopolitical uncertainty and intensified competition for capital.

Data shows that Hungary has moved beyond dependence on individual investment cycles and remains firmly embedded in international manufacturing and business service value chains.

FDI Flows in Hungary (EUR billions), 2020-2025



Source: Hungarian National Bank, Statistics department

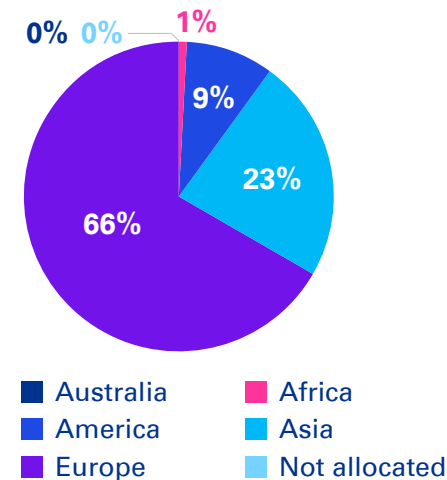
The composition of Hungary's foreign direct investment (FDI) stock provides further evidence of the country's long-term attractiveness as an investment destination.

By the end of 2024, Europe accounted for approximately 66% of Hungary's FDI stock, underscoring the country's deep integration into European industrial value chains and economic networks. At the same time, Asia represented 23% of total FDI stock – a notably high share by European standards – reflecting Hungary's emergence as one of Europe's leading destinations for East Asian manufacturing investment, particularly in high-value sectors such as electric vehicles and battery production. North and South America accounted for a further 9%, adding to the geographical diversification of the investor base.

This investment profile distinguishes Hungary from many competing locations in Central and Eastern Europe.

Rather than relying predominantly on capital from a single region, the country combines strong European integration with substantial North American investment and a rapidly expanding East Asian presence. **The result is a diversified investment ecosystem** that enhances economic resilience, supports knowledge transfer across industries and reinforces Hungary's role as a strategic

FDI stock breakdown by investors (2024)



platform for regional production, innovation and business services within the European market.

Examining FDI by ultimate controlling parent provides a clearer picture of where strategic investment decisions originate by attributing investments to the country of the final controlling investor rather than intermediary holding locations. **Germany remains by far the largest ultimate investor, accounting for more than EUR 23 billion of FDI stock** and highlighting Hungary's strategic role within German automotive, engineering and advanced manufacturing value chains.

Austria ranks second, reflecting deep

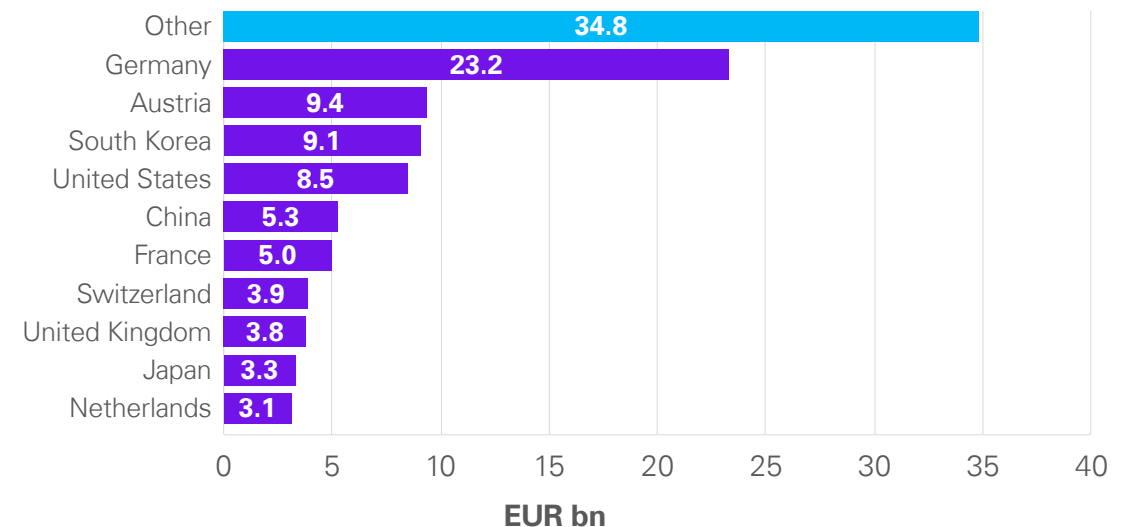
regional economic integration and longstanding cross-border business relationships.

The prominence of South Korea and China among the largest investors is particularly significant, demonstrating Hungary's success in attracting investment into strategically important sectors including electric vehicles, battery technologies, electronics and advanced manufacturing. **The United States, France, Japan, the United Kingdom, Switzerland and the Netherlands also maintain substantial investment positions**, illustrating the

breadth and diversity of Hungary's investor base.

Taken together, these figures illustrate the evolution of Hungary's FDI model. **While the country remains firmly embedded in Western European value chains, it has also emerged as one of Europe's leading destinations for East Asian industrial investment.** This diversified investor base reinforces Hungary's position as a strategic manufacturing and business services hub within Europe.

FDI Stock in Hungary by Ultimate Investors, excluding SPEs, EUR billions (2024)



Source: Hungarian National Bank, Database

Policy reset and investment predictability

Following the 2026 government transition, **Hungary entered a new policy cycle after 16 years of political continuity** under the previous administration.

The new administration's stated priorities – including stronger EU cooperation, institutional reform and more predictable policymaking – point to a **potential improvement in the investment environment** if translated into credible implementation.

The new government has outlined efforts to **restore access to EU funds and improve their effective utilization**, which may support economic growth and strengthen investor confidence. **Strengthening institutional independence, transparency and rules-based decision-making** has been identified as part of the new policy agenda. For investors, these factors matter primarily because they influence regulatory predictability, dispute risk and confidence in long-term planning. Measures aimed at **increasing public-sector transparency, strengthening oversight of public spending and improving governance standards** could reduce perceived risk premiums.

The emphasis on predictable economic policymaking and a stable regulatory framework supports a more favorable investment climate.

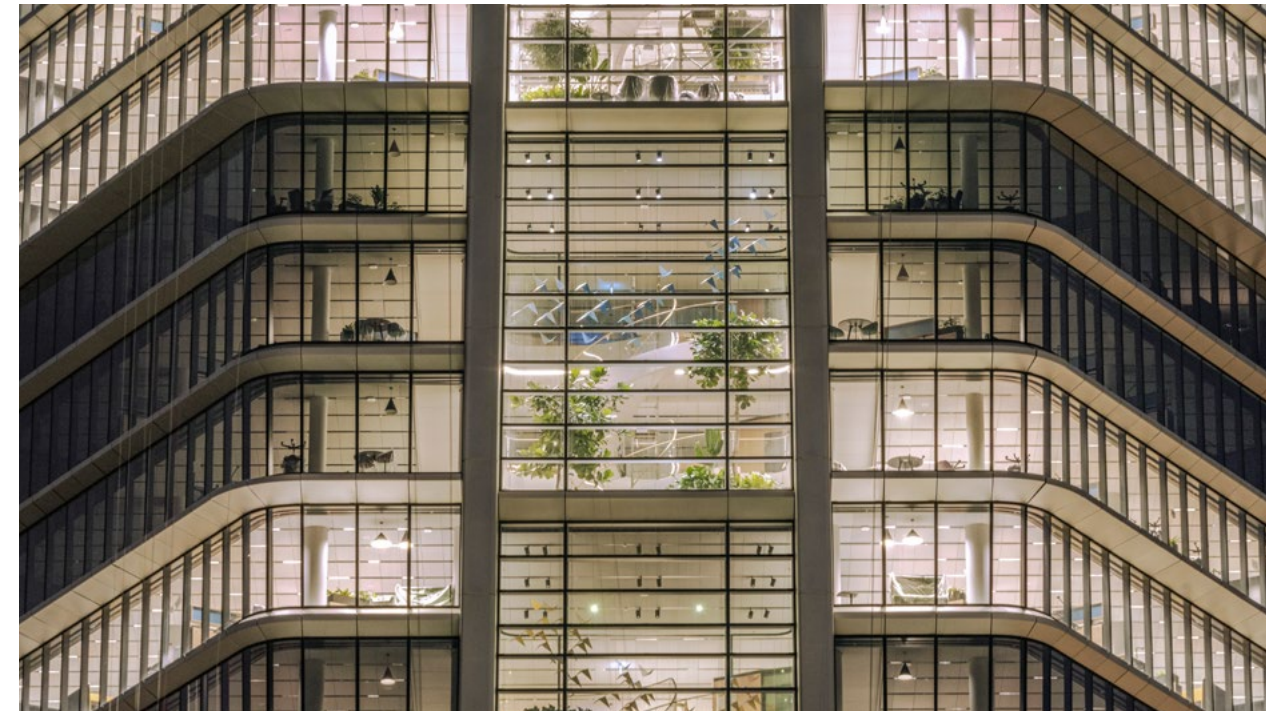
From a geopolitical perspective, the policy shift suggests a **potential rebalancing toward closer cooperation with EU institutions and more consistent alignment with EU regulatory and funding frameworks**. This could enhance Hungary's perceived institutional reliability and reduce selected regulatory-risk concerns among international investors.

Improved relations with EU institutions may also facilitate more stable access to funding and strengthen Hungary's integration into European economic and regulatory systems.

Hungary may remain positioned as a **bridge between European and Asian investment flows, particularly in manufacturing and technology**. However, this positioning will be most valuable if accompanied by clear alignment with EU rules, regulatory standards and geopolitical commitments. This position can be particularly advantageous in attracting both traditional European investors and new capital from Asia, especially in strategic sectors such as manufacturing and technology.

Overall, the change in government creates an opportunity to reposition Hungary's investment narrative around EU cooperation, institutional predictability and more balanced geopolitical engagement.

The extent to which this translates into a more stable and predictable investment climate will depend on the credibility and consistency of implementation.



03

The strategic role of GBS



From service delivery to enterprise capability: the strategic role of GBS

How the GBS model is evolving

Global Business Services (GBS) has moved beyond its original role as a cost-efficiency and centralization tool. For multinational companies, it is increasingly a way to standardize processes, improve control, access specialized talent, scale digital tools and free business units to focus on commercial and strategic priorities. The value case is therefore broader than labor arbitrage: **modern GBS supports enterprise performance, transformation and decision-making.**

From transaction centers to enterprise capability platforms

The shift from Shared Services (SSC) to Global Business Services (GBS) reflects a **broader change in operating model** rather than simply an expansion of scope. Traditional SSCs were designed to deliver standardized transactional services – typically across finance, HR, procurement and IT.. Their value proposition centered on

economies of scale, process standardization, cost efficiency and the elimination of duplicate activities.

Mature GBS organizations build on this foundation by integrating multiple business functions, managing end-to-end processes and establishing common data, reporting and governance standards across the enterprise.

As a result, the service organization evolves from a transactional back-office function into an enterprise operating platform that improves service quality, accelerates execution, strengthens control and provides greater management transparency.

The latest stage of development extends this concept further. Rather than serving solely as operational delivery centers, leading

GBS organizations – **described as GenBS – are increasingly evolving into enterprise capability platforms** that combine end-to-end process ownership, AI-enabled digital technologies, data management and governance within a unified operating model. Automation, advanced analytics and generative AI are embedded into day-to-day operations and decision-making instead of being deployed through standalone transformation initiatives. automation, advanced analytics and generative AI are embedded into day-to-day operations and decision-making. Consequently, **the nature of work performed within GBS has also changed.** While transactional activities remain important, organizations are steadily increasing the share of analytical, knowledge-intensive and business-facing services delivered through these centers, with AI augmenting human expertise and enabling faster, more informed business decisions.





GBS: no Longer Just for Large Multinationals

For the parent company, the value of GBS extends beyond cost reduction.

By consolidating support activities into a common operating model, organizations can simplify processes, improve service consistency, strengthen governance and provide management with more reliable and timely information. Standardized delivery also allows business units to spend **less time on administrative activities** and **more time on customers, product development and business growth**.

GBS is no longer the preserve of the world's largest multinational corporations.

Mid-sized organizations increasingly adopt the model through a phased approach, initially consolidating selected functions – such as Finance, HR, Procurement, IT support, reporting or analytics – before expanding into end-to-end process ownership, automation, data governance or Centers of Excellence. This modular implementation reduces execution risk while providing a scalable foundation that can evolve alongside the business.

Technology as a catalyst for GBS transformation

Technological progress has fundamentally changed how Global Business Services operate. Early automation initiatives were largely aimed at reducing manual effort and improving the efficiency of existing processes. Today, **artificial intelligence, advanced analytics and digital platforms** are influencing how services are designed, managed and improved across the enterprise.

Automation and AI are no longer implemented as isolated technology projects. Increasingly, they are integrated into everyday operations and embedded within enterprise platforms, allowing organizations to simplify complex workflows, improve the speed and quality of decision-making and provide greater operational visibility.

Technology alone, however, does not deliver transformation. Organizations need reliable data, integrated systems, consistent process standards and effective governance before digital capabilities can be deployed at scale.

These foundations are often established through GBS, which provides the operating model needed to introduce new technologies consistently across functions, business units and geographies.

Talent and workforce capabilities

Talent has become a critical factor in the evolution of GBS. While early centers were primarily built around labor availability and cost efficiency, modern GBS organizations increasingly require professionals with deep functional expertise, strong problem-solving capabilities and the ability to work in digital and data-driven environments. Consequently, investors increasingly **prioritize access to experienced talent alongside the scale of the labor market**.

As service portfolios evolve, continuous learning becomes essential. **Training, leadership development and internal mobility** help organizations build the capabilities needed to support more sophisticated activities, including process ownership, analytics, automation and business support functions. This enables GBS organizations to expand their scope while maintaining service quality and operational consistency.

Service delivery and operational integration

Today's GBS organizations are designed to do more than deliver services efficiently. While earlier shared service models focused mainly on transactional activities and standardization, modern GBS organizations often play a broader role in coordinating processes, supporting business performance and driving continuous improvement.

This is reflected in the range of services delivered through GBS. Alongside finance, HR, procurement and IT, many organizations have expanded into **analytics, automation, digital services and transformation support.**

As a result, the focus is gradually shifting from transaction processing toward more knowledge-based and value-added activities.

Common governance, standardized processes and clear ownership help organizations operate more consistently across functions and locations. Many companies also establish **Centers of**

Excellence (CoE) to concentrate on expertise in areas such as analytics, automation, data management and digital solutions.

As GBS models mature, the focus extends beyond cost efficiency to service quality, responsiveness, operational control and continuous improvement. Increasingly, GBS is becoming a key part of how organizations manage and improve support services across the business.

Governance and ESG integration

As GBS organizations take on a broader range of activities, **strong governance becomes increasingly important.** Many centers now support processes that require robust controls, high-quality data and compliance with internal and external requirements, including reporting, supplier management, risk-related activities and ESG reporting.

Environmental, Social and Governance (ESG) provides a good example of this trend. Effective ESG reporting depends on consistent data, clear process ownership and common reporting standards across the organization. GBS can support these requirements by consolidating data, applying standardized processes and helping ensure reporting quality and consistency.

More broadly, the value of GBS extends beyond efficient service delivery. By standardizing processes and concentrating expertise, **GBS enables organizations to**

embed controls directly into day-to-day operations, improving data reliability, reducing operational risk and supporting more consistent execution across functions and locations.



04

Why Hungary for GBS operations



Why Hungary for GBS operations

Hungary's GBS proposition is no longer based only on labor arbitrage.

The country offers a mature nearshore platform where multinational companies can combine cost efficiency with multilingual delivery, functional expertise and increasingly higher-value services.

Mature GBS ecosystem and market evolution

Hungary has one of **the most mature business services ecosystems** in Central and Eastern Europe. Its competitive advantage, however, lies not only in its established track record but also **in the depth of the supporting ecosystem**. Companies establishing a new GBS operation can draw on an experienced network of service-center leaders, recruitment specialists, advisors, universities, technology providers, commercial real estate partners and professionals already familiar with multinational operating models. This **significantly reduces execution risk**, enabling investors to build on an existing ecosystem rather than develop both the operation and the supporting market infrastructure from scratch.

The sector has reached meaningful scale: around 60% of service centers have been operating for more than 10 years, while employment increased from approximately 70,000 to over 118,000 professionals between 2021 and 2025. Over the same period, the number of GBS centers in Hungary increased from 156 to 245, representing growth of 57.1%.

This combination matters. Long-established centers demonstrate retention and upscaling, while continued center growth shows that Hungary is not only an expansion market for incumbents but also remains open to new entrants.

Employment has grown faster than the number of centers, suggesting that many existing operations are scaling and absorbing broader mandates. **Around 70% of companies expanded their service scope over a recent two-year period**, which indicates that the country is being used for

multifunctional and higher-value activities, not only transactional processing. For new investors, this is a useful signal.

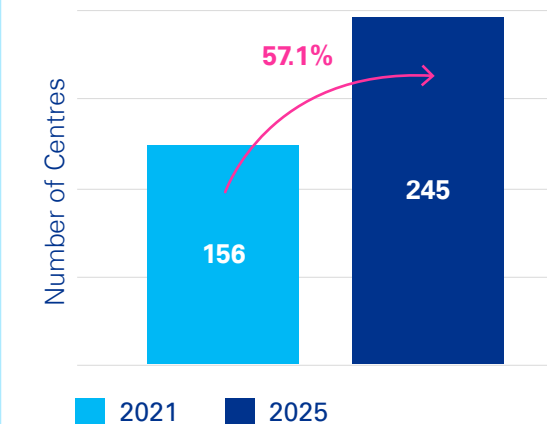
Hungary can support initial entry models and provide a path for later expansion into more complex work.

The market opportunity is no longer limited to large, traditional back-office centers. Hungary is suitable for several entry models: regional finance or procurement hubs, multilingual customer and employee services, IT and application support, analytics and reporting teams, automation and process-improvement centers of excellence, and service operations linked to manufacturing or engineering footprints. This flexibility is also important for mid-sized companies: investors do not need to start with a thousand-person center to make the model work. **Smaller, focused teams can be established first and expanded as the business case matures.**

Compared with Poland, which remains the largest CEE business-services market by

center count and employment, Hungary should not be positioned as the region's biggest hub. Its stronger proposition is a **combination of maturity, accessibility and operational depth**. The market is large enough to offer experienced talent and a functioning ecosystem, but compact enough for new investors to navigate, build relationships and gain visibility more quickly.

GBS centers in Hungary (2021-2025) – illustrative trend



GBS talent supply and workforce dynamics

One of Hungary's key competitive advantages lies in its **highly educated and internationally competitive workforce**. The existing GBS sector already employs more than 118,000 professionals, creating a pool of people familiar with multinational processes, Enterprise Resource Planning (ERP) environments, international stakeholder management and service center operating models. This **reduces ramp-up risk** compared with less mature locations, particularly for finance, accounting, procurement, IT support, customer and employee services, reporting and business operations. **The sector already contributes approximately 3% to Hungary's GDP**, highlighting its strategic importance to the economy. **The talent base is deepest in Budapest**, especially for experienced GBS professionals, senior managers, multilingual roles and digital capabilities. **Regional university cities add targeted capacity** but should not be treated as interchangeable with the capital. **Debrecen** is increasingly relevant for scalable operations and industry-linked growth; **Szeged** offers a strong graduate and language base; **Pécs** is more suitable for stable, focused operations where retention is important; and **Győr** has a stronger engineering and manufacturing-services profile. This makes Hungary suitable for both single-site and selective multi-location

models, but location choice should follow the function profile rather than a generic cost comparison.

Language capabilities represent a further critical asset. Hungary provides access to a broad multilingual talent pool, enabling pan-European service delivery models. English proficiency in Hungary ranks in the "high proficiency" category for English proficiency globally, placing **the country 22nd worldwide in the EF English Proficiency Index**. In addition, approximately **19-25% of the population speaks English**, with significantly higher rates among younger cohorts (over 50% among people in their 20s).

English is the operating language across most GBS functions, particularly in finance, IT, procurement, analytics and internal business services. **German is the most important second language**, reflecting Hungary's strong economic ties with German-speaking markets and the significant presence of German and Austrian investors. **French, Italian and Spanish talent is available for the majority of service lines. Nordic, Dutch and other less common languages are also represented in the Hungarian GBS market**, although they should generally be regarded as niche capabilities with more limited talent pools, higher recruitment costs and longer hiring lead times.



The market is tight. Unemployment of around 4.5% indicates a **resilient labor market**, but for GBS investors it also means that **expansion cannot rely on large pools of immediately available labor**. Entry-level graduate hiring is still feasible, especially through universities, but experienced talent is more constrained. **The main bottlenecks are roles requiring five or more years of GBS experience**, as well as team leadership, process ownership, stakeholder management, transformation capability, digital skills and rare languages. These roles require longer recruitment timelines and stronger employer positioning.

Hungary maintained a relatively **strong labor market position throughout the 2020-2025 period**, with unemployment remaining consistently below the EU average and lower than in several regional peer countries. After reaching a low of 3.6% in 2022, the unemployment rate gradually increased to 4.5% in 2025 but remained well below the EU average of 6.0%. Compared to Romania and Slovakia, **Hungary continues to benefit from a tighter labor market**, reflecting sustained demand for skilled talent and the ongoing expansion of business services and other knowledge-intensive sectors. While Czechia and Poland recorded slightly lower unemployment rates, **Hungary remains among the region's best-performing economies in terms of employment**.

The composition of demand is also evolving. **Hungary is no longer primarily a market for high-volume transactional hiring**. As GBS organizations expand into higher-value functions, such as financial controlling and FP&A, procurement, digital and IT services, analytics, automation, data governance and business advisory, they increasingly require professionals who combine functional expertise with digital capabilities and sound business judgment.

As a result, the challenge is shifting from hiring at scale to building specialized capabilities.

The growing adoption of AI reinforces this trend. In the near term, AI is likely to reshape skill requirements more than overall headcount. The competitive advantage will increasingly lie with GBS centers that combine deep process expertise with automation capabilities, data literacy and the responsible application of AI tools. For investors, this means that **career development, structured upskilling and leadership pipelines** are becoming integral to long-term scalability rather than simply supporting HR initiatives.

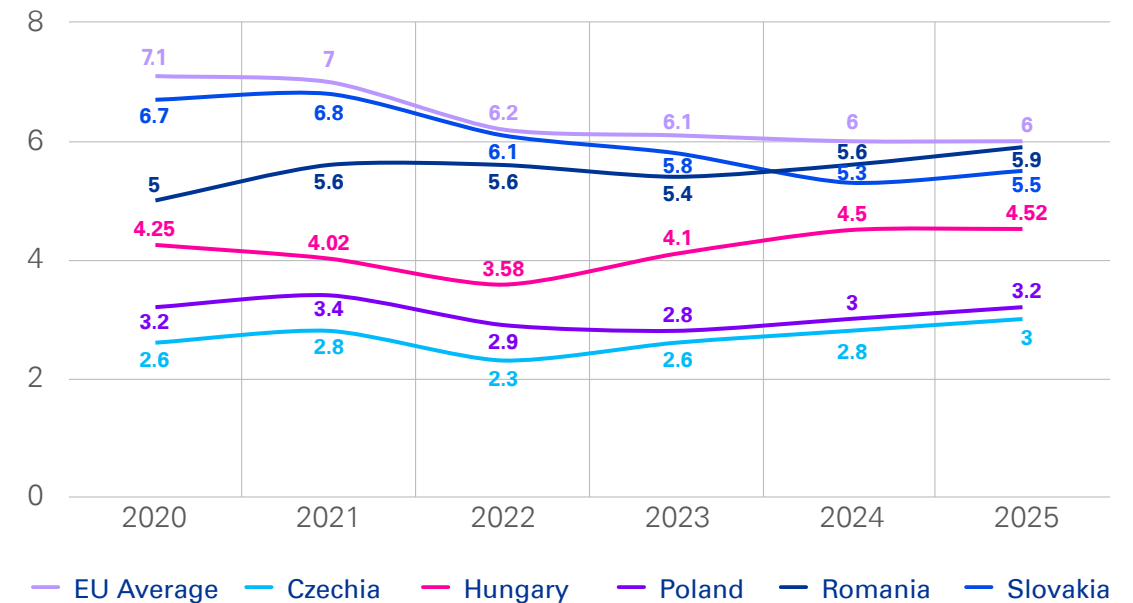
The **EU Pay Transparency Directive** will increase the need for disciplined job architecture, salary governance and pay-

equity controls, as compensation gaps will become more visible to candidates and employees.

For new investors, the practical implication is clear: **Hungary can support GBS growth, but not through passive hiring**. Successful ramp-up requires phased recruitment, early university partnerships, credible employer branding, strong middle-management development, hybrid work policies and selective use of regional cities.

Companies that treat workforce strategy as part of the operating model, rather than an HR workstream after site selection, are more likely to scale sustainably.

Unemployment rate comparison (2020-2025)



Source: Unemployment Rate – countries – EconomyPulse

Hungary's higher education talent base

Hungary offers a **sizeable and diversified higher education talent pool** relative to its population and market size. In the 2025/26 academic year, **Hungarian higher education institutions enrolled 350,989 students**, providing companies with a sustainable graduate pipeline across business, economics, engineering, IT, healthcare, humanities and other knowledge-intensive disciplines. The system also has a clear international dimension, with **more than 49,458 international students and over 52,239 students** participating in foreign-language programs.

The geographical distribution of students highlights Budapest's dominant position within the national talent ecosystem. **The capital alone accounts for 178,071 students, representing more than half of Hungary's entire higher education population.** Outside Budapest, the strongest university centers include Debrecen (31,983 students), Szeged (25,825), Pécs (23,056) and Győr (19,630), reflecting the continued importance of Hungary's major regional university cities.

Hungary's higher education system has become **increasingly international**, attracting more than **49,000 students** from abroad. This growing student base

contributes to a diverse, multilingual talent pool that supports the workforce needs of Global Business Services, IT, engineering and other knowledge-intensive sectors. The continued internationalization of higher education further strengthens Hungary's attractiveness as a location for international business operations. Another notable characteristic of the Hungarian educational landscape is the **strong presence of part-time and lifelong learning programmes**. More than 117,000 students are enrolled in part-time education nationwide, accounting for approximately one-third of all higher education students. This highlights the **flexibility of the Hungarian education system and its ability to support both graduate talent supply and workforce reskilling needs**.

Educational profile

The relevance of Hungary's higher education base for GBS investors depends not only on the number of students but also on the **disciplinary mix of the system. Business, economics, engineering and information technology represent major components of the national student base**, providing a pipeline for finance, procurement, HR, digital, analytics, engineering support and manufacturing-linked service roles.

At bachelor's level, **Economics and Business is Hungary's largest field of**

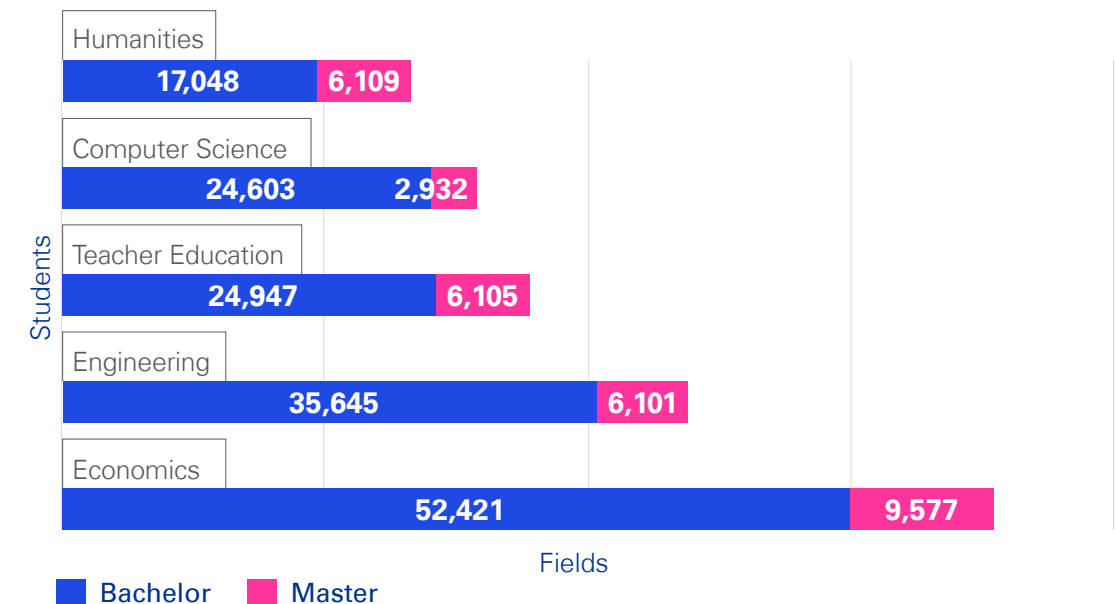
study, with 52,421 students. This provides a strong talent pipeline for finance, accounting, procurement, HR, controlling, project management and broader business operations roles.

Engineering, with 35,645 students, **remains a cornerstone of Hungary's competitiveness**. Beyond supporting the country's manufacturing base, engineering graduates are increasingly relevant for

engineering support services, CAD and design, technical documentation, industrial analytics and manufacturing-related business services.

Computer Science and IT programs account for more than 24,603 bachelor's students, underpinning talent availability for application support, cybersecurity, data analytics, automation, digital operations and other technology-enabled GBS activities.

Students by field and degree level (2025/26)



Teacher Education and Humanities also strengthen Hungary's broader talent proposition.

While traditionally associated with education, public administration and cultural sectors, these disciplines provide graduates with strong communication, analytical, language and stakeholder management capabilities that are relevant across customer operations, employee services, HR support, content-related activities and other business support functions.

At master's level, **Economics remains the largest field of study, followed by Engineering and Humanities.** This indicates that Hungary is not only producing a substantial pipeline of entry-level graduates but also developing a significant pool of specialized professionals equipped for higher-value roles requiring advanced expertise, problem-solving capabilities and leadership potential

Overall, Hungary offers a strong higher education base to support business services investment. Budapest remains the primary source of graduate talent, complemented by regional university centers with strengths in specific disciplines.

The most successful companies engage the talent market early through university partnerships, internships and graduate programs allowing them to build sustainable recruitment pipelines and support future growth.

Compensation landscape – salaries and total labor costs

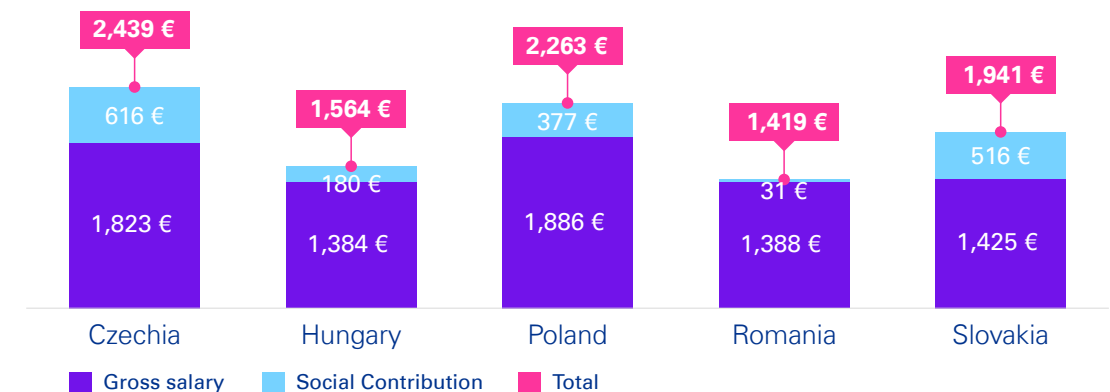
The benchmark shows that Hungary's GBS labor-cost proposition strengthens materially when assessed on fully loaded labor cost rather than gross salary alone. On gross salary, Hungary is broadly comparable with Romania and Slovakia in several roles, and clearly below Poland and Czechia in most functions. However, once employer social contributions are included, Hungary's relative position improves significantly due to its 13% employer contribution rate. Romania remains the lowest-cost comparator in several roles due to its exceptionally low employer-side contribution burden. However, Hungary provides a stronger balance of cost efficiency, GBS maturity, scalability and access to multilingual talent and professionals with expertise in finance, IT, analytics and technical fields.

Finance roles

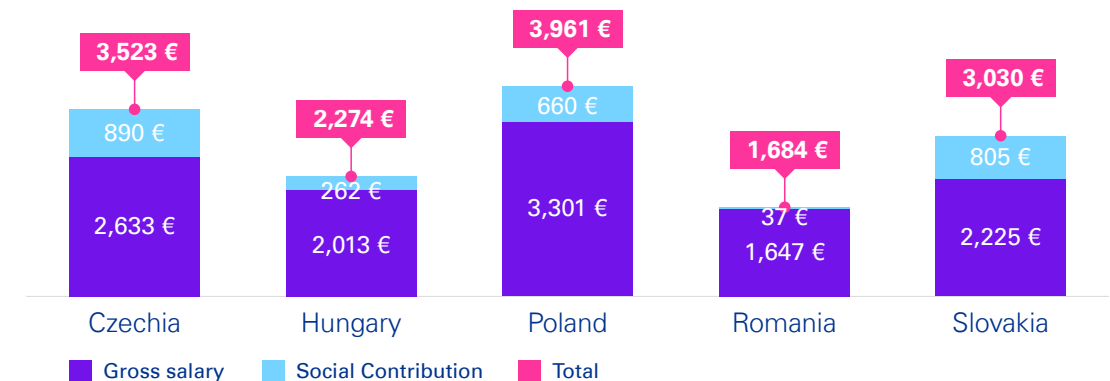
Finance remains one of Hungary's strongest GBS use cases. Hungary combines competitive gross salary levels with a favorable contribution environment,

resulting in fully loaded finance costs that are materially below Poland, Czechia and Slovakia. The advantage is particularly visible in GL and AP/AR roles, while FP&A also remains cost-attractive compared with Poland or Czechia.

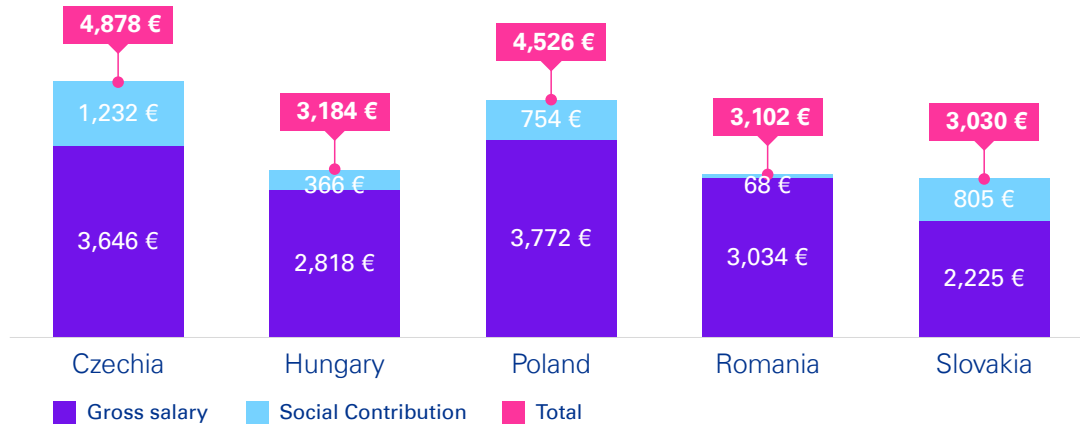
Junior AP/AR accountant – typical fully loaded labor cost and gross salary



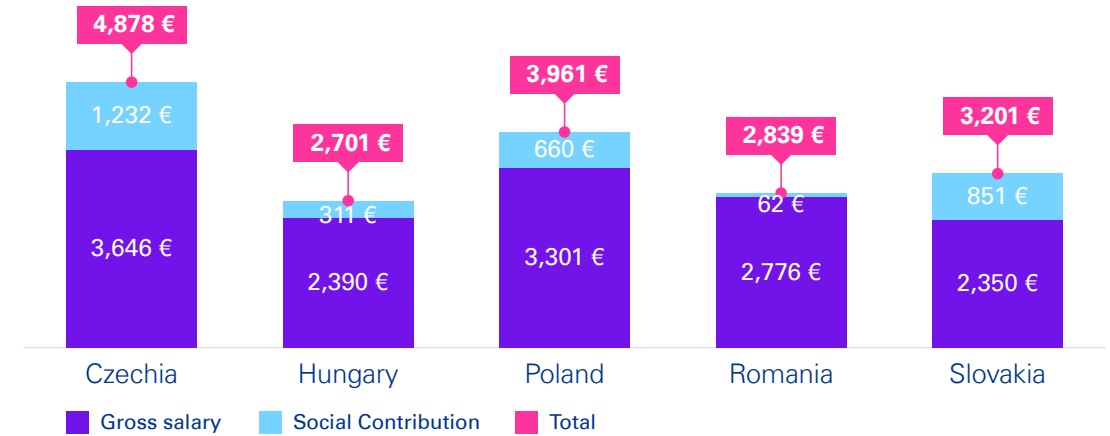
Senior AP/AR accountant – typically full loaded labor cost and gross salary



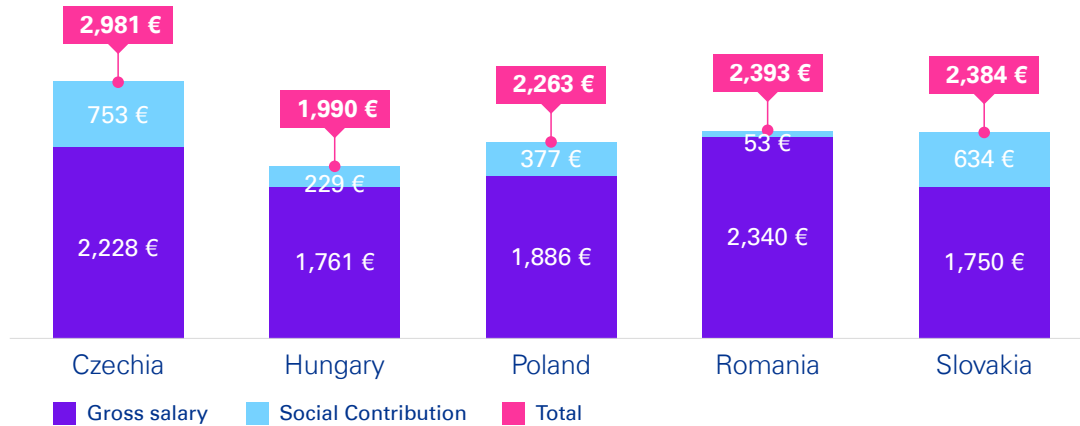
AP/AR team lead – typical fully loaded labor cost and gross salary



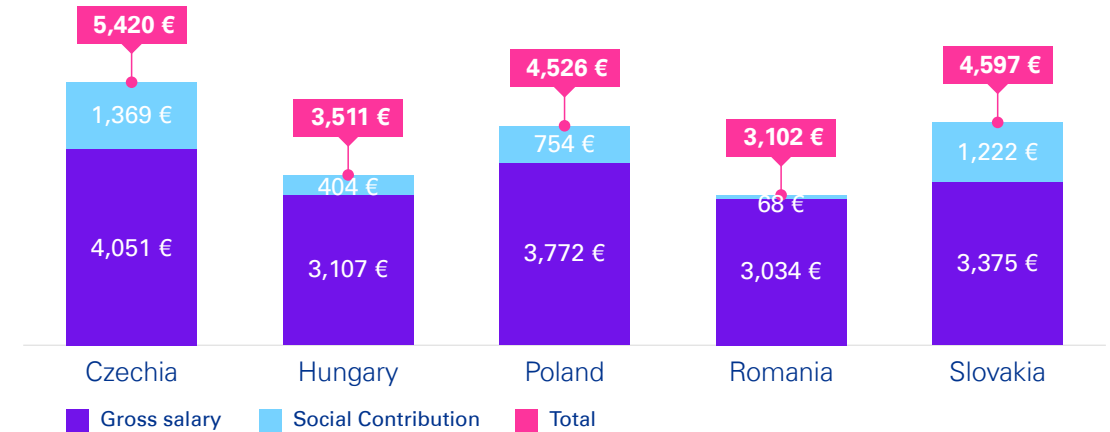
Senior GL accountant – typical fully loaded labor and gross salary



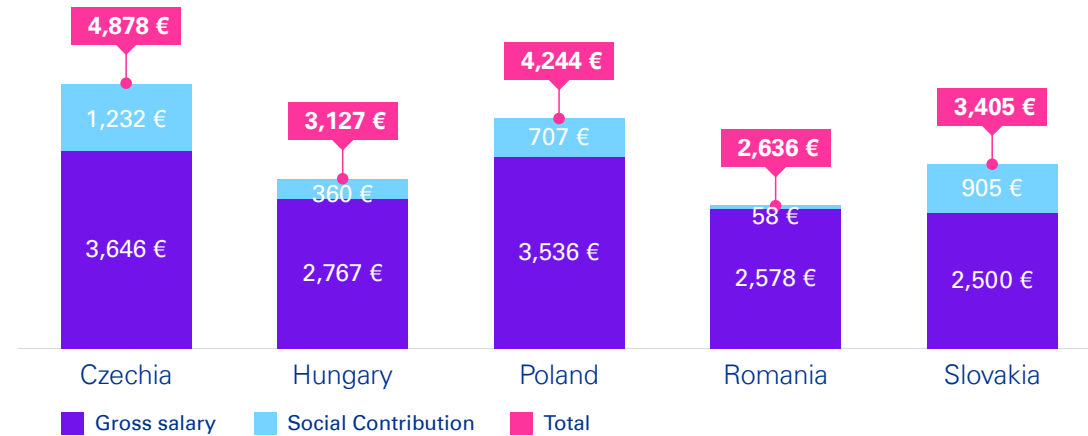
Junior GL accountant – typical fully loaded labor cost and gross salary



GL Team lead – typical fully loaded labor and gross salary



Controlling/FP&A medior – typical fully loaded labor cost and gross salary



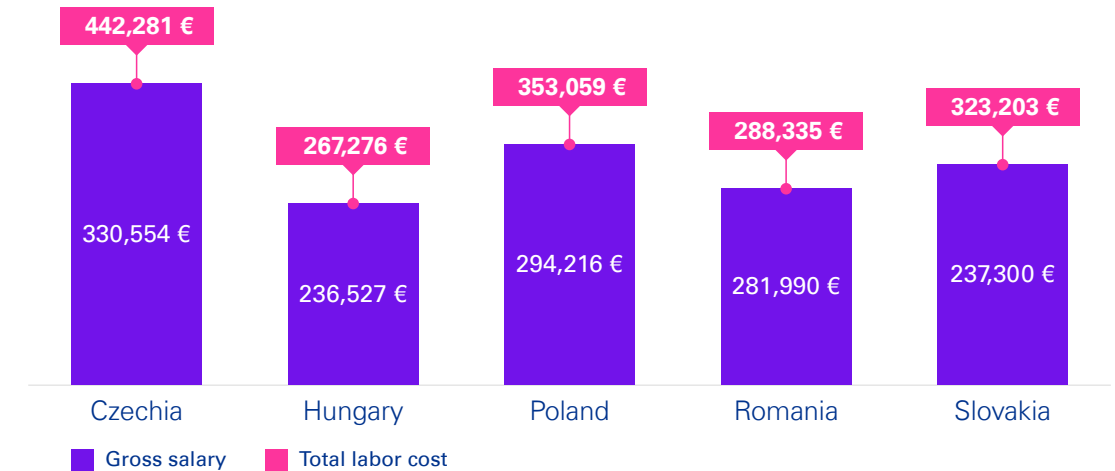
Source: HIPA Guide 2026

For a 9-FTE GL team comprising one team lead, four senior GL accountants and four junior GL accountants, Hungary offers the most cost-efficient operating model among the benchmarked locations on a fully loaded labor cost basis. The annual cost of such a team is approximately **€267k in Hungary, compared with €288k in Romania, €323k in Slovakia, €353k in Poland, and €442k in Czechia.** This translates into annual savings of around €21k compared with Romania, €56k compared with Slovakia, €86k compared with Poland, and €175k compared with Czechia.

The comparison highlights that Hungary's advantage is driven not only by competitive

salary levels, but also by its favorable employer contribution structure. This is particularly evident when compared with Slovakia, where annual gross salary costs are virtually identical, yet the total annual labor cost is more than €55k higher. As a result, a company operating multiple finance teams or scaling a larger Record-to-Report organization could **generate substantial recurring savings by selecting Hungary over most alternative CEE locations.** The analysis demonstrates that Hungary's cost advantage observed at the individual GL role level translates directly into meaningful savings at team level, reinforcing its attractiveness for finance and accounting service delivery.

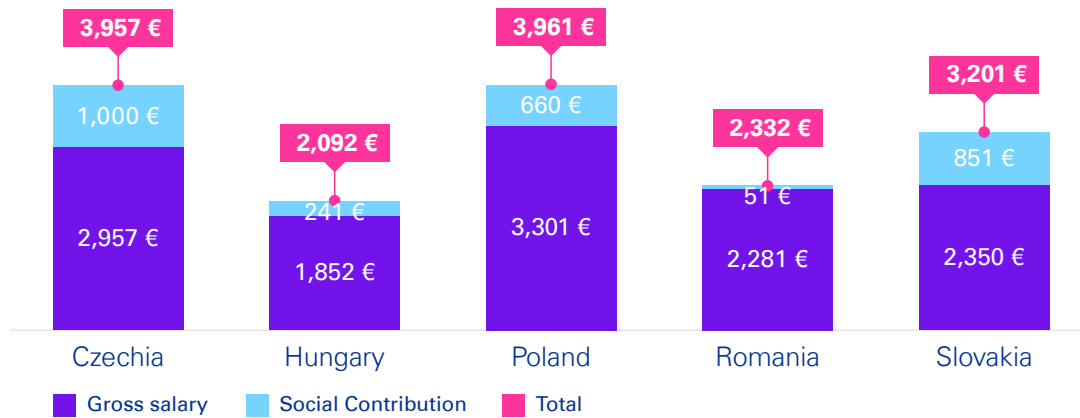
Annual total labor cost for a 9-person GL team (one team lead, four seniors, four juniors)



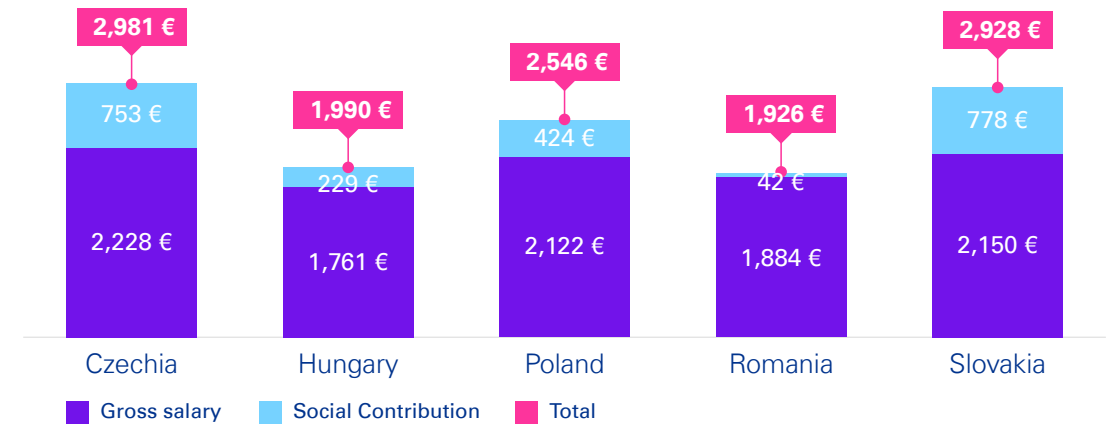
Source: HIPA Guide 2026

Hungary's supply chain cost profile supports a broader GBS value proposition beyond finance. The country is particularly competitive in **operational procurement and order management**, while still offering an attractive cost position for more senior procurement roles compared with Poland, Czechia and Slovakia.

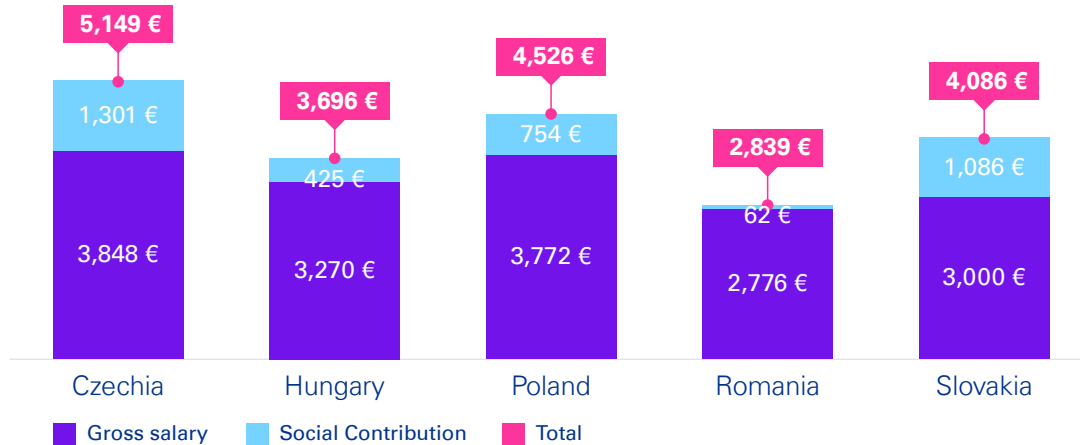


Operational buyer – typical fully loaded labor cost and gross salary

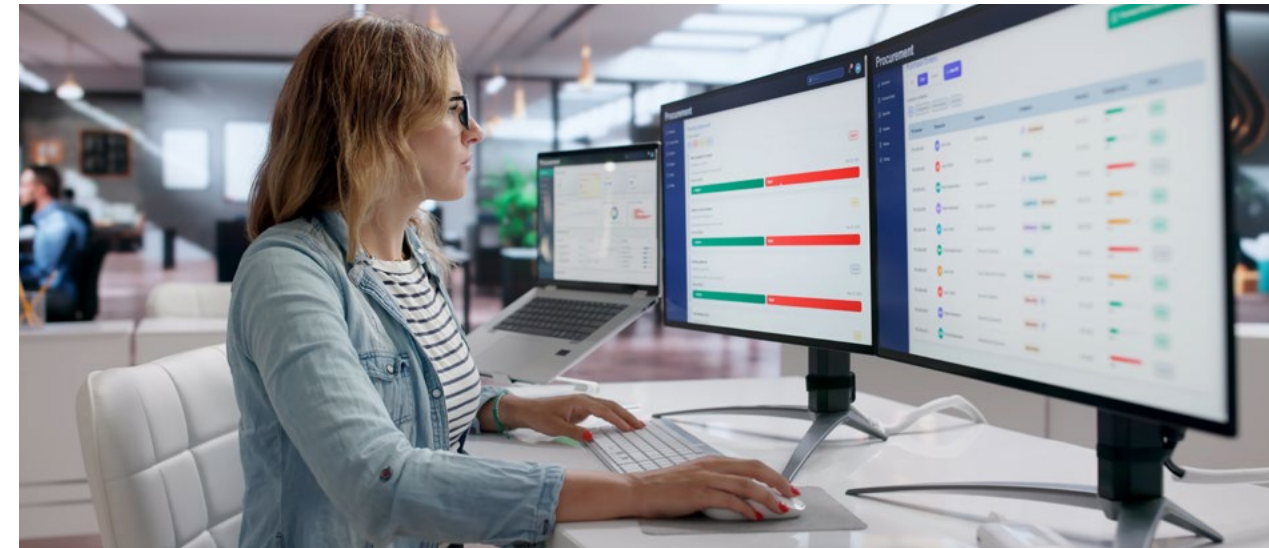
Source: HIPA Guide 2026

Order management specialist – typical fully loaded labor cost and gross salary

Source: HIPA Guide 2026

Strategic buyer – typical fully loaded labor cost and gross salary

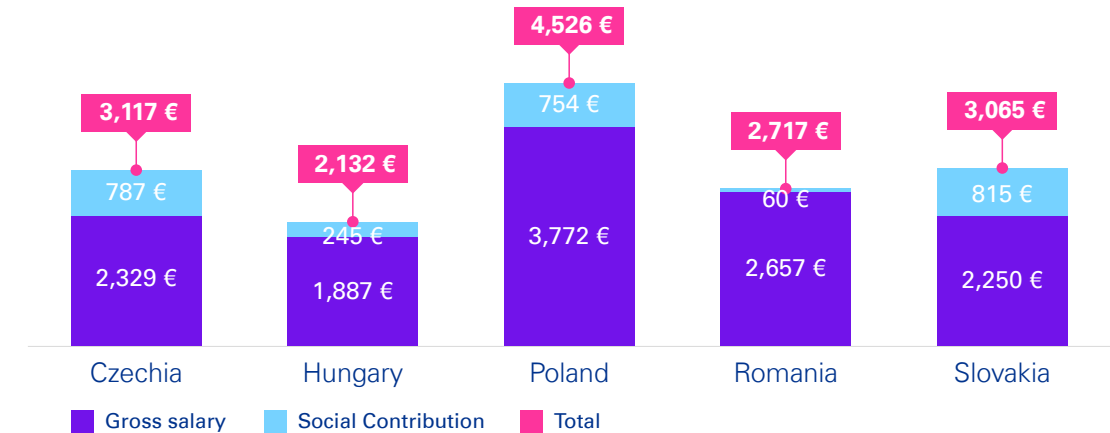
Source: HIPA Guide 2026





The **IT service** desk is one of the clearest examples of Hungary's GBS cost competitiveness. Hungary leads the benchmark in both L1 and L2 support roles, making it a strong candidate location for digital workplace, application support and IT helpdesk activities within multifunctional GBS centers.

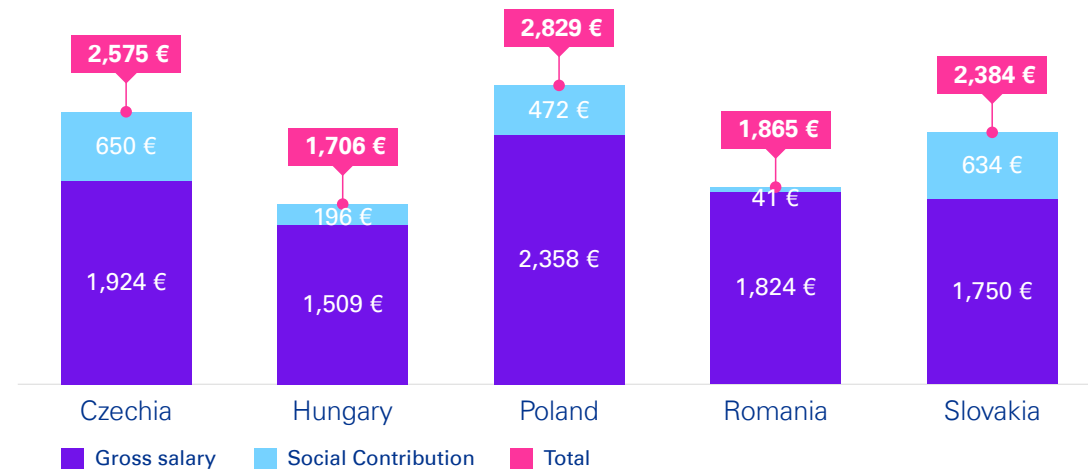
L2 service desk agent – typical fully loaded labor cost and gross salary



Source: HIPA Guide 2026



L1 service desk agent – typical fully loaded labor cost and gross salary



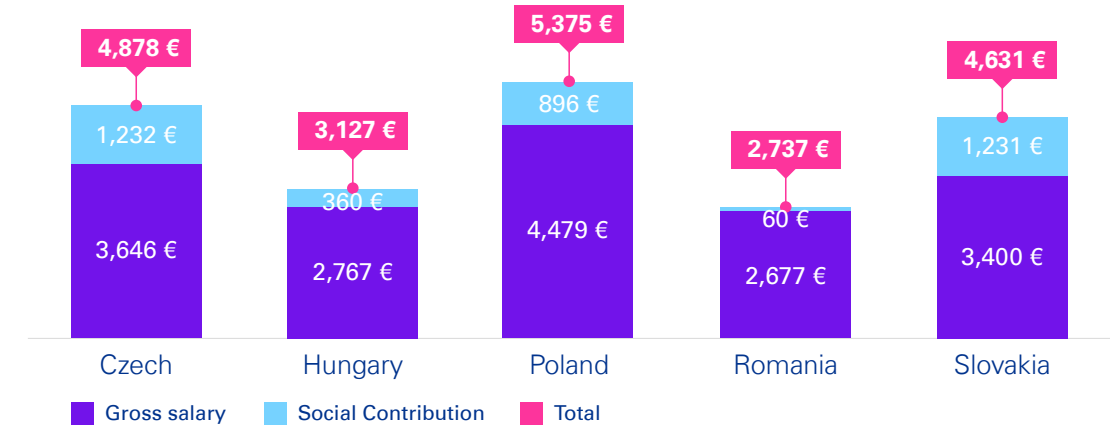
Source: HIPA Guide 2026



Hungary's customer service proposition is competitive on a fully loaded labor cost basis versus Czechia, Slovakia and Poland, but Romania has a clear cost advantage. Compared with other functions in the benchmark, customer service provides a narrower cost differentiation for Hungary.

Hungary provides a cost-efficient base for analytics and data-related services. The gap versus Poland is particularly significant.

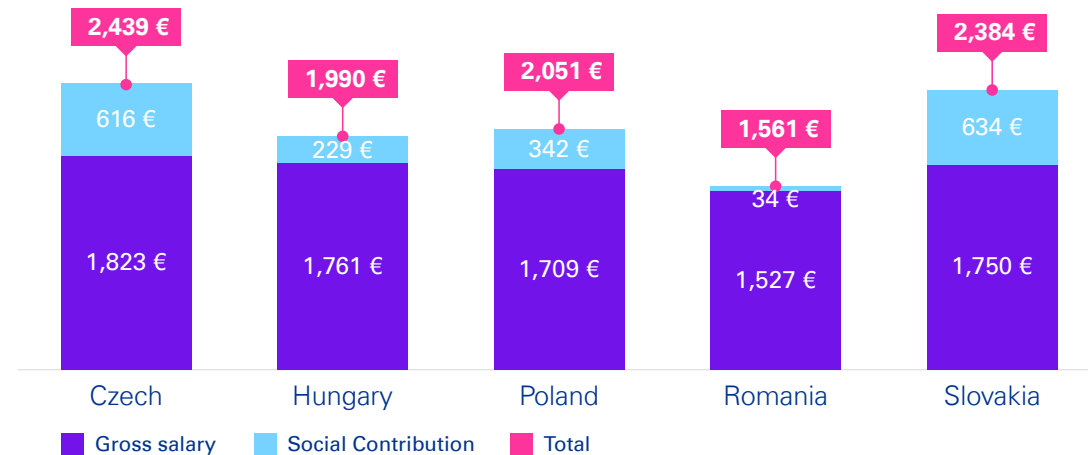
Mid-level data analyst – typical fully loaded labor cost and gross salary



Source: HIPA Guide 2026



Customer service specialist – typical fully loaded labor cost and gross salary



Source: HIPA Guide 2026

Hungary's competitiveness extends into selected technical and engineering support activities. Hungary, together with Romania and Slovakia, remains in the lower-cost segment compared with Czechia and Poland, supporting its relevance for manufacturing-adjacent GBS services.

Hungary has a compelling cost position for **experienced project management and transformation roles**. This strengthens the country's value proposition as a GBS location capable not only of delivering operational services but also of supporting transitions, service expansion and broader transformation initiatives.

Project management roles represent some of the highest-value positions within shared services and business services operations, as reflected in the significantly higher salary and labor cost levels across all benchmarked CEE markets. While Czechia and Poland record the highest total employment costs, **Hungary maintains a competitive position, with a fully loaded labor cost of** approximately EUR 5,117 per month, substantially below the levels in both markets while offering access to experienced project management talent.

management. This strengthens Hungary's position as a **cost-effective and mature platform** for both existing GBS operations and future value-added service expansion.

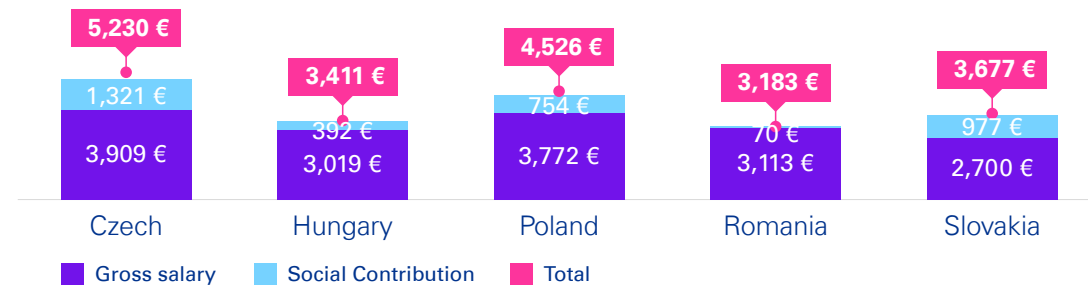
Overall, the findings confirm that Hungary remains one of the most competitive locations in Central and Eastern Europe from a labor cost perspective.

Combining the lowest total labor cost with an established, mature GBS sector and experienced talent pool, Hungary continues to offer a compelling value proposition for investors considering finance and accounting operations in the region.

The benchmark confirms Hungary's attractiveness not only for core transactional GBS activities, such as finance operations, IT service desk and order management, but also for higher-value roles, including data analytics, CAD/design support and project

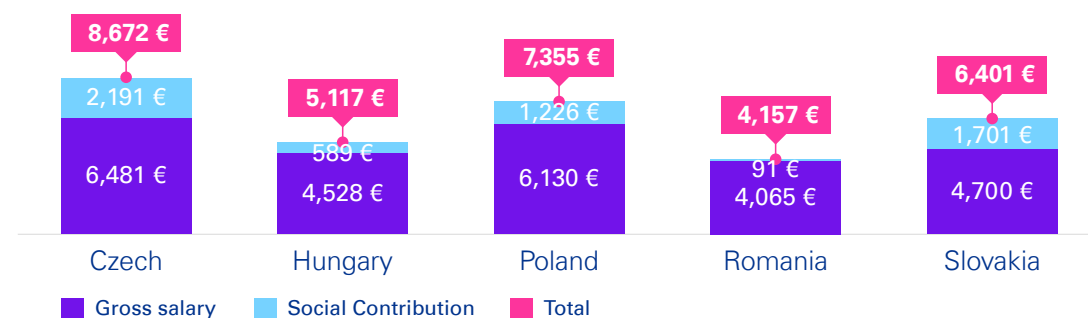


2D/3D designer – CAD drafter – typical fully loaded labor cost and gross salary



Source: HIPA Guide 2026

Internal project manager – typical fully loaded labor cost and gross salary



Source: HIPA Guide 2026

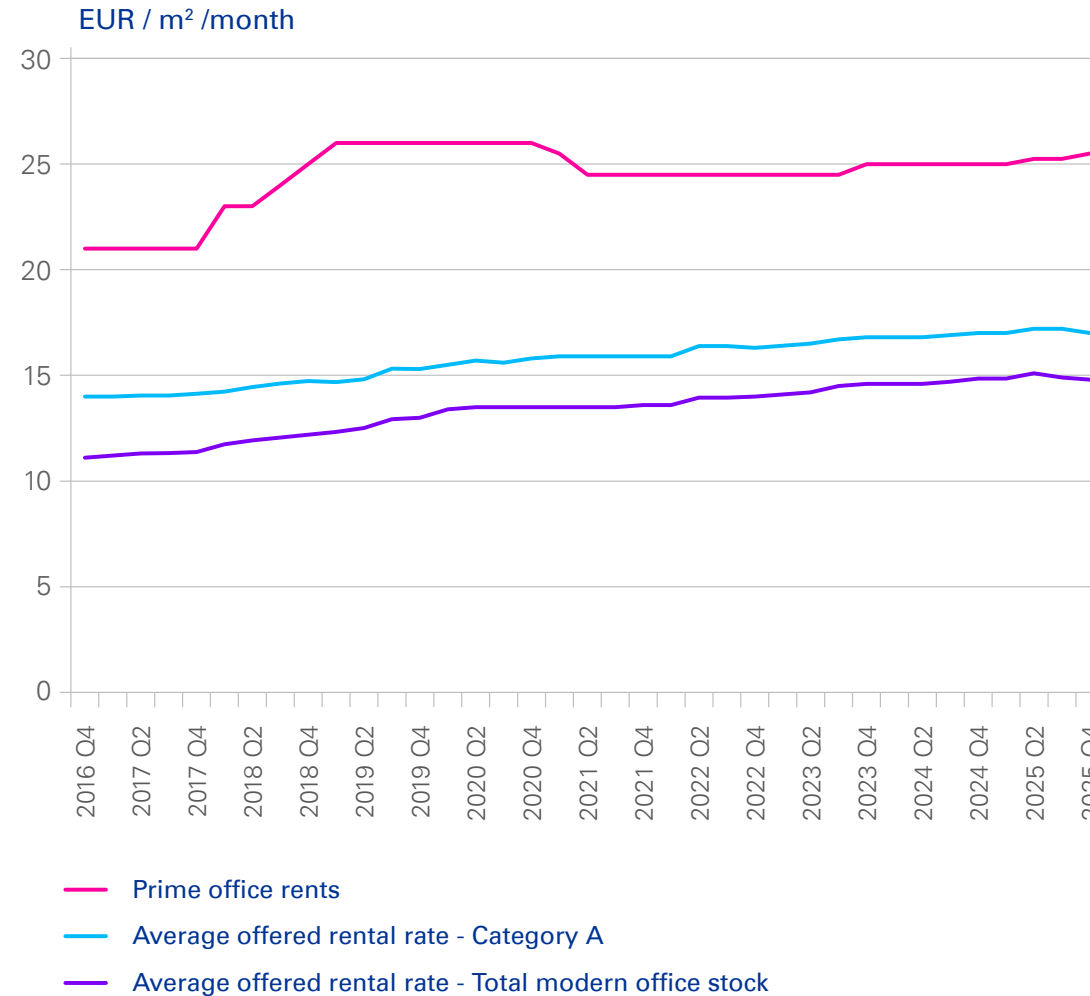
Office market and operating infrastructure

Office market

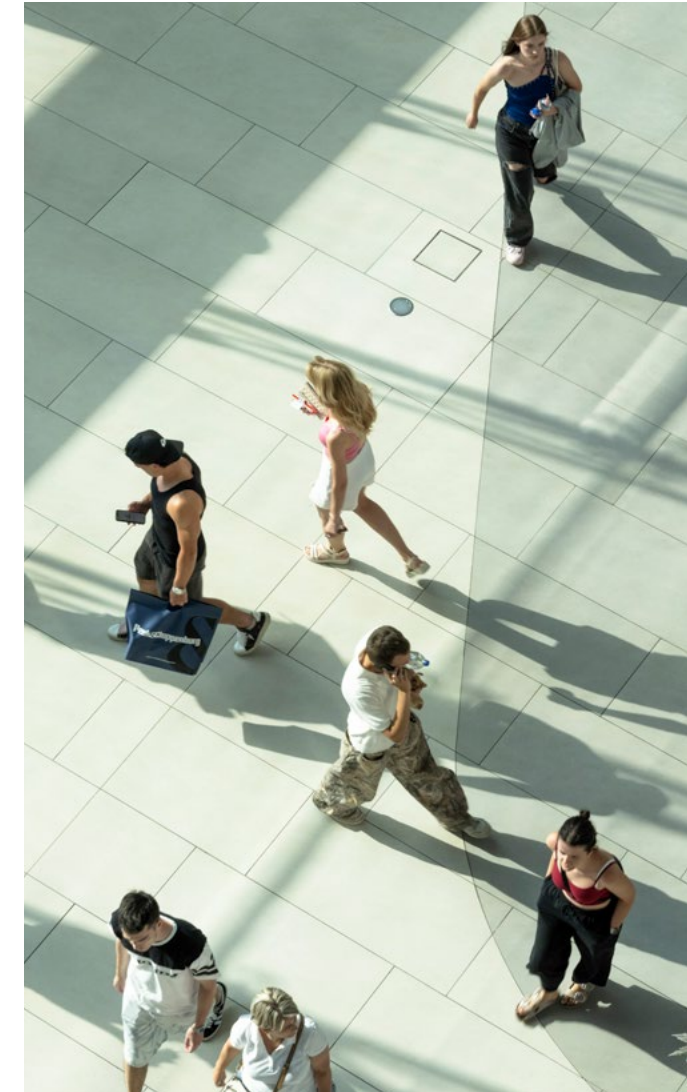
Budapest is Hungary's leading GBS location, underpinned by a **mature office market**, **excellent international connectivity**, **reliable public transport** and a **well-developed business services ecosystem**. By the end of 2025, the city's modern office stock totaled approximately 4.46 million square meters, with supply concentrated in established office hubs including the Váci Corridor, the Central Business District and South Buda. The depth and diversity of the market enable investors to **choose from a broad spectrum of office solutions**, ranging from premium Class A developments to more cost-efficient options across multiple business districts.

Office pricing remains competitive and relatively stable, which is a key consideration for long-term investment planning. Average quoted rental levels stand at around EUR 14.8 per square meter per month, while Class A properties average approximately EUR 17 per square meter per month, with prime assets reaching approximately EUR 25-26 per square meter per month.. Despite broader macroeconomic volatility, **this stability indicates a balanced market environment** in which cost predictability supports corporate location strategy, scaling decisions and long-term occupancy planning.

Offered rental rates on the Budapest office market



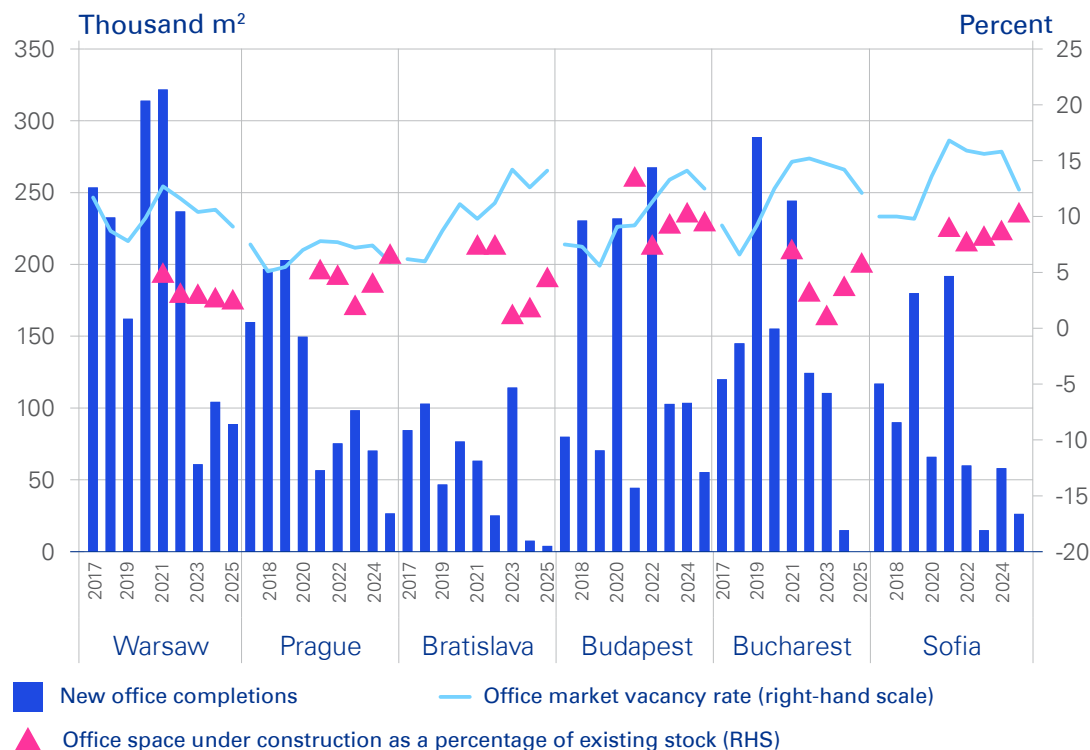
Source: MNB



The vacancy picture should be interpreted as market flexibility rather than weakness. A 12-14% vacancy range gives occupiers room to negotiate and phase expansion, but it does not remove the need for early planning. Large contiguous space,

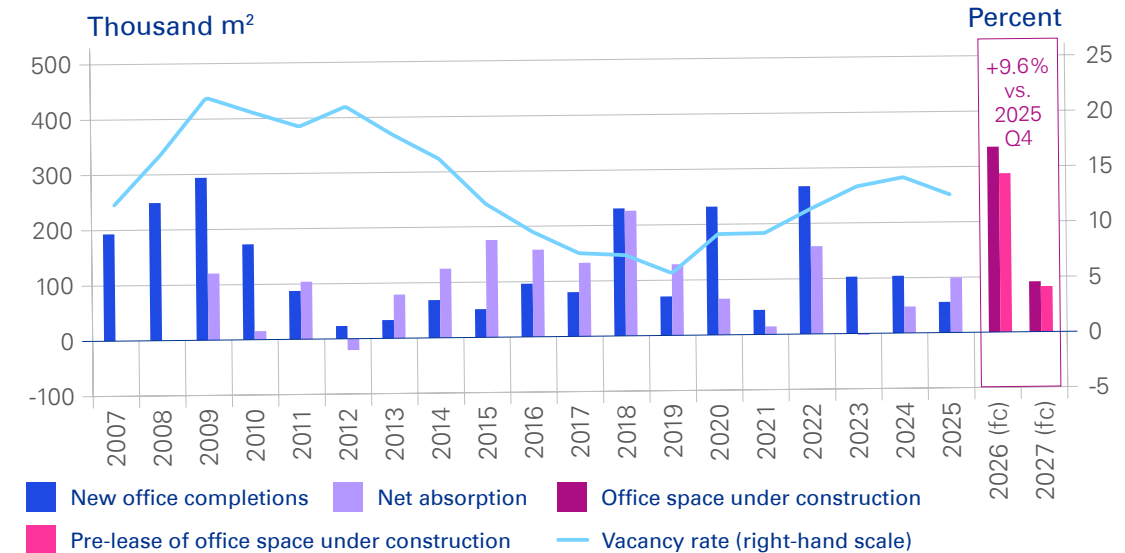
high-quality buildings and locations close to the strongest talent catchments may still be constrained. For larger GBS projects, real-estate planning should therefore run in parallel with workforce and ramp-up planning.

Development activity and vacancy rates in regional capital office markets



Source: MNB

Leasing and development activity in the Budapest office market



Source: MNB

Development activity continues to support the long-term quality of Budapest's office market. At the end of 2025, approximately 426,000 square meters of office space was under construction, equivalent to nearly 9.6% of existing stock. Projects scheduled for completion in 2026 could add a further 335,000 square meters, representing around 7.5% of current supply.

A significant share of this development pipeline (approximately 80-84%) consists of owner-occupied projects, particularly public-

sector and government-related developments. While this limits the amount of new space entering the leasing market in the short term, the development pipeline continues to **modernize Budapest's office stock** and supports the city's long-term attractiveness as a business location. Combined with the existing availability of leasable space, the development pipeline reduces the risk of structural supply constraints while ensuring that occupiers continue to benefit from **modern, high-quality office infrastructure**.

Infrastructure

Ongoing rail and road developments, many supported by **EU funding**, strengthen the overall business environment by improving accessibility and connectivity across the country. Their significance lies less in any single project and more in the cumulative impact: **more reliable commuting, stronger connections** between Budapest and regional talent pools and **enhanced operational resilience**. For companies evaluating service delivery locations, these improvements help **broaden recruitment catchments, support workforce mobility and facilitate closer integration** between business hubs across Hungary.

Budapest benefits from an extensive multimodal transport network, including metro, tram, bus, suburban rail and commuter rail connections. This supports access between residential districts, universities and the main office submarkets where most GBS centers are concentrated. In practice, **most major office districts can be reached within 30-45 minutes** from large parts of the city supporting both daily commuting and hybrid working patterns.

Recent investment has increasingly focused on improving network performance rather than simply expanding infrastructure capacity. Supported by EU initiatives such as the Horizon Europe-funded UPPER program,

Budapest is deploying **digital mobility solutions, real-time journey information and public transport prioritization measures** to improve travel reliability and reduce commuting times.

For the GBS sector, the strategic benefit lies in a larger effective labor catchment area, more predictable employee commuting and an operating environment that can better support long-term workforce growth.

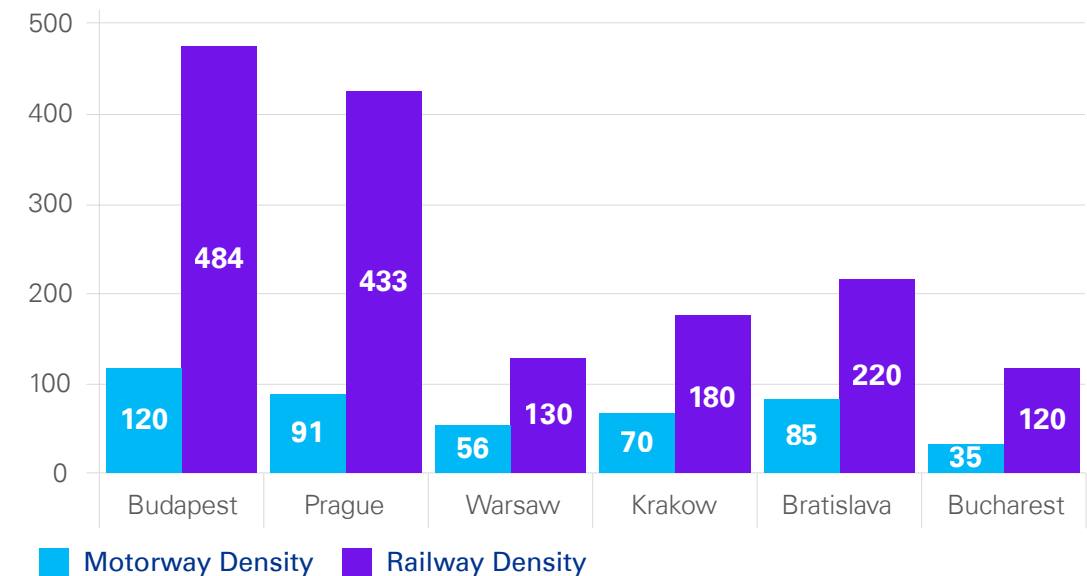
These developments contribute to a more efficient urban transport system, which is critical for GBS operations that rely on the daily commuting of large workforces with predictable and reliable travel times and accessibility across different urban and suburban zones. More broadly, such initiatives reflect a shift toward data-driven, user-centric mobility ecosystems aligned with global smart city trends.

At the national level, Hungary's nearly 1,940 km of expressways place most major cities and industrial centers within a few hours' drive of Budapest, supporting regional management, business travel and access to wider labor catchments.

The comparison of major CEE GBS hubs highlights the strong transport accessibility of Budapest relative to other leading business services destinations in the region. Budapest records the **highest motorway density** (120 km per 1,000 km²) and one of the most **extensive railway networks** (484 km per 1,000 km²) among the benchmarked metropolitan areas. The railway-density indicator should be interpreted carefully as it includes all railway lines, including freight-only, industrial and secondary lines.

Budapest Ferenc Liszt International Airport supports the travel pattern typical of GBS operations: transition workshops, governance meetings, stakeholder visits, leadership alignment and regional coordination. The airport provides direct access to major European business hubs and is typically reachable from central business districts within 30-40 minutes.

Top GBS Metropolitan Locations – Accessibility Benchmark (per 1,000 km²)



Source: Eurostat

Operating environment

For GBS operations, **digital infrastructure** is as important as physical space. Hungary's **mature telecommunications environment, widespread business broadband availability, cloud adoption** by multinational companies and **EU-aligned data protection frameworks** support remote, hybrid and multi-site service delivery. The practical issue for investors is **less basic connectivity and more operational resilience**: cybersecurity, data access, business continuity, system integration and compliance with group information technology standards.

Overall, Hungary provides a **credible operating environment** for GBS operations. Budapest offers the office depth, connectivity and service infrastructure needed for larger and more complex operations, while regional cities can add capacity where the function profile fits the local labor market. The main planning requirement is to align real estate, workforce ramp-up, information technology resilience and hybrid work policies from the start.

Tax, incentives and investment support

Hungary's incentive framework can materially improve a GBS business case, but it should be treated as project-specific support rather than an automatic entitlement. The main instruments are the **low corporate income tax rate, development tax allowances, cash subsidies, R&D and training-related support, and EU-funded programmes**. For investors, the practical question is not whether incentives exist, but which elements are available for the planned activity, location, job profile, investment size and ramp-up timeline.

Hungary's tax environment is one of the clearest cost advantages for investors.

The country applies a flat 9% corporate income tax rate, the lowest standard rate in the European Union.

In addition, the Development Tax Allowance can reduce corporate tax liability by **up to 80% for up to 13 years after completion of an eligible investment**. The Hungarian Development Tax Allowance can be accessed by new GBS investments if they meet a mandatory minimum investment threshold (typically approximately EUR 5-10 million in

less developed regions, approximately EUR 20-50 million in developed regions and up to approximately EUR 100 million in Budapest), create a substantial number of new jobs and deliver higher value-added services such as finance, information technology or digital operations. The scheme requires at least a 25% own contribution from the investor (without public funding) and applies to eligible investment costs (for example, assets, information technology infrastructure and capacity buildup), enabling companies to reduce their corporate income tax liability by up to 80% over 10-13 years within EU state aid limits.

Direct cash support is available through individually assessed subsidy schemes, including VIP cash subsidies. Eligibility and support intensity depend on the project's location, investment volume, job creation, wage level, strategic relevance and compliance with EU state-aid rules. Support is typically more attractive outside Budapest, where regional aid intensities are higher. **The scheme is inherently flexible, allowing tailored support packages** aligned with investor commitments and broader economic policy objectives. Recent regulatory changes have further strengthened the system by lowering minimum investment thresholds and increasing flexibility in eligibility criteria. **Minimum investment requirements now range from approximately EUR 2-3 million in less developed regions to EUR 5-10 million in**

more advanced locations, reflecting a tiered, location-based approach to regional development.



For GBS investors, **stronger subsidy outcomes** are increasingly associated with projects that incorporate higher value-added elements – such as digital capabilities, analytics, research and development support activities or structured cooperation with universities. **Training programs, particularly those focused on upskilling and digital capabilities**, are increasingly supported within the incentive framework.

While EU funding expands the overall scale of available incentives, it also introduces a more rule-bound framework. In practice, all support measures must comply with EU state aid rules, including regional aid ceilings and eligible cost definitions, which limit flexibility in how incentives can be structured. As a result, **incentives can materially enhance the business case**, but only if eligibility is assessed early and reflected accurately in the financial model.

Location matters. Incentive intensity is typically more favorable outside Budapest, reflecting Hungary's regional development objectives and EU aid map. This creates a strong rationale for GBS expansion into cities such as Debrecen, Szeged, Pécs or Győr – particularly where the function profile aligns with the available talent base.

In recent years, Hungarian investment policy has increasingly shifted toward supporting high-value and future-oriented activities.

Incentive schemes now place greater emphasis on innovation, sustainability and collaboration. In particular, research and development projects, especially those involving cooperation with universities or research partners, can benefit from enhanced support levels, with higher aid intensities available under EU state aid rules for collaborative and innovation-driven activities.

At the same time, EU-level policy frameworks are increasingly directing investment toward **advanced technologies, green energy solutions and digital transformation**, further reinforcing Hungary's positioning in high-growth, knowledge-intensive sectors.

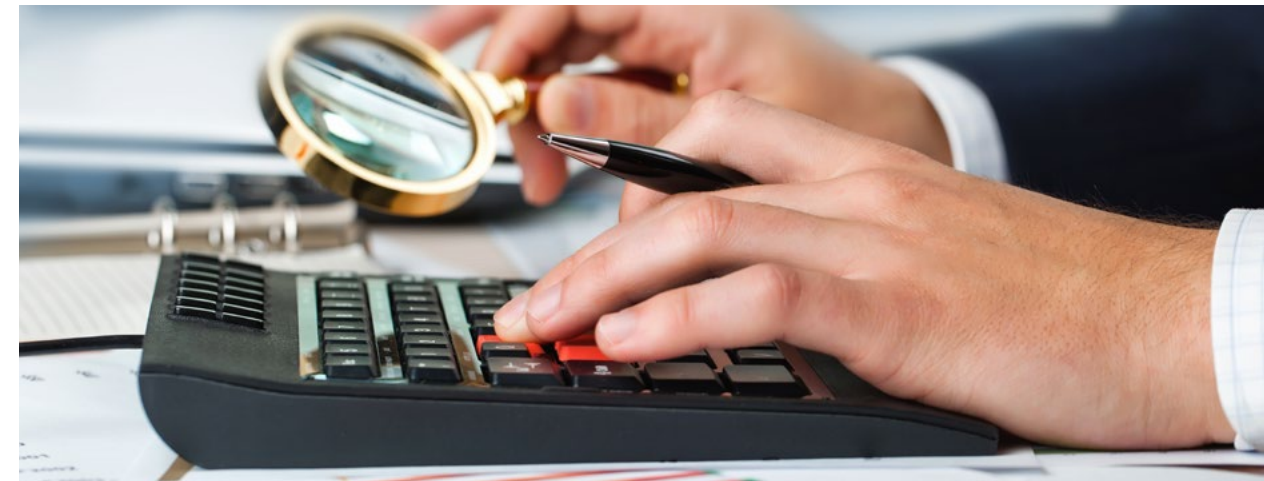
HIPA remains important as the first point of coordination for foreign investors.

Its value is practical: it can support site selection, provide information on available schemes, coordinate with public authorities and help investors understand incentive eligibility. This can **shorten the learning curve** for new entrants, but investors should still validate assumptions independently and structure the project before commitments are made.

Hungary's strategic approach is closely **aligned with European Union funding frameworks**, which expand the overall scale of available support.

Under the 2021-2027 EU budget, the country has access to approximately **EUR 19.6 billion in cohesion policy funding**, supporting areas such as innovation, digital transformation, infrastructure and workforce development.

At the same time, **investment policy is increasingly focused on productivity and skills development**, moving beyond traditional cost-based competitiveness. In this context, attracting back experienced Hungarian professionals working abroad – particularly from Western Europe – can help strengthen the domestic talent pool.



05

Hungary's GBS Landscape

Hungary's GBS Landscape

Hungary's Business Services Geography

Over the past two decades, Hungary has established itself as **one of the leading business services destinations in Central and Eastern Europe**. The country currently hosts more than 245 business service centers employing over 118,000 professionals, making the sector a significant contributor to both employment and economic competitiveness. While cost efficiency initially attracted multinational companies, Hungary's value proposition has evolved considerably. Today, investment decisions are increasingly driven by the availability of highly qualified talent, multilingual capabilities, digital expertise and the maturity of the business ecosystem rather than labor costs alone.

The Hungarian GBS landscape is characterized by a geographically concentrated but gradually diversifying structure. **Budapest remains the dominant hub**, hosting approximately 85% of all business service centers and employees. However, increasing competition for talent, rising salary levels and growing demand for specialized capabilities have encouraged companies to **expand into regional cities**.

Rather than replacing Budapest, these locations complement the capital by offering access to **new talent pools, lower operational costs and stronger long-term scalability**.

As a result, Hungary is gradually transitioning from a single-center model towards a multi-location delivery network, where each city contributes distinct capabilities to the overall business services ecosystem.

Key business service locations include:

Primary hub

- Budapest

Regional hubs

- Debrecen
- Győr
- Szeged
- Pécs
- Miskolc
- Székesfehérvár



05.1 Budapest

Hungary's global business services and innovation hub

Budapest is the **primary center of Hungary's business services industry** and one of the leading Global Business Services locations in Central and Eastern Europe. The capital hosts approximately 85% of the country's business service centers and employs the vast majority of Hungary's more than 118,000 professionals working in the sector. Over the past two decades, **Budapest has evolved from a traditional shared services destination into a mature global capability hub** supporting complex, knowledge-intensive business functions for multinational corporations.

Budapest's value proposition has evolved beyond cost efficiency. Instead, Budapest differentiates itself through **the scale and**

quality of its talent pool, multilingual workforce, mature business ecosystem, advanced digital capabilities and concentration of regional headquarters and Centers of Excellence (CoEs). These factors enable companies to establish high-value operations ranging from finance and procurement to artificial intelligence, cybersecurity and global process management.

Budapest also serves as Hungary's **principal financial, commercial and administrative center**, offering investors access to a highly developed infrastructure, an international airport with extensive global connectivity and one of the most diversified corporate ecosystems in the region.



Business Landscape

Budapest hosts the country's largest concentration of multinational corporations and regional headquarters. **More than 180 international companies** operate Global Business Services, Shared Services Centers, Global Capability Centers or regional headquarters in the city, supporting operations across Europe and globally.

The city's business environment is highly diversified, spanning financial services, information technology, pharmaceuticals, telecommunications, professional services, consumer goods, and energy and manufacturing.

Unlike Hungary's regional cities, **Budapest is characterized by a highly diversified corporate structure** rather than depending on a specific industrial cluster. The city combines financial services, digital technologies, professional services, life sciences, engineering and business operations within a single integrated ecosystem. **This diversity supports labor market resilience** while enabling companies to recruit experienced professionals across virtually every corporate function.

Budapest's business ecosystem is broad rather than cluster dependent. **The most relevant capability clusters are:**

- finance, accounting, procurement and corporate functions
- information technology, application support, cybersecurity and cloud operations
- analytics, automation, artificial intelligence and digital transformation
- life sciences, pharmaceuticals and regulated business support
- regional headquarters, governance and management functions.

Recent strategic investments

Budapest continues to attract investment in higher value-added business services and digital capabilities. In recent years, several multinational companies have expanded their Centers of Excellence, technology hubs and regional headquarters, reflecting the city's transition from transactional shared services toward knowledge-intensive operations.

Investments have increasingly focused on:

- artificial intelligence
- cloud technologies

- cybersecurity
- software engineering
- financial analytics
- digital transformation
- global process ownership

Companies including BlackRock, Morgan Stanley, MSCI, SAP, Bosch, Roche, Thermo

Fisher Scientific and Deutsche Telekom IT Solutions have continued to expand their Budapest operations through new digital, engineering and analytical functions.

The city has also strengthened its role as a regional headquarters location, with many organizations coordinating Central and Eastern European operations from Budapest.



Talent pipeline

Budapest possesses by far Hungary's largest higher education ecosystem and serves as **the country's primary source of highly qualified graduates**. During the 2025/26 academic year, universities located in Budapest enrolled **178,071 students**, representing more than half of Hungary's total higher education population. The capital also hosts **25,163 international students** and **30,804 students enrolled in foreign-language programs**, demonstrating its strong international orientation and multilingual talent base.

The city's universities offer **comprehensive education across virtually every academic discipline**, creating an exceptionally diverse talent pool for multinational employers. Business, engineering, information technology, economics, mathematics, law, life sciences and social sciences are all represented at significant scale, supporting both traditional business services and increasingly specialized Global Capability Center activities.

Budapest's higher education ecosystem is built around **several internationally recognized institutions**, including:

- Budapest University of Technology and Economics (BME)
- Eötvös Loránd University (ELTE)
- Corvinus University of Budapest
- Óbuda University
- Budapest University of Economics and Business (BUEB)
- Semmelweis University
- Hungarian University of Agriculture and Life Sciences (MATE)

The breadth of academic disciplines, combined with strong internationalization and extensive collaboration between universities and multinational companies, provides a **continuous pipeline of highly skilled graduates** across technical, analytical and business-related fields.



Budapest

Higher education institutions



178,071
total students



25,163
international students



30,804
students in foreign-language programmes



49,657
part-time students



Largest
Bachelor's
programs



34,213
students / economics



15,027
students / engineering



11,905
students / computer science



10,489
students / humanities



10,309
students / social sciences



Largest
Master's
programs



6,957
students / economics



3,637
students / humanities



2,990
students / engineering



2,250
students / social sciences



1,932
students / computer science

Source: FIR – OSAP Higher Education Statistics (2025/26)

Investment Profile

Budapest offers **the most comprehensive investment environment** in Hungary and remains the country's primary destination for Global Business Services, regional headquarters and Centers of Excellence. Its competitive advantage is built on the combination of an **exceptionally large talent pool, mature business ecosystem and broad availability of experienced professionals** across virtually every corporate function.

Compared with Hungary's regional cities, Budapest provides significantly greater scalability and access to specialized expertise, making it particularly suitable for organizations requiring multilingual capabilities, advanced digital skills and senior leadership talent.

The city's investment profile is characterized by

- Hungary's largest and most diversified **labor market**
- more than 178,000 **university students** across multiple institutions
- the country's largest **international student population**
- the **highest concentration** of Global Business Services and Global Capability Centers
- **regional headquarters** for numerous multinational corporations
- **strong ecosystem** for artificial intelligence, cybersecurity, cloud technologies and digital transformation
- **extensive availability** of finance, legal, procurement, human resources and information technology professionals
- **world-class transport infrastructure and international connectivity**
- **mature startup and innovation ecosystem**
- **excellent collaboration** between universities, research institutions and industry

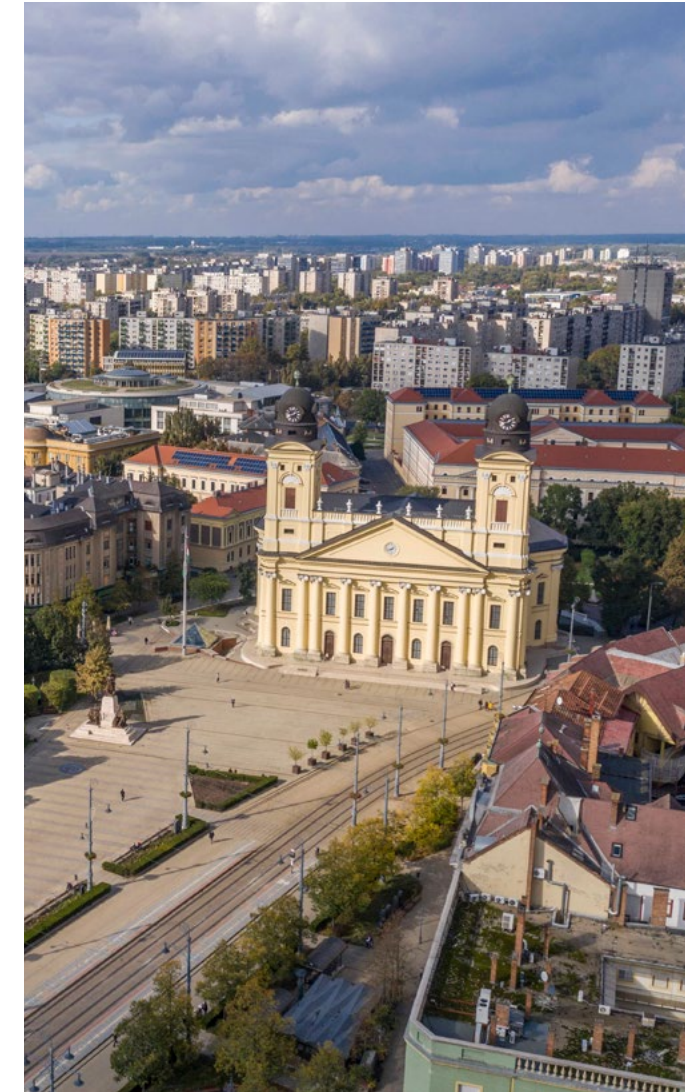


05.2 Debrecen

Hungary's manufacturing and
engineering growth hub

Debrecen has emerged as **Hungary's leading regional investment destination** and is widely regarded as the country's **second most important economic center** after Budapest. Over the past decade, the city has undergone a profound economic transformation, driven by record levels of foreign direct investment, large-scale industrial developments and continuous infrastructure expansion. Today, **Debrecen is recognized as one of Central Europe's fastest-growing industrial hubs**, combining advanced manufacturing capabilities with an expanding innovation ecosystem.

Unlike many regional cities, Debrecen's long-term development strategy integrates industrial production, research, higher education and business services, creating a diversified environment for international investors.



Business landscape

Debrecen hosts one of Hungary's **most diversified industrial ecosystems** outside Budapest. The city's economy is anchored by multinational companies operating across advanced manufacturing, pharmaceuticals, industrial technologies and business services.

Debrecen's capability profile is concentrated around five areas:

- automotive and electromobility
- battery manufacturing and related supplier activities
- pharmaceuticals, healthcare and life sciences
- engineering, industrial technologies and electronics
- business services supporting manufacturing, procurement, information technology, finance and logistics operations

Key investors

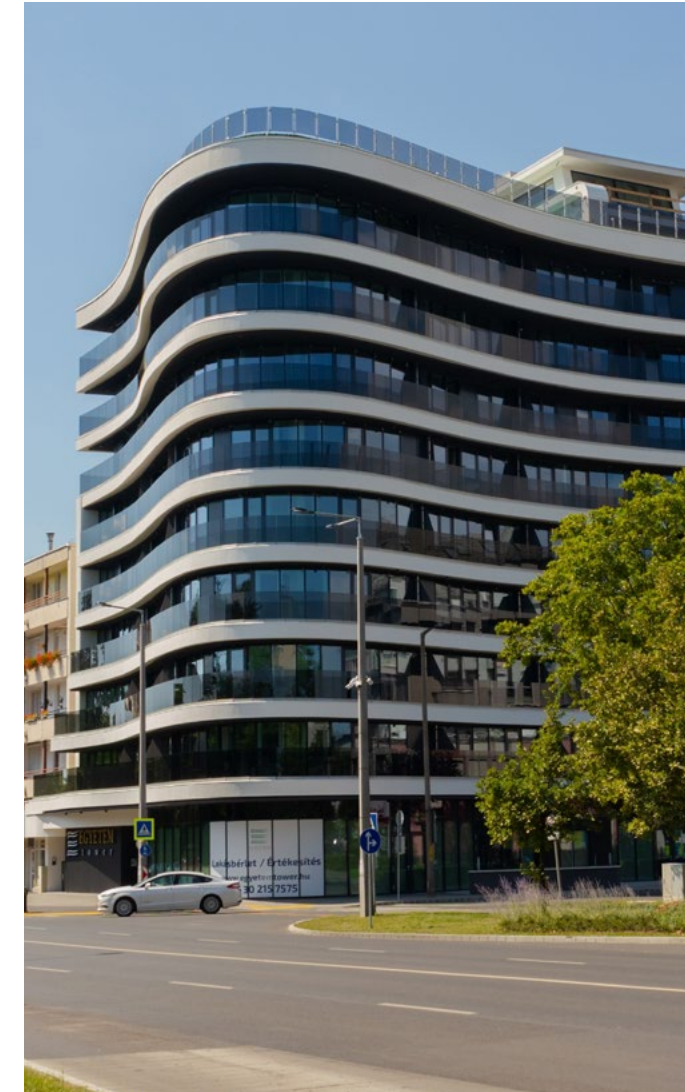
- BMW Group
- CATL
- TEVA Pharmaceuticals
- Emerson (formerly National Instruments)
- Schaeffler
- Semcorp
- Krones

Together, these companies have established a robust industrial base supported by an extensive supplier network, modern logistics infrastructure and dedicated industrial parks. The presence of globally recognized manufacturers has strengthened Debrecen's position as a **regional production, technology and innovation center**.

Recent strategic investments

Recent years have significantly accelerated Debrecen's international visibility through several landmark investment projects.

BMW selected Debrecen as the location of its first **next-generation electric vehicle manufacturing plant**, representing one of the largest greenfield automotive investments in Hungary. **CATL** is developing one of Europe's largest **battery manufacturing facilities**, while **Emerson** continues to expand its **engineering and research** activities following the acquisition of National Instruments. These projects, together with investments by **Semcorp**, **Schaeffler** and other international companies, reinforce Debrecen's role as a key industrial and technology hub within Central and Eastern Europe.



Talent pipeline

The **University of Debrecen** is the largest higher education institution outside Budapest and represents the city's primary source of highly qualified talent. During the 2025/26 academic year, the university enrolled 30,980 students, including 7,237 international students and 6,459 students participating in foreign-language programs, reflecting its strong international orientation.

The university's educational portfolio closely supports Debrecen's economic profile.

Engineering, economics and computer science provide a pipeline for manufacturing support, procurement, finance, IT services, application support, industrial analytics and business operations. **Medicine and health sciences** strengthen the city's relevance for pharmaceuticals, healthcare services, regulatory support and life-sciences-related business functions. **The large international student base** broadens the potential multilingual and internationally oriented recruitment pool, although conversion into local employment depends on retention, work authorization pathways and employer engagement before graduation.



Debrecen

University of Debrecen



31,983

total students



7,455

international students



6,714

students in foreign-language programmes



7,559

part-time students



Largest
Bachelor's
programs



1,397

students / medicine and health sciences



3,410

students / engineering



3,020

students / economics



2,455

students / computer science



2,451

students / education



Largest
Master's
programs



716

students / economics



610

students / engineering



513

students / humanities



383

students / medicine and health sciences



392

students / education

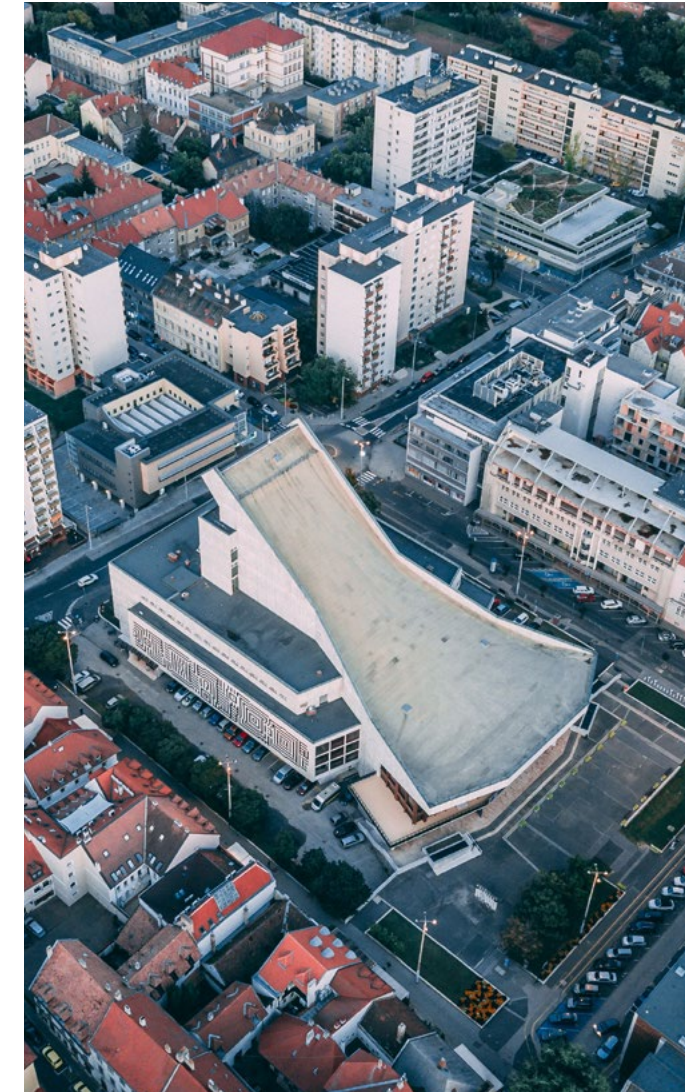
Source: FIR – OSAP Higher Education Statistics (2025/26)



05.3 Győr

Hungary's automotive and industrial excellence hub

Győr is one of Hungary's most important **industrial cities and the country's strongest regional location for automotive, engineering and manufacturing-related activities**. Situated within the Vienna–Bratislava–Budapest economic corridor, the city benefits from strong cross-border connectivity, a mature supplier network and decades of industrial expertise. Its economic profile is anchored by **Audi Hungaria** and an **extensive automotive supplier base**, while Széchenyi István University provides a **practice-oriented engineering and business talent pipeline**. For Global Business Services investors, Győr's relevance lies less in broad multifunctional scale and more in manufacturing-adjacent service capabilities linked to engineering, procurement, logistics, finance, information technology and industrial operations.



Business landscape

Győr's economy is centered around **advanced manufacturing, automotive production and industrial engineering**. The city hosts one of Hungary's largest concentrations of automotive manufacturers and suppliers, supported by a mature industrial ecosystem and strong integration into European value chains. **Audi Hungaria** has played a defining role in shaping the city's economic development, attracting an extensive supplier network and reinforcing Győr's position as **one of Hungary's leading industrial locations**.

Key investors

- Audi Hungaria
- Dana Hungary
- Lear Corporation
- Nemak Győr
- SMR Automotive
- Rába Automotive Holding

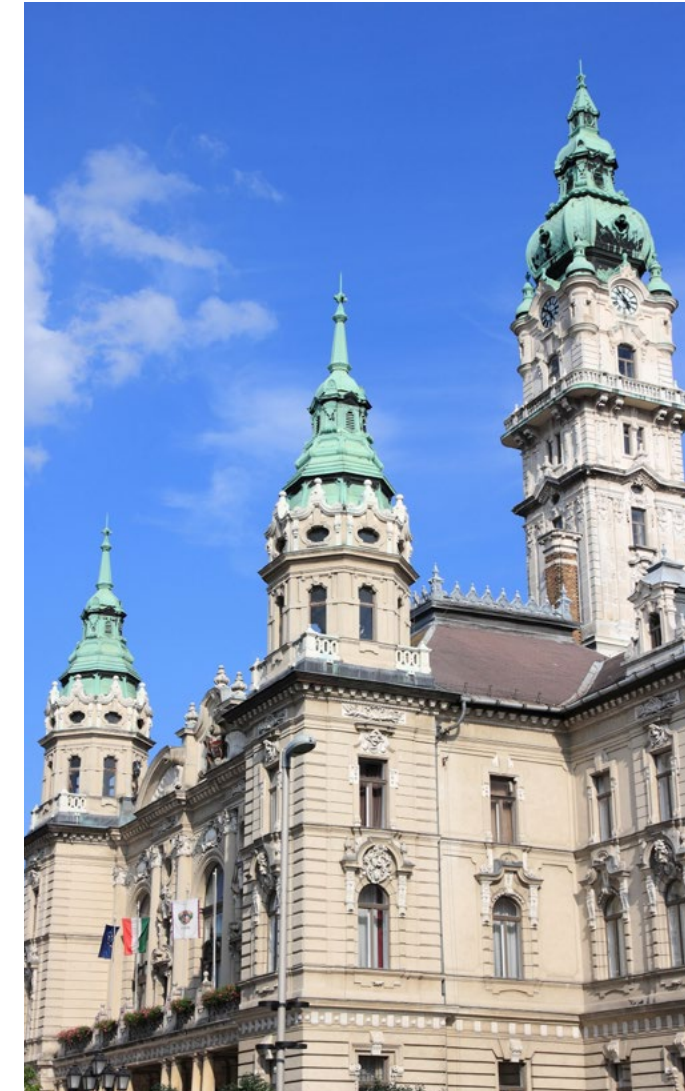
Győr's capability profile is concentrated around five areas:

- automotive manufacturing and supplier operations
- electric mobility, powertrain technologies and industrial engineering
- mechanical engineering, electronics and industrial technologies
- logistics, supply chain and regional production support
- business services supporting engineering, procurement, finance, information technology and manufacturing operations



Recent strategic developments

Recent investments have reinforced Győr's role as **one of Europe's leading automotive manufacturing centers**. **Audi Hungaria** continues to expand its production portfolio through investments in electric powertrain manufacturing and advanced production technologies, while suppliers including **Dana**, **Lear** and **Nemak** have upgraded their facilities to support the transition toward electric mobility and next-generation vehicle production. Alongside manufacturing, the city has also strengthened its position within Hungary's business services sector through new Global Business Services investments, including **Leadec** and **HBPO**.



Talent pipeline

Széchenyi István University serves as the primary source of highly qualified talent for the region and has developed **one of Hungary's strongest industry-oriented higher education ecosystems**. Through extensive cooperation with Audi Hungaria and other multinational companies, the university has become a national leader in engineering education, dual training programs and applied research.

During the 2025/26 academic year, the university enrolled **19,630 students**, including 1,328 international students, while 1,476 students participated in foreign-language programs. The institution also recorded 7,849 part-time students, reflecting

its close relationship with the regional labor market. Győr's international student base is smaller than in Budapest, Debrecen, Pécs or Szeged, so investors should not rely on the city for broad multilingual recruitment. Its talent proposition is stronger in **engineering, technical and manufacturing-related roles** than in rare-language or pan-European customer-facing service delivery.

Engineering is by far the university's largest academic discipline, complemented by programs in economics, computer science and teacher education. This educational profile closely reflects the needs of the regional economy and provides companies with a continuous supply of graduates possessing technical, analytical and business competencies.



Győr

Széchenyi István University



19,630
total students



1,328
international students



1,476
student s in
foreign-language
programmes



7,849
part-time
students



Largest
Bachelor's
programs



4,370
students
/ engineering



2,297
students
/ economics



2,174
students
/ teacher
education



1,464
students
/ computer
science



376
students
/ sport
sciences



Largest
Master's
programs



831
students
/ engineering



454
students
/ economics



188
students
/ humanities



108
students
/ agriculture



179
students
/ computer
science



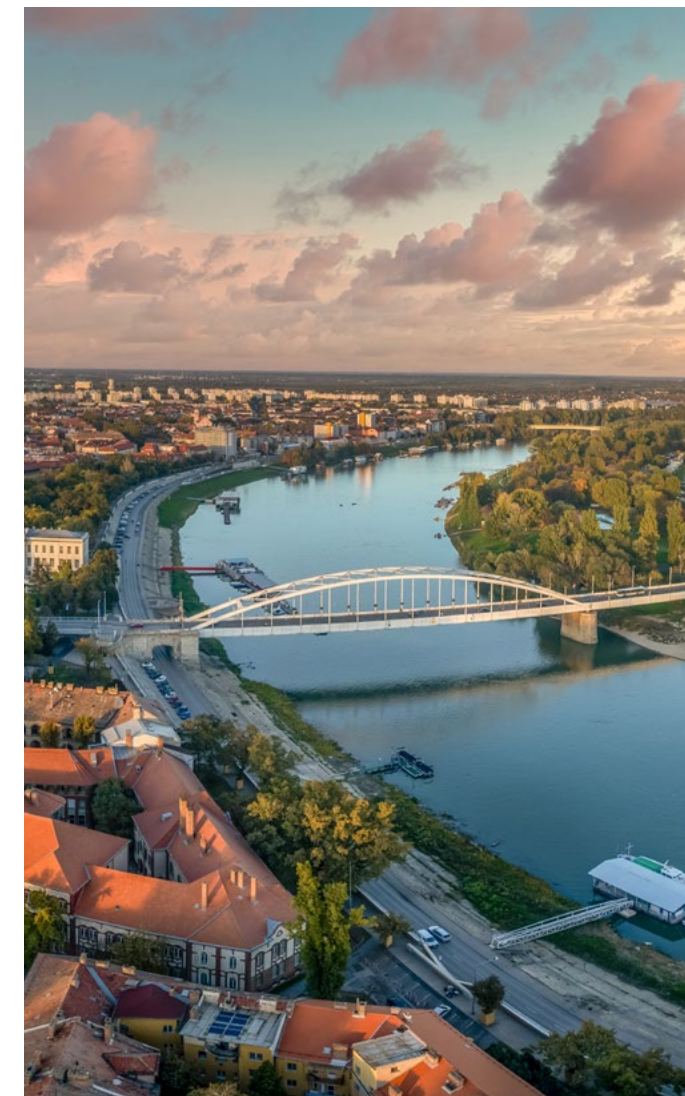
Source: FIR – OSAP Higher Education Statistics (2025/26)

05.4 Szeged

Hungary's knowledge and innovation hub

Szeged is one of Hungary's **strongest knowledge-based regional locations, anchored by the University of Szeged**, internationally recognized research infrastructure and a growing information technology and business services ecosystem. As the economic and educational center of Southern Hungary, the city's competitiveness is built primarily on **higher education, healthcare, life sciences, research, digital services and multilingual graduate supply** rather than large-scale industry.

The arrival of BYD's first European passenger vehicle manufacturing plant adds a new industrial dimension to this profile. Over time, this may create additional demand for manufacturing-adjacent services, including procurement support, logistics coordination, human resources operations, finance support, information technology services, engineering documentation and industrial analytics. For Global Business Services investors, Szeged's strongest proposition remains its **university-based talent pool, information technology capability and knowledge-intensive service potential**, complemented by a growing industrial platform.



Business landscape

Szeged's economy is characterized by a balanced combination of research, higher education, healthcare, information technology and advanced manufacturing. The city hosts **one of Hungary's strongest research ecosystems**, centered around the University of Szeged and the ELI-ALPS Laser Research Center, while its business environment has expanded through investments in automotive manufacturing, pharmaceuticals and digital services.

Key investors

- BYD Auto Hungary
- Pick Szeged
- Goodwill Pharma
- Continental
- Sole-Mizo
- EPAM Systems
- Deutsche Telekom IT Solutions
- Lufthansa Systems

Szeged's capability profile is concentrated around five areas:

- information technology, software development, application support and digital services
- healthcare, life sciences, pharmaceuticals and regulated support activities
- research, applied science and innovation-linked services
- business services supporting finance, human resources, customer operations, analytics and multilingual delivery
- emerging manufacturing-adjacent services linked to BYD and future industrial growth

The mix of information technology employers, healthcare and research institutions and emerging advanced manufacturing gives Szeged a differentiated services profile. Unlike more industrial regional hubs, Szeged's strongest value lies in **knowledge-intensive roles, graduate hiring, language capabilities and digital-service activities** rather than large-scale production-linked back-office operations.

Recent strategic investments

The most significant recent investment is BYD's decision to establish its first European passenger vehicle manufacturing facility in Szeged. **The project represents one of Hungary's largest industrial investments** and is expected to substantially reshape the regional economy over the coming years.

At the same time, the **University of Szeged** has strengthened its cooperation with major industrial partners, including BYD and Rheinmetall, supporting workforce development, applied research and innovation. **The ELI-ALPS Laser Research Center** continues to attract international research projects and reinforces Szeged's position as one of Europe's leading scientific centers.



Talent pipeline

The **University of Szeged** serves as the city's primary talent engine and is one of Hungary's leading research universities. During the 2025/26 academic year, the university enrolled **25,825 students**, including 4,399 international students, while 3,373 students participated in foreign-language programs. With 5,997 part-time students, the university also maintains strong links with the regional labor market.

Szeged stands out as one of Hungary's most credible regional locations for **knowledge-based service activities**. Its strengths are rooted in the University of Szeged, **one of the country's leading research institutions**, which provides a steady pipeline of graduates in **information technology, business, natural sciences and healthcare-related disciplines**. Combined with a growing international student community, strong foreign-language capabilities and a well-developed research ecosystem, this creates a solid foundation for information technology support, data analytics, finance, procurement, customer operations and selected life sciences-related services.

The establishment of BYD's manufacturing operations introduces an **additional growth avenue for the city**. As the local industrial base expands, demand is likely to increase for supporting functions such as

procurement, logistics, finance, human resources, information technology and operational analytics. While this strengthens Szeged's long-term attractiveness, the ecosystem for manufacturing-related business services is still developing and should not yet be viewed as fully mature.

Compared with Budapest, however, Szeged offers a smaller pool of experienced GBS professionals and a more limited concentration of multinational service operations. For this reason, the city is best positioned as a **location for knowledge-intensive and digitally enabled services**, or as part of a **multi-site Hungarian delivery model**, rather than as a direct alternative to the capital.



Szeged

University of Szeged



25,825
total students



4,399
international students



3,373
students in foreign-language programmes



5,997
part-time students



Largest
Bachelor's
programs



2,035
students / computer science



2,263
students / economics



1,590
students / humanities



1,456
students / medicine and health sciences



1,634
students / teacher education



Largest
Master's
programs



698
students / humanities



293
students / natural sciences



193
students / economics



220
students / social sciences



166
students / agriculture

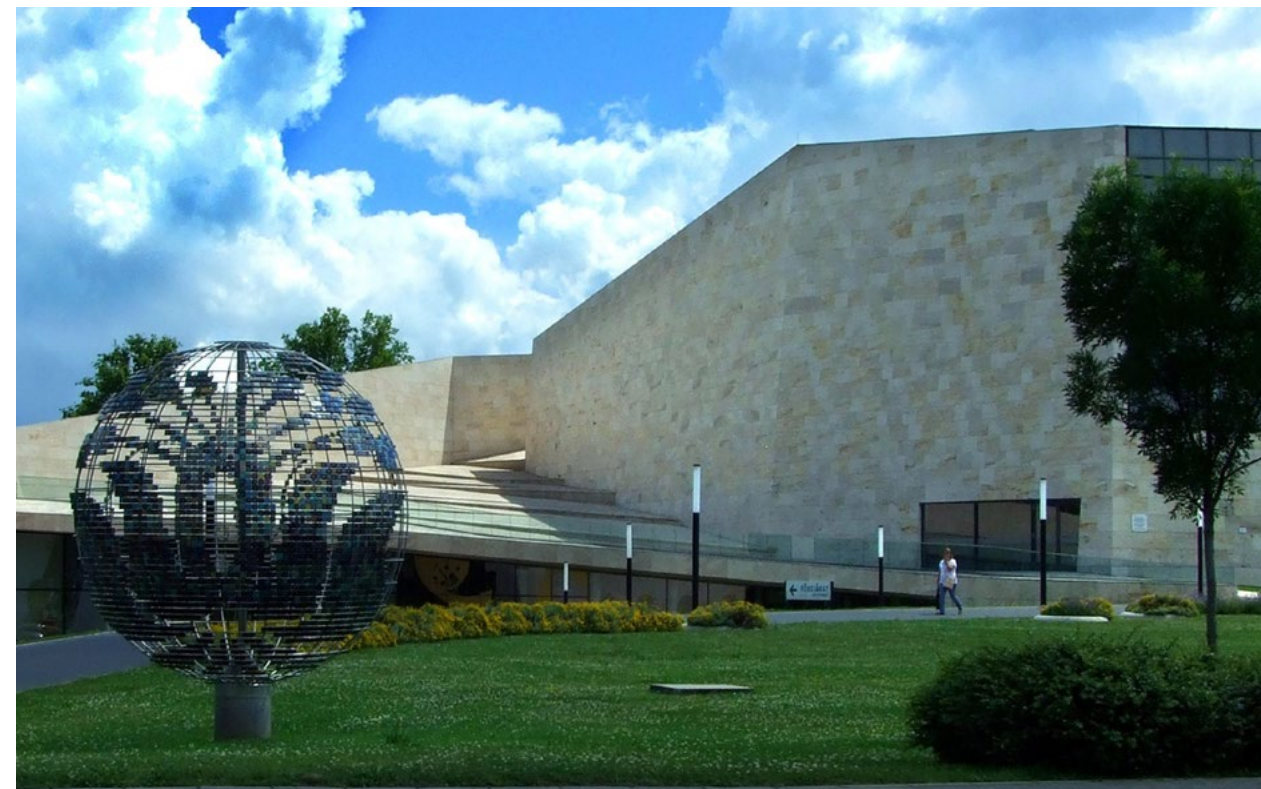
Source: FIR – OSAP Higher Education Statistics (2025/26)

05.5 Pécs

Hungary's healthcare and knowledge services hub

Pécs is the largest city in Southern Transdanubia and serves as the **region's principal educational, healthcare and cultural center**. While the city's economy was historically built on **mining and manufacturing**, it has successfully transitioned toward a **knowledge-based economy** supported by higher education, healthcare, information technology and

business services. Today, Pécs is **best suited for stable, knowledge-intensive and mid-scale service operations**. Its advantages are retention, international students and lower competition, while its limitations are its smaller scale and shallower pool of experienced Global Business Services professionals than Budapest.



Business landscape

Pécs has developed a **diversified economy centered on healthcare, higher education, information technology and advanced manufacturing**. The city hosts a growing number of business service centers alongside established manufacturing companies, while the **University of Pécs** provides a strong foundation for research, innovation and talent development. The local economy is increasingly supported by high-tech industries, engineering services and digital technologies, complementing the city's long-standing strengths in healthcare and education.

Key investors

- Körber Hungária
- BAT Hungary
- Deutsche Telekom IT Solutions Hungary
- Concentrix
- Viessmann
- Aldi International IT Services
- Soft Flow
- Fressnapf
- EY

Pécs' capability profile is concentrated in five areas:

- healthcare, medicine, life sciences and related support activities
- information technology, application support and digital services
- business services supporting finance, human resources, customer operations and administration
- engineering, machinery and manufacturing-related support
- education, research and multilingual knowledge services
- education and research

Recent strategic investments

Recent investments demonstrate the city's continued transition toward higher-value-added industrial and business service activities. **Körber Hungária** announced the expansion of both its manufacturing operations and its regional business service center, creating new positions in information technology, engineering, procurement and finance. At the same time, the continued growth of companies such as **Deutsche Telekom IT Solutions, Concentrix** and **Viessmann** has strengthened Pécs' position within Hungary's regional business services landscape.



Talent pipeline

The University of Pécs is Hungary's oldest university and one of the country's largest higher education institutions.

During the 2025/26 academic year, the university enrolled **23,056 students**, including 5,415 international students, while 5,440 students participated in foreign-language programs. With 5,144 part-time students, the university maintains strong connections with the regional labor market and supports lifelong learning initiatives.

The university's academic portfolio supports Pécs' knowledge-services profile. **Medicine and health sciences** strengthen the city's relevance for healthcare, life sciences, regulatory and clinical-adjacent support activities. **Economics, information technology and engineering** provide a pipeline for finance, procurement, application support, analytics, technical support and manufacturing-related services. **Humanities and international programs** contribute communication, language and cultural capabilities relevant for customer operations, employee services and content-related work. **The large international student base broadens the potential multilingual recruitment pool**, although conversion into local employment depends on retention, work-authorization pathways and employer engagement before graduation.



Pécs

University of Pécs



23,056
total students



5,415
international students



5,440
students in foreign-language programmes



5,144
part-time students



Largest
Bachelor's
programs



1,980
students / medicine and health sciences



1,574
students / economics



1,466
students / humanities



1,625
students / engineering



1,078
students / computer science



Largest
Master's
programs



426
students / economics



425
students / humanities



319
students / engineering



341
students / medicine and health sciences



587
students / teacher education

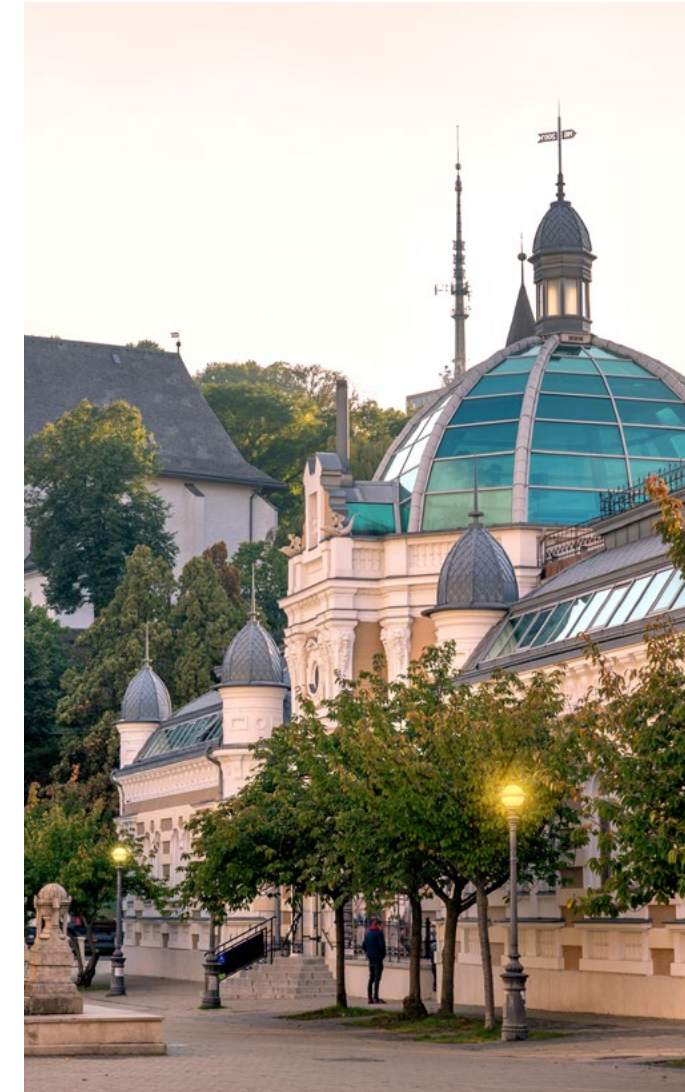
Source: FIR – OSAP Higher Education Statistics (2025/26)

05.6 Miskolc

Hungary's industrial engineering and advanced manufacturing hub

Miskolc is the economic center of Northern Hungary and **one of the country's most important industrial cities**. While historically recognized for its **mining and heavy industry**, the city has successfully transformed its economy toward advanced manufacturing, automotive technologies, engineering and business services. Today, Miskolc combines a **long-standing industrial tradition with a growing innovation ecosystem** supported by the University of Miskolc and significant foreign direct investment.

The city's **strategic location, modern industrial parks and well-established supplier network** have strengthened its role within Hungary's manufacturing landscape, particularly in the automotive and electromobility sectors.



Business landscape

Miskolc's economy is centered on **automotive manufacturing, mechanical engineering, electronics and industrial technologies**. Over the past two decades, the city has attracted several international manufacturers that have diversified its industrial base and strengthened its position within European supply chains.

Key investors

- Bosch Group
- Joyson Safety Systems
- GS Yuasa
- SEG Automotive
- Shinwa
- Chervon Auto
- Halms Hungary

Bosch is the city's largest private employer, while Joyson Safety Systems and GS Yuasa have reinforced Miskolc's position within the global automotive and e-mobility value chain. The emergence of new industrial investments has also stimulated the growth of logistics, engineering and business support activities.

Miskolc's capability profile is concentrated in five areas:

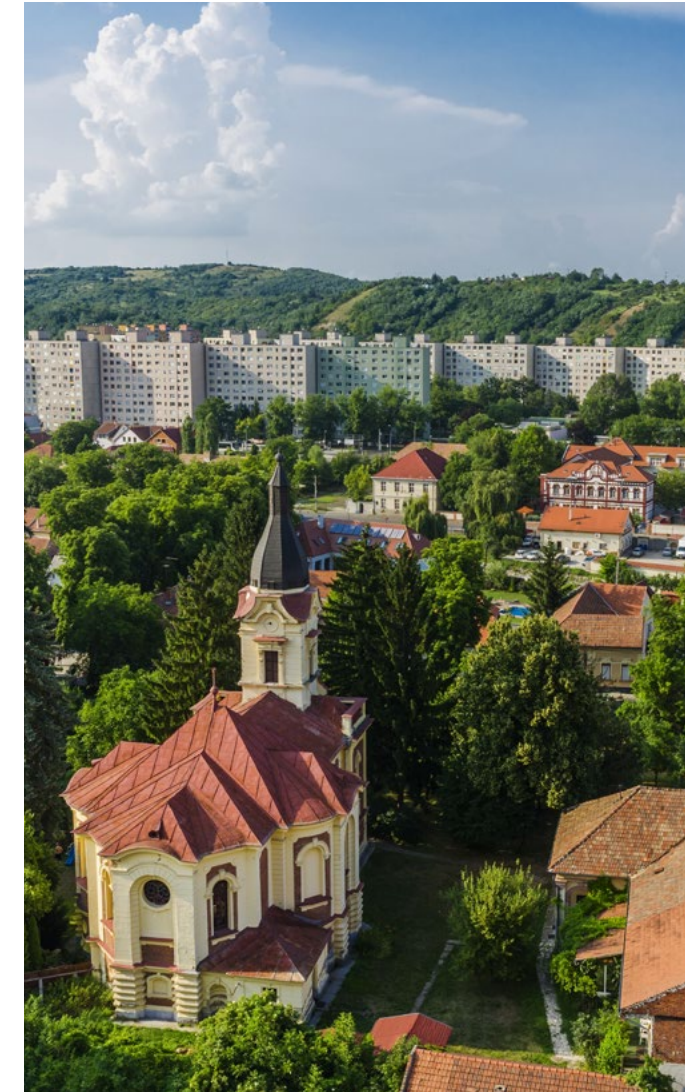
- automotive manufacturing, electromobility and battery-related activities
- mechanical engineering, industrial machinery and production technologies
- electronics, safety systems and automotive components
- logistics, supply chain and industrial support functions
- business services supporting engineering, procurement, finance, human resources, information technology and manufacturing operations



Recent strategic investments

Recent investments have reinforced Miskolc's role as a **specialized industrial and engineering location**. **Bosch** completed a EUR 150 million logistics and distribution center in 2025, strengthening the city's role within the company's global value chain, while also expanding research and development activities related to electric drive systems and automotive technologies. Earlier investments by **GS Yuasa**, **Joyson Safety Systems** and **Chervon Auto** further strengthened Miskolc's capabilities in automotive components, battery technologies and electromobility.

These developments are relevant for business services because they create demand for **non-production capabilities that support industrial operations**. Engineering documentation, procurement, logistics, finance, human resources, information technology support, reporting, quality administration and industrial analytics are all potential service areas where Miskolc's industrial base and technical education profile can provide a relevant foundation.



Talent pipeline

The **University of Miskolc** serves as the primary higher education institution in Northern Hungary and has long been recognized for its strengths in **engineering, materials science and industrial technologies**. During the 2025/26 academic year, the university enrolled **13,466 students**, including 726 international students, while 727 students participated in foreign-language programs. The institution also recorded 7,197 part-time students, highlighting its close relationship with the regional labor market and industrial employers.

The university's academic profile closely reflects the structure of the local economy. **Engineering** is the largest field of study, supporting engineering services, technical documentation, computer-aided design, industrial analytics, production-related services and manufacturing process support. **Economics and computer science** provide a smaller but relevant pipeline for finance, procurement, information technology support, application support, reporting and business operations. **The high number of part-time students** highlights the university's close relationship with the regional labor market and its role in upskilling working professionals.

At the same time, Miskolc's international student base and **foreign-language program enrollment are more limited** than in Budapest, Debrecen, Szeged or Pécs. Investors should therefore avoid relying on Miskolc for broad multilingual recruitment. Its strongest talent proposition lies in engineering, technical, manufacturing-linked and applied industrial roles.



Miskolc

University of Miskolc



13,466
total students



726
international students



727
students in foreign-language programmes



7,197
part-time students



Largest
Bachelor's
programs



2,168
students / engineering



1,695
students / economics



1,276
students / medicine and health sciences



841
students / computer science



1,305
students / teacher education



Largest
Master's
programs



470
students / engineering



279
students / teacher education



248
students / economics



99
students / law



66
students / computer science

Source: FIR – OSAP Higher Education Statistics (2025/26)

05.7

Székesfehérvár

Hungary's advanced manufacturing and industrial technology hub

Székesfehérvár is **one of Hungary's most developed industrial centers** and serves as the economic hub of Central Transdanubia. Owing to its strategic location approximately 60 kilometers from Budapest and its **excellent motorway and railway connections**, the city has attracted substantial foreign direct investment since the 1990s. Today, it hosts **one of Hungary's most diversified industrial ecosystems**,

supported by advanced manufacturing, electronics, automotive suppliers and a growing business services sector. The combination of industrial maturity, excellent connectivity and proximity to the capital makes Székesfehérvár an attractive destination for technology-driven investments and regional business operations.



Business landscape

Székesfehérvár has developed one of Hungary's most diversified industrial economies. The city is recognized as a **national center for electronics manufacturing, automotive suppliers, aluminum processing and industrial technologies**. Alongside manufacturing, the business services sector has expanded steadily, supported by international companies operating regional shared service and information technology functions.

Key investors

- Hydro Global Business Services
- Harman International
- Howmet Aerospace (formerly Alcoa/Arconic)
- Denso Manufacturing Hungary
- Kyndryl
- Videoton Holding
- Sanmina
- Emerson

Székesfehérvár's capability profile is concentrated in five areas:

1. electronics, automotive suppliers and industrial technologies
2. aluminum processing, aerospace and advanced manufacturing
3. information technology, infrastructure services and technology support
4. procurement, finance, supply chain and logistics support linked to industrial operations
5. practice-oriented engineering, business and applied sciences education

Unlike other regional cities, Székesfehérvár's economy is **not dominated by a single industry or investor**. Instead, its competitive advantage lies in a **diversified industrial structure** supported by multinational manufacturers, engineering companies and shared service operations.

Recent strategic investments

Recent investment activity has reinforced Székesfehérvár's position as a **mature industrial and technology services location**. Existing multinational manufacturers continue to expand engineering, manufacturing and support activities, while **Hydro Global Business**

Services and **Kyndryl** anchor the city's business services and information technology profile. Planned innovation initiatives, including **Alba Innovation Park** and closer cooperation between employers and higher education institutions, may further strengthen the city's role in applied engineering, digital technologies and industrial support services.



Talent pipeline

Unlike Hungary's traditional university cities, **Székesfehérvár does not rely on a single large, comprehensive university**. Its talent ecosystem is built around specialized campuses, practice-oriented education and close employer cooperation. This makes the city more suitable for targeted engineering, information technology, business and applied sciences roles than for large-scale graduate recruitment across a broad discipline base.



The city's higher education institutions include:

- **Óbuda University – Alba Regia Faculty**, specializing in engineering, electrical engineering, computer science, geoinformatics and technical education
- **Corvinus University of Budapest – Székesfehérvár Campus**, offering programs in business administration, economics and management
- **Kodolányi János University**, providing education in business, communication, tourism and social sciences

Dual education is a defining feature of Székesfehérvár's talent model. Close cooperation between universities and major employers enables students to combine academic study with practical work experience, creating a pipeline of job-ready graduates for engineering, information technology, business administration and industrial support roles. **The limitation is scale.** Compared with Budapest, Debrecen, Szeged or Pécs, the local higher education base is narrower, so larger ramp-ups may need to draw partly on the Budapest labor market and surrounding region.



06

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Contact



Balázs Horváth
Partner
+36 70 333 1599
Balazs2.Horvath@kpmg.hu



Péter Stefanik
Director
+36 70 370 1764
Peter.Stefanik@kpmg.hu



Ildikó Matyi-Raczki
Associate Partner
+36 20 450 6742
Ildiko.Raczki@kpmg.hu



Kornél Kemény
Senior Manager
+36 70 520 4712
Kornel.Kemeny@kpmg.hu

www.kpmg.com

home.kpmg/socialmedia



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