

„HUNGARY MANUFUTURE-HU INITIATIVES 2011” v02

0 HUNGARY

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0.1 PROGRAMMES:

In 2008, the (previous) Government supported the formulation, establishment and operation of National Technology Platform, with the aim to involve the Hungarian stakeholders in the process of generating Vision, Strategic Research Agendas, and Implementation Plans, ROADMAP for the European needs.

The supporting grants allowed hundreds of key players to integrate their knowledge into there document, and at this time, we all hope, that our generated outputs the ROADMAPs will be utilized efficiently by the staff our newly formed governmental bodies and ministries' staff during their present activities of defining Hungary's next decade of progress.

By now the supporting grants are over, and National Platforms try to stay alive with no support from the Government.

Previously operated open national Calls allowed several dozens of industrial SME-s to develop new solutions and implement innovative ideas for products and services. Almost all these projects have reached their termination.

The new Government, from Spring 2010, decided to reshape the system of national Calls. Major changes were initiated also from the point of the funding agencies and intermediary bodies. The former NKTH, National Bureau for Research and Technology has shifted its role to the National Development Agency, and with a new name: National Innovation Office, new role has been assigned to it.

The presently available, exclusively OPEN CALL grant is based on the EUREKA EUROSTARS program channel. Reviewing and selection of proposals are done twice a year.

The presently available information (given from the web-pages of the National Development Agency) shows the seven national priority areas for Hungary's next decade. To achieve these goals, Calls will be launched later, from the year 2012.

The MANUFUTURE-HU National Platform has prepared the ROADMAP, i.e. the Implementation Plan related to the national SRA. The Platform Members had debated, commented and by the early 2011, the result had been proposed and offered to the Government.

Since the Hungarian Government is not yet ready to publicise its own version, we (the national platform) decided to inform the European PMANUFUTURE Platform on the financial supporting figures what we planned and thought realistic and preferable.

We believe, that the „New Széchenyi Plan” needs to give impulse to the industrial development of SMEs, via a 4 year-long government support of targeted R&D.

Based on figures from the Statistics (2009-2010), the Hungarian machine industry has produced a value of 11.736 billion Ft-s,

We (The National Platform) should allocate 2% for-R&D , i.e. annually 235 billion Ft-s.

Strategic subsectors:	[%]	[Billion Forint]	[Million Euro]
Sustainable manuf.	30	70,5	260
ICT-based intelligent manuf	30	70,5	260
Highperformance manuf	25	58,75	230
New materials in products and production equipment	15	35,25	130
Total	100	235	880

Yearly budget for R&D&I

[Billion Forints] / (Million) EUROS

2011	2012	2013	2014	Altogether
125	225	275	315	940
468 M€	842 M€	1030 M€	1180 M€	3520 M€

Since the total output of the „Industry” sector also implies other Platform-related subsectors, this envisaged figure would mean spending on the total area, not just on the machine sector.

By fall 2011, the National Platform understands, that the Government has no plans similar to our suggestions, and the Call will appear only from 2012.

The following statements are exposing the priorities envisaged for the years 2012, -13,-14,-15.

Strategy

Improving Hungary's competitiveness, creating one million new jobs within ten years along seven break-out points – these are the main objectives of the New Széchenyi Plan launched on 14 January 2011. The economy development programme of the Hungarian government responds to the challenges Hungary is facing, and ensures a growth scenario that can be sustained over the long term.

Elaboration of the development areas of the New Széchenyi Plan was preceded by an analytical period of almost one and a half years, in which participated several hundreds of analysts, researchers and economic experts having an excellent knowledge in their professional areas. The Government presented the discussion paper prepared as a result of this work on 28 July 2010. The several hundreds of development proposals received in connection with the discussion paper were discussed within the frames of a series of professional consultations that lasted until November. During the social consultations the development strategies received from enterprises, professional and non-governmental organisations, local governments and private individuals were incorporated into the New Széchenyi Plan.

The New Széchenyi Plan focuses on the dynamic expansion of employment, maintaining financial stability, ensuring the conditions of economic growth and improving the competitiveness of Hungary. The ten-year economic strategy identifies the break-out points and the related programmes that will ensure long-term development of Hungary.

Enterprise Development Programme

What is required to make Hungarian small enterprises successful? How can they create several thousands of new jobs? Will there be a Hungarian global enterprise starting from a small one? So far the state and the government have not given to the small enterprises what they need. A re-planning and a restart are needed. Therefore, the following are the most necessary for the enterprises:

- Vision and strategy
- Stability and predictability
- Reducing bureaucracy
- Tax reduction
- Enterprise-friendly local governments
- Useful, fast and simple use of EU funds
- Stable working capital financing and capital for developments
- Expanding domestic market
- Establishing fair relations in trade
- Consumer protection
- Assistance for cooperating and networking
- One-stop-shop enterprise development agency
- Up-to-date information
- Effectively involving economic chambers
- Implementing a radical change in public procurement
- Green public procurement

Green Economy Development Programme

In the 21st century the success of a country is highly dependent on how it can manage the problems caused by the utilisation structure based on fossil (non-renewable) energy sources – security of supply, increasing prices, etc. – through energy saving, increasing energy efficiency and energy security and the use of renewable energy resources.

Global warming, the globally increasing energy needs, the rapid increase in the prices of fossil energy sources urge the world, the Member States of the European Union, and also Hungary to act as soon as possible.

The basic principles of energy policy were last determined by the document „Energy Policy Theses of Hungary 2006-2030” published by MVM Zrt. in November 2006. The statements of this document are still correct to a certain extent, but there have been significant changes since then. During the past years the hectic fluctuations of world market prices of crude oil has reached an unprecedented rate. Hungary and this region were exposed to problems in the supply of natural gas in two consecutive years. The energy sector was also deeply impacted by the global financial and economic crisis in 2008, with an effect along the entire supply chain. It is imperative that our future energy policy and the related development strategy take these changed factors into consideration.

Science – Innovation Programme

Among the sources of economic growth innovation is one of the most important factors. In accordance with its social function it is the basis of improving quality of life, and for the entrepreneurs it means a definitive competitive edge. Science, technology and innovation policy of a country is on the one hand an individual strategic programme created by elaborating a well-defined system of objectives and means, and on the other hand it is a basic social and economic policy concept interweaving all elements

of planning and action. By mid-decade the implementation of an effective science, technology and innovation policy based on our capabilities, the strengthening of domestic and regional market based original products and services creating new value, and a thoughtful intellectual export may generate an additional national economy growth of 1.5-2 percent.

This is the only way to become again a crisis-resistant and increasingly knowledge-based economy from a service provisioning and „outworking” country, which, at the same time, is also the source and basis of sustainability.

The objective of the programme is to dynamize the economy through innovation, and to attain that in 4 years the economic growth in Hungary reach the highest level among EU countries, through other measures and the driving force of innovation.

As a means of the economic goal it is also an objective that R&D expenditures of Hungary reach 1.5 percent of GDP by the mid-decade, and the innovation performance on the basis of the accumulated innovation index reach the EU average and enter the top third of EU countries during the next cycle.

Employment Programme

The most important objective of the new Hungarian government is to increase employment. In order to achieve a higher employment level it is indispensable to create new jobs, which cannot be done from one day to another. A real change requires the transformation of the former economic and employment policy, being defective from several aspects. Substantial, comprehensive changes are needed in many areas at the same time, and, if necessary, changing the expectations and behaviour of the players of the economy and the society.

Several conditions have to be met at the same time, which – in the short term – are the following:

- investments in Hungary should be made financially attractive for foreign capital,
- development and growth of small and medium-sized enterprises should be assisted, encouraging their developments,
- people should be financially motivated to work, so that they do not escape into inactivity,
- education and training should be aligned with the new economic needs,
- the traditional state-financed public employment should be transformed towards „meaningful” work (public employment serves for immediate job creation),
- the bases for rural public employment should be reconsidered, since at a many places the conditions, institutions and culture for working have been lacking for 20 years,
- the social land programme should be extended (especially by strengthening the activating effect as regards working, together with the provision of short training courses),
- the employment opportunities supporting the self-sufficiency of local governments should be ensured by changing the legislative environment

A balance can be reached only if more people are able to make a living from traditional labour market employment, since this way payments into the fund can increase, ensuring a higher standard of benefits for those permanently excluded from the labour market.

A paradigm change is needed. Based on the principle „Value-creating work comes first” the entry into employment of those who are capable of working shall be supported by all possible means, and with the tradition financial benefits and services sourced from their payments appropriate living conditions should be ensured for those who are incapable of working. People in a better financial situation will increase their consumption, which improves development opportunities of small and micro enterprises that mainly build on domestic consumption.

Transport Development Programme

Transport is an integral part of the service provision background of the economy and society.

Its benefits include ensuring accessibility, balancing territorial disparities, enabling the mobility of people, goods and services, its economic and regional development multiplier effect, and it contributes to GDP directly as well. At the same time it imposes several expenses on the society, present on a community level – and not or only partially being compensated. The primary objective is to maximize the benefits of transport, minimizing the social burdens at the same time.

Several European economic corridors cross Hungary, and therefore the New Széchenyi Plan handles the opportunities resulting from this transit role as a priority, in the case of both goods and passenger transport. We should develop the combined transport solutions, such as linking railway and public road transport, and should also develop an electronic toll payment system based on actual use, instead of the present flat-rate system.

The above text, quoted from the official communication of the relevant Government bureau gives us some hope to see that enterprises will get targeted support to achieve the priorities of MANUFUTURE.