



# Hungary

Overview

## EIB INVESTMENT SURVEY





**EIB INVESTMENT SURVEY 2023**

# Hungary

Overview

## **EIB Investment Survey Country Overview 2023: Hungary**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos.

### **About this publication**

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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### **Disclaimer**

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# EIBIS 2023 – Hungary overview

## KEY RESULTS

### Investment dynamics and focus

In the context of decelerating economic growth and tightening monetary policy, firms in Hungary hold a slightly positive investment outlook in 2023, with a net balance of 1% of firms expecting to increase rather than decrease investment. This is in line with EIBIS 2022 (4%), but below the average across the EU (14%). Overall, the share of Hungarian firms having invested in 2022 remains lower than in the EU as a whole (76% versus 85%).

### Investment needs and priorities

Eight in ten Hungarian firms (80%) believe they invested the right amount over the last three years. This is similar to EIBIS 2022 (77%) and the EU average (82%). Investment in capacity expansion (39%) is the most common priority for the next three years, followed by investment in replacement (29%) and new products or services (16%).

Hungarian firms are, on balance, slightly optimistic about the availability of external finance (net balance of +5%) and have an equal share of firms being negative and positive about the availability of internal finance (net balance of 0%) for the next year. Hungary is less pessimistic than the EU about the political or regulatory climate (net balance of -16% versus -30%) and the availability of external finance (+5% versus -9%), but pessimism is higher about business prospects in the sector (-18% versus +7%).

### Energy market developments

Firms in Hungary are more likely than those across the EU to have faced increases in energy costs (97% versus 93%), with a larger proportion facing increases of 25% or more (86% versus 68%). The major concerns for firms in Hungary are energy prices (91%) and uncertainty (83%), and for most measures, concern is lower among Hungarian firms than the EU average.

Hungarian firms are as likely as those across the EU to have responded to the energy shock by putting forward one or more of the strategies or priorities proposed (98% versus 95%). In Hungary, the most frequently mentioned strategy or priority is to seek energy savings/efficiencies (88%).

### International trade

Overall, 73% of Hungarian firms are engaged in international trade, in line with EIBIS 2022 (70%) and higher than the EU average (62%). Disruption to access to commodities or raw materials (59%) and access to other components, semi-finished products, services or equipment (52%) were the main obstacles encountered.

Reflecting these findings, firms in Hungary are less likely than those across the EU to be increasing stocks and inventory (18% versus 31%) or to having plans to do so, but more likely to be investing or to aim to invest in digital inventory and inputs tracking (35% versus 20%). Hungarian importers are as likely as those across the EU to have reduced the share of goods or services imported from abroad (9% versus 10%), but less likely to have diversified or increased the number of countries they import from or to have plans to do so (16% versus 24%).

## EIBIS 2023 – Hungary overview

### Climate change and energy efficiency

A majority of firms in Hungary report weather events as having an impact on their business (60%), in line with the EU average (64%). However, only 20% of Hungarian firms have developed or invested in measures to build resilience to the physical risks to their company caused by climate change, lower than the EU average (36%). Hungarian firms are less likely than the EU average to have invested in solutions to avoid or reduce exposure to physical risk (11% versus 20%) and to have an adaptation strategy (7% versus 16%).

The share of Hungarian firms seeing the transition to stricter climate standards and regulations as a risk is far higher than the proportion seeing it as an opportunity (44% and 12% respectively). The proportion seeing the transition as a risk is also higher than EIBIS 2022 (23%) and the EU average (33%). Nine in ten Hungarian firms (91%) are taking actions to reduce Greenhouse Gas (GHG) emissions, similar to the EU average (89%). The main action taken by Hungarian firms is investments in energy efficiency (77%), investing in waste minimisation and recycling (62%) and onsite/offsite renewable energy generation (60%). Over a half of firms in Hungary (53%) report they set and monitor targets for their own GHG emissions, higher than the EU average (42%).

Around six in ten Hungarian firms (58%) invested in measures to improve energy efficiency in 2023, broadly in line with the EU average (51%) and EIBIS 2022 (49%). In Hungary, 37% of firms have already invested in tackling the impacts of weather events and the process of reducing carbon emissions. This is broadly in line with, albeit lower than, EIBIS 2022 (43%) and well below the EU average (56%).

### Innovation activities

Around a third of Hungarian firms (35%) developed or introduced new products, processes or services as part of their investment activities in 2022. This is in line with the EU average (39%) and slightly higher than EIBIS 2022 (27%). Only 8% of firms in Hungary report the development or introduction of products, processes or services new to either the country or global markets. This matches EIBIS 2022 (8%) and is broadly in line with the EU average (13%).

Overall, 55% of firms in Hungary used at least one advanced digital technology, below the EU average (70%). Hungarian firms are most likely to be using robotics (44%), followed by the Internet of Things (36%). In comparison to the EU, they are making relatively less use of big data/AI (11% versus 29%) and digital platforms (21% versus 50%).

### Investment impediments

The most frequently mentioned long-term barriers to investment in Hungary are uncertainty about the future (80%), energy costs (77%) and availability of skilled staff (64%). Firms in Hungary are more likely to consider several of these as barriers than in EIBIS 2022, including availability of finance (47% versus 32%), demand for products or services (44% versus 32%), business regulations (40% versus 25%) and labour market regulations (40% versus 28%).

### Access to finance

The share of financially constrained firms in Hungary (10.2%) is in line with EIBIS 2022 (12.9%) and higher than the EU average (6.1%). This has generally been the case for most of the past years. Following monetary policy tightening and deteriorating external finance conditions, one in eight firms in Hungary (12%) are dissatisfied with the collateral of finance, far higher than the EU average (6%).

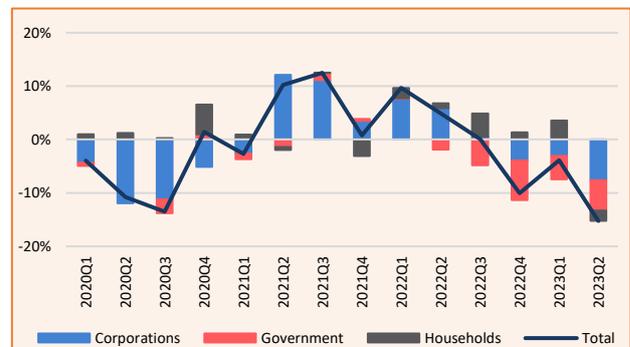
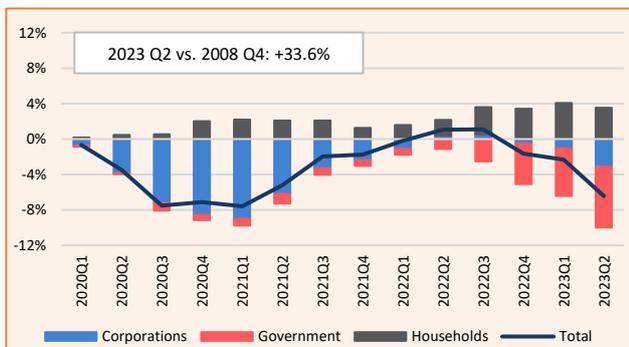
### Note on how to read the results:

*EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to “last financial year” (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.*

# Investment dynamics and focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- Aggregate investment fell sharply during the pandemic, having reached its lowest level in Q1 2021 relative to the pre-pandemic level (-7.6%), but has recovered to Q3 2022.
- Gross fixed capital formation has been declining in Hungary again since Q4 2022. Contractionary fiscal policy and cutting back on public investment projects has been the main driver behind the negative dynamics.
- At the same time, household investments fuelled also by social loan programs for family housing and lowered VAT on newly constructed dwellings contributed positively to investment growth in the recent years.
- While corporate investment was instrumental in the post-pandemic recovery in Hungary, it has not been able to contribute significantly positively to the investment growth since Q3 2022, culminating in a more than 6% drop in investments by Q2 2023.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

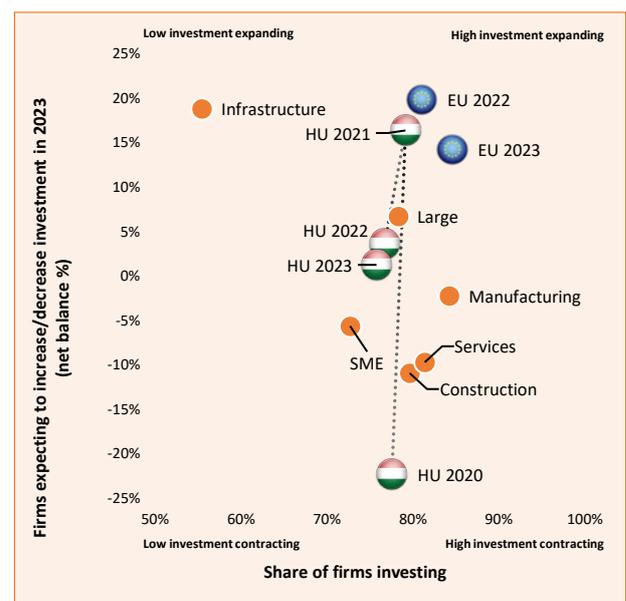
## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Firms operating in Hungary hold a slightly positive investment outlook in 2023, with a net balance of 1% of firms expecting to increase rather than decrease investment. This is in line with EIBIS 2022 (4%), but below the average across the EU (14%).
- Infrastructure firms are the most likely to expect to increase rather than decrease their investment in 2023 (net balance of 19%). In the other sectors, more firms expect to decrease rather than increase their investment.
- Overall, the share of Hungarian firms having invested in 2022 remains lower than in the EU as a whole (76% versus 85%).



'Realised change' is the share of firms that invested more minus those that invested less; 'Expected change' is the share of firms that expect(ed) to invest more minus those that expect(ed) to invest less.

Base for expected and realised change: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than €500.

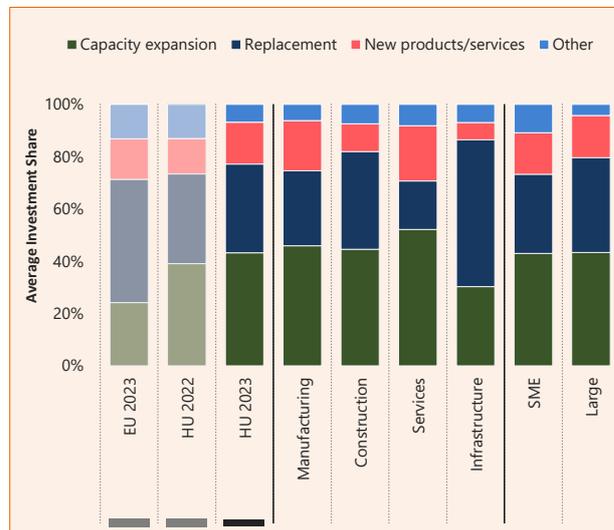
Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

# Investment dynamics and focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

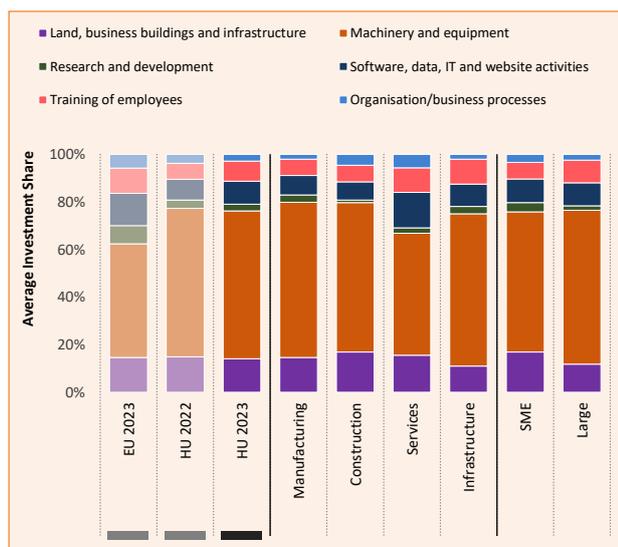
- On average, firms in Hungary spent 43% of their investment on capacity expansion in 2022. This is in line with EIBIS 2022 (39%) and remains higher than the EU average (24%).
- Investment in replacement accounted for one-third of total investment (34%), which matches EIBIS 2022 (34%) and remains lower than the EU average (47%). Among Hungarian firms, replacement investment was highest in the infrastructure sector (56%).
- Investment in new products and services accounted for a lower share of the total expenditure (16%). This was highest in the services sector (21%).



Q. What proportion of total investment in the last financial year was for (a) developing or introducing new products, processes, services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

## INVESTMENT AREAS



- Investment in intangible assets (R&D, software, training and business processes) by firms in Hungary accounted for 24% of total investment, in line with EIBIS 2022 (23%) but below the EU average (38%). However, Hungarian firms have invested a similar proportion in training as those across the EU (8% versus 11%).
- Firms in the services sector have invested the highest proportion in intangible assets (33%), and the lowest share in machinery and equipment (51%).
- Otherwise, investment activities were broadly similar by sector and size.

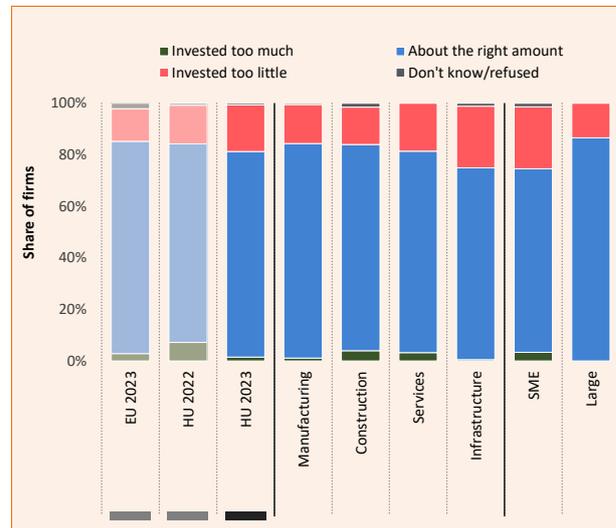
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

# Investment needs and priorities

## PERCEIVED INVESTMENT GAP

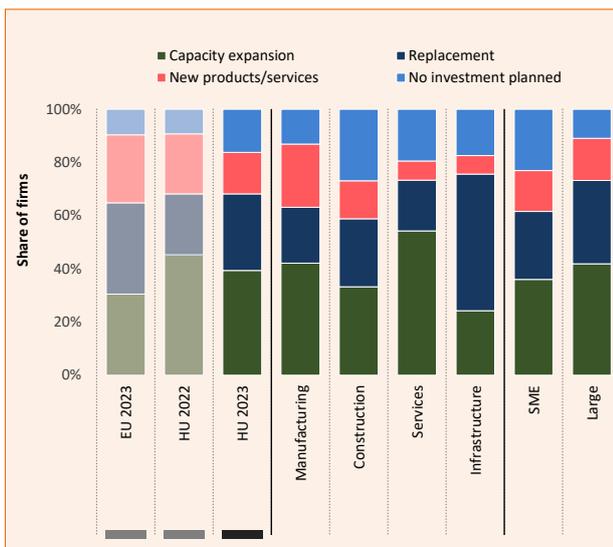
- Firms do not perceive major investment gaps. Despite difficult circumstances, four in five Hungarian firms (80%) believe that their investment activities over the last three years were about the right amount, in line with EIBIS 2022 (77%) and the EU average (82%).
- Almost one in five firms in Hungary (18%) believe they invested too little, in line with EIBIS 2022 (15%) and higher than the EU average (13%). Only 2% believe they invested too much, in line with the EU average (3%) and lower than EIBIS 2022 (7%).
- In Hungary, infrastructure firms (24%) and SMEs (24%) are the most likely to say they have invested too little over the past three years. Large firms are more likely than SMEs to say they have invested about the right amount (87% versus 71%).



Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## FUTURE INVESTMENT PRIORITIES



Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

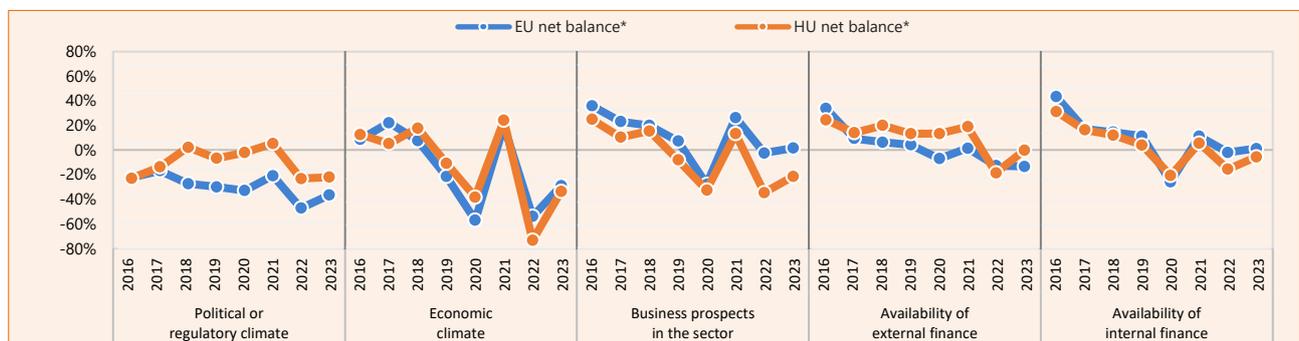
Base: All firms (excluding don't know/refused responses)

- Investment in capacity expansion (39%) is the most commonly cited priority for the next three years, broadly in line with EIBIS 2022. This is followed by investment in replacement (29%) and new products or services (16%). One in six (16%) have no investment planned.
- The investment priorities in Hungary are slightly different to those across the EU. Compared to the EU average, firms in Hungary are more likely to cite capacity expansion as a priority (39% versus 30%) and less likely to cite new products or services (16% versus 26%). Hungarian firms are also more likely than firms across the EU to have no investment planned (16% versus 10%).
- Infrastructure firms are more likely than firms in other sectors to prioritise investment in replacement (51%).
- SMEs are more likely than large firms to have no investment planned (23% versus 11%).

# Investment needs and priorities

## SHORT-TERM DRIVERS AND CONSTRAINTS

- Firms in Hungary are, on balance, pessimistic about the investment conditions for the next year. They are slightly optimistic about the availability of external finance (net value of +5%) and neutral about the availability of internal finance (net value of 0%). For the other measures, firms are much more pessimistic than optimistic.
- On balance, expectations are less pessimistic than in EIBIS 2022 about the economic climate (-31% versus -73%), business prospects in the sector (-18% versus -32%), the availability of external finance (+5% versus -14%), and the availability of internal finance (0% versus -11%).
- On balance, pessimism is lower among firms in Hungary than across the EU about the political or regulatory climate (-16% versus -30%) and the availability of external finance (+5% versus -9%), but pessimism is higher about business prospects in the sector (-18% versus +7%).

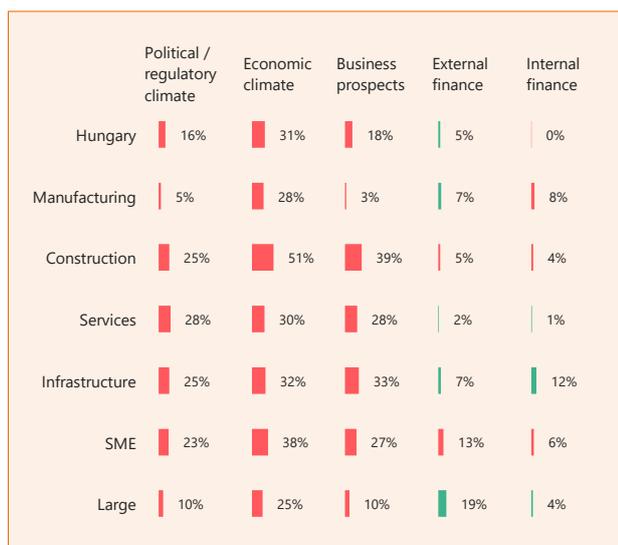


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

\*Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration.

Base: All firms

## SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)



Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

- Firms in Hungary are consistently more negative than positive about the political or regulatory climate, the economic climate and business prospects, across all sectors and firm size classes.
- Large firms and firms in services and infrastructure are more positive than negative about the availability of external and internal finance.
- Construction firms and SMEs are consistently more negative than positive about each of the influencing factors.

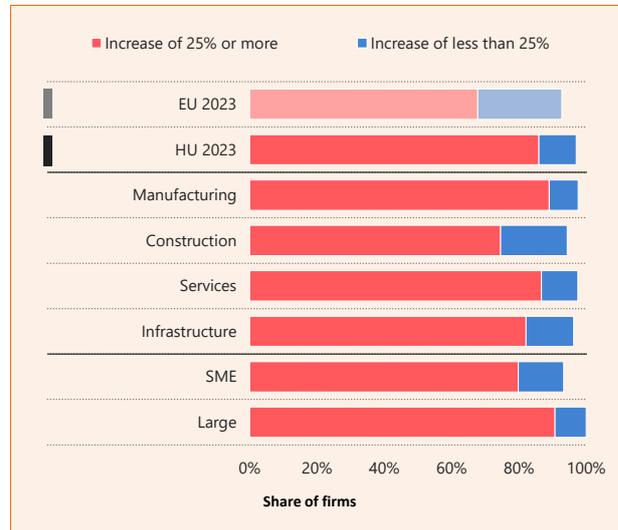
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

# Energy market developments

## INCREASED SPENDING ON ENERGY

- Firms in Hungary are more likely than those across the EU to have faced increases in energy costs (97% versus 93%), with a larger proportion facing increases of 25% or more (86% versus 68%).
- The proportion of firms facing increased energy costs is broadly consistent across sectors, although manufacturing firms are the most likely to have faced an increase of 25% or more (89%). This compares to 75% within construction.
- Large firms faced an increase in energy costs with a larger proportion facing increases of 25% or more (91% versus 80%) compared to SMEs.



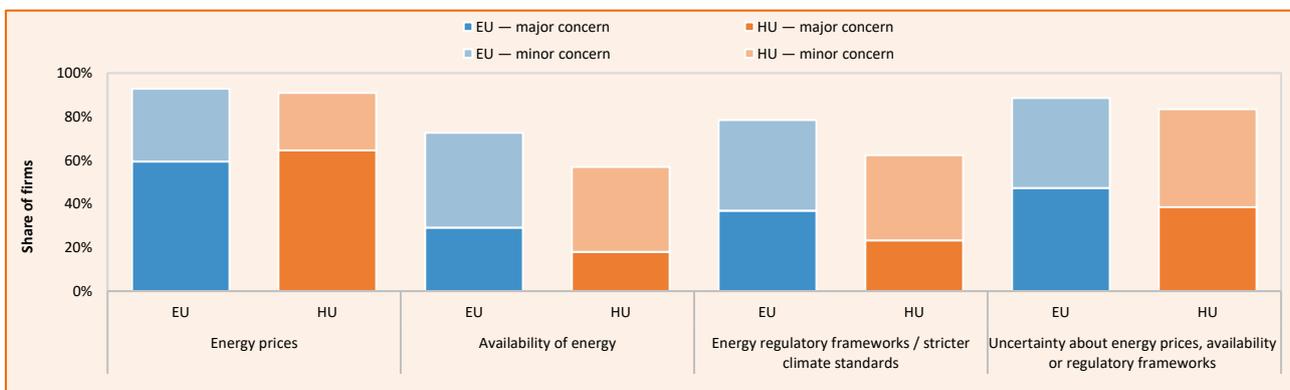
Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

Base: All firms (excluding don't know/refused responses)

## IMPACT OF ENERGY SHOCK

- The energy crisis hit Hungarian firms hard. The major concerns for firms in Hungary are energy prices (91%) and uncertainty (83%).
- While concern around energy prices is in line with the EU average (91% versus 93%), concern around the other issues is lower among Hungarian firms than the EU average, although the majority of firms are concerned.
- Around two in three firms in Hungary consider energy prices to be a major concern (65%), broadly in line with the EU average (59%).



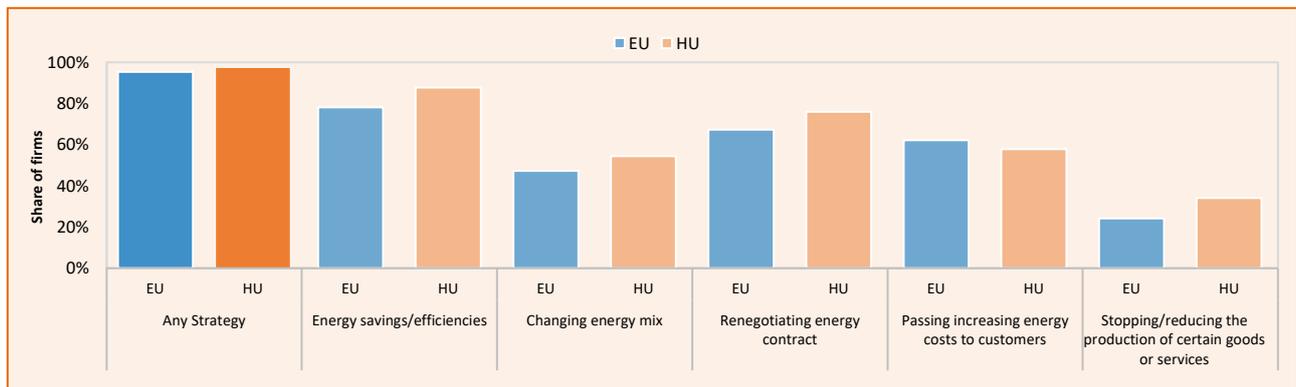
Q. Thinking about the energy shock, to what extent is your company concerned about ...?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

# Energy market developments

## STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- Hungarian firms are as likely as those across the EU to put forward at least one of the strategies or priorities proposed to deal with the energy market developments (98% versus 95%).
- In Hungary, the most frequently embraced strategy or priority is to seek energy savings/efficiencies (88%).
- Hungarian firms are more likely than those across the EU to state that adopting energy savings/efficiencies (88% versus 78%), renegotiating energy contracts (76% versus 67%), and stopping/reducing the production of certain goods or services (34% versus 24%) are priorities or strategies.

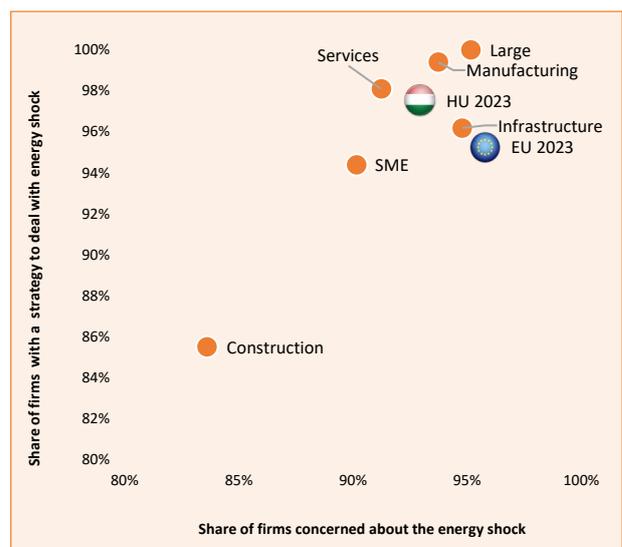


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

Base: All firms (excluding don't know/refused responses)

## IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- The proportion of firms in Hungary concerned about the energy shock is similar to that seen across the EU as a whole (93% versus 96%). Hungarian firms are also broadly as likely as those across the EU to have adopted strategies to help deal with recent developments in the energy market (98% versus 95%).
- In Hungary, the proportion of firms concerned about the energy shock is above 90% for all sectors and sizes, except for the construction sector (84%). Firms in construction are also less likely than firms in other sectors to have adopted strategies to help deal with the energy shock (86%).
- Large firms are more likely than SMEs to have adopted strategies to help deal with recent developments in the energy market (100% versus 94%).



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

Q. Thinking about the energy shock, to what extent is your company concerned about ...

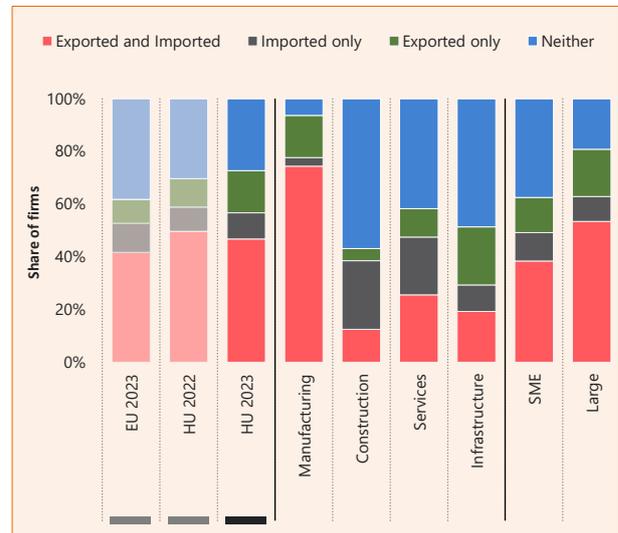
Base: All firms for 'share of firms concerned about the energy shock'

Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

# International trade

## ENGAGEMENT IN INTERNATIONAL TRADE

- Overall, 73% of Hungarian firms report in EIBIS 2023 that they were engaged in international trade. This is in line with EIBIS 2022 (70%) and higher than the EU average (62%).
- The vast majority of manufacturing firms in Hungary in EIBIS 2023 (94%) are trading internationally. This is higher than engagement in international trading among firms in other sectors, ranging from 43% in construction to 58% in services, where services are less tradable by their nature.
- Large firms are more likely than SMEs to be engaged in international trade (81% versus 63%).

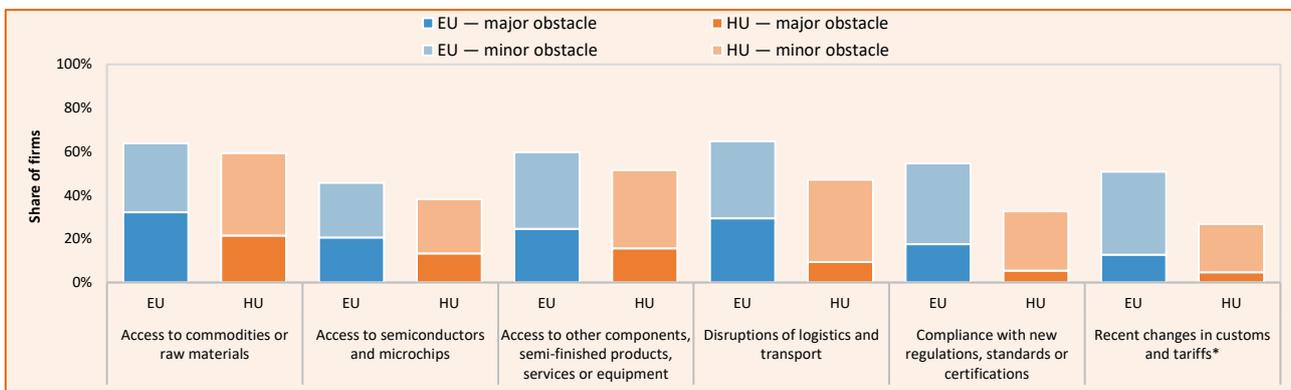


Q. In 2022, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

## DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Over a half of firms in Hungary consider disruption to access to commodities or raw materials (59%) and access to other components, semi-finished products, services or equipment (52%) as obstacles to international trade.
- Compared to the EU average, firms in Hungary are less likely to consider disruption to logistics and transport (47% versus 65%), compliance with new regulations, standards or certifications (33% versus 55%). They also consider recent changes in customs and tariffs (27% versus 51%) less as an obstacle than the EU average.
- For each obstacle, the proportion of Hungarian firms saying it is a major obstacle to international trade is less than the corresponding EU average.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

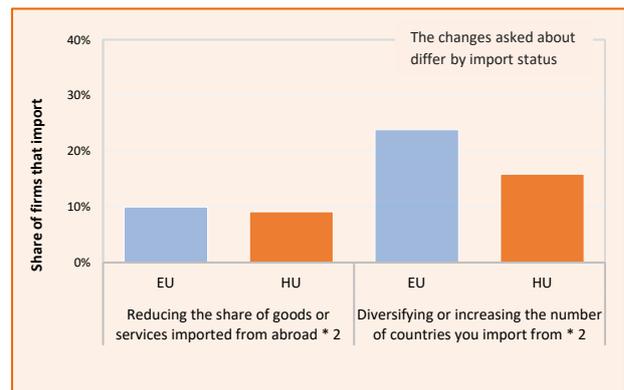
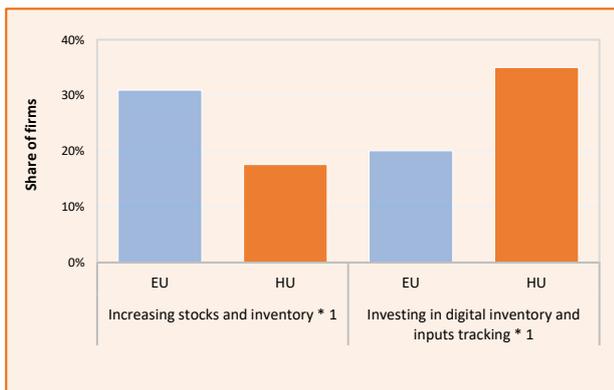
Base: All firms (excluding don't know/refused/not applicable responses)

\*Base: All importers and exporters (excluding don't know/refused/not applicable responses)

# International trade

## SOURCING STRATEGY

- Asked about potential changes to their sourcing strategy, firms in Hungary are less likely than those across the EU to have increased stocks and inventory or plan to do so (18% versus 31%), but more likely to have invested in digital inventory and inputs tracking or have plans to do so (35% versus 20%).
- Hungarian importers are as likely as those across the EU to have reduced (or planned to reduce) the share of goods or services imported from abroad (9% versus 10%), but they are less likely to have (or having planned to) diversified or increased the number of countries they import (16% versus 24%).



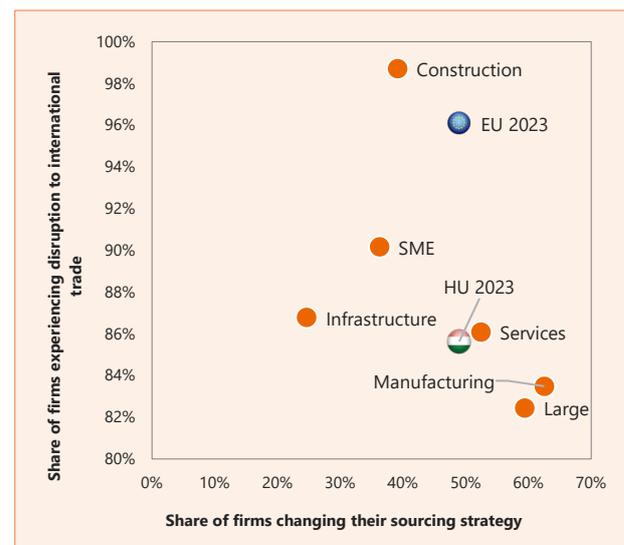
\* 1 = Asked to all, 2 = Asked to all importers

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)  
Base: All firms that import (excluding don't know/refused responses)

## DISRUPTIONS AND SOURCING STRATEGY

- While the majority of firms in Hungary faced at least one of the disruptions to international trade asked about (86%), only half (49%) have changed their sourcing strategy or are planning to change it. The proportion changing or planning to change their sourcing strategy matches the EU average (49%), while the proportion experiencing disruption to international trade is below the EU average (86% versus 96%).
- The majority of manufacturing and services firms have changed or have plans to change their sourcing strategy (63% and 52% respectively). These proportions are higher than among infrastructure firms (25%).
- Large firms are more likely than SMEs to have changed or have plans to change their sourcing strategy (59% versus 36%).



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

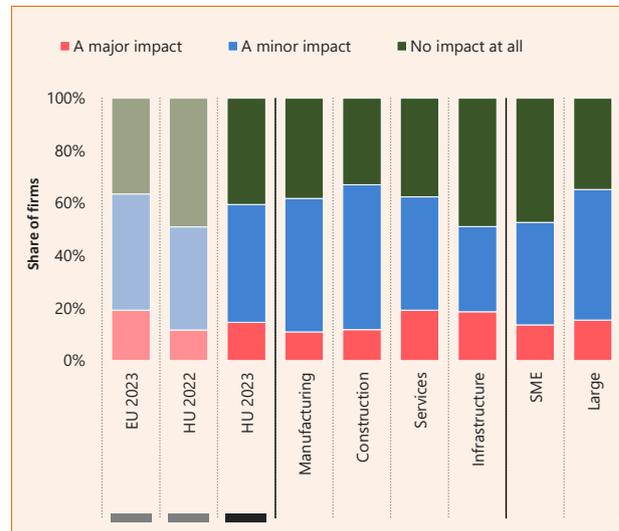
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

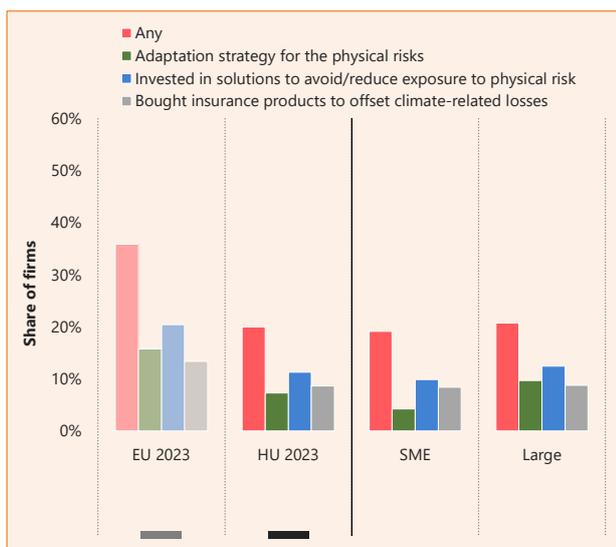
- The majority of firms in Hungary report weather events as having an impact on their business (60%). This is in line with the EU average (64%) and also broadly in line with EIBIS 2022 (51%).
- Construction firms are most likely to report weather events impacting their business (67%), followed by firms in services (62%), manufacturing (62%) and infrastructure (51%). One in five firms in both services and infrastructure (19%) report weather events as having a major impact on their business.
- Large firms are slightly more likely than SMEs to report that weather events as having an impact on their business (65% versus 53%).



Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

## BUILDING RESILIENCE TO PHYSICAL RISK



- One in five Hungarian firms (20%) have developed or invested in measures to build resilience to the physical risks to their company caused by climate change. This is lower than the EU average (36%).
- One in ten Hungarian firms (11%) have invested in solutions to avoid or reduce the exposure to physical risk, 9% have bought insurance products to offset climate-related losses, and 7% have an adaptation strategy.
- Compared to the EU average, Hungarian firms are less likely to have invested in solutions to avoid or reduce exposure to physical risk (11% versus 20%) and to have an adaptation strategy (7% versus 16%).
- The strategies of SMEs and large firms to build resilience to physical risk are broadly the same.

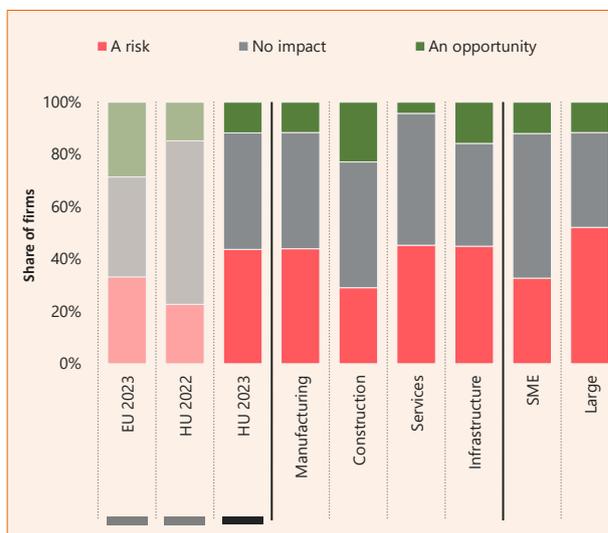
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

## Climate change and energy efficiency

### IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- The share of Hungarian firms seeing the transition to stricter climate standards and regulations as a risk is almost four times higher than the proportion that see it as an opportunity (44% and 12%, respectively). The proportion seeing the transition as a risk has almost doubled since EIBIS 2022 (23%) and is higher than the EU average (33%). The proportion of Hungarian firms seeing the transition as an opportunity is also much lower than across the EU overall (12% versus 29%).
- Construction firms are most likely to regard the transition to a net zero emission economy over the next five years as an opportunity (23%), compared to just 4% of services firms. Construction firms are also the least likely to regard the transitions as a risk (29%).
- The majority of large firms (52%) think the transition represents a risk, which is higher than the proportion of SMEs who think this (33%).

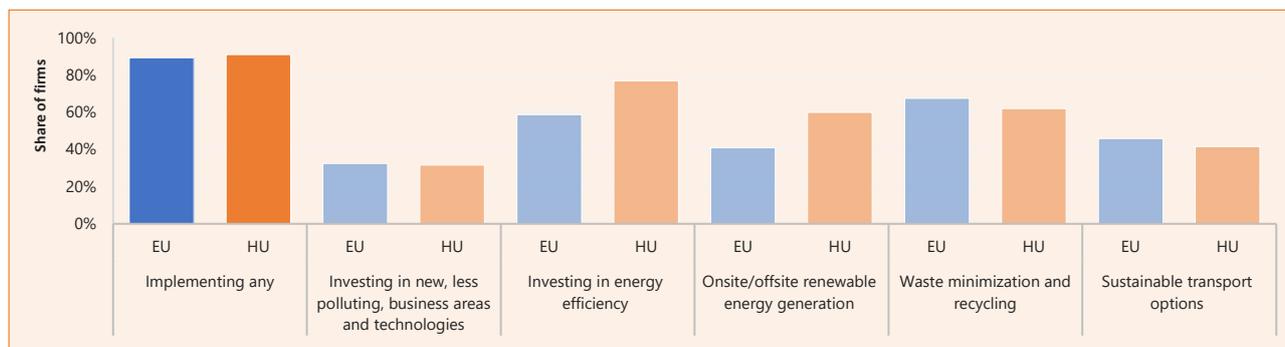


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

### ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Nine in ten Hungarian firms (91%) are taking actions in order to reduce Greenhouse Gas (GHG) emissions, similar to the EU average (89%).
- The main action taken by Hungarian firms is investments in energy efficiency (77%), and the majority of firms are also investing in waste minimisation and recycling (62%) and onsite/offsite renewable energy generation (60%).
- Compared to the EU average, firms in Hungary are more likely to be investing in energy efficiency (77% versus 59%) and onsite/offsite renewable energy generation (60% versus 41%).



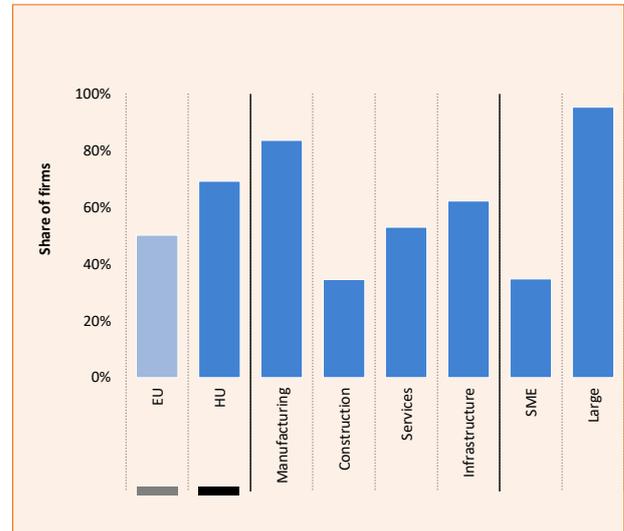
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## ENERGY AUDIT

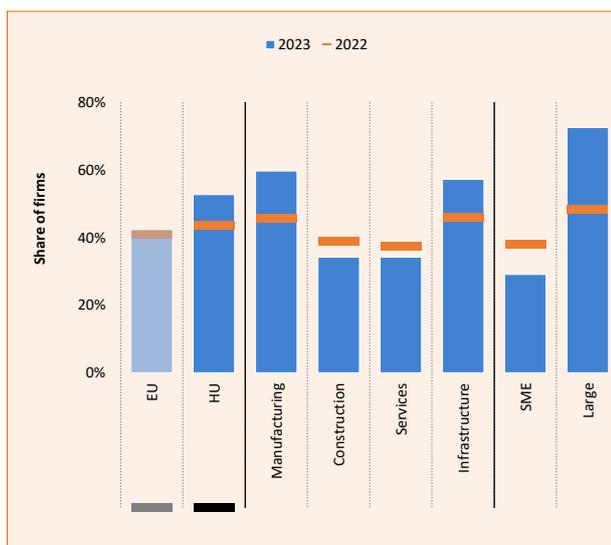
- Seven in ten Hungarian firms (69%) have had an energy audit in the past three years. That is an assessment of the energy needs and efficiency of their company’s building or buildings. This is well above the EU average (50%).
- In Hungary, manufacturing firms (84%) are more likely than firms in other sectors to have had an energy audit. Construction is the only sector where the majority of firms have not had an energy audit (35%).
- Almost all large firms (95%) have had an energy audit in the past three years. This is far higher than the proportion for SMEs (35%).



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company’s building or buildings)?

Base: All firms (excluding don’t know/refused responses)

## CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- Over a half of firms in Hungary (53%) report that they set and monitor targets for their own GHG emissions. This is higher than the EU average (42%).
- Around six in ten firms in manufacturing (60%) and infrastructure (57%) set and monitor these targets, higher than the proportion of firms in construction and services (both 34%).
- Around three-quarters of large firms (73%) say they set and monitor targets for their own GHG emissions, far higher than the proportion for SMEs (29%).

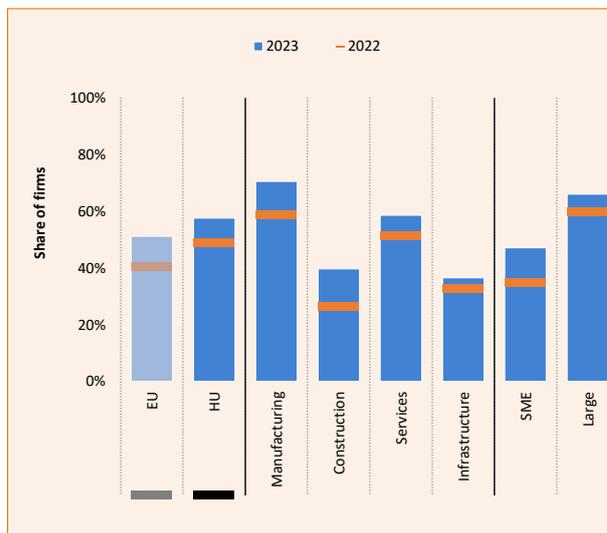
Q. Does your company... sets and monitors targets for its own greenhouse gas (GHG) emissions?

Base: All firms (excluding don’t know/refused responses)

# Climate change and energy efficiency

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Around six in ten Hungarian firms (58%) invested in measures to improve energy efficiency in 2022. This is broadly in line with the EU average (51%) and EIBIS 2022 (49%).
- Manufacturing firms in Hungary were the most likely to be investing in energy efficiency (71%), higher than the proportion of firms in construction (40%) and infrastructure (37%).
- Two-thirds (66%) of large firms were investing in energy efficiency. This compares to less than a half of SMEs (47%).

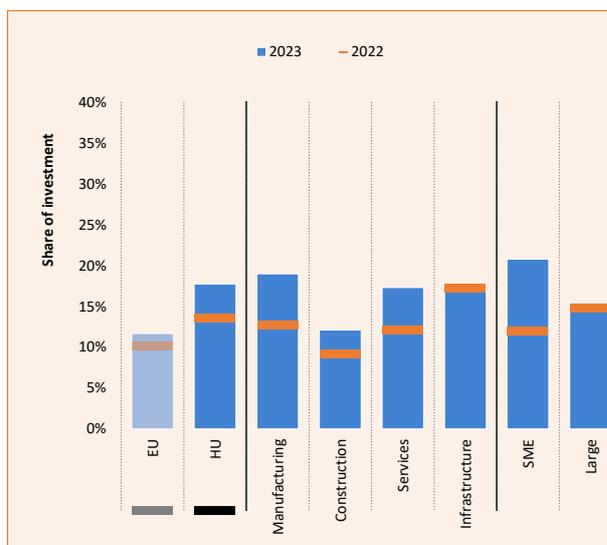


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

## AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- An average of 18% of the investment made by firms in Hungary was directed towards measures to improve the organisation's energy efficiency. This is slightly higher than what was reported in EIBIS 2022 (14%), and higher than the EU average (12%).
- Manufacturing firms and SMEs spent the highest share of their investment on efficiency (19% and 21%, respectively).

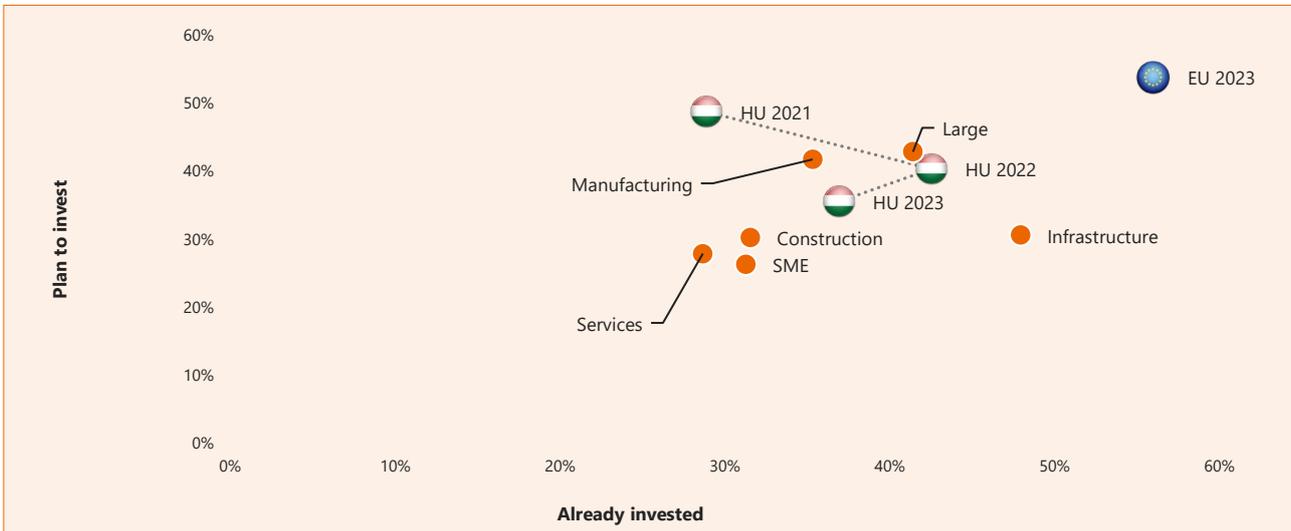


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

# Climate change and energy efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

EIBIS 2021:

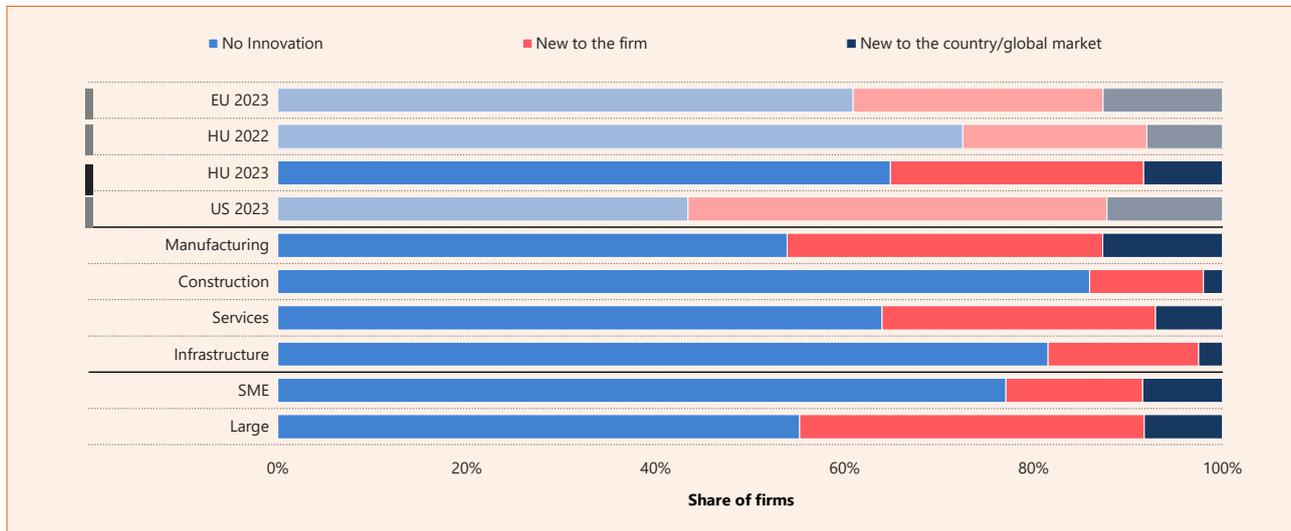
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

- In Hungary, 37% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is broadly in line with, albeit lower than, EIBIS 2022 (43%) and well below the EU average (56%).
- Just over one-third (36%) of Hungarian firms have plans to invest in these areas in the next three years. This is also broadly in line with EIBIS 2022 (40%) but well below the EU average (54%).
- Infrastructure firms are the most likely to have already invested to tackle the impact of weather events (48%), while manufacturing firms are the most likely to have plans to invest (42%). Services firms are the least likely to have already invested (29%) and to have plans to invest (28%) in this.
- Four in ten large firms (41%) have already invested to tackle the impact of weather events, which is broadly in line with, albeit higher than, the proportion of SMEs to have done this (31%). Compared to SMEs, large firms are more likely to have plans to invest (43% versus 26%).

# Innovation activities

## INNOVATION ACTIVITY



Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

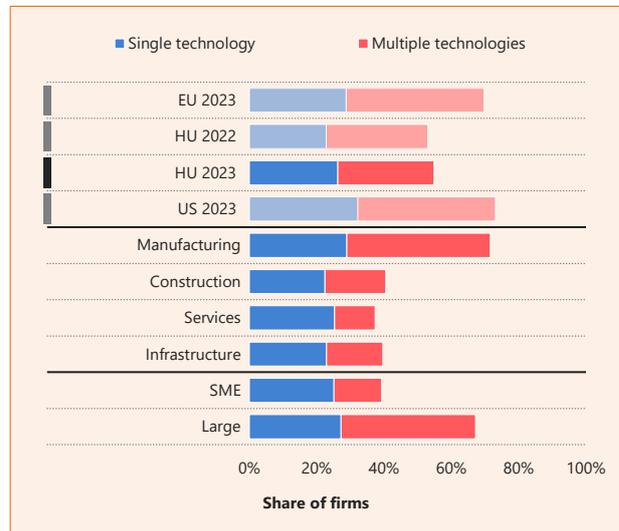
Base: All firms (excluding don't know/refused responses)

- Around a third of Hungarian firms (35%) developed or introduced new products, processes or services as part of their investment activities in 2022. This is in line with the EU average (39%), higher than EIBIS 2022 (27%), but below the US (57%).
- Only 8% of firms in Hungary report the development or introduction of products, processes or services new to either the country or global market. This matches EIBIS 2022 (8%) and is broadly in line with, albeit lower than, the EU average (13%).
- Manufacturing firms were most likely to have invested in innovation (46%), followed by services firms (36%). These proportions are both higher than the proportion of construction firms investing in innovation (14%).
- Large firms were more likely than SMEs to have invested in innovation (45% versus 23%), particularly innovation new to the firm (36% versus 14%).

# Innovation activities

## USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 55% of firms in Hungary used at least one advanced digital technology, below the EU average (70%).
- Manufacturing firms are more likely to have adopted at least one advanced digital technology (72%), compared to firms in other sectors.
- Large firms are more likely than SMEs to have adopted advanced digital technologies (67% versus 39%).
- The digital technologies that Hungarian firms are most likely to be using are robotics (44%), followed by Internet of Things (36%). In comparison to firms across the EU, they are making relatively less use of big data/AI (11% versus 29%) and digital platforms (21% versus 50%). Similarly, in comparison to firms in the US, Hungarian firms are making relatively less use of Internet of Things (36% versus 47%), big data and AI (11% versus 35%), digital platforms (21% versus 43%), and drones (24% versus 60%).



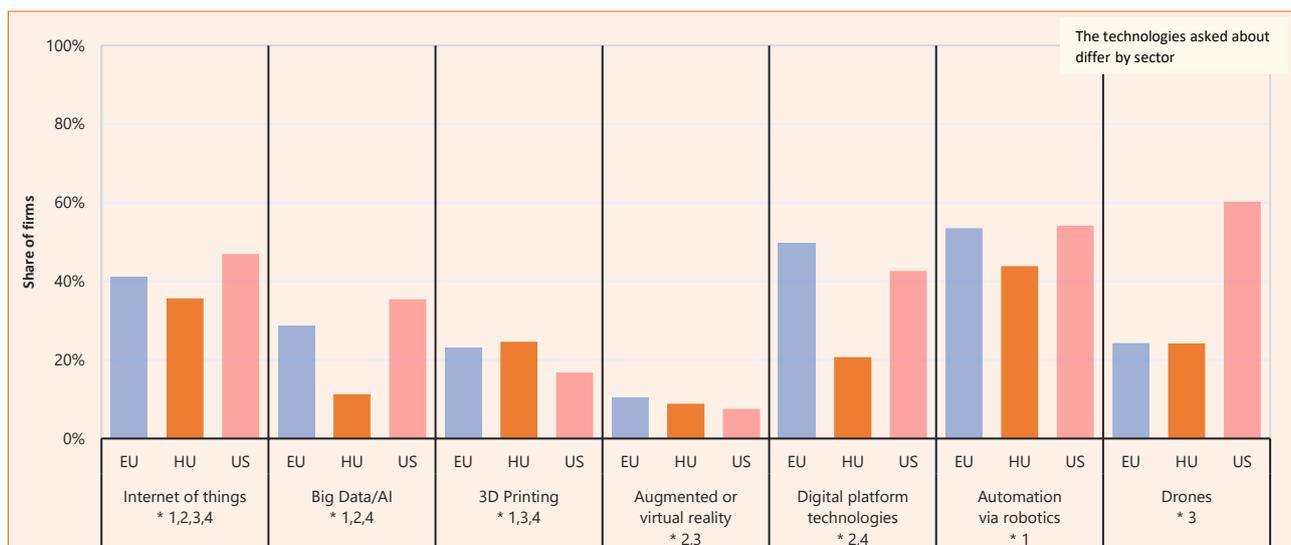
Reported shares combine “used” the technology “in parts of business” and “entire business organised around it.”

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Base: All firms (excluding don't know/refused responses)

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

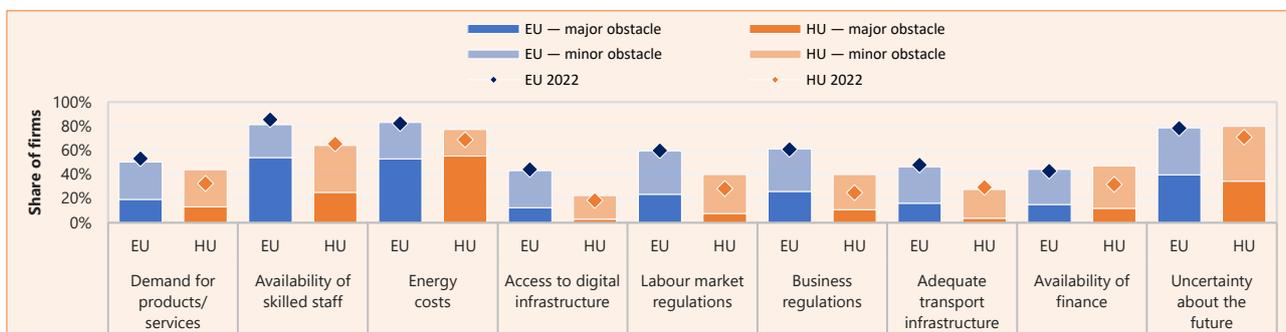
Reported shares combine used the technology ‘in parts of business’ and ‘entire business organised around it’

Base: All firms (excluding don't know/refused responses);  
Sample size HU: Manufacturing (157); Construction (99); Services (129); Infrastructure (89).

# Investment impediments

## LONG-TERM BARRIERS TO INVESTMENT

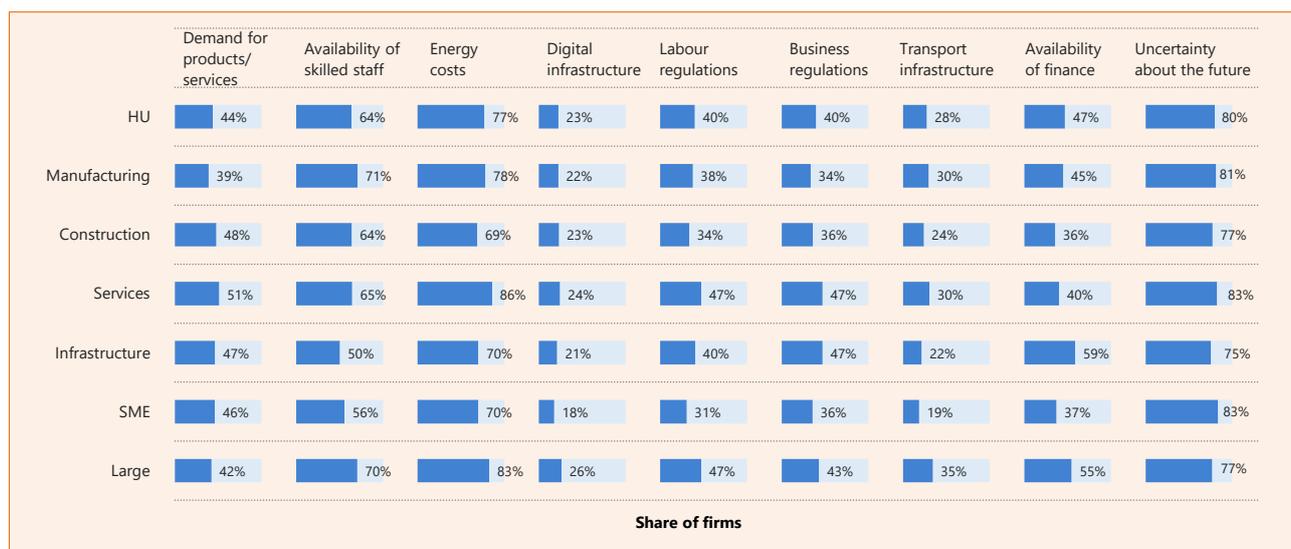
- Similar to EIBIS 2022, the most frequently mentioned long-term barriers to investment in Hungary are uncertainty about the future (80%), energy costs (77%) and availability of skilled staff (64%). These are also the main barriers for firms across the EU.
- Compared to EIBIS 2022, firms in Hungary are more likely to consider several of these as barriers. These include availability of finance (47% versus 32%), demand for products or services (44% versus 32%), business regulations (40% versus 25%) and labour market regulations (40% versus 28%).
- However, compared to the EU average, firms in Hungary are generally less likely to consider the aspects asked about as barriers, except for demand for products or services (44% and 50% respectively), availability of finance (47% and 44% respectively), and uncertainty about the future (80% and 78% respectively) where Hungarian firms are in line with the EU average.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

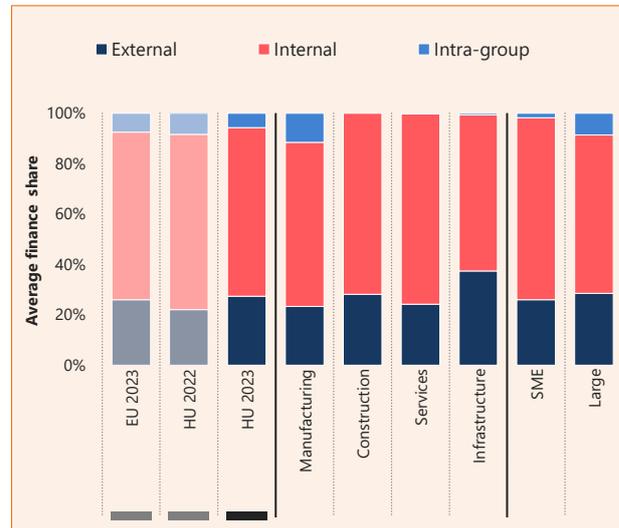
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

# Access to finance

## SOURCE OF INVESTMENT FINANCE

- Internal sources accounted for the largest share of investment finance for firms in Hungary (67%), followed by external finance (27%). The remainder came from intra-group financing (6%). All proportions are in line with EIBIS 2022 and the EU average.
- The share of investment from external sources was highest among infrastructure firms (37%), while the proportion of investment finance coming from intra-group financing was higher among manufacturing firms (11%) than firms in construction or services (both 0%).
- The proportion of investment finance coming from intra-group financing was also higher among large firms than SMEs (9% versus 2%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

## USE OF EXTERNAL FINANCE



- Almost half of firms in Hungary (48%) that invested in the last financial year, financed at least some of this investment through external sources. This is broadly in line with EIBIS 2022 (41%) and the EU average (43%).
- The proportion of firms using external finance was highest among firms in infrastructure (58%) and construction (57%), and lowest in the manufacturing sector (42%).
- Large firms that invest were just as likely as investing SMEs to obtain finance from external sources (50% and 46% respectively).

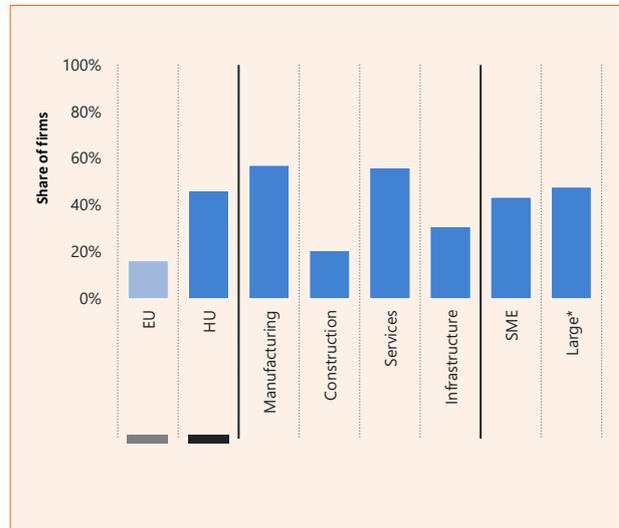
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

## Access to finance

### SHARE OF FIRMS WITH FINANCE FROM GRANTS

- Just under half of firms using external finance in Hungary received grants (46%). This is well above the EU average (16%).
- Manufacturing and services firms using external finance are most likely to have received grants (57% and 56% respectively).
- The proportion of firms using external finance who had received grants is similar for SMEs and large firms (43% and 48% respectively).

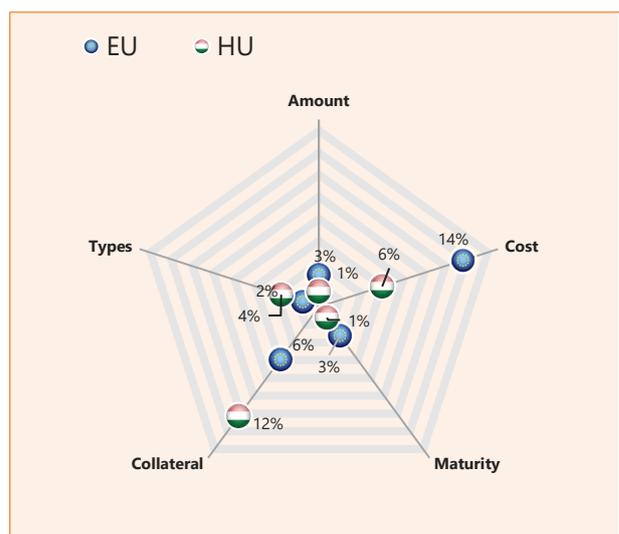


Q. What proportion of your total investment in the last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)  
\*Caution very low base size less than 30

### DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Except for the collateral of external finance obtained, no more than 6% of firms in Hungary are dissatisfied with any of the other aspects included in the survey.
- However, one in eight firms in Hungary (12%) are dissatisfied with the collateral of finance, far higher than the EU average (6%).
- In other cases, levels of dissatisfaction in Hungary are broadly similar to the EU average, albeit lower for the cost of finance in Hungary (6% compared to 14% in the EU).



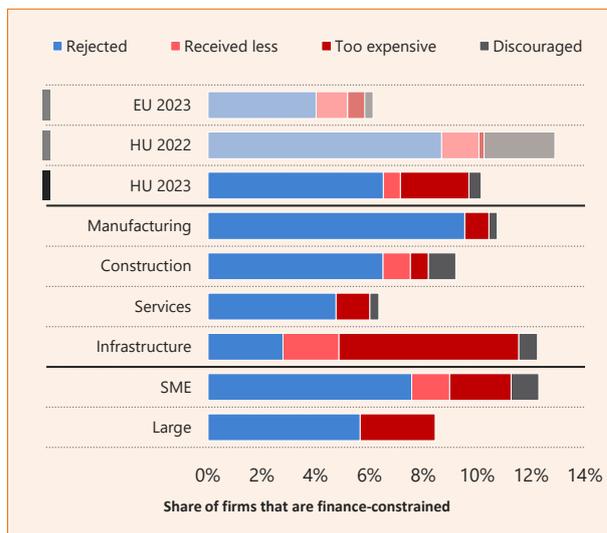
Q. How satisfied or dissatisfied are you with ...?

Base: All firms that used external finance in the last financial year (excluding don't know/refused responses)

## Access to finance

### SHARE OF FINANCE-CONSTRAINED FIRMS

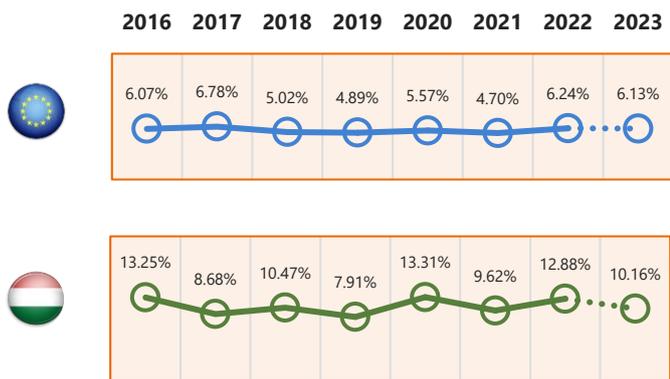
- The share of financially constrained firms in Hungary (10.2%) is in line with EIBIS 2022 (12.9%) and higher than the EU average (6.1%).
- The proportion of financially constrained firms in Hungary is highest in the infrastructure sector (12.2%) and among SMEs (12.3%).
- As in EIBIS 2022, the main constraint reported by firms in Hungary is rejection (6.5%).



*Finance-constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those that did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)*

*Base: All firms (excluding don't know/refused responses)*

### FINANCING CONSTRAINTS OVER TIME

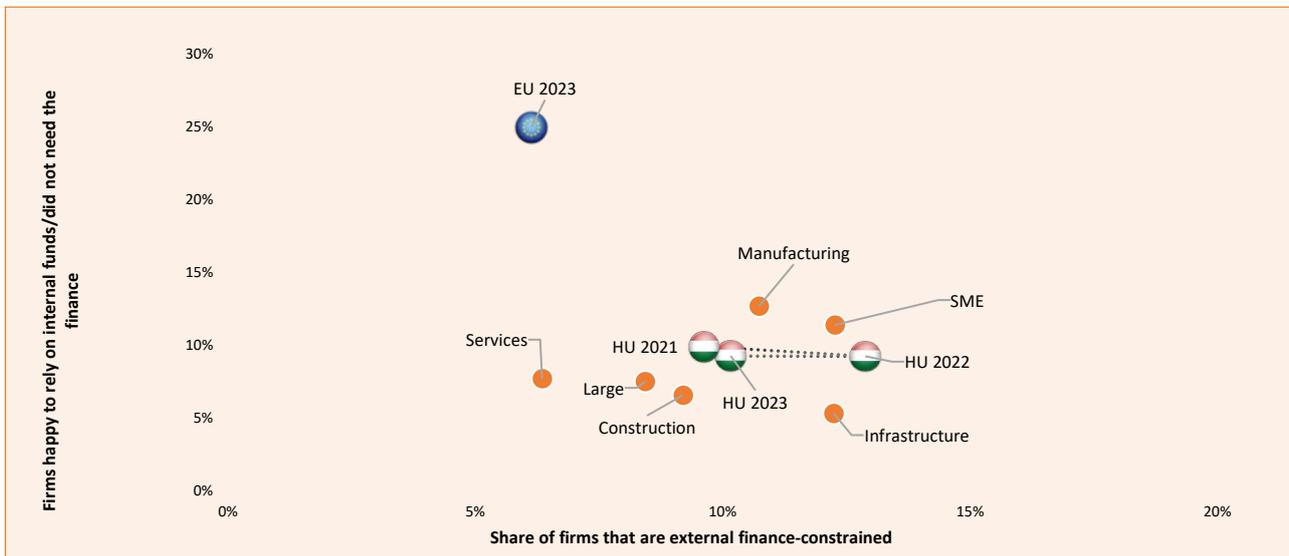


- The proportion of Hungarian firms that are finance constrained (10.2%) is similar to EIBIS 2022 (12.9%) and the last seven years.
- The proportion of finance-constrained firms in Hungary is higher than the EU average (10.2% versus 6.1%), which has generally been the case for most of the past seven years.

*Base: All firms (excluding don't know/refused responses)*

# Access to finance

## FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

Base: All firms (excluding don't know / refused)

- One in ten Hungarian firms (10.2%) can be considered finance constrained in EIBIS 2023, and a similar proportion (9%) is happy to rely on internal finance. The proportion of firms in Hungary that are happy to rely on internal finance is unchanged since EIBIS 2022 (9%).
- Hungarian firms are more likely than firms across the EU to be finance constrained (10.2% versus 6.1%) and less likely to be happy to rely on internal finance (9% versus 25%).
- In Hungary, infrastructure firms are most likely to be finance-constrained (12.2%) but also least happy to rely on internal finance (5%).
- Large firms and SMEs are as equally likely to be finance constrained (8.4% versus 12.3%) and be happy to rely on internal finance (8% versus 11%), as these differences among the two groups are not statistically significant.

## EIBIS 2023 – Country technical details

### SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Hungary, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	HU	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs HU	Manuf vs Constr	SME vs Large
	(12030)	(802)	(480)	(158)	(99)	(131)	(89)	(423)	(57)	(12030 vs 480)	(158 vs 99)	(423 vs 57)
10% or 90%	1.1%	3.9%	3.9%	5.9%	6.8%	7.0%	8.6%	2.6%	6.7%	4.1%	9.0%	7.2%
30% or 70%	1.8%	6.0%	6.0%	9.0%	10.4%	10.6%	13.1%	4.0%	10.2%	6.2%	13.7%	10.9%
50%	1.9%	6.5%	6.5%	9.9%	11.4%	11.6%	14.3%	4.3%	11.2%	6.8%	15.0%	11.9%

### GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities: firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

*Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.*

## EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Hungary (carried out between April and July 2023).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2023/2022	US 2023	Hungary 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	480/480	158	99	131	89	423	57
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	474/476	154	98	131	88	419	55
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	364/371	127	73	97	64	312	52
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	403/381	135	81	108	76	354	49
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	479/480	158	99	130	89	422	57
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	459/471	154	92	124	86	403	56
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	467/NA	153	93	131	87	411	56
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	480/NA	158	99	131	89	423	57
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	461/NA	154	93	127	81	408	53
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	461/NA	154	93	127	81	408	53
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	479/479	157	99	131	89	423	56
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	265/NA	110	28	67	37	221	44
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	471/NA	151	98	130	89	417	54
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	227/NA	107	27	61	31	191	36
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	386/NA	134	75	110	65	335	51
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	477/474	157	99	131	87	422	55
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	469/475	154	96	127	89	413	56
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	437/401	145	87	122	82	383	54
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	479/477	158	99	131	88	422	57
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	460/NA	151	99	124	83	404	56
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	460/466	149	99	123	87	408	52
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	411/383	141	84	109	74	359	52
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	468/467	154	99	127	87	412	56
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	475/477	157	97	130	88	418	57
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	480/480	158	99	131	89	423	57
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	477/474	157	99	129	89	420	57
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	480/480	158	99	131	89	423	57
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	480/480	158	99	131	89	423	57
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	417/396	139	85	113	77	363	54
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	417/396	139	85	113	77	363	54
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	189/191	59	42	47	38	162	27
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	177/184	57	39	43	34	151	25
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	449/469	143	92	124	87	397	52
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	449/469	143	92	124	87	397	52
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	449/469	143	92	124	87	397	52





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# Hungary

## Overview

**EIB INVESTMENT SURVEY**

**2023**