



Food Industry in Hungary

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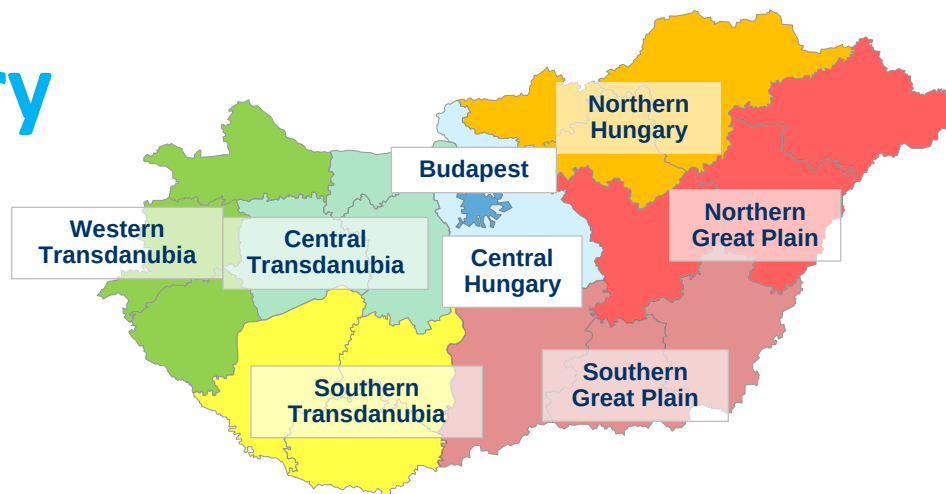
- 🍎 Agri-food industry is **historically strategic** industry in Hungary.
- 🍎 Biggest employer within the manufacturing industry.
- 🍎 3rd largest production industry (**10,9% of industrial production**).
- 🍎 **Positive trade balance** (export sales in 2014 increased by 7,1%).

Why to invest in the Hungarian food sector?



- 🍎 Food-processing sector is among the most modern in the CEE region with a significant foreign investment stock.
- 🍎 The only net exporter of food products in CEE.
- 🍎 Strong market: per capita consumption levels are among the highest in the region.
- 🍎 Hungary is 100% GMO free.
- 🍎 Abundant raw material supply from high quality agricultural products.
- 🍎 Road infrastructure is considered one of the best in the region.

Labour: Food Industry



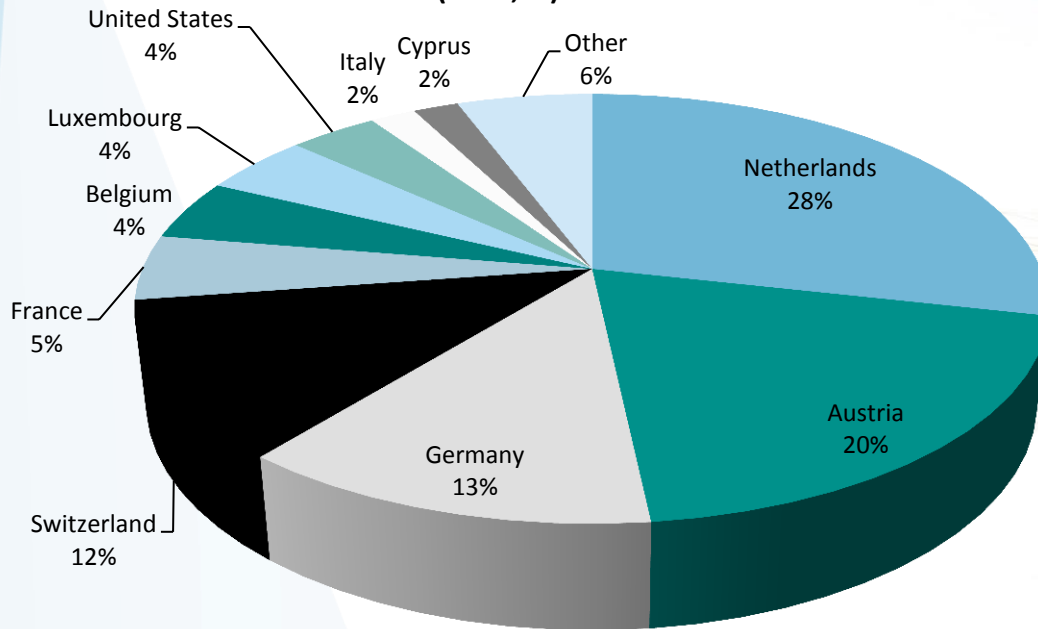
Average gross wages in 2014, EUR

Occupation	Hungary	Central Hungary	Central Transdanubia	Western Transdanubia	Southern Transdanubia	Northern Hungary	Northern Great Plain	Southern Great Plain
Manufacturing and mining manager	1 826	2 026	2 120	1 668	1 477	1 592	1 666	1 557
Food industry engineer	1 054	1 075	1 108	1 246	892	962	1 162	930
Chemical engineer	1 340	1 369	1 607	1 347	1 450	1 071	824	921
Chemist	1 399	1 429	1 754	968	1 220	1 044	1 440	1 232
Food industry technician	777	877	624	904	827	667	649	770
Butcher	518	539	761	446	452	410	472	531
Baker, confectionery maker	488	519	510	471	502	535	431	478
Food, beverage products machine operator	602	512	830	569	683	599	585	557
Packing, bottling, and labelling machine operator	567	584	665	584	448	514	586	473

Source: National Employment Service, 2014

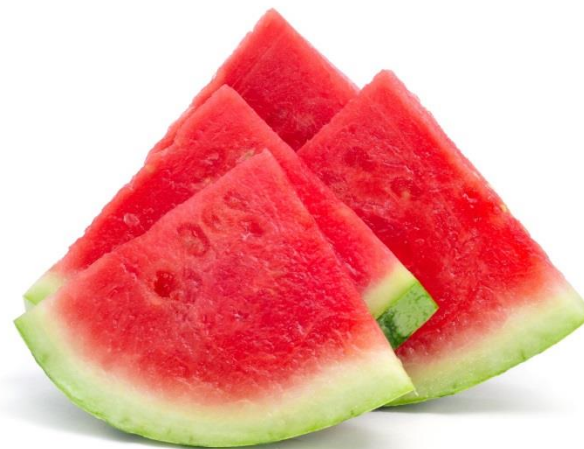
FDI into the food, beverage and tobacco industry in Hungary

Hungary's FDI stock of food industry by countries
(2014, %)



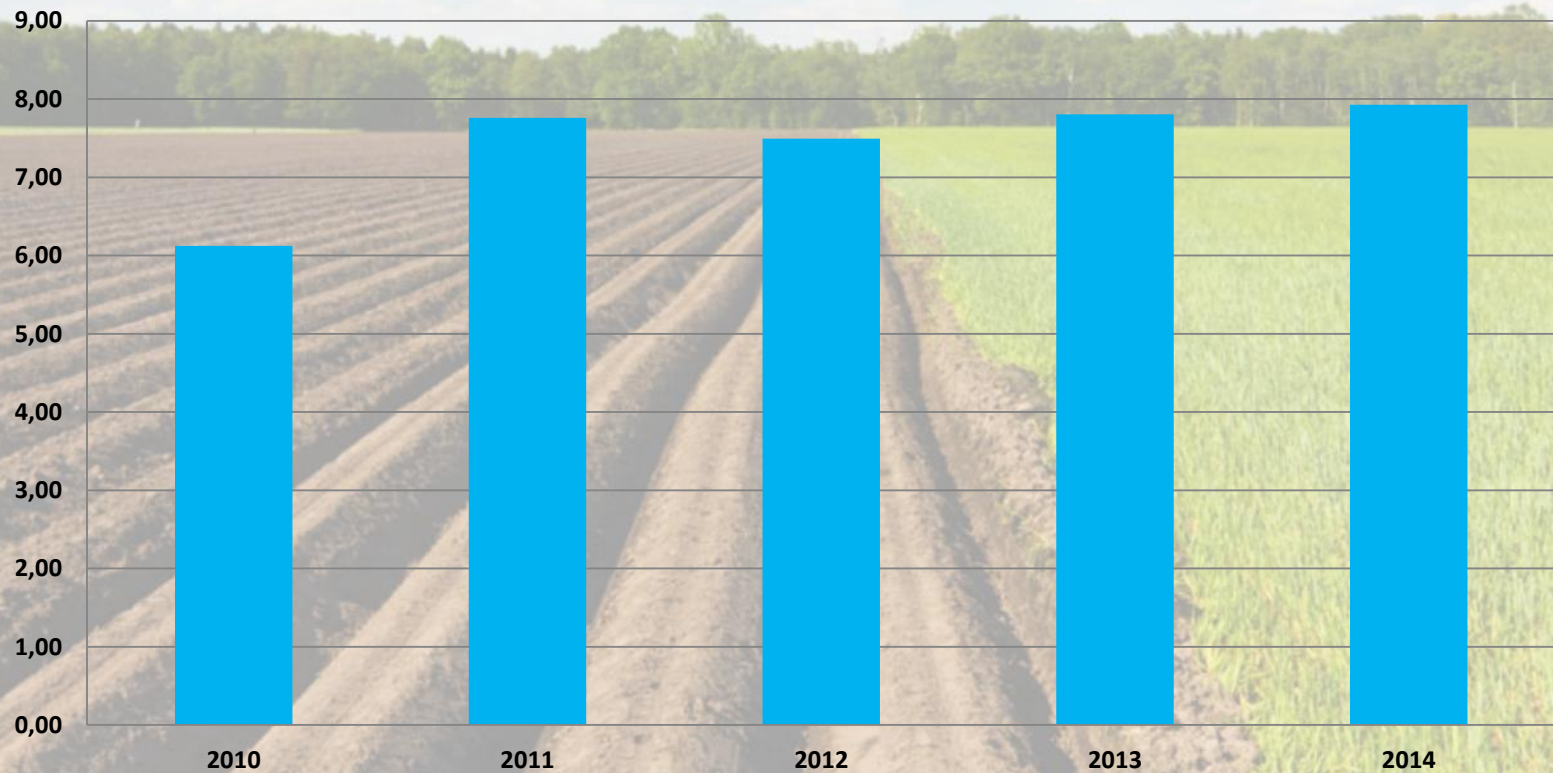
Source: Central Bank of Hungary, 2015

Fruit and vegetable sector



- 🍏 Perfect ecological and climatic circumstances
- 🍏 High quality products
- 🍏 Up-to-date technologies and variety of fruits and vegetables
- 🍏 Experience and tradition in the cultivation
- 🍏 36 medium and large-sized companies are in the industry
- 🍏 There are 97,037 fruit producer in Hungary
- 🍏 Brands in the sector: Bonduelle, Globus, Univer, Kecskeméti Konzerv, Szatmári Konzervgyár

Agricultural output (Billion EUR)

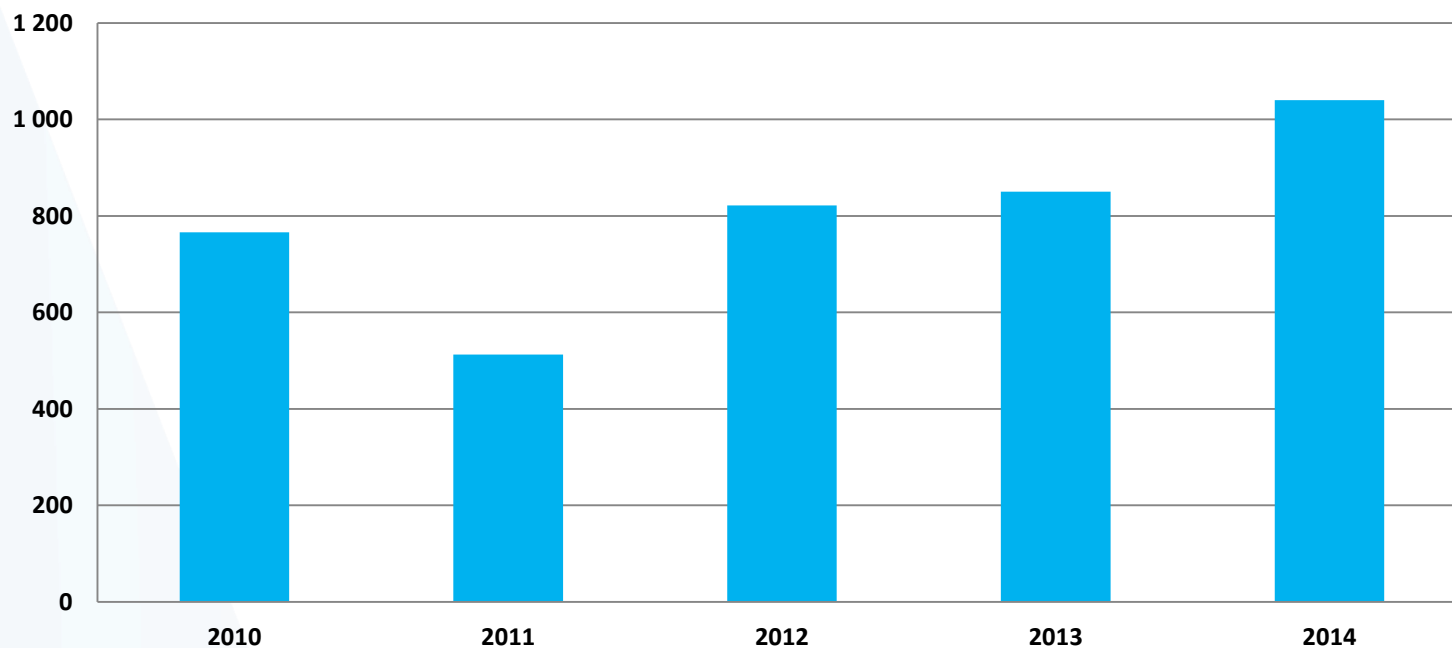


Source: Hungarian Central Statistical Office, 2015

Fruit production



Fruits (thousand tons)

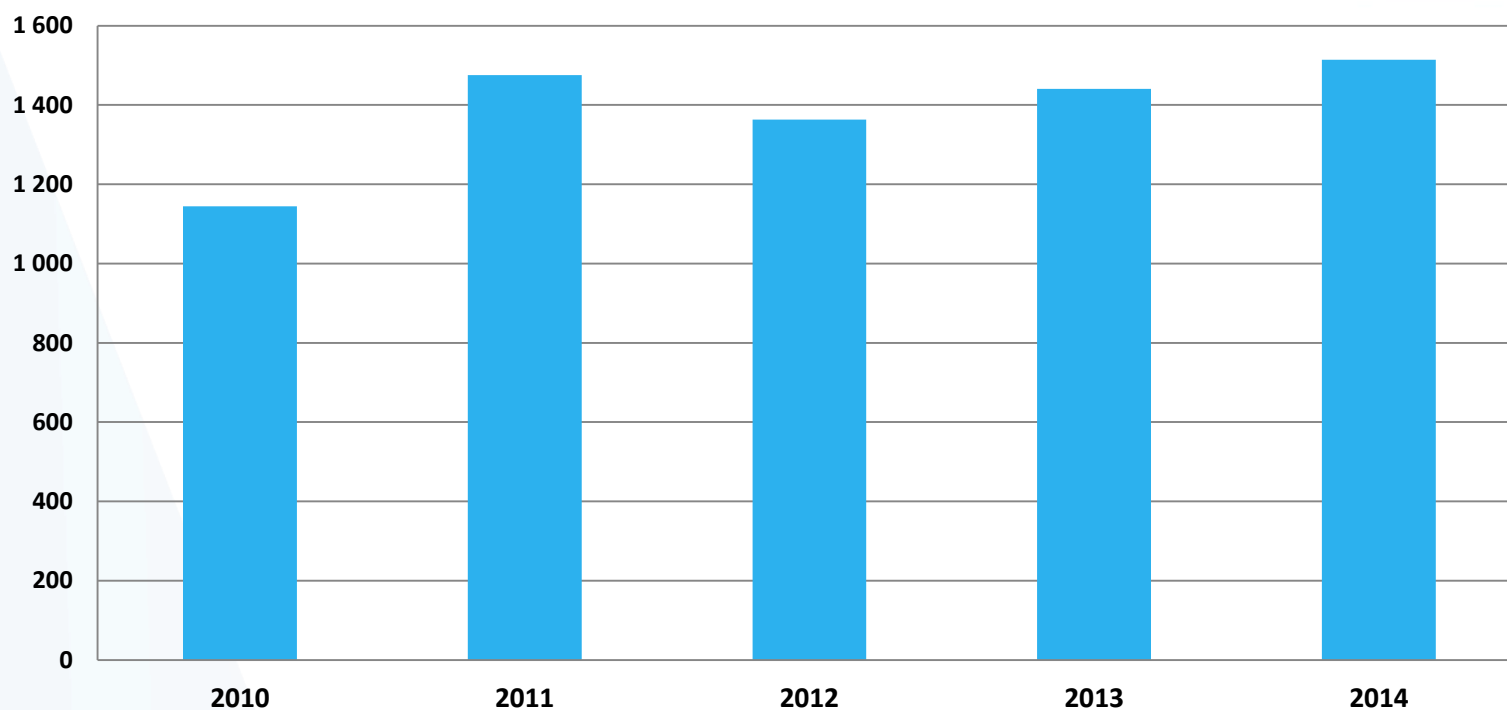


Source: Hungarian Central Statistical Office, 2015

Vegetable production



Vegetables (thousand tons)



Source: Hungarian Central Statistical Office, 2015

Milling and baking industry



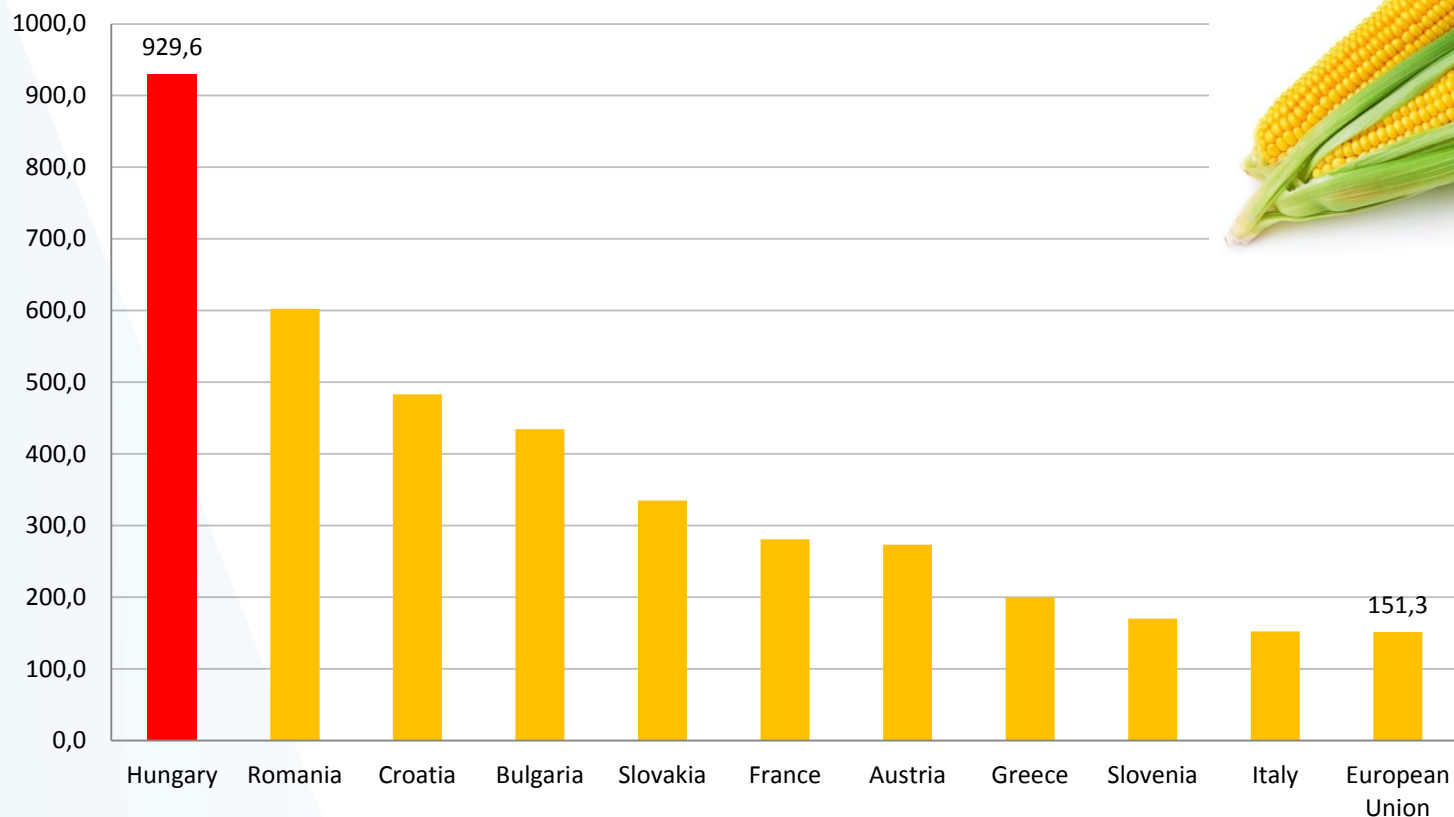
Milling industry:

- Turnover is about 920 million EUR
- 14 medium or large sized companies
- 41 mills in Hungary

Baking industry:

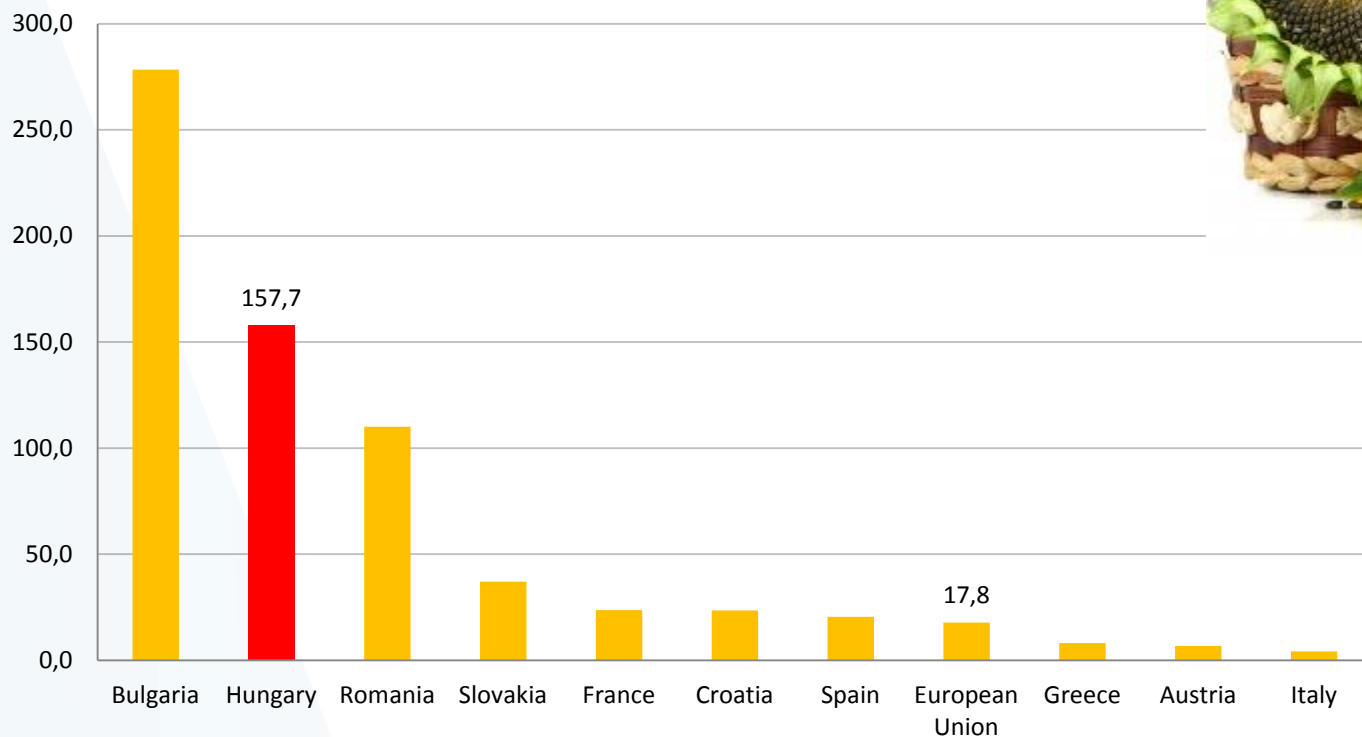
- Turnover is more than 966 million EUR
- many small sized companies

Grain maize and corn-cob-mix (per capita production, kg)



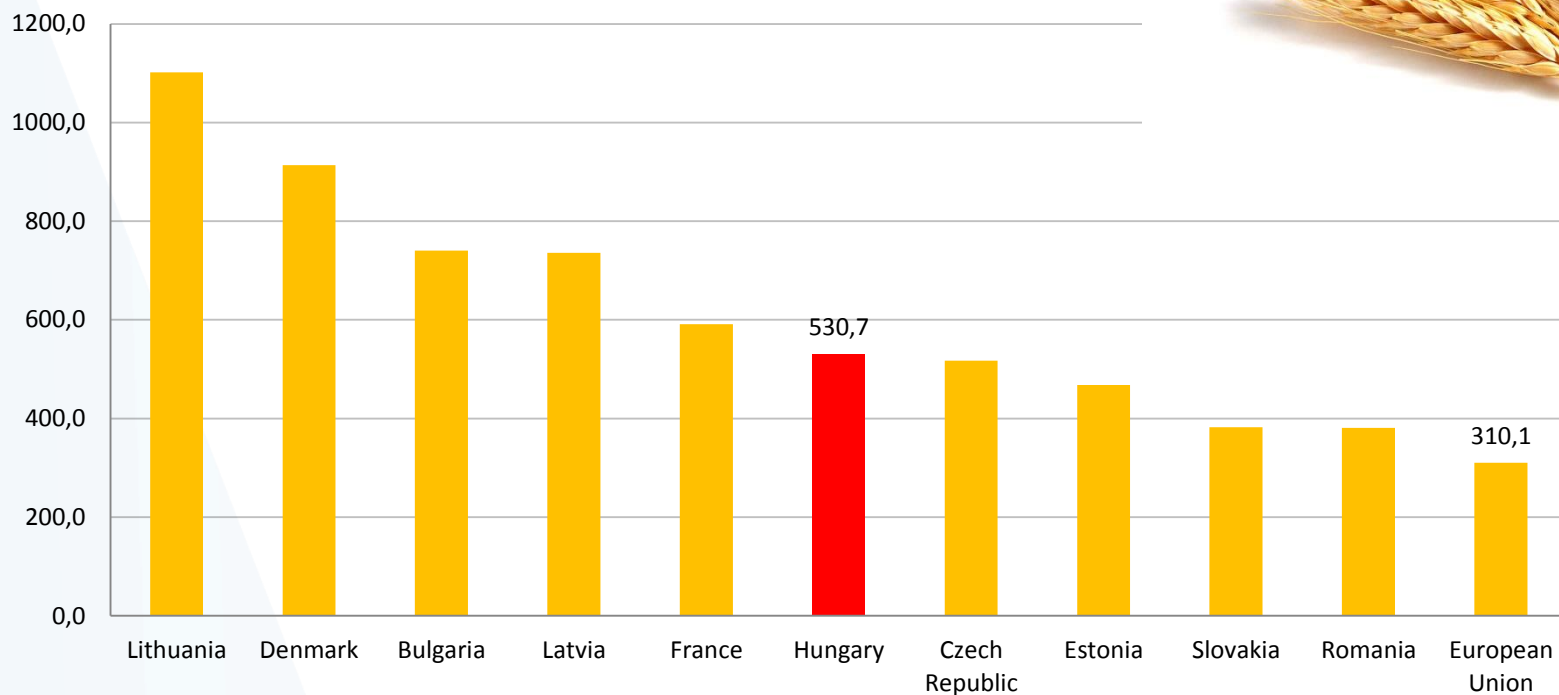
Source: Eurostat, 2015

Sunflower seed (per capita production, kg)



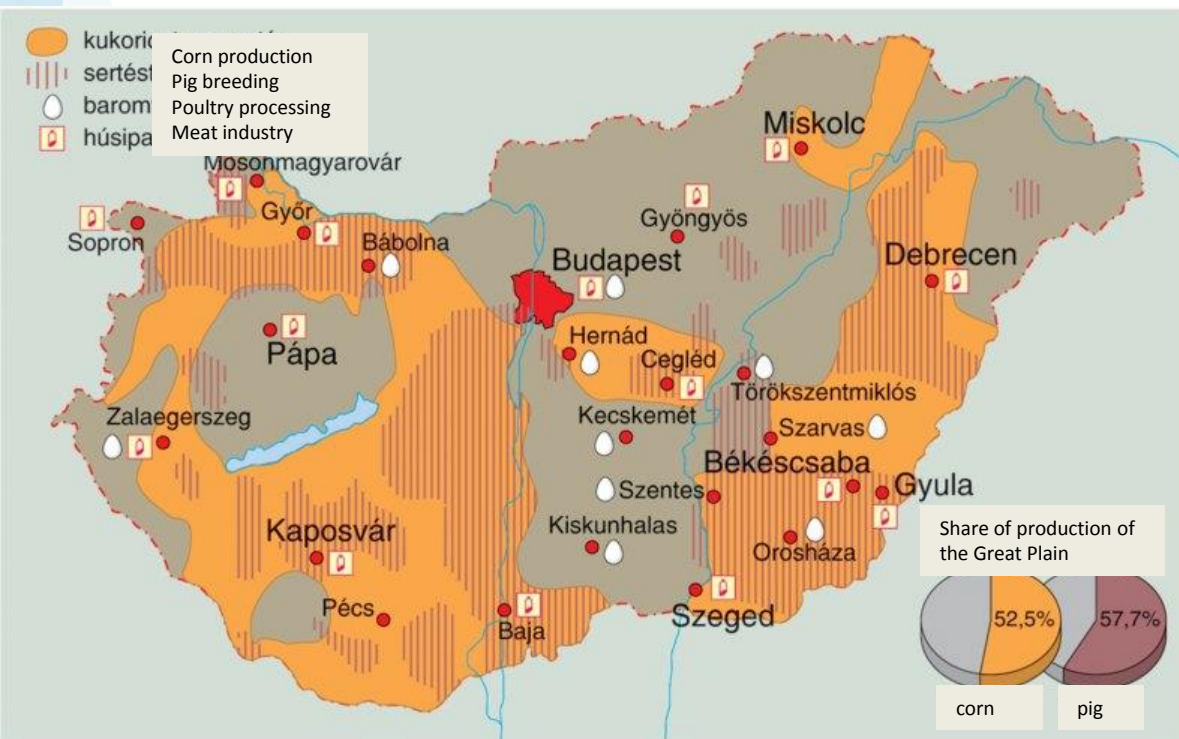
Source: Eurostat, 2015

Wheat and spelt (per capita production, kg)



Source: Eurostat, 2015

Meat and poultry industry

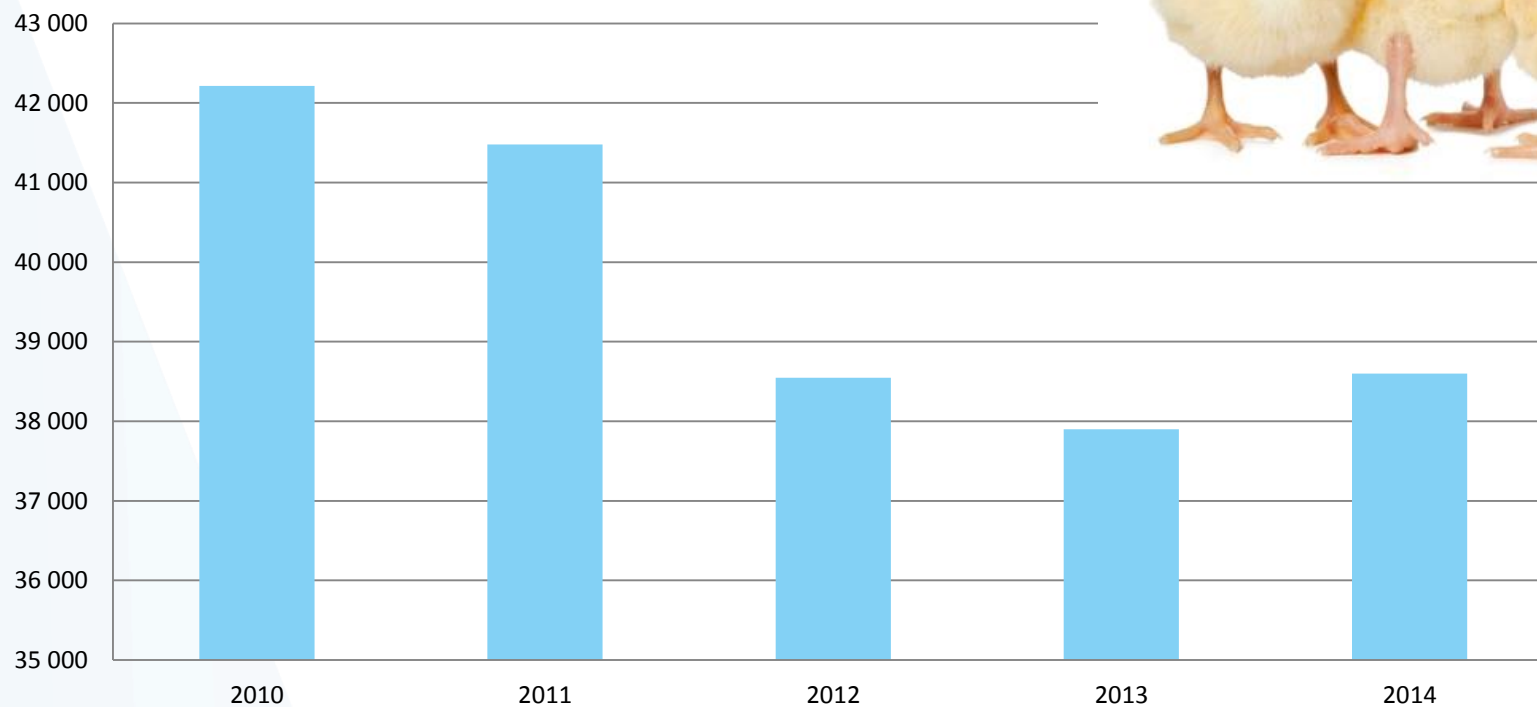


- Turnover in 2012 was 3.15 billion EUR
- Almost 100 medium- or large-sized companies
- Main markets of the industry: Spain, Japan, South Korea
- High quality products
- Traditionally important sector

Poultry



Poultry (1000 pieces)



Source: Hungarian Central Statistical Office, 2015

Dairy industry

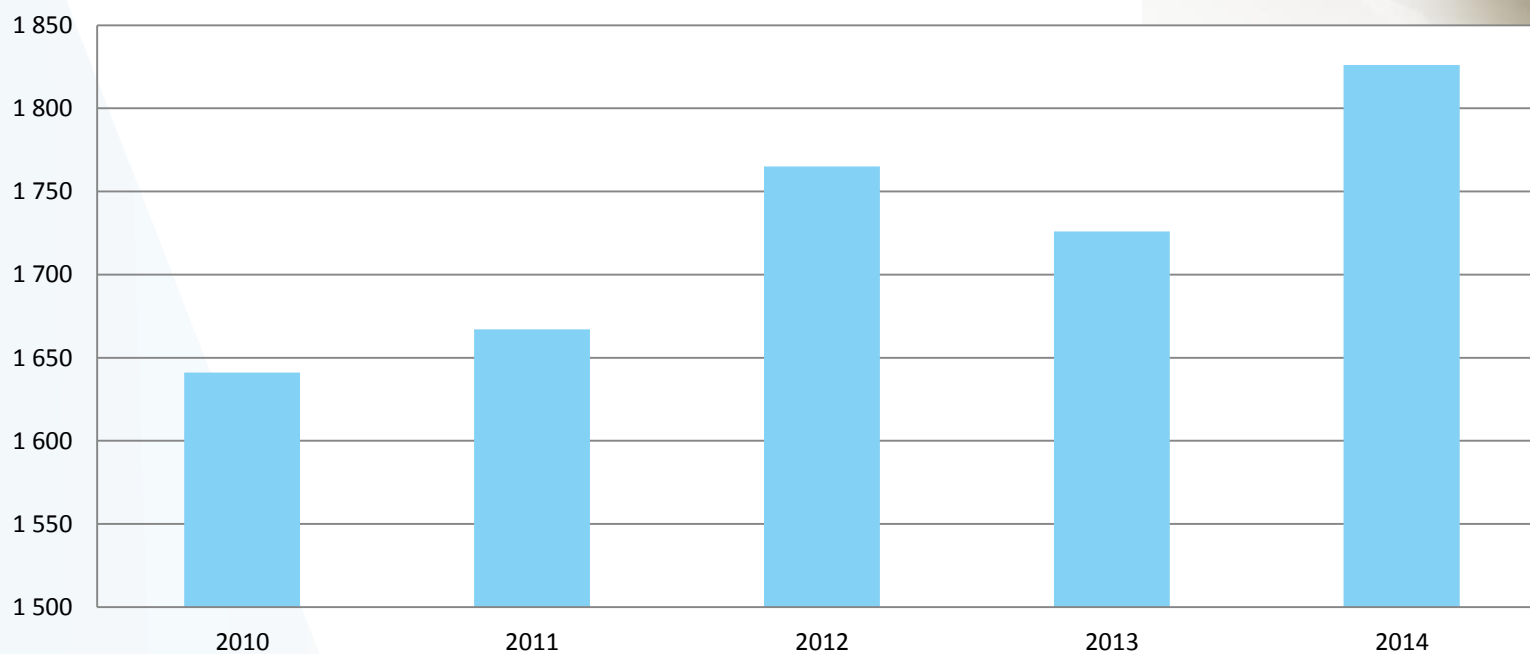
- Industry turnover is 1,1 billion EUR (2013)
- 27 medium or large-sized company
- 3rd largest turnover in the Hungarian food industry
- Milk is of high quality thanks to the developed breeding and feeding technologies
- Hungary is net exporter of raw milk and a net importer of processed dairy products



Milk production



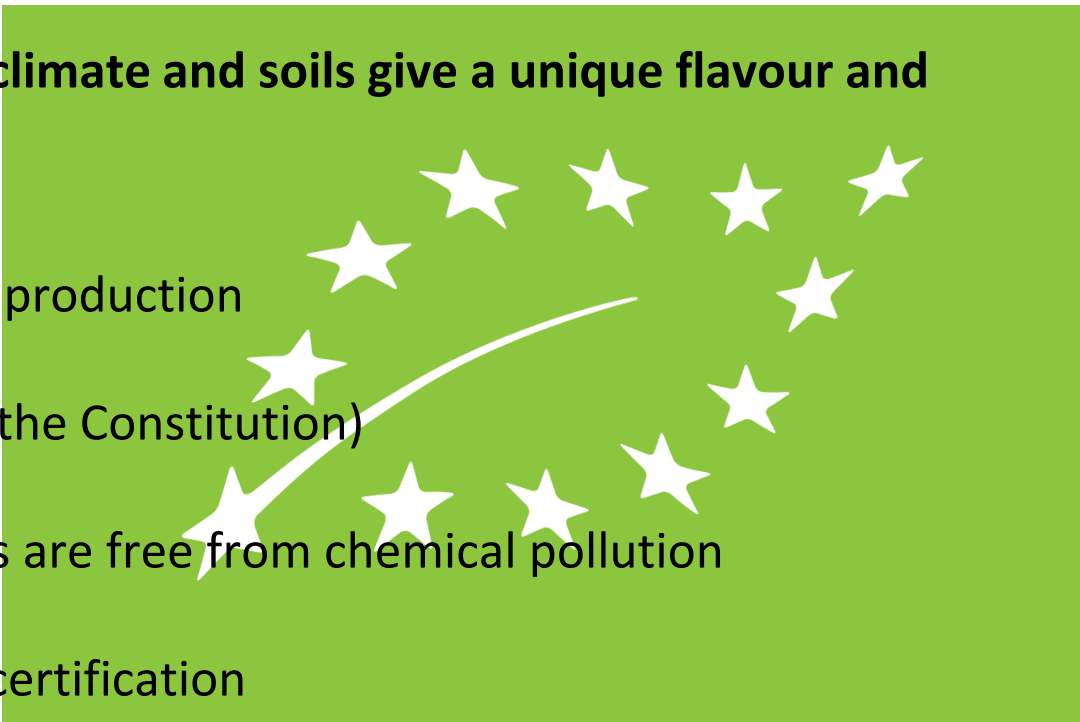
Milk production (M liter)



Source: Hungarian Central Statistical Office, 2015

Organic farming in Hungary

- 🍏 **The special characteristics of the climate and soils give a unique flavour and excellent nutritional value**
- 🍏 **Exceptional conditions for organic production**
- 🍏 **Hungary is GMO free** (secured by the Constitution)
- 🍏 **Many of Hungary's extensive fields are free from chemical pollution**
- 🍏 **Strict quality control and organic certification**



Organic market in Hungary

- 🍏 **112 thousand hectares of land for organic production**
- 🍏 **More than 1300 enterprises**
- 🍏 **Approx. 100 million euros'** equivalent of organically certified food per year
- 🍏 **85% of the total organic production is exported**
- 🍏 **Most of it leaves the country as raw material or as low added value product**
- 🍏 **Significant gap in processing capacities** – huge market opportunities for organic food processing companies



Source: Biokontroll, Research Institute of Organic Agriculture, 2015

Latest major investments

- 2015** **Tisza TK:** iso-sugar and starch manufacturing
 Master Good Ltd.: poultry slaughtering and processing
 MCS Slaughterhouse: pig slaughter, boning and processing plant
- 2014** **Hell Energy:** energy drink production
- 2013** **Agro Trust:** pet food manufacturing
 Nestlé Purina: pet food manufacturing
- 2012** **Bonduelle:** canned and frozen vegetables manufacturing
 Haribo: gummy and jelly sweets manufacturing
 Dr. Oetker: produce of baking powder, cake mixes, yogurts etc.
- 2011** **POPZ:** microwave popcorn manufacturing
 Givaudan: savoury flavour manufacturing plant
 PEZ: sweets manufacturing



All the ingredients are together

- 🍏 **High quality raw materials** for the food sector.
- 🍏 Hungary's agriculture is **100% GMO free**.
- 🍏 **Excellent infrastructure** for storage and transportation.
- 🍏 From Hungary the **export potential** of food products is very strong.
- 🍏 Traditionally strong institutional system for agricultural education.

Thank you for your attention

