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Hungary Economic News Letter – June 2012

Embassy of the Kingdom of the Netherlands

Dear Reader,

Despite the widely shared expectations, the negotiations with the EU/IMF tandem has not started yet in June as the issue of the central bank legislation has not been resolved yet. Nevertheless the domestic currency remained strong along the whole month, staying around 290 HUF/EUR, primarily due to the good news of lifting the freeze of the structural funds. In order to keep the markets calm the government decided to submit the next year budget to Parliament already in June. Parliament begins a special summer sitting running until July 13. MPs will have to nod on the amendment proposals until then at the latest if it wants to start formal talks with the IMF/EU on a financial assistance package. While the IMF is ready to start negotiations, the ECB still examining the central bank law. Both, the State Audit office and the Budget Council warned that the 2013 Budget is based upon an overtly optimistic growth scenario, and indeed the latest GDP figures show that the Hungarian economy contracted. In conjunction with the start of the parliamentary debate on the budget, PM Orbán also announced a 10-point plan to boost growth and employment, although the financial sources of the program seem as shaky as next year's budget.

As to the Embassy news, a very interesting event had been organised on the Dutch innovation called Catwalk for Innovation, TEDx Binnenhof, in conjunction with the HQ in the Hague and 38 other Dutch embassies all over the world. The coverage of this netcasted event was also supported by ING. The ten Dutch presentations on most interesting innovation stories were followed by a panel discussion on comparing the Dutch and Hungarian approaches to innovation and to the start-up culture. The short video summary will be available soon on the Embassy's website and Facebook page http://www.facebook.com/EmbassyOfTheNetherlandsInBudapest

The Embassy has also supported the most recent study by Transparency International Hungary's (TI) on the so called revolving door phenomenon. The study revealed that the lack of adequate regulation, public officials working in the private sector and businessmen working in public administration can breed abuses of office, profiteering, and undue influence. It also advances recommendations for certain actors of the public and private sector for solving the issue. The study establishes that the demand of economic enterprises for professionals well versed in politics arises out of helplessness in the face of politics and fickle legislation.

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EU relations

The problem of the central bank law still unsettled

Although originally Hungary's lawmakers were to vote on the planned amendments to the central bank law in the last days of June, it looks like the final vote will take place only in July. Antal Rogán, head of the ruling Fidesz party's parliamentary group, said the formal opinion of the European Central Bank (ECB) will be released only early next month. The ECB may have reservations on at least points. The first is that under the proposed changes the number of Monetary Council members would be not only maximised but there would also be a minimum number set. This would ensure a permanent majority for the external members against the internal members (Governor and the Deputies). The second is the restriction on disclosing information about international reserves. The bill stipulates that, in principle, the Central Bank (MNB) may withhold information not only on the structure of foreign reserves and the relevant transactions but also the level of the reserves, while the current practice is that the MNB publishes statistics on that every month.

IMF accepts central bank bill, prepares for loan talks with Hungary

The IMF accepts Hungary's changes to its central bank law and is ready to begin negotiations on a credit arrangement when the bill is passed, managing director Lagarde informed the Hungarian government. Official talks may begin any time after July 13, as Parliament will pass the amendments to the central bank law by July 12 at the latest, Chief negotiator Mihály Varga told reporters. "*The proposed amendments and commitments address our key concerns*," Lagarde wrote. The IMF has not insisted that the possibilities of appointing new members to the monetary council or of appointing a third deputy governor of the MNB be withdrawn, the *Népszabadság* daily observes. Prime Minister Viktor Orbán has promised that no such appointments will be made before MNB governor András Simor's term ends next March.

ECOFIN lifts suspension of Cohesion Funds

As expected, EU finance ministers cancelled the proposed suspension of EUR 495mn in EU Cohesion Funds to Hungary from 2013. The ministers had decided on the punishment as part of the EU's excess deficit procedure, due to Hungary's failure to maintain a budget deficit of less than 3% of GDP since joining the EU in 2004. This was the first proposed suspension of subsidy payments in the EU. EC President Barroso suggested at the end of May that the suspension be lifted, arguing that "Hungary has taken effective action to curb its excess deficit." The Commission now expects Hungary to produce budget deficit less than 3% in 2013. Barroso added that "*Hungary remains under the excess deficit procedure, because the sustainability of the economic policy of the government is still not convincing*".

Economic policy

PM Orbán announces a 10-point plan for growth and jobs

The first five points are to increase employment or actually preserve jobs and is targeted at the most vulnerable groups: unskilled, long-term unemployed, young and mothers returning to the job market from maternity leave. Therefore the social and training contributions for these five preferred groups up to a monthly gross HUF 100,000 (EUR 345) wage will be subsidised. The social security contributions paid by employers will be halved for employees under 25 or above 55, and for unskilled labour as specified by the occupation list FEOR-9. In case of new employees who had no job for more than a year, or mothers returning from maternity leave, the cut is 100% for the first two years and 50% from the third year.

The other five points are meant to help the SME sector (especially the small undertakings with less than 25 employees), by reducing their tax rate (small business tax) and simplifying their tax payment obligations and accounting. Thus, the sixth measure is the introduction of a simplified tax for businesses having less than annual HUF 6mn (EUR 20.000) in revenue.

They will pay a flat tax of monthly HUF 50,000 in case of full time and HUF 25,000 in case of half time occupation. This will replace the company tax, the personal income tax and the social contribution. Note that only individual entrepreneurs and companies with no legal entity can choose this tax type. According the seventh point, a new flat 16% tax will be launched for SMEs, levied on the sum of profit and total wage costs. It will replace the company tax, taxes on dividends, and the training contribution. This option could affect about 300,000 small companies employing more than 800,000 people.

The last three points aim at simplifying the operating of small undertakings. Eighth, companies with less than annual EUR 0,5mn revenues will only have to pay VAT if they have received it from the purchaser (the so-called VAT trap). Ninth, accounting rules will be changed, allowing companies not to supplement their capital, if the capital loss was only due to exchange rate fluctuation in 2012-2013. Tenth, accounting rules of cash holding in the balance sheet will be eased. The ceiling on cash held outside the banking sector - which had been introduced in order to whiten the grey economy - will be lifted now.

While most of the proposed steps have an economic rationale and tackles - although with some delay – burning problems, the financial coverage is dubious. The HUF 300bn (EUR 1bn) package will be financed from revenues generated by the final form of the financial transaction tax. The plan expects HUF 100bn (EUR 0.3bn) from the transaction tax levied on the MNB, HUF 100bn from the transaction tax levied on the State Treasury, and HUF 100bn from reserves of the recent VAT increase.

While extending transaction tax to the MNB and Treasury seems another step of “creative book-keeping”, it remains also puzzling why government sees the central reserves sufficiently large to cover this additional loss in revenues. According to minister Matolcsy (National Economy), the budget reserves would be replenished in the course of 2013 from the savings on dropping interest expenses, as a result of the prospective IMF/EU assistance programme – which can be interpreted as a repeated attempt to continue playing the “Turkish card”: playing for time. Moreover, analysts are of the opinion that the country's debt service will decline by less than the projected HUF 100bn if and when an agreement has been reached with the IMF.

Government forms development cabinet

The government has formed a Development Cabinet consisting of Prime Minister Viktor Orbán, Development Minister Zsuzsanna Németh and Prime Minister’s Office head János Lázár, according to a decree published. The aim of the new body is to speed up decisions on the allocation of EU funds.

The development cabinet alone can decide when it will intervene in such allocations. GKI observed that the administration would be unable to draw on all EU subsidies at its present rate of action, so the creation of a body which might speed up this process should be welcomed. However, analyst have voiced their opinion that having the prime minister as its head may be not the best approach.

Budgetary policy

ÁSZ calls 2013 tax targets risky

Calculations of 58% of tax revenues in the draft 2013 budget are solid, 12% are partially correct and 30% are not correct, the state audit office ÁSZ wrote in comments to the bill. The revenue targets from the bank tax, the simplified business tax EVA, the company car tax, as well as from income tax, the transaction tax, the car registry tax and road tolls are rather risky, the ÁSZ underlined. The deficit target of 2.5% of GDP is feasible, but if economic developments are not as forecast then there is a risk of missing the target, the ÁSZ concluded.

The Economy Ministry immediately declared that the ÁSZ critique is a result of "*improper attention in its work*". The ÁSZ replied that it had taken into account all available information, including background calculations.

Budget Council: 2013 target too high

The 1.6% GDP growth forecast of the 2013 budget bill is excessive, the Budget council reported in key remarks. The Budget council President Árpád Kovács suggested to elaborate a lower growth rate scenario with increased reserves. Some elements of the convergence programme curb GDP growth, the council warned. Revenues of the 2013 budget are not properly supported by calculations, as the potential budgetary effects of next year's tax laws are still not accounted for, the council observed.

Monetary policy

MNB increases inflation target to 3.5%

The MNB increased its 2013 average inflation target from 3% to 3.5%, the central bank wrote in its latest inflation report. Due to government measures the inflation target will not be met next year, despite its generally improving trend, the bank reported. The core inflation, ignoring tax effects, will drop into the 2-2.5% band as domestic demand falls. Developments in the real economy would allow for a rate cut, but risks involved make no change possible. In particular, the high risk premium attributed to Hungary prevents a cut, the report said. MNB forecasts a 0.8% drop in GDP for this year.

MNB rate unchanged for six months

At its latest rate setting meeting, the "overwhelming majority" of the MNB's monetary council voted to leave the base rate at 7.0%. The rate has been stable now for six months. More monetary council members will vote for a rate cut if there is an improving inflation outlook, low GDP growth, low interest rates among emerging markets and a start to IMF talks.

Employment

Unemployment at 11.2%

The number of unemployed was 485,400 on average over the three month period of March-May, which corresponds to an 11.2% unemployment rate, up from 11% one year earlier, the Central Statistics Office announced. The unemployment rate among men increased from 11.2% to 11.5%, while among women it was stable at the present 10.8%. In the age group of 15-24, the unemployment rate increased from 25% to 27%. Among unemployed, 46.5% have been seeking a job for over one year. The average length of unemployment is 18.2 months. According to the state employment service ÁFSZ, the number of registered unemployed was 534,600 at the end of May, a 6.5% drop from one year earlier. This can mostly be explained by public work programmes, *Napi Gazdaság* observes.

Forced early retirement extended to entire public sector

The government will introduce compulsory retirement at age 62 [!] in all spheres of public service, government spokesman told reporters, although health state secretary Miklós Szócska earlier has declared it inconceivable that all medical personnel over the age of 62 be forced to retire. The forced retirement will occur in one step in some areas and in two stages in others, and according to government 10,000 people will be affected. There are 30,000 people age 62 or older employed in the public sector. Inter-ministerial negotiations are under way to ensure that the decision does not cause problems in health care, nor in education. Judges challenge forced retirement. A total of 105 judges in co-operation with the Hungarian Helsinki Committee have challenged their forced early retirement in the European Court of Human Rights in Strasbourg.

They argue that the law compelling them to retire at age 62 instead of 70 violates the European convention on human rights. Under the Basic Law those judges who have reached or will this year reach 62 years of age must retire by the end of the year.

Ministries to cut staff

A government decree changing the number of staff at ministries has been announced in the official gazette *Magyar Közlöny*. The largest cut, over 20%, will be made at the Administration and Justice Ministry headed by Tibor Navracsics. The Economy Ministry will cut over 10%. The largest gain will be at the Prime Minister's Office where the staffing will increase from present 94 to 275 people, showing the signs of further concentration of power.

Competitiveness

Hungary losing appeal for German firms

German companies see Hungary as less attractive as an investment destination than last year, according to a survey of 1,323 German companies in 16 Eastern European countries. Hungary dropped from 10th on the list in 2011 to 13th in 2012. Hungary was fifth in 2006 and 2008. The Czech Republic and Poland were considered the best destinations in both 2011 and 2012. For more detail see: www.ungarn.ahk.de/konjunktur

SMEs

Jeremie II begins for venture capitalists

The state development agency NFÜ launched the Jeremie II programme for venture capital funds in the frame of the New Széchenyi Plan. A total of HUF 28.5bn (EUR 100mn) is available, of which HUF 6bn (EUR 20mn) is earmarked for start-ups as seed capital. The private co-financing share is 30%. There are ten venture capital fund managers which can apply at the *Magyar Vállalatfinanszírozási* until July 30.

Business environment

More infringement procedures are looming

The European Commission sent a letter of formal notice to the government, requesting more information on the special tax on telecoms and retail sectors and on the new regulation of voucher schemes. The EU sees these regulations as discriminatory, arguing that they put foreign companies at a disadvantage to their Hungarian rivals. The EU gave the government two months to reply to its concerns. Should those replies fail to quell doubts then a letter of reasoned opinion will be sent, the first step in a possible legal proceeding against Hungary.

Moreover, the EC's tax directorate found that 90% of the telecoms sector tax levied since 2010 was paid by foreign-owned companies. The Ministry of National Economy issued a statement declaring that Hungary will not modify the disputed regulations and is ready to defend its positions in the European Court of Justice.

Legislation

Rules of invoicing to change

As published in the Hungarian Official Journal on 19 June 2012, the compulsory data content of invoices prescribed by the Act on Value Added Tax is extended. Currently, the invoice only has to show the tax number of the buyer or the user of the service if this party is obliged to pay the tax (i.e. in the case of reverse taxation) also including intra-Community acquisitions of goods. From 1 January 2013, the tax number of the taxpayer acquiring the goods or services must also be indicated on the invoice in the case of comprehensive transactions if the amount of the recharged VAT reaches or exceeds HUF 2mn (EUR 7000) in a domestic VAT transaction.

In relation to this change, from 1 January 2013, both the taxpayers supplying goods and services and the taxpayers acquiring goods and services will have to detail in their VAT returns the data of the invoices relating their transactions of at least HUF 2mn. The taxpayers acquiring goods and services must also show the tax number of the supplier of the goods or services and the amount of the VAT recharged if the HUF 2mn limit is achieved by not only one invoice but as the aggregate amount a number of invoices accepted in a certain period from the same partner.

Dutch presence in Hungary

TEDx Binnenhof arrives to Budapest

On June 25 the Dutch Embassy organised a very special event in conjuction with the Dutch MFA on the Dutch innovation called Catwalk for Innovation, called TEDx Binnenhof. 39 embassies all over the world joint the on-line transmission of the TEDx presentations. The event was hosted by the creative lab Kitchen Budapest (http://www.kitchenbudapest.hu/). The coverage of this live-stream event was also supported by ING, and Budapest was among the four countries remaining in direct connection via Twitter together with Berlin, Shanghai and Istanbul.

The ten Dutch presentations on most interesting innovation stories were followed by a panel discussion on comparing the Dutch and Hungarian approaches to innovation. It was also interesting to learn there some Dutch investors and entrepreneurs are very active on the venture capital and seed capital market, including DBH and Colabs Startup Center. It has become evident that the start-up culture is very animated in Budapest and there is plenty of room for synergies in this field between the Netherlands and Hungary. The short video summary will be available soon on the Embassy’s website and Facebook page . For more information see: http://tedxbinnenhof.com/live/

Industry

Audi supplier park likely in Győr

Audi is to build its supplier park in Győr, the automotive firm officially confirmed. Three locations had been initially considered, Győr, the port of the city Győr-Gönyü and Bratislava.

Six bids arrived and most of them opted for the location in Győr, sources said. The first 50,000 sq.m. will be opened in the middle of 2013.

Videoton making new Philips products

Videoton Elektro-Plast started production of two new products for Philips, Videoton Holding announced. The products, a floor maintenance tool and a mixer, are being made in Kaposvár, creating 40 jobs. The factory realised HUF 18bn (EUR 62mn) in revenue last year.

Huawei looking for more suppliers

In what may signal a further expansion of its capacity in Hungary, Chinese technology company Huawei is planning to increase the number of domestic suppliers, *Népszabadság* reports. A member of the company's Hungarian unit spoke of the need to involve more Hungarian suppliers from Baranya county or other regions during a meeting with the Baranya chamber of commerce. Huawei, which supplies IT equipment to Europe, Russia and Africa from its Hungarian production and distribution centre near Pécs, expects to benefit from the rapid growth in data traffic in the mobile telecoms field in the region.

BPW-Hungária growing rapidly

Szombathely car parts manufacturer BPW-Hungária posted a EUR 9.2mn (HUF 2.7bn) balance sheet profit for 2011, up from EUR 3.5mn (HUF 1bn) in 2010. Operating profit increased from EUR 4.6mn to EUR 10.4mn (HUF 2.9bn) . BPW-Hungária created 225 jobs last year, up 23% from one year earlier. The company is launching a HUF 1.3bn (EUR 4.3mn) expansion project, with a HUF 277mn (EUR 0.9mn) subsidy.

Construction/Infrastructure

Construction industry continues shrinking

Construction industry output was down 4.8% year-on-year in April, from 12.6% in March, the Central Statistics Office reports. The volume of new orders was up 71.4%, as orders for building work rose 40%, and civil engineering orders were up 92% due to a low base figure and new contracts for dam and railway construction. In the first four months, construction output was down 9.3%, year-on-year. Construction company association Évosz forecasts a 7-10% decline in the sector for this year.

Services

Beiersdorf brings distribution centre

Beiersdorf is moving its distribution centre and storage facility from Vienna to Budapest, the cosmetics and medical tool manufacturer announced. From March 2013, Beiersdorf will supply its European clients from the storage of DHL Supply Chain Magyarország in Üllő, just south of Budapest. The German company mostly considered cost efficiency when selecting Budapest over Vienna, also examining locations in Slovakia and the Czech Republic.

Financial services

Banks prepare for intra-day payment

Banks and the MNB are carrying out test runs of intra-day settlements of electronic payment orders at high volume, before a new system enters into effect on July 1, the Banking Association announced. Electronic payment orders between banks will be executed within four hours, rather than the current two or three days. Giro Zrt said up to 60% of the annual 290 million transactions could be executed using the new system. Banks may opt to use the intra-day settlement for non-electronic payment orders as well, but it is unlikely that they will go for that in the beginning. Orders will be executed under the new system until 16:30 on working days. The MNB will monitor changes in bank charges next month, but a small increase is expected due to the launch of the new system, *Napi Gazdaság* adds. However, the faster execution of payment orders is expected to cost banks HUF 3bn (EUR 10mn) in lost interest revenue annually.

Financial sector losses near HUF 250bn

Hungary's financial sector suffered much higher losses than anticipated in 2011, the financial supervisory Pszáf announced. Banks, savings co-operatives and other financial institutions lost a collective HUF 242bn (EUR 800mn) before taxes, almost the double of what had been estimated by the Pszáf still in February. Overall, the balance sheet loss of the sector amounted to HUF 364bn (EUR 1.2bn). The major part of the losses stems from the mortgage loan repayment scheme and provisions for bad loans which caused banks a total loss of HUF 298bn (EUR 1bn).

Transport

HungaroControl to oversee Kosovo

State air traffic control company HungaroControl has won a NATO contract to remotely direct air traffic over Kosovo at altitudes of 9,600 metres or higher from the spring of 2013. HungaroControl will invest HUF 13bn (EUR 43mn) in building a new centre, said Development Ministry state secretary Pál Völner. The level of traffic involved is 400-500 aircraft, according to HungaroControl, and the operation will be profitable and may last for three to five years.

Energy

MOL welcomes Nabucco West

MOL welcomes the decision of the consortium Shah Deniz that pipeline Nabucco West will be one option for transporting gas from Azerbaijan to Central Europe, the Hungarian oil company announced. "*This decision closes a long uncertain period when worries accompanied the implementation of the Nabucco project*," MOL announced. It confirms MOL's earlier opinion, which considered the original, longer version of Nabucco economically unfeasible, the company added.

State assigns gas supply contracts

GdF Suez emerged as the biggest winner in a tender to supply natural gas to 55 state-owned companies, state asset manager MNV announced. GdF Suez will provide 16 million cubic metres of gas at 188 locations for HUF 1.9bn (EUR 6mn), MVM Partner will supply 6 million at six locations and Tigáz 954,000 at 133 locations. Other bidders E.ON and Magyar Telekom did not win any orders.

Paks expansion gets official priority

The cabinet declared the expansion of the state-owned nuclear power plant in Paks a top national priority, according to the official gazette *Magyar Közlöny*. A separate decree states that the cabinet will revise regulations affecting the expansion, and the development minister is to present proposals for simplifications by August 31. State electricity works MVM, the owner of the power plant, will hire advisors on the financing, tendering and technical aspects of the expansion and the timing of the construction of two 1,000-1,600MW blocks. A Nuclear Energy Committee chaired by the prime minister and made up of the development and economy ministers will start work within a month. Hungary wants to increase the share of its nuclear energy to 60% of electricity supplies by 2030, from the current 40%.

Retail

Mundo gets exemption from plaza ban

Polish property developer Mundo has obtained an exemption from the ban on construction of large retail areas from the Ministry of National Economy. The planned Mundo *Bevásárlóközpont* shopping mall in Budapest's 14th District will offer 37,300 sq.m of retail space to 170 shops. The mall is expected to open in 2015. The ministry said it has granted 28 exemptions from 82 applications to date. "Profitability calculations are not part of the applications – that is, the ministry does not study business feasibility at all," real estate consultancy Colliers International observed.

Stricter retail pricing law passed

Retail chains must apply the same price margin to similar products, irrespective of their origin, under a new amendment, the Rural Development Ministry said. The ministry said the change, in effect from July 1, will abolish what it says is discriminative pricing of milk, meat, poultry, vegetables and fruits. The new regulation defines more clearly the notion of selling at below procurement price as it allows retailers to take overhead costs into account. The practice of charging fees for prominent placement of products in shops – the so-called shelf fee – will be banned. The new law states that retailers must pay suppliers within 30 days of delivery if suppliers provide an invoice within 15 days of delivery.

Environment/Water

EIB loans €63mn for floods, disasters

Economy Minister György Matolcsy and European Investment Bank (EIB) deputy-head Wilhelm Molterer signed a EUR 63mn (EUR 18.2bn) project financing agreement. Hungary will use the EIB funds to rehabilitate the area devastated by the red-sludge spill and for projects for preventing flood waters and other extreme weather conditions. In the last two decades, the EIB has lent more than EUR 14.6bn to Hungary to finance development projects, the Ministry of Natinal Economy announced.

Suez subsidiary faces liquidation

Waterworks Tolna Víz és Csatornamű has initiated liquidation proceedings against Dunaág, a subsidiary of France's Suez Environnement, as it has not paid bills worth HUF 1.4bn (EUR4.8mn) since January and February. No such request was filed earlier, as Dunaág has made partial payments on its bills. Aquainvest, a member of the Suez group, has a 48.9% stake in Dunaág, which was founded in January 2006 in co-operation with the towns of Dunaszentgyörgy, Gerjén, Tengelic and Pusztahencse.

Autumn debate on waste management

Parliament will discuss a waste management bill in the fall, which is expected to generate heated debates. The government expects to generate HUF 85bn (EUR 280mn) revenue in 2013 in environmental product fees paid by waste managing companies, up HUF 25bn (EUR 86mn) from this year. Under the proposed regulation, local governments will require at least 51% stake in companies that operate landfills, squeezing other shareholders and businesses to minority ownership status. The EC earlier said it may look into the regulation as efforts to nationalise the sector have met resistance from companies. One-fifth of landfills are operated by foreign companies, Austrian and Dutch among others.

Agriculture

Ministry reveals pig farming plan

The National Rural Development Ministry revealed the draft of its ambitious plan to double the number of pigs on Hungarian farms from the present 3 mn in seven years. The proposal foresees HUF 164bn (EUR 520mn) of private capital, HUF 107bn (EUR 320mn) in loans, HUF 107bn (EUR 320mn) in venture capital, HUF 72bn (EUR 240mn) in state subsidies and HUF 216bn (EUR 720mn) from the European Agricultural Fund for Rural Development.

The plan would add 0.5% to the GDP, in part by boosting pig farming output by HUF 180bn (EUR 600mn) and food industry output by HUF 225-250bn (EUR 700-800mn). Some 18,000 jobs would be created, the Ministry hopes, while experts remain sceptic about the potential financing sources.

Food industry

Milk Council reports Penny Market

The Milk Product Council reported Penny Market to the authorities suspecting that the retail chain sells imported milk packages under the procurement price. Penny market sells large amounts of milk at HUF 119 (EUR 0.4) per litre thus causing trouble on the market, president of the council Miklós Istvánfalvi said. The food safety authority Nébih made an on-site inspection immediately.

EU objects to tax exemption for *pálinka*

The European Commission asked Hungary to change its regulation that gives a full excise tax exemption to those who distill *pálinka* for personal use. EU legislation allows a 50% tax allowance, but Hungary grants a 100% exemption to distillers who produce up to 50 litres of fruit brandy a year.

Tourism

Budapest 11th on conference list

Budapest was the 11th most popular host city for conferences in 2011, according to the International Congress and Convention Association, rising from 18th in 2010. Prague came 14th and Brussels 17th, while the top three were Vienna, Paris and Barcelona, in that order.

Budapest hosted the most conferences with 300-400 guests.