

MINISTRY FOR NATIONAL DEVELOPMENT AND ECONOMY

REGIONAL STATUS REPORT OF HUNGARY



2009.

PREFACE

Positive professional and public feedback following the first publication of the “Regional Status Report of Hungary” in 2008 proved that there exists considerable demand in Hungary for accurate information. By compiling this second volume we hope we could already start a tradition.

The “Regional Status Report of Hungary, 2009” provides the reader with a detailed and credible picture of the territorial structure of Hungary, and promotes knowledge about the conditions of the country to as broad an audience as possible. Therefore, besides the professional circles of sectoral and regional experts, it is worth the attention of a wider public both in Hungary and beyond its borders. To serve international interest, this English translation of the Report was prepared.

This publication is also a useful professional guide regarding the role Hungary should assume pertaining to the territorial policy of the European Union. In view of Hungary's EU presidency in 2011, we lay a particular emphasis on revealing the divergent development of regions and areas. Territorial processes influencing national development are inseparable from the development of Europe; they affect the shaping of regional policy, and often serve as a lesson to other countries. The Report further enhances the stock of professional experience, in relation to either the efficient use of EU funding resources, or the evaluation of their impact, with the help of which Hungary may be able to formulate ambitious objectives for the period of its presidency.



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Minister of National Development and Economy

INTRODUCTION

The second issue of the “Regional Status Report of Hungary” aims at providing accurate, statistics-based, factual information about

- the position of Hungary within the European Union,
- the territorial picture of the whole country,
- the relative positions of the Hungarian regions compared to each other,
- the degree of disparities within the regions, and
- the status of the development area types defined in the National Spatial Development Concept

based on the country's regional features and specific elements of its territorial structure.

This publication provides comprehensive territorial information related to year 2007, based on concise, to-the-point spatial analyses. The findings rely on the data from the also internationally acknowledged Regional Development and Spatial Planning Information System (TelR), and their methodological foundations are from the Regional Development Monitoring and Assessment System (T-MER) revised in 2008. This year, the first chapter of the Report gives a more detailed introduction to these, as well as a description of the professional regional and spatial development portal, TÉRPORT.

As a novelty, we included “3D maps” for the first time, which make the illustration of spatial phenomena more expressive and interesting. We tried to make this snap-shot of the Hungarian regions sufficiently informative and visual, and at the same time, keep it in the most enjoyably readable form possible.

The detailed material of the new “Regional Status Report of Hungary” published in 2008 is fully available at the www.nfgm.gov.hu homepage, on the sub-page of the State Secretariat for Regional Development, as well as at www.terport.hu operated by VÁTI Nonprofit Ltd.



dr. Péter Szaló

State Secretary Responsible for Regional Development and Construction

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TEIR AND THE IMPROVED TÉRPORT

The Regional Development and Spatial Planning Information System of Hungary (henceforward, TelR) was formed according to the 24§ (1) of Act XXI of 1996. The Ministry of National Development and Economy entrusted VÁTI Hungarian Nonprofit Ltd. for Regional Development and Town Planning (hereinafter: VÁTI) with its operation and development. The purpose, tasks, operation of, conditions of access to, and the data content of TelR are regulated by the Government Decree No. 31/2007 (II. 28.) (hence: Gov. Decree).

Regarding its purpose and tasks, it has to be stressed that TelR provides assistance to a wide professional audience in their obtaining, processing, transferring data characterising the status of regions, concerning the territorial features of, changes in and relationships between the economy, the society and the environment. Besides making territorial information accessible, the System directly gives the possibility to prepare further analyses via Internet-mediated solutions. A part of these Internet-based applications is available to anyone interested directly at the TÉRPORT portal

(<http://www.terport.hu>); however, certain modules are accessible only after a registration through the Client Gate (i.e. the identification system for electronic administration in Hungary), at the <https://teir.vati.hu> page. The Gov. Decree allows all Hungarian citizens to use the applications via registration (nowadays, the number of registered users is approaching 2000); yet, difference exists in the regulation of the free and fee-based types of access. The principle of regulation is that following registration, those working in state administration receive access at no cost, while employees in the private sector are charged either a flat-rate fee or a sum depending on the frequency of access. Further relevant information can be found in 8§ of the Gov. Decree.



In practice, TelR is used mainly by experts working in regional and sectoral development, planning and evaluation, decision-makers, researchers and students participating in relevant professional education. The database of the System is fairly comprehensive. The most important suppliers of the data are the Central Statistical Office (KSH), the Hungarian Tax and Financial Control Administration (APEH), the Hungarian State Treasury, and the Hungarian Employment Office; but interesting data are received from the Mining Bureau of Hungary, the Ministry of Environment and Water, the Hungarian National Public Health and Medical Officer Service (ÁNTSZ), the National Office of Cultural Heritage, as well as from social sector institutions. Digital maps have had an increasing role

year by year, the primary data suppliers of which are the Institute of Geodesy, Cartography and Remote Sensing (FÖMI) and the Cartographic Office of the Hungarian Army. For the purpose of analysing the data from these suppliers, and based on the users' requirements, several special modules have been developed involving expertise in regional and spatial development, economics and statistics. From among the modules accessible through registration, the Interactive Analysis System is one of the most important: this is the development which provides the broadest opportunities in analysing and comparing the data included in TelR.

The freely accessible applications include for instance, alphanumeric and spatial metadata search engines informing about the data content of the system, the „Status of Regions, Counties, Microregions, and Municipalities” application summarising the main indicators in relation to the various spatial levels, and the Microregional Information Module.

TÉRPORT, as part of TelR, brings together the above mentioned free-of-charge applications, however, it is important to note that beyond this, it provides valuable information especially to the representatives of the regional development



profession. Its assortment of official papers and supplementary materials compiles and publishes the concepts, documents and background studies related to regional and municipal development, rural development, and the protection of built heritage as well as construction. It organises the information not only by these professional areas, but also according to geography, spatial levels (national, regional, county-, microregional, municipal levels, and regions of special importance).

An emphasized function of TÉRPORT is to serve as a compass and a credible source for users involved or interested in territorial planning and development processes. Data and information that are accessible at a single location in great quantities and in an organised way can be utilised to prepare research reports and in writing applications for funding, to support development concepts or in preparing academic theses. Up-to-date information is available regarding, for instance, the spatial development plan of the Balaton special region, the National Spatial Development Concept, or the regulation of the Budapest agglomeration. Additionally, TÉRPORT helps in following the relevant

professional journals and literature, thematic summaries and professional literature reviews. Its provision of information is extended to education and training related to the profession, from the basics to doctoral schools.

Furthermore, the portal gives access to all services of the VÁTI Documentation Centre, which, among others, collects the spatial development plans and development concepts of various types and prepared on different territorial levels. It is worth to pay a visit at the National Cadastre of Spatial Development Plans, as well as the library and plan-store collections searchable through a joint catalogue. It is also possible to send the development and spatial plans as well as other planning documents in electronic form, which then will be uploaded on the site. In addition, TÉRPORT provides continuous information on the current and future professional events, conferences in Hungary and abroad, exhibitions, meetings, changes occurring in this professional area, fresh news, changes in legal regulations. Its home page as well as its content will be improved, its services will be further extended in the near future.

THE LONG-TERM OBJECTIVES FORMULATED IN THE OTK (NATIONAL SPATIAL DEVELOPMENT CONCEPT)

TERRITORIAL INTEGRATION TO EUROPE

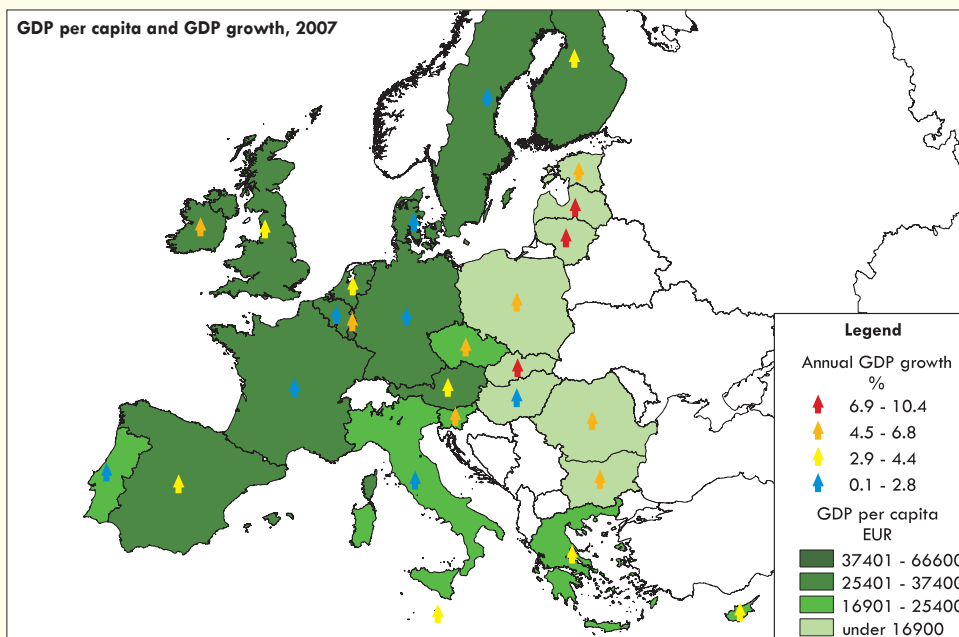
At the end of 2007, the **population** of Hungary was 10 045 401 inhabitants, representing 2% of the population of the EU-27 members (in total, 495 million). While in 2007, the population of the European Union has grown by 483 thousand inhabitants by a natural increase, in Hungary, natural loss was above 35 thousand people. However, like in the EU, the **balance of international migration** was positive: in 2007, it increased the population of Hungary by 14 568 people.

Gross domestic product (GDP) is the most important indicator of economic performance, which shows considerable disparities across the member states. In Hungary, GDP per capita in purchasing power standard (PPS) was € 15 600 in 2007, while the EU average was € 24 900, and in the countries with the highest values, above € 30 000. The GDP per capita of Hungary was 62.7% of the EU-27 GDP per capita average.

In terms of the growth in GDP in 2007, Hungary was notably lagging behind the EU average (Hungary: 1.2%, EU-27: 2.9%).

The position of Hungary was similar regarding **labour productivity**: the economic output per one employed person was 73.1% of the EU-27 average in 2007. Since productivity – together with several other factors – fundamentally determines the success and competitive position of an economy, this also points at the need for developing the Hungarian economy and especially, the more productive sectors.

The **employment rate** in the 15-64 age group is an important feature of the economic structure, which was a mere 57.3% in Hungary in 2007; this was the third worst among the 27 member countries, while



the EU-27 average was 65.4%, and the highest values reached 76%. The employment rate in Hungary has practically been the same since 2001, while it has been growing in the EU-27 by 0.5-1.5% annually.

Unemployment rate (within the 15-74 age group) was 7.4% in Hungary in 2007, only a little higher than the EU-27 average (7.1%). With this value, Hungary was in the mid-range of the EU-27 ranking. However, unemployment rate has been on a constant rise in Hungary, while it has been decreasing in the EU-27 since 2004.

Research and development are one of the main supporting pillars of economic development, on which Hungary spent only 0.89% of its GDP in 2007, which was half of the EU-27 average. Only four other member countries invested lower shares than this.

From among the environmental indicators suitable for comparison, the **emission of air pollutants** is one which has shown a favourable tendency. With the closure of former factories and coal burning thermal plants, the registered emission levels in Hungary belong among the lowest in the EU-27. **CO₂-emission per capita** was 5.7 tons in Hungary in 2007, while it was 8.4 tons on average in the EU-27. Only Sweden, Romania, Latvia and Lithuania achieved lower values. Meanwhile, the highest per capita CO₂-emission values were more than double of that of Hungary.

In terms of the **coverage of the sewage network**, Hungary was considerably lagging behind the other EU members at the time of its EU accession. Since, due to investments, there has been significant progress in this regard, nevertheless, the percentage of people living in areas where the sewage is at least biologically treated is still relatively low. (In 2007, it was 68.4%, while in the case of several EU members, it is above 90%.)

In Hungary, the per capita volume of municipal **solid waste** is low as compared within the EU: in 2007, it was 456 kg, which was 87% of the EU-27 average. However, due to the small share of selective waste management, the amount of municipal solid waste deposited in landfills (341 kg per inhabitant) is over 1.5 times more than the EU-27 average. One of the reasons behind this is that in Western Europe, a much greater share of the waste disposal is by incineration. In Hungary, 38 kg per person was burnt, while in the EU-27, the average was 104 kg per inhabitant in 2007.

Regarding protected areas, Hungary is in a favourable position. According to the EU directive on habitat protection (92/43/EEC), the proportion of **areas protected for their biodiversity** was 15% in Hungary in 2007, exceeding the EU-27 average of 13%, and placing the country in the mid-range of the relevant EU ranking.

Concerning the **use of renewable energy**, Hungary is particularly lagging behind. In 2007, the share of renewables in electricity production was 4.6% here, while the EU-27 average was more than three times higher (15.6%). The difference is especially substantial when comparing Hungary with the leading countries, whose relevant values are above 50%.

Thanks to the intensive road construction in recent years, the **density of the clearway network** has grown considerably in Hungary. The value of 11.1 km/1000 km² in 2007 can be considered as mid-range in the EU ranking. It is slightly less than the EU-27 average, which was 14.7 km/1000 km², but from among the new members, only Cyprus and Slovenia has denser networks.

As regards **Internet access**, both Hungary and the EU have been undergoing substantial development: in

2007, 33% of the household had an Internet connection in Hungary, while the EU-27 average was 42%.

Hungarian regions in the European Union space

Based on GDP per capita, which indicates **economic performance**, the regions of Hungary belonged among the lower third of the EU ranking in 2006. Central Hungary was in the mid-range (€ 24 900 PPS) reaching exactly the EU-27 average. The Hungarian region with the lowest value – Northern Great Plain – did not even reach 40% of the EU-27 average, and was ahead only of the regions of Eastern Poland, Romania and Bulgaria. The most developed regions of the EU have GDP per capita values more than double (Luxemburg, Brussels) or over triple (London region) of the GDP per capita in the most advanced Hungarian region.

The average rate of **employment** in the 15-67 age group in the EU-27, which was 65.4% in 2007, was only approached by the Western Transdanubia and Central Hungary regions, with their values of 63.4% and 62.7% respectively. The regions with the lowest rates, Northern Hungary and the Northern Great Plain region, as well as Southern Transdanubia have comparable employment values only with regions in Southern Italy or areas outside the EU. The difference is even more obvious when comparing the Hungarian regions to the most developed ones in the EU, which later have employment rates above 77%.

The **unemployment rate** in the 15-74 age group in the EU was 7.1% in 2007. The Hungarian region in the most advantageous position, Central Hungary, had a rate of 4.7%, besides which Western and Central Transdanubia had lower than the EU average

values, around 5%. The rest of the regions are in significantly worse situation: the unemployment rate in Northern Hungary is almost three times higher than that in Central Hungary. These, also internationally, remarkable differences point at the necessity to proficiently evaluate and address the problem of territorial disparities.

Regarding the **density of the clearway network**, Central Hungary is far ahead of the other regions of Hungary with a value of 31.2 km/1000 km², almost double of the EU-27 average. Central Transdanubia, the region ranked second, only slightly exceeded the EU average; the rest of the regions had densities much lower than the EU average in 2007. The regional differences are well illustrated by the fact that the lowest density, 6.1 km/1000 km² in Northern Great Plain, is a mere one-fifth of the value in Central Hungary.

In 2007, **collected solid waste per capita** stayed below the EU average in all Hungarian regions. The greatest volume (473 kg/inhabitant) was in Western Transdanubia, which was 90.6% of the EU-27 average, followed by Central and Southern Transdanubia, then Central Hungary, the regions of the Great Plain, and lastly, Northern Hungary (with 311 kg/inhabitant), which latest was only 59.5% of the EU average.

The territorial share of **Natura 2000 nature preservation areas** (which were placed under protection by the Habitat Protection Directive approved in 1992) was 11.6% in the European Union in 2007. This was higher in all Hungarian regions: it was lowest in Northern Hungary (12.1%) and the Southern Great Plain (11.8%), and it exceeded 18% in Central Hungary (18.2%) and Western Transdanubia (20.1%), which can be regarded as outstanding values also in a European comparison.