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State of the Art



# HEALTHCARE & PHARMA IN HUNGARY

FLANDERS INVESTMENT & TRADE MARKET SURVEY

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HEALTHCARE IN HUNGARY  
PHARMA PRODUCTS AND  
MEDICAL DEVICES - 2021  
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# 1. COUNTRY PROFILE AND ECONOMIC AND DEMOGRAPHIC SITUATION

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Hungary's political system is a parliamentary democracy. The President of the state is Mr. János Áder, the Prime Minister is Mr. Viktor Orbán. Since 2010, the Fidesz-KDNP right-wing party alliance has been governing the country. Hungary's surface area is 93 030 km<sup>2</sup>. The population is 9,730,000 (2021) showing a steady but slight decline in recent years. In Hungary, the average age is 42.8 years (2020)<sup>1</sup> and the retirement age is 65 years (2021).

Prior to the outbreak of the COVID-19 pandemic, the Hungarian economy grew in a balanced and dynamic manner. Thanks to the performance achieved since the return of growth in 2013, Hungary has made great strides in catching up over the past decade. Compared to the European Union average, GDP per capita in purchasing power parity increased from 65.9% in 2010 to 73.1% in 2019.<sup>2</sup> However, in the spring of 2020, waves of the COVID-19 pandemic slowed down favourable processes. The volume of GDP, which has been expanding since 2013, fell by 5.0% in 2020 compared to a year earlier.<sup>3</sup> At the same time, the Hungarian government has taken unprecedented economic protection measures, amounting to around 30% of GDP, to help sectors in difficulty, strengthen the situation of families and the recovery of the Hungarian economy.

The ministry of Finance considers a deficit of 6.5% of GDP by 2021, 4.8% by 2022, 3% by 2023 and 2% by 2024 to be realistic. According to the ministry, GDP will grow by 3.5% in 2021, 5.4% in 2022, 4.0% in 2023, and 4.2% in 2024. Regarding inflation, the ministry has revised its calculations: in the years after 2020, inflation will stabilize at around 3%.<sup>4</sup> In 2020 compared to the previous year, consumer prices rose by 3.3% on average.<sup>5</sup>

In 2020, the performance of most sectors declined. Gross value added in industry fell by 4.9%. Services output was down 4.7% compared to 2019, with restrictions mainly affecting accommodation and food services, transport, and entertainment and recreation activities. Construction, which had consistently recorded double-digit growth in the previous three years, contracted by 9.4%. The epidemic also affected

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<sup>1</sup> KSH, *Népesség, népmozgalom (1941–)*

[http://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_wnt001a.html](http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_wnt001a.html)

<sup>2</sup> Magyar Pénzügyminisztérium, MAKROGAZDASÁGI ÉS KÖLTSÉGVETÉSI ELŐREJELZÉS 2020-2024

<https://cdn.kormany.hu/uploads/document/d/dc/dc2/dc2bd13d9db38740b471a0ee5759957d6fc56f08.pdf>

<sup>3</sup> KSH, *Magyarország számokban, 2020*

<http://www.ksh.hu/docs/hun/xftp/idoszaki/mosz/mosz20.pdf>

<sup>4</sup> Magyar Pénzügyminisztérium, MAKROGAZDASÁGI ÉS KÖLTSÉGVETÉSI ELŐREJELZÉS 2020-2024

<https://cdn.kormany.hu/uploads/document/d/dc/dc2/dc2bd13d9db38740b471a0ee5759957d6fc56f08.pdf>

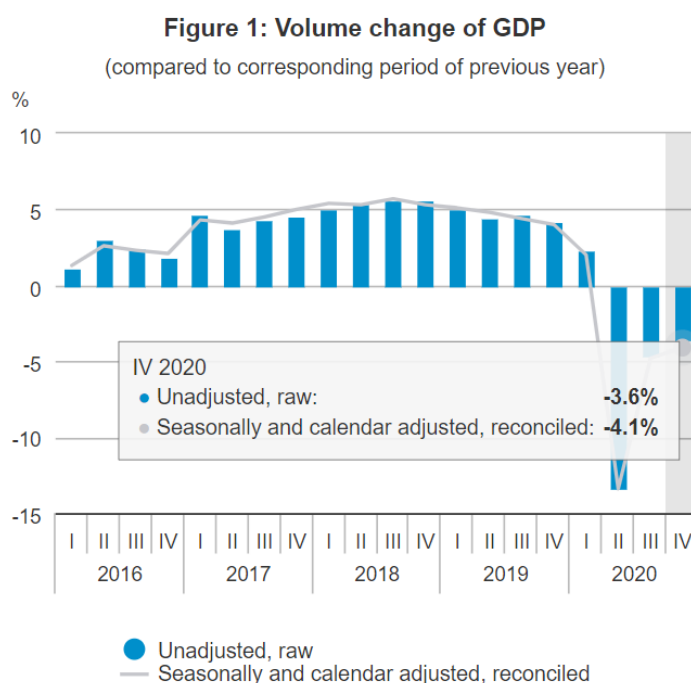
<sup>5</sup> KSH, Prices increased by 2.7% in December and by 3.3% on average in 2020 compared to the previous year

<http://www.ksh.hu/gyorstajekoztatok#/en/document/far2012>

the consumption and investment decisions of businesses. The dynamic expansion of both household consumption and gross fixed capital formation was interrupted, while external trade fell in both directions.<sup>6</sup>

GDP by purchasing power parity per capita has been steadily increasing since 2010. In 2019, it was \$34,046 which is a 6.3% increase from \$ 31,914 in 2018.<sup>7</sup> The unemployment rate in 2020 averaged 4.2%. The average gross monthly salary of full-time employees in the national economy in 2020 was HUF 403,616 (€ 1131), which is an increase of 9% over the previous year.<sup>8</sup>

## 1.1 LONG TERM ECONOMIC TRENDS



<sup>6</sup> KSH, *Magyarország számokban, 2020*

<http://www.ksh.hu/docs/hun/xftp/idoszaki/mosz/mosz20.pdf>

<sup>7</sup> KSH, *Egy főre jutó GDP, vásárlóerő-paritás alapján (2000–)*

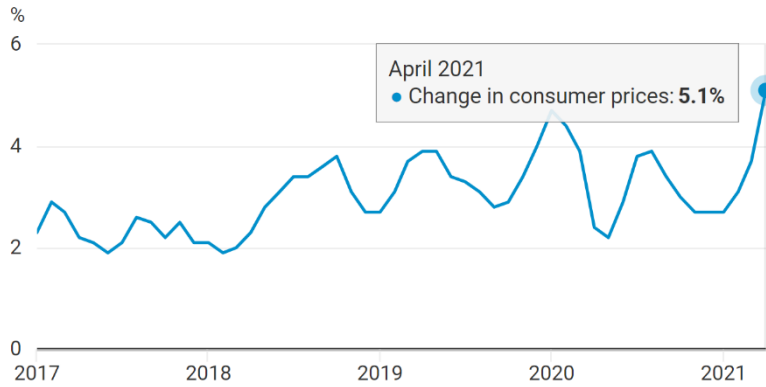
[https://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_int024b.html](https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_int024b.html)

<sup>8</sup> KSH, *2.1.39. A teljes munkaidőben alkalmazásban állók havi bruttó átlagkeresete nemzetgazdasági áganként*

[https://www.ksh.hu/docs/hun/xstadat/xstadat\\_evkozi/e\\_qli007a.html?down=1025](https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qli007a.html?down=1025)

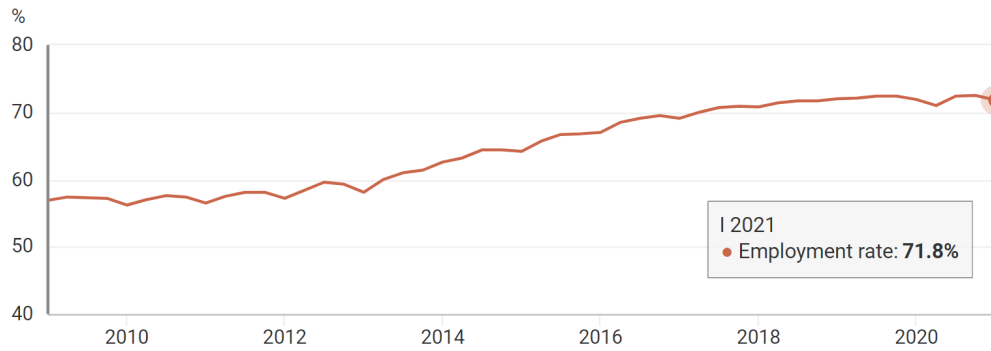
### Change in consumer prices

(on same period of previous year)



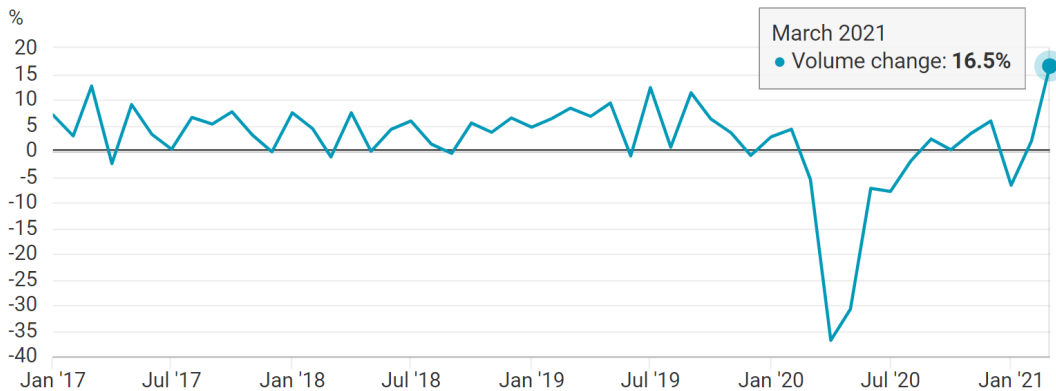
### Employment rate

Population aged 15-64



### Volume changes in industrial production

(compared to the same period of the previous year)



## 2. DESCRIPTION OF THE SECTOR

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### 2.1 HEALTHCARE SYSTEM

#### 2.1.1 Hungarian health industry trends

As a result of the COVID-crisis, the healthcare sector has come under pressure in terms of pricing, operational transparency and the technological development used (e.g. the use of Big data solutions, the need for telemedicine services). In 2020 Q1-Q3 the performance of the health and social care sector accounted for 3.9 per cent of Hungary's GDP, which was 13.8 per cent lower than in the same period of the previous year. However, in 2020, the value of domestic investments in inpatient care areas increased one-and-a-half times. About a tenth of registered sole proprietors in the health and social care sector were suspended as of 31 October 2020 in connection with the second wave of the COVID pandemic. However, compared to the data at the end of 2019, by the end of 2020 the number of enterprises operating in the human health and social care sector had again increased by 2.5 percent. More than 1,000 new businesses were launched in the health sector in 2020, which is also linked to the social insecurity and health redeployment caused by the pandemic. In the field of company sales and acquisitions, in 2020 the healthcare sector also experienced the most suspensions and deferrals of transactions, as well as lower interest in new transactions.<sup>9</sup>

The National Export Strategy adopted by the Hungarian Government in the spring 2019 lists the sectors and product areas with high growth potential. Medical diagnostic tools and equipment, traumatology implants, and traumatology and radiology products are the first to be highlighted. In its Government Decree on the Development of the Hungarian Medical Technology Industry, the Hungarian Government stated that the market share of domestic manufacturers in Hungary should increase from 18% to 30% by 2020.<sup>10</sup> Taking into account global trends and the characteristics of domestic production, the development of products that meet the requirements of industry 4.0. has outstanding potential.<sup>11</sup>

#### 2.1.2 Major reform of the Hungarian healthcare system under implementation

Till very recently, one of the problems of the Hungarian healthcare system was that private health care expenditures were spent in non-institutionalized forms (health funds or supplementary private health insurance). Household direct health expenditure accounts for 1.9 percent of GDP, which is also higher than the regional (1.3 percent) and EU average (1.8 percent). As a result, in 11.6 percent of Hungarian households,

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<sup>9</sup> Portfolio, *Nagy üzletkötések jöhetnek a hazai magánegészségügyben is*

<https://www.portfolio.hu/uzlet/20210226/nagy-uzletkotesek-johetnek-a-hazai-maganegeszsegugyben-is-471544>

<sup>10</sup> Magyar Egészségipari Gyártók Szövetsége, *Éves Jelentés 2018*

[http://megysz.hu/wp-content/uploads/2020/01/MEGYSZ\\_%C3%89ves-jelent%C3%A9s--2018.pdf](http://megysz.hu/wp-content/uploads/2020/01/MEGYSZ_%C3%89ves-jelent%C3%A9s--2018.pdf)

<sup>11</sup> Hungarian In Vitro Diagnostic Association, *Összefoglaló a hazai orvostechnológiai ipar fejlesztéséről*

[https://hivda.hu/wp-content/uploads/2018/03/hazai-orvostechnologiai-agazat-fejl-20171213\\_hatternek.pdf](https://hivda.hu/wp-content/uploads/2018/03/hazai-orvostechnologiai-agazat-fejl-20171213_hatternek.pdf)



out-of-pocket direct health care expenditure accounted for at least 40 percent of their above-subsistence expenditure, which is more than double the EU (5.7 percent) and V3 average (5.2 percent).<sup>12</sup>

This year a fundamental transformation of the Hungarian healthcare system has started. The Hungarian state plans to implement a major reform by 2030, which means the transformation of the financing system and the care structure, as well as the establishment of transparency.<sup>13</sup> At the same time, the government would eliminate the diversity of forms of ownership throughout the healthcare system. A single agency could manage the procurement and development of service providers as well as its personnel policy. Hospital care would be reorganized into territorial units to include special and primary care. A unified state health care would be developed, health workers could either work only in the publicly funded system or only at private service providers.<sup>14</sup> Utilization needs to be improved, which may also mean that certain capacity of the hospital becomes redundant, so rehabilitation, nursing, hospice activities will be handed over to the social area, and outpatient clinics or day care will be developed. In parallel with the transformation of hospitals, a network of district health centers will be established, with separate health organizers directing patients' paths.<sup>15</sup>

There are still many questionmarks concerning the working conditions and financing of medical staff. In return for a significant pay rise, the government would introduce severe austerity measures, including gratuities (the healthcare worker who receives and the patient who gives gratitude money can expect a custodial sentence of one year<sup>16</sup>) and commuting between private and public services.<sup>17</sup> The winner of all this could be the private healthcare system, in which a patient is expected to be able to pay for private health insurance based on an American model and in return receives care in a private hospital as it is in the paid package. Private healthcare providers are prepared to increase capacity, new doctors are constantly arriving, existing ones are taking longer consultation times, private sterile operating rooms are planned to be established, and the machine park is constantly being upgraded and expanded.<sup>18</sup>

The National Healthcare Service Center would reorganise the hospital system, as there are more active beds than needed, but an ageing population means that more chronic beds are needed and this needs to be addressed, and the shortage of specialists is also a serious problem. As a matter of principle, however, they would not close institutions, but would have to improve the quality of care. This would mean that

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<sup>12</sup> Magyar Nemzeti Bank, *Versenyképességi Jelentés 2020*

<https://www.mnb.hu/letoltes/versenykepességi-jelentes-hun-2020-0724.pdf>

<sup>13</sup> Mandiner, *A magyar egészségügy alapvető átalakítása várható*

[https://mandiner.hu/cikk/20200630-a\\_magyar\\_egeszsegugy\\_alapveto\\_atalakitasa\\_varhato](https://mandiner.hu/cikk/20200630-a_magyar_egeszsegugy_alapveto_atalakitasa_varhato)

<sup>14</sup> Napi.hu, *Ilyen lehet az új egészségügy*

[https://www.napi.hu/magyar\\_gazdasag/ilyen-lehet-az-uj-egeszsegugy.710578.html](https://www.napi.hu/magyar_gazdasag/ilyen-lehet-az-uj-egeszsegugy.710578.html)

<sup>15</sup> Index, *Komoly átalakításokra készül a kormány az egészségügyben*

[https://index.hu/belfold/2020/02/11/egeszsegugy\\_orvos\\_reform\\_emmi\\_adossag\\_jarasi\\_egeszsegkozpont\\_kozossegi\\_egeszsegszervezesi\\_kozpont/](https://index.hu/belfold/2020/02/11/egeszsegugy_orvos_reform_emmi_adossag_jarasi_egeszsegkozpont_kozossegi_egeszsegszervezesi_kozpont/)

<sup>16</sup> Index, *Januártól indul a hálapénzrazzia, egy év börtönt is kaphatnak a lebukottak*

[https://index.hu/belfold/2020/12/14/razzia\\_halapenz\\_korhaz/](https://index.hu/belfold/2020/12/14/razzia_halapenz_korhaz/)

<sup>17</sup> Portfolio, *Heteken belül átírhatják a nagy port kavart egészségügyi törvényt*

<https://www.portfolio.hu/gazdasag/20201020/heteken-belul-atirhatjak-a-nagy-port-kavart-egeszsegugyi-torvenyt-453688>

<sup>18</sup> Portfolio, *Az orvosi béremelés hatásai a magyar magánegészségügyre*

<https://www.portfolio.hu/premium/20201126/az-orvosi-beremeles-hatasai-a-magyar-maganegeszsegugyre-457186>



some services in small town hospitals would be available only during the day, on-call time, patients would have to go to larger, county hospitals. Municipal hospitals would mainly provide outpatient care, day surgery and chronic care, while major operations would be handled by county hospitals. But there would also be specialties that would not be available everywhere, even in county hospitals, and nearly 2,500 active inpatient beds would be eliminated nationwide.<sup>19</sup>

### 2.1.3 Public healthcare

The Hungarian health system is organized around a single health insurance fund providing health coverage for nearly all residents. Funding comes from payroll contributions from employers and employees, and from direct government transfers. The fund is administered by the *Nemzeti Egészségbiztosítási Alapkezelő (National Health Insurance Fund of Hungary – NEAK)*, which is a government organization currently under the supervision of the Ministry of Human Capacities.<sup>20</sup> The Ministry of Human Capacities administers the health system through the *Állami Egészségügyi Ellátó Központ (National Healthcare Service Centre - ÁEEK)*, whose responsibilities include care coordination, hospital planning and management, and medical licensing. The *ÁEEK* also serves as the umbrella organization for regional and local health care agencies.<sup>21</sup> Issues related to health services and their outsourcing concern the competencies of the *Nemzeti Népegészségügyi Központ (National Public Health Center – NNK)*.

Public spending on health care is considerably below the EU average, and a large number of Hungarians rely on out-of-pocket payments to access care. Additional reforms and investments are needed to reduce the performance gaps with the rest of the EU. Only slightly more than two-thirds of health expenditure is financed publicly, resulting in levels of out-of-pocket payments that are double the EU average. Overall, the health system remains excessively reliant on hospital care, with primary care insufficiently equipped to have a stronger role.<sup>22</sup>

Currently, Hungary spends much less on health than most other EU countries, both on a per capita basis and as a share of GDP (please find OECD figures in *Attachments*).<sup>23</sup> According to OECD data, Hungary's health expenditure as a share of GDP in 2018 was 25 percent less than the OECD36 average. Also, health expenditure per capita in 2018 in Hungary was USD 2047, which is nearly the half of the OECD36 average (USD 3,994).<sup>24</sup> From 6.7% in 2018, the value of health expenditure as a share of GDP has been reduced to

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<sup>19</sup> RTL Híradó, Nagy átalakítás várhat a kórházakra

[https://rtl.hu/rtlklub/hirek/nagy-atalakitas-varhat-a-korhazakra?fbclid=IwAR0Vuy44Cwm0DCnHJOKFwvS81YIbv\\_ipLZn5aKSiiRAOTqnpjOTFTTdgMY](https://rtl.hu/rtlklub/hirek/nagy-atalakitas-varhat-a-korhazakra?fbclid=IwAR0Vuy44Cwm0DCnHJOKFwvS81YIbv_ipLZn5aKSiiRAOTqnpjOTFTTdgMY)

<sup>20</sup> OECD/European Observatory on Health Systems and Policies (2019), *Hungary: Country Health Profile 2019, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels.

[https://ec.europa.eu/health/sites/health/files/state/docs/2019\\_chp\\_hu\\_english.pdf](https://ec.europa.eu/health/sites/health/files/state/docs/2019_chp_hu_english.pdf)

<sup>21</sup> OECD/European Observatory on Health Systems and Policies (2019), *Hungary: Country Health Profile 2019, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels.

[https://ec.europa.eu/health/sites/health/files/state/docs/2019\\_chp\\_hu\\_english.pdf](https://ec.europa.eu/health/sites/health/files/state/docs/2019_chp_hu_english.pdf)

<sup>22</sup> idem

<sup>23</sup> KSH, 2.4.2. *Egészségügyi kiadások alrendszerenként, a GDP %-ában, egészségügyi beruházási ráfordítás (2003–), (1/2)*

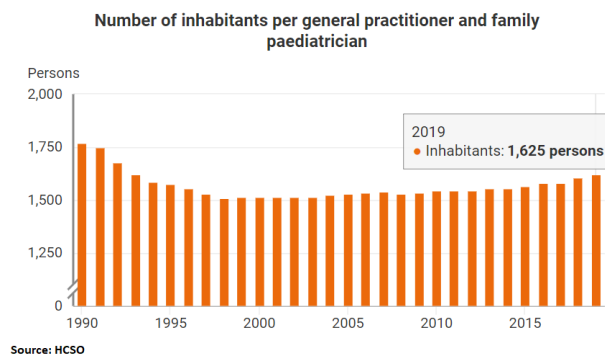
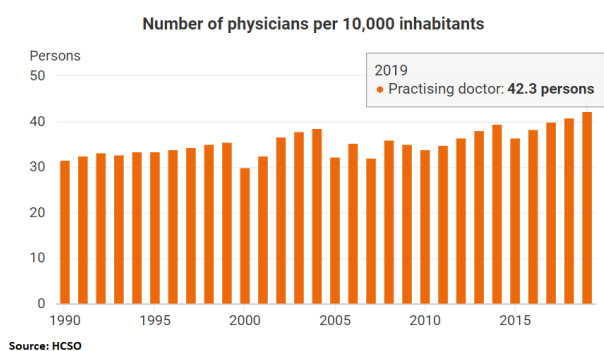
[http://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_fec001a.html](http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fec001a.html)

<sup>24</sup> OECD (2019), *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, <https://doi.org/10.1787/4dd50c09-en>



6.4% in 2019.<sup>25</sup> Hungary invested less than 0.2% of their GDP in 2018 on capital infrastructure and equipment in the health sector.<sup>26</sup> Next year's (2022) budget will provide HUF 2,800 billion for the health sector. This is HUF 1,700 billion more than 10 years ago in 2010, and HUF 770 billion more than in 2021. This budget will be used to transform the structure and improve the quality of Hungarian healthcare, increasing the level of service and renewing technologies.<sup>27</sup>

According to OECD data, there were 165 hospitals in Hungary in 2018.<sup>28</sup> According to HCSO data, in 2019, there were 42.3 doctors per ten thousand inhabitants, and in recent years (from 2015) the statistics show a steadily increasing trend. The same applies on the number of residents per GP and home paediatrician working in an adult, mixed or paediatric practice, which increased from 1,566 in 2015 to 1,625 in 2019 (from 6,277 GP to 6,013 GP).



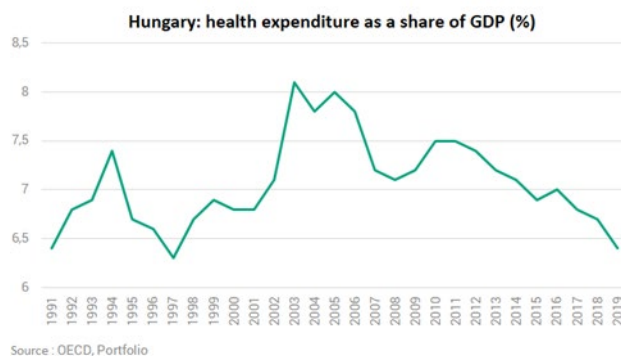
The number of hospital beds shows a relatively stagnant trend. In 2013 the number of operating hospital beds per ten thousand inhabitants was 69.5, while in 2019 it was 69.4. The number of medical positions filled has shown an increasing trend since 2017, when it increased from 40,666 to 41,676 (2019).<sup>29</sup>

The amount of public health investments has been growing since 2016, amounting to HUF 22.1 billion in 2016. By 2018 grew this amount to HUF 56.5 billion. Health expenditures of government subsystems have also been expanding since 2012, increasing from HUF 1,823.8 billion in 2017 to HUF 1985.2 billion by 2018, an increase of more than 8%. Households' health expenditures are also growing steadily: while households spent HUF 700 billion in 2016 and HUF 712.1 billion in 2017, in 2018 this amount was HUF 768.7 billion. This is

<sup>25</sup> Portfolio, *Innen lesz szép javítani - Történelmi mélypont a magyar egészségügyben*  
<https://www.portfolio.hu/gazdasag/20201009/innen-lesz-szep-javitani-tortenelmi-melypont-a-magyar-egeszsegugyben-452260>  
<sup>26</sup> OECD/European Union (2020), *Health at a Glance: Europe 2020: State of Health in the EU Cycle*, OECD Publishing, Paris,  
<https://doi.org/10.1787/82129230-en>  
<sup>27</sup> Index, *Kásler Miklós: Jövőre 2800 milliárd forint megy az egészségügyre*  
<https://index.hu/belfold/2021/05/29/kasler-miklos-egeszsegugy/>  
<sup>28</sup> OECD.Stat, Hungary, *Health Care Resources: Hospitals*  
<https://stats.oecd.org/Index.aspx?ThemeTreeId=9#>  
<sup>29</sup> KSH, 2.4.2. *Orvosi, háziorvosi, kórházi, gyógyszerészeti, fogászati ellátás (1990–)*  
[https://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_fea001.html](https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fea001.html)

first a 2% and then an increase of more than 7%. Of the HUF 768.7 billion mentioned, Hungarian households spent HUF 357.2 billion on medicines, HUF 260.8 billion on outpatient care, HUF 84.3 billion on inpatient treatment and rehabilitation and one-day care.<sup>30</sup>

The health status of the Hungarian population lags behind that of similarly developed countries in the region, placing an increasing burden on the healthcare system, which is struggling with many challenges. The proportion of the obese adult population (26 percent) in Hungary is the third highest among the EU countries. Healthy life expectancy in Hungary in 2018 exceeded the average of the V3 countries, but fell short of the EU level: Hungarian women spend average 61.8 years, while men spend 60.4 years in good health, while the average value of residents of the European Union is 2.9 years higher than in Hungary (women: 64.2; men 63.7). The fact that a significant part of the developing diseases is diagnosed only at a late stage plays a significant role in the unfavorable Hungarian mortality statistics, which increases the costs of treatments and reduces their effectiveness.<sup>31</sup> The cause of late diagnosis can be directly linked to a number of antecedents, e.g. too long waiting lists, prevalence of informal payments, hospital hygiene, lack of basic equipment, etc.<sup>32</sup> In 2018, the average length of stay in hospitals for all causes of hospitalisation was 7.5 days across EU countries. The average length of stay was highest in Hungary, the Czech Republic, Luxembourg and Portugal, with patients staying in hospitals for more than 9 days on average. Hungary and Italy are the only two countries where there has been a slight increase in average length of stay in hospital. In Hungary, this is mainly due to a growing use of hospital beds for rehabilitation and long-term care. The average length of stay for curative (acute) care has decreased in Hungary as in other countries over the past decade.<sup>33</sup>



<sup>30</sup> KSH: 2.4.2. Egészségügyi kiadások alrendszerként, a GDP %-ában, egészségügyi beruházási ráfordítás (2003–), (2/2) [http://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_fec001b.html](http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fec001b.html)

<sup>31</sup> Magyar Nemzeti Bank, Versenyképességi Jelentés 2020 <https://www.mnb.hu/letoltes/versenykepességi-jelentes-hun-2020-0724.pdf>

<sup>32</sup> idem

<sup>33</sup> OECD/European Union (2020), Health at a Glance: Europe 2020: State of Health in the EU Cycle, OECD Publishing, Paris, <https://doi.org/10.1787/82129230-en>

The supply of human resources in the sector is also a challenge, mainly due to the low number of specialists compared to doctors. While the proportion of doctors with an operating license in Hungary is in line with the international average, the proportion of specialists is significantly lower than the EU average. In addition, the situation in Hungary is aggravated by the fact that 19 percent of licensed doctors are now 65 years old, which is the second highest value among EU countries.<sup>34</sup> Furthermore, doctor and nurse migration is also significant: according to 2019 OECD data, 28,522 doctors worked in other OECD member countries in 2010-11 and 33,532 in 2015-16. A similar trend can be observed for nurses: 59,300 nurses worked in other OECD member countries in 2010/11 and 56,442 in 2015/16.<sup>35</sup> In Hungary the health workforce is also unevenly distributed across the country. The central region has almost twice as many doctors per capita than the northern region, and shortages in each region are concentrated in rural areas.<sup>36</sup>

#### 2.1.4 Private healthcare

Business-based private healthcare is on the rise in Hungary. The flaws and shortcomings of the public healthcare system are increasingly directing patients to private health care, as a result, the private healthcare system has taken a heavy burden off the shoulders of the public system. The entire spectrum of private health care is being built. As a first step, the government aims to separate public and private health care. The problem is that private healthcare is present in public institutions and it is not decoupled from publicly funded benefits.<sup>37</sup> In Hungary, a kind of parallel health insurance system is being built: in addition to compulsory social insurance, employers and individuals also pay separately in order to receive faster and higher-quality care.<sup>38</sup>

The main profiles of the 30 largest private health care providers are dealing with imaging diagnostics, laboratory diagnostics, outpatient, outpatient and inpatient care.<sup>39</sup> Based on the issued operating licenses, the number of private healthcare companies can be estimated at about 20,000. The largest 15-20 companies can claim 20-25 percent of the market. Most service providers are concentrated in and around the capital. 40% of the affected companies operate in Budapest and Pest county.<sup>40</sup> However, several private providers have announced that they will expand to a nationwide private healthcare provider in the near future.<sup>41</sup>

<sup>34</sup> idem

<sup>35</sup> OECD (2019), *Recent Trends in International Migration of Doctors, Nurses and Medical Students*, OECD Publishing, Paris, <https://doi.org/10.1787/5571ef48-en>

<sup>36</sup> OECD/European Observatory on Health Systems and Policies (2019), *Hungary: Country Health Profile 2019*, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels. [https://ec.europa.eu/health/sites/health/files/state/docs/2019\\_chp\\_hu\\_english.pdf](https://ec.europa.eu/health/sites/health/files/state/docs/2019_chp_hu_english.pdf)

<sup>37</sup> HVG, *Indul a parlamenti szezon: az Orbán által ígért új korszak egész pályás letámadást jelenthet* <https://hvg.hu/itthon/20180917-orban-viktor-parlament-kulturharc-birosagok-egeszsegugy-media-fopolgarmester-valasztas-szezonnyito>

<sup>38</sup> HVG, *Egészségügy: még a magánszektorak is fáj a kormányzati tesztelésnek* [https://hvg.hu/360/202002\\_maganegeszsegugy\\_penzboseg\\_ongondoskodas\\_utkeresok](https://hvg.hu/360/202002_maganegeszsegugy_penzboseg_ongondoskodas_utkeresok)

<sup>39</sup> Forbes Hungary, October 2020

<sup>40</sup> HVG, *Egészségügy: még a magánszektorak is fáj a kormányzati tesztelésnek* [https://hvg.hu/360/202002\\_maganegeszsegugy\\_penzboseg\\_ongondoskodas\\_utkeresok](https://hvg.hu/360/202002_maganegeszsegugy_penzboseg_ongondoskodas_utkeresok)

<sup>41</sup> Portfolio, *Országos lefedettségű magánegészségügyi rendszert építene a TritonLife* <https://www.portfolio.hu/uzlet/20210202/orszagos-lefedettsegu-maganegeszsegugyi-rendszert-epitene-a-tritonlife-459670>

More and more people turn to private health care providers in Hungary, according to market estimates, Hungarians spend at least HUF 300 billion a year on private health care. One in ten Hungarians turn to a private health care provider. Among services, Hungarians use dental treatment (57%), gynecological care (36%) and ophthalmology (21%) the most. According to a survey by one of the most important Hungarian life insurance companies, only one in five respondents under the age of 35 avoided private practice, while more than one-third of those over the age of 56, attend at exclusively public health facilities. Nearly 40 percent of those surveyed believe that via private appointments the patients get more time and attention, and a third say the main attraction is that there are no long waiting lists. More than three-quarters of those surveyed say it is worth paying for comfort, attention and fast service. According to Association of Hungarian Insurance Companies (MABISZ) data, in 2018 Hungarians paid HUF 19.5 billion in health insurance, which is almost four times higher than six years earlier. In 2018, HUF 10.4 billion in claims were paid, which is nine times higher than in 2012. Last year, health insurance premium income increased by 28% and the number of contracts increased by 31%. Market estimates put the number of people with some form of private market health insurance at more than 300,000.<sup>42</sup>

Hungary has achieved substantial progress in reducing waiting times for elective surgery in recent years through the implementation of a mix of supply-side measures and better management of demand. One of the main goals of the Hungarian 2014-20 health sector strategy has been to reduce waiting times to less than 60 days for minor surgery (like cataract surgery) and less than 180 days for major surgery (like hip and knee replacement) for all patients across the country. To achieve this goal, the government has adopted new laws and regulations on the management of waiting lists and supported the development of an online waiting list system to monitor the situation in real-time across the country. It also provided additional payments to reduce waiting times in selected clinical areas and hospitals, and encouraged a reallocation of patients from providers with longer waiting times to those with shorter waiting times.<sup>43</sup>

According to CSO data, non-community health expenditures in 2018 amounted to HUF 883.2 billion in the following distribution: Voluntary health financing subsystems: HUF 105 billion / Households: HUF 769 billion. Subtracting medical products from this, we will receive a total of HUF 447 billion as a result of the 2018 healthcare service expenditures.<sup>44</sup>

#### 2.1.5 Digitalization of the Hungarian healthcare system

Although Hungary has spent a lot on health developments in recent years – for instance, the Electronic Health Services Area (EESZT) central health database and a number of technical innovations in the private sector - there are still many challenges ahead. In the future, patients should be involved as much as possible

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<sup>42</sup> Index, *Egyre több magyar választja a magánegészségügyet*

[https://index.hu/gazdasag/2019/11/13/maganegeszsegugy\\_egeszsegbiztositas\\_mabisz\\_cig\\_pannonia/](https://index.hu/gazdasag/2019/11/13/maganegeszsegugy_egeszsegbiztositas_mabisz_cig_pannonia/)

<sup>43</sup> OECD (2020), *Waiting Times for Health Services: Next in Line*, OECD Health Policy Studies, OECD Publishing, Paris,

<https://doi.org/10.1787/242e3c8c-en>

<sup>44</sup> Portfolió, *A magyar magánegészségügyi piac valódi mérete (2. rész)*

<https://www.portfolio.hu/gazdasag/20201030/a-magyar-maganegeszsegugyi-piac-valodi-merete-2-resz-454716>



in healing, for which as many digital opportunities and information bases as possible must be available.<sup>45</sup> Hungary came closer to the launch of digital transformation, and the epidemiological situation has even accelerated it, especially in the fields of telemedicine, radiology and remote diagnostics<sup>46</sup> Online appointment booking and e-prescriptions have become common practice.<sup>47</sup>

The aim of the Digital Welfare Program 2.0 (DWP2.0) is that digital solutions, tools and services contribute as much as possible to the improvement of the well-being and health of Hungarian citizens, as well as to the preservation and development of their health and the prevention of diseases. Within the framework of DWP2.0, Hungary's Digital Health Industry Development Strategy (DEFS) will be prepared, which will primarily focus on the health benefits of citizens.<sup>48</sup>

According to an international study, doctors write 7.2 million words a year and spend 43% of their working time on administration. In April 2021, the National Healthcare Service Center, which manages public health procurement, launched two seemingly major IT tenders. The organisation's procurements would simplify administration in surgeries and hospitals by providing patients with bar-coded IDs and doctors and nurses with tablets for documentation. A total of 96 hospitals in the capital and in rural areas would be equipped with a so-called Care Support System. Barcode patient identification is already in use in many hospitals across the country, but as developments continue, there is plenty of scope for further improvements in this area.<sup>49</sup>

In Hungary, county and city hospitals and clinics already use the Picture Archiving and Communication System (PACS), an image archiving, communication and teleradiology system developed by the Hungarian eRAD team, which stores, queries, evaluates and analyzes radiological image sequences, thereby facilitating easier and more efficient access to medical records.<sup>50</sup>

In health care, there are many problems to be solved regarding sensitive data, not only from the providers' side, but also from the patients' side, also due to the GDPR regulation. Of course, some innovations also appeared in this field, but these were mainly medical device solutions or for example digitizations related to imaging.<sup>51</sup>

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<sup>45</sup> Portfolio, *A jövő egészségügyének motorjai: egyéni felelősség és digitalizáció*  
<https://www.portfolio.hu/gazdasag/20201221/a-jovo-egeszseguyenek-motorjai-egyeni-felelosseg-es-digitalizacio-462640>

<sup>46</sup> HVG, *"A robbanás előtti pillanat": új alapokra kell helyezni az egészségügy működését*  
[https://hvg.hu/brandcontent/sap\\_20201204\\_egeszseguy\\_digitalizacio\\_koronavirus\\_omron\\_belux](https://hvg.hu/brandcontent/sap_20201204_egeszseguy_digitalizacio_koronavirus_omron_belux)

<sup>47</sup> Napi.hu, *Elkészítő lemaradásban van az egészségügy a fejlesztések terén*  
[https://www.napi.hu/magyar\\_gazdasag/liferay-digitalizacios-felmeres-prognosis-penzugy-kereskedelem-egeszseguy-bank-biztositas.719332.html](https://www.napi.hu/magyar_gazdasag/liferay-digitalizacios-felmeres-prognosis-penzugy-kereskedelem-egeszseguy-bank-biztositas.719332.html)

<sup>48</sup> Digitális Jólét Program, *DEFS - Digitális Egészségipar-fejlesztési Stratégia*  
<https://digitalisjoletprogram.hu/hu/tartalom/defs-digitalis-egeszsegipar-fejlesztesi-strategia>

<sup>49</sup> G7, *A betegek vonalkódos karszalagot, az ápolók táblagépet kapnak a magyar kórházakban*  
<https://g7.hu/tech/20210420/a-betegek-vonalkodos-karszalagot-az-apolok-tablagepet-kapnak-a-magyar-korhazakban/>

<sup>50</sup> MedicalOnline, *A pandémia felpörgeti az egészségügy digitalizációját is*  
[http://medicalonline.hu/informatika/cikk/a\\_pandemia\\_felporgeti\\_az\\_egeszseguy\\_digitalizaciojat\\_is](http://medicalonline.hu/informatika/cikk/a_pandemia_felporgeti_az_egeszseguy_digitalizaciojat_is)

<sup>51</sup> HVG, *"A robbanás előtti pillanat": új alapokra kell helyezni az egészségügy működését*  
[https://hvg.hu/brandcontent/sap\\_20201204\\_egeszseguy\\_digitalizacio\\_koronavirus\\_omron\\_belux](https://hvg.hu/brandcontent/sap_20201204_egeszseguy_digitalizacio_koronavirus_omron_belux)



The biggest challenge in Hungarian healthcare (as in other countries) is the lack of capacity, in which artificial intelligence can bring the greatest help and innovation, but great progress could be made, for example, in primary diagnostics, telesurgery or the organization of patient pathways as well.<sup>52</sup>

For the period 2021-2027, with the focus on digitalisation, the goal is to implement plans and programs from which patients, doctors, hospital managers, health care managers, and health care stakeholders can also benefit. Institutional leaders can plan, execute, and implement more efficiently, thereby responding more quickly to the great challenges of the 21st century, such as a global pandemic.<sup>53</sup>

## 2.2 PHARMACEUTICAL INDUSTRY

### 2.2.1 Manufacture of pharmaceutical products

In Hungary, the pharmaceutical industry has a history of more than a hundred years. The competitiveness of the sector is characterized by the fact that medicines produced in Hungary are in circulation worldwide, and their share in the domestic supply of medicines is also significant. One of the most important export-oriented industries is the pharmaceutical industry in Hungary.

The output of pharmaceutical production, which accounts for 2.9% of manufacturing output, increased by 4.3% in 2019 compared to the decrease in 2018, mainly due to the favorable development of foreign market sales. Exports, which accounted for 86% of total sales, increased by 8.6%, while domestic sales decreased by 6.2%. The performance of the Hungarian pharmaceutical industry is practically concentrated in the production of four large pharmaceutical manufacturing companies.<sup>54</sup>

The value of trade of pharmaceuticals and pharmaceutical products in euros in 2019 increased by 5.1% to 5.6 billion euros. Imports remained unchanged at 4.5 billion euros. In 2019, as in the previous year, the most important partner in both directions of traffic was Germany. The share of the pharmaceutical industry in manufacturing output was 2.8%.<sup>55</sup> Hungarian pharmaceutical exports rank 18th worldwide. Medicines manufactured in Hungary are used in 130 countries around the world. 84% of pharmaceutical products produced in Hungary are sold on the world market. The Hungarian pharmaceutical factories employ 22,500 people directly, and together with suppliers this number rises to over 40,000, practically every seventh employee works in the pharmaceutical industry.<sup>56</sup>

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<sup>52</sup> HVG, "A robbanás előtti pillanat": új alapokra kell helyezni az egészségügy működését  
[https://hvg.hu/brandcontent/sap\\_20201204\\_egeszsegugy\\_digitalizacio\\_koronavirus\\_omron\\_belux](https://hvg.hu/brandcontent/sap_20201204_egeszsegugy_digitalizacio_koronavirus_omron_belux)

<sup>53</sup> Magyarország Kormánya, A digitalizáció előtérbe helyezése segít növelni az egészségben eltöltött évek számát  
<https://kormany.hu/hirek/a-digitalizacio-eloterbe-helyezese-segit-novelni-az-egeszsegben-eltoltott-evек-szamat>

<sup>54</sup> KSH, Helyzetkép az iparról, 2019  
<https://www.ksh.hu/docs/hun/xftp/idoszaki/jelipar/2019/index.html>

<sup>55</sup> KSH, Magyarország 2019  
[http://www.ksh.hu/docs/hun/xftp/idoszaki/mo/mo\\_2019.pdf](http://www.ksh.hu/docs/hun/xftp/idoszaki/mo/mo_2019.pdf)

<sup>56</sup> Magyar Hírlap, Szíjjártó: A gyógyszeripar kulcsszerepet játszik a magyar gazdaság dimenzióváltásában  
<https://www.magyarhirnap.hu/gazdasag/20200128-szijjarto-a-gyogyszeripar-kulcsszerepet-jatszik-a-magyar-gazdasag-dimenziovaltasaban>



According to the Hungarian Central Statistical Office (HCSO), the number of companies in the pharmaceutical industry has been growing in the last years. In 2018, a total of 97 companies operated in the pharmaceutical industry in Hungary. The number of employees shows a similar trend. The number of people employed in industry increased from 18.089 to 19.185, an increase of 6% in three years. In 2016, the turnover of the industry was 1,010,207,874 (thousand HUF) which grew by 3 percent to 1,039,355,791 (thousand HUF). The production value of the industry has expanded through the last couple of years. In 2016, this value increased to 905,329,395 (thousand HUF), then by 2018 to 989,685,752 (thousand HUF). Total R&D expenditure increased by about 30% from 2017 to 2018.

### 2.2.2 Retail of pharmaceutical products

Pharmacies may have the right to operate in the form of a public pharmacy, a branch pharmacy, an in-house pharmacy and an institutional pharmacy. The most important laws concerning the trade in medicines and other medicinal products can be found in English on the website of the *Országos Gyógyszerészeti és Élelmezés-egészségügyi Intézet (National Institute of Pharmacy and Nutrition - OGYÉI)*.<sup>57</sup>

Public pharmacies are healthcare institutions which, in addition to dispensing medicinal products authorized for marketing, also carry out magistral pharmaceutical preparation. According to *OGYÉI's* august 2020 data, there are 2,292 public pharmacies in Hungary. According to the data of the HCSO, the number of pharmacies has been stagnant since 2012, there was no large decrease or increase: in 2012 there were 2398 and in 2019 there were 2359 pharmacies in Hungary.<sup>58</sup>

Branch pharmacies are operating as a site of a given public pharmacy, the scope of distribution of which is partially limited according to the relevant legislation. A branch pharmacy may operate in a settlement where a public pharmacy does not operate. Institutional pharmacies operate as part of hospitals and provide medication care to nursing patients treated in certain departments of the hospital. In-house pharmacies may operate in settlements where neither a public nor a branch pharmacy operates. These pharmacies may operate at the time of the consultation period of the general practitioner or the pediatrician. The stock of an in-house pharmacy includes certain medicines and formulas ordered by the doctor, which can be obtained from a public pharmacy.<sup>59</sup> The operation of pharmacies is greatly facilitated if they continue to operate within a pharmacy franchise. The main pharmacy franchises in Hungary are *BENU, Pingvin, Alma, Gyöngy* and *Szimpatika* franchises. Pharmacy networks are represented and brought together by the Association of Pharmacy Franchises.

The price of medicines, medical aids, other curative care (spa treatments, swimming, gas baths) and the price of infant formulas and breast milk is covered by social security subsidies. This selection is divided into

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<sup>57</sup> OGYÉI, *Laws and Regulations*

[https://ogyei.gov.hu/laws\\_and\\_regulations](https://ogyei.gov.hu/laws_and_regulations)

<sup>58</sup> KSH, 2.4.2. *Orvosi, háziorvosi, kórházi, gyógyszerértári, fogászati ellátás (1990–)*

[https://www.ksh.hu/docs/hun/xstadat/xstadat\\_eves/i\\_fea001.html](https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fea001.html)

<sup>59</sup> OGYÉI, *Lakossági gyógyszerforgalmazás típusai*

[https://ogyei.gov.hu/lakossagi\\_gyogyszerforgalmazas\\_tipusai](https://ogyei.gov.hu/lakossagi_gyogyszerforgalmazas_tipusai)

two major groups in terms of subsidy and pricing; 'not-subsidized' and 'subsidized' by social security.<sup>60</sup> Further details can be obtained from the *National Health Insurance Fund of Hungary*, which is responsible for health insurance, subsidies and financing. OGYÉI issues licenses to companies carrying out pharmaceutical wholesale activities in Hungary. The list of wholesalers is updated daily by the institution and is available via nr. 12 at the website of the Institution.<sup>61</sup>

Parallel import of medicines in Hungary is still at an early stage due to the extremely low prices of pharmaceuticals. 449/2017. (XII. 27.) Government Decree<sup>62</sup> regulates the details of the activity.

## 2.3 MEDICAL DEVICES

The 100-year old medical technology industry is one of the most significant industries in Hungary. It plays a key role in achieving research and development and innovation objectives, and keeping new patents in Hungary. The Hungarian medical technology industry is very strong in innovation. Companies in this sector have created significant professional and technical values, and won many innovation awards. Medical technology companies operating in Hungary successfully export their products to all continents. The development rate of the value of the medical technology industry is similar to that of the automotive sector, so in recent years it has become one of the flagship industries in Hungary.<sup>63</sup>

By August 2020, the Hungarian government has drew up a 5 pillar strategy for the development and support of the Hungarian healthcare industry (including the pharmaceutical and medical technology industries), the details of which are laid down in Gov. Decision 1517/2020. (VIII. 14.) under the title Health Strategy.<sup>64</sup> The sector plays a key role in achieving the Government's research, development and innovation objectives, as only in 2016, 616 Hungarian patents were registered, of which 86 belonged to the medical technology industry: huge added value appears in the sector.<sup>65</sup>

Today, the activities of nearly 2,000 companies are linked to medical technology, and 150-200 of them stand out in product development and export.<sup>66</sup> In Hungary, the majority (80%) of medical device and equipment manufacturing companies are Hungarian-owned. The Hungarian medical device market accounts for about 0.2% of the global medical device market and 0.8% of the European market. By 2018, the total net sales

<sup>60</sup> Nemzeti Egészségbiztosítási Alapkezelő, *Gyógyszer, gyógyászati segédeszköz, gyógyfürdő, anyatej- és tápszerellátás*  
[http://www.neak.gov.hu/felso\\_menu/lakossagnak/ellatas\\_magyarorszagon/gyogyszer-segedeszkoz-gyogyfuro-tamogatas](http://www.neak.gov.hu/felso_menu/lakossagnak/ellatas_magyarorszagon/gyogyszer-segedeszkoz-gyogyfuro-tamogatas)

<sup>61</sup> OGYÉI, *Egyéb nyilvántartások, listák*  
[https://www.ogyei.gov.hu/egyeb\\_nyilvantartasok\\_listak](https://www.ogyei.gov.hu/egyeb_nyilvantartasok_listak).

<sup>62</sup> 449/2017. (XII. 27.) Korm. rendelet a gyógyszerekkel folytatott nagykereskedelmi és párhuzamos importtevékenység végzésének engedélyezéséről  
<https://net.jogtar.hu/jogszabaly?docid=A1700449.KOR>

<sup>63</sup> MedicalOnline, *Érdemes az egészségipart fejleszteni*  
[http://medicalonline.hu/eu\\_gazdasag/cikk/erdemes-az-egeszsegipart-fejleszteni](http://medicalonline.hu/eu_gazdasag/cikk/erdemes-az-egeszsegipart-fejleszteni)

<sup>64</sup> 1517/2020. (VIII. 14.) Korm. határozat  
[https://www.hbcs.hu/uploads/jogszabaly/3193/fajlok/1517\\_0815\\_2020\\_VIII\\_14\\_Korm%20hatarozat.pdf](https://www.hbcs.hu/uploads/jogszabaly/3193/fajlok/1517_0815_2020_VIII_14_Korm%20hatarozat.pdf)

<sup>65</sup> Innotéka, *Világot hódítana a hazai orvostechológia*  
[https://www.innoteka.hu/cikk/vilagot\\_hoditana\\_a\\_hazai\\_orvostechologia.1807.html](https://www.innoteka.hu/cikk/vilagot_hoditana_a_hazai_orvostechologia.1807.html)

<sup>66</sup> idem.

balance will have closed roughly at 2017's level of HUF 301 billion. A significant part of the turnover is accounted for export sales, it is accounted for approximately 80 percent of sales revenue, and according to government data, approximately 150 domestic companies are present on international markets. The medical technology sector, according to government figures, employs 12,300 people directly and 30,000 people indirectly.<sup>67</sup> The balance of trade in Hungarian medical devices was positive (577 million euros). In this respect, Hungary reached the 7th place among the top 10 countries in 2018.<sup>68</sup> Hungarian medical device manufacturing companies sell only 18 percent of their annual revenue within the country, as the managers and owners of publicly funded care institutions and private health care providers purchase mainly non-domestic products.<sup>69</sup>

According to HCSO data (see in *Attachments*), the number of companies manufacturing electromedical and medical instruments and equipment is growing year by year. The manufacture of electromedical equipment is constantly expanding, supported by increasing figures for turnover and production value. Based on HCSO import data (see in *Attachments*), it can be stated that trade of medical devices between Hungary and Belgium is significant.

The supply of domestic medical aids, which are typically based on imports, takes place at official prices. In Hungary, more than one million people are in permanent or temporary need for medical aids. According to the OSZ, the majority of those affected are retired or disabled.<sup>70</sup>

The conditions for the manufacture, distribution, occupation or purchase of medical devices are laid down by various regulations which are available on the website of the *OGYÉI*, the competent Hungarian authority for medical and IVD devices. The Institute performs tasks related to official supervision, market surveillance, registration, clinical research licensing and certain vigilance matters, as well as is competent in matters related to the legal distribution, and official supervision of medical devices.<sup>71</sup> Supplying tasks - be it the procurement, distribution, etc. of a (medical) device, medicine or disinfectant. - in Hungary, the responsibilities of the *Állami Egészségügyi Központ*<sup>72</sup> (State Health Center – *ÁEEK*) and the *Közbeszerzési és Ellátási Főigazgatóság* (Directorate General for Public Procurement and Supply - *KEFI*).<sup>73</sup> The Hungarian

<sup>67</sup> Magyar Egészségipari Gyártók Szövetsége, *Éves Jelentés 2018*

[http://megysz.hu/wp-content/uploads/2020/01/MEGYSZ\\_%C3%89ves-jelent%C3%A9s--2018.pdf](http://megysz.hu/wp-content/uploads/2020/01/MEGYSZ_%C3%89ves-jelent%C3%A9s--2018.pdf)

<sup>68</sup> MedTech Europe, *The European Medical Technology Industry in figures 2020*

<https://www.medtecheurope.org/wp-content/uploads/2020/05/The-European-Medical-Technology-Industry-in-figures-2020.pdf>

<sup>69</sup> MEGYSZ, *Fókuszban a magyarországi ipar*

<http://megysz.hu/orvostechnikai-ipar/fokuszban-a-magyarorszag-i-ipar/>

<sup>70</sup> Index, *Orvostechnikai Szövetség: Életbevágóan fontos eszközökhöz nem fognak hozzájutni emberek*

[https://index.hu/belfold/2020/04/09/a\\_forint\\_gyengulese\\_ellehetetleniti\\_magyarorszagon\\_a\\_tamogatott\\_gyogyaszati\\_segedeszkoz\\_ellatast/](https://index.hu/belfold/2020/04/09/a_forint_gyengulese_ellehetetleniti_magyarorszagon_a_tamogatott_gyogyaszati_segedeszkoz_ellatast/)

<sup>71</sup> OGYÉI, *Az orvostechnikai eszközök legális forgalomba hozatalának feltételei*

[https://www.ogyei.gov.hu/az\\_orvostechnikai\\_eszkozok\\_legalis\\_forgalomba\\_hozatalanak\\_feltetelei](https://www.ogyei.gov.hu/az_orvostechnikai_eszkozok_legalis_forgalomba_hozatalanak_feltetelei)

<sup>72</sup> Állami Egészségügyi Ellátó Központ

<https://www.aEEK.hu/>

<sup>73</sup> Közbeszerzési és Ellátási Főigazgatóság

<http://www.kefi.gov.hu/>

Standardization Body provides information on other standardization issues.<sup>74</sup> The Ministry of Innovation and Technology is responsible for matters concerning the health industry strategy.

### 3. OPPORTUNITIES ON THE HUNGARIAN MARKET

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In private healthcare, the past few years have brought tremendous progress. The sector is estimated at about HUF 350 billion, with the 30 largest companies earning HUF 80 billion a year, the annual turnover of private service providers is increasing by at least 10 percent every year. This makes private health care one of the most dynamically growing business sector in the coming years. New private hospitals are constantly being built, service providers are proliferating, and new centers are being created through acquisitions. A parallel healthcare system that is now affordable for nearly everyone is already being implemented.<sup>75</sup>

In recent years, there has been a strong focus on digitalization in both public and private health centers in Hungary. The outbreak of the Covid-19 pandemic has challenged economies of several countries, but especially the health systems. Digital technology has played an important role in many ways, from contact tracking to research into vaccines. Hungary is constantly exploring digital solutions that could be useful, for example, in dealing with the epidemic.

According to EUROSTAT, health outcomes in Hungary still lag behind most other EU countries, reflecting both unhealthy lifestyles (smoking, alcohol consumption, obesity) and the limited effectiveness of health care provision. The development of the sector will be one of the main priorities in the coming years which will increase demand for quality products and services on the market.

The pharmaceutical industry plays a key role in changing the dimension of the Hungarian economy. The production-oriented Hungarian economy is increasingly moving towards an economy inspired by innovation, research and development. Global competition is intensifying, so strategic thinking is needed on the part of the government and market players in order to keep the Hungarian pharmaceutical industry competitive.

The level of pharmaceutical expenditures in Hungary is the third highest in the European Union in proportion to GDP. In 2017, Hungary spent 1.9 percent of GDP on the purchase of medicines, which is significantly higher than the V3 (1.5 percent) and the EU average (1.4 percent). Within total health expenditure, Hungary spent 28 percent on medicines, compared to only 17 percent on average in the EU.<sup>76</sup>

In accordance with public procurement legislation, public health care institutions typically procure through a public procurement procedure, with assets below HUF 15 million without public procurement, where

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<sup>74</sup> Magyar Szabványügyi Testület  
<https://prod.mszt.hu/hu-hu/>

<sup>75</sup> Forbes Hungary, October 2020

<sup>76</sup> Magyar Nemzeti Bank, *Versenyképességi Jelentés 2020*  
<https://www.mnb.hu/letoltes/versenykepességi-jelentes-hun-2020-0724.pdf>

appropriate. In addition to the use of EU and domestic funds, there are also central procurements, of which the state institutions are the final beneficiaries. These procurements are always carried out through public procurement. In exceptional cases (e.g. the epidemiological situation), in the case of individual authorization, procurements may take place without public procurement, but also with the maintenance of market competition. Interested parties can obtain information on public procurement opportunities through the website of the *Közbeszerzési Hatóság* (Public Procurement Authority of Hungary)<sup>77</sup>, the Public Procurement Journal of Hungary<sup>78</sup> and the Supplement to the Official Journal of the EU<sup>79</sup>. The *ÁEEK*, as a state organization, sees exclusively in the procurement of state-owned health care institutions.

## 4. ACCESS TO THE MARKET

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### 4.1 ASSOCIATIONS, ORGANIZATIONS

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<sup>77</sup> Közbeszerzési Hatóság

<https://www.kozbeszerzes.hu/english/>

<sup>78</sup> Közbeszerzési Hatóság, *Közbeszerzési Értesítő*

<https://www.kozbeszerzes.hu/ertesito/>

<sup>79</sup> European Union, *Tenders Electronic Daily*

<https://ted.europa.eu/TED/misc/aboutTed.do>







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Web: [www.retivarszegipartners.hu/en/services/pharmaceutical-law-and-health-industry/](http://www.retivarszegipartners.hu/en/services/pharmaceutical-law-and-health-industry/)

**4.2 EVENTS**

**HUNGAROMED Egészségügyi és Orvostechnológiai Kiállítás és Konferencia (HUNGAROMED Health and Medical Technology Exhibition and Conference)**

Date: 16-18 October 2020

Venue: HUNGEXPO – 1101 Budapest, Albertirsai út 10.

Web: <https://hungaromed.hu/en/>

The congress will be accompanied this year by the Health & Lifestyle Exhibition. On 16 October, the first day of the HUNGAROMED exhibition, a number of professional conferences and trainings offering credit points will be hosted for health professionals while between 16 – 18 October the Health Exhibition opens its doors to the general audience with health care products and services. The joint goal of Hungaromed and the





## 5. ATTACHMENTS

The datafiles have been created upon individual request by the Hungarian Central Statistical Office ([www.ksh.hu](http://www.ksh.hu)). The calculations and the conclusion are the sole intellectual products of the Author (HCSO).

### 1. Main indicators of preliminary annual labour and performance statistics (2018. year), HCSO

Accounts	NACE REV. 2
	21== Manufacture of basic pharmaceutical products and pharmaceutical preparations
Number of enterprises (pieces)	96
Number of persons employed (capita)	19179
Gross investment in tangible goods (15110) (thousand HUF)	84163083
Wages and salaries (thousand HUF)	151978291
Turnover (thousand HUF)	1039250665
Production value (thousand HUF)	989589733
Total purchases of goods and services (thousand HUF)	635439783













5. Main Data of Industry by Branches - Manufacture of pharmaceutical preparations

Accounts	Period of time			
	2016. january - december	2018. january - december	2019. january - december	2020. january - may
Volume index of domestic turnover from industrial activities, corresponding period of the previous year = 100,0	101.2	102.9	94.2	105.4
Volume index of export turnover from industrial activities, corresponding period of the previous year = 100,0	96.6	94.1	109.3	107.2
Volume index of industrial gross output, corresponding period of the previous year = 100,0	96.3	96.8	104.8	106.7
Domestic turnover from industrial activities (thousand HUF)	129441454	133482729	125675231	54764314
Export turnover from industrial activities (thousand HUF)	635804110	670464047	743071583	341737593
Gross output value of industrial activities, without value added tax, including price subsidies.	757870891	822107038	871886785	409948294
Total net turnover from industrial activities (thousand HUF)	765245564	803946776	868746814	396501907
Volume index of total turnover from industrial activities, corresponding period of the previous year = 100,0	97.4	95.5	106.8	107

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## 6. Import/Export Data According to Class of Enterprise by Countries of Consignment Destination

			Country			
			Total Country		Belgium	
			Accounts		Accounts	
			NACE Rev. 2	Types of transactions	Period of time	Value at frontier parity in euro (EUR)
Total NACE Rev. 2	Import	2016. January - december	83265375789	49070363535	1938268366	579923394
		2017. January - december	92602443226	53417227604	2089419950	644420034
		2018. January - december	99334658063	58554772707	2374513325	744278464
		2019. January - december	1.04074E+11	60152702636	2470850774	783529445
		2020. January - may	38732317525	21945575202	934513005	302460324
	Export	2016. January - december	92989926963	40429113804	1693244242	496097285
		2017. January - december	1.0068E+11	45273070206	1894341058	470953802
		2018. January - december	1.04855E+11	43915135803	2245841528	489527063
		2019. January - december	1.08929E+11	44757301496	2696278157	697934619
		2020. January - may	40127924117	18888046761	983701826	239710474
2110 Manufacture of basic pharmaceutical products	Import	2016. January - december	19291978	4715050	547252	58794
		2017. January - december	29712069	6514686	1508674	529652
		2018. January - december	34390532	6585601	1453614	537989
		2019. January - december	22402536	1414471	820261	56312
		2020. January - may	7921176	502158	290628	15870
	Export	2016. January - december	72380905	5340468	16980	12
		2017. January - december	92205010	8319621	190192	9004
		2018. January - december	118488237	6637458	1269587	6063
		2019. January - december	97400525	929114	218091	172
		2020. January - may	41781269	419970	354896	329
2120 Manufacture of pharmaceutical preparations	Import	2016. January - december	950833119	43330355	17018385	1962645
		2017. January - december	1064830462	45189279	19569211	2708508
		2018. January - december	1078336761	50630551	20592904	2375244
		2019. January - december	980768903	55586054	14215389	1898706
		2020. January - may	415348191	41313279	7756333	973764
	Export	2016. January - december	2440208999	28495539	14246858	101034
		2017. January - december	2575160491	35610870	19264141	94738
		2018. January - december	2428588141	29642531	20754069	104615
		2019. January - december	2399244668	28241682	14786354	65147
		2020. January - may	1029267686	16111132	4452406	25236

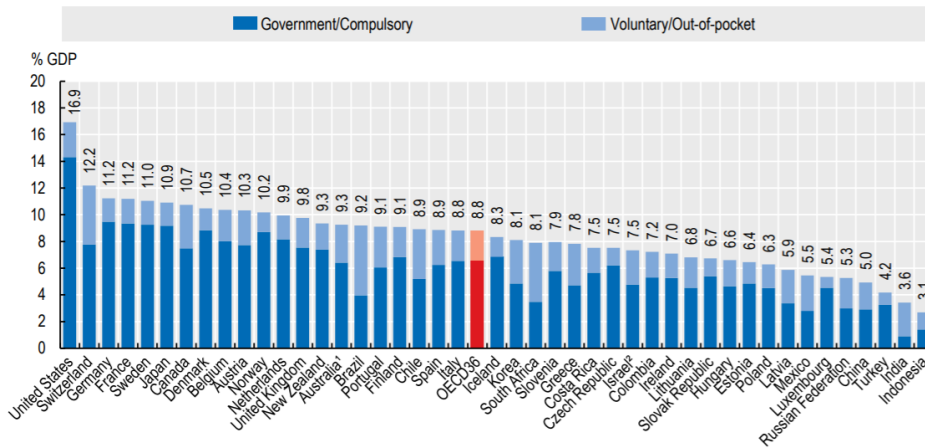
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	2018. year			2019. year		
	Import			Import		
	Belgium			Belgium		
	Accounts			Accounts		
Product (according to the Combined Nomenclature)	Net weight in kg (kilogramme)	Value at frontier parity in forints (HUF)	Value at frontier parity in euro (EUR)	Net weight in kg (kilogramme)	Value at frontier parity in forints (HUF)	Value at frontier parity in euro (EUR)
3003 Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic uses, not in measured doses or put up for retail sale (excl. goods of heading 3002, 3005 or 3006)	3244	1576714	4867	1921	6410858	19728
3004 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006)	2110716	10553411792	330040539	2107421	106790437353	327237177
3006 Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.60.90	29362	1378070555	4325390	72782	1959253183	6016747

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**Health expenditure as a share of GDP, 2018 (or nearest year)**



Note: Expenditure excludes investments, unless otherwise stated.  
 1. Australia expenditure estimates exclude all expenditure for residential aged care facilities in welfare (social) services. 2. Includes investments.  
 Source: OECD Health Statistics 2019, WHO Global Health Expenditure Database.

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