

Hungary

Tourism in the economy

Tourism has outperformed growth in the wider economy over the last decade. The sector directly contributed 6.5% of Hungarian GDP in 2017, rising towards 10.2% of GDP when indirect impacts are included. The same year, tourism directly accounted for over 418 000 jobs, or 9.6% of total employment. Travel exports represented 23.5% of total service exports in 2018.

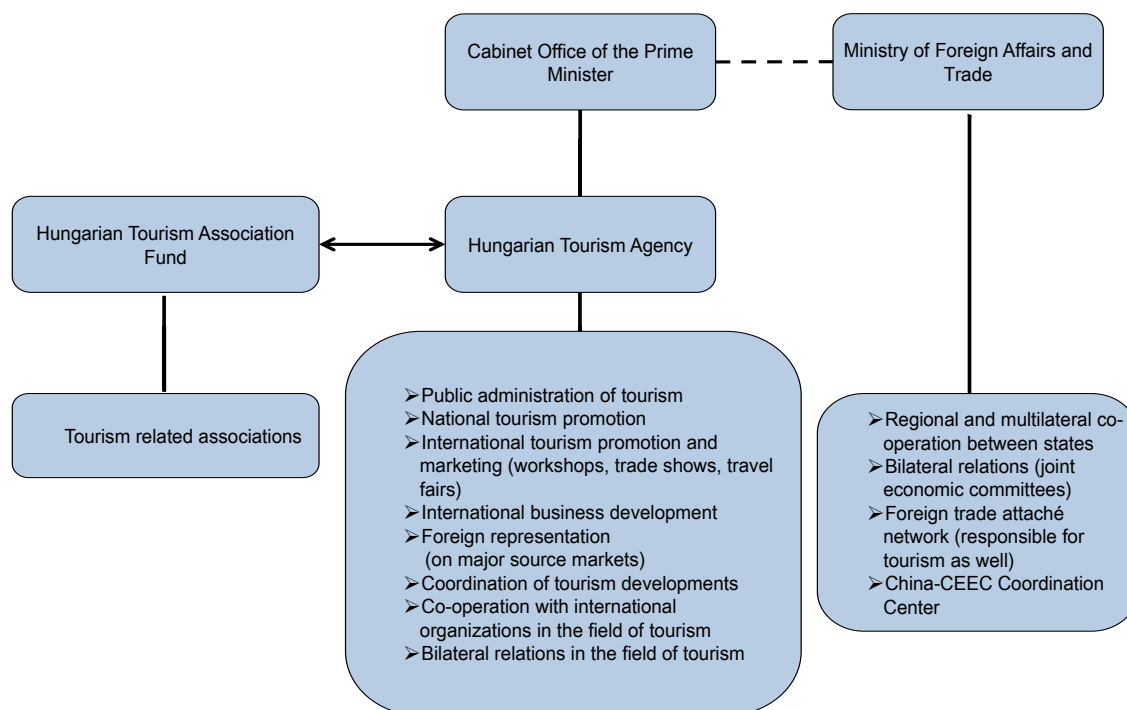
Hungary welcomed a record number of visitors in 2018, following years of steady growth. International tourist arrivals totalled 14.9 million, an increase of 5.7% on 2017. The top source markets for inbound tourists are Germany (13.5% share), Romania (11.1%), Austria (9.3%) and Slovakia (8.7%), which collectively made up 42.7% of arrivals in 2018. Other markets of significant volume include the Czech Republic (5.5%), United Kingdom (5.2%) and Poland (3.3%). Bed-nights from international tourists reached 20.2 million. The domestic tourism economy is also significant, with 14.4 million domestic tourists recorded in 2018, similar to the previous year. Domestic bed-nights in all types of accommodation reached 22.1 million, a growth of 6.1% from the previous year.

Tourism governance and funding

Overall responsibility for tourism was recently transferred from the Ministry of National Development to the Cabinet Office of the Prime Minister, demonstrating the importance the Government attaches to tourism.

The Hungarian Tourism Agency is responsible for the development and management of tourism. Established in 2016 to maximise the contribution of tourism to broader national policies, the Agency defines the tourism strategy, draws up the budget, supervises the allocation of European funds and manages the country's brand. It promotes the country abroad, increases quality by developing related quality systems, and invests in priority tourism projects. In addition, the Agency is responsible for developing new products, allocating grants and providing advice on tourism education. It also plays a pivotal role in tourism-proofing any draft legislation that may potentially impact on the sector, and co-ordinates the work of different parts of government, as well as engaging with the private, academic and civil society sectors. The Ministry of Foreign Affairs and Trade also plays an important role in relation to bilateral dealings on tourism matters with other countries, including oversight of the China-Central and Eastern European Countries (CEEC) Co-ordination Centre. The Hungarian Tourism Association Fund is the umbrella organisation that co-ordinates across the activities of all the different tourism-related associations.

Hungary: Organisational chart of tourism bodies



Source: OECD, adapted from the Hungarian Tourism Agency, 2020.

Tourism policies and programmes

The National Tourism Development Strategy 2030 defines the short, medium and long term goals for the sector, and the tasks to achieve these, it identifies key intervention points, establishes delivery measures, and allocates resources. The Strategy also provides a framework where public and private actors can develop a common vision for the future of tourism in Hungary. It is a policy document that is fully informed by the national context and also aligns to EU development norms. The emphasis of the Strategy is a co-ordinated approach to destination-led development. Destinations are encouraged to develop the entire visitor experience, while drawing on support from the Hungarian Tourism Agency for development, branding and marketing expertise. Related infrastructure and facilities are also considered in context of the wider destination plan, which is designed to provide internationally competitive tourism products and services across the country.

The following principles underpin delivery of the Strategy:

- Tourism developed in balance with local communities and the natural environment.
- An emphasis on family-friendly tourism facilities and experiences.
- A focus on accessible tourism, particularly for visitors with disabilities.
- A clear offer and comprehensive guidance for visitors, including multi-lingual information, signage etc.
- The creative and innovative use of technology through digital applications and support to businesses.

The Government has identified high priority tourism development areas with the greatest potential for scalable, highly profitable tourism that will attract international visitors. A current issue is the successful

oversight of the development, management and marketing of a range of complex, high quality tourism experiences in these newly defined tourism development areas. Launched in 2018, the Kisfaludy Tourism Development Programme outlines the development path for destinations, products and attractions. To support this initiative, a new national Accommodation Development Framework is being piloted, which seeks ultimately to target the renovation of over 30 000 rooms nationwide, along with facilities such as lakeside beaches and adventure parks. Applicants for funds must comply with specific requirements relating to product development, training, promotional activities and collaboration with other local service providers. The aim is to ultimately help strengthen both the competitiveness and sustainability of the destination.

Improving the opportunities open to domestic tourists is another priority with the aim of more even distribution over time and space, and the development of coherent, sustainable and profitable regional destinations. By 2030, the objective is for tourism to be a leading sector of economic growth, offering quality, accessible experiences, employing innovative solutions, and offers a favourable and inclusive career path, as well as contributing to local communities and national values.

Creation of the National Tourism Data Supply Centre in Hungary

The National Tourism Data Supply Centre (NTAK) aims to support the digitisation of the tourism sector, and enhance its competitiveness, by providing robust and timely data. This will contribute to Hungary's overall target of reaching 50 million guest nights by 2030. The initiative is a new digital data supply system that gathers and presents data from all types of accommodation in real time. The objectives are to:

- Accurately measure traffic data for the entire accommodation sector, including anonymised data for the number of guests, their place of origin, and time spent.
- Use the data to plan and measure sectoral strategies, developments and campaigns more effectively.
- Prepare projections on guest traffic based on occupancy data.
- Reduce the administrative and tax liabilities of accommodation providers.
- Build a single national accommodation database of providers.
- Legitimise and expose the total value of the sector, upon which the Government will consider reducing the VAT rate as for the catering industry.

NTAK makes it possible to measure marketing activities more effectively, allows for better targeting of campaigns and interventions to increase interest in Hungary. The Hungarian Tourism Agency uses the data to prepare reports and analysis for the tourism industry. The data can be used as a strategic aid to make projections and comparisons with the results of other countries. The Agency also provides summary reports back to the accommodation sector to enable benchmarking and business performance assessment. Other authorities, such as the National Tax and Customs Administration and local government, will also have access to the data to improve efficiency and administration.

A range of legislation has been introduced that affects and benefits the tourism sector. For example, legislation now encourages employers through the use of quotas to positively discriminate when hiring staff in favour of people with disabilities. Employers with more than 25 employees are required to pay contributions if the number of disabled employees is less than 5% of the total. If the above quota is met, however, the contribution is waived and the employer may also be eligible for additional benefits. Such legislation has been beneficial for the tourism sector, which typically offers flexible and diverse employment opportunities for different types of people and is used to providing a welcoming environment for all visitors and employees. The principle of accessibility is fully reflected in actions set

out in the Strategy. In addition, the National Tourism Data Supply Centre (NTAK) is currently in development, and aims to increase competitiveness through the digitalisation of accommodation data (see box). The initiative directly collects up-to-date and accurate statistical information from accommodation businesses to support better planning, measurement, and targeted marketing and traffic projections.

Statistical Profile

Hungary: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	5 515	5 985	6 346	6 809	7 171
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	16 404	17 716	18 945	20 790	22 053
Hotels and similar establishments	9 419	10 126	10 937	11 553	12 302
Other collective establishments	4 259	4 455	4 552	5 114	5 188
Private accommodation	2 726	3 135	3 456	4 123	4 563
Inbound tourism¹					
Total international arrivals	17 253	20 189	21 444	22 371	23 893
Overnight visitors (tourists)	10 158	12 410	13 474	14 102	14 905
Same-day visitors (excursionists)	7 095	7 778	7 970	8 270	8 988
Top markets					
Germany	1 898	1 899	1 783	1 865	2 009
Romania	758	1 583	2 299	2 076	1 662
Austria	976	1 088	997	1 254	1 391
Slovak Republic	1 024	1 533	1 476	1 562	1 302
Czech Republic	748	792	833	862	822
Nights in all types of accommodation	14 103	15 144	16 789	19 077	20 162
Hotels and similar establishments	10 653	11 093	11 802	12 754	13 094
Other collective establishments	1 698	1 870	2 000	2 188	2 246
Private accommodation	1 752	2 182	2 987	4 135	4 822
Outbound tourism					
Total international departures	8 933	9 705	10 168	10 874	12 419
Overnight visitors (tourists)	4 927	5 720	6 303	6 707	7 595
Same-day visitors (excursionists)	4 006	3 985	3 865	4 167	4 824
Top destinations					
Germany	686	812	956	1 007	899
Slovak Republic	476	642	674	769	876
Austria	741	818	848	897	808
Romania	437	619	793	705	774
Czech Republic	522	473	544	572	641
TOURISM RECEIPTS AND EXPENDITURE, MILLION HUF					
Inbound tourism					
Total international receipts	1 740 630	1 936 973	2 102 563	2 299 013	2 602 621
International travel receipts	1 365 085	1 487 597	1 594 604	1 694 330	1 870 832
International passenger transport receipts	375 546	449 376	507 959	604 683	731 789
Outbound tourism					
Total international expenditure	629 799	686 340	769 662	831 196	888 874
International travel expenditure	472 913	511 531	608 585	672 179	715 494
International passenger transport expenditure	156 887	174 809	161 077	159 016	173 381

.. Not available

1. Arrivals from demand side surveys; Nights from supply side surveys.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076913>

Hungary: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2018	2014	2015	2016	2017	2018
Total	..	..	..	..	..	..
Tourism industries	185 963	368 056	411 914	427 715	418 017	..
Accommodation services for visitors	37 347	36 419	40 115	41 488	35 838	..
Hotels and similar establishments	2 425	26 972	30 152	32 694	30 588	..
Food and beverage serving industry	34 570	125 090	135 265	145 424	146 096	..
Passenger transport	11 332	87 002	92 752	93 983	98 840	..
Air passenger transport	112	..	..	..	..	..
Railways passenger transport	3	28 904	32 801	28 531	33 138	..
Road passenger transport	11 071	52 747	54 094	58 587	60 186	..
Water passenger transport	146	..	..	..	..	..
Passenger transport supporting services	4 969	20 352	25 487	26 595	25 163	..
Transport equipment rental	4 864	..	..	..	..	..
Travel agencies and other reservation services industry	3 352	10 171	7 660	7 413	8 087	..
Cultural industry	44 056	38 068	45 704	48 831	39 466	..
Sports and recreation industry	21 124	24 056	31 950	28 264	27 339	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	24 349	26 660	30 872	33 916	29 546	..
Other industries	..	..	..	..	..	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076932>

Hungary: Internal tourism consumption

Million HUF

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	614 607	1 386 151	2 000 759
Tourism characteristic products	359 588	994 127	1 353 715
Accommodation services for visitors	113 465	297 785	411 250
Food and beverage serving services	120 332	200 372	320 703
Passenger transport services	48 826	180 597	229 423
Air passenger transport services	36 402	158 660	195 062
Railways passenger transport services	6 393	2 174	8 567
Road passenger transport services	6 031	18 683	24 714
Water passenger transport services	0	1 081	1 081
Passenger transport supporting services	5 321	20 066	25 387
Transport equipment rental services	73	1 766	1 839
Travel agencies and other reservation services industry	32 012	8 866	40 877
Cultural services	6 934	55 760	62 694
Sports and recreation services	25 399	128 298	153 697
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	7 227	100 618	107 845
Other consumption products	255 020	392 024	647 044
Tourism connected products	242 758	357 896	600 654
Non-tourism related consumption products	12 262	34 128	46 390
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076951>



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