

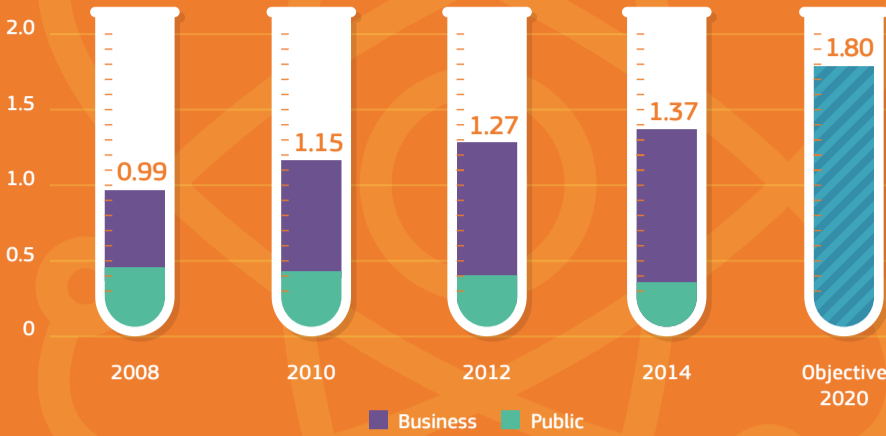
Hungary

Improving the effectiveness of the national research system and fostering cooperation between science, universities and industry

INVESTMENT IN R&D

R&D SPENDING

Business R&D spending considerably increased but low and declining public R&D intensity puts long-term sustainability at risk



R&D intensity, showing public & business components (total R&D spending as % of GDP)

STRENGTHS OF R&I SYSTEM

FUNDING FROM ABROAD

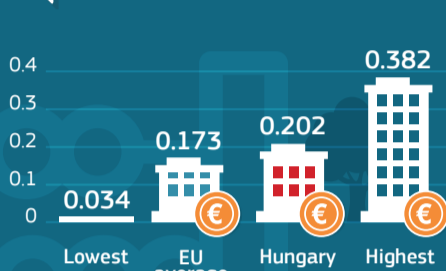
More and more R&D investment comes from abroad...



Proportion of business R&D spending financed from abroad (BERD) as % of total

PUBLIC SUPPORT FOR BUSINESS R&D

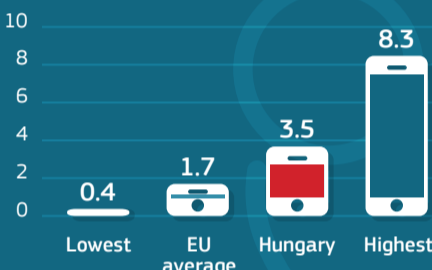
...in part due to strong public support to business R&D



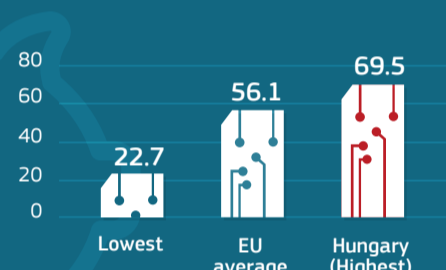
Public sector support of business R&D Expenditure on R&D (BERD) as % of GDP (2011)

HIGH- & MEDIUM-TECH MANUFACTURING

Economy benefits from strong high- & medium-tech manufacturing sectors



Value added in high-tech manufacturing as % of total (2013)

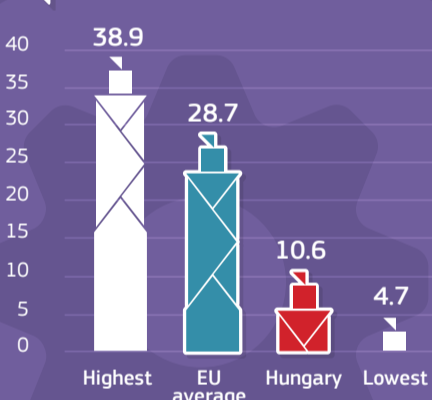


Medium- and high-tech as % of total product exports (2015)

KEY CHALLENGES

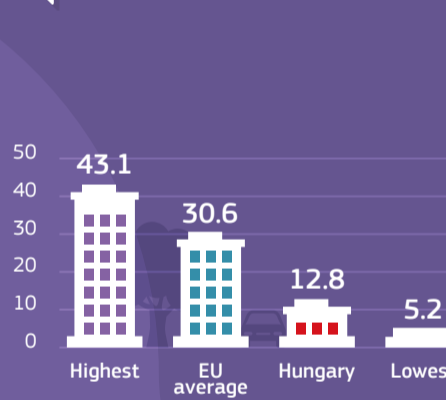
SME INNOVATION

Support to SMEs is not effective enough to encourage innovative activities...



% SMEs innovating in-house (2012)

...and their innovation performance remains weak

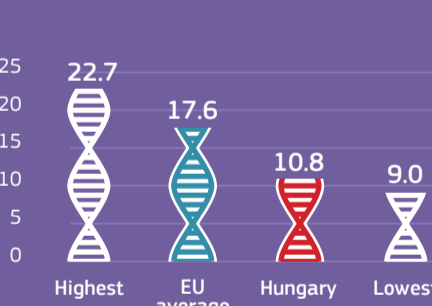


SMEs introducing product or process innovation, as % of SMEs (2012)

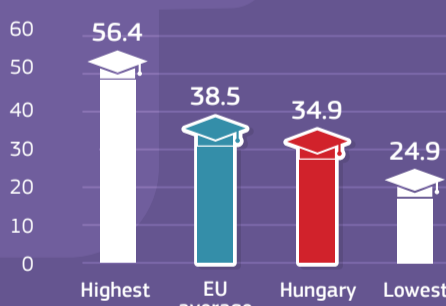
SCIENCE & ENGINEERING SKILLS

TERTIARY EDUCATION

The shortage of highly skilled professionals, particularly in science and engineering, is a major issue for the Hungarian R&I system



Share of new graduates (per thousand aged 25-34) in science & engineering (2014)



% 30-34-year-olds who have graduated from tertiary education (2015)

RECOMMENDATIONS

ROOM FOR IMPROVEMENT

- Better exploit the presence of **multinational companies** to improve the overall innovation performance of the country
- Support innovation** among domestic enterprises and boost the entrepreneurial culture
- Foster cooperation between the main actors of the Hungarian R&I system to **facilitate knowledge circulation**

H2020 POLICY SUPPORT FACILITY ACTIVITIES

- Pre-Peer Review of the Hungarian research and innovation system***
- Peer-Review of the Hungarian research and innovation system****
- Mutual Learning Exercises on **evaluation of complex public-private partnerships** and on **evaluation of business R&D grant schemes** (as observer country)

* <https://rio.jrc.ec.europa.eu/en/library/horizon-2020-policy-support-facility-pre-peer-review-hungarian-research-and-innovation>

** <https://rio.jrc.ec.europa.eu/en/library/peer-review-hungarian-research-and-innovation-system>