» NEWSLETTER

CONFINDUSTRIA UNGHERIA

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FRONT PAGE

CARS: EUROPE REWRITES 2035

On **16 October** France and Germany reached an agreement on a common approach to the future of the European automotive industry. According to the **Financial Times**, the compromise would move beyond the 2035 climate-neutrality target, keeping new combustion-engine cars on the market after that date, and would reserve subsidies and public procurement for vehicles made in Europe: the so-called "**Made in Europe**".

On the trade front, the EU and China agreed to limit Chinese exports of hybrid and plug-in hybrid cars: according to Trade Commissioner **Maroš Šefčovič**, they could fall by more than half compared with projections for the next four years. In return Beijing cuts tariffs on **€4 billion** worth of European goods and eases export licences for rare earths and magnets.

For Hungary, where the manufacturing recovery rests on the production ramp-up of **BMW, BYD and CATL**, the two issues meet: the 2035 rules decide which engines will be built, the "Made in Europe" rules which cars will qualify for incentives and public contracts. For the Italian supply chain in the country, this is the framework for planning the next investments.

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BUSINESS MEETS RUGBY: HOW IT WENT

Budapest, 24 September – three business communities on the pitch with Benetton Rugby

The event. On **24 September**, at the Novotel City & Budapest Congress Center, Confindustria Ungheria organised, together with the **CCI France Hongrie** and the **British Chamber of Commerce in Hungary**, the **Executive Rugby Leadership Experience**: an afternoon reserved for CEOs and senior executives of the international business community in Hungary, with **Benetton Rugby** leading the sessions. One simple question at the heart of the day: what does it mean to lead a team?

The day. Workshops led by players and coaching staff, an **Executive Challenge** in mixed teams of managers, a panel discussion that took the debate from the pitch to the boardroom and, to close, a networking dinner with players and coaches. Three lessons emerged from the work on the pitch and in the room: a team moves forward only with a shared direction and clear priorities, because being busy is not enough; communicating well means giving the other person something they can use right away; supporting each other means giving time to a colleague and removing obstacles, just as in rugby you position yourself to help the ball carrier.

Fair play. Underneath it all, the rules of the game: share the credit, take responsibility, respect the opponent, especially under pressure. Leadership is not learned in comfort: it is built when things get hard. The idea for the event came from board member **Fabio Giacometti**, who followed its organisation and also took the photographs of the day.

Photos, video and thanks. All **189 photographs** and the video of the day are available on the Association's portal, on the event page; the video is also on Confindustria Ungheria's YouTube channel. Our thanks go to Benetton Rugby, to the Budapest Congress Center, main sponsor, to the supporting sponsors **Flame Spray Hungary**, **UniCredit Bank** and **Ilinox Hungary Kft.**, to the two partner Chambers and to all participants.

And in Milan. On **15 October** Confindustria Ungheria took part as a professional partner in the "**Invest in Hungary**" conference, held at the headquarters of **Gi Group Holding** in Milan and aimed at companies wishing to enter or expand in the Hungarian market, together with Confindustria Est Europa, the Hungarian Investment Promotion Agency (HIPA), EY and WTS. The session on the labour market was scheduled to include a contribution from President **Roberto Massucco**.

*Event organised by Confindustria Ungheria with the **CCI France Hongrie** and the **British Chamber of Commerce in Hungary**. Photos and video: confindustria.hu/en/eventi/7*



MACROECONOMIC DEVELOPMENTS — SEPTEMBER 2026

Exports picking up, consumption driving growth, MNB on hold at 5.5%

Growth prospects improved modestly at the end of summer, supported by stronger export activity at large multinational companies, while weaker construction, poor harvests and lost **Paks** output weighed on activity. Industrial production rebounded by **1.7%** in July, but the manufacturing recovery remains narrowly based and export-led: despite the ramp-up of BMW, BYD, CATL and other projects, net exports may need roughly one more year to support growth. Our 2026 GDP-growth forecast is **1.6%**.

EU-funded transport projects are more likely to help in 2027. Residential construction growth reached 40% in Q2, but suspended Home Start and brownfield projects may curb momentum. Private consumption remains the main growth engine, supported by rapid real-wage growth and a government benefit package exceeding **HUF 2,000bn**; we expect consumption growth to slow from 4.8% in 2026 to around 4% in 2027. Over two to five years, guest-worker restrictions could reduce GDP by 0.2-0.8%.

In August, RRF project pre-financing pushed the monthly deficit to HUF 2,311bn; excluding it, the deficit was HUF 124bn, HUF 115bn better than a year earlier, mainly because of HUF 418bn in operating-cost savings. RRF funding should arrive by December, leaving the annual cash deficit unaffected. The Contingency Fund, around 0.5% of GDP, supports achievement of the **7.5%** deficit target.

Inflation rose from 1.2% to **1.3%** in August, below the 1.4% consensus, and core inflation has remained around 2% since May. International fuel prices, particularly for diesel, remain an upside risk: instead of a general price cap, the government will provide HUF 5,000 per vehicle per month during the final four months of the year. Inflation may accelerate to **2.3% by year-end** and average close to 1.8% in 2026; gas prices above EUR 70 pose a further upside risk.

The National Bank of Hungary (**MNB**) kept the policy rate unchanged at **5.5%** in September. From 1 January 2028 the inflation target will fall from 3% to **2.5%**, with a tolerance band of one percentage point. We expect easing to resume in November or December if geopolitical risks recede and the government's long-term fiscal plan is received favourably by markets.

The Economic Focus is produced in cooperation with UniCredit Bank Hungary – Macroeconomic Developments, September 2026.

UniCredit Bank



FROM THE WORK OF THE EU INSTITUTIONS

The month's main dossiers of interest to business

2028-2034 budget: cuts, and still no deal. On **10 October** the Irish Presidency of the Council of the EU presented its revised "Negotiating Box": a budget of €1,620 billion, with savings of **8%** (€141 billion) on the Commission's proposal. According to **BusinessEurope** the cuts would fall mainly on competitiveness (-€67 billion), and the new "Core" own resource would be a levy on company turnover even when no profit is made. The European Council of 15-16 October reached no agreement, and the goal of closing the deal by December now looks distant.

Simplification: the "emergency brake" and gold-plating. Giorgia Meloni, Friedrich Merz and Bart De Wever asked European Council President António Costa for a mechanism allowing member states to halt new legislative proposals that are too burdensome for business. Ursula von der Leyen proposed to the 27 a "**Pact against gold-plating**", so that member states do not add to EU directives when transposing them: every added element should be identified, justified and assessed for its impact on business and the single market.

Critical raw materials: 46 new strategic projects. The Commission selected 46 projects in 16 member states, nine of them in Italy, to move closer to the 2030 benchmarks of the Critical Raw Materials Act: **10%** of EU consumption from domestic extraction, 40% from processing, 25% from recycling. The countries involved include Poland, Romania, Slovakia and Bulgaria. Many projects concern the battery value chain, with lithium, nickel, cobalt, manganese and graphite, others defence, aerospace and permanent magnets.

Faster technical standards, more open to SMEs. The Commission proposed to modernise the European standardisation system: clearer deadlines for requested standards, effective representation of small and medium-sized enterprises in standardisation bodies and a new Competence Centre. Harmonised standards are how companies demonstrate compliance with EU law, from batteries to construction products.

Artificial intelligence: already used by 42% of SMEs. According to the latest **Eurobarometer**, 42% of European SMEs and mid-caps already use AI, mostly on a limited and experimental basis, and a further 21% plan to do so. The main obstacles remain investment costs (50%), legal uncertainty (49%) and lack of skills (48%). 61% of the companies using it say that AI helps them make decisions.

Dossiers selected from "Oggi in Europa", the daily brief of the Delegation of Confindustria to the European Union.

Hungary's wealth tax from 2027

What business owners need to know before 31 December 2026

In October 2026 the Hungarian government published a draft bill introducing a net wealth tax, set to enter into force on **1 January 2027**, on net wealth exceeding **HUF 1 billion** (approximately EUR 2.74 million). The first returns and payments are due on 31 August 2027, but the reference date for the first assessment is **31 December 2026**: company owners have a narrow window to assess their exposure and prepare their corporate structures.

Taxable persons and rates. Hungarian tax residents are taxed on their worldwide net assets, non-residents only on Hungarian real estate and directly associated property rights. Trusts and private foundations are also taxpayers: transferring assets into them provides no exemption, while double taxation treaties may create planning opportunities for foreign assets. Net wealth, meaning total assets on 31 December 2026 minus documented liabilities, is taxed at **1.0%** above the threshold and **1.5%** above HUF 100 billion.

Unlisted shareholdings. The scope is broad: real estate, valuable movable property, securities, cash, crypto-assets, life insurance savings, corporate participations. For entrepreneurs and family owners, the key challenge is valuing unlisted equity: the draft rejects simple book equity in favour of a mandatory weighted formula, **two-thirds** earnings multiple and one-third book equity. For holding companies where participations represent 90% or more of total assets, the market value of the underlying portfolio applies.

Hidden reserves and anti-avoidance. For companies with equity over HUF 500 million, the positive difference between fair market value and book value of real estate, participations and securities increases the tax base, after deferred tax or a flat 15% deduction: a property booked at HUF 1 billion and worth 3 adds HUF 1.7 billion to the base. General anti-avoidance rules prohibit transactions designed to reduce the base, and the tax authority (**NAV**) will be able to audit back to the date the proposal was made public. Expert valuations, minority discounts and loss-making or early-stage companies remain under consultation.

What to do now. Estimate your net asset position as of 31 December 2026; take a full inventory of domestic and international assets, including foreign bank accounts and real estate; review your group structure to identify holdings at or above the 90% threshold; run preliminary valuations of your key unlisted operating companies under the proposed formula.

Insight provided by Scudetto Advisory Kft. – www.scudetto.hu

SCUDETTO ADVISORY

VICE PRESIDENT CIMMINO IN BUDAPEST

24 November 2026 – the first stop of the tour of the Confindustria Est Europa Representations

On **24 November** Confindustria's Vice President for Export and Investment Attraction, **Barbara Cimmino**, will be in Budapest: it is the first stop of her tour of the international Representations belonging to **Confindustria Est Europa**, which will continue to Bucharest on the 25th, Sofia on the 26th and Warsaw on 27 November.

On this occasion Confindustria Ungheria is organising, at the **Residence of the Italian Ambassador** in Budapest, the Round Table "**Italian companies in Hungary**": a direct exchange on the operations and development opportunities of Italian companies in the country, to share experiences, needs and prospects and to reflect on how to further strengthen economic relations between Italy and Hungary.

The **Italian Ambassador** and the **Director of ICE** will also take part, in a dialogue aimed at strengthening the exchange between business and institutions and at finding new ways to support the Italian presence in the country. The Round Table is open to both member and non-member companies.

The contributions, experiences and needs of companies will help shape a support system ever closer to the real requirements of doing business in Hungary. The detailed programme and the registration link will be announced in the coming weeks.





ECOMONDO 2026

Rimini, 3-6 November – free ticket for member companies

From **3 to 6 November 2026**, the Rimini Expo Centre hosts the 29th edition of **Ecomondo – The Green Technology Expo**, the leading event in Europe and the Mediterranean region for the green, blue and circular economy. As Europe accelerates its transition towards sustainable and decarbonised development models, Ecomondo offers an international platform to discover innovative technologies, explore new business opportunities and build valuable connections with industry leaders.

The latest edition welcomed over **108,800 participants** and **1,850 exhibitor brands**, with 122 countries represented, across 167,800 gross square metres. The exhibition showcases solutions for waste and water management, bioenergy, sustainable textiles, agriculture, soil protection, sustainable cities and transport, alongside more than 240 events and conferences. The "Waste as a resource" sector takes up a large part of the halls, with technologies for the recovery, recycling and treatment of urban and industrial waste, and six vertical sections are dedicated to the textile and paper supply chains, trenchless technologies, sustainable cities and start-ups.

Organised by **Italian Exhibition Group**, Ecomondo continues to strengthen its international reach, with growing participation from Central and Eastern European countries, both among exhibitors and qualified trade visitors; its recent participation in ENVIRONTEC and its roadshows in Serbia and Poland confirm its commitment to the region. For Italian and Hungarian companies it is a concrete opportunity for new cooperation.

Free ticket for Confindustria Ungheria members. Information and the registration link are on the event page: confindustria.hu/en/eventi/10. For any request: direzione@confindustria.hu.

*Organised by **Italian Exhibition Group**, in cooperation with **Italy Expo**.*

ECOMONDO
The green technology expo.



THE CHRISTMAS DINNER

Confindustria Ungheria invites members and friends to the traditional **Christmas Dinner**, to close the year together: **Tuesday 1 December** at 7 pm at **Fausto's Ristorante** in Budapest, with a fish or meat menu, wine tasting and coffee. The price is **HUF 44,000** per person, all inclusive. Booking and advance payment **by 13 November**, directly through the restaurant's form.

Scan the code to open the event page, with the menu and the booking form.

» HOW TO JOIN

MEMBERSHIP AND 2026 SPONSOR PACKAGES

To join, complete the membership form available at www.confindustria.hu. Companies are admitted by resolution of the Executive Council, following a written application.

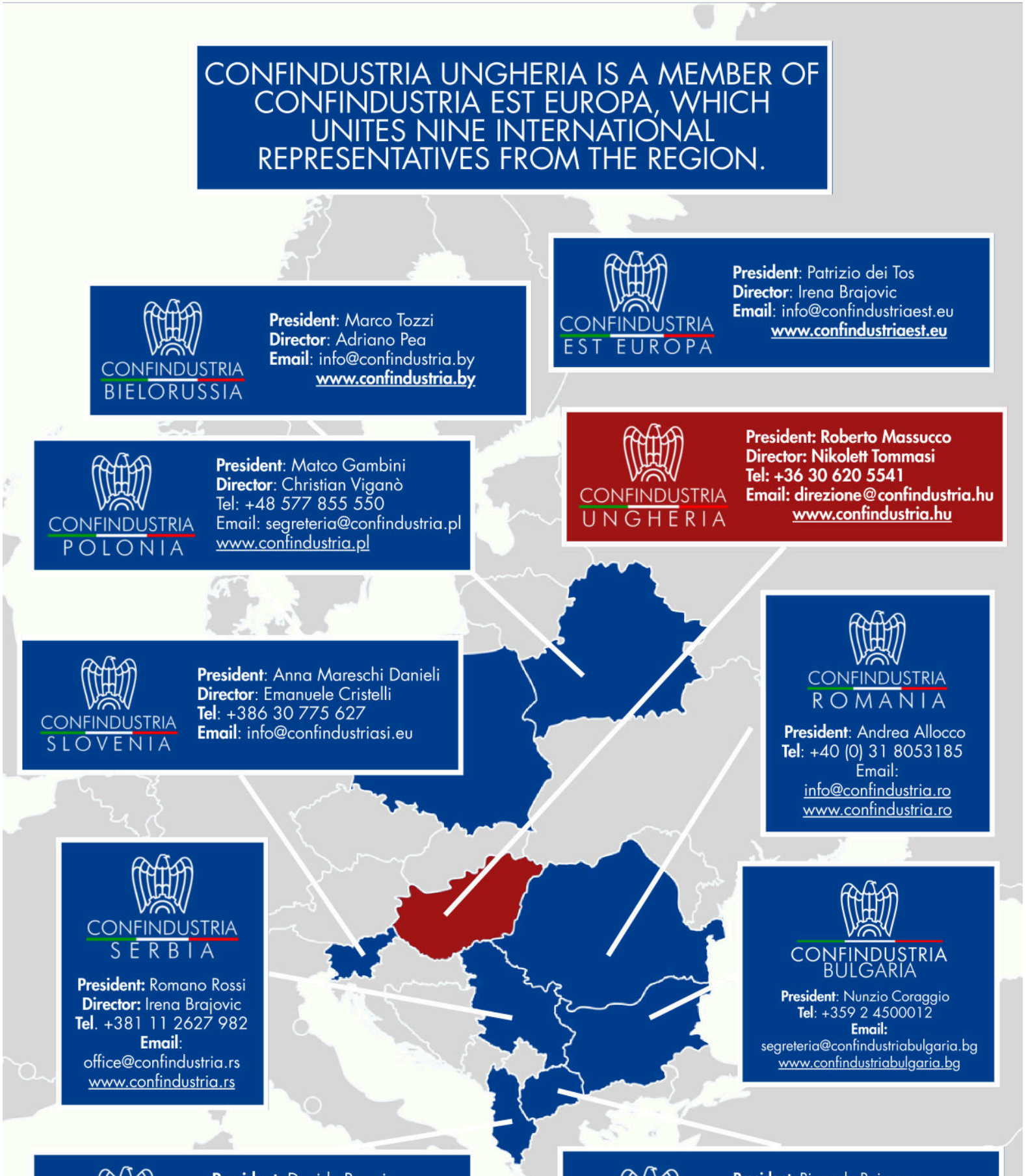
For information: **direzione@confindustria.hu** · +36 30 620 55 41.

Sponsor Packages 2026. Three levels are available — Supporter, Partner 2026 and Strategic Partner — offering different ways to gain visibility and take part: presence on the institutional platforms (newsletter, website, materials), direct communication with members, events and tailored content.

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