» NEWSLETTER

CONFINDUSTRIA UNGHERIA

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CONFINDUSTRIA UNGHERIA
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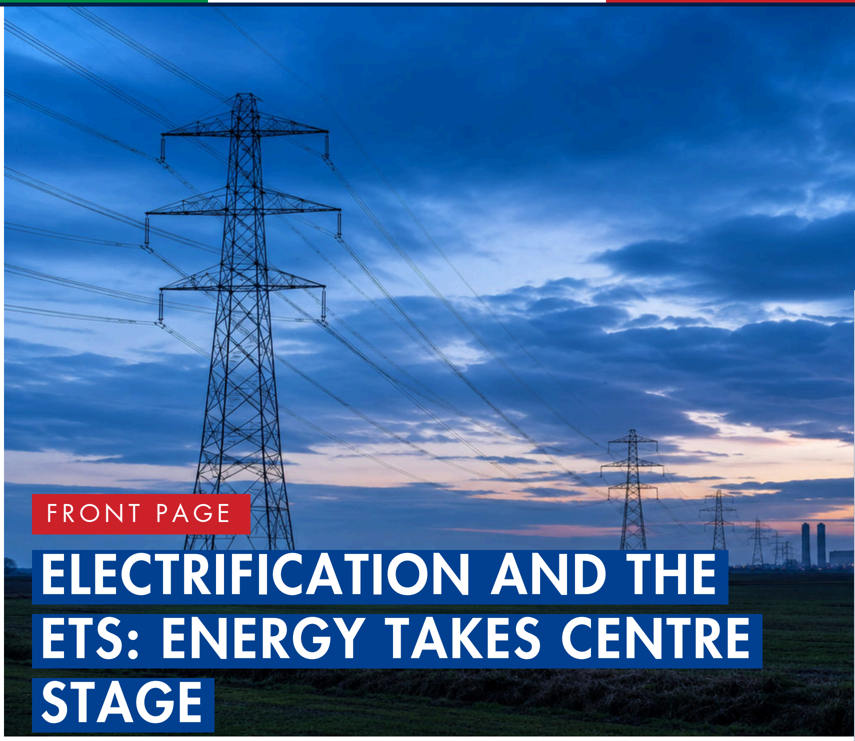

FRONT PAGE

ELECTRIFICATION AND THE ETS: ENERGY TAKES CENTRE STAGE

On 17 July the European Commission presented the **Electrification Action Plan** and the proposed **Future-Proofing Energy Bills** regulation, together with the package revising the **ETS**. The plan sets an indicative target — electricity to account for **46% of the Union's final consumption** by 2040 — and calls on Member States to bring the ratio between electricity and gas prices for industrial consumers down to a maximum of 2 by 2030.

The ETS revision slows the reduction of allowances after 2030 and confirms free allocation for exposed sectors, making it conditional on decarbonisation plans and on investment within the Union; for **CBAM** sectors, the phase-out of free allowances is postponed to **2038**. Confindustria considers the proposal insufficient: its effects materialise largely after 2030 and it does not address the level and volatility of the CO_2 price.

Against this backdrop, European gas storage fell to an average of roughly **55%** at the end of July, a historical low, while in Budapest an emergency decree now governs the disconnection of large electricity consumers. For member companies, energy is at once a cost item and a condition for keeping production running.

TOP NEWS

- **Interview with the President**
  Massucco in Diplomacy&Trade: trust, reliability, cooperation.
- **Economic Focus • UniCredit**
  2026 GDP revised up to 1.7%, low inflation, MNB at 5.75%.
- **Brussels Focus**
  Trade defence, revised ESRS, EUDR, batteries, business transfers.
- **Events**
  "Invest in Hungary": Milan, 15 October, by invitation.
- **Member Focus • DAB**
  Nagykanizsa: 15,000 m², 300 employees, new lines in 2026.
- **Legal insight**
  Electricity: immediate obligations for large consumers.

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Diplomacy&Trade
MONTHLY IN PRINT DAILY ON THE WEB

INTERVIEW WITH ROBERTO MASSUCCO

The President of Confindustria Ungheria in Diplomacy&Trade: "the union of the entrepreneurs"

In its **2026/IV** issue, the magazine **Diplomacy&Trade** devoted its ***italian focus*** to Confindustria Ungheria, interviewing its President, **Roberto Massucco**. We reproduce the main passages by kind permission of the magazine. Confindustria, Massucco explains, is the "union of the entrepreneurs", "sitting with the government and with the unions to discuss about labor laws, labor conditions, in a networking environment and, let's say, representing the interests of businesses before the government for laws about the enterprises".

Roberto Massucco, President of Confindustria Ungheria. Photo: Dávid Harangozó

"We want to do something like that in Hungary but it takes time because you need to build **trust and reliability** that is not something that you do overnight. You don't just sell yourself; you need to prove yourself to people and to institutions." The association is a young organization, with a past of less than four years and, at the beginning, absolutely no structure or administration. "Now, we are in the process of building a credible institution, which is not always easy if we take into consideration the **'Italian DNA'** rooted in hundreds of years of our history. In the 12th-13th centuries, Italy was made up of small municipalities taking care of their own interests, thus becoming individualistic and hard to become convinced to join associations."

"That's really one limit we are facing, but we are moving on. We are also making a business network as I feel that an organization aiming to help enterprises and its members helping each other need to build up a kind of network – by yourself, you cannot move ahead." Why join? The President recalls the **price of electricity** skyrocketing a few years ago, with companies starting to complain. "Whether our intervention influenced the decision or not, I cannot say, but after ten days or so, the government put a price cap to the energy. This is our role: to go and represent an interest. So why join us? Because at that point you have something bigger that can represent your interest to an institution." On the country's appeal, Massucco notes that Hungary has built one of the strongest industrial economies in Central Europe.

31%
industry's share of Hungarian GDP
(among the highest in the EU)

€ 149 bn
exports
(automotive above 35%)

~50
member companies

Industry accounts for about **31% of GDP**, one of the highest proportions in the European Union, with exports now reaching over **EUR 149 billion** and automotive — batteries and road vehicles included — above **35%**.

Those figures, for the President, show where to look. “This explains why Italian companies, known for their expertise in industrial machines, automation, precision engineering, etc. could be interested. However, we also have to think that in ten years from now, the turning point will be the **circular economy**, the environmental technologies.” According to Eurostat, Italy reached almost **21%** circular material usage rate, the second highest in Europe, against a European average of about 12% and 8% in Hungary. “So, there is significant room for improvement in which Italian companies could really do a lot in Hungary in the fields of recycling, waste management, circular economy, sustainable energy, water treatment or industrial energy efficiency where Italy is really one of the top players in Europe.”

Confindustria Ungheria currently has about **50** members and focuses on workshops — the automotive sector, legal matters, tax issues discussed with experts. “I'm not ashamed to admit that now, we are lacking the big Italian companies. Large companies do not need legitimacy from Confindustria Ungheria. On the contrary, their presence would give greater legitimacy to Confindustria Ungheria itself. We are still small but we have already shown that size and credibility are not always the same thing.”

The association has also started a very good cooperation with the **British and French Chambers of Commerce** in Hungary, has long-standing relations with the investment promotion agency **HIPA** and with the Federation of Hungarian Industrialists (**MGYOSZ**), which — like Confindustria Ungheria — belongs to **BusinessEurope**, as well as with the Embassy of Italy, the Italian Trade Agency (**ICE**) and the CCIU in Budapest: “We are integrated with the Italian community while being totally independent of governments.” ***(Interview published in Diplomacy&Trade, 2026/IV, p. 16, and online since 24 August 2026 at dteurope.com — reproduced by kind permission of the magazine; photo by Dávid Harangozó.)***

> “Cooperation is not a sign of weakness, on the contrary: it's often the fastest and most effective way to achieve results that no organization can achieve alone.”
>
> **Roberto Massucco, President of Confindustria Ungheria**

MACROECONOMIC DEVELOPMENTS — JULY 2026

Slower growth, but exports start contributing again

Hungary's economy continued to expand in 2Q2026, although growth moderated following an exceptionally strong first quarter that was supported by several temporary fiscal measures. GDP was up **1.7% year-on-year** and 0.4% quarter-on-quarter, with household consumption and services remaining the primary growth engines.

At the same time, early signs of a **gradual recovery in manufacturing exports** mark an encouraging shift in the structure of economic growth. Large-scale industrial investments, including **BMW, CATL and BYD**, are beginning to contribute to export and industrial output figures. While external demand remains challenging due to geopolitical tensions, Chinese competition and ongoing trade policy uncertainties, the export outlook has improved modestly. The electronics sector, supported by global AI-related demand, continues to outperform and remains one of Hungary's strongest contributors to net export.

Domestic consumption remains resilient, supported by favourable real wage developments, low inflation, strong labour market conditions and newly announced government social measures: consumption is expected to grow in the **3–4%** range throughout the year. In contrast, corporate investment activity remains weak, while public investment may benefit from projects linked to the release of **Recovery and Resilience Facility** funds; these projects, however, have a high import content and therefore limited direct impact on GDP.

In view of accelerating export of major industrial projects, we have revised our 2026 GDP growth forecast up to **1.7% from 1.3%**, although downside risks related to external demand, fiscal consolidation and geopolitical developments remain significant. Fiscal developments improved during June, with the budget posting another monthly surplus and the cumulative deficit reaching **HUF 3,377 billion**, equivalent to 62% of the revised annual target; the government nonetheless expects the fiscal deficit to reach roughly **7.2% of GDP** in 2026.

Inflation remains remarkably subdued: headline inflation slowed to **1.7%** in June, while core inflation increased only modestly to 2.0%. In line with expectations, the National Bank of Hungary (**MNB**) continued its easing cycle by cutting the policy rate to **5.75%** in July; current inflation trends have increased the likelihood of the base rate reaching 5.0% by year-end. Exchange-rate volatility, fiscal uncertainties and external geopolitical developments remain important constraints on monetary policy.

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

UniCredit Bank

FROM THE WORK OF THE EU INSTITUTIONS

The month's main dossiers of interest to business

Trade defence: Franco-German convergence on China. At the 26th Franco-German Council of Ministers, held in Brühl on **17 July**, Paris and Berlin asked the Commission for swift proposals to strengthen trade defence instruments, industrial policy and economic security, floating a new European resilience instrument to reduce dependencies in critical sectors. The relevant ministers will draw up a joint roadmap on China by September. The stated aim is not decoupling, but a combination of dialogue, de-risking and protection of European industry.

Omnibus I: revised sustainability standards adopted. On 3 July the Commission adopted the revised **ESRS** and a new voluntary standard for smaller undertakings. The amendments clarify that fair presentation concerns reporting as a whole, allow information prejudicial to commercial position to be omitted, and grant an extra year to update estimates of expected financial effects. For companies outside the CSRD scope the voluntary **VSME** standard is confirmed, with a ban on CSRD-covered companies requesting data from their value chain beyond what is provided for.

Deforestation: the EUDR scope updated. On 13 July the Commission adopted the delegated act amending Annex I to the deforestation-free products Regulation, excluding hides and leather among others and including soluble coffee and certain palm-oil derivatives. Newly included products will be subject to the obligations from **30 December 2027**; the general dates of application are confirmed, 30 December 2026 for large and medium-sized operators.

Portable batteries: six new exemptions. With the delegated act of 14 July the Commission extended the list of products exempted from the removability and replaceability requirements for portable batteries, covering wearable devices, electric toys, **ATEX** products, wireless food-thermometer probes, wearable medicine-delivery systems and certain telematics devices for agricultural and construction machinery. Removal and replacement must still be feasible for qualified independent operators.

SMEs: the recommendation on business transfers. The Commission presented its recommendation to facilitate the transfer of SMEs, replacing the 1994 text. Member States are invited to act along four lines: information and mentoring; modernisation of legal, tax and succession systems; support for carrying out transfers, including through digital tools; and coordination and exchange of good practice. A directly relevant issue for a business fabric made up predominantly of family firms.

Article by the Delegation of Confindustria to the European Union.

Invest in Hungary

Milan, 15 October 2026 – the economy, investment support and the labour market

On **15 October 2026** Milan will host the professional conference **"Invest in Hungary"**, organised by **Gi Group Holding** together with its professional co-organisers at its headquarters in Piazza IV Novembre 5. The invitation is addressed to company leaders and their colleagues: the stated aim is to connect businesses interested in entering the Hungarian market, investing in the country or expanding their existing operations there with the competent governmental and professional organisations, while providing up-to-date and practical information: the organisers note that more than **2,000 Italian companies** have already chosen Hungary as a destination for their investments.

The programme is built around **two sessions**, each opening with a keynote speech and followed by a round table. The first, **"Investing in Hungary"**, looks at the economic context, key sectors and support instruments; the second, **"The Hungarian labour market"**, at skills, trends and the solutions available. Speakers include the head of the **Hungarian Investment Promotion Agency (HIPA)**, senior representatives of international consultancy firms and leading decision makers from Italian-owned companies already operating in Hungary. Speakers are still being confirmed.

The conference closes with a buffet dinner and networking. This is a **closed-door, invitation-only** conference with a limited number of places and attendance capped at two representatives per company: those interested are asked to confirm their participation as soon as possible through the registration platform. The final programme, confirmed speakers and practical information will be shared with guests in the coming weeks.

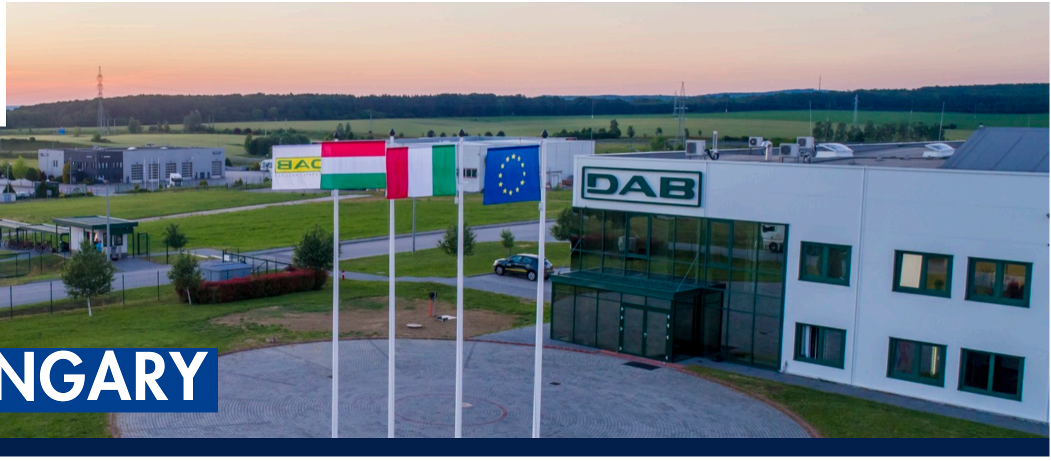
ORGANISER AND PROFESSIONAL PARTNERS OF THE EVENT

Gi Group HOLDING | CONFINDUSTRIA UNGHERIA | hipa HUNGARIAN INVESTMENT PROMOTION AGENCY | EY | wts | Camera di Commercio Italiana per l'Ungheria – Magyarországi Olasz Kereskedelmi Kamara – Insieme per Crescere – Együtt a Sikerért

AT A GLANCE

- **When:** 15 October 2026, 2:00–6:00 p.m.
- **Where:** Gi Group Holding — Headquarters, Piazza IV Novembre 5, 20124 Milan (metro Centrale, Caiazzo, Gioia, Sondrio)
- **Format:** closed-door conference by invitation; maximum two representatives per company
- **Languages:** Italian and English, with simultaneous interpretation; travel expenses borne by participants
- **Registration:** connect.gigroupholding.com — in the section dedicated to the Milan event

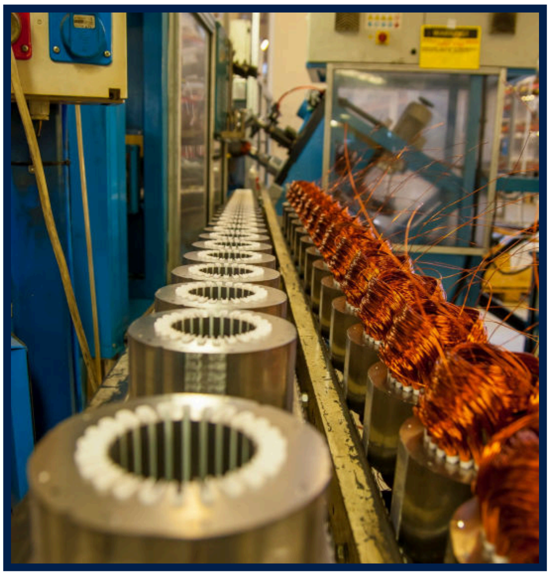
Save the date circulated by the organiser.



DAB PUMPS HUNGARY

Technology, growth and sustainability in Nagykanizsa

DAB is a multinational company specializing in the design and manufacture of water pumping systems that are easy to install and use. The Group operates in three main reference markets — **House, Building, Agriculture & Irrigation** — providing solutions for water movement and management in residential, commercial, industrial and agricultural contexts. Its product portfolio is designed to ensure ease of use, efficiency and reliability, integrating smart solutions across selected product ranges to enhance durability, functionality, monitoring, control and system optimization: supporting customer needs while contributing to a more responsible use of water and energy resources.



The Nagykanizsa plant: the stator winding line

DAB

MAKING WATER EASY

In **2025**, DAB marked its 50th anniversary, celebrating five decades of making water management simple and accessible; a focus on quality, transparency and reliability has helped the company build lasting relationships with partners and customers worldwide. Headquartered in **Mestrino (Padua)**, Italy, DAB is an international group with a global workforce of approximately **1,650 people** and revenue of **€415 million** in 2025.

DAB Pumps Hungary Kft. was established in **2013** in the industrial park of Nagykanizsa, in the southwest of Hungary. Since its foundation the plant has undergone continuous development: the production area has expanded from the original 5,000 m² to approximately 15,000 m² today, enabling the introduction of new technologies, products and processes. The Nagykanizsa facility carries out a broad range of manufacturing activities: it produces surface pumps, submersible pumps, circulators and pressure-boosting systems, while also developing significant expertise in the production of semi-finished components. Operations include stator winding, plastic injection, machining, motor assembly, painting and final product assembly, making the plant a comprehensive manufacturing hub supporting DAB Group's global operations. Growth continues in **2026** with a new investment program valued at nearly **EUR 1 million**, including a new assembly line and a new painting line, aimed at increasing production capacity, improving manufacturing flexibility and enhancing customer responsiveness.

300
employees in Nagykanizsa

15,000 m²
production area
(from 5,000 in 2013)

540 kWp
photovoltaic system

One of DAB Pumps Hungary's major strengths is that both the factory and the property are **entirely company-owned**: in addition to the current facilities, approximately **20,000 m²** of greenfield land remain available for future development, providing opportunities for further expansion, new technologies and additional manufacturing capacities. The organization employs nearly **300 people**, whose expertise and commitment play a crucial role in the company's success.

The Hungarian operation works closely with the Group headquarters in Italy as well as with global R&D, sourcing and quality teams: this collaboration ensures that products manufactured in Nagykanizsa meet the highest international standards. The company operates under an **ISO 9001:2015** certified quality management system and complies with numerous international certification and audit requirements. Innovation, technological development, sustainability, workplace safety and employee growth will continue to guide the company's strategy, which aims to keep the site a strategic part of the Group's international manufacturing network.

> "We truly care about the future, and we promote a culture of innovation that supports both environmental sustainability and the personal growth of our people. We are proud that our Hungarian manufacturing site contributes to DAB Group's global success, making water management simple and accessible everywhere."
>
> **DAB Pumps Hungary Kft.**

SUSTAINABILITY IN NAGYKANIZSA

Sustainability is one of the key pillars of DAB Group's strategy, alongside innovation and technological development. The Nagykanizsa site operates a **540 kWp** photovoltaic system that has already generated more than **675,000 kWh** of renewable energy and helped avoid approximately **540 tonnes** of CO_2 emissions.

A rainwater recovery system contributes to significant water savings, while EV charging stations and the gradual electrification of the company fleet further reduce the plant's environmental impact and support the transition of corporate mobility.

Electricity: immediate new obligations for large consumers

Two hours to comply

Government Decree 118/2026 (VIII. 1.) was promulgated in the Hungarian Official Gazette (**Magyar Közlöny**) no. 104 of **1 August 2026**, amending Decree 280/2016 on the measures required in the event of a serious disturbance of the electricity system and of a supply crisis. The decree entered into force the same day at 7:00 p.m., leaving extremely short compliance times.

A **"large consumer"** is a user with a contracted capacity equal to or above **0.5 MW**: the assessment must be carried out site by site. In the event of a disturbance or of the risk of a crisis, the transmission system operator issues a proposal to reduce offtake, which the company must follow to the extent that can reasonably be required of it and without any right to compensation for the resulting financial loss.

Where compliance is missing or inadequate, a formal notice with a **two-hour** deadline follows, with the involvement of the disaster management authority; in a crisis situation the load-reduction instruction becomes binding and subject to penalties, and the operator may disconnect the company from supply for the duration of the event.

WHAT TO DO NOW

- **Qualification**: collect contracted capacity data for each site.
- **Point of contact**: a contact person available 24/7, with a deputy, a dedicated e-mail address and phone number, notified to the network licensee and the supplier.
- **Decision chain**: establish in advance who decides on load reduction, so as to meet the two-hour deadline.
- **Step-by-step technical plan**: which lines and equipment to switch off, in what order and how quickly, treating continuous-cycle plants separately.
- **Records and contracts**: minute proposals, instructions and execution; review force majeure clauses, penalties and business-interruption cover.

Legal insight by Havasi Ügyvédi Iroda (dr. Bence Havasi); materials available from the Direction.

Havasi Ügyvédi Iroda
lawfirm • Rechtsanwaltkanzlei • studio legale

» NOTICES

SIMEST TOOLS FOR INTERNATIONALISATION

As part of its support to member companies, Confindustria Ungheria highlights the subsidised-finance tools made available by **SIMEST** (Cassa Depositi e Prestiti Group). These include the **"Digital or Ecological Transition"** instrument under Fund 394/81, and **the Energy Measure for international competitiveness**, dedicated to companies affected by the conflict in the Persian Gulf area (with the related certification on increased energy costs). The Direction is available to arrange a dedicated information meeting.

» 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.

CONFINDUSTRIA UNGHERIA IS A MEMBER OF CONFINDUSTRIA EST EUROPA, WHICH UNITES NINE INTERNATIONAL REPRESENTATIVES FROM THE REGION.

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