

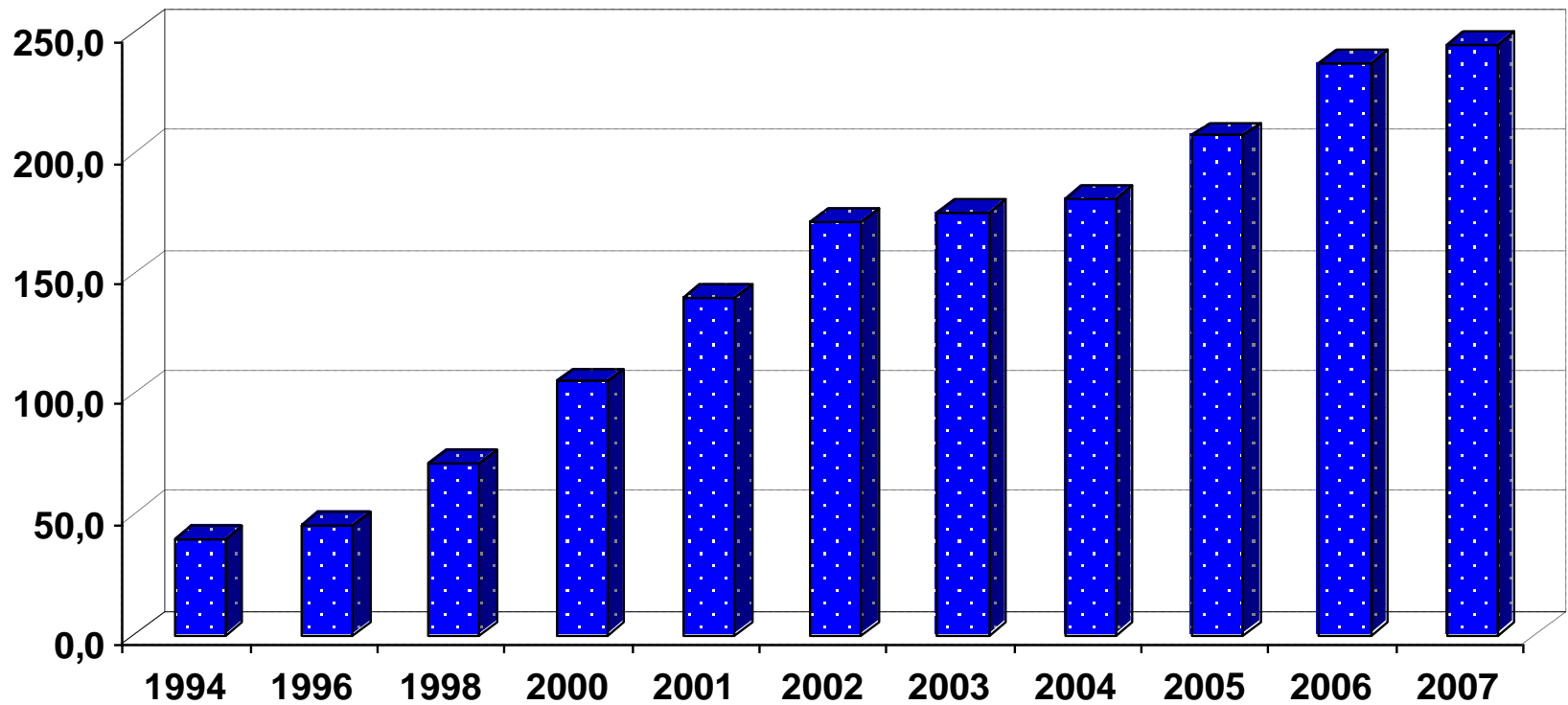
# Regional Innovation Network development in Hungary

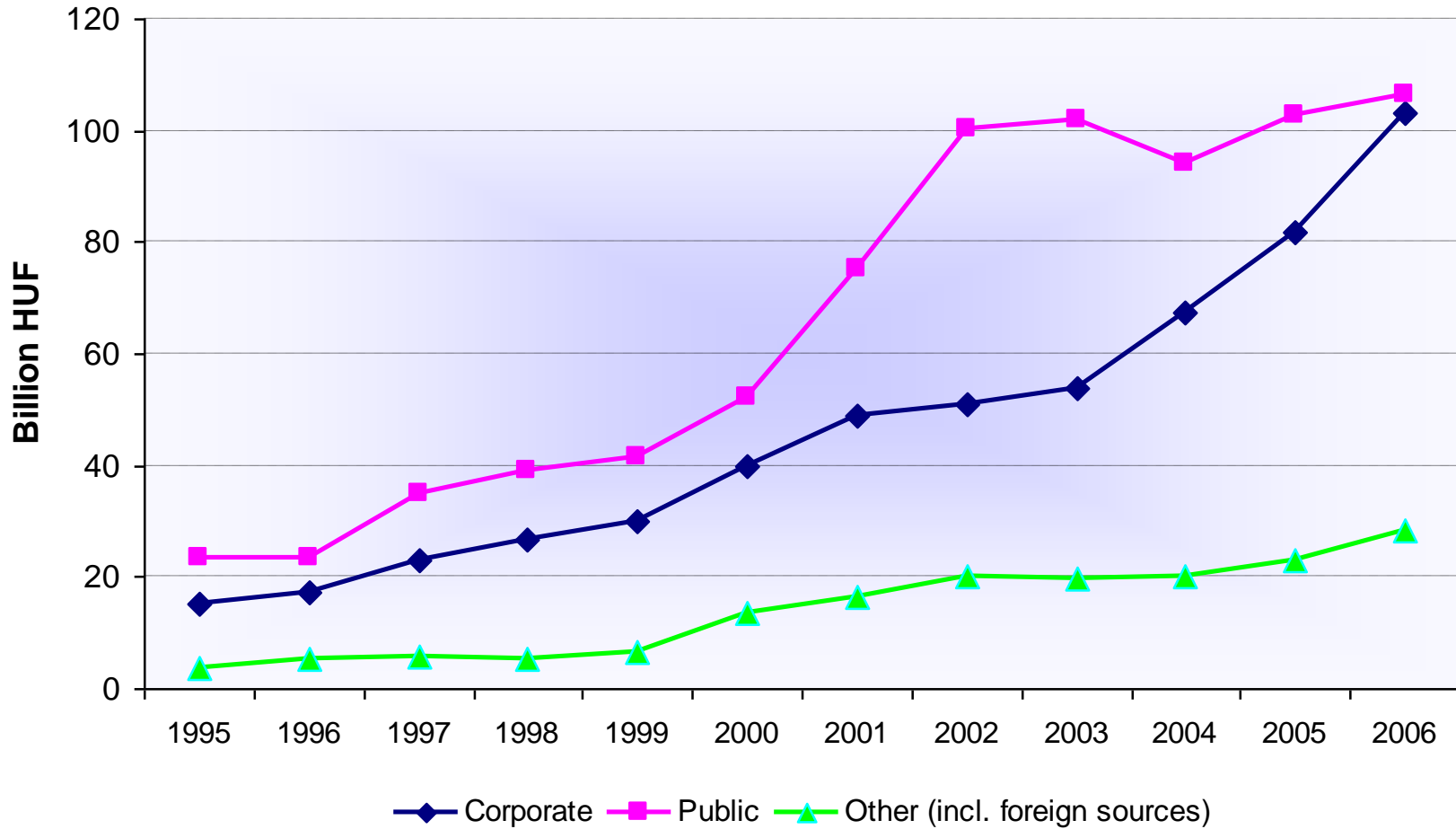
## Strategy, development tools, achievements

- 1. Strategic Planning in Hungary relating STI - 2002**
- 2. The development of the innovation system 2003-2009**
- 3. RIÜNET – the new brand**

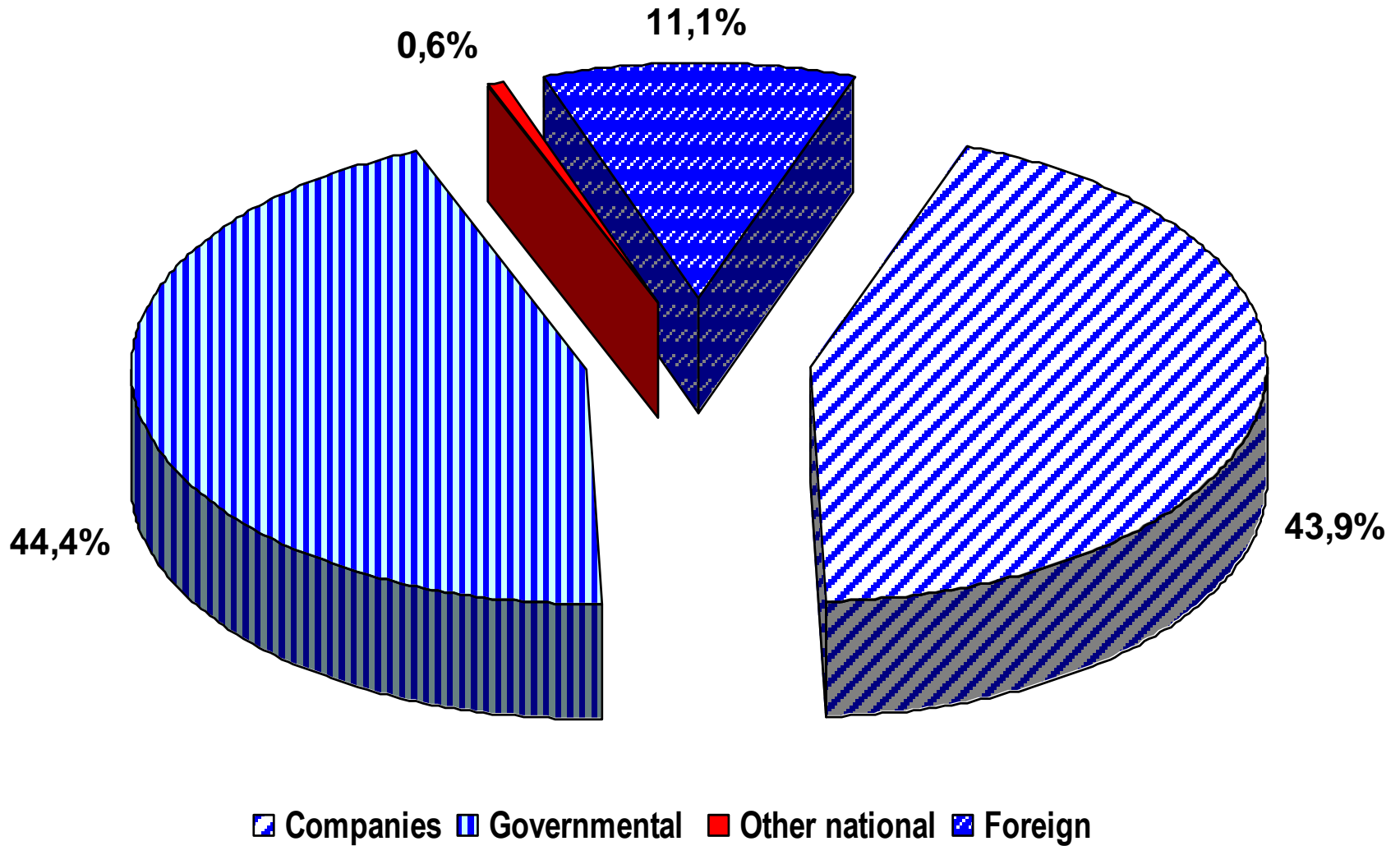
## Status report from 2002

- **Low R+D expenditure (GERD)**
- **Low innovation intensity of companies (especially SMEs)**
- **Fragmented R&D grant system**
- **Strong academic background, but with inadequate linkages to industry**
- **Weak commercialisation and exploitation of R&D results**
- **Regional disparity**



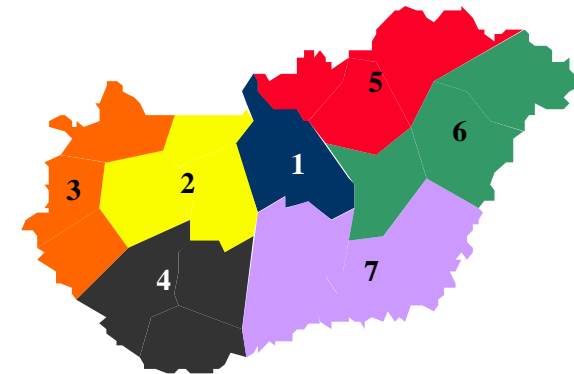


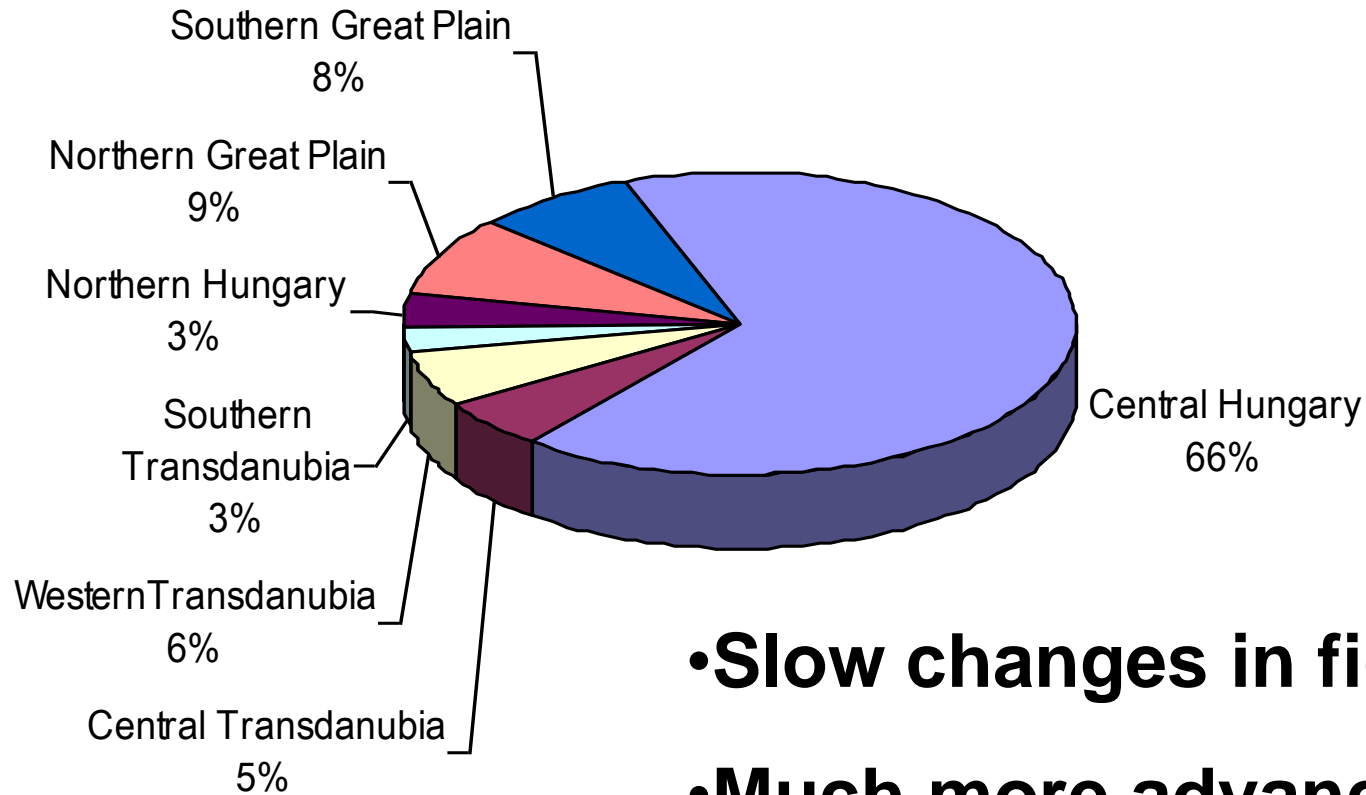
**GERD (total, 2006): 238,0 billion HUF; 1% of GDP**



Region	R&D units	Number of R&D staff	R&D expenditure (million HUF)*
1. Central-Hungary	1 199	14 756	93 113,1
2. Central Trans-Danubia	158	1 352	8 023,7
3. Western Transdanubia	150	1 013	6 693,6
4. Southern Trans-Danubia	195	1 148	4 883,2
5. Northern Hungary	118	777	2 639,5
6. Northern Great Plain	250	1 756	9 139,2
7. Southern Great Plain	267	2 140	10 044,9
<b>Hungary</b>	<b>2 337</b>	<b>22 942</b>	<b>134 537,2</b>

- **70 % of R&D resources are concentrated in the Central-Hungary region**
- **Strong R&D basis in university towns**





- **Slow changes in figures**
- **Much more advanced innovation structure**

1. Strategy and legislation
2. Financing and knowledge development
3. Governace structure and NIS development

## **Act CXXXIV of 2004 on R&D and Technological Innovation**

### **Vital elements:**

- **Enable the creation of innovative firms, e.g.spin-offs**
- **Strengthen research and technology adoption capacities**
- **Increase attractiveness of research careers, mobility**
- **Support industry- academy relationship building via regional centers & networks**
- **Improves general framework conditions for support and services via bridging institutions**
- **Clears IPR regulations**

**It was established by the Act XC of 2003**

**Aim:** to provide stable and reliable financing for innovation and for the knowledge based companies.

## **Resources of the Fund:**

- **Companies (medium and large sized) registered in Hungary pays mandatory innovation contribution (0,3% of their adjusted net turnover) (*Micro as well as small enterprises are exempt from paying a contribution.*)**
- **Hungarian Government contributes to the Fund at least an equal amount.**

**25 % of the financial resources of the Fund should be used for regional innovation purposes.**

**Direct R&D expenditures, both intramural and ordered from public R&D units, can be deduced from the contribution.**

## Five priorities of the national Science, Technology and Innovation (STI) strategy for 2007-2013

Domestic companies, products and services that are competitive at the global market

Culture of receiving and utilising the results of the scientific research

Quality, output and utilisation driven, efficient national innovation system

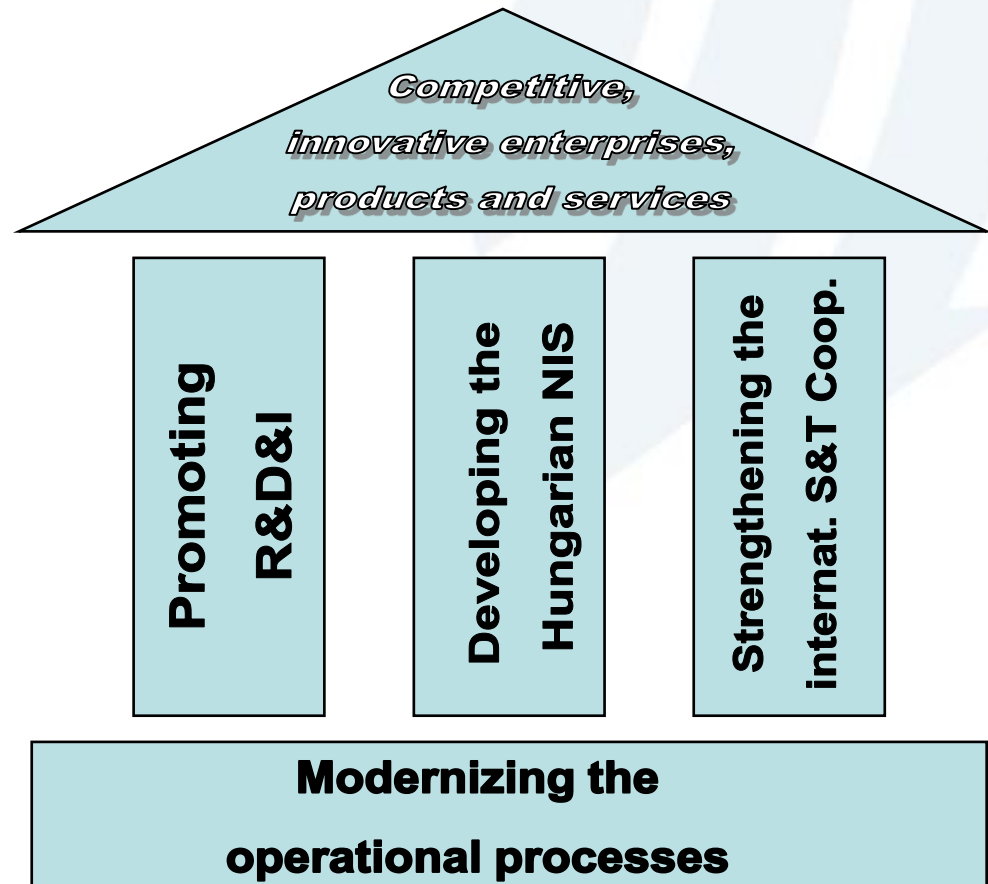
Well honoured, creative and innovative workforce that tackles the challenges of the knowledge economy

Knowledge creation and utilisation conducive economical and legal framework

## Key technological areas defined in the STI strategy:

- **Info-communication technologies**
- **life-sciences and biotechnology**
- **medical equipment industry**
- **material-science and nanotechnology**
- **environmental technologies**
- **energy-saving and regenerating, alternative energy source technologies**

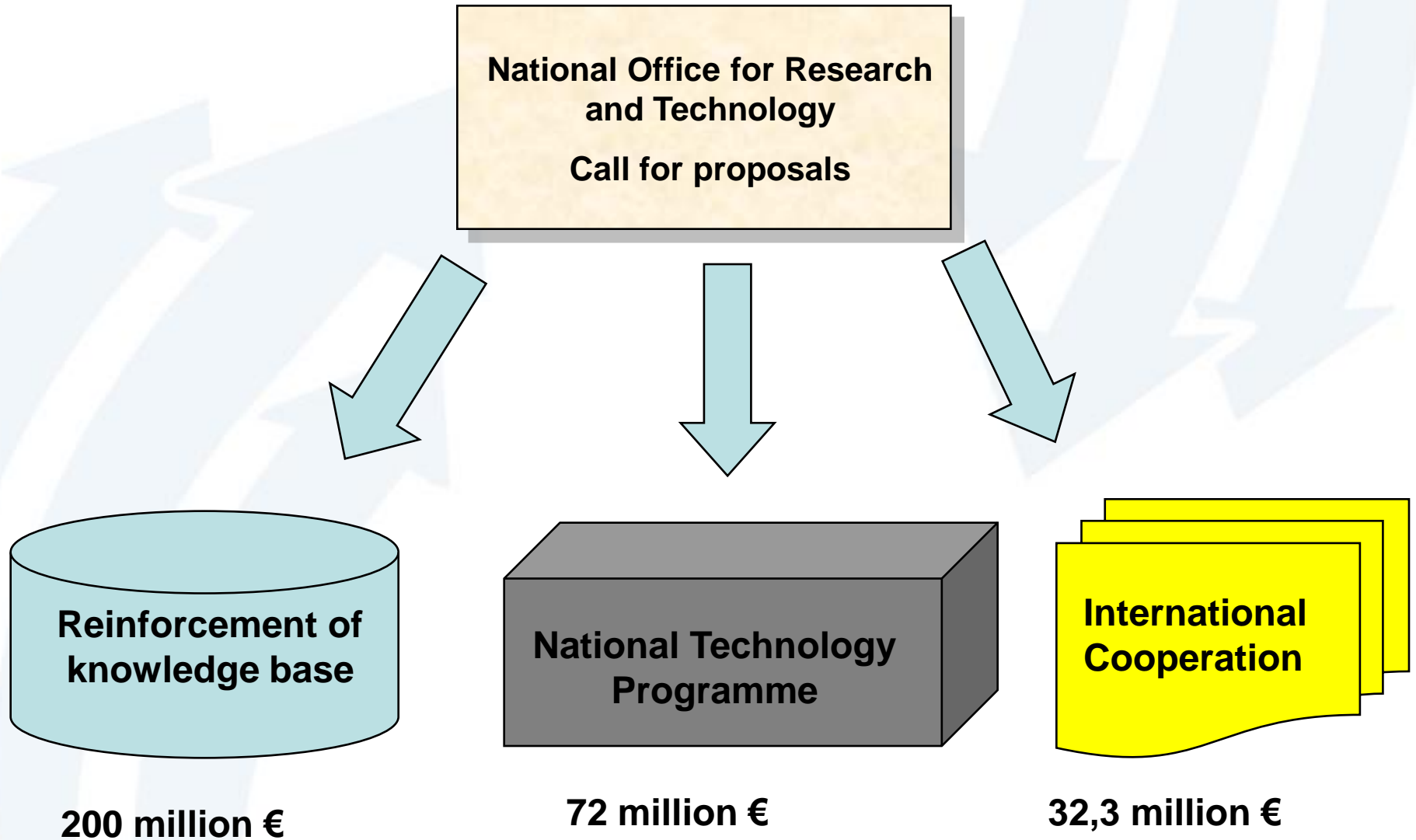
- **Promoting R&D and innovation**
- **Developing the National Innovation System**
- **Strengthening the international S&T co-operations**
- **Modernizing the operational processes**



**Strategic objective of the  
National Office for Research and Technology  
for managing the  
Research and Technology Innovation Fund**

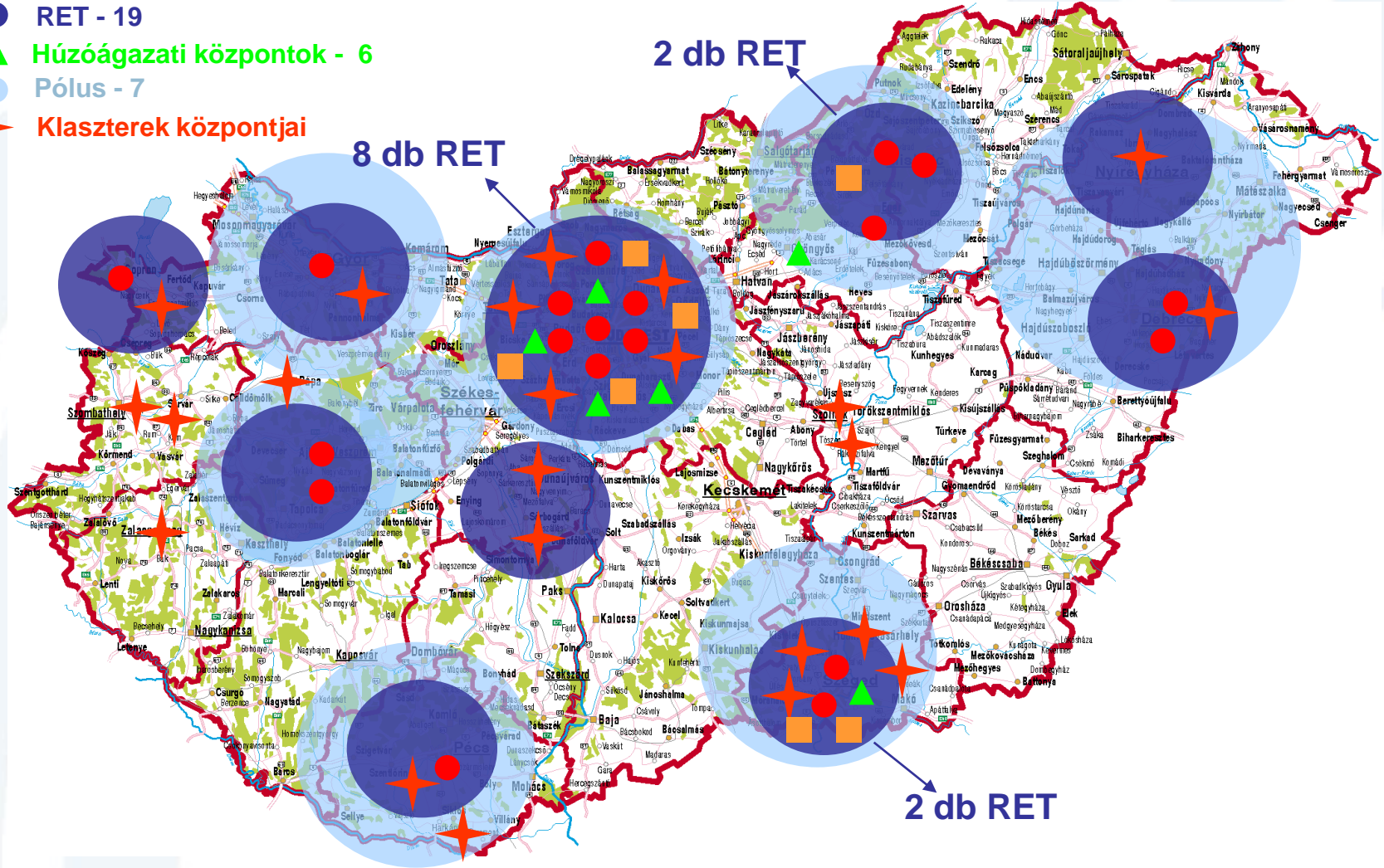
**„Stimulating the development of a  
high-tech Hungary  
by supporting the R&D and innovation”**

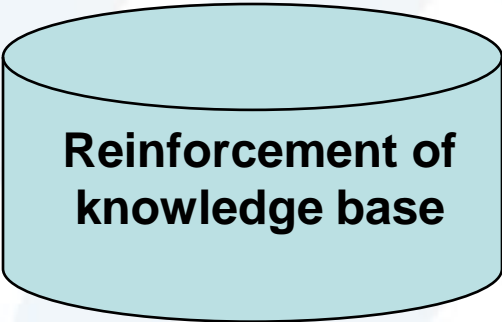
Indicator	2005 (fact)	2010 (target)	2013 (target)
R&D / GDP	0.95%	1.40%	1.80%
BERD	0.37%	0.63%	0.90%
new products	4.2%	5.0%	6.0%
S&T graduates	5.1%	5.5%	6.0%
EU patent	18.9	24.0	28.0
early VC/GDP	0.004	0.005	0.006



- **High-tech Competitiveness Centres Programme**
  - Promoting the development of 3-4 internationally competitive innovation centres in the areas that promise major scientific and economic breakthrough for Hungary
- **National Technology Programme**
  - Promoting focused, co-operative, long-term strategic research in promising areas: biotechnology, nano- and microtechnology, materialtechnology and manufacturing, ICT, environmental technology.
- **Knowledge Base Strengthening Programme (Maecenas-type subsidies)**
  - Promoting: » commercialisation of R&D results; » regional innovation; » targeted basic research; » mobility, patenting, public perception of S&T, national technology platforms; » using of R&D infrastructures
- **International Co-operations Programme**
  - Promoting: » project-based international co-operation; » building connections

- **KKK - 19**
- **RET - 19**
- ▲ **Húzóágazati központok - 6**
- **Pólus - 7**
- ★ **Klaszterek központjai**
- **Teller szakmai központ - nemzetk. együttm. - 7**





**Usage of R&D results**



**Knowledge into products**

**enhancing foundings of companies**

**Regional Programmes**



**Decentralized regional programmes; Innocsekk; Regional Innovation Agencies**

**NKTH-OTKA**



**Basic research; Human resource**

**„Mecenas” programmes**



**Supporting researchers, IP, cybergeneration, social research**

**Sustainable research**



**National Scientific Innovation System  
National Research Infrastructure**

- Targetted support schemes for collaborative innovation (companies with academic partner)
- R&D Tax relief
- R&D FDI promotion
- International cooperation

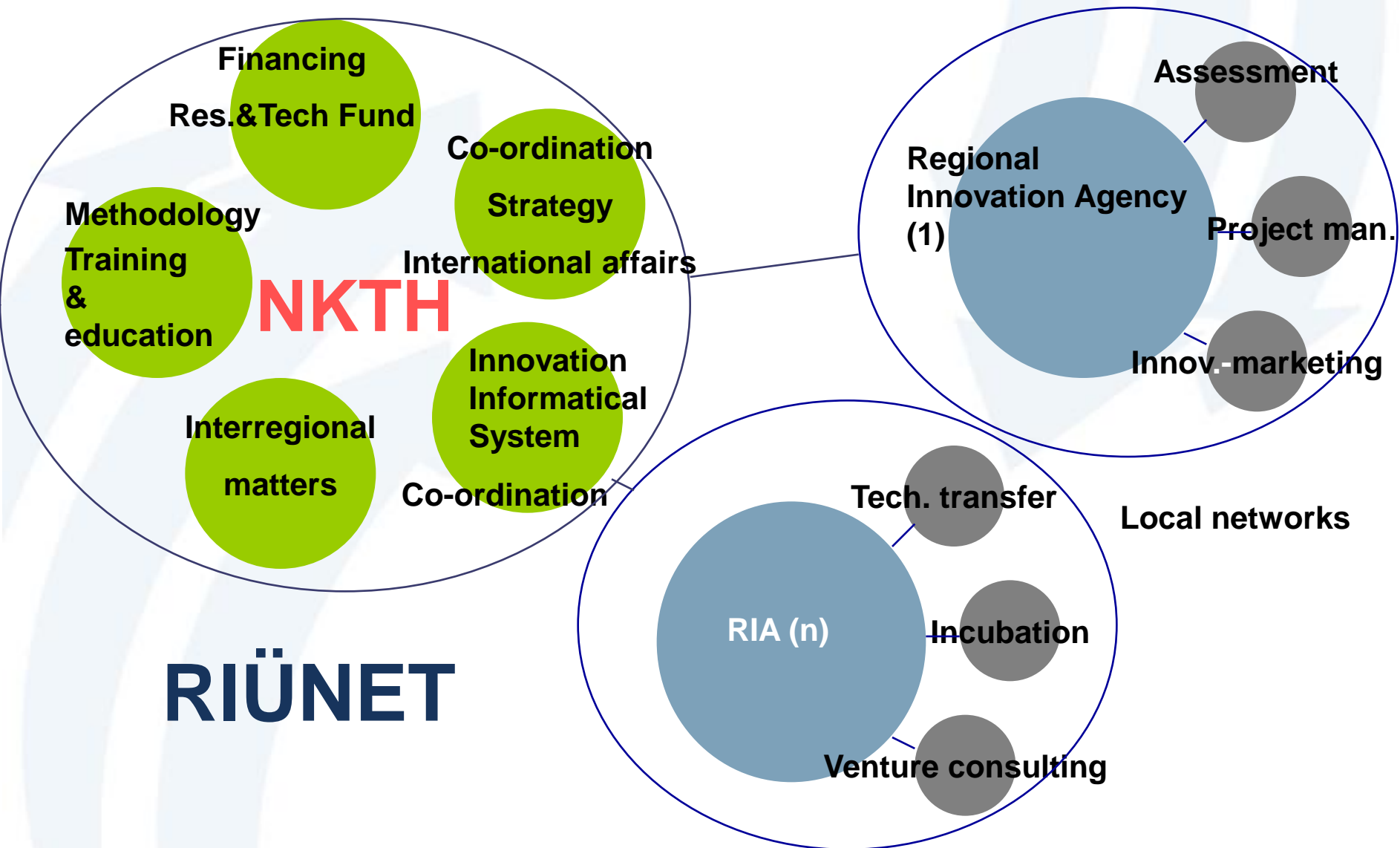
- **Institution financing (per year)**
  - For the higher education institutions – about € 150M (no exact figure)
  - For the Academy of Sciences – € 80M
- **Programme financing (per year)**
  - For basic research: OTKA – € 25M
  - For applied research and innovation: Research and Technology Innovation Fund – € 150M
  - For applied research and innovation: EDOP (SA co-funded) – € 140M
- **EU RTDI Programmes financing (appr. per year)**
  - FP7 – € 80-115M
  - CIP – € 5-8M



***Harmonisation of resources!***

**EDOP resources: 674 Bill.HUF Ft (9,3 %, a KFI 3,1 %)**

	Priorities	[Mill. €]	[%]
1	Innovation for competitiveness	967,5	33,74
2	Complex development of enterprises (specially SMEs)	829,3	28,92
3	Strengthening the modern business environment	331,7	11,57
4	JEREMIE-type financial measures	635,8	22,17
5	Technical assistance	103,2	3,60
	<i>Total:</i>	<i>2 867,5</i>	<i>100,00</i>



- **The Innocheck Plus program**

Supporting the innovation initiatives of small and micro-sized enterprises: co-financing innovation projects by a support system of innovation services.

- **The Regional Innovation Development Program-package**

established on the proposal of the Regional Development Committee (RFT) serves the innovation goals of the **decentralized regional division** of the Research and Technological Innovation Fund.

- **Grouping of programs / projects to develop common management procedures** (four groups of programmes)
- **Predictable time schedule for tender procedures**
- **New evaluation criteria of projects** (marketability, capital investment - seed/venture/private capital - in the project, business exploitation, business plan)
- **Project evaluation, signing the contract** - within an appointed term
- **Monitoring, evaluation of programmes** – regularly, with increased function

**Thank  
you for  
your  
attention!**



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