



## Evaluation of National Report on SMEs in Hungary

### ADAPTYKES project WP3

The Hungarian National Report gives a broad and well-founded overview on the Hungarian economy and its changes during the last years. As it is seen from the data and the charts the economical situation and environment is really hard for the SMEs in spite of all of the planned and implemented regulatory and financial modifications. The overall GDP growth during the period of 2007 and 2011 was 1 percentage and is foreseen about 0 percentages in 2013.

The SME sector plays a very significant role in Hungarian economy: 97,3% of the enterprises are SMEs, with 55,8% of employees and producing 46,6% of sales revenue. But we can see from the Report that the productivity of Hungarian SMEs is lower than EU average productivity (added value 50% of total vs. 58% in the EU). Also the R&D expenditure (20,7% of total) is very low, due partly to the lack of financial resources. Behind the fact that Hungarian SMEs are less innovative we find also the lack of risk-taking attitude and the lack of human skills necessary for innovations. These figures show that **the SME sector is weak in factors establishing the future: skills and attitude of human resources. These deficiencies of productivity and innovation are important factors in our project.**

The report also presents the situation of lifelong learning in Hungary. The country is weak in the rate of higher education level qualifications in the active-age population and in the rate of participation in adult education. The EUROSTAT data, presented in the National report shows decreasing ratio of participation in adult education and trainings between 2006 and 2011. Both job related and non-job related education and training has decreased in participation ratios with 40 and 50%. This results in an insufficient level of basic skills, labour- market skills and social competences of the Hungarian human resources. **This tendency is also supporting our project aiming to help SMEs to develop their workforces.**

Within the companies education and training is considered as a function of HR management, but the Hungarian small companies generally do not have HR department or even somebody who is dedicated to HR tasks. The figures show that much less SMEs provide training for their employees than larger companies (40% vs. 65%). SMEs send 25% of their employees to trainings while this ratio is 29% at larger companies. With all these data Hungary were in the last position in the EU in 2010. **These data show the**

necessity of any projects like ADAPTYKES supporting education of employees of the Hungarian SMEs.

ADAPTYKES project is also focusing on organizational innovation and the National Report presents the need of this support: the share of firms introduced any kind of organizational innovation was 0,13% in 2010 (larger companies: 0,47%). A great majority of small enterprises (10-49 employees) did not implement any types of organizational innovations.

The National Report on SMEs in Hungary contains very useful data and is supporting the goals and necessity of running ADAPTYKES project in Hungary.

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Lifelong  
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