Cluster programmes in Hungary from 2000

First cluster established in Hungary
- Initiated by the Ministry of Economy
- Pannon Automotive Cluster (PANAC)
- Involvement of three major Hungarian-based car manufacturers (Suzuki, GM, Audi) and more than 50 SME’s

As a result of the cluster support programmes approx. 50 clusters or cluster initiatives existed in Hungary by 2007

Grants for the set-up and operation of cluster management organizations as part of the Széchenyi Plan (domestic funds)

2007-2013 EU budgetary period made a long-term consistent cluster policy possible
- Hungarian Pole Program (2008-2010) for cluster development and for the improvement of the business environment
- Cluster development in the New Széchenyi Plan (2010-)

As a result of the cluster support programmes approx. 50 clusters or cluster initiatives existed in Hungary by 2007

Grants for the set-up of clusters and for cluster activities from Structural Funds

The projects are supported by the European Union and co-financed by the European Regional Development Fund.
Integration of the former Pole Programme Office
• From April 2011 a division which is called Cluster Development Office has been set up within the organisation of MAG and it has taken over the tasks from Pole Programme Office.

The main benefits arisen from the integration
• Standardized execution
• Direct flow of information
• Significant savings of resources
MAG – Cluster Development Office performs the following tasks in relation to clusters:

- Participation in the development and implementation of the national cluster policy
- Cooperation with the concerned organisations e.g. Ministry of National Development, Ministry for National Economy, MA of EDOP and MA of ROP of NDA, RIA’s, RDA’s
- Forming and deepening co-operations, regular consultation with clusters:
  - bilateral meetings;
  - cluster manager club;
  - web page of the Office;
- Active participation in international co-operations: CEE, SEE, CIP etc.
- Hosting international conferences
- Complex management of the Cluster Accreditation process
- Participation in the strategic planning of the cluster related calls
- Producing cluster analyses and reports
Multi-stage cluster development model

**Development stage**

- **Start-up cooperations**
  - Start of cooperation in a network
  - Cooperation in supporting and administrative activities

- **Developing clusters**
  - Deepening trust among members
  - Cooperation in value creation activities

- **Accredited Innovation Clusters (AIC)**
  - Strong trust among cluster members
  - Cooperation in innovation

**Available grants**

- **Regional OP’s**
  - Cluster management

- **Economic Development OP**
  - Joint innovation

The projects are supported by the European Union and co-financed by the European Regional Development Fund.
Support system of the Hungarian clusters

- **National level (EDOP)**
  - Cluster accreditation

- **R&D&I support schemes for AIC members**
- **Joint innovation project of AIC members**
  - Special advantages

- **Regional level (Regional OPs)**
  - Central Transdanubia
  - Central Hungary
  - North Great Plain
  - South Great Plain
  - North Hungary
  - South Transdanubia

- **Support of cluster management:**
  - Start up
  - Developing
  - AIC

- **Support of joint investment:**
  - Developing
  - AIC
General introduction of the Cluster Accreditation (CA)

Aim of the scheme
To select and classify those clusters that
- have remarkable contribution to the Hungarian employment
- have high innovation potential,
- are export-oriented,
- are able to reach significant international and domestic performance

The accreditation entitles the clusters for
- applying for dedicated sources of the EDOP
- advantages and preferential treatment in certain calls for proposals

Advantages of the accreditation
- In the past three years the Cluster Accreditation system had become a significant incentive of economy development
- The CA system recognised as a good-practice by the European Commission
- The „Accredited Innovation Cluster” title had become an internationally known brand
- The accreditation of clusters can be flexibly used to „pre-filter” a large scale of companies applying for grants in the field of innovation and technology development
Currently 22 clusters hold the Accredited Innovation Cluster title in Hungary

### Accredited clusters

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT</td>
<td>8</td>
</tr>
<tr>
<td>Healthcare</td>
<td>5</td>
</tr>
<tr>
<td>Environmental industry</td>
<td>2</td>
</tr>
<tr>
<td>Construction/Energy</td>
<td>2</td>
</tr>
<tr>
<td>Machinery/vehicle production</td>
<td>3</td>
</tr>
<tr>
<td>Packaging/plastics industry</td>
<td>1</td>
</tr>
<tr>
<td>Wood/furniture industry</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
</tr>
</tbody>
</table>

- Most of the 22 Accredited clusters have its geographical focus in regional centres
- Total number of cluster members: 782 (SME members: 677);
- Total revenue of member companies (‘11): EUR 30.9 billion;
- Total export revenue of SMEs (11): EUR 416 million;
- Total employment of cluster member companies: ≈ 70,000;
Results of cluster supports 2007-13

Stage

Start-up cooperation
- 180 granted start-up initiatives so far
- 38 granted developing co-operations so far
- EUR 25 million grant

Developing cooperation

Accredited Innovation Cluster
- 21 accredited innovation clusters (AIC)
- 206 joint innovation projects by AICs
- EUR 125 million grant has been allocated so far
- EDOP R&D&I priority: EUR 280 million grant has been allocated so far (25% of the allocated grants in EDOP R&D&I priority)
- EDOP 1-3 priorities: EUR 390 million grant has been allocated so far
Lessons learned, future steps & challenges

- The support and development of clusters and cluster organisations should be continued in the next programming period, however more emphasis should be given to self-financing.
- Priority in the support of those clusters which already have a significant track-record;
- Enhancing the skills of the Cluster management organisation;
- The cluster accreditation system is capable to filter and qualify clusters, but the recent experiences should be channelled into the qualification system;
- Room for internationalization;
- The cluster phenomena should be embedded into the general business environment (taxation, accounting etc. issues);
Thank you for your kind attention!

**Peter Keller**  
MAG – Cluster Development Office

[Keller.peter@magzrt.hu](mailto:Keller.peter@magzrt.hu)  
[klaszteriroda@magzrt.hu](mailto:klaszteriroda@magzrt.hu)  
[www.klaszterfejlesztes.hu](http://www.klaszterfejlesztes.hu)