

Trade up Debrecen

By: Claire Quinn

The Hungarian city of Debrecen lies in the east of the country, 137 miles from Budapest. Located in the centre of what is known as the North Great Plain Region, Debrecen is also within easy reach of the Romanian and Ukrainian borders, 30 and 75 miles away respectively. Historically the city is first cited in 1235 and is believed to have been formed from the amalgamation of several small villages in the area. Conversely, today the city has developed into a thriving urban centre and is home to over 210,000 Hungarians. Due to its historic and cultural heritage, Debrecen is now one of the primary tourism destinations in Hungary. In addition, the city offers a fantastic variety in health, wellness and conference tourism facilities. One of its main attractions are the thermal waters of the Debrecen Medicinal Baths, these attract big numbers of both local and foreign visitors. Aside from tourists the city is also well known for its historic university, which can chart its beginnings back to the Calvinist College of Debrecen, founded in 1538. Throughout the centuries the institution became known as one of the key centres for higher education in Hungary and

at the beginning of the 20th century the college was transformed into a university. The University of Debrecen's, main building is now widely recognized as an iconic work of architecture. The university itself has an impressive number of departments and is thought of as a major research facility in Europe.

As a result of Debrecen's cosmopolitan offerings and its university status many European investors are attracted by the city's well educated and diverse workforce. 350,000 people live within one hour of Debrecen, accounting for the second largest labour pool in Hungary. More than 50% of this population have vocational or high school degrees, and almost 5,000 unemployed people have electronic, machine or chemical industry related skills or work experience.

As part of internal investment and the EU-funded National Development Plan for 2004 to 2006, Hungary's internal road and rail network have been expanded. New sections of motorway M3 (M35) have already significantly decreased travel times between major urban areas. The 22-mile M35 in Eastern Hungary now connects the

M3 motorway with Debrecen, providing it with a direct motorway link to the capital, Budapest. Also, there have been improvements to the current highway and modernisation of some parts of the rail network between the capital and Debrecen. Debrecen Airport (the second largest in Hungary) has also recently undergone modernisation expanding the number of international flights.

Situated nearby to Debrecen is the Hortobágy, this is both the name of a village in Hajdú-Bihar County and an 800 km² national park, rich with folklore and cultural history. The area was designated as a national park in 1973 (the first in Hungary), and elected among the World Heritage sites in 1999. The Hortobágy is Hungary's largest protected area, and the largest natural grassland in Europe.

Debrecen now acts as a centre for trade and business in the region and while much of this is driven by a successful internal economy the city is also now the focus of much Foreign Direct Investment. Unlike some well trodden European routes investing in Hungarian markets may



“ As a result of XANGA’s private capital investment, Debrecen Regional and Innovation Industrial Park has flourished over the past decade. ”

require research but several facilities now exist to streamline the entry of new businesses. One of the leading organisations working in Debrecen is XANGA Investment & Development. This private capital investment enterprise can guide any new business from its first enquiry through to tailor made premises and services. Over the last decade XANGA alone is responsible for generating and implementing several key investment and development projects. The Organisation’s core activity is to develop industrial and service units equipped with modern infrastructure and utilities, suitable for high standard technology transfer, in creating these facilities they launch both local and foreign business enterprises in the city and throughout the region.

In addition to providing bespoke infrastructure the XANGA group also bring a range of professional support facilities essential to establishing any new business; these include business development, legal, financial and subsidy management services. The group operate in two main areas within Debrecen: managing and developing the infrastructure of Debrecen Regional and Innovation Industrial Park and developing/operating cargo and logistic facilities at Debrecen International Airport.

Debrecen Regional and Innovation Industrial Park was established by the Municipality of Debrecen in 1997 with the aim of providing a modern industrial environment equipped with high capacity public utilities and infrastructure,

aiming to attract local and foreign enterprise. This is a result of XANGA’s private capital investment in public utility infrastructure and turn-key industrial and business facilities.

As a measure of their success over 30 companies with more than 4,000 employees now operate in the industrial park, accounting for a major portion of local tax revenue. Tenants of the park include multinational companies such as American National Instruments, active in the electronic sector. Subsidiaries of the American firm, RR Donnelley, a global market leader in printing and the aero-engineering section of the Swiss Sulzer Group.

As a result of its ongoing success Debrecen Regional and Innovation Industrial Park was awarded the ‘Industrial Park of the Year’ title by the Hungarian Ministry for National Development & Economy in 2009.

The second and other pivotal part of XANGA’s development in the region will be their cargo and logistics base at Debrecen International Airport. Through this they aim to maximise the airports favourable location, stimulating the transfer of goods between Western and Eastern European countries. The airport was opened to international traffic in 2001 and in 2004 it was declared an international airport with the status of a permanent border crossing and customs route. At this point it matched Budapest’s Ferihegy International Airport on authority level. The terminal has an on-site

immigration office, customs, police and national security service, enabling aircraft to land at any time.

As the ramifications of 2009’s economic crisis continue to bear fruit, many European businesses look East to new manufacturing and service sites. Cities such as Debrecen and allied bodies like XANGA offer businesses the ability to continue and even develop production at higher rates of efficiency with no loss in quality. Hungary’s high-calibre workforce and supportive infrastructure make investments in the area not only prudent but logical.



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