

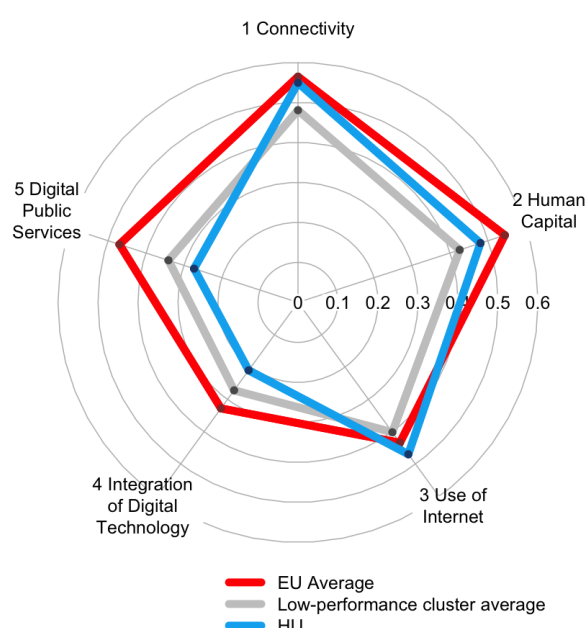
Digital Economy and Society Index¹ 2015²

Country Profile

Hungary

Hungary has an overall score³ of **0.41** and ranks **21th** out of the 28 EU Member States. In the past year, Hungary has progressed mainly on Connectivity (Fixed broadband services are available to 94% of homes, while 80% of homes have access to fast broadband) and Use of the Internet (Hungarians are keen to engage in many internet activities and outperform the EU average on use of the Internet - 80% use social networks, the highest in the EU). At the same time, Hungary scores below the average in Digital Public Services (just 31% of internet users actively use eGovernment, while only 2.2% of general practitioners transfer prescriptions to pharmacists electronically) and the Integration of Digital Technology in business processes (only 16% of businesses use electronic information sharing technologies, only 5% use cloud services, while 8.9% use social media, among the lowest in the EU).

Hungary falls into the cluster of **low-performance**⁴ countries, where it performs above average.



	Hungary rank	Hungary score	Cluster score	EU score
DESI 2015	21	0.41	0.39	0.48
DESI 2014	21	0.38	0.33	0.45

¹ The Digital Economy and Society Index (DESI) is a composite index developed by the European Commission (DG CNECT) to assess the development of EU countries towards a digital economy and society. It aggregates a set of relevant indicators structured around 5 dimensions: Connectivity, Human Capital, Use of Internet, Integration of Digital Technology and Digital Public Services. For more information about the DESI please refer to <http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard>

² The DESI 2015 is constructed from indicators referring mostly to the calendar year 2014 (except when data is not available for that calendar year, in which case the latest prior data was used).

³ DESI scores range from 0 to 1, the higher the score the better the country performance.

⁴ In the DESI 2015, the low-performance cluster of countries comprises Bulgaria, Cyprus, Czech Republic, Greece, Croatia, Hungary, Italy, Poland, Hungary, Slovenia and Slovakia.

1 Connectivity

1 Connectivity	Hungary		Cluster score	EU score
	rank	score		
DESI 2015	17	0.55	0.48	0.55
DESI 2014	19	0.46	0.39	0.51

Regarding Connectivity, Hungary is at the EU average. There was an improvement compared to last year, which is caused mainly by the progress in radio spectrum allocations.

	Hungary					EU
	DESI 2015			DESI 2014		DESI 2015
	value		rank	value	Rank	value
1a1 Fixed BB Coverage	94%	→	23	94%	22	97%
% households	(2014)			(2013)		(2014)
1a2 Fixed BB Take-up	68%	↑	13	66%	13	70%
% households	(2014)			(2013)		(2014)
1b1 Mobile BB Take-up	34	↑	28	27	28	72
Subscribers per 100 people	(2014)			(2013)		(2014)
1b2 Spectrum	71%	↑	16	48%	22	70%
% of the target for spectrum to be harmonised at EU level	(2014)			(2013)		(2014)
1c1 NGA Coverage	80%	↑	14	76%	12	68%
% households, out of all households	(2014)			(2013)		(2014)
1c2 Subscriptions to Fast BB	40%	↑	11	34%	10	26%
% of subscriptions >= 30Mbps, out of fixed BB subscriptions	(2014)			(2013)		(2014)
1d1 Fixed BB Price	1.6%	↑	18	1.7%	17	1.4%
% individual gross income spent for the cheapest standalone Fixed Broadband subscription (lower values are better)	(2014)			(2013)		(2014)

Fixed broadband services are available to 94% of homes in Hungary, which leaves a gap of 6% compared to only 3% in the EU. Nevertheless, fast broadband technologies are already widespread, covering 80% of homes as opposed to 68% in the EU.

In Hungary there is strong platform competition between xDSL and cable broadband. It is the cable technology that is currently mainly responsible for the high availability of fast broadband, but VDSL coverage is also increasing.

Hungary is catching up regarding the take-up of fixed broadband access: in DESI 2015, 68% of households had a fixed broadband subscription, just below the EU average of 70%. At the same time, Hungary has the lowest score in mobile broadband take-up. The recent spectrum allocations may trigger a growth in mobile broadband in the coming years.

2 Human Capital

2 Human Capital	Hungary		Cluster score	EU score
	rank	score		
DESI 2015	19	0.48	0.42	0.54
DESI 2014	18	0.47	0.35	0.52

With a Human Capital score of 0.48, Hungary ranks 19th among EU countries, and above the average of the low cluster countries.

	Hungary				EU DESI 2015 value
	DESI 2015 value		rank	DESI 2014 value	
2a1 Internet Users % individuals (aged 16-74)	75% (2014)	↑	15	71% (2013)	75% (2014)
2a2 Basic Digital Skills % individuals (aged 16-74)	54% (2014)	↓	19	56% (2012)	59% (2014)
2b1 ICT Specialists % employed individuals	2.7% (2012)		14	2.7% (2012)	2.8% (2012)
2b2 STEM Graduates Graduates in STEM per 1000 individuals (aged 20 to 29)	9.5 (2012)		26	9.5 (2012)	17 (2012)

75% of Hungarians use the internet, which is the same as the EU average, and increased by 4 percentage points compared to a year ago.

Hungary is slightly below the EU average in digital skills, as far as individuals with basic digital skills and ICT specialists are concerned. Increasing the level of digital skills should be a priority to further improve the performance of the digital economy.

Hungary is also lagging behind on graduates holding a STEM (Science, Technology and Mathematics) degree. STEM graduates play an important role in exploiting the opportunities offered by digital technologies in businesses.

3 Use of Internet

3 Use of Internet	Hungary		Cluster score	EU score
	rank	score		
DESI 2015	12	0.47	0.4	0.43
DESI 2014	13	0.42	0.34	0.41

In general, Hungarian Internet users engage in a broad range of internet activities and outperform the EU average on the Use of the Internet.

	Hungary				EU DESI 2015 value
	DESI 2015 value	rank	DESI 2014 value	Rank	
3a1 News % individuals who used Internet in the last 3 months (aged 16-74)	85% (2014) ↑	6	83% (2013)	8	67% (2014)
3a2 Music, Videos and Games % individuals who used Internet in the last 3 months (aged 16-74)	47% (2014) ↓	18	51% (2012)	13	49% (2014)
3a3 Video on Demand % households that have a TV	23% (2014) →	16	23% (2013)	15	41% (2014)
3b1 Video Calls % individuals who used Internet in the last 3 months (aged 16-74)	52% (2014) ↑	7	37% (2013)	14	37% (2014)
3b2 Social Networks % individuals who used Internet in the last 3 months (aged 16-74)	80% (2014) ↑	1	78% (2013)	1	58% (2014)
3c1 Banking % individuals who used Internet in the last 3 months (aged 16-74)	40% (2014) ↑	22	36% (2013)	23	57% (2014)
3c2 Shopping % individuals who used Internet in the last year (aged 16-74)	42% (2014) ↑	20	38% (2013)	21	63% (2014)

As for the most popular activities on-line, 85% of Hungarian internet users read news, and 80% use social networks. The use of social networks is the highest in the EU.

47% of the internet users listen to music, watch films or play games online, and 52% make video calls.

Despite the progress last year, Hungary still falls well below the average on internet banking and online shopping. On eCommerce, this is also linked to the supply side, as the percentage of SMEs selling online is also below the average.

4 Integration of Digital Technology

4 Integration of Digital Technology	Hungary		Cluster score	EU score
	rank	score		
DESI 2015	25	0.21	0.27	0.33
DESI 2014	26	0.18	0.24	0.3

On the Integration of Digital Technology by businesses, Hungary's scores 0.21, its worst score among the five DESI 2015 dimensions. Hungary's businesses need to better exploit the possibilities offered by on-line commerce, social media and cloud-based applications.

	Hungary				EU
	DESI 2015		DESI 2014		DESI 2015
	Value	rank	value	rank	value
4a1 Electronic Information Sharing	16%	↑	26	13%	31%
% enterprises (no financial sector, 10+ employees)	(2014)			(2013)	(2014)
4a2 RFID	3.9%	↑	16	1.1%	3.8%
% enterprises (no financial sector, 10+ employees)	(2014)			(2011)	(2014)
4a3 Social Media	8.9%	↓	21	9.4%	14%
% enterprises (no financial sector, 10+ employees)	(2014)			(2013)	(2014)
4a4 eInvoices	n.a.	-		5.2%	11%
% enterprises (no financial sector, 10+ employees)				(2013)	(2014)
4a5 Cloud	5%	23	n.a.	-	11%
% enterprises (no financial sector, 10+ employees)	(2014)				(2014)
4b1 SMEs Selling Online	9.8%	↑	21	9.6%	15%
% SMEs (no financial sector, 10+ employees)	(2014)			(2013)	(2014)
4b2 eCommerce Turnover	6.9%	↑	18	5.1%	8.8%
% turnover of SMEs (no financial sector, 10-249 employees)	(2014)			(2013)	(2014)
4b3 Selling Online Cross-border	3.9%		25	3.9%	6.5%
% SMEs (no financial sector, 10+ employees)	(2013)			(2013)	(2013)

A true digital economy is one where businesses take full advantage of the possibilities and benefits offered by digital technologies, both to improve their efficiency and productivity, as well as to reach customers and realise sales. To that end, Hungary has a long way to go.

The adoption of digital technologies is an important driver of labour productivity growth and needs to be strengthened. The percentage of businesses using technologies such as electronic information sharing (ERP – 16%), Cloud services (5%) or social media (8.9%) in Hungary is among the lowest in the EU. Without digitisation and the efficiency and productivity gains obtained thereof, Hungarian businesses will struggle to make it in the global digital economy.

Hungarian businesses need also to take advantage of the possibilities offered by on-line commerce. Very few SMEs in Hungary sell online (9.8%), even less sell online to other EU member states (3.9%), and those who do sell online make a very small share of their turnover from those sales (6.9%).

5 Digital Public Services

5 Digital Public Services	Hungary		Cluster score	EU score
	rank	Score		
DESI 2015	26	0.27	0.34	0.47
DESI 2014	22	0.31	0.33	0.45

Digital Public Services is the dimension where Hungary performs third worst in the EU with a score also substantially lower than its cluster average.

	Hungary				EU DESI 2015 value
	DESI 2015 Value	rank	DESI 2014 value	rank	
5a1 eGovernment Users % individuals returning filled forms, out of Internet users in the last year (aged 16-74)	31% (2014) ↑	16	23% (2013)	17	33% (2014)
5a2 Pre-filled Forms Score (0 to 100)	19 (2014)	22	n.a.	-	45 (2014)
5a3 Online Service Completion Score (0 to 100)	45 (2014) →	28	45 (2013)	27	75 (2014)
5a4 Open Data Score (0 to 700)	300 (2014)	19	n.a.	-	378 (2014)
5b1 Medical Data Exchange % General Practitioners	12% (2013)	23	12% (2013)	23	36% (2013)
5b2 ePrescription % General Practitioners	2.2% (2013)	25	2.2% (2013)	25	27% (2013)

Modern public services offered online in an efficient manner are a vehicle for the reduction of public spending as well as efficiency gains for enterprises, citizens and the public administration. Hungary faces a key challenge in online public services. Its indicator scores⁵ place it among the last in the EU.

The efficiency and degree of service offered by health systems can be greatly improved through digitisation. Only 12% of Hungarian general practitioners exchange medical data electronically, versus 36% in the EU. The same applies to ePrescription, as only 2.2% of general practitioners transfer prescriptions to pharmacists electronically, which is one of the lowest among EU countries.

⁵ 19/100 in the Pre-filled Forms indicator (measuring the extent to which data that is already known to the public administration is pre-filled in the forms that are presented to the user), and of 45/100 in the Online Service Completion indicator (measuring the extent to which the various steps in an interaction with the public administration – life event – can be performed completely online).