



## Foreign investors in Szeged

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Szeged is an 180,000 populated city. It is the economic and traffic center of South-Great Hungarian Plain. Szeged is also a center of science, education and trade.

The change of regime in Hungary and the changes in the neighboring countries (Romanian events in 1989, Yugoslavian civil war, the break up of Soviet Union) had started an important migration among the countries of East-Central Europe.

The immigrants arrived from 3 main directions to the land of the country (East, South, and Northeast). This immigration hasn't affected the main parts of our country in the same way, so one of the most important migration areas was South-Great Hungarian Plain.

The bigger immigration from south in 1992 came after the one from east in 1989. The most significant international immigration in South-Great Hungarian Plain was in Szeged ( Fig. 1).

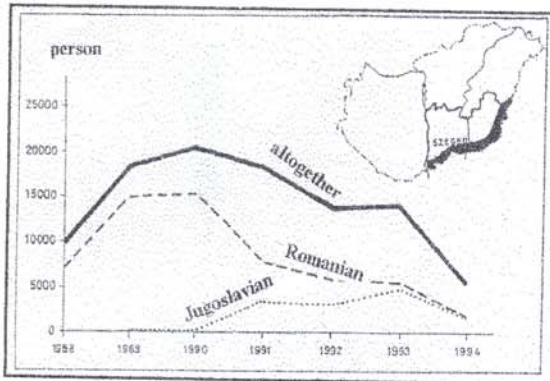


Figure 1 a. The number of the foreign citizens who are residing in Hungary according to the year of entry.

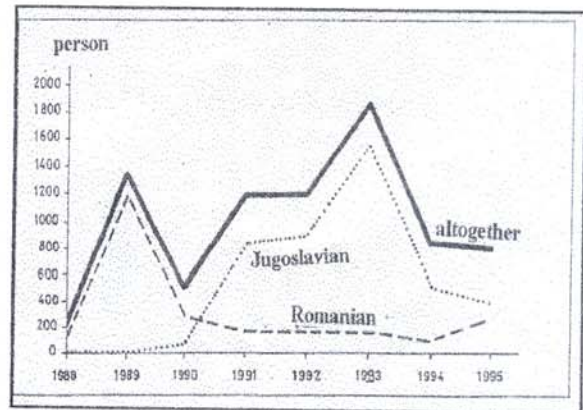


Figure 1 b. The number of the foreign citizens who are residing in Szeged according to the year of entry.

The city hadn't been prepared for these immigrations but after the political and economic isolation of Szeged ( the regime of Tito) had come to end, the " closed" city became opened.

The advantageous geographical location (submediterranean environment) and the advanced local community (large number of civilian organizations and traditions) and the high-level culture of Szeged and the academic life of the universities, colleges, academy, word famous research institutes mean guarantee.

The population of Hungary has increased with the number of 200,000 for the last 10 years due to the immigration. From 1989 to 1995 100,000 foreigners arrived to Szeged, 8032 persons have still lived in the city now.

## SZÓNOKY - ANECSIN

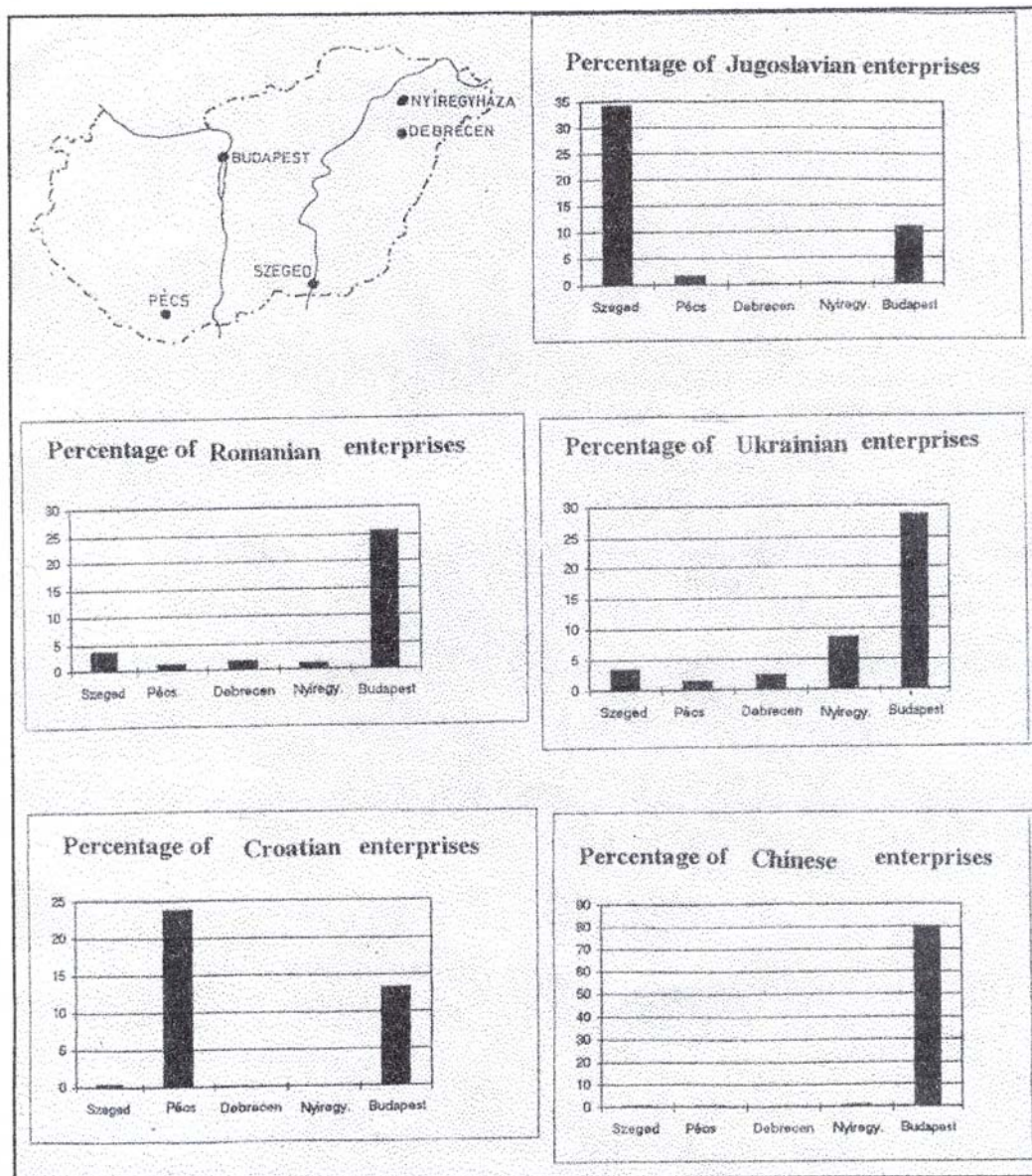
Many different ethnic, cultural, social compositions of the immigrants resulted in some quarrels to solve for the society and economy of Szeged.

The concomitant phenomenon of this immigration was the appear of the foreign investments.

Jugoslavian investors enterprised mainly in the settlements near the borders and in Szeged.

The spreading of the investments was according to the geographical location of the cities.

The regional centres of Southern and Eastern Hungary played a significant role in the expansion of the foreign enterprises ( Fig. 2 ).



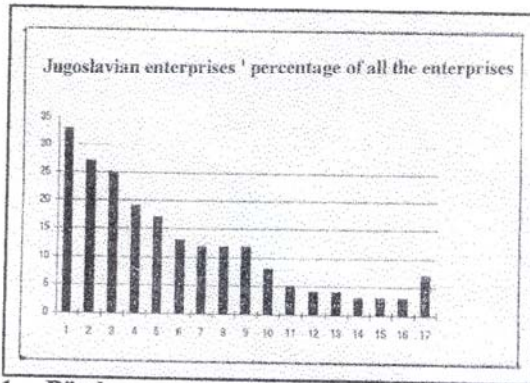
**Figure 2. Foreign enterprises' percentage of all the enterprises in per cent (%) 1996.**

Usually Croatian investors in Pécs, Ukrainian ones in Nyíregyháza, Jugoslavian ones in Szeged, Romanian and Chinese ones mainly in Budapest are active.

The percentage of Jugoslavian enterprises in Szeged are uncommonly high because there are 1,100 enterprises in Szeged from all the 3,209 Jugoslavian business which had been made in our country ( it is approx. one third of all).

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The improving reflection of the city effected its outskirts too because Yugoslavian enterprise has a distinguished role in the local economy and its conurbation zone (Fig. 3).



1. Röske
2. Pusztaszer
3. Hódmezővásárhely
4. Tiszasziget
5. Szeget
6. Deszk
7. Szatymaz
8. Baks
9. Zsombó
10. Csanytelek
11. Mórahalom
12. Balástya
13. Mindszent
14. Makó
15. Kistelek
16. Szentés

Figure 3. Yugoslavian enterprises' percentage of all the enterprises.

### The types of the enterprises

The general characteristic feature of the foreign business is the area specialization.

Although the effect of the civil war modified this feature a bit as the migration had been rather an escape the last few years, so Yugoslavian enterprise had similarity of the escape.

Another general feature is that most of the enterprises (85%) had low capital as avoiding of the necessary employment license (Fig. 4).

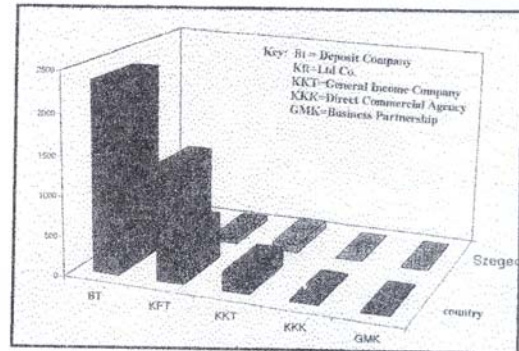


Figure 4. The types of Yugoslavian enterprises (1996).

In 1992 or so fictitious enterprises were established in this way. These unnamed investments were wound up by the year of 1996 after the difficulties of the civil war had come to end. From this date the Ltd. Corporations with strong capital became important (Fig. 5).

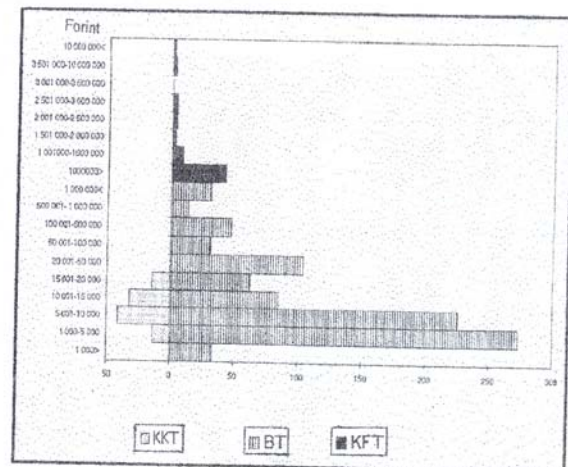


Figure 5. Yugoslavian enterprises according to the capital in Szeged.

There are fictitious deposit companies in housing estates (Tarján-Felsőváros). Well-profitable commercial catering establishments can be found in the downtown especially they have concerns in important shopping centres.

Utilizing their business relations in west and leaning on their adequate funds and considerable professional training they could made important enterprises in shopping centres and could supply the market with much in demand and branded goods (Fig. 6).

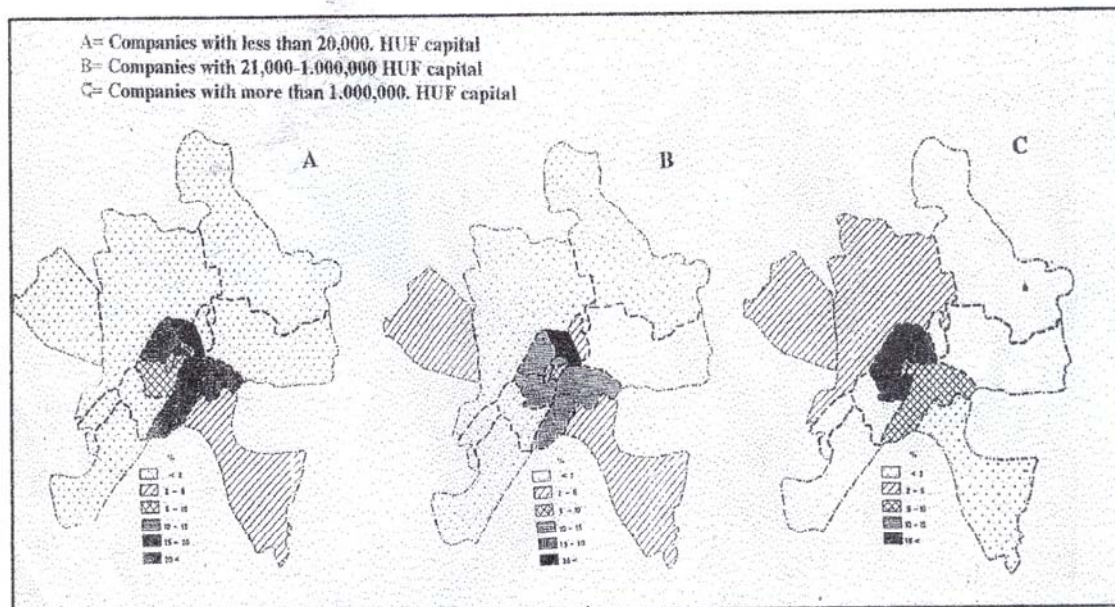


Figure 6. The location of Yugoslavian enterprises in Szeged.

Their commercial concerns are well established and the town must be prepared for this capital flow in the trade system.

#### The future of Yugoslavian enterprises

The liquidation of deposit companies in many cases can be expected.

First of all Ltd. Companies with strong capital will be remained, mainly the ones are "steady on two legs" with Hungarian and Yugoslavian concerns and these were rather established near the borders, Szeged and its outskirts.

After the end of the rebled up civil war in south commercial and economic relations will be able to start again and the enterprise activity and the cooperation with the settlements near the border can be speed up.

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