

AUTO INDUSTRY IN HUNGARY AND CEE

INTRODUCTION

In recent years Central Europe has become a leading centre for car manufacturers in Europe and Hungary has played an important role in that development. A significant part of Hungary's GDP and industrial employment is now represented by the automotive industry. There are over 700 automotive industry related companies operating in Hungary and the number of premium category cars projected to be manufactured in Hungary is the highest in the region.

Hungary enjoys the advantages of geographical location, highly developed logistics and utilities infrastructure and the existence of a critical mass of manufacturers and parts suppliers. Within Hungary Mercedes Benz, Audi, GM and Suzuki all have plants and within the Central Europe region there are also plants of Toyota, Hyundai, Kia, Skoda, and PSA.

The presence of those plants has led those in the automotive industry supply chain to also establish a presence in the region and those manufacturers are now supplying producers both within and outside the region. BMW does not have its own plant in Hungary but talks openly of its "invisible factory" – having 65 suppliers employing more than 10,000 people in Hungary. Thus, the Hungarian automotive industry has become important for manufacturing, regional distribution and as a service hub for the Central and Eastern region, which has resulted in over EUR 50 billion of FDI to date into Hungary.

A notable development of recent years has been the developing interface between the automotive and IT industries, both being strong in Hungary.

CLIENTS

Among the work we have performed in the sector we refer to:

- Advising OEMs in relation to labour law issues
- Advising one of the leading truck manufacturers in relation to cash pooling and leasing and financing arrangement
- Advising a Southeast Asian electronics company in relation to the purchase of automated driving software
- Conducting due diligence for a PE buyer of a manufacturer of plastics for the auto industry
- Advising the seller of a commercial vehicle after market part supplier
- Advising financial institutions working with the automotive industry

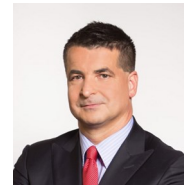
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AUTOMOTIVE CENTRES IN HUNGARY

Source: hipa.hu

KEY LEGAL ISSUES

We advise our clients in the automotive industry on the full range of commercial law issues, including in particular:

- IP rights
- Environmental law
- Real Estate
- Tax
- Trade/Freedom of movement
- Warranty issues
- Financing
- EU regulations (e.g. safety, data protection etc.)
- Antitrust issues

ABOUT LAKATOS, KÖVES AND PARTNERS

Lakatos, Köves and Partners (LKT) is a 9 partner, 40 lawyer full service commercial law firm based in Budapest, Hungary, with a predominantly international client base, offering cutting-edge know-how and matching innovative legal solutions to business needs. For many years the firm was Clifford Chance's office in Budapest, but since 2009 has been independent. LKT's market standing is reflected in top tier rankings in many areas including Corporate/M&A, Banking & Finance, Real Estate, Dispute Resolution, TMT and Tax. The firm has an extensive referral network of leading international law firms.

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