How tourism is organised in Hungary

There are many countries in the world where the management of tourism is undertaken by a number of organisations which complement each other. The same can also be said of Hungary, where tourism management features among the tasks carried out at different levels by a large number of organisations, from the Hungarian Parliament down to local governments. This management has undergone a number of changes since 1990. In this chapter, organisations operating at national and regional level and the scope of their responsibilities as they stand in spring 2003 will be presented.

Parliament

The activity of Parliament is of vital significance both from the point of view of the development of tourism and for enterprises operating in this sector, since Parliament is the body which draws up the laws determining the conditions which govern the operation of this sector. In Hungary it is the law which creates the economic foundations of tourism (for example in the areas of tourist tax and budgetary support for tourism), and it is also the law which determines the tasks necessary for the operation of certain legal institutions which are important from the point of view of tourism (for example the system of holiday vouchers).

The Parliamentary Committee on Tourism

The Committee on Tourism, which deals with questions of principle concerning tourism, has been operating since the summer of 1998 not as a sub-committee but as an independent, permanent committee. This elevation of its status from sub-committee to independent committee shows the extent to which Parliament recognises and acknowledges the importance of tourism for the national economy.

The Parliamentary Committee on Tourism is a body which draws up initiatives, makes recommendations, expresses opinions and takes part in the monitoring of the work of the government. In addition to implementing those laws which are part of its brief, the Committee on Tourism also keeps track of their social and economic effects.
The principle task of the Parliamentary Committee on Tourism is to represent the interests of the tourist industry in the drawing up of legislation and to supervise the legality of what takes place in the area of tourism. The range of the Committee’s activities covers the following:

- Preparing laws relating to tourism and overseeing their passage through Parliament;
- Keeping track of aspects of individual laws which pertain to tourism and representing the interests of tourism in the drawing up of legislation;
- Monitoring the implementation of laws affecting tourism;
- Supervising and monitoring the state management of tourism;
- Participating in the formulation of regulations below the level of legislation which affect tourism (this includes, for example, reviewing how travel agencies and the holiday voucher system operate);
- Reviewing cooperation with various other sectors which have an influence on tourism;
- Keeping track of the development of individual areas of tourism and participating in the formulation of ideas for development (for example in the areas of health tourism, stately home tourism or village tourism);
- Asking the minister responsible for tourism to outline his/her plans before (s)he is appointed, and then to report annually on tasks completed and further plans;
- Cooperating with professional organisations working in the tourism sector;
- Cooperating with organisations responsible for the regional management of tourism.

The following sub-committees dealing with specific areas of tourism have been in operation under the umbrella of the Parliamentary Committee on Tourism since 19th June 2002:

- Monitoring Sub-committee\(^1\);
- Sub-committee on European Integration;
- Sub-committee on Health Tourism;
- Sub-committee on Stately Homes, Country-houses and Castles;
- Sub-committee on Village Tourism.

\(^1\) The Monitoring Sub-committee keeps track of the implementation of legislation which falls within the scope of the Parliamentary Committee on Tourism and of the social and economic effects of such legislation.
The Office of the Under-Secretary of State for Tourism in the Ministry of Economic Affairs and Transport

From 1998 to 30th June 2002 tourism management at government level was carried out within the framework of the office of the Deputy Under-Secretary of State, which was under the jurisdiction of the Ministry of Economic Affairs. Starting on 1st July 2002, management of tourism activities passed to the Prime Minister’s Office, and here the state management of tourism was carried out by the Tourism Department. Since 1st July 2003 the state management of tourism has been carried out under the jurisdiction of the Ministry of Economic Affairs and Transport.

In cooperation with the other ministers concerned, the minister in charge of the Ministry of Economic Affairs and Transport attends to the tasks at state level which relate to tourism. (S)he also formulates and presents for government approval his/her conception of tourist policy and the strategies connected with it, and his/her plans for government decisions concerning the development of tourism. The minister is also responsible for coordinating inter-ministerial and regional activities resulting from the inter-sectoral nature of tourism; determining the conditions for undertaking individual activities in the field of tourism; and defining the necessary professional requirements and the scope of activities in the area of tourism (the catering industry) which necessitate the granting of special permits (the keeping of records by the authorities).

The minister has a direct influence on the regional management of tourism through the Regional Tourism Committees and their work organisations.

In order to ensure that successful, effective marketing is carried out with regard to tourism at a national and regional level, the minister has proprietary rights over the Hungarian National Tourist Office, which is under the sole ownership of the state.
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The tasks of the minister in charge of the Ministry of Economic Affairs and Transport which are connected to tourism are dealt with by the under-secretary of state responsible for tourism.

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The National Committee on Tourism

The National Committee on Tourism was created by the Minister of Economic Affairs in 1996 as a body which would give advice and opinions and make recommendations. Representatives of the major professional bodies in the field of tourism and of the regional tourism committees serve on this committee, the members of which were, as of 26th September 2002, as follows: the Hotel Association of Hungary, the Association of Hungarian Tour Operators, the Hungarian Tourism Society, the Catering and Tourism Union, the National Tourism Employers Association, the Hungarian Catering Corporation, the Hungarian National Association of Young People’s Accommodation Facilities, the Association of Event Organisers in Hungary, the National Association of Village and Farm Tourism, the chairman of the board of directors of the Hungarian National Tourist Office and the chairman of the Budapest-Central Danube Basin and the Balaton Regional Tourism Committee. The following have the right to participate in discussions which take place as part of the work of the committee: the Hungarian Chamber of Commerce and Industry, the Association of Tourist Bureaus, the Tourism Coordination Association, the Hungarian Spa Association, the
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Association of Tourist Advisors, the National Association of Hungarian Restauranteurs’, the Hungarian Nature Lovers’ Association, the Association of Hungarian Tour Guides and the National Association of Local Governments. The head of the Tourism Department of the Prime Minister’s Office, the director general of the Hungarian National Tourist Office and the representative of the Central Statistical Office have a standing invitation.

The National Committee on Tourism participates in the preparations for decision-making regarding the principles of tourism development strategy. It also makes recommendations on the modernisation of the system of tourism management and organisation, on the granting of professional awards and on the allocation of separate ministerial grants. It expresses its opinion on the main allocation of, and the principles underlying, Target Grants for Tourism, the focus of tendering and the resources which this entails, the marketing strategy of tourism, and the national marketing plan for the year in question. It keeps track of the implementation of all of these whilst maintaining its participation in the economic and legal regulation of tourism and the development of conditions of operation, all the time suggesting necessary modifications.

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The Hungarian National Tourist Office

The Hungarian National Tourist Office is the national tourism marketing organisation and is in the ownership of the Ministry of Economic Affairs and Transport. It was established on 1st March 1994, under the name of the Hungarian Tourist Service, as the legal successor to the National Tourist Bureau. It is a share company and has been known as the Hungarian National Tourist Office since 1st January 1996.

The goal of the activity of the Hungarian National Tourist Office is to contribute to bringing Hungarian tourist products onto the market and thereby to contribute to an increase in revenue from domestic tourism and foreign visitors to Hungary. By thus creating and sustaining new jobs, it will support the Hungarian economy, contribute to a balanced growth...
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in Hungary’s GDP and have a positive influence on the country’s current balance of payments.

In order to realise the above goals, the Hungarian National Tourist Office has the following tasks to fulfill:

- To raise the profile of Hungary as a tourist destination and improve its image abroad;
- To increase the reputation of Hungary as a tourist destination among the domestic population;
- To uphold the principles of sustainable development by contributing to the care of the natural environment, man-made attractions and Hungarian culture;
- To stimulate an improvement in the level of tourist services;
- To assist, in a competitively neutral way, market access in Hungary and abroad for Hungarian tourist products and to subsidise the further development of distribution channels;
- To ensure the provision of tourist information to Hungarian tourists and foreign visitors staying in Hungary, to potential travellers, to those involved in decision-making and to those in the tourist profession both in Hungary and abroad;
- To provide market information for the tourist profession on decisions regarding product development and on increasing visitor satisfaction;
- To establish, develop and maintain professional partnerships, both in Hungary and abroad;
- To support the establishment and development of cooperation between minor regions in the area of tourist marketing;
- To continue promotional and public relations activities in Hungary and abroad;
- To carry out research on a broad front in order to help prepare for high-level decision-making and the selection of marketing tools.

The Structure of the Hungarian National Tourist Office

The tasks of the Hungarian National Tourist Office set out above are carried out by two professional directorates, with specialist support given by other departments:
The Marketing Directorate, under whose jurisdiction the following departments also operate:

- The Research Directorate;
- The Strategic Products Directorate;
- The Promotions Directorate, and
- The PR and Special Programmes Directorate;
- The International Directorate, and
- The Information and Logistics Directorate.

The Marketing Directorate is responsible for implementing the marketing strategy of the company, drawing up an annual marketing plan and carrying out marketing tasks. In this it is assisted by the Research Directorate, which has the job of laying the foundation for the company’s marketing activity by carrying out market analysis, market assessments, various surveys and research projects. It also provides market information which is necessary for decision-making; measures and assesses the effectiveness of the company’s marketing activity; and prepares surveys and studies for its owner, carrying out primary and secondary research both in Hungary and abroad.

The Strategic Products Directorate, which operates within the framework of the Marketing Directorate, has the job of coordinating and directing the marketing operations of the nine tourist regions in Hungary in conformity with the company’s marketing strategy; of assisting the implementation of projects relating either directly or indirectly to tourist products; and of promoting conference, incentive and commercial tourism. Operating within the directorate are the Regional Marketing Coordination Bureau, the Product and Theme Management Bureau, and the Hungarian Convention Bureau.

The Promotions Directorate has the job of planning, organising and carrying out the promotion of marketing operations, both in Hungary and abroad. Its work includes drawing up annual plans for the company’s publications and exhibitions, and making sure the various promotions are fully provided for, planned and carried out.

The PR and Events Directorate has the job of shaping the image firstly of Hungary as a tourist destination, and secondly of the company itself. In other words it deals with public relations in Hungary and abroad, and in particular with organising special programmes and study tours.
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The International Directorate has the job of creating the optimal operating conditions for national tourist agencies set up by the company abroad; planning, organising and directing the agency network structure; maintaining contacts with the players in the Hungarian market and in markets abroad; and ensuring that the agencies carry out the marketing tasks determined by the Marketing Directorate.

The company’s overseas agencies, regional centres and branches are attached to the International Directorate. The office abroad carry out tasks relating to tourist information and promotion. As of 2003, there are a total of 24 agencies and information bureaus operating in twenty countries. They have the job of effectively implementing the company’s marketing strategy and annual marketing plan. The regional centre covering Germany, Austria and Holland is responsible for the professional management of the agencies in that region and for promoting Hungary as a tourist destination in the countries covered by the general agency. The four branch offices operating in the headquarters of the Hungarian National Tourist Office are responsible for coordinating and preparing the implementation of the marketing tasks in the following four country groups:

1. The Czech Republic, Israel, Poland, Italy, Russia, Romania;
2. The United States of America, Belgium, the United Kingdom, Northern Europe, Ireland, Japan, Spain;
3. Denmark, France, Switzerland;
4. Germany, Austria, Holland.

The Information and Logistics Directorate has the job of providing the data handling, telecommunications, technical and logistical background necessary for those involved in decision-making, the Hungarian National Tourist Office and tourist service providers, and for ensuring that tourists themselves are kept informed. The Directorate coordinates the network of Hungarian tourist information offices, which operates in the manner of a franchise system under the name „Tourinform”, whilst at the same time operating its own Tourinform offices. The Directorate is also further developing and operating the On-Line Tourist Information System and the Logistical Database.
Regional Directorates of the Hungarian National Tourist Office

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