

# INVESTIMULATION

- CROSS-BORDER INVESTMENT STIMULATION PROGRAMME BY  
SETTING-UP OF A NET-STRUCTURE BASED ON THE PILOT-PROJECT

## Economic profile – ZALALÖVŐ



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Before the Roman times there were remains of a Celtic tribal settlement found on the area of the today's town of Zalaölöv. The settlement next to the Amber Road – by the Roman name Salla – played an important role considering its economic relations as well as its trade during the period of the Roman Empire. At the beginning of the 5th century the Roman legions were withdrawn from Pannonia and Salla became a desolate place again.

During the conquest the village settled on both banks of the river Zala served as a fortification against the German attacks from the west. According to a document from the 18th century, it was the home of royal archers (arch shooters). The settlement might have received its name from them.

In the dualism the place developed quickly: craftsmen settled down in the area, restaurants, workshops and shops were opened. The number of inhabitants had doubled within some decades and it had reached a thousand by the turn of the century.

In the socialism the agriculture started to develop while the local industry was stagnating. A boom was brought by the building of the present Zala Bridge in 1968, the extension of the primary school in 1977 and the establishment of Lake Amber (Borostyán-tó) in 1985, however, the number of the inhabitants had hardly grown.

After the transition, the economy of the village regressed and the unemployment rate was high. The construction of the Slovenian-Hungarian railway in 1999-2000 brought an important change, which connected the settlement with the international railway network.

On July 1st 2000 the President of the Hungarian Republic, Mr. Árpád Göncz conferred the town title on Zalaölöv.



## Economic information

The number of inhabitants in Zalaölöv is 3154, the total area is 5264 hectares.

The number of operating individual enterprises: 113; the number of the registered economic companies: 98

Municipal taxes: industrial tax: 1.5%; there is no local tax on tourism

The town is situated at the heart of Europe, in the west of the West-Transdanubian Region, at a 20-25 minute-distance from the Austrian and Slovenian borders.

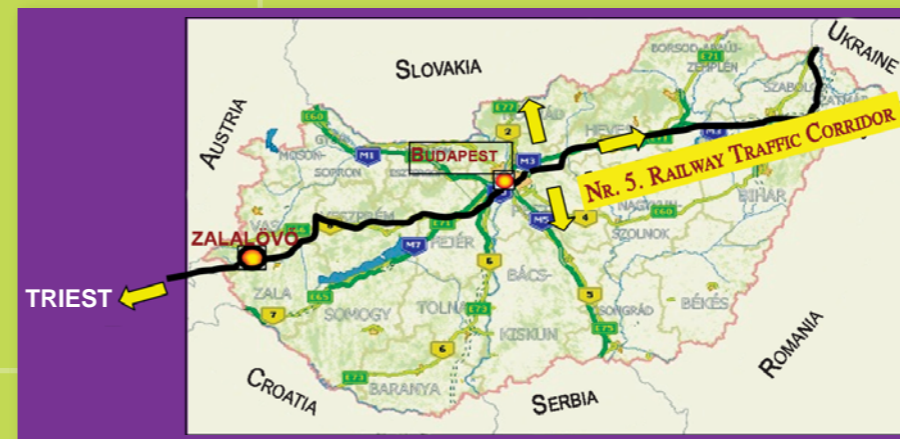
The road network of the town can be considered good as it is crossed by the main road nr. 86, the Slovenian border is at a 25 km, while Austria at a 45 km distance from the town and the main road nr. 8 can be reached within 20 minutes.

As far as the airport is concerned, the town has a high potential in the international airports of the nearby capitals, the international airport of Sármellék, for example, that is at approximately 1 hour distance, can also be a connection point.

The town is situated on the EU railway corridor nr. 5 that enables not only the access to the European railway network but at the same time it creates the sea connection at Trieste as well.

The distribution of the enterprises in the town on the basis of their headcount shows that the SMEs employing 1-20 people on average play a dominant role. There are not any large companies in the genuine sense of the word (with over a 500 people workforce) in Zalaölöv as the biggest one has about 200 employees.

The distribution per sector shows a mixed picture but above all the trade and especially the manufacturing industry is outstanding in the town.





## Labour market

The number of employees in the county is 118 000 out of which 35% work in the manufacturing industry while the number of the unemployed is 10 000. 15% of the employed has a university or a college degree, 78% owns at least a secondary school certification. The distribution of the employees in the professions are: 4600 drivers, 4200 machine operators in the light industry, 4100 assemblers at manufacturing lines, 3400 primary school teachers for the junior and senior section, 3000 employees in the wood industry, 2700 mechanics, 2300 locksmiths, 2300 engine and machine mechanics, 1800 clothing manufacturers, 1700 skilled workers in the food industry, 1500 bricklayers, 1500 technical administrators, 1300 engineers, 1200 teachers in secondary schools and 1000 technicians.

1500 students finish their studies in 19 secondary technical schools annually and take up a new job in 70 professions. 650 students acquire higher education qualifications and become economists, agricultural engineers, mechanical engineers and pharmacists. 21 500 students learn a foreign language in our secondary schools.

The average net salary per month is EUR 400. The enterprises decrease the number of semi-skilled workers. 2000 people have gained experience with multinational companies.

## Economic potential

Regarding the educational institution system of Zalaövő, the town has a limited potential to contribute to the satisfaction of the human resource demands of the regional enterprises. The town has one primary school and one elementary arts school.

The secondary and higher level (technical) education of the students is carried out in the educational institutions of the region, mainly in the schools of Zalaegerszeg, Körmend and Szombathely.

Technical training is done by two regional integrated vocational training centres:

- North-Zala Regional Integrated Vocational Training Centre (TISZK) – Zalaegerszeg
- Savaria TISZK Regional Integrated Vocational Training Centre – Szombathely

The town established an industrial park in 2000 the area of which is 28 hectares and the size of the area available is 25 hectares. At the moment there are 10 enterprises settled down and operating in the park with a total investment value of EUR 11.28 million and with an annual revenue of EUR 18.8 million. The total number of employees of the park is 388.



Description	December 2006
Registered number of people seeking position	12 851
Registered rate of people seeking position (to the active inhabitants in economy) %	9.2
Career starters	769
25 year old people or younger	1 900
Male	6 837
Female	6 014
Direct employees	10 694
Indirect employees	2 157
Unskilled workers	6 028
Degree holders	564

As it becomes visible, unemployment shows an extremely mixed picture. As far as the professions and the qualifications are concerned, there is a wide range of possibilities. It can be added that unemployment does not decrease to a great extent that is the quantity of the workforce necessary is definitely assured.

In the region of Zalaövő there were 121 unemployed people registered with an 11.9% high unemployment rate at the beginning of 2007. The composition of the regional workforce is mixed as far as its sector and the qualifications are concerned. The number of those who seek for a position with a vocational school or secondary school qualification is extremely high.

## High-tech industry

By high-tech industry branches we mean sectors of production in which the high-level knowledge on technology is followed by research and development occupying more and more areas of production. A production process requires a high level of knowledge not only regarding the equipment but also from the employees as well and this goes along with a high-level market and plant organization – as we can read in the study by professor Rechnitzer (issued only in Hungarian: Rechnitzer János: A gazdaság térbeli sűrűsödési pontjai, 2005)

**The next table shows which high-tech branches have a tradition in Zalalövő and its region:**

SECTOR	existing tradition, existing companies in this field
electronics (microelectronics and computers production)	
biotechnology	
robot-technology	
laser industry	
aero and space devices	
medical appliances	
pharmaceutical industry	
production of telecommunication devices	
environmental protection technologies	...

Biotechnology and robot-technology are the fields of high-tech industry that exist in the region. Several enterprises have made steps towards environmental protection technologies. '...' in the table refers to sectors where the presence of high-tech companies cannot be expressly stated, however, there are indirect links with these sectors.

Analysing the prospects of high-tech developments we can conclude that two sectors, biotechnology and robot-technology have the necessary background, therefore they can be the most significant target sectors of possible high-tech investments.

Considering the fact that high-tech sectors mainly build on the existing knowledge, it is worth checking if the local knowledge base is appropriate and enough to satisfy these sectors' needs. Following from the statements in chapter 1.2.3, the educational systems that can supply the required qualifications are not available locally but regionally. The accessible workforce, however, can be a basis for the economy development of the region.



## Real estate market

The real estate market of the town looks similar to the one of other towns with approximately the same size in the country. In the past one or two years the turnover of the real estate market of Zalalövő decreased as well due to the weakening solvent demand. There is a high demand mainly for building sites and rather inexpensive houses in the town.

The local real estates for residential purposes comprise detached houses typically built 30-40 or some years ago. The area that can be built up does not limit the extension of the real estate market. There are blocks of freehold flats in the town with limited supply.

In the field of economic properties there is a high demand for small-sized industrial areas. The industrial areas cost approximately HUF 1500-3000/m<sup>2</sup> with utilities depending position. Another category is commercial properties. They are more popular than the former ones but their prices vary to a great extent. It often occurs that ready houses cost HUF 100 000/m<sup>2</sup> that is the price of a used building or HUF 200 000/m<sup>2</sup>.

## A friendly town

You can find all information about Zalalövő on the official web site ( [www.zalalovo.hu](http://www.zalalovo.hu) ) of the town.

The town owns a public access point equipped with a modern information technology as well.

You can find the biggest public library in the community centre of Zalalövő. The findings of the Roman predecessor of the town (Salla) are displayed in archaeological exhibition rooms. It is possible to see our built heritage in the folk memorial museum.

Further spectacular sights for those who are interested in culture are László Léka's memorial plaque, Petőfi memorial, 1st and 2nd World War memorials, Léka statue, wooden headboard commemorating the revolution in 1956 and the European Union memorial.

There are three Roman Catholic churches in the town as well. The so-called Frog castle (Béka vár) was built in the 15th century in Zalalövő.

You can also enjoy your time at the cinema. If you look for musical amusement, LITTLE MIKE'S BAND concerts are for you! The Zalalövő Model Construction Club awaits young enthusiasts between the ages of 10 to 14.

Those who fancy bathing and fishing must visit the nearby Lake Amber (Borostyán-tó) of Zalalövő.

If you are in favour of nature you should visit Órség that is the historical and ethnographical region of West-Hungary.

Considering the cultural programmes and entertainments it is worth mentioning the series of events called Zala Days (Zala Menti Napok) organised in mid August annually. You can find up-to-date information about the events on the web site of the town or at the Mayor's Office or in programme booklets at any time.



This investment stimulation program was realized through the approved application of the Zala County Non-Profit Development Company, the Euro Regional Coordination Office Company and the Local Government of Zalaölvő with the aim to increase the investment in the region and to assure efficient management for possible investors.



ZALA MEGYEI FEJLESZTÉSI  
KÖZHASZNÚ TÁRSASÁG



**For further information please contact one of the following organizations:**

**- Zala County Non-profit Development Company**

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**- Euro Regional Coordination Office Company**

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**- Local Government of Zalaölvő**

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a Zala Megyei Fejlesztési Kht. felelős