



Kutaisi Second International Forum “Cities’ Challenges and Way Forward “



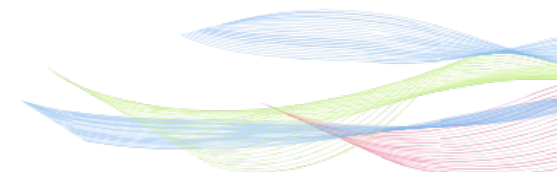
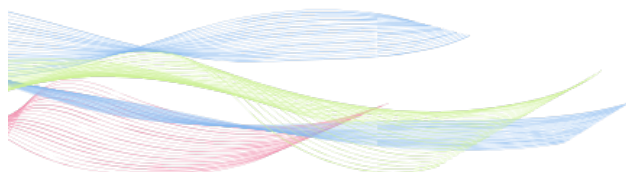
Economic Development Response to Covid-19 – from a Local Municipality’s perspective

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Szombathely City with County Rights

24th June 2021





Szombathely – Social and Economic Context

- Located in Central Europe
 - Middle-sized city in West Hungary
 - 136 km from Vienna
 - app. 80 000 inhabitants
 - Industry: labor-intensive, with automotive dominance
 - Political opposition city management
 - Less secured municipality funding – $\frac{1}{4}$ of our city incomes is lost because of the Covid
- **Challenge:** shift from labour- to knowledge-intensive ecosystem & find alternative financing options, EU funds
 - **Solutions:** taking part in various EU initiatives & creating:
 - a short-term &
 - a 10-year economic development programme





Short-term programme: Szombathely ReStart

Holistic approach - respecting social inclusions while maintaining sustainable competitiveness for the broad ecosystem, in order to reinforce adaptation to the post-covid era.

Key intervention areas:

1. Social assistance benefits – financial subsidy for the dismissed labor force due to Covid
2. Three pillars of ReStart Program:
 1. **Buy Local** – market voucher program, support and promotion of local supplier relationships
 2. **Be Online** – support for SMEs to go online - webpage, webshop, social media representation, online invoicing software
 3. **Spend Wisely** – rent allowance & public space usage fee discount for SMEs



April 2020





Short-term programme: Szombathely ReStart

Evidence of Success:

- **50%** of the allocated budget spent for social, 40% for entrepreneurial activities
- **3.213 people** requested financial subsidy for dismissed labor force due to Covid-19 (300€/person)
- **1.047 people** got the market voucher (in value of 100 EUR/person)
- **54 SMEs** got rent allowance
- **23 SMEs** got public space usage fee discount in 2020, in 2021 it's free for everyone



April 2020



Why Living-in.eu?

- Shift to **knowledge-intensive** ecosystem
- Data-driven applications to support **digitalization and restructuring**
- Understand and Apply **data-driven applications**
- **Visibility and Integration** on European level
- **Learn and Adapt** from best in class
- Member of the **Financial** and the **Education & Capacity Building** subgroups



The European way of digital transformation
in cities and communities





Why 100 Intelligent Cities Challenge?

Only participant of the program from Hungarian countryside

2 focus areas:

- Economic restructuring
- Local Green Deals

Specialization:

- Health Care - Rehabilitation
- Sustainable Urban Management - Circular Economy, Sustainable Mobility, Smart City

Networking with other cities

- Other participants
- Mentor cities

30 months of tailored mentoring



Interreg Europe Policy Learning Platform Peer Review Programme

- **Priority axis:** Research & Innovation
- **Goal:** industrial restructuring
- **Focus:** health-industry
- **Orientation:** attraction of foreign direct investment
- **Diversification** of the one-legged industrial focus towards health-sector related manufacturing
- **4-5 peers** will demonstrate and mentor bilaterally in June 2021 how to manage change



**Interreg
Europe**

European Union | European Regional Development Fund





Combining the various initiatives

- Partnership in 'from vision to action'
- Networking with European Commission and partner cities
- Insights about financing tools
- Enhancement of citizen participation and connectivity
- Development of new international projects in advanced manufacturing



The European way of digital transformation
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European Union | European Regional Development Fund



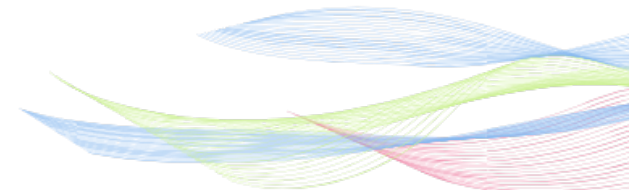
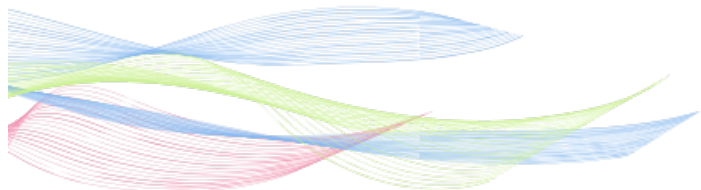
EIT Manufacturing is supported by the EIT,
a body of the European Union



Szombathely2030 Programme

FOR A RESILIENT KNOWLEDGE ECONOMY

- Szombathely's **10-year economic development** programme
- **Focus areas**
 - I.) **Industrial restructuring** – with a strong R&D&I and educational background
 - a) Reinforcing FDI of healthcare companies
 - b) Support of existing local employers
 - II.) **Green and smart city concept**
 - a) Strengthening circular economy
 - b) Green and sustainable mobility
 - c) Smart city solutions





Szombathely2030

Went through a consultation process with different stakeholders:

- Citizens
- NGOs
- Advocacy Groups
- Company managers
- Political decision-makers – on local, regional, national level & on EU level

<http://szombathely2030.hu/>

Now part of:

- Vas County's Development Concept & Development Programme
- North-West Transdanubian Regional Economic Development Zone Programme
- European Health Union Programme

The draft of the development program

Szombathely set the goal of elaborating a comprehensive development program with which its citizen can entirely identify themselves.

To achieve the feeling of shared planning with citizen involvement, it is vital to articulate the voice of the inhabitants.

Opinions and suggestions are collected also through our website, and the results are incorporated into the Szombathely 2030 strategy.

[GO TO THE QUESTIONNAIRE](#)

INDUSTRIAL RESTRUCTURING

Establishment of healthcare companies

Local support for urban employers

PROMOTING A GREEN AND SMART CITY

Natural based solutions in the city

The implementation of smart city pilot projects

Strengthening the circular economy

Water management and green transport

Thank you for your attention!



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