



CONFÉDÉRATION EUROPÉENNE DES DÉTAILLANTS EN TABAC (G.E.I.E.)

## HUNGARIAN TOBACCO RETAILERS ALLIANCE



Magyar Dohány  
Kiskereskedők  
Szövetsége

ÖSSZEFOGÁS A SZAKÉRTŐ DOHÁNYKERESKEDELEMÉRT!



### Antal Lengyel

President of the Hungarian Tobacco Retailers Alliance. He has been involved in the retail trade of tobacco products for decades, and has continuously taken on leadership roles in the organisations representing the interest of tobacco retailers. He helps the retailers operating in the sector with his high-quality work and professional experience. Since 2010, he has held the position of MDKSZ president.

## MDKSZ OVERVIEW

### ORGANISATION AND OBJECTIVES

The Hungarian Tobacco Retailers Alliance (Magyar Dohány Kiskereskedők Szövetsége, MDKSZ) was founded in 2002 with the aim of representing the interests of tobacco retailers and promoting the growth of the profession's prestige. In recent years, the organization has grown into the main professional association of tobacco retailers in Hungary: it provides a solid

background in the constantly changing regulatory environment, and offers retailers answers to the challenges of the market. Its task is, among other things, to help the membership with up-to-date information, legal advice, professional training, market data and resolutions. The tobacco retail sector provides a living for around 18,000 families and contri-

butes significantly to the state's tax revenues. The main objective of the association is for the profession to receive the attention and respect it deserves - which, of course, also requires that tobacco product retailers provide high-quality services and participate in the development of conscious consumer behavior related to tobacco consumption.



## THE TOBACCO PRODUCT DISTRIBUTION SYSTEM

### The new Distribution and logistics system:

Since 2015, traders have been supplied by a competition-neutral logistics organization (Országos Dohányboltellátó Kft.) based on a 20-year fixed-term concession contract.

### Retail monopoly:

The new Hungarian trade system was introduced on July 1, 2013. Before this, tobacco products were widely available to consumers (in grocery stores, gas stations, shopping centers, etc.), but after the change, tobacco products (and their accessories) can only be sold in National Tobacco Shops established for this purpose, under special and strict operating conditions.

## WHO ARE THE TOBACCO RETAILERS?



In Hungary, 5,150 National Tobacco Shops operate under concession contracts, and 701 are so-called by appointment. The designation became necessary in the smaller settlements for which no applications were received, and thus the local population would have been left without service.

### Training system

Hungarian tobacco retailers are obliged to complete training once a year in the e-learning system, in the form of distance learning, which is organized by the supervisory body (Tobacco Directorate of the Supervisory Authority for Regulated Activities). If the trader does not fulfill the special obligations assumed in the contract, his right may be revoked.

In addition to all this, the MDKSZ continuously organizes training for its members, holds events and professional conferences in order to share knowledge; its main objective is to continue to complete the national vocational training system.



## TAXATION SYSTEM

The amount of taxes on cigarette products is approx. 73% of the final consumer price, which includes VAT. In the case of fine cut tobacco and cigarillo products, taxation is more favorable.



## GOODS AND SERVICES AVAILABLE IN TOBACCO SHOPS

In addition to tobacco products and their accessories, the National Tobacco Shops also offer alcoholic drinks, soft drinks, ice creams and coffee products, as well as phone top-ups and gambling products (lottery tickets, national lottery).



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## BASIC DATA

- total sales revenue in 2020 is HUF 976 million;
- total sales revenue in 2021 is HUF 1,111 million;
- total sales revenue for 2022 is HUF 1,229 million;
- according to 2019 data, nearly 24% of the adult population smokes;
- exchange rate (on January 10, 2023): 1 Euro = 398 HUF.