



Hungary's external trade in goods between 2010 and 2015

According to data compiled by the Hungarian Central Statistical Office (KSH), Hungary's external trade surplus increased by more than EUR 3bn, or 55.8 percent, between 2010 and 2015. In this period, the value of exports and the annual rate of export growth exceeded those of imports each year. Within exports, turnover concerning each commodity group has risen. In 2015, the two largest commodity groups were machinery and transport equipment as well as manufactured goods.

In January-November 2016¹, the value of exports totalled EUR 86.0bn, up by 2.7 percent compared to the corresponding period of 2015. The value of imports rose by 1.0 percent, to EUR 76.5bn, year-on-year. In the observed period, the external trade surplus increased by EUR 1.5bn and amounted to EUR 9.5bn, compared to the same period of the previous year. In January-November 2016, the sector registered unprecedented growth year-on-year.

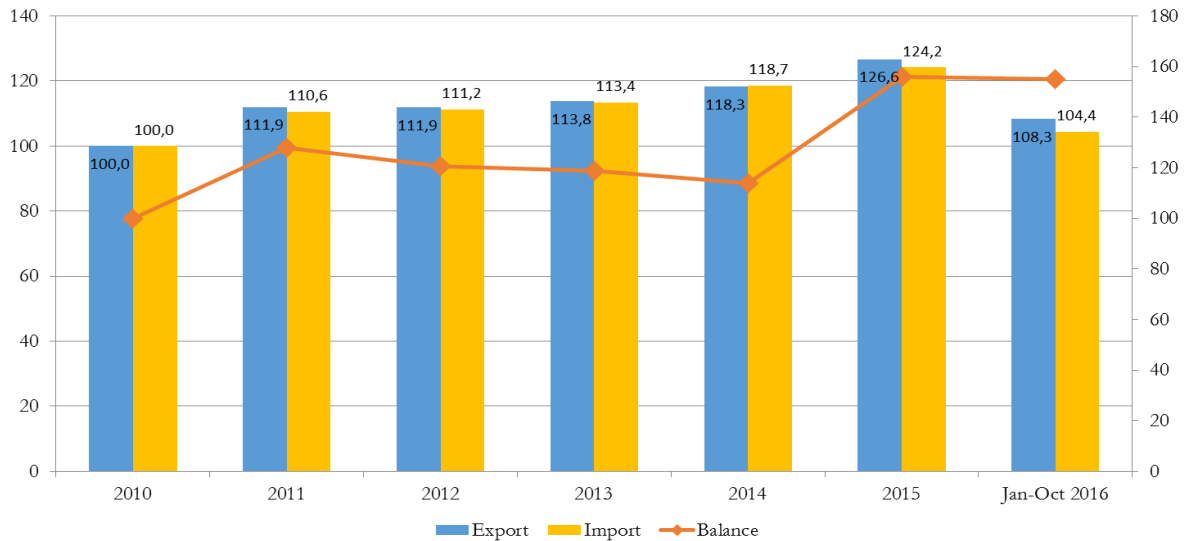
Fig. 1 shows Hungary's external trade value indices on an annual basis, between 2010 and January-October 2016. The value of exports was higher than that of imports in each year observed. In 2010-2015, the value of exports and imports increased by 26.6 percent (from EUR 71.4bn to EUR 90.5bn) and by 24.2 percent (from EUR 65.9bn to EUR 81.9bn), respectively. In 2015, Hungary recorded a EUR 8.6bn surplus, up by EUR 3bn compared to 2010. The largest annual growth was registered between 2014 and 2015, when the surplus of external trade surged by 37.0 percent, or EUR 2.3bn.

¹ Final data for the year 2016 are not available yet.



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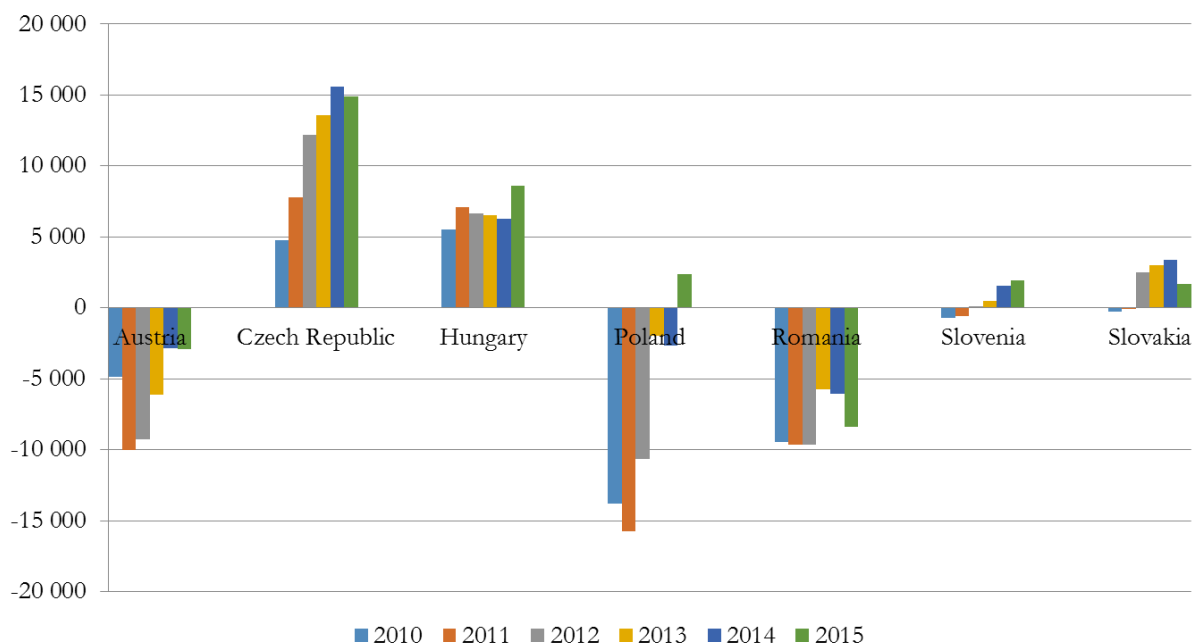
Fig. 1: Hungary's external trade in goods, value indices (left hand side axis: export and import [%]; right hand side axis: balance [%]; same period of 2010=100,0% both of them)



Source: Hungarian Central Statistical Office (KSH)

Fig. 2 shows changes in the trade balance of the V4, Austria, Romania and Slovenia from 2010 to 2015, based on year-on-year data. This chart also clearly demonstrates that Hungary had solid trade surpluses all along, similarly to the Czech Republic. The largest trade shortfall was observed in the case of Poland, as the country saw a deficit of EUR 15.7bn in 2011, while it has been in the green since 2015. Austria and Romania had a negative trade balance in each year observed. In relation to other countries in the region, Hungary can be said to have performed impressively.

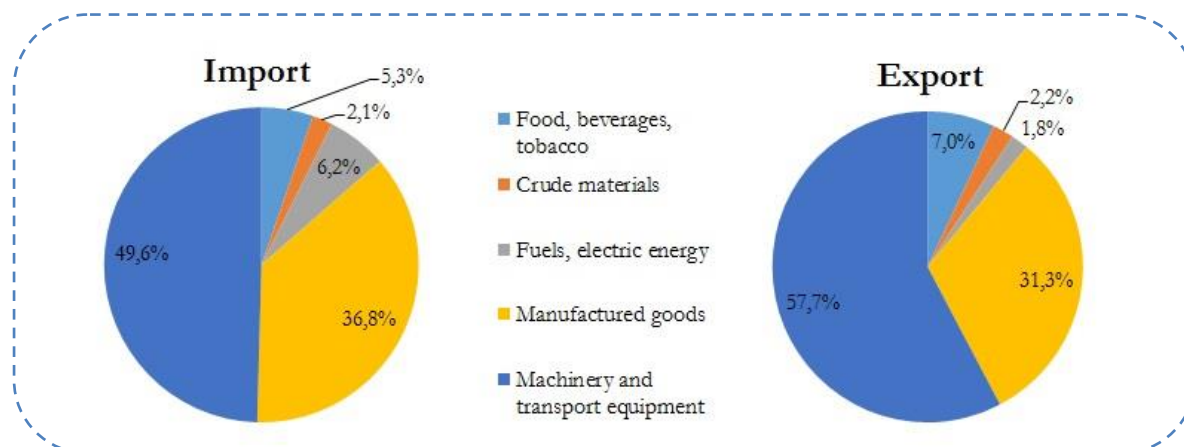
Fig. 2: Trade balance of the V4, Austria, Romania and Slovenia (million EUR)



Source: Eurostat, KSH

In January-October 2016, the commodity group of *machinery and transport equipment* had the largest share of traded products, accounting for 49.6 percent of imports and 57.7 percent of exports (Fig. 3). The commodity group of second largest weight was *manufactured goods*, with a share of 36.8 percent of imports and 31.3 percent of exports. In terms of imports, the third largest group was *fuels and electric energy* with a share of 5.3 percent, while in terms of exports the group of *food, beverages and tobacco* was ranked as third, with a share of 7.0 percent.

Fig. 3: Commodity pattern of external trade by main commodity groups, Jan-Oct 2016





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Source: KSH

Examining trends in recent years reveals that **between 2010 and 2015 the value of exports was higher concerning each commodity group**, with the two largest commodity groups posting growth of more than 1 percent. Within the total external trade of goods, the share of *machinery and transport equipment* declined by 3.1 percent, while that of *manufactured goods* rose by a similar extent, 3.4 percent. Growth in the latter group is attributable to export value increases in several related sub groups.

In this period, the value indices of Hungarian imports displayed a close relation to changes in exports. The value of imports was higher concerning each commodity group, with the largest value and volume increases registered with regard to *food, beverages and tobacco*.

In 2015, the imports of *manufactured goods* and *food, beverages and tobacco* rose, at current prices, by 56.2 percent and 46.8 percent, respectively, compared to 2010. Imports growth was driven by the soaring trade of products related to motor vehicle manufacturing.

In 2015, Hungary's number one export destination was Germany, as exports to the country accounted for 27.3 percent of the total external trade. On the ranking of export partners, Germany is followed by Romania, Slovakia, Austria and Italy, with export shares of 4.7-5.2 percent, only about one-fifth of the export value vis-à-vis Germany. **Germany continued to be the leader also in terms of imports**, as statistics show that 26 percent of Hungarian imports arriving from the country. In descending order, Austria, China, Poland and Slovakia come next on the ranking, with shares of 5.4-6.6 percent.

Data of recent years show that Hungary has enjoyed a favourable position regarding foreign trade. The country's external trade balance has been in the green since 2010, and Hungary has also performed well in relation to regional peers.