THE DEVELOPMENT OF THE HUNGARIAN AGRICULTURAL TRADE AFTER THE EU ACCESSION

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ABSTRACT

The paper discusses the changes of the Hungarian agricultural trade, and shows how different factors (both internal and external) determine the flow of agricultural trade. The analyses show that although the EU plays a role more and more important in the Hungarian trade, the balance became worse, partly because of the increase of import from Germany and from Poland. The worsening trend of the trade after the accession shows that although the competitiveness is increasing it is still behind the improvement of competitiveness of the members of the EU-15 and 10 (partly because of the change of trade agreements, of subsidies and tariffs). In advantageous years (for cereals) the trends of trade with Romania and Bulgaria may have a positive effect on the flow of the Hungarian trade after 2007.

Keywords: Hungary, EU, agriculture, trade.

1 INTRODUCTION

The analysis of Hungary's agricultural trade with the EU and its export opportunities are especially timely since the accession of Hungary to the EU in 2004 revealed basic differences in competitiveness between Hungarian agricultural products and importers' products. The main basis of the analysis was the agricultural foreign trade statistical data bases of the AKI, and the CESTAT database. After 2004 the long term examination of the trade became more difficult since the need of the complicated harmonisation of the trade data to the period before the accession, in consequence of the introduction of the INTRASTAT (because of the intra-trade) and the coming of the euro to the front after 2004.

2 CHANGING ROLE OF THE EU IN THE HUNGARIAN AGRICULTURAL TRADE

The share of Hungarian agriculture in the national economy decreased significantly from the change of regime in 1989 till the accession to the EU in 2004. The share of agriculture decreased in the GDP from 13 to 4%, in the labour from 17 to 6% and in the total export from 26 to 7%. Although *the share of the Hungarian agriculture* in the total trade and *in the trade with the EU decreased significantly* (the share of the EU in the total agricultural trade was 23% in 1991, it has slumped to 5%), *the agricultural trade balance remained positive* (more in KARTALI, 1998). Thus, it contributed decreasingly but steadily to the national trade balance and the trade balance with the EU.

Consequently the importance of the agriculture in the Hungarian economy, and in the trade is self evident. The Hungarian agricultural trade balance, the rate of the export-import worsened in the past years. The trade balance shows a deteriorating tendency (although it has improved modestly since 2000) in consequence of the modest improvement of the total export, and the export to the EU and the unbroken trend of the increase of the import.

Table 1: Distribution of the Hungarian agricultural export by main markets between 1991 and 2003, %

year*	**EU** -12/-**15**/-24	**EFTA** 7/**4**	**Eastern Europe** CEFTA, CIS also/ East-Europe without new members	*CEFTA -6/-7/-3 not joined /4 joined*	*CIS*	**others**
1991	44,4/**52,9**/62,2	11,5/**2,8**	**33,0**/23,0	*10,7/12,9/4,2/8,8*	*16,5*	**11,3**
1992	42,0/50,0/59,0	11,3/3,0	40,3/31,3	*12,4/15,3/6,8/8,5*	*15,1*	6,7
1993	44,4/53,5/62,5	12,5/3,4	33,7/34,7	*11,5/14,3/5,8/8,5*	*19,5*	8,3
1994	43,4/51,8/62,3	11,3/2,7	37,9/26,4	*12,3/15,2/5,7/9,5*	*22,0*	7,6
1995	43,3/55,3	2,2	41,4/29,4	*14,8/18,2/7,5/10,7*	*25,0*	13,1
1996	47,4/62,6	2,0	44,0/28,8	*14,6/18,3/5,4/12,9*	*20,0*	6,6
1997	40,6/56,5	2,0	49,1/33,1	*17,6/21,5/7,2/14,2*	*23,1*	8,3
1998	43,7/58,2	2,1	44,7/30,2	*19,5/22,7/10,0/12,7*	*16,1*	9,5
1999	49,6/66,8	2,0	40,1/22,9	*20,5/23,6/8,5/15,1*	*8,9*	8,3
2000	46,5/62,6	2,0	42,5/26,4	*21,0/24,1/9,8/14,3*	*10,4*	9,0
2001	48,0/61,6	2,6	40,3/26,7	*21,3/23,7/11,7/12,0*	*8,3*	9,1
2002	50,0/63,7	2,6	39,2/25,5	*18,0/21,8/9,5/12,3*	*8,3*	8,2
2003	51,0/63,9	2,9	39,3/26,4	*19,6/22,9/11,3/11,5*	*8,6*	6,8

Source: Own calculation on the databases of the Central Statistical Office(KSH), AKI 2006
*Remark: In 1995 the EU was enlarged by Austria, Finland and Sweden.
The bald and underlined data gives the total, 100%.

About 90% of the Hungarian agricultural export goes to European markets (Table 1). Until 2004 the share of the EU was 51%, the East-Europe 39% (from that the CEFTA countries 50%), CEFTA 20% and the share of the other markets was about 30%. We can count on that the share of the EU grows in our trade. Our accession caused the pseudo-reorientation of our export: the share of 50% of the EU in our export increased to 60% by the entering of the new countries in 2004, therefore the share of the non-EU countries decreased to 40%. The EU (mainly Germany) and the countries of the Eastern Europe – chiefly CEFTA and Romania – are the main export markets of Hungary. The new wave of accession in 2007 grew the part of the EU in our export to 70%, so the rate of the third markets decreased to 30%. The new enlargement of the EU will force further the natural effect of the customs/tariff union, and the monetary union: the development of the intra-EU trade will surpass the development of the extra trade. After the second enlargement the part of the third countries in our agricultural export

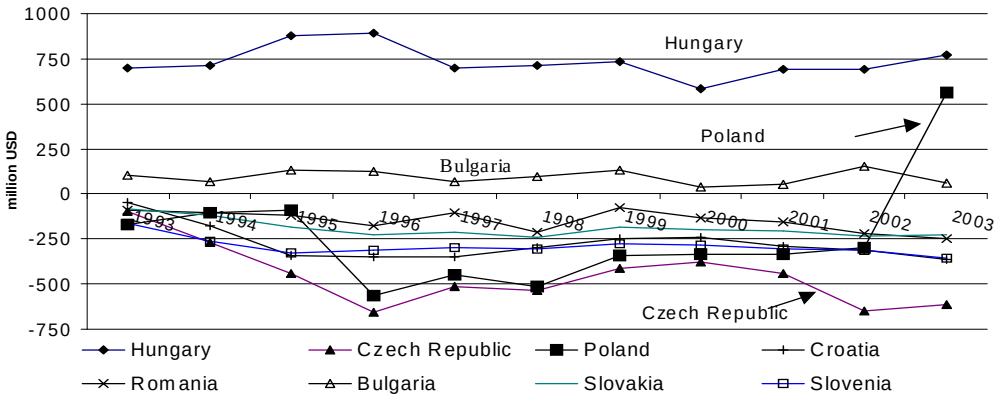
may decrease to 20% by 2010**.** *Hence the ratio of the EU reaches the 80%* of the total agricultural export that is typical nowadays in the total export.

The Hungarian agricultural trade, which has an inelastic nature and steady and concentrated product and market structure, will hopefully converge to the safe, balanced demand of the EU and so, according to the expectations the agricultural trade will become more flexible, adaptable and competitive after the accession, that may result also the change of the heterogeneous composition of the Hungarian export. *The Hungarian agricultural export is concentrated not only on markets but products as well.* The group of *live animal, meat and edible meat offal and vegetables and fruit and its preparations gives the some 50% of the total export and the export to the EU.* The cereals are important also in total export as the oil seeds and oleaginous fruits, straw and fodder are in the export to the EU. Cereals, *meat and edible meat offal and preparations of vegetables and fruit comprise 40% of the export to the CEFTA* (see more in KISS , 2002).

The analyses of the position of Hungary in the trade between the EU and the CEFTA show that while the Hungarian imports from the EU was not really significant in comparison with the CEFTA countries, the dynamics of the growth of our trade was similar to the tendency of the CEFTA. However the volume of our agricultural export to the EU was significant in comparison with other CEFTA countries, the development of our trade leg behind significantly the increase of the export of the CEFTA countries (Figure 1).

The good competitive position of Hungary in the region was shown by the fact that only *Hungary had a considerable positive trade balance with the EU*, but the fact points to the degradation of our competitiveness was that *although the Hungarian positive trade balance stagnated indeed, the negative balance of the area was continuously improving*: the deficit halved from 1996 to 2003. After 2004 the relative Hungarian position has even worsened. New member states improved their balance better not only with the EU, but with Hungary as well (mainly because of Poland).

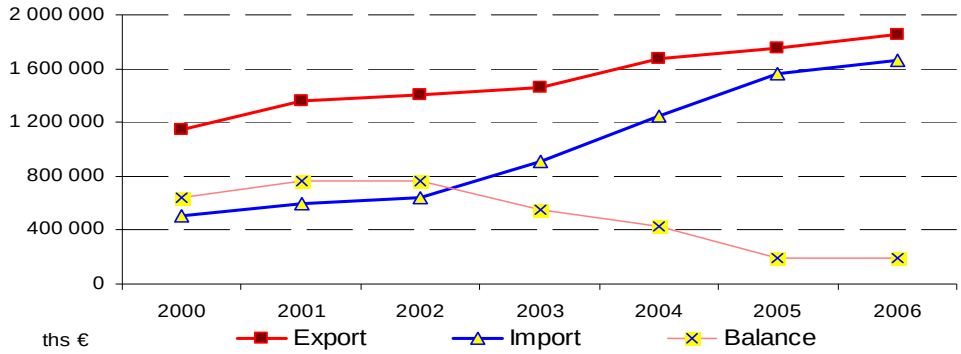
Figure 1: Trade balance of the CEFTA countries with the EU-15



Source: Own calculation based on the database of CESTAT, 2005

Total import has grown by 76% from 2003 to 2006. The import of live animals increased by 6,3 times, meat and slaughter products 3,4 times (mainly because of pig meat mainly from Germany), dairy products 2,9 times (mainly because of cheese mainly from Germany, Poland and Slovak), drink and tobacco together 2,6 times. The share of the import of live animals and meat from the total import increased over 10% in 2006. Main import partner is Germany with 22% share from the total in 2006; the second is Poland and Netherlands with 13-13%. The share of Germany and Poland was increased by 7-7 percent point from 2003 to 2006. The balance turned to negative with Poland, Czech Republic and Slovak (the 2 last turned to 0 and positive in) (more in KARTALI - WAGNER 2007).

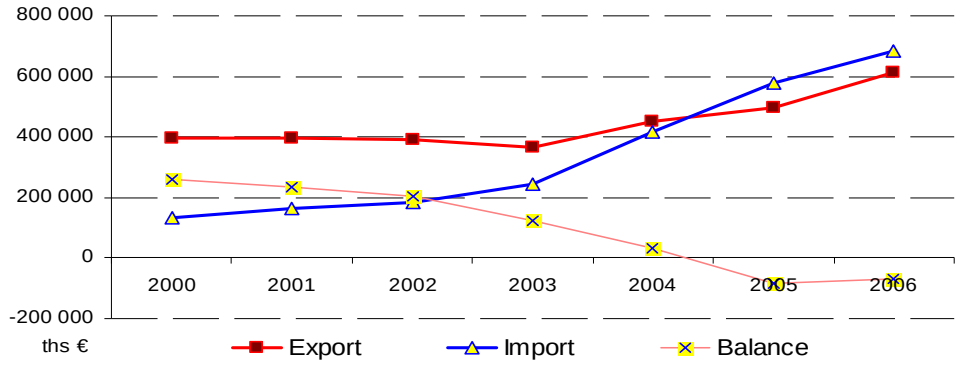
Figure 2: The development of the Hungarian agricultural trade with the EU-15, 2000-2006, ths. euro



Source: Own calculation based on the database of HSCO, 2007

Figure 2 and Figure 3 shows the changes of Hungarian trade. The *export growth* is mainly due to cereals, its export increased almost by 2 times to 600 million euro (almost to 20% from the total) to 2006, animal fodder by 20%, vegetable and fruit preparations by 14%, oily seeds by 13%, dairy products 11%. The export of the first product is meat and slaughter decreased by 3,5% to 520 million euro in 2006, thus its share decreased by 35%. The balance of dairy products turned to negative. Table 2 shows that the trade with non-EU markets was the most advantageous for Hungary. Germany gives 15% of the export, Austria and Italy 9-9%, Romania, Russia and Netherlands 5-5-5% (more in KÜRTI et al., 2007).

Figure 3: The development of the Hungarian agricultural trade with the EU-9, 2000-2006, ths. euro



Source: Own calculation based on the database of HSCO, 2007

Table 2: Hungarian agricultural trade with main markets, 2003-2006

change	Export, %	Import, %	Balance, million €
EU-15	+27	+81	-350
EU-9	+67	+179	-193
Other	+12	-14	+176

Source: Own calculation based on the database of HSCO, 2007

3 MAIN FACTORS THAT EFFECTED THE HUNGARIAN AGRICULTURAL TRADE

There were *several factors that caused the present situation*. One reason for that is that our production legs behind significantly its potential. The *export was affected by* the degradation of the production (that was caused by the privatization and restitution), and by the decrease of the consumption (that's degree surpassed the decrease of the production) in consequence of the deterioration of the state of income of the population. Although the deteriorating trend of the efficiency and production background weakened the exportable commodity fund, the set-back of the consumption (that was

worst than the production decrease) has still ensured the volume of export. The deterioration of profitability, the weakening effectiveness, the saturation of the markets, the deterioration of our competitiveness, the lack of integration and the disorganised structures of production, processing and trade system contributed to that the performance falls behind remarkably the potential of the production, especially taking into account the possibilities of the Hungarian natural conditions. The *import was affected by* the extinction of the monopoly of specialised foreign trade companies that resulted that the big number of the new organisations erased the well centralised system of information and capital. Moreover the week protection of the inner market, the great import needs of international firms and the price and quality advantage of import results the import increase.

As for *trade agreements* with the EU, the first, in 1991 offered a preference of three times bigger for Hungary than for the EU. The disadvantage of our competitiveness coming from our state of development could have been compensated only with providing a preference of about 22 times bigger than it was given for the EU by Hungary. *The next agreement* in 2000, resulted that 72% of the Hungarian exports and 54% of the import coming from the EU became duty free. However, we could use the export quotas to a lower degree than the EU could use our import quotas. *The latest agreement* in 2002 affected 97% of our export, so that prepared our agricultural trade to the participation in the free inner market of the EU. This agreement affects only 84% of our import from the EU, so it doesn't prepare the agricultural export of the EU so much to the participation in the market of Hungary. Regarding the tendencies of the analysed period, the high degree of the liberalization of our export to the EU (close to 100% already in 2002), the inelastic nature and product *and market structure which is steady and concentrated in time and in space, we could not at all count on a significant break-through in our export towards the EU in short and in medium term even after the accession. The development of our import overcame the growth of our export* since import is more flexible, it has a more competitive background and the remained restriction of 15% disappeared only after the accession. That is also backed up by the flow of *commerce after 2004. The agreements for the trade liberalisation were not proved to be successful* as the basic differences of competitiveness affects principally the development of the trade. We have to face that the natural power of the markets is pervasive, than the regulations (aimed to have equal conditions for trade partners) of the EU, or the WTO. It is reasonable that the *liberalisation issued from the accession will not increase our export possibilities but results increased danger from the side of import* (KŐNIG, 2005, B). That is

backed up by the predicted effects of the change of customs and export subsidies.

The change of the system of export subsidies and tariffs after the accession results changes in our import and export. Table 3 shows that the change of tariffs of our partners and the change of Hungarian export refunds *do not determine directly the development of our import* (in consequence of the position and characteristics of tools of regulations, as it touches mainly the export), and the effects of tariffs and refunds are neutral. By similar sequence of ideas, the Hungarian tariffs and the refunds of our partners do not affect directly the change of the Hungarian export. The mark 1 and 2 indicate that Hungarian export refunds and tariffs had been examined together with the EU ones that is why they did not get to the group of foreign refunds and tariffs, so their effect was neutral. The abolition of the Hungarian refunds to the EU and to the third countries hinders our export possibilities, for this reason its *direct change on the development of our export is negative.*

The abolishment of the Hungarian tariffs applied to the EU and the accession countries reduces the protection of our import; consequently the *effect of these changes on the development of our import is negative.* The abolition of the export refunds applied by the EU and accession countries to Hungary affects the reduction of the improvement of our import; therefore its direct *effect on our import coming from these markets is positive*. The abolition of the tariffs applied by the EU and the accession countries to Hungarian export enlarge the possibilities of our export, thus the *effect of that change on our export is positive as well*

The abolishment of the Hungarian export subsidies results the degradation of the possibilities of promotion of export to the EU and to the accession countries, and we can not count on improvement to the third countries either. The abolishment of Hungarian export refunds and the introduction of the EU ones after 2004 – as the subsidized products and the structure of refunds differ greatly from that of the Hungarian – influence slightly the development of our export to the third countries.

Export subsidies affect only modestly in a positive way our export. The possibility of enhancing our export to the EU-15 and the 10 new member states will no longer be possible, that will remains only a slight possible way of support of the export to the third countries. Consequently, *the manoeuvring room of appliance of tools of promotion of export and of support of our competitiveness will be tightening to Hungarian main markets (to the EU). The positive effect of the changing system of refunds on the Hungarian export to the third countries is diminished by some factors.*

Table 3: The direct effect of the change of the system of export subsidies and tariffs on the development of the Hungarian agricultural trade

		Partner countries	HUNGARIAN EXPORT	HUNGARIAN IMPORT
Hungarian /including the EU ones from 2004 that also covers Hungary/	**-EXPORT REFUNDS**	*EU-15*	*negative*	0
		joining countries in 2004	*negative*	0
		third countries	**(0) changing** *(1)*	0
	-TARIFFS	*EU-15*	0	*negative*
		joining countries in 2004	0	*negative*
		third countries	0	***negative*** *(2)*
foreign	**-EXPORT REFUNDS**	*EU-15*	0	*positive*
		joining countries in 2004	0	*positive (?)*
		third countries	0 *(1)*	*positive, 0, ?*
	-TARIFFS	*EU-15*	*positive*	0
		joining countries in 2004	*positive*	0
		third countries	*negative*	0 *(2)*

Complement*:* In the export „negative" means the decrease of the export, „positive" indicates the increase of the export. In the import just the opposite: „negative" means the increase of the import, „positive" the decrease of the import.

negative: decrease	negative: increase
positive: increase	positive: decrease

Source: KŐNIG, A 2005

Remark: The method could applies for the examination of several factors, e.g. by interchanging, substituting refunds and tariffs by factors of the demand and supply.

On the one hand the *degree of the subsidies will decrease* in consequence of the very determined emergence of the strict policy of retrenchment regarding the budget of the CAP that was also backed up by the WTO-commitment of the EU in 2004 and by the events of the summer of 2005 after the rejection of the EU constitution. On the other hand from 2004 there are *25 countries* for the subsidies of the EU in comparison with the former period when *there was only 15*. Several *export products and several export markets* of Hungary, which had been subsidized so far, could not receive subsidies any more from the accession, not even in that case if those touch our export to the third countries. Though the Hungarian *nomenclature* corresponds to that of the EU, certain products in detailed figures *differs from the EU* ones. The *time of transition* to the system of the EU also contributes to the reduced level of the required and utilized subsidies. The *continual change of group of products* of the export refunds of the EU and the *perpetual variation of sum of the subsidies* result incertitude that worsen the effectiveness of the business planning.

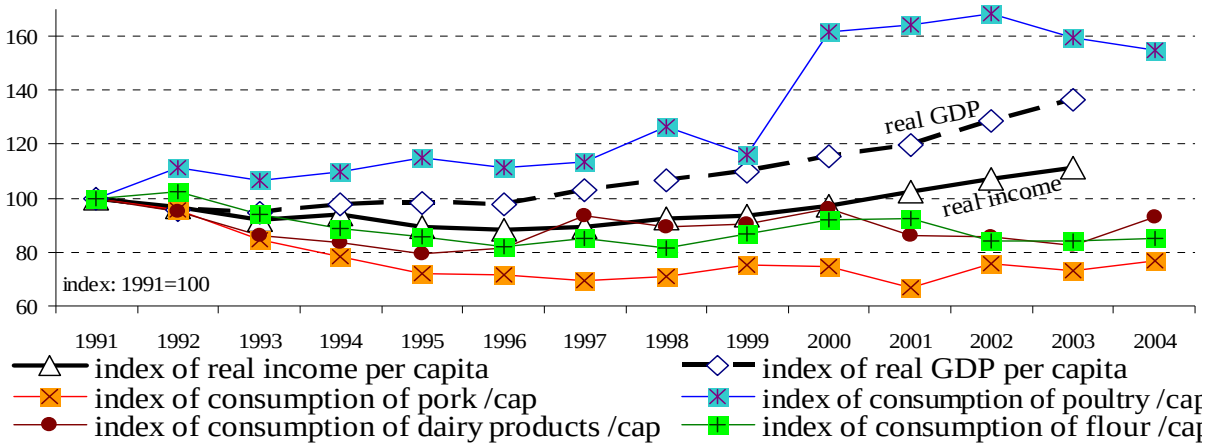
*The abolition of the Hungarian tariffs after 2004 and the entering the tariffs of the EU cause the reduction of the protection of our import, so the effect of that change on the import from the third countries is negative, that causes the increase of our import***.** The degree of protection of import for important domestic products that was exported by the third countries to Hungary was more significant before the accession, than the EU ones, therefore our market will be more open not only to the inner market of the EU, but to the third countries as well. One of our main partners is Romania. By examining the level of tariffs it is worth mentioning that as a member of the CEFTA, *Hungary could export one part of their products to Romania with preferential tariffs.* In the case of certain selected important product *preferences were more advantageous, than that of the present of the EU.* However the accession treaty between Romania and the EU is more disadvantageous, than the preferences of the CEFTA were, we can appreciate as an advantage that while the CEFTA agreements were not often complied, in the case of the European treaty that behaviour would accompanied with more serious consequences. By analysing the *export subsidies we can state that the export of cereals to Romania gets to a better position* after the accession, and the subsidies of fodder would increase according to the crop content. The exporters will get no longer subsidies on *meat,* and will have no longer the possibilities of exportation to Romania with preferential tariffs; in contrast of the former period of the CEFTA system, thus the accession will *reduce the hope of the expansion of export* of the meat sector. As for the most important *Romanian agricultural product in the Hungarian import, the accession will not bring a change,* since the imports of the most important products enjoy exemption from duties. (*JUHÁSZ, KŐNIG, ORBÁNNÉ, 2003*).

Summarizing we can state that *the export refund system of the EU supports the export of cereals to the third countries,* but after the accession the export of the live pig and halved pig will get in a worse position. The barrel wine will get less export refunds and for the milk and milk products the degree of refunds will be reduced also according the expectations. The accession will result no significant changes in the export of other products, as they were not supported before and will be not supported even after the accession.

Studying the *domestic market* we can state that although the increase of import after the accession endangers the inner market, *we can not appreciate it as a disadvantageous phenomenon if it results the improvement of the level, of the structure and of the quality of the domestic consumption,* thus the convergence to the level of that of the developed countries. The main problem of producers and processors with *import products* beyond their very competitive price and quality is that their substituting character *diverts from the consumer's intention in purchasing domestic product.* Although we count on *increasing real GDP after the accession, its advantageous effect on the improvement of income and thus on the increase of consumption is doubtful* for products with price and income elasticity as well, *since*

consumer purchases however cheaper the product (because of higher income, or cheaper price) he or she *does not destine the relieved disbursable amount of money to purchase more agricultural products* (Figure 4). It is possible to counter-effect of that by *continuous innovation and enlargement of product structure. Continuous innovation in food industry and investment*, which enables innovation otherwise, *may restrain the restrictive effect of import products*, of domestic industrial products and of services *on the development of consumption of domestic agricultural products.*

Figure 4: The development of GDP, of income and of food consumption, 1991=100



Source: Own calculation based on the database of HSCO, 2006

4 NEW METHODS IN THE EXAMINATION OF TRADE

For further researches of the trade there are two methods that are worth taking into account, that relates much of classical trade indexes as e.g. Balassa (see more at FERTŐ, 2003). The openness of a country is measured by the share of the export or (and) import in the GDP (excluding the foreign trade from the GDP). The openness of agriculture refers to the importance of the agriculture in the economy, and to the degree of its integration into international trade. The *openness of Hungarian agriculture* (agricultural export + agricultural import / agricultural GDP) legs behind the openness of the whole economy. The openness of the country was 111% in 2002 while that of the agriculture was 86%. That means the degree of the trade of agricultural products with foreign markets is relatively moderate. Therefore – in spite of the high positive degree of the agricultural trade balance – Hungary we have to do much in order to develop the international relations of the agricultural trade, to increase the openness of the agriculture and to enhance the appearance of the advantages of the competitiveness of the agriculture on international level.

The strategic development of the agriculture can be carried out by indicating and supporting strategic sectors and markets (regions), or by promoting in a general way the competitiveness, the operation of different actors of the market (and the selection will happen automatically), or by using the combination of both. The following indices support the selection of strategic sectors and markets, and help generally the analyses of the trade. Kartali was engaged in evaluating the possibilities of the trade in the publication of the AKI of „A magyar agrárexport a fő piacok felvevőképességének tükrében" in 2003. According to that the greatest possible absorbing capacity of the markets and the maximum export potential of the products are indicated by the highest degree of the export in the examined period. Consequently, in accordance with that it is ascertainable Russia was our most important export market between 1991 and 1996, and thereafter Russia was surpassed by Germany. The most important export products: meat and edible meat offal, cereals, preparations of

vegetables and fruit. The *quotient of maximum and minimum of export* attained at partner markets shows the stability of markets (KARTALI et al. 2003). According to that the most stable market of Hungary is France and Germany. The more sophisticated examination shows that the biggest markets (that buys the most products) are the steadiest markets at the same time. With these markets the index of relative importance and the index of dependence are the worst in consequence of that the highest commitment of Hungary with these countries. The defencelessness or bondage is significant because of that these countries are the most secure markets. That shows we should handle these indices with particular attention, since if we are not careful enough we could judge e.g. that our extreme dependence indicates obviously that is an adverse relation. According to Kartali, the *index of relative importance* shows how important is the trade of a country for another country. E.g. while the share of Germany in the Hungarian agricultural export is 17%, the share of Hungary in the German agricultural import is 1,2%, so the index is 14. The relation with Slovakia is more advantageous for Hungary as the index shows 0,35. Therefore the index shows also the competitive position.

$$\frac{\text{Hungarian export to the partner country / Hungarian total export x 100}}{\text{Hungarian imp. to the partner country. / total imp. of the partner country x 100}}$$

Therefore e.g. the index shows 14 (17/1,2) as for Germany, and 0,35 at Slovakia. If we take the trade's role in improvement the national balance, than the first case is more advantageous, since Hungary got a better position in a way that is not disadvantageous for the partner country either.

By developing the former index I got the *index of dependence*. It shows *the ratio of (the denominator) the share* of the export of the partner country to Hungary from the total export of the partner country *from (the counter) the share* of the Hungarian export to the partner country from the Hungarian total export. It shows the dependency of a country on another one, since it reveals which trading partner depends more on the other, who is in a more defencelessness position: that country is in such a position that gives the bigger part of its total sale to the buyer country. Hungary mostly depends on Germany from this aspect, since while the share of Germany in the Hungarian agricultural export is 17%, the share of Hungary in the German agricultural export is only 1,1%.

$$\frac{\text{Hungarian export to the partner country / Hungarian total export x 100}}{\text{Exp. of the partner country to Hungary / Total exp. of the partner country x 100}}$$

Therefore e.g. the index shows 15,5 (17/1,1) as for Germany. Hungary is more dependent, since Germany buys bigger part of the total sale of Hungary, than Hungary does in the opposite case. This index indicates our follower position as well; therefore it can be useful during the setting up of a strategy, when we map our positions and trade relations. That index gives a clearer view on our position when we identify our main markets: where the index is bigger than 1, there is certainly an important and perspective partner, where we may dare to be engaged better due to the expectation of bigger gains. It is probable, that a country with a high index is a solvent partner, where it is advisable to decrease the degree of the triangular trade.

5 CONCLUSION

It can be can be appreciate as a disadvantageous phenomenon in general that the homogenous market orientation (towards the EU), *the concentration of export markets increased after the accession*, but the EU will be a much more certain market in all probability and the EU itself is a heterogeneous market of its member states as well. Besides our relations with the EU it is important to *develop our relations with the Eastern markets* as well, since our commercial traditions give a steady background for that. The export of Hungarian products can be

successful on the European markets for long term due to the traditional trade relations already formed in the past, and to the distance of transportation. As the *relatively small quantity of the Hungarian products can not affect sensibly the market of the EU,* our *follower market* requires the utilization of special strategy. According to that (in consequence of our saturated markets, of relatively small quantity of products, of deficiency of economic and market competitiveness) we have to *differentiate between main markets and main products.* To the three ex-CEFTA candidate countries there will be possibilities for improvement of export – mostly to Romania –, and our import will strengthen mostly from the EU-15 – mostly form Germany – (that is also backed up by the tendencies of the year 2004). We can state that Hungarian export possibilities, however predominant animal products are, concentrates mostly on plant products – oilseeds and vegetable oil, fruits and vegetables and cereals –, while import expansion concentrates, above all on animal products – pig –.

Although we can expect export-increase, taking into account the countries that join the EU in 2004 and 2007, the development of our import up to the present, the change of the conditions of the competitiveness we can state that the increase of our export may not compensate the increase of the import, so the trade balance will worsen. After the accession of 2004, the liberalisation of trade, the free trade came true. Although there are equal conditions in theory, if we still get most of the subsidies from the EU after 2011 (equally with the old members) we can count on that in consequence of the backwardness of our competitiveness the improvement of our trade lags behind that of the EU. Consequently the asymmetry in competitiveness rooted in the past between the EU and Hungary certainly determines (limits) the development of the Hungarian commercial intercourse with the EU. The lack of capital, the problems of integrations, and the constant troubles in efficiency will restrain the possibility of consolidation of the Hungarian trade position in the EU for a long time. The question is whether these disadvantageous changes, the worsening tendency in the trade will last for long time or the Hungarian trade will be consolidated in short term.

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