

# Hungary

## Key indicators

Population (millions)	9.8
GDP (\$ billions)	117.1
GDP per capita (\$)	11902.8
Share of world GDP (PPP\$, %)	0.2
Current account surplus/deficit, share of GDP (%)	4.9
Tariff preference margin (percentage points)	3.9
Imports and exports (goods and services), share of GDP (%)	188.8
Services exports, share of total exports (%)	17.7
Geographic region	Europe
Country group	OECD
Income group	High income

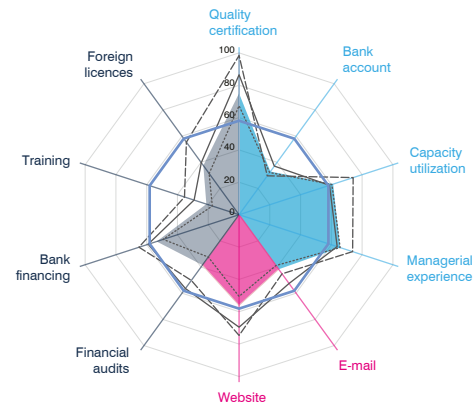
## SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	56.4	44.7	32.6
Medium	61.5	61.1	46.1
Large	69.0	59.9	51.5
All	58.7	48.9	37.7
BUSINESS ECOSYSTEM	52.1	40.7	70.3
NATIONAL ENVIRONMENT	71.7	76.5	69.9
Reference level: 58.1 (a function of GDP per capita)			
Weaknesses are scores below: 29.0		Strengths are scores above: 87.1	

## SME Competitiveness Grid

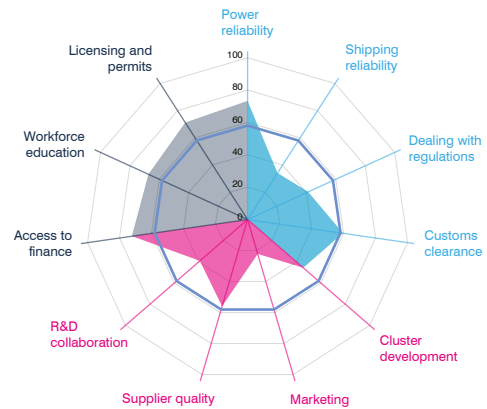
### FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	67.3	86.5	<b>98.3</b>	75.0
Bank account	32.1	37.1	29.7	33.0
Capacity utilization	60.4	58.8	74.2	61.2
Managerial experience	65.7	63.8	73.8	65.7
<b>Connect</b>				
E-mail	38.8	52.6	45.2	41.7
Firm website	50.5	69.5	74.6	56.0
<b>Change</b>				
Audited financial statement	32.3	56.4	50.2	38.5
Investment financed by banks	49.3	59.1	65.0	53.6
Formal training programme	<b>17.4</b>	29.2	35.4	<b>21.2</b>
Foreign technology licences	31.4	39.7	55.4	37.6



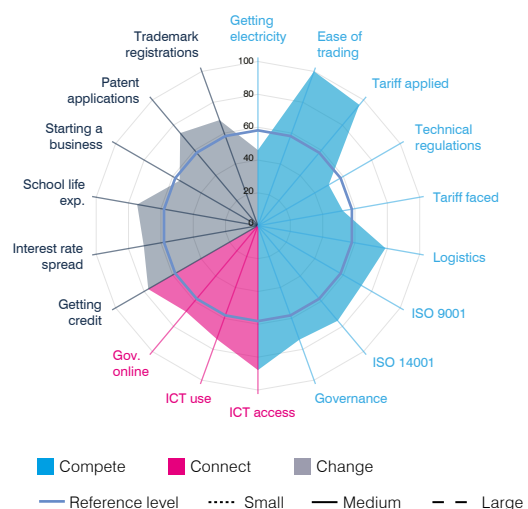
### BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	73.3	<b>100.0</b>	52.3	73.3
Domestic shipping reliability	47.9	<b>25.7</b>	-	34.2
Dealing with regulations	40.8	39.9	52.6	41.2
Customs clearance efficiency	-	-	68.0	59.6
<b>Connect</b>				
State of cluster development				45.6
Extent of marketing				<b>22.2</b>
Local supplier quality				56.0
University-industry collaboration in R&D				39.1
<b>Change</b>				
Access to finance	69.1	<b>87.2</b>	66.1	72.3
Access to educated workforce	63.6	<b>89.6</b>	54.3	67.4
Business licensing and permits	73.9	61.4	<b>100.0</b>	71.3



### NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	46.1
Ease of trading across borders	<b>100.0</b>
Applied tariff, trade-weighted average	<b>96.1</b>
Prevalence of technical regulations	49.8
Faced tariff, trade-weighted average	52.5
Logistics performance index	78.8
ISO 9001 quality certificates	72.8
ISO 14001 environmental certificates	75.5
Governance index	73.8
<b>Connect</b>	
ICT access	<b>87.9</b>
ICT use	73.4
Government's online service	68.2
<b>Change</b>	
Ease of getting credit	77.1
Interest rate spread	70.6
School life expectancy	74.7
Ease of starting a business	55.0
Patent applications	73.7
Trademark registrations	68.5



**Note:** Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

**Source:** World Bank Enterprise Survey (2013) for firm level data; for other sources and methodology see Annex.

## SME Export Potential

Hungary is a high income country with a population of 9.8 million and GDP of \$117.1 billion. Goods and services account for 82.3% and 17.7% of exports, respectively.

The country's unrealized potential to increase existing exports of goods lies within its home region and to Asia and the Americas (see table below). *Pharmaceutical products* have an unrealized export potential of around \$2.1 billion in the home region, \$264 million to Asia, and \$273 million to the Americas. Other products with unrealized potential to these regions include *reception apparatus for televisions* and *spark-ignition reciprocating piston engines*.

Regarding new export products, Hungary has diversification opportunities in machinery equipment with products such as *heat pumps*. The production of this good involves a relatively strong participation of SMEs. Other products identified for diversification include *presses for the manufacture of particleboard of wood*, and *machinery for cleaning or drying bottles or other containers*.

Small firms in Hungary perform well in meeting international quality standards. They underperform, however, in offering formal training programmes to employees. The largest performance gap between small and large firms lies in the ability to meet international quality standards. The country's national environment performs well in trading across borders and accessing ICT.

## Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators						
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology			
			0 2500	0 2500	0 2500	0 2500	0 2500							
Pharmaceutical products, except lubricants and ostomy appliances	30XXXX	4213												
Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a cylinder...	840734	3637												
Reception apparatus for television	8528Xb	3295												
Compression-ignition internal combustion piston engine "diesel or semi-diesel engine", for the...	840820	2409												
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station...	870323	4144												
Miscellaneous parts and accessories, for tractors, motor vehicles for the transport of ten or more...	8708XX	2252												
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station...	870332	1759												
Apparatus for the transmission or reception of voice, images or other data, incl. apparatus for...	85XXXb	5090												
New pneumatic tyres, of rubber, of a kind used for motor cars, incl. station wagons and racing cars	401110	1187												
Regulating or controlling instruments and apparatus (excluding hydraulic or pneumatic, manostats,...	903289	1531												

**Notes: Unrealized potential table:** Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

**Source:** ITC Export Potential Map, <http://exportpotential.intracen.org>