

An Enhanced Guide for Indian Businesses Exporting to Hungary



Hungary, a strategic gateway to Central Europe and a dynamic member of the European Union, offers a fertile ground for Indian businesses seeking international expansion. This enhanced guide provides a more detailed look at the India-Hungary trade relationship, offers a curated list of resources for in-depth market analysis, and builds upon the foundational knowledge of the Hungarian economy and regulatory landscape.

1. Overview of the Hungarian Economy and Market

Hungary's high-income, export-driven economy continues to be a key attraction for international trade. With a GDP of approximately \$219 billion, its economic stability is bolstered by a skilled workforce and strategic location within the EU's single market.

Market Size and Characteristics:

- **Robust Import Demand:** Hungary's reliance on international trade is significant, with imports playing a crucial role in its industrial and consumer sectors. Key imports include advanced machinery, manufactured goods, and energy products. While a large portion of its trade is with EU nations, the market is open and competitive for global partners.
- **Consumer Dynamics:** Hungarian consumers have growing purchasing power, driving demand for a wide array of goods. There is a notable appreciation for quality and value, presenting opportunities for Indian products that meet these criteria.
- **Industrial Hub:** The nation's economy is heavily industrialized, with the automotive, electronics, pharmaceuticals, and IT sectors forming its backbone. This creates a B2B market for raw materials, industrial components, and specialized machinery.

2. A Detailed Look at India-Hungary Bilateral Trade

The economic partnership between India and Hungary is on a steady upward trajectory, characterized by a diversifying trade basket and growing investment flows.

Bilateral Trade Statistics and Trends:

Growing Trade Volume: Bilateral trade between the two nations has been consistently growing. In 2023, trade surpassed the \$1 billion mark, demonstrating a robust and expanding commercial relationship. India's exports to Hungary were valued at approximately \$787 million in the same year.

- **Bilateral Trade:** Bilateral trade with Hungary in the last few years is given in the table below:

Year	Indian Exports (US\$ mln)	Indian imports (US\$ mln)	Total Trade (US\$ mln)
2019	489.6	254.5	744
2020	478	282.8	760.8
2021	582.5	376.2	958.7
2022	790.7	491.0	1281.7
2023	780.1	428.8	1208.9
2024	792.9	496.6	1288.5
2025 (Jan-Mar)	209.3	164.1	373.4

• *Source: Central Statistical Office, Hungary (KSH)*

- **Key Indian Exports:** Hungary's imports from India support its industrial base. These include industrial machinery, electronic components, rubber products, and primary and semi-finished iron and steel products. India's export portfolio to Hungary is diverse. The primary categories include:
 - o **Machinery & Electronics:** Electric machinery, equipment, sound recorders, and television image recorders are leading exports.
 - o **Pharmaceuticals:** Unpackaged medicaments, active pharmaceutical ingredients (APIs), and other organic chemicals represent a significant share, leveraging India's strength in the pharmaceutical sector.
 - o **Automotive Components:** With Hungary being a major automotive hub, Indian-made motor vehicle parts and accessories find a ready market.
 - o **Textiles and Apparel:** Both finished garments and raw textile materials are important export items.
- **Top ten India's export to Hungary is given below:**

Sl. No.	HS code	Description
1	84-85	Machinery and mechanical appliances; electrical equipment
2	28-38	Products of the chemical or allied industries
3	39-40	Plastics, rubber and articles thereof

4	86-89	Vehicles and associated transport equipment
5	50-63	Textiles and textile articles
6	72-83	Base metals and articles of base metal
7	94-96	Miscellaneous manufactured articles
8	90-92	Optical, medical and measuring instruments; watches
9	06-14	Vegetable products
10	16-24	Prepared foodstuffs; beverages; tobacco

- **Investment and Collaboration:** Beyond trade in goods, the relationship is deepening through investment. Several Indian companies have established a presence in Hungary, particularly in the IT, automotive, and pharmaceutical sectors, creating a positive ecosystem for further business engagement. The establishment of the India-Hungary Business Forum further facilitates dialogue and networking between businesses of both countries.

3. High-Potential Market Segments for Indian Exporters

- **Electrical and Electronic Equipment:** A consistent top performer, this sector offers opportunities for everything from consumer electronics to industrial-grade components for Hungary's manufacturing base.
- **Pharmaceuticals and Organic Chemicals:** A natural fit for "the pharmacy of the world," this sector holds vast potential for generic drugs, APIs, and specialized chemical products.
- **Machinery and Automotive Components:** The demand from Hungary's automotive and manufacturing industries for high-quality, cost-effective machinery and parts is a key opportunity.
- **Textiles and Apparel:** Indian textiles, known for their quality and variety, can cater to both fast fashion and high-end segments of the Hungarian market.
- **Iron and Steel Products:** Essential for Hungary's construction and manufacturing sectors.
- **Emerging Opportunities:**
 - o **Renewable Energy Components:** In line with EU green initiatives, there is a growing market for solar panels, wind turbine components, and other renewable energy technologies.
 - o **Processed Foods and Agri-Products:** Indian spices, tea, and ready-to-eat food products can cater to both the Indian diaspora and the mainstream Hungarian consumer looking for new culinary experiences.

4. Navigating the Regulatory Landscape: EU Compliance

Compliance with EU regulations is non-negotiable. As previously outlined, key areas of focus must be Customs Duties (CET), VAT, Rules of Origin, product-specific standards like CE Marking, and chemical regulations under REACH.

- **Hungarian Customs:** All goods entering Hungary from outside the EU must be declared to the **National Tax and Customs Administration of Hungary (Nemzeti Adó- és Vámhivatal - NAV)**. Using a reliable customs broker is highly recommended to navigate the clearance process smoothly.
 - **Website:** <https://nav.gov.hu/>

5. Resources for In-Depth Market Segment Analysis

To succeed, Indian exporters must conduct thorough market research. The following resources provide valuable data, analysis, and insights into the Hungarian market.

- **EU Access2Markets Portal:** An indispensable tool for any exporter to the EU. It provides detailed information on tariffs, taxes, rules of origin, product requirements, and trade barriers for any given product.
 - **Link:** <https://trade.ec.europa.eu/access-to-markets/en/home>
- **Hungarian Investment Promotion Agency (HIPA):** Offers comprehensive reports and publications on key sectors of the Hungarian economy, often providing deep dives into the industrial landscape, opportunities, and competitive environment.
 - **Link:** <https://hipa.hu/publications>
- **Hungarian Central Statistical Office (KSH):** The official source for a wide range of economic and social statistics in Hungary, including data on imports, exports, production, and consumer trends.
 - **Link:** <https://www.ksh.hu/?lang=en>
- **International Trade Centre (ITC) Market Analysis Tools:** The ITC, a joint agency of the World Trade Organization and the United Nations, provides free tools like the Export Potential Map and Market Access Map, which can help identify specific opportunities for Indian products in Hungary.
 - **Link:** <https://www.intracen.org/our-work/supporting-smes/market-analysis-tools/>
- **The Observatory of Economic Complexity (OEC):** A powerful visualization tool that provides detailed breakdowns of Hungary's imports and exports, allowing you to see where its products come from and what it needs.
 - **Link:** <https://oec.world/en/profile/country/hun>

6. Summary of Import Regulation Compliances

Compliance Area	Requirement	Key Actions for Indian Exporters	Relevant Authority/Resource
Tariffs & Duties	Payment of Common External Tariff (CET) and Value Added Tax (VAT).	Correctly classify products using HS codes to determine the applicable tariff.	EU's Access2Markets Portal
Product Safety	CE Marking for specific product categories.	Conduct a conformity assessment, create a technical file, issue a Declaration of Conformity, and affix the CE mark.	European Commission - CE Marking
Chemicals	REACH compliance for chemical substances.	Appoint an EU-based Only Representative (OR) to manage registration with ECHA.	European Chemicals Agency (ECHA)
Documentation	Commercial Invoice, Packing List, Bill of Lading/Airway Bill, Certificate of Origin.	Ensure all documents are accurate and complete.	Your freight forwarder or customs broker.
Labeling & Packaging	Adherence to EU regulations, including language requirements (Hungarian).	Design packaging and labels to meet EU standards for your specific product.	EU regulations on labeling.
National Requirements	Potential need for specific import licenses for certain goods.	Check with the Hungarian Trade Licensing Office and NAV for any product-specific requirements.	National Tax and Customs Administration (NAV)

7. How Embassy of India, Budapest assists Indian exporters:

- Indian exporters looking to export goods to Hungarian market can send their queries to Embassy of India, Budapest. Upon receipt of trade enquiry, Embassy provides you with an Importers and Distributors list, market analysis etc. Embassy normally helps to resolve commercial disputes through Local Chamber of Commerce and can connect you with a panel of local Lawyers. Embassy facilitates participation of Indian businesses in Hungarian trade fairs and gaining market insights by organizing workshops with local stakeholders.
- **Website of Embassy of India in Budapest:** <https://www.eoibudapest.gov.in/>

By leveraging this detailed information and the resources provided, Indian businesses can formulate a robust market entry strategy and capitalize on the significant opportunities available in the Hungarian market.

* * * *

Disclaimer: The information is provided based on open source analysis and availability by Mission's staff. Due care has been taken to ensure accuracy of information and data, however, Mission has no liability for any commercial issues, damages or liability arising out of this information. This report is provided for information purpose only.