

VIETRADE - Based on the Vietnam-Hungary traditional friendship, the trade relations between the two countries have grow rapidly, with a significant increase in two-way imports and exports in the past years. However, outcomes of the bilateral trade exchange is still lower than the strengths and expectations of both nations. Vietnam and Hungary are making efforts to boost their bilateral trade cooperation.

According to the preliminary statistics of the Vietnam's General Customs Office, in the first three months of 2017, total two-way trade revenue between Vietnam and Hungary reached more than US\$76 million - an increase of 74.2% compared to the same period of 2016. Vietnam's exports to Hungary totaled US\$35.27 million, rising by 85.4%, and its imports from the country totaled US\$41 million, rising by 65.5% compared to last year.

Vietnam's main export items to Hungary are textiles and garments, vehicles and spare parts, phones and accessories, etc. While our country mostly imports pharmaceutical products, machines, equipment, instruments and spare parts from Hungary.

Although the bilateral trade between Vietnam and Hungary in general and our export revenue to Hungary in particular has increased remarkably, Vietnam still recorded a trade deficit of US\$5.73 million from this market. Experts recommends that Vietnamese businesses have potentials and advantages to promote exports to Hungary, given that both countries want to increase exports between the two markets.

Specifically, with a stable economic development, Vietnam has a great demand for capital, technology, machine and equipment for producing and exporting goods. Meanwhile, Hungary is considered as a potential market and a bridge for Vietnamese commodities to enter the European market.

On the other hand, Hungary has also fostered its economic efforts to Eastern markets in recent years. In its Eastern orientation, Hungary considers Vietnam as an important gateway to the Southeast Asia.

In the recent talk between H.E. Nguyen Thi Kim Ngan, Chairwoman of Vietnam National Assembly and H.E. Kover Laszlo, Chairman of Hungary National Assembly, during her visit to Hungary, by the Hungarian side requested that the two nations should further promote its economic and trade cooperation in the coming months. At the same time, two countries have agreed on bilateral cooperation plans, including measurements to increase economic and trade exchange through regular fairs and exhibitions to introduce products and technologies.

To date, Vietnam and Hungary have signed many agreements such as the on Double Taxation Avoidance Agreement, the Investment Protection and Promotion Agreement, the Economic Cooperation Agreement, etc. With efforts of different ministries and sectors, the two countries have also signed several documents, including the Memorandum of Understanding (MOU) between the Hungary Investment and Trade Agency (HITA) and the Vietnam Trade Promotion Agency (VIETRADE), contributing to facilitating the trade cooperation of enterprises in the two countries.

There will be more advantages and favorable conditions for the bilateral trade between the two nations after Vietnam signs the Free Trade Agreement (FTA) with the European Union (EU) where Hungary is a member state as most tariff-lines will be 0%.

Given these potentials and advantages, the experts advise Vietnamese enterprises to take the opportunities, actively explore the market, develop business plans, network with partners, and boost exports to Hungary. However, the experts also note that Vietnamese enterprises should improve their product quality and designs as well as have marketing strategies to reach local partners and consumers.