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Canadian Trade and Investment Activity: Canada–Hungary

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***Canadian Trade and Investment Activity:
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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with selected countries. Particular attention is paid to bilateral merchandise trade, trade in services, and foreign investment. These publications are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

Merchandise Trade

In 2009, bilateral merchandise trade with Hungary totalled \$644.9 million: \$274.3 million in Canadian exports to, and \$370.6 million in imports from, Hungary.

In 2009, Hungary was Canada's 51st largest export market in the world, and its 13th largest market in the European Union. It was also Canada's 52nd largest source of imports in the world, and its 14th largest source in the European Union in that year.

Canada's exports to Hungary have grown significantly in recent years, from \$53.4 million in 2004 to \$274.3 million in 2009. Imports from Hungary have also risen steadily, from \$100.5 million in 1999 to \$370.6 million in 2009.

Virtually all Canadian exports to Hungary come from Ontario. In 2009, Ontario was responsible for 93% of total Canadian exports to that country.

Ontario is also the province where exports to Hungary grew most rapidly between 2004 and 2009, with an average annual growth of 49% during that period.

Figure 1

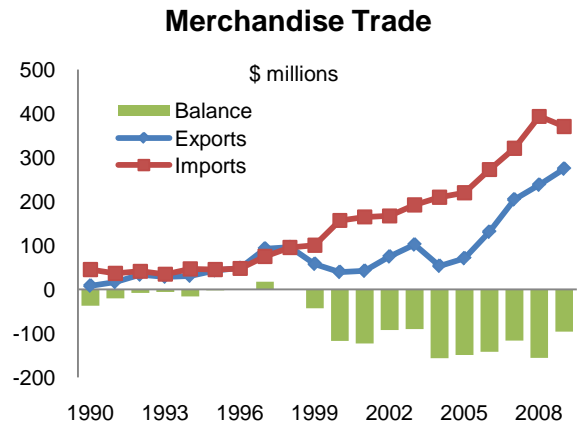


Figure 2

Importance to Canada

Average yearly growth (%):
2004–2009

Share of total trade (%):

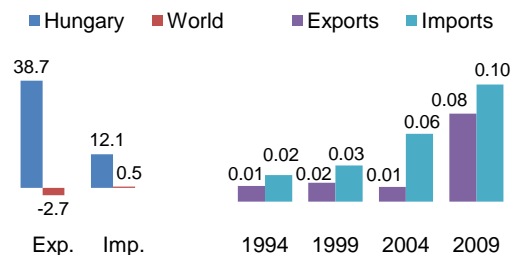
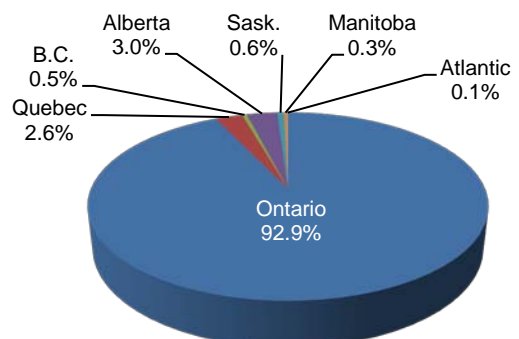


Figure 3

Exports by Province/Territory – 2009



All figures were prepared by the author using Statistics Canada annual figures as of spring 2010.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

In 2009, a majority of Canadian exports to Hungary – 71% of total exports to that country – consisted of electronic and electrical products (primarily integrated electronic circuits). Exports in this category rose by 1,217% between 2004 and 2009. The other leading categories of Canadian products exported to Hungary in 2009 were specialized instruments, and machinery and equipment.

In 2009, imports of mobile telephone equipment accounted for 24% of Canadian imports from Hungary. The other leading categories of products imported from Hungary in that year were water filtration and purification equipment, and prescription drugs.

Canada was a net importer in almost all product categories in 2009. However, Canada's trade deficit with Hungary has declined in recent years. The trade deficit was \$156.3 million in 2004, but by 2009 it had fallen to \$96.3 million.

Data on trade in services between Canada and Hungary are not available.

Figure 4

Major Export Products

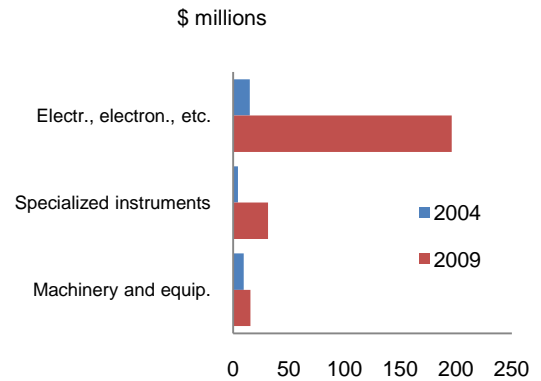


Figure 5

Major Import Products

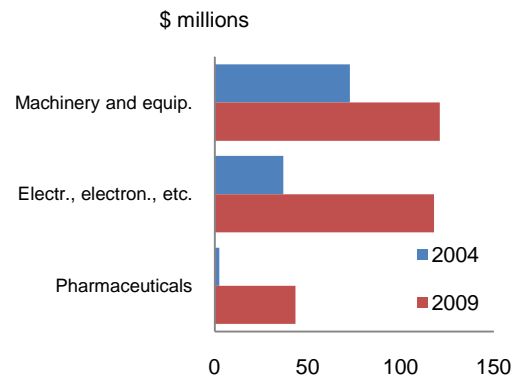
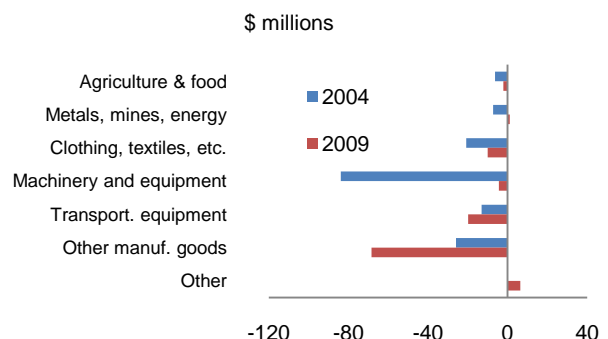


Figure 6

Balance by Category



Investment

Hungary is a major destination for Canadian investment. In 2009, Canadian direct investment in Hungary totalled \$12 billion, making it the ninth most important destination for Canadian foreign direct investment. That figure was considerably higher than the 1999 level of \$401 million.

Data on Hungarian investments in Canada are not available as statistics are suppressed in some years when there are too few investors and business confidentiality needs to be protected.

Figure 7

Foreign Direct Investment

