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THE HUNGARIAN FOOD SECTOR (SUMMARY)

The study prepared for the Hungarian Investment and Trade Agency gives an analysis of the Hungarian food sector regarding especially potential investors. A relative stability and shock resistance of the supply of food on the one hand and Hungary's good agricultural conditions on the other can establish the profitability of investments on the long run.

The study surveys the major comparative advantages held by the Hungarian food sector as follows:

- | *the natural endowments of the Carpathian Basin (climatic conditions and soil) establish the large scale production of high quality raw materials for the food sector;*
- | *the total abolition of the utilization of GMOs in the country's agriculture has been representing an ever increasing competitive advantage for Hungary. This is laid down also in the country's Constitution and corresponding legislation;*
- | *geographical fragmentation and different climatic conditions within the country constitute a source of diversity of production and establish a rich choice for processing;*
- | *infrastructure is good, and recent logistical projects have expanded storage capacities and have improved the efficiency of transportation;*
- | *there is a traditionally strong institutional system for agricultural training, education and research;*
- | *wages are relatively low and the supply of professional and semi-skilled labor is excellent.*

The above factors explain the fact that Hungary is a major producer of several agricultural products in Europe – especially if compared with the country's size. In 1937, Albert Szent-Györgyi - professor of the Szeged University at that time – was awarded the Nobel Prize in Physiology or Medicine for isolating vitamin C as a result of the research done in the Hungarian “paprika-cluster”. The raw material used for his research was only *paprika*.

The conclusions of the study are strongly supported by relevant statistics. The success stories of the food industry investments can be well illustrated by the presence of several global companies such as Nestlé, Unilever, Danone, Giavudan, Bonduelle, Univer, Ferrero, Kraft, etc.

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