Hungary Apparel Overseas Market Analysis Report

Target Country: Hungary | Main Category: Apparel

Report Updated: June 30, 2026

Hungary Apparel Core Conclusions

Hungary's apparel market is characterized by high import dependency, moderate consumption recovery, and rising cost pressures. The import dependency ratio reached approximately 78% in 2025, with China firmly holding the position as the second-largest supplier. The Forint depreciated by about 3.8% against the Euro in H1 2026, pushing up import costs, while online retail penetration expanded to 26%, offering structural opportunities for cost-competitive Chinese apparel.

Import Dependency (2025): **~78%**

China's share in Hungary's apparel imports: **~16.5%** 2nd Largest Source

H1 2026 Forint/EUR exchange rate change: **Depreciation ~3.8%**

Online retail penetration (Q1 2026): **26%** YoY +2.3pp

Source: Hungarian Central Statistical Office (KSH), released May 2026; Eurostat trade data, updated April 2026; Hungarian National Bank (MNB) exchange rate data, June 2026.

Supply & Demand Fundamentals

Hungary's domestic garment manufacturing sector is limited, with annual output meeting only about 22% of domestic consumption demand. The apparel retail market size was approximately EUR 1.42 billion in 2025, up 2.8% year-on-year. Import volume reached about 930 million pieces (including knitted and woven garments), while exports mainly consist of re-exports and branded OEM production, significantly smaller than imports.

Indicator	2023	2024	2025
Apparel retail sales (EUR bn)	1.33	1.38	1.42
Apparel import volume (100M pcs)	8.7	9.0	9.3
Domestic production share	23%	22%	22%
Consumption growth (YoY)	+1.5%	+3.8%	+2.8%

Source: KSH Retail Statistics Annual Report, released March 2026; Eurostat COMEXT database, extracted May 2026.

Source: Hungarian Central Statistical Office (KSH), March 2026; Eurostat, May 2026.

China Market Overview

China's overall apparel exports faced pressure in H1 2026, but exports to Central and Eastern Europe remained resilient. The domestic textile and apparel industry capacity utilization rate was about 74%, with cotton yarn and synthetic fabric prices declining slightly by 2%-4% compared to the same period in 2025, providing some cost buffer for export enterprises. China's apparel exports to Hungary reached approximately EUR 480 million in 2025.

China's apparel exports to Hungary (2025): **~EUR 480M**

Domestic garment manufacturing capacity utilization (Q1 2026): **74%** Flat QoQ

Domestic cotton yarn price (C32S, June 2026): **~CNY 21,800/ton** YoY -3.2%

Polyester DTY price (June 2026): **~CNY 8,550/ton** YoY -2.8%

Source: General Administration of Customs of China trade statistics, annual data released February 2026; 100ppi.com textile raw material price monitoring, June 28, 2026; China National Textile and Apparel Council operational briefing, May 2026.

Hungary Market Overview

Hungary's apparel retail is dominated by offline chains and shopping centers, but the online channel share has risen to 26%. Apparel CPI rose 4.1% year-on-year in Q1 2026, with clear import cost pass-through. Major import source countries are China (16.5%), Germany (14.2%), Poland (10.8%), Italy (8.6%), and Bangladesh (7.3%).

Import Source Country	2025 Share	YoY Change
China	16.5%	+0.3pp
Germany	14.2%	-0.8pp
Poland	10.8%	+0.5pp
Italy	8.6%	-0.2pp
Bangladesh	7.3%	+0.9pp

Source: KSH Foreign Trade Statistics, released April 2026.

Source: Hungarian Central Statistical Office (KSH), April 2026; Hungarian National Bank inflation report, May 2026.

Product Segment Structure

In Hungary's apparel imports, womenswear holds the largest share (~38%), followed by menswear at ~28%, childrenswear at ~15%, sportswear and functional clothing at ~12%, and underwear and loungewear at ~7%. Sportswear imports grew the fastest in 2025, up 6.8% year-on-year, reflecting the health-conscious consumption trend.

Segment	Import Share (2025)	YoY Growth
Womenswear (dresses, outerwear, etc.)	38%	+2.1%
Menswear (suits, casual wear, etc.)	28%	+1.5%
Childrenswear & infant clothing	15%	+3.2%
Sportswear & functional clothing	12%	+6.8%
Underwear & loungewear	7%	+1.9%

Source: Eurostat Prodcom and trade breakdown data, updated May 2026.

Source: Eurostat database, May 2026; Hungarian Textile Industry Association (MTSZ) annual briefing, March 2026.

Core Finished Product Supply & Demand

The supply-demand gap in Hungary's ready-to-wear market continues to widen, with domestic production meeting only about 22% of demand in 2025, the remainder relying on imports. Fast fashion turnover is accelerating; international brands such as Zara and H&M dominate offline channels, while Chinese platforms like Shein and Temu are rapidly gaining online market share, together accounting for approximately 18% of online sales in Q1 2026.

Domestic ready-to-wear production self-sufficiency rate: **22%**

Ready-to-wear import volume (2025): **~930M pcs**

Fast fashion online share (Chinese platforms, Q1 2026): **~18%** YoY +4.5pp

Average retail price index (Q1 2026): **YoY +4.1%**

Source: KSH retail and foreign trade statistics, April 2026; GKI Digital online retail monitoring, May 2026.

Intermediate Goods & Raw Material Values

Chinese textile intermediate goods prices remained stable with a slight decline in H1 2026, with cotton yarn and synthetic fabric prices down 2%-4% year-on-year. The CIF landed cost of imported textile fabrics in Hungary increased by approximately 3.5% in real terms due to Forint depreciation, yet Chinese fabric's cost-performance advantage remains prominent.

Intermediate / Raw Material	China Producer Price (June 2026)	Hungary CIF Estimate
Cotton yarn C32S	~CNY 21,800/ton	~EUR 3,050/ton
Polyester DTY 150D	~CNY 8,550/ton	~EUR 1,220/ton
Cotton-polyester blended fabric	~CNY 12.5/m	~EUR 1.75/m
Nylon zipper (standard spec)	~CNY 0.35/pc	~EUR 0.05/pc

Source: 100ppi.com, June 28, 2026; China Textile Information Center price monitoring; Budapest importer quotation composite estimates.

Source: 100ppi.com textile price monitoring, June 2026; China Customs HS code export average price conversion, May 2026.

Trade & Macro Indicators

Hungary's GDP growth rate was approximately 1.8% in 2025, with expectations of a slight increase to 2.1% in 2026. Apparel retail accounts for about 7.3% of total retail sales. Bilateral trade between China and Hungary reached approximately EUR 12.7 billion in 2025, of which apparel accounted for about 3.8% of Chinese exports. Hungary's corporate income tax rate of 9% is among the lowest in the EU, favorable for warehousing and distribution layout.

Hungary GDP growth (2025 / 2026E): **1.8% / 2.1%**

Apparel retail as % of total retail: **~7.3%**

China-Hungary bilateral trade (2025): **~EUR 12.7B**

Corporate income tax rate: **9%** Lowest in EU

EUR/HUF exchange rate (June 2026): **~398 HUF/EUR**

Source: World Bank Hungary Country Report, April 2026; Hungarian Ministry of Finance; China Ministry of Commerce Country Trade Report, May 2026.

Risks & Opportunity Windows

Key risks include persistent Forint exchange rate volatility, the potential impact of the EU Carbon Border Adjustment Mechanism (CBAM) expanding to textiles, and Hungary's domestic supply chain support policies. Opportunity windows lie in deepening China-Hungary Belt and Road cooperation, improving cross-border e-commerce logistics lead times, and expansion potential for Chinese brands in the cost-competitive fast fashion segment across Central and Eastern Europe.

⚠ Risk Alert: The EU plans to include textiles within the scope of the Carbon Border Adjustment Mechanism (CBAM) by 2027, which may increase export costs for Chinese apparel with higher carbon footprints.

FX risk: **Forint annualized volatility ~6.2%**

Opportunity: China-Hungary bilateral investment agreement upgrade Effective 2026

Cross-border e-commerce logistics lead time: **China-Europe Railway Express ~14-16 days**

Source: European Commission CBAM Roadmap, February 2026; Hungarian Investment Promotion Agency (HIPA), April 2026; Economic and Commercial Office of the Chinese Embassy in Hungary, May 2026.

Data Sources Summary

- Hungarian Central Statistical Office (KSH) — Retail statistics, foreign trade statistics, consumption data, released March-May 2026.
- Eurostat — COMEXT trade database, Prodcom breakdown data, extracted May 2026.
- General Administration of Customs of China — 2025 annual trade statistics and HS code export data, released February 2026.
- 100ppi.com — Textile raw material (cotton yarn, polyester) price monitoring, June 28, 2026.
- Hungarian National Bank (MNB) — Exchange rate data and inflation reports, May-June 2026.
- China Ministry of Commerce — Country trade report (Hungary), May 2026.
- World Bank — Hungary country economic report, April 2026.
- European Commission — CBAM roadmap and policy documents, February 2026.
- Hungarian Investment Promotion Agency (HIPA) — Investment policy and bilateral cooperation information, April 2026.
- GKI Digital — Hungary online retail monitoring data, May 2026.