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Firms and Products in International Trade:
Data and Patterns for Hungary

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Throughout the paper, we use the following approach to Tables and Statistics. The year 1999 is picked as reference point to describe cross-sectoral distribution of any phenomena; while these tables for 1999 are displayed in the text, time-series of the descriptive statistics will be available in the Appendix.

The rest of the paper is structured as follows. In Section 2, first we describe the two datasets separately and the procedure of merging. Section 3 gives a portrait of trading firms: in 3.1 the prevalence of trading activity across sectors is discussed, part 3.2 investigates how trading firms are different from non-trading firms in terms of key characteristics. Part 3.3 describes the concentration of trading volume across and within sectors. Further, the basic picture on the spatial distribution on trade volume is described. In Section 4 the distribution of the number of traded products are discussed. Using the customs data part 4.2 presents a broader picture on the Hungarian trade regarding products principal trading partners. Finally, some key stylised facts are summarised.

2 Constructing the Dataset

In this section we explain in detail how the IEHAS-CEFiG Hungary dataset was constructed: describing both the source dataset and the procedure of merging.

2.1 The source datasets

The balance sheet database is based on information collected by the Hungarian Tax authority (APEH). It contains information on double entry book keeping firms from 1992 to 2006. The list of key variables include: annual average employment, net value of sales and export sales, fixed assets, wage bill, financial assets, costs of goods and materials. Also, we have information on ownership, as the equity share of the public sector, domestic private sector and foreign owners are given. Firms' sectoral categorisation is identified at four-digit NACE categories (of 1996). The location of the headquarter of the firm is available at municipal level along with its post code, and this allows to describe data spatially at any level of NUTS classification.

The firm level custom dataset is collected by the Hungarian Statistical Office. The dataset is assembled from the customs declarations that economic agents fill out in case they export or import. These account for all transactions entering or leaving Hungary with the special trade approach which excludes

Table 26
 Average number of export markets served and imports served by

Year	Average number of export markets served	Average Number of import market served by
1992	3.38	3.12
1993	3.36	3.27
1994	3.41	3.41
1995	3.45	3.63
1996	3.54	3.87
1997	3.58	4.34
1998	3.61	4.66
1999	3.65	4.85
2000	3.76	4.98
2001	3.79	5.04
2002	3.83	5.08
2003	3.98	5.25
unweighted average		

