

VISEGRAD / INSIGHT

Ukraine's EU Accession | Hungary-Poland Relations | Economic Security

Problem

Poland or Hungary – governments or business communities – do not have a coherent economic strategy that foresees Ukraine's EU membership from the point of view of opportunities, security or competitiveness.

Key facts

Between 2021 and 2024, Central European countries, including Hungary and Poland, recorded a 75% increase in exports to Ukraine, rising from EUR 13.7 billion to EUR 24 billion. These countries accounted for half of the EU's imports from Ukraine and 26% of Ukraine's total exports. Remaining outside the EU, along with falling productivity and a migration crisis driven by military defeat, could shrink Ukraine's GDP by more than 22%, with repercussions for the entire region.¹

Foresight

Without a clear cost-benefit analysis and decisions regarding their own economic strategies for an enlarged EU, Poland or Hungary are likely to block Ukraine's accession path driven by the particular interests of secondary actors.

Hungary and Poland Economic Security and Ukraine EU Membership

EXECUTIVE SUMMARY

- Ukraine's accession to the European Union is expected to have a markedly positive impact on the country's economy, with projections indicating potential GDP growth exceeding 26%.² This expansion would likely stem from Ukraine's integration into EU supply chains, the implementation of structural economic reforms, and the inflow of EU development funds. The EU enlargement, however, is not only beneficial for the acceding state, as it also generates economic gains for existing member countries. The most substantial benefits are anticipated in Central and Eastern Europe, with Poland and Hungary at the forefront.
- Judging from historical records of economic performance of countries whose members joined the EU such as Austria or Germany the economic outputs are expected to help Poland's and Hungary's GDP growth and provide an expanded market or investment space.
- However, current war conditions and sub-optimal reforms of rule of law make the full prospects of economic integration less of a pull factor for investors. Currently, Polish as well as Hungarian investors prefer to invest in other EU markets relying on market maturity and predictability.
- Both countries have a lot of experience in EU integration strategies that could be better coordinated if not between Budapest and Warsaw then by individual experts to enhance best outcomes both for Ukraine as well as current EU members.

¹ <https://pie.net.pl/en/ukraines-gdp-could-grow-by-up-to-26-as-a-result-of-eu-accession/>

² <https://pie.net.pl/en/ukraines-gdp-could-grow-by-up-to-26-as-a-result-of-eu-accession/>

About

Authors

Karolina Choina
Wojciech Przybylski
Luca Soltész

Project

EuropeFuture.Forum is an invitation-only format for strategic foresight discussion on European policy and political initiatives.

This brief is a result of Visegrad Insight's seminar *Hungarian and Polish business perspectives on Ukraine's future membership in the EU*, which was organised for Hungarian and Polish economic security policy experts and practitioners.

This project is funded by the Waclaw Felczak Polish-Hungarian Cooperation Institute, a Polish governmental agency, and it is meant to improve future Polish-Hungarian relations.

Contributors

Magda Jakubowska, Tomasz Kasprowicz, Cyryl Kozaczewski, Małgorzata Kuczyńska, Ewa Moncure, Daryna Onyshko, Zoltán Varga

What does Ukraine's EU accession mean for the Polish economy?

- Poland considers Ukraine's EU membership its strategic objective for security reasons.
- Five structural challenges emerge for a long-term perspective:
 1. Polish SMEs in Ukraine face uphill battles should the single market not be efficiently protected by strong rule of law institutions and anti-corruption measures,
 2. Concentration and efficiency of some sectors – agriculture, defence production – are much higher than in Poland,
 3. EU funds distribution may decrease for some regions due to EU methodology,
 4. Ukraine's clean (nuclear) power production (over 50% of supply) may give an advantage over Poland in EU value chains,
 5. Rebuilding Ukraine may provide a technological leapfrogging effect – compare some 2004 members to the rest of the EU – while capitalisation levels in Poland are still behind the wealthiest investors in the EU.
- However, there are more present-day opportunities than challenges manifested in economic performance. Over the last few years, Poland's exports to Ukraine have more than doubled, establishing the country as Ukraine's largest export destination and second-largest import partner for Ukraine after China.³
- In the future, Ukraine's accession to the EU would constitute a structural shift in the regional economic landscape, with multifaceted implications for Polish enterprises. Ukraine's integration into the EU single market could expand commercial opportunities for Polish firms, particularly in sectors where Poland has developed competitive expertise, such as agri-food processing, logistics, infrastructure development, and energy services. The harmonisation of legal and regulatory frameworks would lower transaction costs and facilitate investment flows, while improved

³ https://pie.net.pl/wp-content/uploads/2025/07/PEI_Report_Ukraine-and-EU.pdf

transport corridors could reinforce Poland's position as a regional trade hub connecting Western Europe with the East.

- The inflow of Ukrainian workers has eased labour shortages, and Polish processed-food exports to Ukraine have more than doubled. Yet despite these advantages and despite new financial instruments, Polish SMEs show very limited readiness to enter or invest in the Ukrainian market.
- However, the protests of small farmers, especially those producing fruit or basic crops, were politically amplified far beyond the real economic scale of the issue. Polish politics is therefore highly sensitive to perceptions of unfair competition, even though Ukraine's actual export capacity is marginal compared with Poland's enormous agricultural output.
- The projected impact of Ukraine's EU accession on Poland's GDP growth is estimated at 0.17%, making Poland the largest anticipated beneficiary of the increased trade and economic integration that would accompany EU enlargement.⁴ This number translates to approximately PLN 6.55 billion per year. An estimated PLN 1.3 billion of this amount could go to the state budget annually.
- Yet, the accession could also expose Polish companies to intensified competition as Ukrainian firms, benefiting from lower production costs and access to EU structural funds, might challenge Polish exporters both in domestic and EU markets. Furthermore, potential shifts in labour mobility could exacerbate Poland's workforce shortages, increasing wage pressures in key industries.
- Ukraine's accession would offer Polish businesses significant strategic opportunities but would also necessitate adaptation to a more competitive and integrated regional economy.
- More than 50% of Poles believe that Ukrainian citizens contribute positively to Poland's economy. This view is particularly prevalent among voters of the ruling party.⁵
- Despite all this, there is an absence of deeper bilateral strategic agreements between Warsaw and Kyiv, even as

⁴ https://pie.net.pl/wp-content/uploads/2025/07/PEI_Report_Ukraine-and-EU.pdf

⁵ <https://wiadomosci.onet.pl/kraj/polacy-o-ukraincach-sondaz-pokazuje-wyraznie-od-czego-zalezy-odpowiedz/6ghc07x>

Ukraine forms such partnerships with Greece, France and Spain. Poland supports Ukraine's membership unequivocally but is economically underprepared and internally divided on how to safeguard national interests during and after accession.

What does Ukraine's EU accession mean for Hungary?

- Structural challenges for a long-term perspective:
 1. cheaper labour costs and less capacity to benefit from the open labour market due to language differences in comparison to other CEE countries,
 2. increased competitiveness of other CEE countries (like Poland) in comparison to Hungary, based on economic cooperation with Ukraine – relative deprivation / lower convergence,
 3. German / American industrial base friendshoring to Ukraine,
 4. Circumventing the EU's energy and logistical lines (north-south) – through the Lviv region, without Hungary being plugged enough into this system.
- The Hungarian government has built up a negative image of Ukraine and its accession to the EU to fuel its domestic electoral campaign. A poll from April suggests that 45% of Hungarians would support the country's accession to the EU if it undergoes reforms, compared to the 38% who are against it.⁶ However, Viktor Orbán's supporters are united on the front and pro-government media continues to push the narrative that Orbán's opponent, Péter Magyar is 'financed by Ukraine and EU'.
- To underline that Ukraine's accession is mostly a political obstacle for Hungary, there are some key takeaways: Viktor Orbán argues that Ukraine's accession to Hungary would cost 'tens of thousands of euros' to each citizen. However, the 'cost of Ukraine' since its

⁶ <https://24.hu/belfold/2025/04/28/idea-intezet-ukrajna-eu-s-csatlakozas-kozvelemeny-kutatas/>

invasion is around €6 per EU citizen a month.⁷ Currently, more tax money is spent on sports.

- However, many of the substantive concerns of citizens and businesses are grounded in reality. The most pressing issue is Ukraine's institutional weaknesses: corruption, unreliable local authorities, oligarchic structures and predatory behaviour by officials. Experts in the field believe that Ukraine must undergo profound governance reforms before full EU membership can be realistically considered.
- It is in Hungary's national interest to extend the zone of stability eastward and southward, as explicitly stated in Hungary's 2012 National Security Strategy, which explains that Hungary's goal is for all neighbours to become full members of – or as closely linked as possible to – the EU and NATO.⁸ The 2020 Strategy, still in force, likewise declares that Hungary has an interest in 'a strong, democratic, stable, and economically developing Ukraine'.⁹
- Before the war, Ukraine was already Hungary's sixth-largest non-EU export market and seventh-largest import partner, with 866 Hungarian companies active there. Hungary was Ukraine's ninth-largest investor. One of Hungary's key sectors is construction, contributing to 6% of GDP. If the political will allows it, Hungarian construction firms could be one of the key actors in rebuilding Ukraine after the war.
- Agriculture remains Hungary's most sensitive sector. Ukraine is extremely competitive in grain and oilseeds, but significantly weaker in horticulture, livestock and processed food – areas where Hungarian producers still hold an advantage.
- From the perspective of some of the experts of the Forum, Hungary's own EU accession offers a cautionary tale for Ukraine. By inflating yield statistics to secure high direct payments, Hungary ended up fostering rent-seeking rather than modernisation. Ukraine should avoid this trap and focus instead on rural development funds, which improve infrastructure and modernise the sector.

⁷ <https://www.valaszonline.hu/2025/04/09/ukrajna-unios-csatlakozas-magyar-nemzeti-erdekek-europai-unio-bovites-haboru/>

⁸ <https://2010-2014.kormany.hu/download/4/32/b0000/National%20Security%20Strategy.pdf>

⁹ <https://honvedelem.hu/hirek/government-resolution-1163-2020-21st-april.html>

- The war triggered a consolidation dynamic: many small family farmers sought shelter by integrating into larger holdings, believing this would give them bargaining power against imagined Ukrainian competition. The Hungarian agricultural market is already highly concentrated due to the Common Agricultural Policy, which disproportionately benefits large players; only two per cent of Hungarian farms receive nearly eighty per cent of direct payments. So in reality, the negative image of Ukraine and flawed EU policies are already preparing Hungarian agricultural firms to counter Ukrainian competition.
- Hungary's Constitution and the 2012 National Security Strategy both affirm that the country's national interest includes protecting Hungarian communities in neighbouring countries. For the Hungarian minority in Transcarpathia, Ukraine's EU accession would clearly be beneficial. The slower Ukraine's development, the more its Hungarian population will decline through emigration.
- The lack of political will in the case of Ukraine is even more striking, seeing that there are no similar negative sentiments towards countries in the Western Balkans and Moldova. The Hungarian government continues to push for their accession, claiming that 'their place is clearly in the EU'.¹⁰

Bios:

Karolina Choina is the Executive Assistant at Visegrad Insight – Res Publica Foundation. She is currently pursuing a Law degree and holds an MA in International Relations from the University of Warsaw. During the Polish Presidency of the Council of the European Union, she served as a Liaison Officer, while her previous experience includes working at a translation agency. Her academic and professional interests are centred on issues pertaining to EU law.

10

<https://www.euronews.com/my-europe/2025/10/30/hungarys-complicated-enlargement-policy-no-to-ukraine-yes-to-the-western-balkans>

Wojciech Przybylski is a policy influencer, leading strategic foresight on EU affairs to improve the democratic security of Poland in Europe. He organises the Europe Future Forum as the Editor of Visegrad Insight and the President of Res Publica Foundation. An advisory board member at LSE IDEAS Ratiu Forum, European Forum of New Ideas. A guest lecturer at the Foreign Service Institute for the U.S. Government, Warsaw University and CEU Democracy Institute. He co-authored among others a book 'Understanding Central Europe', (Routledge 2017), and 'On the Edge. Poland' (Culturescapes 2019), 'Let's Agree on Poland' (Oxford University Press, 2025) and was widely published in the international press.

Luca Soltész is a junior fellow at Visegrad Insight, where she is responsible for providing content for the Weekly Outlook, part of Visegrad Insight's in-house strategic foresight toolbox – horizon scanning. She also analyses and publishes pieces on Hungary's political developments. She is an active member of the civil society in Hungary, strengthening democratic participation and campaigning for a more pro-European, progressive country. She studied in Denmark and the Netherlands, where her thesis focused on populism and party financing in Europe. She is currently studying at the Budapest Academy of City Diplomacy.

© Visegrad Insight, Res Publica Foundation
Galczynskiego 5, 00-032 Warszawa, Poland
contact@visegradinsight.eu
www.visegradinsight.eu