Economic developments in Hungary’s regions and manufacturing sectors shall be taken into consideration as well as indicators of growing regional integration with the EU such as the development of foreign trade and foreign direct investment (FDI). Which development did agglomeration in the manufacturing sectors in Hungary undergo during increasing integration with the EU, first under the Europe agreement and then in the post-accession phase? Did integration reinforce industry agglomeration in the manufacturing sector? Did agglomeration decrease? Industry overview. Hungary’s economic transformation in the first half of the 1990s improved some economic sectors, kept others at their former levels, and shrunk a few sectors. The Hungarian Oil and Gas Co. Plc, part of the MOL Group, is one company that benefited from the improving economy and has since become a major European player. Hungary’s chemical industries started developing in the decades before World War I. The pharmaceutical and fertilizer industries were the main sectors at that time. However, their expansion was limited by coal and raw material shortages. Rubber and plastic products manufacturing employ the largest number of people (Figure 4). Regional structure of the chemicals Industry. The main historical trends that have formed the background for the transformation of Hungary’s manufacturing industry were considered in this article, and the peculiarities of the development of the industrial sector in the conditions of European integration were studied. The positive and negative aspects of the transformation of Hungary’s manufacturing industry in the conditions of European integration were highlighted in the article. Besides, the basic directions of the further economic and industrial development of the country were formulated. © 2016, International Journal of Economics and The manufacturing industry has seen significant changes and advancements since the Industrial Revolution in the 1800s. Modern manufacturing includes the process necessary for the production of a product and its components. Prior to the Industrial Revolution, manufacturing simply meant creating products or goods by hand. Most families worked from their farms or homes. The Industrial Revolution sparked major changes and brought inventions we still use today, including the sewing machine and light bulb. It laid the foundation and paved the way for the manufacturing industry as we know it. Industrial Revolution. The Industrial Revolution brought a change in the way goods were manufactured. 1900-1913. 1,6. 1,0. 30. : Arthur Lewis W. The Roots of the Development Theory, in: Handbook of Development Economics. Vol. I. 3rd Ed. Kuwait Brunei Hungary Argentina Poland Chile Bahrain Estonia Lithuania Slovakia. HDI 0.871 0.871 0.869 0.863 0.862 0.859 0.858 0.857 0.856. 89. Â 1944. ( () . 1948. â€” (The General Agreement on Tariffs and Trade