The Heckscher-Ohlin Trade in Case of the Central and Eastern European Countries

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Abstract
According to many studies the international trade of countries like Poland, Czech Republic, Hungary and Slovakia follows the pattern inter-industry trade. The paper presents empirical verification of Heckscher-Ohlin-Vanek theory with special attention given to the region of Central and Eastern European Countries. The analysis consists of six types of labour, physical capital and four natural resources. The time span of the data starts after the political transition in the nineties and ends in 2005 after the accession to the EU. In addition to the original setting of the model the extension of technological differences is included. The results obtained for the CEECs are poor. However, they are better for Poland than for the other countries in the region and improve if the productivity differences are applied. In case of labour of agricultural and craft workers the model performs very well for the CEECs. The similar results are obtained for the natural resources like coal and forest land.

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