



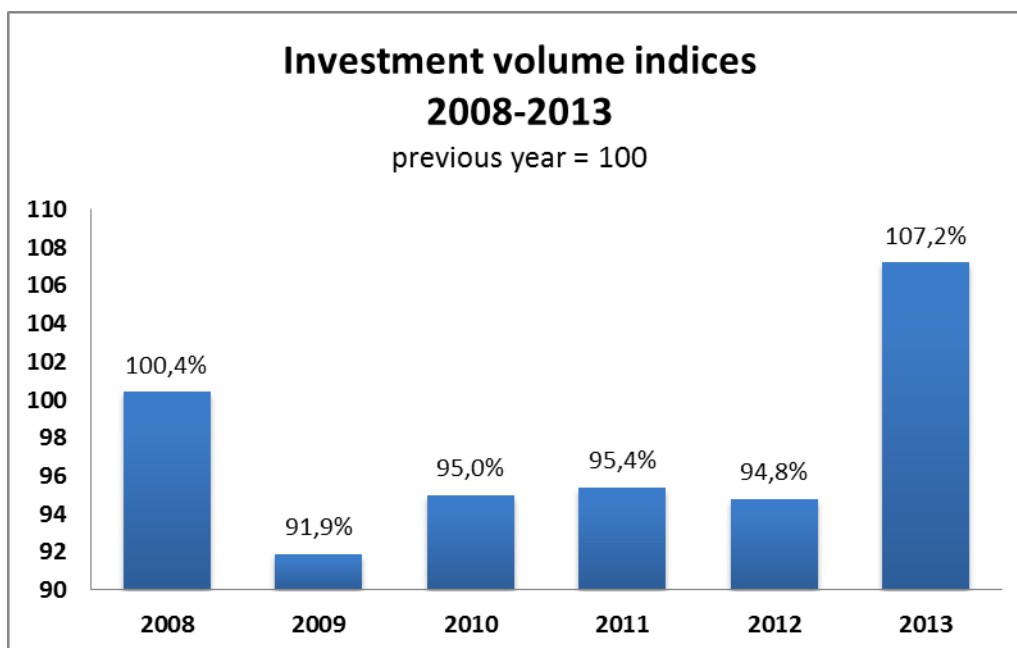
Investment in Hungary gathered steam in 2013

As far as investment in Hungary is concerned, post-crisis years had been characterized by diminishing investment volume. This trend was reversed in 2013 when year-on-year growth of 7.2 percent was recorded. Within that, the investment volume of machinery and equipment gained 8.5 percent, while that of the construction sector was up by 5.9 percent. In 2013, business environment also had a favourable impact on the decisions of enterprises: improved lending and the speed-up of the utilization of EU funds have both contributed to the positive U-turn in the propensity of the private sector to invest.

Investment in 2013

The report of the Hungarian Central Statistical Office (KSH) on investment data in 2013 points out that in 2003-2012 investment volume as a whole declined by 14 percent. **The multi-year downward trend ended in 2013, the first year when growth of 7.2 percent was registered.**

Last year, volume growth was observed in thirteen out of the altogether nineteen sectors within the national economy. Investment increases were the most dynamic regarding water supply (gathering and treating sewage) as well as waste management (altogether 60.8 percent).



Source: Hungarian Central Statistical Office (KSH)

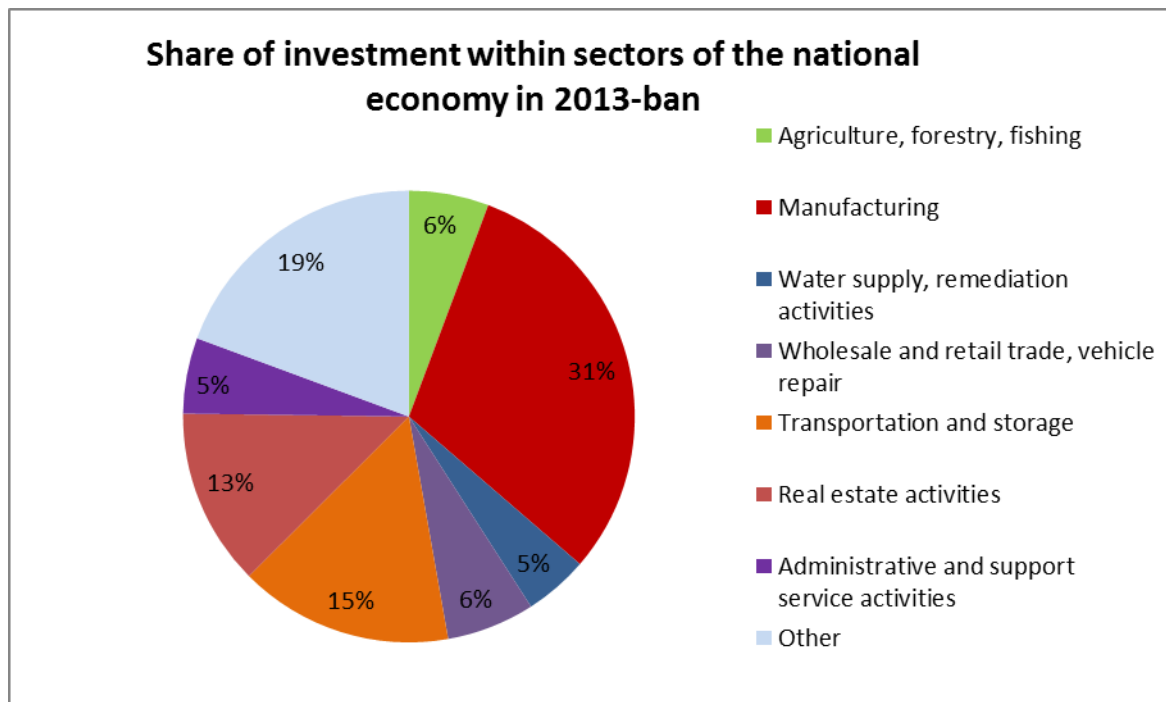


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Among the largest sectors within the national economy, the investment volume of transportation and storage increased by 15.6 percent compared to 2012, as a result mainly of vehicle purchases, railway construction and reconstruction as well as the construction of minor and other roads. Large-scale investment projects were implemented in 2010 and 2011 within the manufacturing sector, which constitutes some one-third of total investment, and thus – despite the high base – this division posted further marked growth in 2012 and 2013. The largest investment projects were realized in the vehicle manufacturing sector and at related supplier divisions. Among medium-sized sectors, investment volume of the agricultural and trade sectors was up by 9.3 percent and 5.4 percent, respectively. Out of sectors of smaller weight, the largest investment volume increases were registered within professional, scientific and technical activities (29.6 percent) as well as administrative and support service activities (28 percent). Growth was also remarkable within the construction sector (17.2 percent).

Share of investment among the sectors within the national economy

In comparison to the previous year, the share of investment among the various economic sectors did not change meaningfully in 2013. Similarly to the trend in the past decade, investment within the three largest sectors of the national economy (manufacturing sector, transportation and storage and real estate activities) constituted more than half of total volume. Within these, **manufacturing sector investment projects comprised the largest share of investment volume in 2013.**



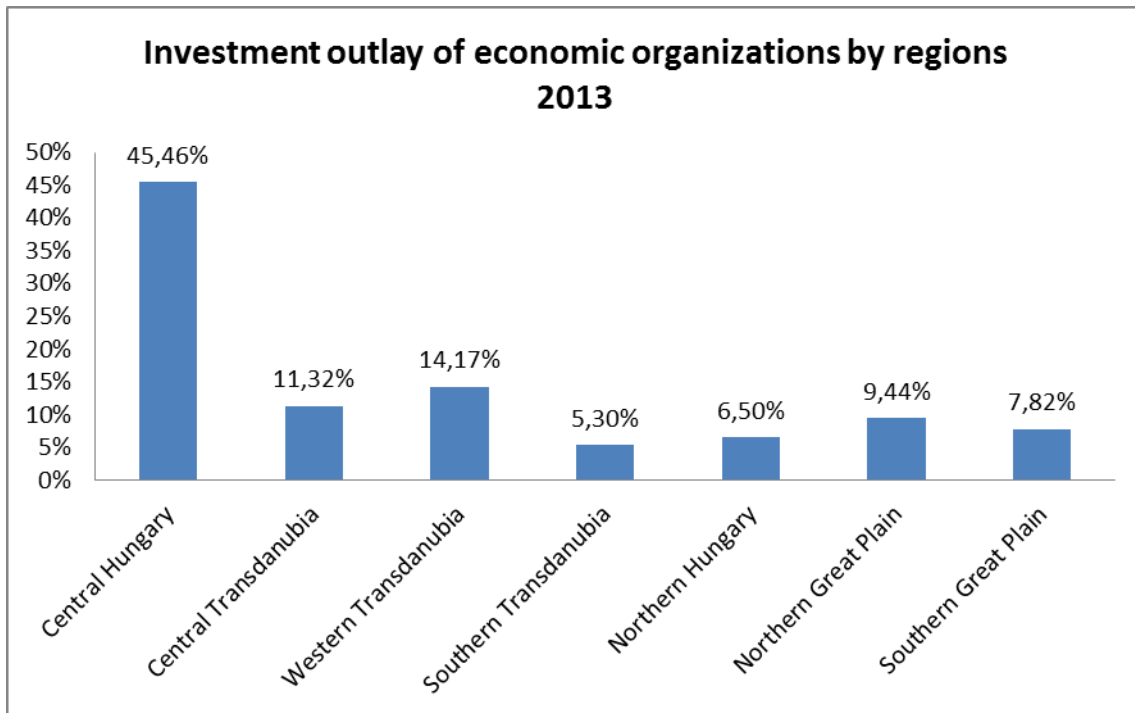
Source: Hungarian Central Statistical Office (KSH)

Division of investment by regions

Compared to the previous years, the investment outlay of economic organization by regions did not change substantially. **In light of a KSH report, Central Hungary and the Transdanubia regions constituted more than three-quarters of total investment volume in 2013.** Within that, investment in Central Transdanubia gained remarkably, while it was down in Western Transdanubia in comparison to the previous year. On the other hand, the share of Northern Hungary and the Great Plain regions, which are economic laggards, is less than one-fourth of total investment. Within Central Hungary, the share of Budapest alone is 37.9 percent. As of 2010, the weight of investment outside of the capital city has increased significantly, thanks to vehicle industry investment projects implemented in Győr-Moson-Sopron, Komárom-Esztergom and Bács-Kiskun Counties.



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Source: Hungarian Central Statistical Office (KSH)