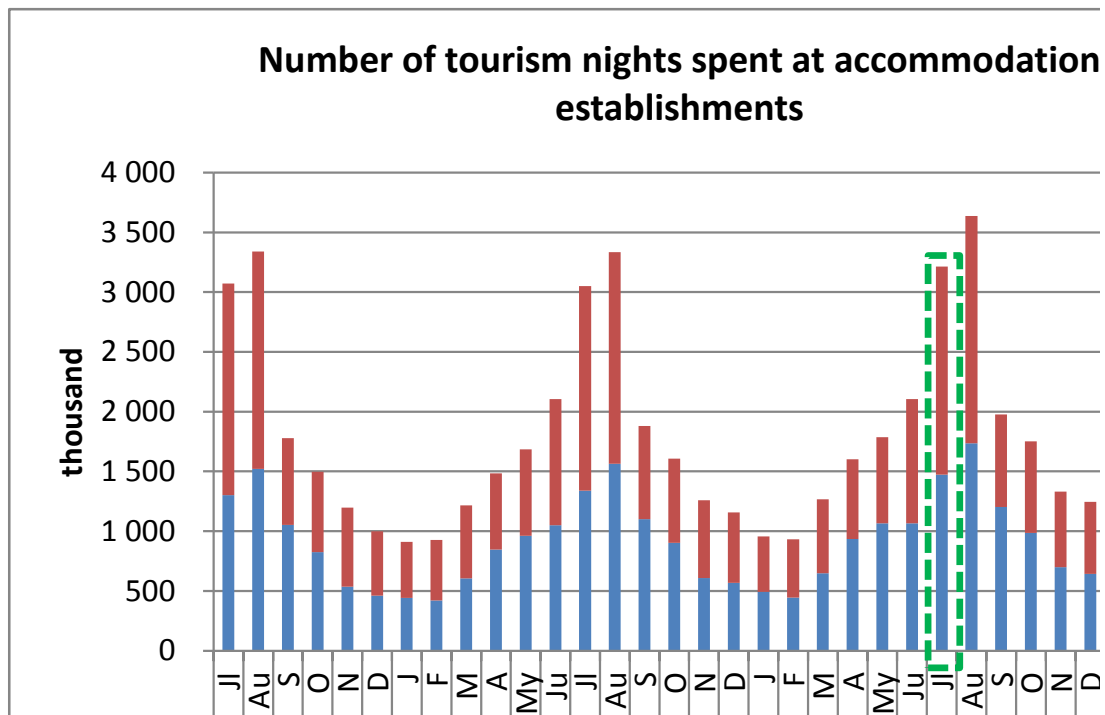




A record-breaking summer tourism season is expected

The tourism sector continues to be characterized by excellent data: the number of tourism nights, which has been rising steadily since May on an annual basis, was up again in July. In addition to higher demand by non-residents, that of resident tourists also improved. On the basis of the report by the Hungarian Central Statistical Office (KSH) the number of tourism nights spent by foreign and domestic guests increased by 4.7 percent and 7.6 percent, respectively, in July 2013. Thus, turnover at accommodation establishments gained 6.2 percent year-on-year.



Source: Hungarian Central Statistical Office (KSH)

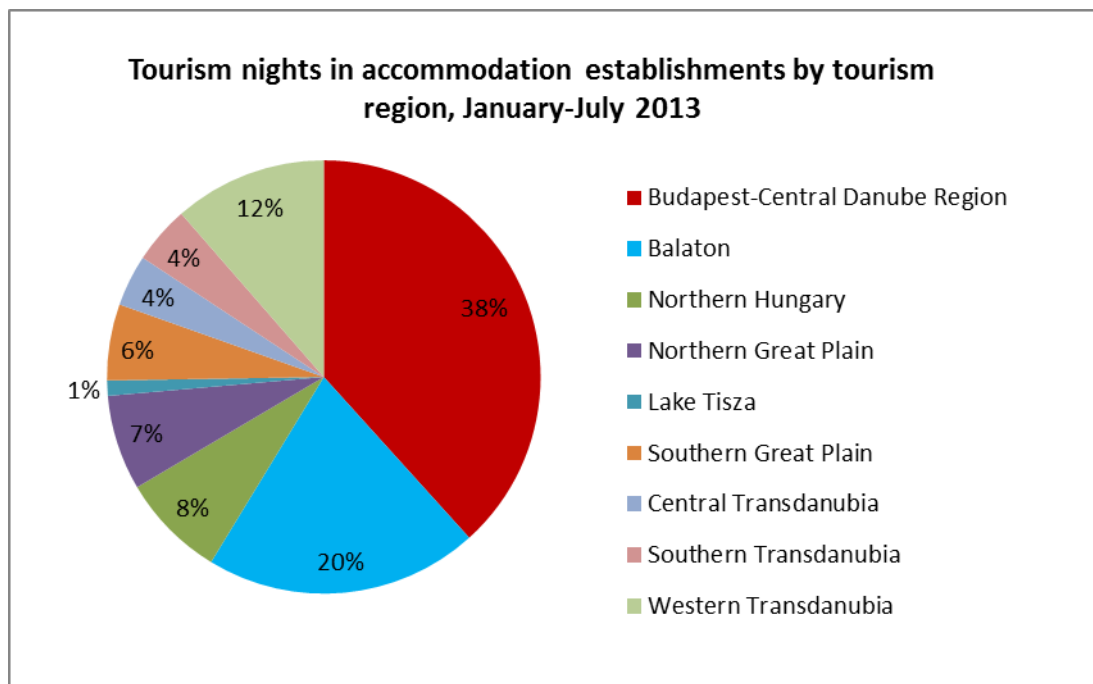
In the seventh month of 2013, further increase was registered regarding the number of guests and tourism nights. In July, 1 million 137 thousand guests spent altogether 3 million 413 thousand tourism nights in Hungary, which corresponds to an increase of 6.4 percent and 6.2 percent, respectively, in comparison to July 2012.

In July 2013, demand by domestic tourists continued to improve parallel to that of foreigners. The number of domestic guests increased to 620 thousand (+8.6 percent) compared to



MINISTRY
FOR NATIONAL ECONOMY

July last year, and they spent altogether 1.9 million tourism nights in Hungary, which exceeds by 7.6 percent the level seen one year ago. Although resident tourist traffic did not increase in Budapest, growth was observed in other tourism regions (with the exception of Central Transdanubia). The number of foreign guests was up by 4 percent, to 517 thousand, in July, and the number of respective tourism nights – at more than 1.5 million – was 4.7 percent higher compared to the corresponding period of the previous year. Tourism traffic regarding country of origin has indicated trend reversals. The number of tourists from Germany was unchanged, that of Austrians was slightly down (by 0.5 percent), whereas the number of Russian and Swiss guests increased significantly (by 17.3 percent and 25.5 percent, respectively) compared to July last year. Dynamic growth was recorded with regard to the number of guests from the Americas and Asia as well, as the former gained 19.7 percent and the latter 9.9 percent.



Source: Hungarian Central Statistical Office (KSH)

In July 2013, Budapest and the Central Danube region continued to be the most popular tourism destinations¹ (38 percent), ahead of the Balaton region (20 percent) and Western Transdanubia, which comes third (12 percent). In comparison to the same period of the

¹ Based on the number of tourism nights



MINISTRY
FOR NATIONAL ECONOMY

previous year, Southern Transdanubia posted the largest growth with 47.3 percent, as the number of both resident and non-resident guests increased markedly.

As far as occupancy ratios are concerned, these averaged 60 percent, which figure is 2.1 percent higher than the indicator was one year ago. In the high season period of July, the occupancy ratio of medical and wellness hotels was outstanding with 73 percent, while that of four- and five-star hotels (70 percent) can also be regarded as excellent.

Total revenues of accommodation establishments were up by 12 percent at current prices compared to the level of July 2012. These facilities registered gross receipts of 34 billion forints, of which revenues from accommodation charges totalled 21 billion forints. **6.3 billion forints were received as catering revenues, which figure is 571 million forints higher than it was in July of last year.**

KSH statistics also paint a favourable picture for January-July 2013. In this period, some 4.9 million guests utilized accommodation establishments, which figure corresponds to an improvement of 6.0 percent compared to January-July 2012. The number of tourism nights was 12.5 million which figure indicates growth of 5.3 percent in comparison to the corresponding period of the previous year.

In light of currently available data it can be stated with certainty that **this high season will record the best tourism traffic of all time.** The introduction of the Széchenyi Recreation Card (SZÉP Card) has been a success as the Card has been a permanent growth engine for domestic tourism and the economy. While in 2012 arrivals by foreigners buoyed tourism performance, this year – thanks mainly to the popularity of the SZÉP Card -- domestic tourism traffic increased significantly. Only in July, payments via SZÉP Cards totalled some 2.9 billion forints, while in January-July 2013 this amount was some 7.8 billion forints. The number of service providers with Card terminals was also up (to 2048 service points). The Card has been a key economic growth factor outside Budapest, as since its introduction several tens of thousands of service points operated by SMEs, of which 80 percent are in rural areas, received revenues of some 93 billion forints through the Card.