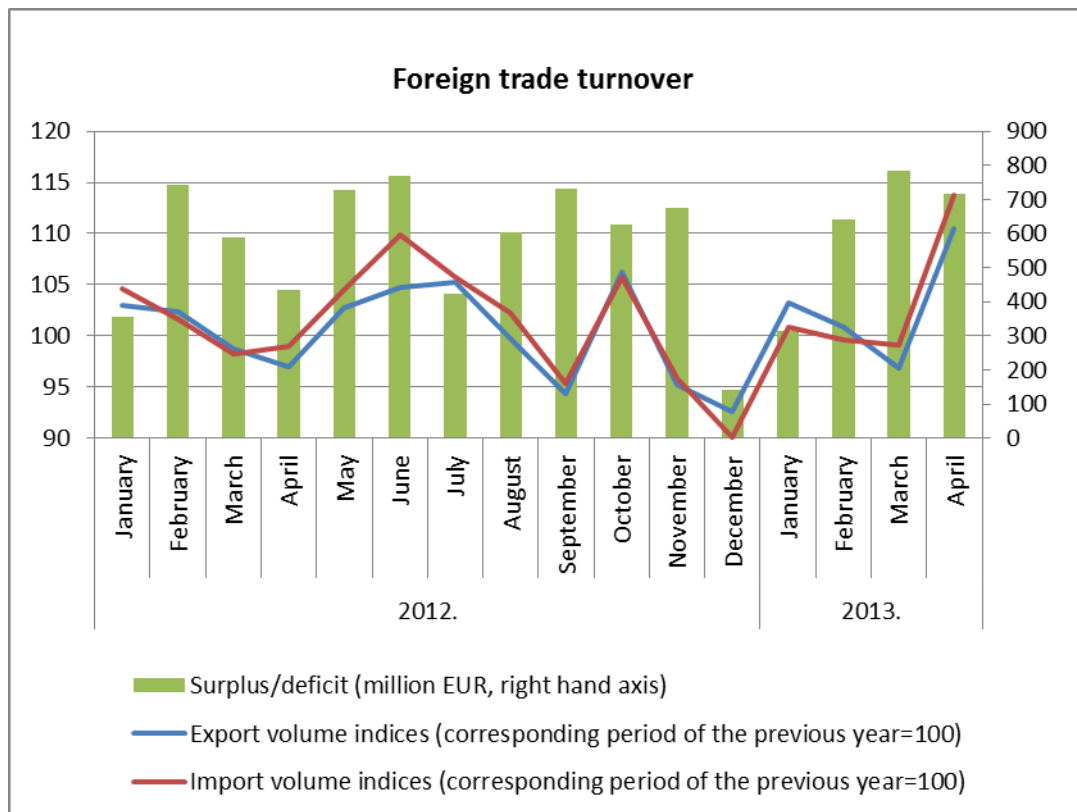




### *Outstanding foreign trade surplus in Hungary driven by rapid export growth*

Real economic transactions within current accounts in Hungary have posted significant surpluses in recent years. One key element of that has been the positive foreign trade turnover trend which began after 2009: **Hungarian foreign trade has registered permanent and steady surpluses since the onset of the global economic crisis** as the value of Hungarian exports has repeatedly exceeded imports.

According to the latest release of the Hungarian Central Statistical Office (KSH), after favourable preliminary macroeconomic data were published for April, **detailed foreign trade statistics** also paint an upbeat picture of the Hungarian economy in the first month of Q2 2013. Accordingly, **in April 2013 Hungarian exports and imports jumped by 13.7 and 10.5 percent, respectively, in comparison to the corresponding period of the previous year. Thus, foreign trade posted a surplus of EUR 717 million**, above the preliminary estimate, and much higher than the surplus of EUR 434 million recorded in April last year.





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*Source: Hungarian Central Statistical Office (KSH)*

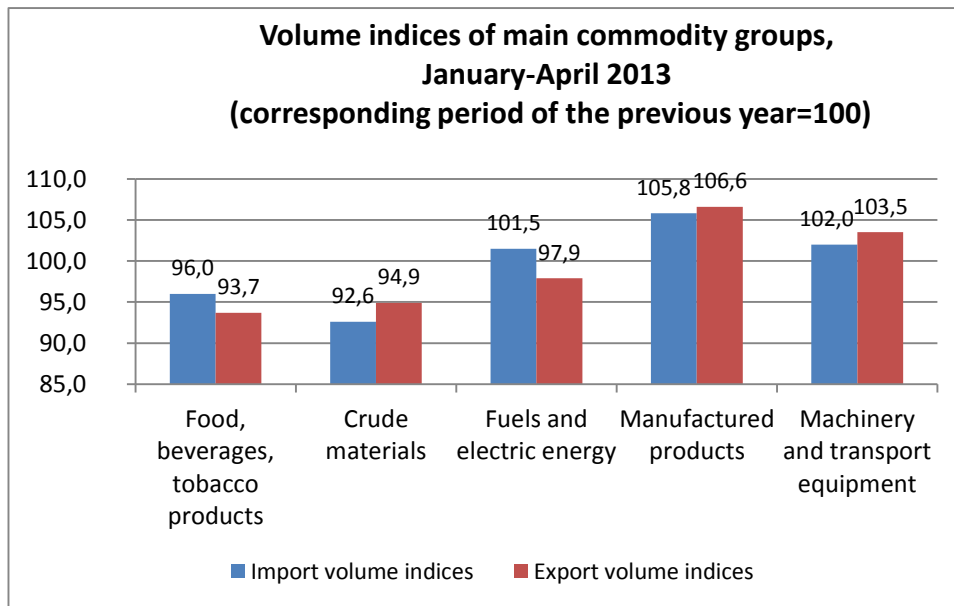
**In the period January-April 2013**, Hungarian exports and imports totalled HUF 7 949bn (EUR 26.8bn) and HUF 7 211bn (EUR 24.3bn), respectively. As a consequence, **Hungary's external trade accumulated a significant surplus of HUF 738bn (EUR 2.5bn)** which is HUF 113bn (EUR 334 million) more than the figure registered in the same period of the previous year. In the observed period, the volume of exports and imports increased by 3.1 percent and 2.7 percent, respectively, in comparison to the corresponding period of last year.

**As far as the main commodity groups of foreign trade are concerned, between January and April 2013 the volume growth of both the exports and imports of manufactured products was excellent** (6.6 percent and 5.8 percent, respectively). Within this main commodity group, exports of organic chemical products increased dynamically. The exports, however, of medical and pharmaceutical products – a category of significant weight – grew at a slower pace than before.

**The segment of machinery and transport equipment, which category constitutes 45 percent of total imports and 53 percent of exports, performed also remarkably: the value of road vehicles exports totalled almost EUR 3 bn in January-April 2013, a growth of 16.4 percent.** Thus, export data for April already reflect the auspicious effect of car industry investments. At the Kecskemét site of Mercedes opened last year, the number of cars produced each month averages more than eight thousand this year and as output was started very slowly and gradually last year, the basis was still quite low in April. **In view of the fact that the exports of road vehicles constitute 11 percent of total, the extraordinary growth in this segment has boosted the entire export sector.** Imports of other transport equipment also increased outstandingly which was the result mainly of vehicle purchases within the development of public transport in Budapest.



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*Source: Hungarian Central Statistical Office (KSH)*

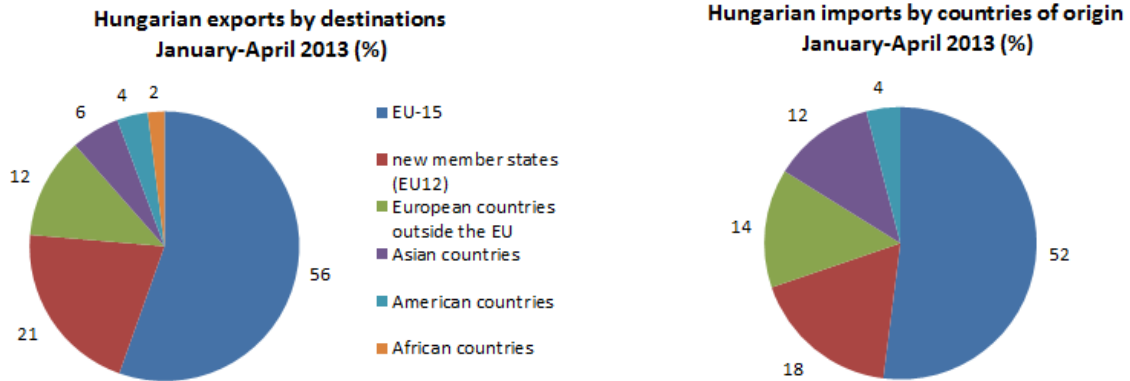
Imports of fuels and electric energy were up, while their exports declined by 2.1 percent in comparison to the initial four months of the previous year. **Within the main commodity groups of food, beverages and tobacco products as well as of crude materials, both exports and imports were lower.**

With respect to main product groups within foreign trade, **the category of machinery and transport equipment posted the largest surplus (EUR 3.5bn) in the observed period of 2013.** The segment of food, beverages and tobacco products closed with a surplus of EUR 777 million. The foreign trade balance of fuels and electricity, however, was negative (deficit of EUR 2.3bn).

**The majority of Hungary's foreign trade is conducted within the European Union.** Hungarian exports to and imports from "old" EU member states constitute more than half of total trade. The share of exports to and imports from new member states is 21 percent and 18 percent, respectively. In the period January-April 2013, the value of exports and imports **with EU member states** was EUR 20 510 million and EUR 16 921 million, respectively. **Hungary's external trade surplus vis-à-vis these countries was EUR 3 589 million** which amount is EUR 503 million above the figure recorded in the same period of the previous year.



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*Source: Hungarian Central Statistical Office (KSH)*

The share of Hungarian exports and imports with non-EU countries varies around 12-14 percent each. Hungary's foreign trade deficit vis-à-vis these countries amounted to EUR 161 million in the initial four months of 2013 which is almost double the figure recorded in the same period of 2012. External trade with Asian countries – which constitute 6 percent of total exports and 12 percent of imports – posted a shortfall of EUR 1 377 million.

After the massive surplus in April, as May and June are the months which due to seasonal effects traditionally post the highest surpluses, foreign trade is expected to record all-time highs for these periods. In case output from the new Audi plant in Győr with capacity in excess of 100 thousand cars, which is scheduled to start production in June, is also added to the favourable export data for April -- in addition to investment projects of Opel in Szentgotthárd and Suzuki in Esztergom which are about to start operation soon -- the assumption that 2013 will be a year of growth is a realistic one.