

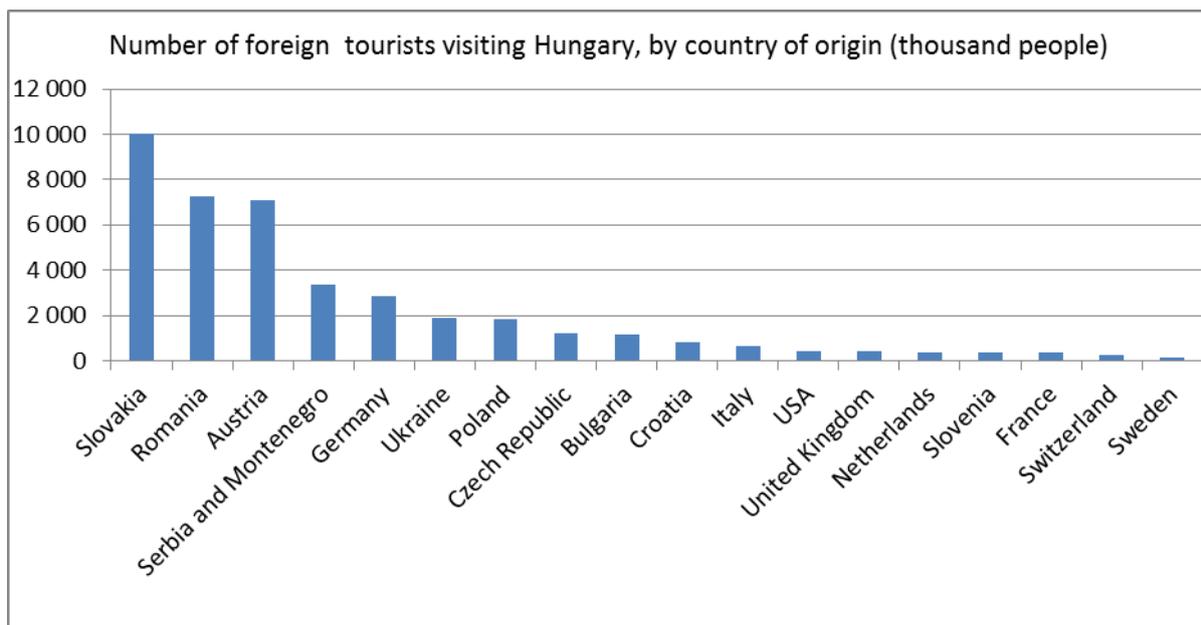


### ***Number of arrivals increased at accommodation establishments in Hungary***

According to the flash report of the Hungarian Central Statistical Office (KSH) published on 18 March, in January 2018 the number of tourism nights by domestic and foreign guests was up by 16 percent and 11 percent, respectively, in comparison to the corresponding period of the previous year. Gross revenues at accommodation establishments -- calculated at current prices -- were 17 percent higher. As a whole, the number of arrivals increased by 14 percent year-on-year.

In January, foreign guests spent 567 thousand tourism nights at accommodation establishments. The number of arrivals gained 13 percent, while the number of tourism nights by foreigners was also significantly higher compared to the base period, surging by 11 percent. Arrivals from traditional source countries changed differently. While the number of tourists from the United Kingdom and Romania decreased, the number of tourism nights by German, Italian and Russian guests was higher in the first month of the year. On the other hand, the number of tourism nights by Austrians was practically unchanged.

The below chart shows that in 2013 most of visitors came from neighbouring countries, but Hungarian sights also served as popular destinations for Germans and Poles.



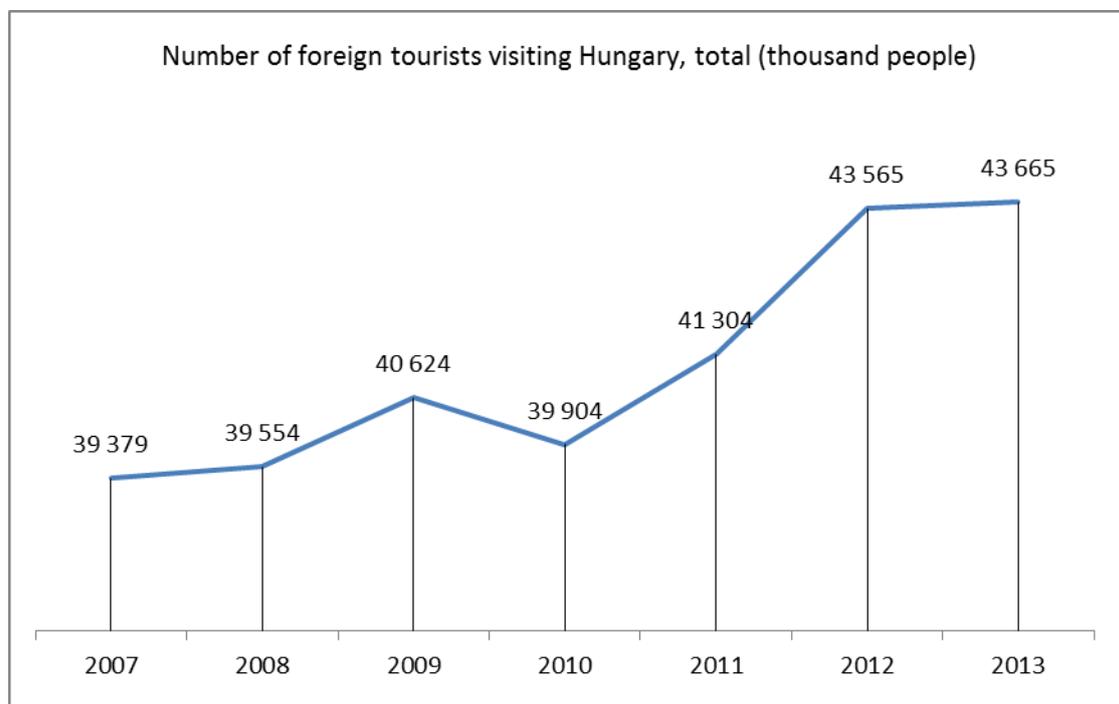
*Source: Hungarian Central Statistical Office (KSH)*



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In 2013 as a whole, the number of arrivals was up by 4.6 percent and 0.2 percent more foreign guests visited Hungary compared to the previous year. As far as the entire year is concerned, the number of one-day visits fell by 0.7 percent, due to the lower number of business and shopping trips. In the number of multi-day trips growth of 3.1 percent can be observed, which – along with the higher number of traditional tourist visits – is also attributable to a rise regarding the number of business travellers. Guests on one-day trips typically came from neighbouring countries: 1.9 million from Slovakia, 1.5 million from Romania and 1.6 million from Austria. In the observed period, the number of tourists from Slovenia, Slovakia and Ukraine was down by 14 percent, 11 percent and 10 percent, respectively, while that of Austrians was 2 percent higher and that of Serbians and Croatians soared by 25 percent.

The number of tourists visiting Hungary has been steadily increasing over the past years; our country of 10 million people was visited in total by more than 43.6 million tourists in 2013.



*Source: Hungarian Central Statistical Office (KSH)*



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In light of data of 1 January 2014, the number of accommodation establishments which received the high number of guests in Hungary was 2 171, of which there were 887 hotels with 51 thousand rooms and 839 boarding houses with nearly 9 thousand rooms. The number of other accommodation establishments (bungalows, campsites and community hostels) was 445.

In January this year, the average room occupancy rate was 36 percent which signals improvement of 2.8 percentage points year-on-year. In the first month of the year, the room occupancy rate at five-star units was outstanding with 47 percent, while that of four-star establishments and spas was also above average. In the first month of the year, the low average gross room price (HUF 15 176) also made Hungary an attractive destination.

Several significant cultural investment projects have also been behind the upswing in tourism. In 2014, a number of new tourist attractions will be opened which will also add to Hungary's appeal. The L'Huillier–Coburg Castle is scheduled to be opened on 27 March 2014 after it will have been renewed through state funding of some HUF 3bn. The same amount will have been contributed to the renovation of the Grassalkovich Castle of Hatvan (open from 29 March), where the Zsigmond Széchenyi Hungarian Hunting Museum of the Carpathian Basin will also be situated. As of 3 April, the rejuvenated Castle Bazaar can be visited. In addition to the above projects, the renovation of the Esterházy Castle of Fertőd and of the Pipo Castle of Ozora will be continued from state funding of more than HUF 2.5bn and HUF 1.5bn, respectively. The latter amount is also devoted to the King Ladislaus 1 memorial site restoration project in Somogyvár and some HUF 1bn is earmarked for the historic preservation of the Kamaldul Monastery in Majkpuszta.