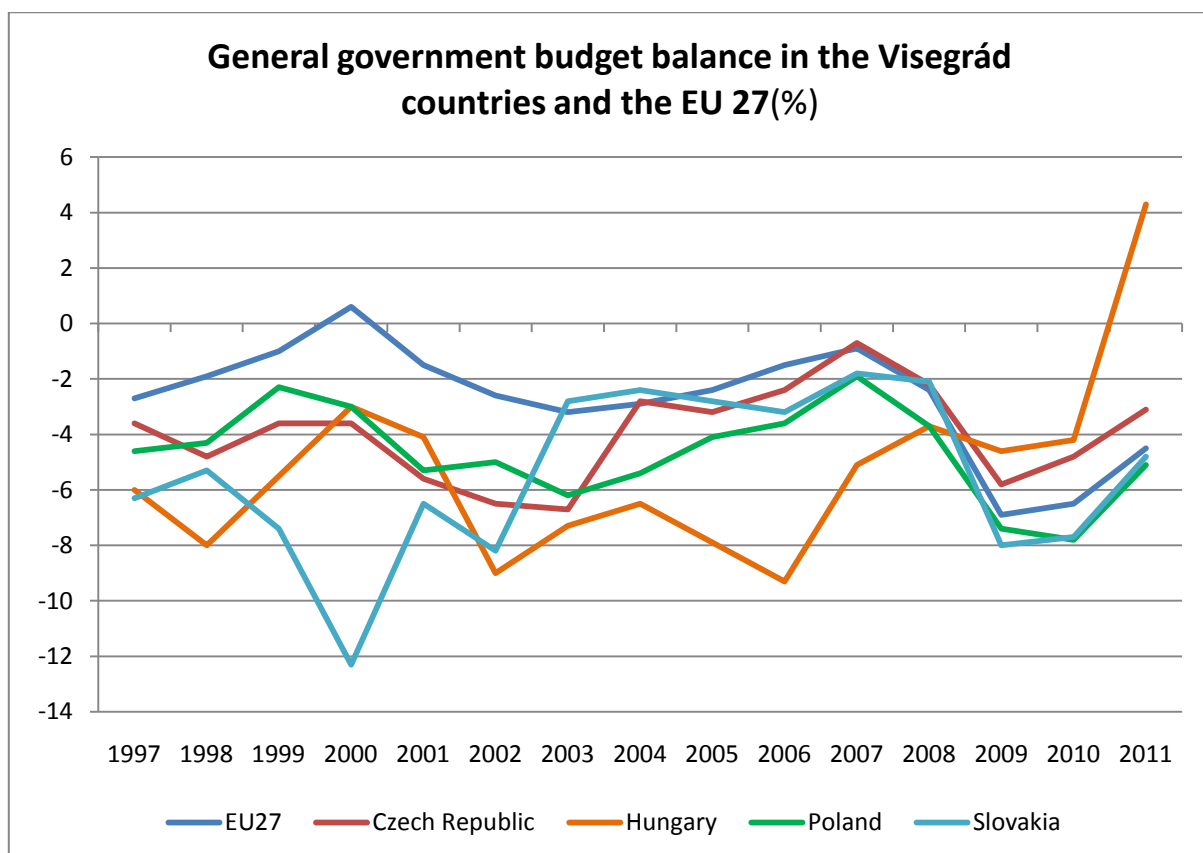


The deficit figure in 2011 is favourable even in international comparison

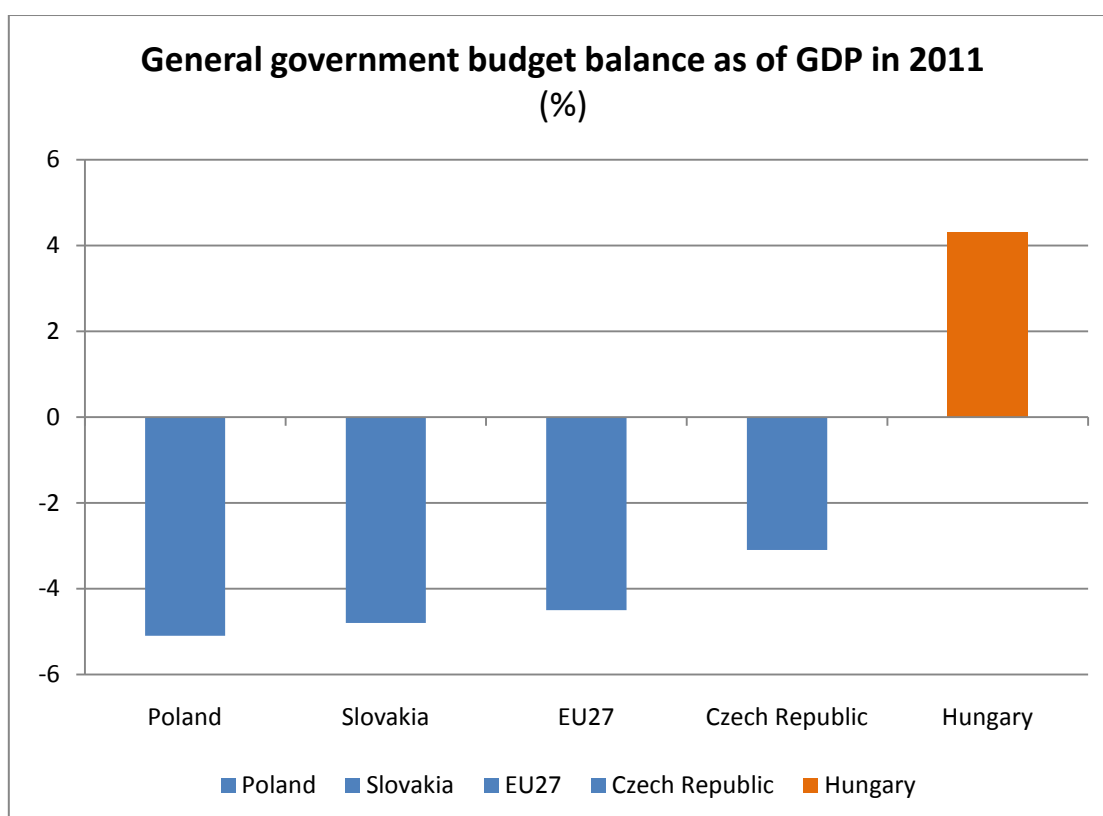
The Eurostat has recently published its fiscal statistics concerning the EU member countries. In light of these the favourable Hungarian figure is analyzable in international comparison and thus we can state that Hungary has achieved an outstanding result in 2011 with regard to the indicator that is most closely observed by investors.

The overall statistics reveal that in the **past ten plus years** the general government budget deficit as of GDP according to EDP (Excessive Deficit Procedure) of the EU 27 was mostly more favourable than the figures for the Visegrád countries. In the EU 27 – on average – **with the exception of the past three years**, the indicator of the survey was below the Maastricht criterion of 3 percent **for the entire period**. **Analyzing the Visegrád countries**, however, **indicators differ to a relatively greater extent**, and after 2002 Hungary indisputably was in the worst situation. As a consequence of the global crisis after 2008, in most of the countries surveyed negative developments began to unfold due partly to expansionary economic policy, automatic stabilizers and naturally to slower GDP growth.



Source: Eurostat

As far as Hungary is concerned, deficit increased from 3.7 percent in 2008 to 4.6 percent in one year, which can be considered a relatively favourable figure in comparison to the Visegrád countries or the EU 27. After the change of government in 2010, however, responsible fiscal policy was favoured as a result of which the deficit-to-GDP ratio was reduced to 4.2 percent and that corresponds to the lowest deficit figure among the countries in the survey.



Source: Eurostat

In 2011, as the more prudent fiscal policy continued to be pursued, Hungary achieved a fiscal surplus of 4.3 percent of GDP, unprecedented in the EU, which puts us in a substantially more optimal fiscal position than the EU 27 or the Visegrád countries have. The structural deficit of 2.43 percent excluding one-off items is also the best with regard to the Visegrád countries, while there were only nine member countries besides Hungary within the EU which could achieve the below 3 percent deficit figure of the Maastricht criterion.