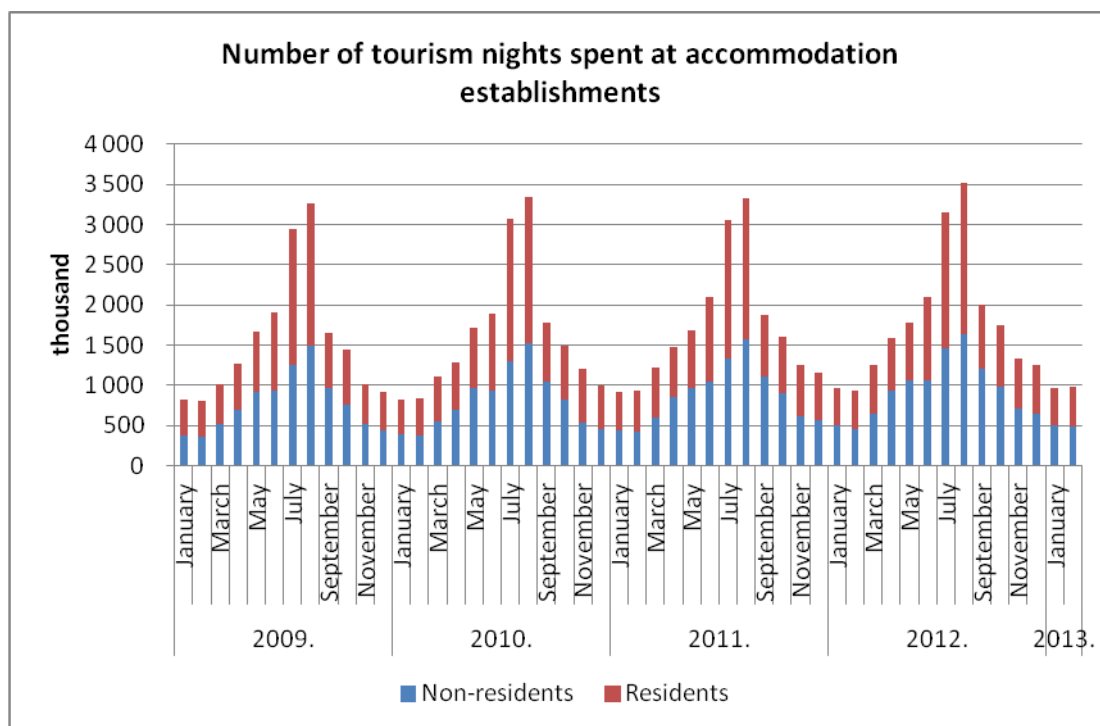




Ongoing expansion in the tourism industry

According to the latest statistics of the Hungarian Central Statistical Office (KSH), tourist traffic at accommodation establishments continued to increase in February 2013: the number of guests and tourism nights both signal higher demand in the sector. In the second month of the year 426 thousand guests were registered at accommodation establishments who spent altogether 988 thousand tourism nights in Hungary. These figures constitute an increase of 9.5 percent and 6.2 percent, respectively, compared to the corresponding period of last year.



Source: Hungarian Central Statistical Office (KSH)

In February 2013, the number of foreign as well as domestic tourists increased at accommodation establishments. The number of foreign guests was up by 13.3 percent compared to the figure of last year; the 196 thousand foreign guests registered spent 489 thousand nights in Hungary which is an increase of 8.5 percent in comparison to February 2012. In addition to higher demand by non-residents, resident tourism also picked up steam: the number of guests (230 thousand) and tourism nights (499 thousand) were higher by 6.5 percent and 4 percent, respectively, compared to the corresponding period of last year. **With regard to inbound domestic tourism, the SZÉP (Széchenyi Recreation) Card is gaining ever greater**



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significance: the popularity of the new fringe benefit system (cafeteria) has been continuously on the rise since it was introduced in 2011; in February, based on the report by accommodation establishments, 1419 units accepted the Széchenyi Recreation Card. According to data of the Ministry for National Economy for Q1 2013, the overall amount transferred to the accommodation sub accounts of SZÉP Cards totalled HUF 3 844 million in Hungary, of which employees spent HUF 1 693 million in the initial three months of the year. This amount is significantly higher than the HUF 293 million registered in the same period of 2012.

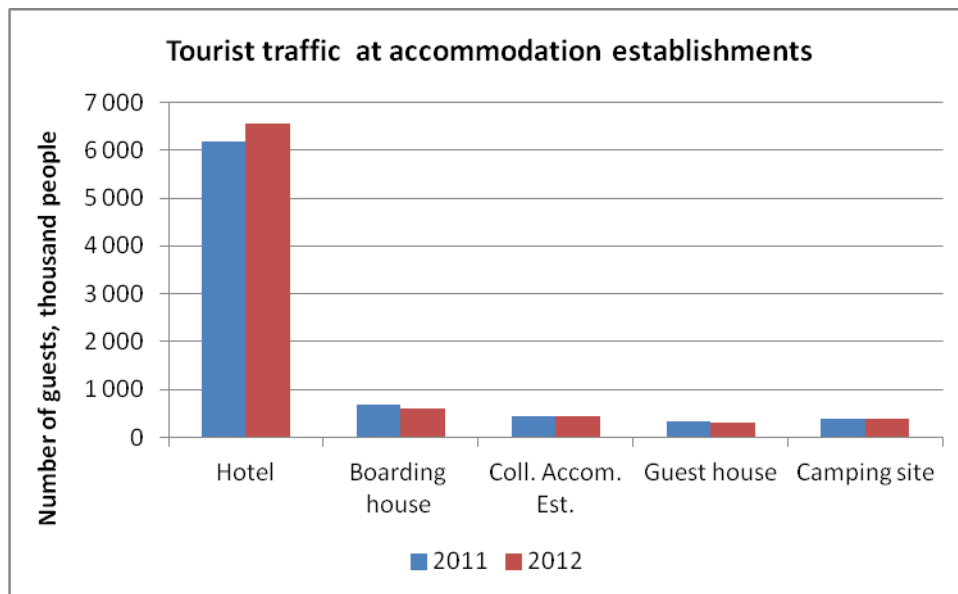
The occupancy ratio of hotels also signals improvement regarding the domestic tourism sector in February: the indicator edged up by 3 percentage points, to 37 percent on average, compared to the level of one year ago. The occupancy ratio of rooms at spas was outstanding (51.5 percent). Gross sales revenues of accommodation establishments amounted to HUF 15bn in February this year with accommodation fee receipts totalling HUF 7.2bn within this category, while **revenues at current prices were 4.8 percent higher than last year.** **The number of people employed** by accommodation service providers at accommodation establishments **was also up** in comparison to last year's data: this figure increased by 0.9 percent or 29 thousand people in the sector.

KSH statistics also signal a long-term expansion of the tourism industry: last year was a period of growth for the sector. In 2012, altogether 8 million 311 thousand people visited Hungarian accommodation establishments; this constitutes an increase of 3.6 percent compared to data of the previous year. The number of tourism nights was 21 million 608 thousand which indicates an increase of 4.8 percent in comparison to 2011.

Among accommodation establishments, tourist traffic increased to the largest extent (by 5.9 percent) at hotels which accommodate 79 percent of guests. Within that, tourism traffic grew outstandingly, by 15.7 percent, at four-star hotels. Tourism traffic at collective accommodation establishments increased by 1.8 percent. However, regarding boarding houses, guest houses and camping sites the relevant indicator was lower compared to last year's figures.



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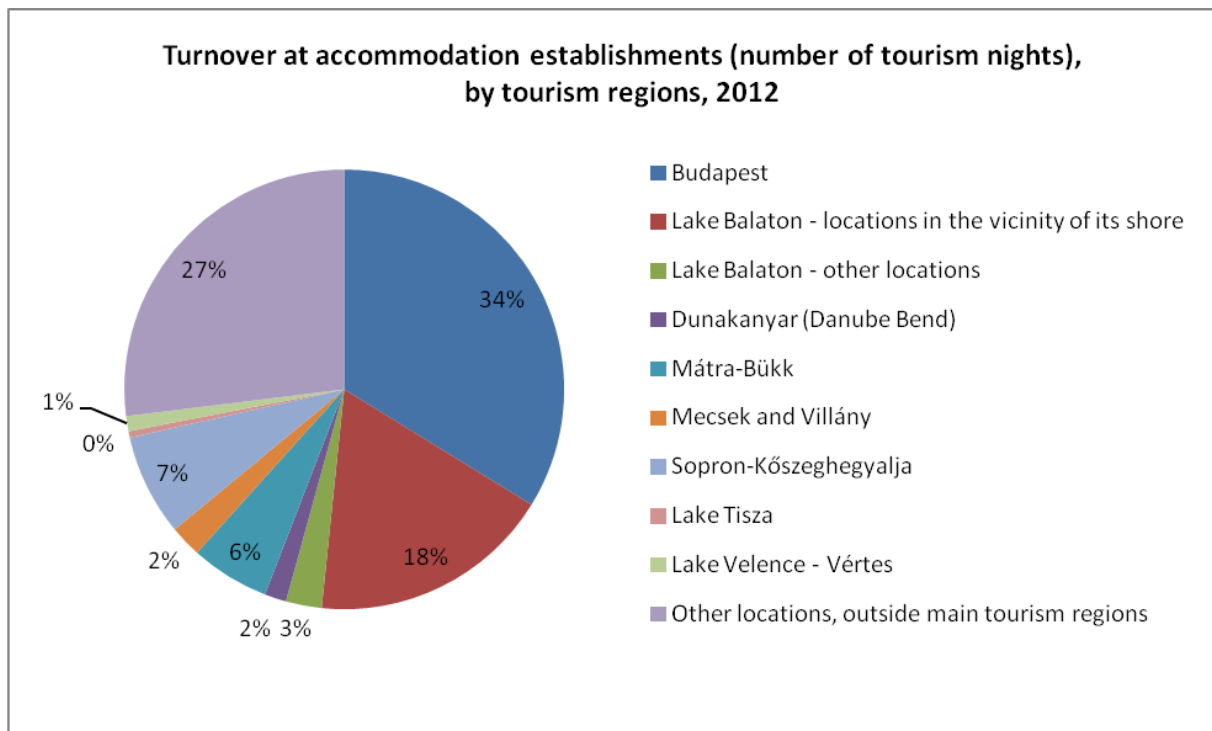


Source: KSH

Budapest and locations in the vicinity of the Lake Balaton's shore continue to be the most significant tourism destinations. In 2012, guests spent more than half of total tourism nights in these two main tourism regions. The regions Mátra-Bükk and Sopron-Kőszegalja are also popular destinations; the latter is still significant despite tourism nights decreased by 5.9 percent compared to 2011. In 2012, tourist traffic increased to the largest extent with regard to Budapest (10.6 percent), Mátra-Bükk (9.1 percent) and Lake Tisza (6.6 percent), in comparison to the previous year.



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Source: KSH

The breakdown of guests by their country of origin shows that the tourist traffic regarding both non-residents and residents increased compared to the previous year. In 2012, altogether 4 178 thousand domestic guests were registered, who spent 10 309 thousand tourism nights at Hungarian accommodation establishments. This signals an increase in the tourism demand of residents: although the number of resident guests decreased slightly (by 0.5 percent) compared to 2011, **the number of their tourism nights was up by 1 percent, and domestic accommodation fee receipts at current prices increased by 5.9 percent.**

The number of foreign guests and their tourism nights were up by 8.1 percent and 8.5 percent, respectively, last year, on the basis of commercial accommodation statistics. **The significance of non-resident guests increased last year in the Hungarian tourism sector:** the share of foreign guests was 49.7 percent within the total figure and they spent 52.3 percent of total tourism nights. **As far as countries of origin are concerned, the most important one was Germany:** the one-fifth of 2012 total tourism nights spent in Hungary is attributable to German citizens; their number increased significantly, by 3.2 percent, in comparison to 2011. The share of



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Austrian tourists is also remarkable (7 percent), but the number of Italians, Russians, Britons and Czech citizens is also high, with about 5 percent each. **EU member states comprised 73 percent of total tourism nights last year.** Among the countries with substantial share in the sector (above 3 percent), the number of tourism nights by Russian and Dutch guests increased to the largest extent, by 30 percent and 24 percent, respectively.

Breakdown of foreign tourists visiting Hungary, ranked by the tourism share of country of origin

Country	Number of tourism nights, 2012	Change compared to 2011	Share of total, 2012
1. Germany	2 149 390	3.2%	19%
2. Austria	798 980	-1.3%	7%
3. Italy	619 225	17.1%	5%
4. Russia	600 492	30.0%	5%
5. Great Britain	595 309	10.5%	5%
6. Czech Republic	535 548	4.2%	5%
7. North America	530 294	0.4%	5%
8. Poland	503 667	12.4%	4%
9. USA	451 260	0.3%	4%
10. Romania	418 840	0.8%	4%
EU member states, total	8 282 979	6.8%	73%
Number of foreign tourism nights, total	11 299 804	8.5%	100%

Source: KSH