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### ***Hungarian economic growth above EU average***

According to the report of the Hungarian Central Statistical Office (KSH) published recently, in the third quarter of 2013 Hungarian GDP increased by 1.8 percent in comparison to the corresponding period of the previous year, which is 0.1 percent above the figure that preliminary data had signalled. On the basis of unadjusted data and data adjusted for seasonal and calendar effects, the Hungarian economy expanded by 1.8 percent and 1.6 percent, respectively. Growth mainly stemmed from the 27.6 percent growth of the agricultural sector and the 7.3 percent expansion within the construction sector. Compared to the previous quarter, data adjusted for seasonal and calendar effects show that Hungarian GDP grew by 0.9 percent. Thus, Hungary achieved the third largest quarter-on-quarter growth following Romania and Latvia, far above the EU average.

In light of detailed data, on the production side the agricultural, industrial, construction and services sectors posted the largest output increases in comparison to the same period of the previous year. The value added of the agricultural sector jumped by 27.6 percent, thus contributing substantially -- with 1.4 percentage points -- to GDP growth. The performance of the construction sector improved by 7.3 percent which added 0.3 percentage points to GDP growth. The gross value added of the industrial sector was 0.4 percent, within which manufacturing industry registered an increase of 1.7 percent, compared to the same period of the previous year. Within the manufacturing sector, output growth at the road vehicle manufacturing division was the most remarkable, while export sales proved to be the most powerful driver of growth.

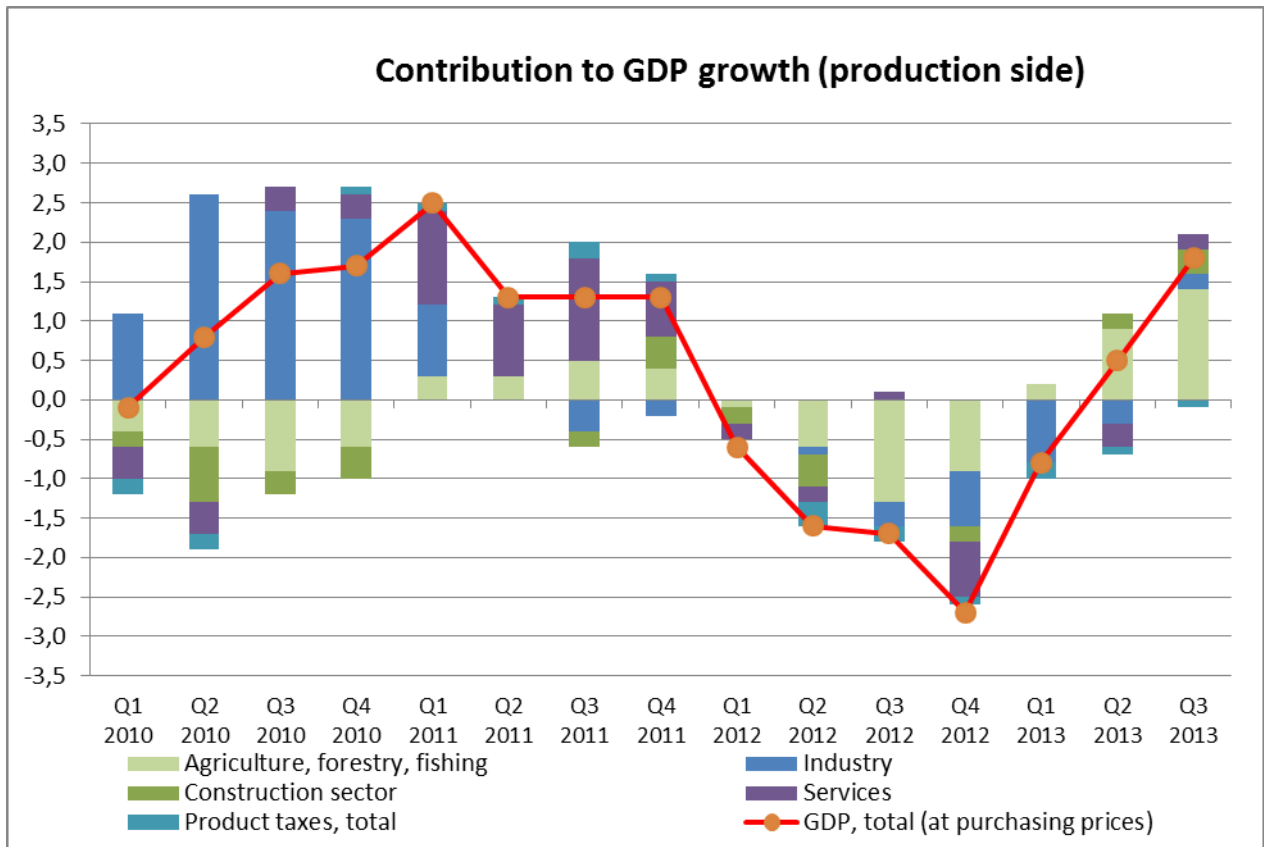
Total services sector growth was up by 0.1 percent in comparison to the third quarter of 2012 and the sector's share of contribution to GDP growth was also 0.1 percentage point.

On the consumption side, several positive tendencies can be observed: households' consumption spending increased by 0.1 percent, while the actual consumption was unchanged compared to the same period of the previous year. Quarter-on-quarter -- according to data adjusted for seasonal and calendar effects -- both indicators improved by 0.4 percent. Gross fixed capital formation also registered growth (of 8.2 percent) in the third quarter of 2013, year-on-year. It has to be emphasised that the Hungarian economy has been expanding while at the same time it has



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managed to keep the external balance stable. Moreover, the current account posted a higher surplus in comparison to the level seen last year, as imports and exports grew by 5.8 percent and 6 percent, respectively. Thanks to the Government's economic policy, the Hungarian economy has entered a steady growth path.

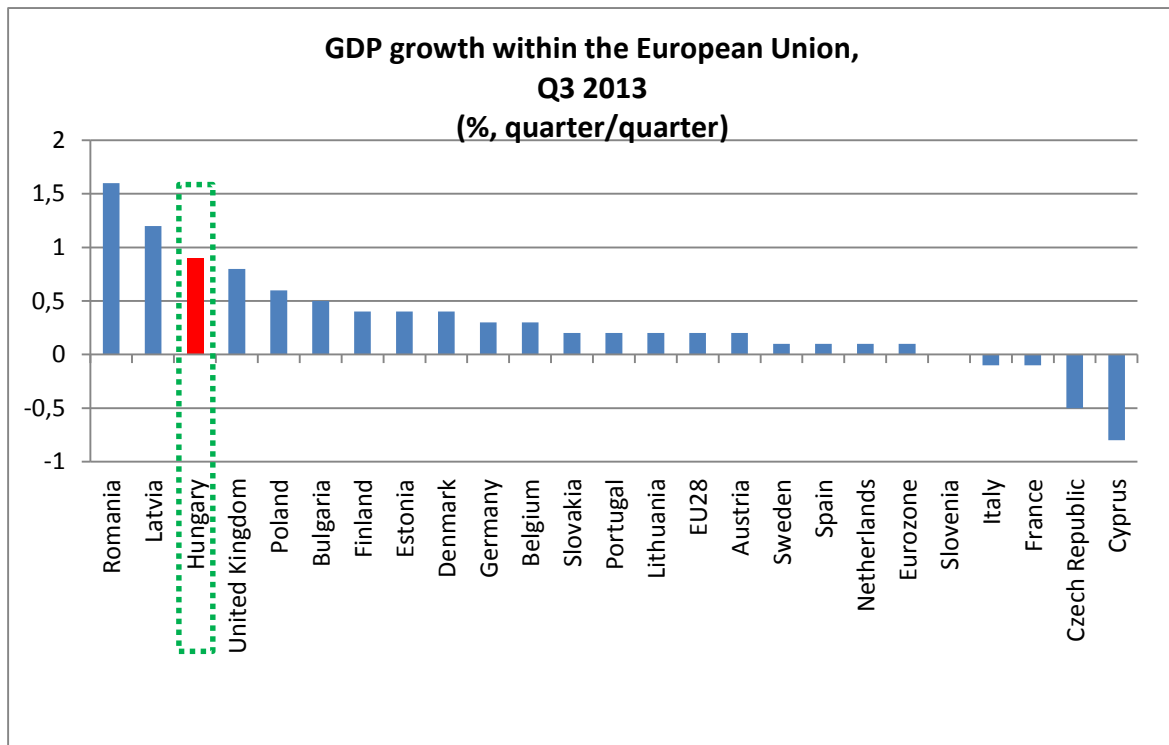


Source: Hungarian Central Statistical Office (KSH)

According to the Eurostat's report, in the third quarter of this year the gross domestic product of the European Union (EU 28) was up by 0.2 percent, compared to the previous quarter. In Germany, a key factor for Hungary's economy, GDP edged up by 0.3 percent, quarter-on-quarter. Behind Romania and Latvia, Hungary's quarterly economic growth was the third best and far above the EU average. Among the Visegrád countries, in the third quarter – in light of seasonally adjusted data -- the economy of the Czech Republic contracted by 0.5 percent, while that of Poland and Slovakia was up by 0.6 percent and 0.2 percent, respectively, quarter-on-quarter.



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Source: Eurostat, Hungarian Central Statistical Office (KSH)