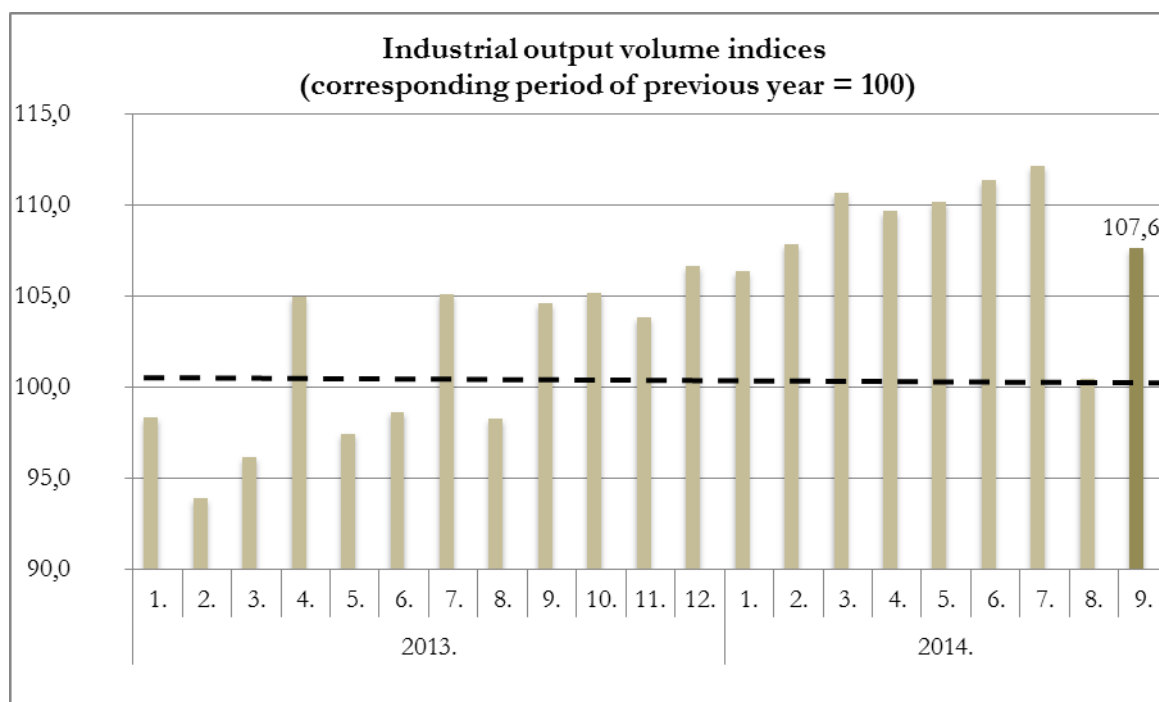




Hungarian industrial output expanded significantly in September 2014

According to preliminary data compiled by the Hungarian Central Statistical Office (KSH), the volume of industrial output increased by 7.6 percent in September in comparison to the corresponding period of 2013. Besides the excellent performance of the vehicle manufacturing sector, expansion has also been fuelled by output at related suppliers, the food industry and at electronic goods manufacturers. **Output in the initial nine months of the year soared by 8.6 percent year-on-year.**

In comparison to the previous month, the workday-adjusted index was 5.2 percent higher in September. This year, the volume of industrial exports jumped by 11.1 percent compared to the initial nine months of 2013.



Source: Hungarian Central Statistical Office (KSH)

The volume of sales of industrial products was higher with regard to sales abroad and for the domestic market: as a whole, it increased by 1.5 percent in January-September and by 2 percent in September, in comparison to the same period of 2013. Output volume was down in only one out of the altogether thirteen manufacturing sub sectors in September. Output at the vehicle manufacturing sector, which constitutes 27.5 percent of total manufacturing output,



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increased by 16 percent, while the second largest sector with a share of 16 percent, the manufacturing of computers, electronic and optical products, expanded by 6.8 percent. Output regarding the manufacturing of food, beverages and tobacco products, a division of similar weight, was 4.3 percent higher. Growth continued at manufacturers of textiles, wearing apparel, leather and related products, the sub sector with the smallest weight but with equal importance, and thanks to rebounding exports this sector even managed to achieve the largest output increase with 21.4 percent. The only sub sector with lower year-on-year output, the manufacturing of coke and refined petroleum products, registered a decrease of 12.7 percent compared to the very high base in the previous month.

The total volume of new orders at manufacturing sectors observed by the KSH was up by 8.8 percent compared to the corresponding period of the previous year: while the volume of new export orders increased by 8.2 percent, the volume of domestic orders was even higher with 12.9 percent. The total volume of new industrial orders soared by 17.2 percent in comparison the September last year.

As far as regions are concerned, **in January-September 2014 the largest growth in industrial output was registered in Bács-Kiskun County, where output increased by 33.5 percent year-on-year.** Industrial output has slowed down even more in Komárom-Esztergom County and the sector contracted by 24.2 percent.

European Union Perspective

Eurostat has also recently published EU industrial output data for the month of September: in light of these, industrial output was 0.6 percent higher in the euro-zone and in the EU28 as well, in comparison to the previous month. Year-on-year, statistics show a similar picture in these categories (growth of 0.6 percent). **According to workday-adjusted data from the European Union, Ireland registered the largest year-on-year industrial output volume growth with 22.1 percent, while Hungary is ranked second with 5.1 percent.** The most severe slump was seen in Malta, where the sector's performance was down by 7.4 percent.

Industrial performance has been a major factor behind economic growth; therefore the Government is aiming to boost industrial output in the coming years and to bolster the good



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performance of the Hungarian economy through an active industrial policy and re-industrialization.