

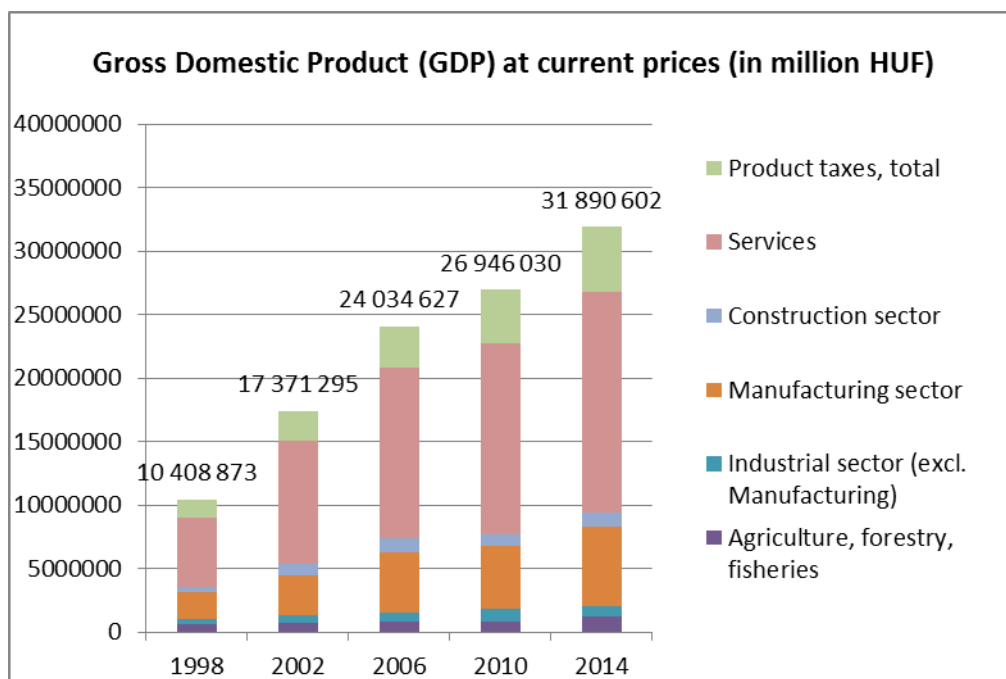


### *Superb economic data released in Hungary*

In the last quarter of 2014, the performance of the manufacturing, construction and agricultural sectors improved impressively. In the observed period, added value of the manufacturing sector gained 5.5 percent compared to the corresponding period of the previous year. Within the manufacturing sector, output at vehicle manufacturers and related suppliers increased significantly. In 2014, the volume of investment within the national economy soared by 14 percent.

#### **The economy expanded in 2014 by 3.6 percent year-on-year**

Data adjusted for seasonal and calendar effects show that Hungary's GDP grew by 3.4 percent in the final quarter of 2014, compared to the same period of the previous year, while the economy posted quarter-on-quarter growth of 0.8 percent. **At current prices, GDP totalled HUF 32 000bn in 2014, constituting an almost three-fold increase since 1998.** Statistics compiled by the Hungarian Central Statistical Office (KSH) signal that the weight of the services and manufacturing sectors behind GDP growth has increased.

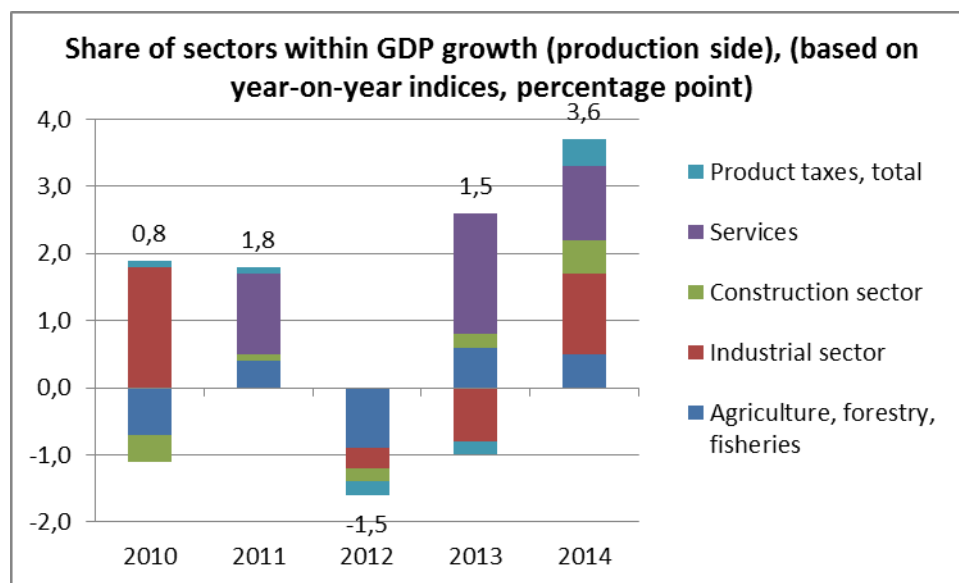


*Source: Hungarian Central Statistical Office (KSH)*



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As far as the last quarter of the previous year is concerned, added value of the industrial sector -- on the production side of GDP -- increased by 4.0 percent, while that of the manufacturing sector was up by 5.5 percent year-on-year. **Within the manufacturing sector, the vehicle manufacturing sub sector and related suppliers saw the largest output gains.** Output of the construction sector soared by 6.2 percent, and within this division the volumes of production regarding the construction of buildings as well as civil engineering works were both higher. Agricultural production increased by 12 percent. As a whole, gross added value of the services sector was up by 2.4 percent. Within that, added value at retailers and the hotel and catering sector was 4.6 percent higher. **The industrial, construction and services sectors added 1.0 percentage point, 0.3 percentage points and 1.2 percentage points, respectively, to the 3.4 percent GDP growth registered in Q4 2014.** The agricultural sector contributed with 0.4 percent.



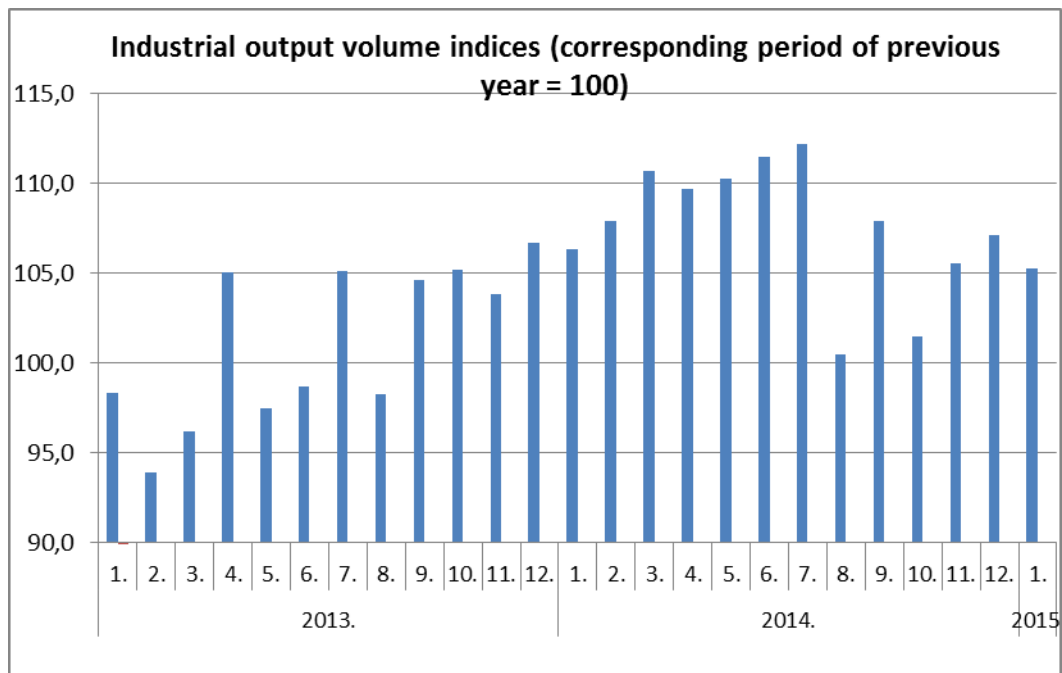
*Source: Hungarian Central Statistical Office (KSH)*

### **Industrial output grew by 5.3 percent**

**In January 2015, the volume of industrial output was up by 5.3 percent compared to the same period of 2014.** The volume of industrial exports increased in January by 5.7 percent. In the observed period, exports of the most significant manufacturing sub sector, vehicle manufacturing, soared by 9.6 percent. Domestic sales of the manufacturing sector were 7.7 percent higher year-on-year.



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*Source: Hungarian Central Statistical Office (KSH)*

**Production volumes were lower in only two out of the altogether thirteen manufacturing sub sectors.** The volume of output regarding the vehicle manufacturing sector, one of the most significant sub sectors within the national economy, jumped by 11 percent. Output volume at computer, electronic and optical product manufacturers, constituting more than one-tenth of total manufacturing sector output, rose by 5.4 percent year-on-year.

**Production volume at the third largest manufacturing sector division, the manufacturing of food, beverages and tobacco products, was 0.8 percent higher.** The meat processing, -preservation and meat product manufacturing sector saw an output increase of 2.5 percent. Following a five-month period of contraction, coke and refined petroleum production surged by 20 percent.

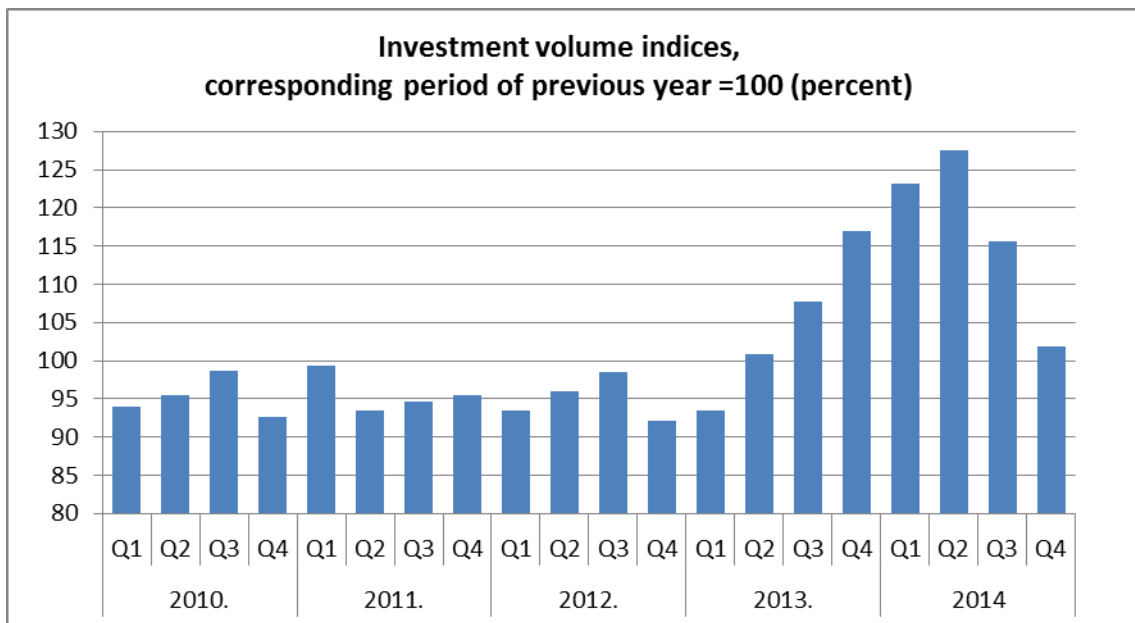
**The volume of the sector's total orders jumped by 30 percent year-on-year:** within that, the volume of new export orders and new domestic orders grew in January by 32 percent and 11 percent, respectively, compared to the corresponding period of the previous year.

Concerning Hungarian regions, industrial output declined only in Central Transdanubia. **In the month of January, the largest output gain, 16 percent, was registered in the Southern Great Plain region,** while growth recorded by the KSH in other regions ranged between 3.7 percent and 6.5 percent.



### Investment volume up by 1.9 percent

In the final quarter of 2014, the volume of investment increased by 1.9 percent year-on-year. KSH data show that – in spite of the high basis in December 2013 – the volume of investment was higher in almost every sector within the national economy. Full-year investment growth was 14 percent compared to the same period of the previous year. **The value of investment at current prices totalled HUF 1787 last year.**



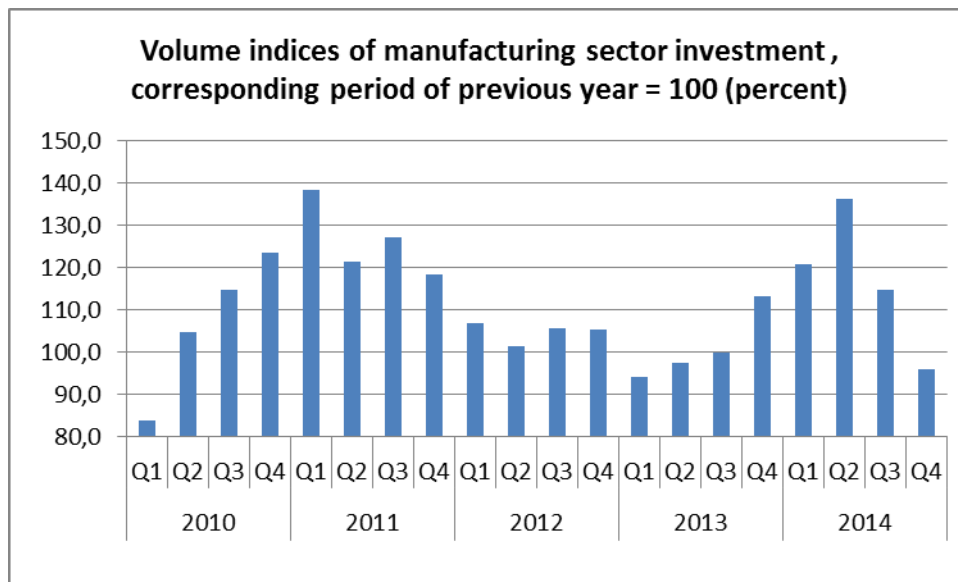
*Source: Hungarian Central Statistical Office (KSH)*

In the fourth quarter, the volume of investment decreased by 1.6 percent at the construction sector, one of the major sectors within the national economy, and by 4.1 percent at the manufacturing sector, which constitutes one-third of total volume. This is the consequence of a high basis, as in the final quarter of 2013 the investment volume within the manufacturing sector jumped by 11.5 percent compared to the same period of the previous year. **At the end of last year, the largest investment growth, 33 percent, was registered with regard to professional, scientific and technical activities.** Thanks to the expansion and refurbishment of hospitals, the healthcare and social welfare services sub sector also saw a massive increase of 17.1 percent. As far as other key sectors are concerned, the volume of investment grew by 13.9 percent at the retail sector, by 11.6 percent at the energy sector and by 10.5 percent at the agricultural sector.



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**In the entire year of 2014, the value of investment totalled HUF 5216bn, up by 14 percent year-on-year.** Machinery and equipment investment gained 23.9 percent in the observed period. The largest increases regarding sectors of the national economy was registered in the transport, storage, construction and healthcare divisions. The manufacturing sector posted year-on-year investment growth of 12.7 percent, thanks mainly to supplier sectors related to vehicle manufacturing.



*Source: Hungarian Central Statistical Office (KSH)*