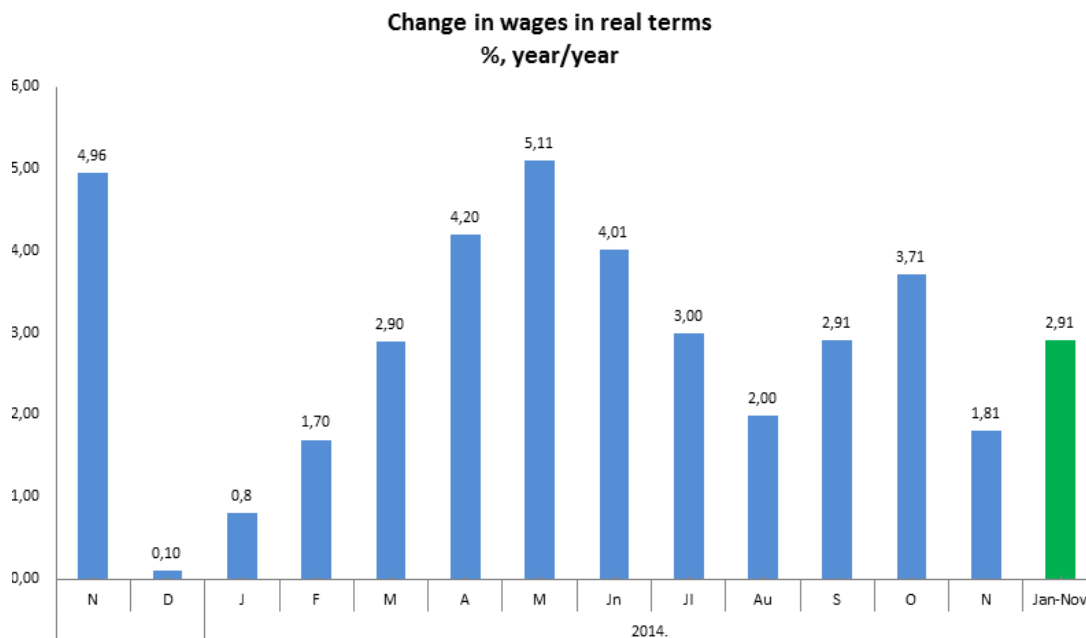




Positive wage growth trend unbroken for the 23rd consecutive month in Hungary

As the Hungarian Central Statistical Office (KSH) reported earlier this week, in January-November 2014 wages in real terms were up by 2.9 percent within the national economy. In comparison to November 2013, the number of private sector jobs increased massively, by more than 47 thousand, at enterprises with at least five employees. In the initial eleven months of last year, average gross wage was HUF 235 900, while excluding public work schemes, it was HUF 248 000 in Hungary.



Source: Hungarian Central Statistical Office (KSH), Ministry for National Economy (NGM)

Private sector employees earned on average HUF 250 500, while those in the public and non-profit sectors had an average wage of HUF 208 900. In November, the net wage of public work employees averaged HUF 78 100. **Excluding public work employees, average wage was HUF 248 000 within the national economy in the initial eleven months of 2014.** Within that, private and public sector employees earned HUF 251 900 and HUF 239 900, respectively. **Average net wages – excluding the effect of family tax allowances – increased by 2.7 percent, to HUF 154 500 in the observed period.** Due to the 0.2 percent drop in consumer prices, **wages in real terms were 2.9 percent higher.** Excluding public work schemes, the increase of wages in real terms was as high as 5 percent in this eleven-month period. Within that,

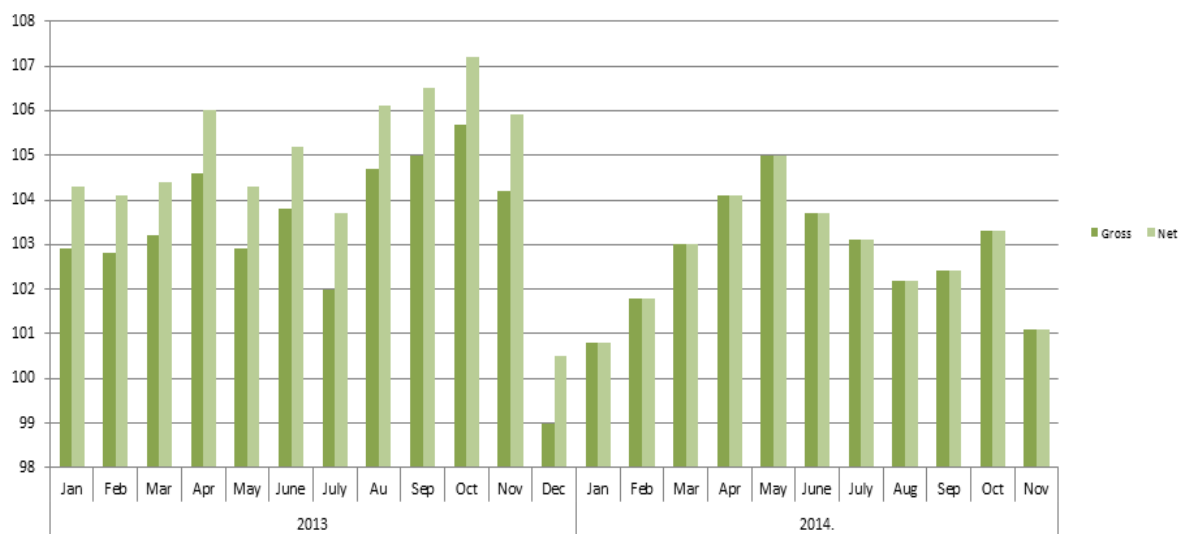


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wages in real terms increased by 4.6 percent in the private sector, by 5.8 percent in the public sector and by 6.6 percent at non-profit organizations. Meanwhile, the wages of public work employees edged also higher by 1.8 percent.

As far as November data are concerned, net wages – excluding family tax allowances – averaged HUF 164 600 (or HUF 172 400 without public work wages) within the national economy. Private, public and non-profit sector employees earned net wages of HUF 174 400 (or HUF 175 300 excluding public work employees), HUF 146 100 (or HUF 166 900 excluding public work employees) and HUF 144 100 (or HUF 155 200 excluding public work employees), respectively. **In the month of November, the 0.7 percent decrease in consumer prices resulted in 1.8 percent increase of wages in real terms.**

Change in average monthly wages within the national economy
(corresponding period of previous year=100)



Source: Hungarian Central Statistical Office (KSH), Ministry for National Economy (NGM)

Family tax allowances, rising gross and net wages, lower prices and subsequent higher real wages have significantly improved the financial position of households and revived domestic demand which, in turn, is fuelling Hungary's economic growth.