



MINISTRY
FOR NATIONAL ECONOMY

Hungary's economy continues to excel

In the third quarter of this year, Hungary's GDP grew – in line with prior estimates -- by 3.2 percent year-on-year. The largest factor contributing to growth was the industrial sector, adding 1.1 percentage points, but the share of the services sector within this achievement was also significant, as much as 0.7 percentage points. In comparison to the previous quarter, the economy expanded by 0.5 percent.

On the production side, the manufacturing and construction sectors lifted overall growth with year-on-year output increases of 6.2 percent and 11.6 percent, respectively. **The industrial, services and construction sectors contributed to the 3.2 percent GDP growth in Q3 2014 with output increases of 1.1 percent, 0.7 percent and 0.4 percent, respectively.** In the third quarter of this year, gross added value within the industrial and services sectors grew by 5.6 percent and 1.7 percent, respectively, in comparison to the corresponding period of the previous year. As a result of the acceleration of EU funding, the construction sector expanded by 11.6 percent year-on-year. The 10.8 percent growth of the agricultural sector in the third quarter added 0.6 percentage points to overall GDP growth.

On the expenditure side, the volume of investment and exports grew remarkably, by 13.2 percent and 7.9 percent, respectively. Hungary's foreign trade posted a record high surplus of EUR 939 million in September 2014.

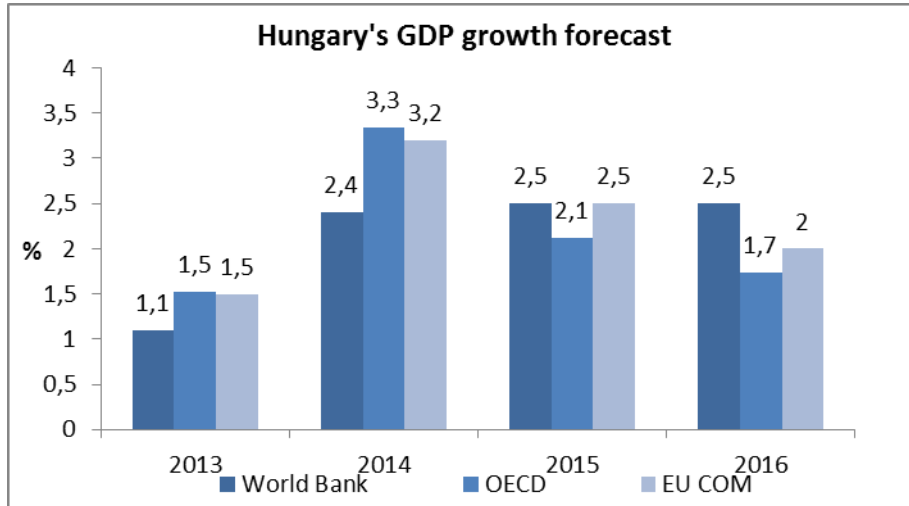
Household consumption increased by 1 percent; within that, the volume of consumption was higher, among significant categories, with regarding to food, transport, recreation and cultural activities, catering, accommodation and housing services. In case of excise goods (alcoholic beverages, tobacco products) and other services statistics showed a decline. Hungarians consumed less abroad, while the consumption of foreigners in Hungary was higher. The overall volume of household consumption in the third quarter edged up by 1.1 percent year-on-year.

International institutions have also acknowledged that Hungary's economy is set to expand outstandingly in 2014. The full-year growth forecast of the European Commission is on a par with the third quarter GDP growth figure. The estimate of the OECD exceeds the former by 0.1 percent: the institution is expecting 3.3 percent expansion for 2014.



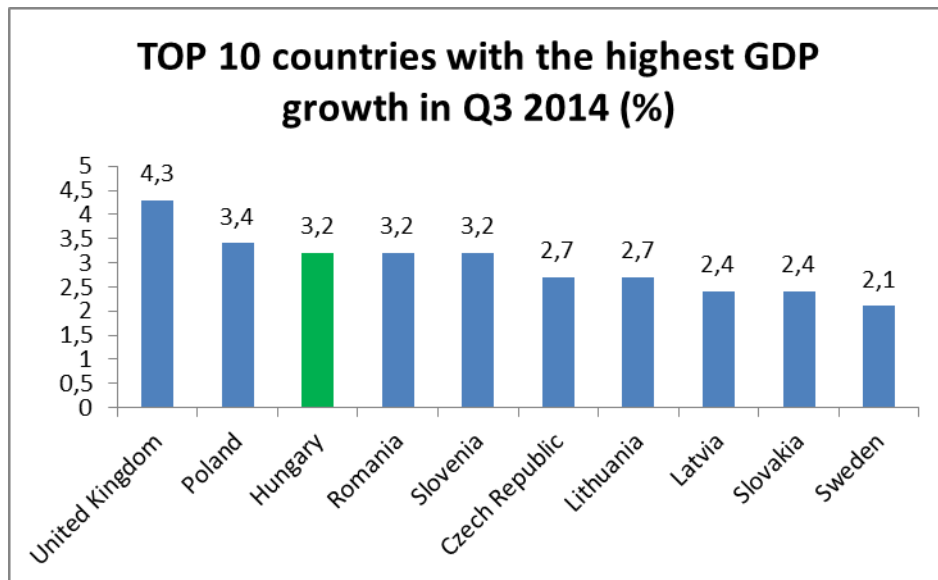
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Although the 2.4 percent forecast of the World Bank is below these figures, their study is prognosticating more stable expansion.



Source: Word Bank, OECD, EC

From an EU aspect, Hungary came third in the ranking of third quarter GDP growth rates¹. With this result, Hungary is placed ahead of Romania, the Czech Republic and Slovakia, but the country's economic growth rate also exceeds that of the euro zone (0.8 percent) and the EU28 (1.3 percent).



Source: Eurostat

¹ Based on preliminary data