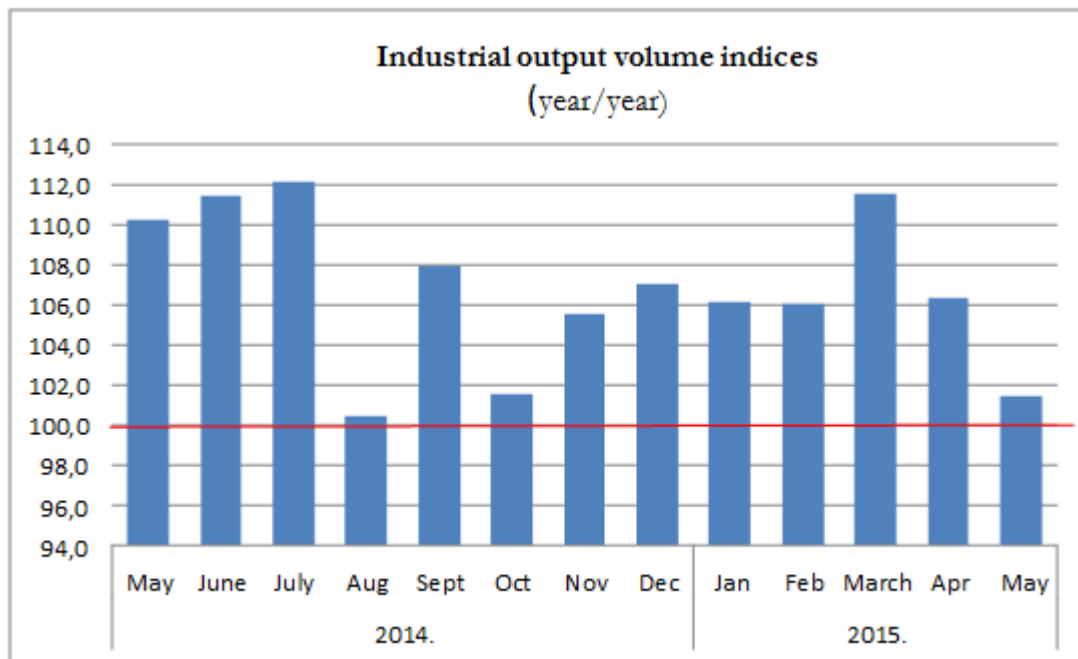




Industrial sector expansion continued in Hungary

In May 2015, the volume of industrial output was up by 1.5 percent year-on-year. Motor vehicle manufacturing has remained the industrial sector's growth engine. The workday-adjusted index grew by 6.2 percent, as there were two workdays less in May 2015 compared to May 2014.



Source: Hungarian Central Statistical Office (KSH)

Output at the manufacturing sector, constituting more than 90 percent of total industrial sector output, grew by 2.1 percent year-on-year, while that of mining – a minor sector – increased by 1.6 percent compared to May 2014. Thus, industrial sector output has been on the rise for the 23rd consecutive month.

Manufacturing sector performance

Output was higher in five out of the altogether thirteen manufacturing sub sectors, while it was unchanged in one of them. In comparison to the corresponding month of the previous year, volume decreases in other sub sectors ranged between 0.2 percent and 11 percent.



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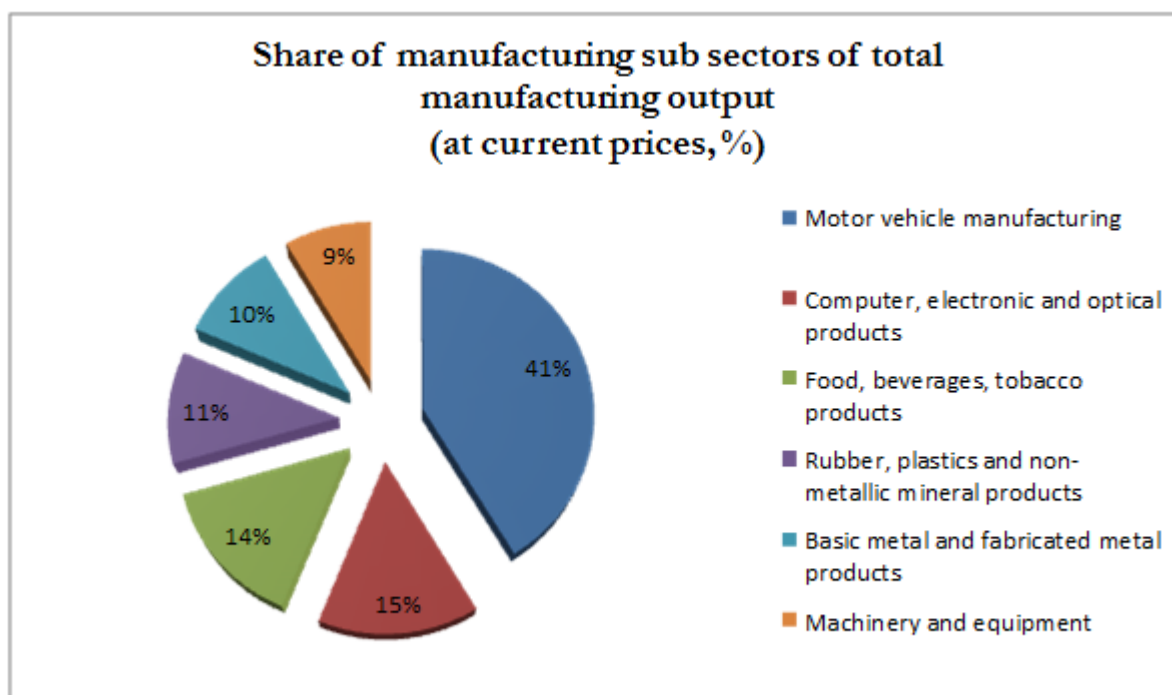
Among major sub sectors, output at the largest division of motor vehicle manufacturing soared by 9.5 percent. This outstanding expansion is also reflected by the sector's order figures.

The output volume of the computer, electronic and optical product manufacturing division – the second largest sub sector – fell by 0.2 percent year-on-year. As far as the two dominant branches of this sub sector are concerned, they show divergent trends: while output at telecommunications equipment and parts manufacturing dropped significantly, by 13 percent, that of electronic consumer products –an even larger division – soared by 14 percent.

Output at the third largest manufacturing sub sector of food, beverages and tobacco products edged 2.5 percent lower, due mainly to the drop in domestic sales that constitute more than 60 percent of total sales volume.

Among the sub sectors, the largest year-on-year decrease (11 percent) was recorded in machinery and equipment manufacturing; however, this sub sector's output constituted only 9 percent of total in May 2015.

The below pie chart shows the shares of manufacturing sub sectors in comparison to total output in May 2015. The motor vehicle manufacturing division has the largest share of 41 percent, followed by the manufacturing of electronic and optical products (15 percent) and that of food, beverages and tobacco products (14 percent).



Source: Hungarian Central Statistical Office (KSH)

Sales

The volume of industrial exports grew by 4.1 percent compared to the same period of the previous year. Out of the two manufacturing sub sectors which together constitute more than half of the export sales of the manufacturing sector, the export volume of motor vehicle manufacturing rose by 8.6 percent. On foreign markets, the sales volume of the other major sub sector, the manufacturing of computers, electronic and optical products, fell by 0.2 percent.

The domestic sales volume of the industrial sector was 5.8 percent lower year-on-year; within that, the volume of the manufacturing industry's domestic sales was practically unchanged (-0.1 percent).

The proportion of export sales within the total sales volume reached 74.7 percent at current prices in May 2015.



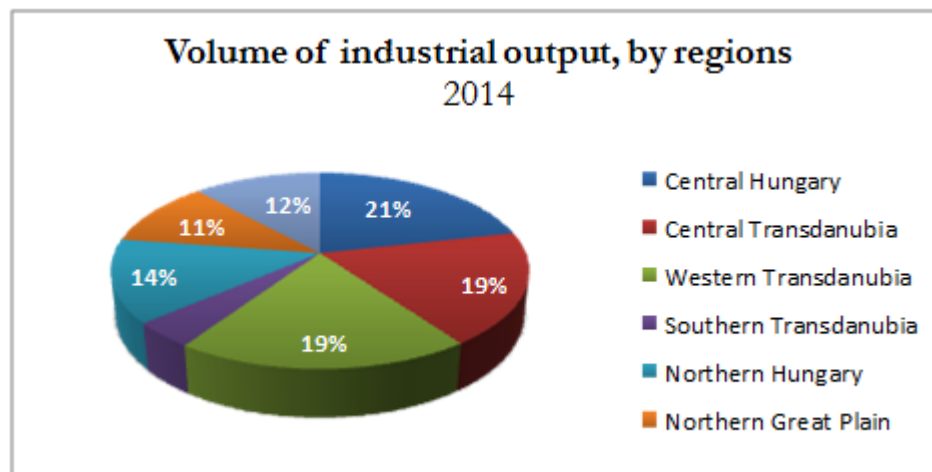
Industrial sector continued to charge ahead in 2014

Industrial sector expansion continued in 2014: output volume was up by 7.6 percent, thanks mainly to the outstanding performance of the motor vehicle manufacturing sector, which has been a major industrial sector growth engine for several years.

The volume of export sales grew by some 10 percent in 2014. Over the past 20 years -- with the exception of 2009 crisis year and 2012 -- export sales have been the driving force of industrial production. With regard to domestic sales, the negative sales trend prevalent since 2008 had been stopped and the volume of domestic sales grew by 1.1 percent in 2014.

Parallel to export growth, the manufacturing sector, the largest Hungarian industrial sector constituting some 95 percent of total industrial output, expanded significantly, by 8.6 percent, in 2014, beating the modest 1.4 percent growth figure of the previous year.

The volume of industrial sector investment grew by 12 percent in 2014, primarily as a result of manufacturing sector investment growth. This constituted some 90 percent of the total volume. The industrial output-per-employee ratio was up by 5.1 percent in 2014, while enterprises with at least five employees added 2.5 percent to their labour force.



Source: Hungarian Central Statistical Office (KSH)

The performance from a regional perspective

Taking a look at the individual regions of the country reveals that industrial output increased year-on-year in the Southern Transdanubia, Western Transdanubia, Northern Hungary and Southern Great Plain regions. As far as counties are concerned, Somogy County recorded an impressive performance with an increase of 19 percent, but output growth was also remarkable in Vas and Heves Counties (11.9 percent and 11.7 percent, respectively.)