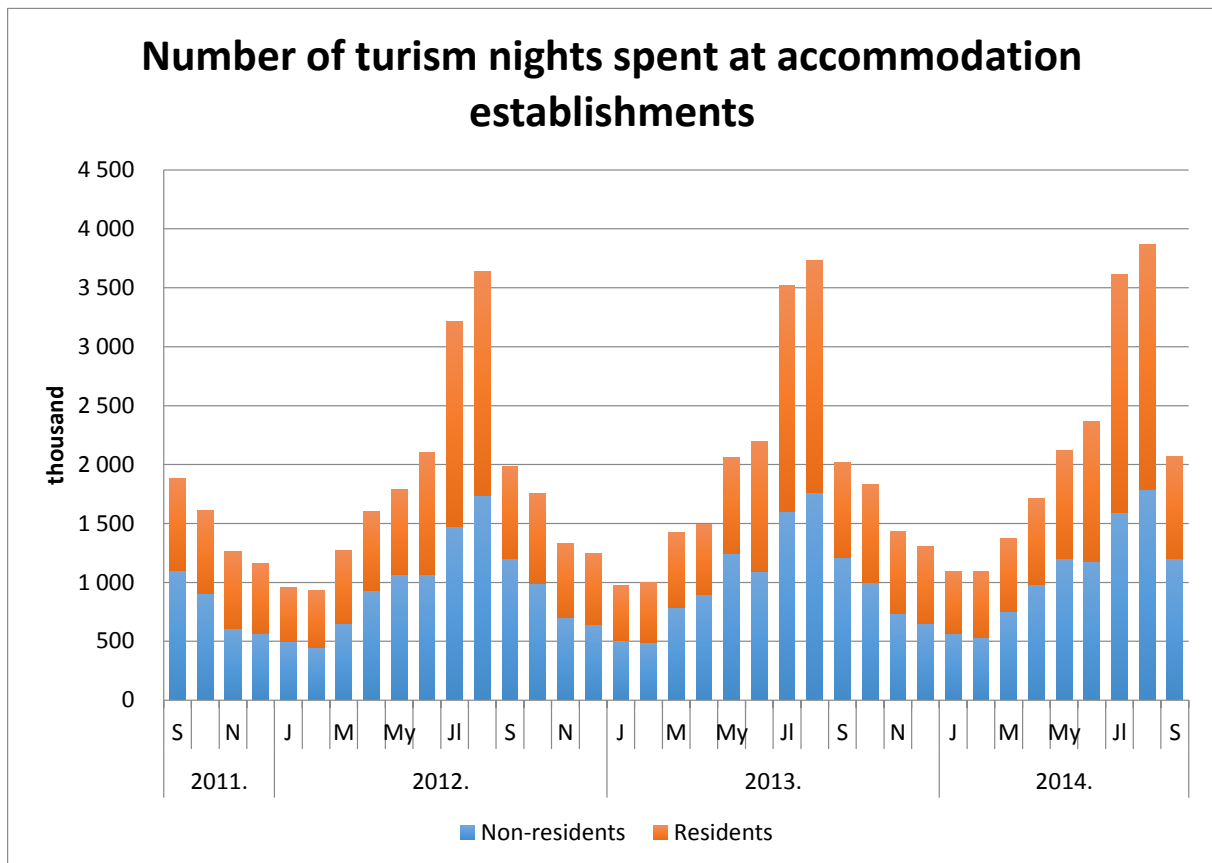




Tourism sector continues to be a top performer

The number of both guests and tourism nights showed growth in September 2014: **data for the month continue to be above those for 2013, which constitute a high base.** Increasing domestic demand was a key factor behind this result. **According to the report published by the Hungarian Central Statistical Office (KSH), in September 2014 the total number of guests was up by 4.9 percent in comparison to the corresponding period of the previous year.** The number of tourism nights totalled 2 million 69 thousand, which resulted from the 7.3 percent increase in the number of tourism nights by domestic guests and a slight drop in the number of tourism nights by foreign guests. **As a whole, tourism traffic at accommodation establishments increased by 2.5 percent year-on-year.**



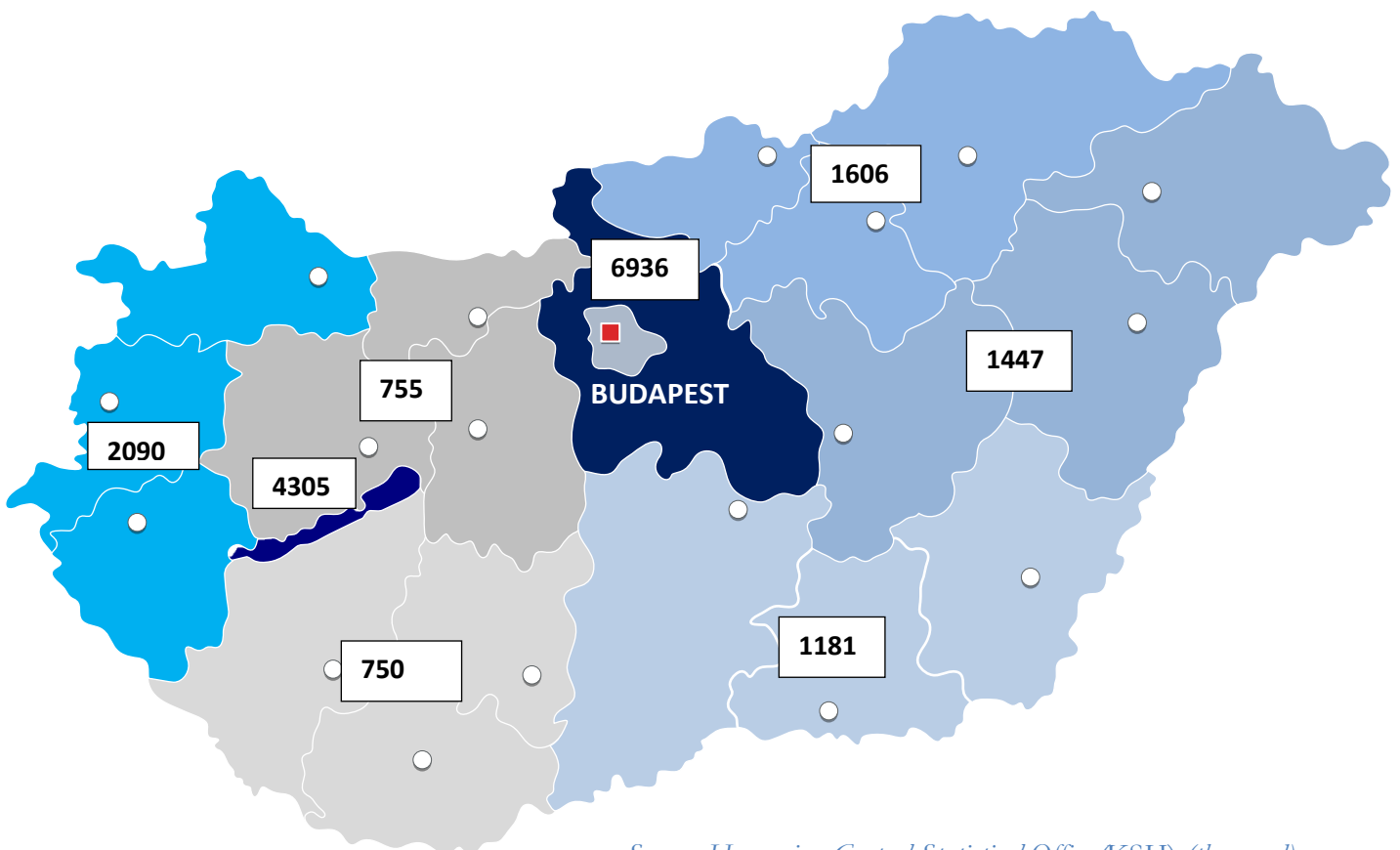
Source: Hungarian Central Statistical Office (KSH)

In September 2014, domestic demand continued to pick up. Among the 844 thousand guests, **the number of domestic guests was 388 thousand, up by 8.2 percent in comparison to**



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September last year. Domestic guests spent 868 thousand tourism nights, which shows an increase of 7.3 percent over the past one year. **As a consequence, accommodation fee revenues generated by domestic guests posted double-digit growth of 12.7 percent.** The number of domestic guests was higher in each region. At hotels – these host 69 percent of domestic guests – the number of tourism nights increased by 5.4 percent. **The number of foreign guests edged up by 2.2 percent, to 456 thousand, in the month of September** but the respective number of tourism nights was slightly down (by 0.7 percent) compared to the same period of the previous year. Despite this development, accommodation fee revenues generated by foreigners were 7.4 percent higher.



Source: Hungarian Central Statistical Office (KSH) (thousand)

As far as the initial nine months of the year are concerned, Hungarian accommodation establishment received more than 7.4 million guests – which figure constitutes an increase of 6.8 percent, – who spent more than 19.3 million tourism nights and HUF 144bn on



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accommodation fees. **The fact that in January-September tourism traffic grew in every region shows that the sector's expansion has been balanced.** The largest increases were registered in the Southern Great Plain, Northern Hungary, Central Transdanubia and Northern Great Plain regions.

In the period January-September 2014, the Budapest-Central Danube region attracted the largest tourism traffic with some seven million tourism nights of which 6.1 million was in Budapest. Lake Balaton continues to be the second most popular Hungarian destination as KSH data show 4.3 million tourism nights. While in Budapest the number of foreign guests far exceeds that of domestic ones (88 percent and 12 percent), the situation regarding the Lake Balaton is the opposite: it is rather Hungarian guests who typically spend their vacation there (62 percent). In the Western Transdanubia region, the number of tourism nights exceeded two million with roughly equal number of tourism nights by domestic and foreign guests (51 percent and 49 percent, respectively).

As far as the number of tourism nights by foreign guests in the period January-September is concerned, **German, Austrian and Russian tourists arrived in the largest numbers (1.7 million, 628 thousand and 619 thousand, respectively) to visit Hungarian landmarks.** Out of the altogether 9.8 million tourism nights by foreigners, 8.3 million were by European tourists, of which 6.8 million arrived from within the European Union. Regarding foreign tourists, the largest growth was seen among Slovaks (17.8 percent), whereas the number of Swedes fell significantly (by 14.4 percent).

In September 2014, room occupancy ratio averaged 57 percent, up by 0.9 percent compared to one year ago. In September, the room occupancy ratio of five-star hotels, spas and four-star facilities was outstanding, with 76 percent, 71 percent and 68 percent, respectively.

Fee revenues of accommodation establishments at current prices were 6.9 percent higher in comparison to September 2013. Gross revenues totalled HUF 31bn, within which accommodation fee revenues constituted HUF 18bn. **Catering generated revenues of HUF 6.6bn, which is HUF 266 million more than in September last year.**



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In accordance with the performance of the domestic tourism sector, **SZÉP Card indicators also improved**: this year, payments by the Card totalled HUF 13bn which shows **year-on-year growth of 10.5 percent**. Within that figure, payments in September totalled HUF 816bn. As another positive sign, **growth regarding accommodation fee revenues from domestic guests was 14.2 percent, thus exceeding SZÉP Card turnover increase**.