



Fourth-quarter 2013 GDP increases by 2.7%

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Introduction

The gross domestic product of Hungary increased by 2.7% in the 4th quarter of 2013 compared to the corresponding period of the previous year. The performance of agriculture, construction and manufacturing activities all increased. The performance of the Hungarian economy grew by 1.1% in 2013. The value of gross domestic product was HUF 29 114 billion at current prices and HUF 2 million 943 thousand per capita in 2013.

According to seasonally and calendar adjusted data, the economic performance was 2.7% higher in the 4th quarter of 2013 compared to the corresponding quarter of the previous year and 0.5% higher compared to the previous quarter.

4th quarter 2013

The performance of Hungary's **agriculture** increased by 22.2% in the fourth quarter after the low level in the corresponding period of the previous year and due to the excellent harvest. The gross value added of **industry** increased by 3.3%, within which that of manufacturing was up by 5.1%. Within manufacturing the manufacture of transport equipment and fabricated metal products grew significantly, while the manufacture of computer, electronic and optical products as well as basic pharmaceutical products and pharmaceutical preparations continued to decrease. The output of **construction** rose by 10.4%. Within construction it was primarily the construction of buildings and civil engineering works that increased.

The gross value added of **services** increased by 1.3% in total compared to the same period of the previous year. The value added of wholesale and retail trade, accommodation and food service activities rose by 2.0%, of which the growth of accommodation and food service activities was significant. The output in transportation and storage rose by 4.3%, in line with the growth of industrial production. The performance of financial and insurance activities decreased by 1.7%, partly because new bank lending could not rise substantially, neither on the company nor on the retail loan market; besides, the decrease in property income from the investments of insurance technical reserves significantly contributed to the fall of the performance of insurers compared to the same period of the previous year. The total gross value added of

Figure 1

Volume change of GDP

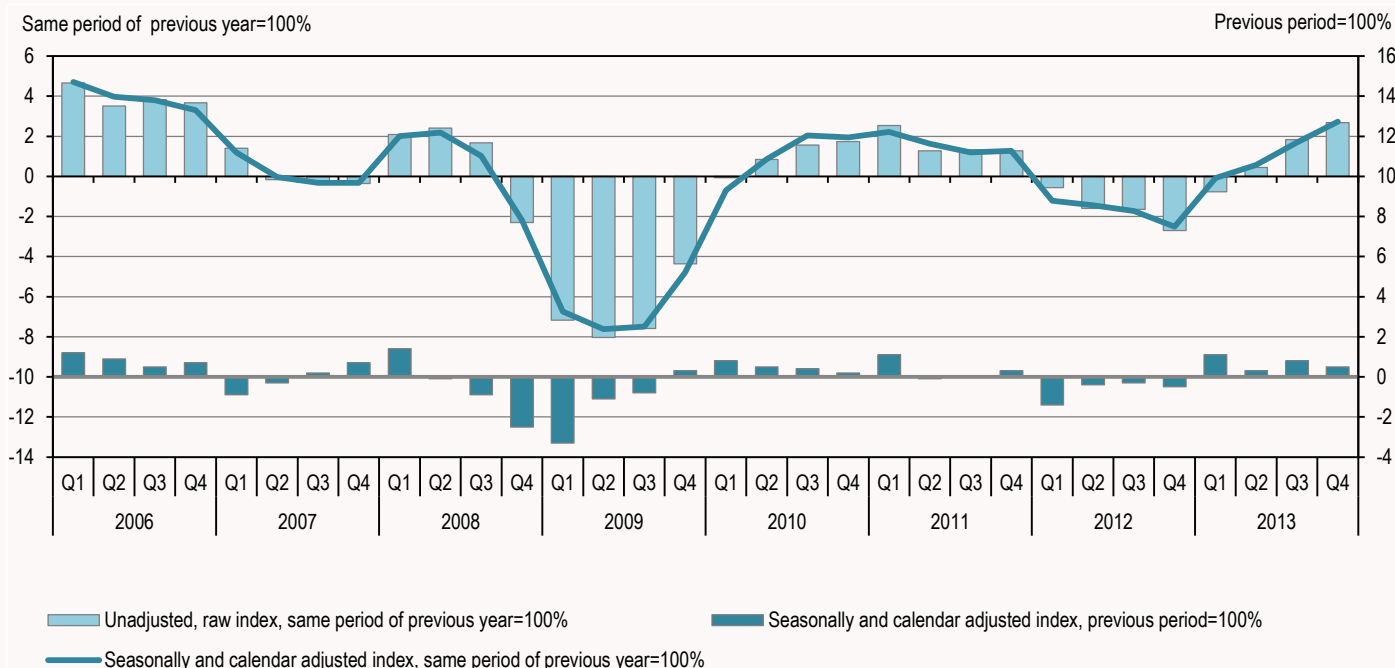


Table 1

Volume indices of production of gross domestic product (GDP)

(corresponding period of previous year=100.0)

NACE	Industries	2012 Q4	2013			
			Q1	Q2	Q3	Q4
A	Agriculture, forestry and fishing	77.0	106.3	125.9	128.1	122.2
B-E	Mining and quarrying, manufacturing and electricity	96.4	96.6	98.7	100.5	103.3
C	Of which: manufacturing	97.3	97.0	99.1	101.8	105.1
F	Construction	94.3	101.9	106.0	107.6	110.4
G-T	Services, total, of which:	98.9	100.1	99.5	100.0	101.3
G+I	wholesale and retail trade, accommodation and food service activities	97.7	98.0	97.4	100.6	102.0
H	Transportation and storage	99.4	101.8	99.6	101.2	104.3
J	Information and communication	103.0	97.3	100.8	101.3	101.8
K	Financial and insurance activities	95.7	98.7	99.1	97.8	98.3
L	Real estate activities	98.1	99.4	96.3	94.3	97.3
M-N	Professional, scientific, technical and administrative activities	99.4	98.7	100.9	102.0	101.9
O-Q	Public administration, education, health and social work activities	99.2	102.5	101.1	100.5	101.5
R-T	Arts, entertainment and other services	97.9	102.4	102.0	105.6	103.8
Gross domestic product, total (at purchasers' prices)		97.3	99.2	100.5	101.8	102.7

professional, scientific, technical and administrative activities increased by 1.9%, and that of public administration, education and health grew by 1.5%. Due to growths in computer programming, consultancy and related activities as well as publishing activities, the value added of information and communication was up by 1.8%.

All industries contributed to the 2.7% growth of gross domestic product in the 4th quarter of 2013: agriculture by 0.8 percentage point, while industry and services by 0.7 percentage point each. The contribution of construction to the economic growth in the 4th quarter of 2013 was 0.4 percentage point, while the change of taxes less subsidies on production increased GDP by 0.1 percentage point.

The actual final consumption of households increased by 0.5% in the 4th quarter of 2013 compared to the same period of the previous year. Household final consumption expenditure, representing the main component of the actual final consumption of households, went up by 1.0%. In the groups of expenditures with large weight within household final consumption expenditure volume increases were recorded in transport, food service and accommodation activities, recreation and culture, food as well as housing, water, electricity, gas and other fuels. Marked decreases were measured in case of alcoholic beverages and tobacco as well as other goods and services. The consumption of Hungarian tourists abroad increased, while the consumption of foreigners in Hungary stagnated.

Figure 2

Contribution to GDP growth (production approach)

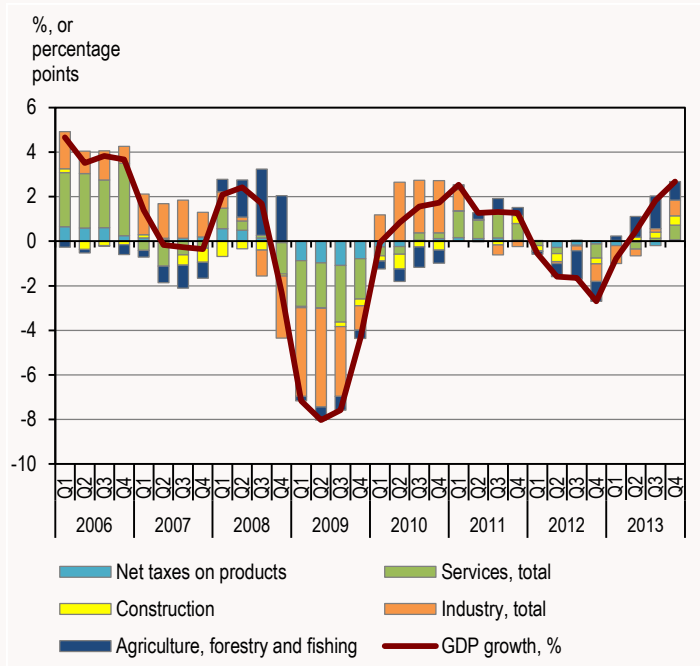


Figure 3

Contribution to GDP growth (expenditure approach)

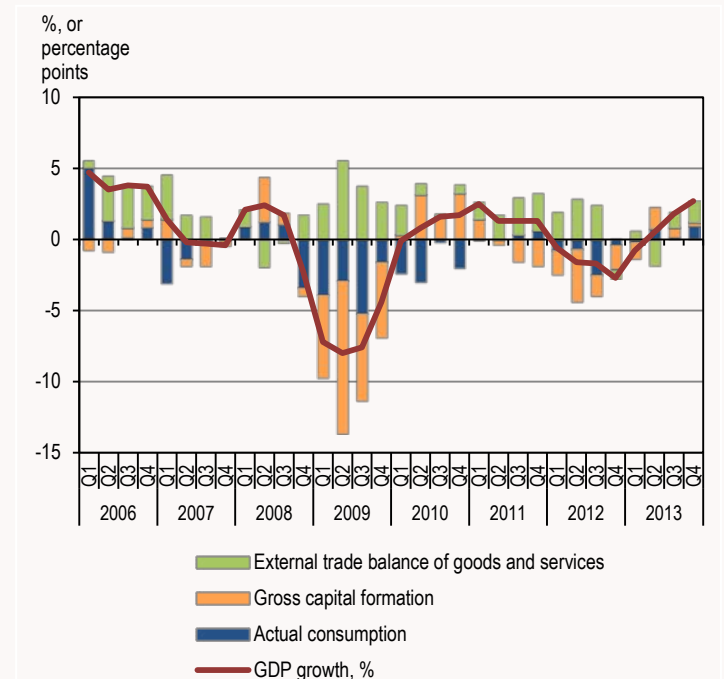


Table 2

Volume indices of final use of gross domestic product

(corresponding period of previous year = 100.0)

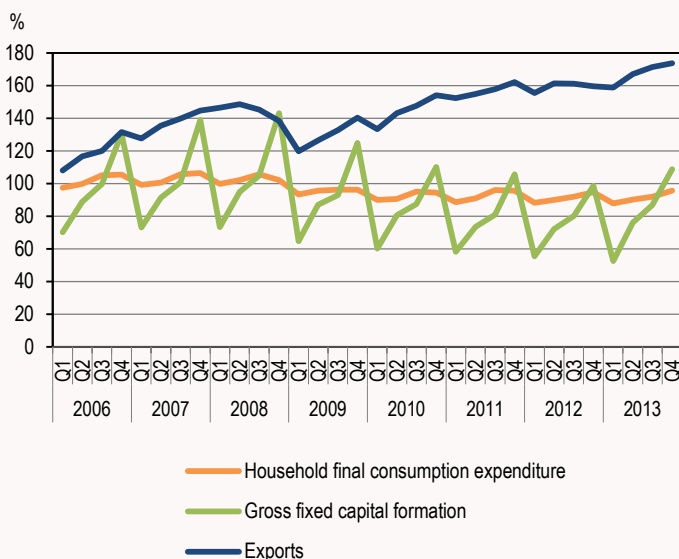
Items of use	2012 Q4	2013			
		Q1	Q2	Q3	Q4
Household final consumption expenditure	99.0	99.4	100.2	100.1	101.0
Social transfers in kind from government	100.1	97.5	99.8	98.6	97.9
Social transfers in kind from NPISHs	102.3	100.6	100.8	100.8	101.3
Actual final consumption of households	99.3	99.1	100.1	99.9	100.5
Actual final consumption of government	100.4	103.8	105.8	101.6	105.7
Actual consumption. total	99.4	99.8	100.9	100.1	101.2
Gross fixed capital formation	93.3	94.8	105.4	108.3	110.4
Changes in inventories ^{a)}	x	x	x	x	x
Gross capital formation	91.6	91.9	110.2	103.6	101.3
Domestic use	97.7	98.6	102.5	100.8	101.2
Exports	98.5	102.2	103.6	106.4	108.8
Imports	99.1	101.7	106.0	105.8	107.6
External trade balance of goods and services ^{a)}	x	x	x	x	x
Gross domestic product. total	97.3	99.2	100.5	101.8	102.7

a) For these items volume indices are not applicable.

Social transfers in kind from government were cut by 2.1%, while the actual final consumption of government was 5.7% higher than one year earlier.

Figure 4

Volume indices of main aggregates of gross domestic product from expenditure side (average of quarters of 2005=100%)



As a result of all these trends, actual final consumption rose by 1.2% compared to the corresponding period of the previous year.

Gross fixed capital formation increased at a higher rate than in the previous quarter, by 10.4%. Both construction investments and investments in machinery and equipment rose at rates exceeding 10%. The outstanding growth of investments, as measured in the majority of industries, was especially substantial in manufacturing, transportation and storage, wholesale and retail trade and repair of motor vehicles and motorcycles as well as public administration and defence concerning industries representing large weight. However, investments in real estate activities fell markedly.

Gross capital formation rose by 1.3% compared to one year before.

Domestic use increased by 1.2% in total in the 4th quarter.

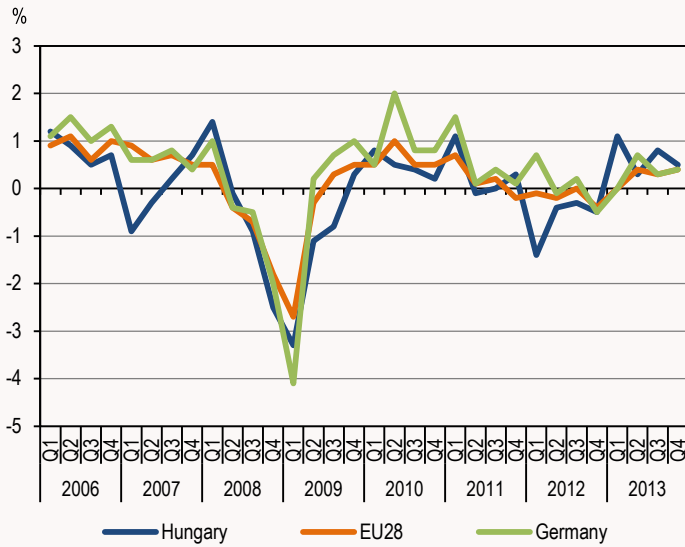
A surplus of HUF 474 billion was generated on the balance of **external trade** at current prices. The volume of exports rose at a higher rate than that of imports (8.8% and 7.6% respectively). The exports of goods grew by 9.5% and their imports by 7.6%. Within external trade the exports of services (including tourism) were 5.8%, while their imports were 7.7% higher than one year earlier.

According to seasonally and calendar-adjusted data¹ the performance of the economy increased by 0.5% in the 4th quarter of 2013 compared to the previous quarter, within which the gross value added of agriculture decreased by 3.1%, while gross value added grew by 2.5% in industry, by 2.2% in construction and by 0.4% among services. Household final consumption expenditure increased by 0.4%. Social transfers in kind from government decreased by 0.5%. The actual final consumption of government rose by 0.4% and actual consumption grew by 1.0%. Exports were up by 1.2% and imports by 1.5%.

¹ Comparison to the previous quarter is always based on seasonally and calendar adjusted data.

Figure 5

Volume change of GDP (seasonally and calendar adjusted and reconciled data compared to previous quarter)



2013

Gross domestic product increased by 1.1% in 2013 as a whole, which was primarily influenced by agriculture and construction. The actual final consumption of households stagnated, and the actual final consumption of government increased by 4.3%. As a result of all these trends, actual final consumption rose by 0.5%. Gross fixed capital formation grew by 5.9%, while gross capital formation was up by 2.1%. Domestic use increased by 0.8%. Exports and imports rose at the same rate, by 5.3% each.

The total gross domestic product of the Member States of the European Union (EU28) and the gross domestic product of Germany both were up by 0.4% in the 4th quarter of 2013 compared to the previous quarter.

Volume indices of gross domestic product (GDP)

Table 3

Period	(%)			
	Unadjusted, raw data, corresponding period of previous year=100.0	Adjusted for calendar effects, corresponding period of previous year=100.0	Seasonally and calendar effects adjusted and reconciled data, corresponding period of previous year=100.0	Seasonally and calendar effects adjusted and reconciled data, previous quarter=100.0
2008				
Q1	102.1	101.7	102.0	101.4
Q2	102.4	102.4	102.2	99.9
Q3	101.7	101.6	101.0	99.1
Q4	97.7	97.6	97.8	97.5
Year	100.9	100.8	100.8	
2009				
Q1	92.8	93.2	93.3	96.7
Q2	92.0	92.0	92.4	98.9
Q3	92.4	92.4	92.5	99.2
Q4	95.6	95.6	95.2	100.3
Year	93.2	93.3	93.3	
2010				
Q1	99.9	100.0	99.3	100.8
Q2	100.8	100.8	100.9	100.5
Q3	101.6	101.6	102.0	100.4
Q4	101.7	101.7	102.0	100.2
Year	101.1	101.0	101.0	
2011				
Q1	102.5	102.5	102.2	101.1
Q2	101.3	101.3	101.6	99.9
Q3	101.3	101.3	101.2	100.0
Q4	101.3	101.4	101.3	100.3
Year	101.6	101.6	101.6	
2012				
Q1	99.4	99.0	98.8	98.6
Q2	98.4	98.5	98.6	99.6
Q3	98.3	98.5	98.3	99.7
Q4	97.3	97.4	97.5	99.5
Year	98.3	98.3	98.3	
2013				
Q1	99.2	99.8	99.9	101.1
Q2	100.5	100.5	100.6	100.3
Q3	101.8	101.8	101.7	100.8
Q4	102.7	102.7	102.7	100.5
Year	101.1	101.2	101.2	

Table 4

Contribution to growth of gross domestic product (GDP)

(percentage points)

Period	Gross domestic product (GDP), total	Production approach					Expenditure approach			
		agriculture, forestry and fishing	mining, manufacturing and other industry	construction	services, total	net taxes on products	domestic use, total	of which:		external balance of goods and services ^{a)}
								actual final consumption, total	gross capital formation, total	
2008										
Q1	2.1	0.6	0.7	-0.7	1.0	0.6	0.9	0.9	0.0	1.2
Q2	2.4	1.7	0.1	-0.3	0.5	0.5	4.3	1.2	3.1	-1.9
Q3	1.7	3.0	-1.1	-0.4	0.1	0.1	1.9	1.0	0.8	-0.2
Q4	-2.3	2.1	-2.7	-0.1	-1.5	-0.1	-4.0	-3.4	-0.6	1.7
Year	0.9	1.8	-0.8	-0.4	0.0	0.3	0.7	-0.1	0.8	0.2
2009										
Q1	-7.2	-0.2	-4.0	-0.1	-2.0	-0.9	-9.6	-3.9	-5.8	2.5
Q2	-8.0	-0.6	-4.4	0.0	-2.0	-1.0	-13.6	-2.9	-10.7	5.5
Q3	-7.6	-0.6	-3.2	-0.2	-2.5	-1.1	-11.3	-5.2	-6.1	3.7
Q4	-4.4	-0.4	-1.1	-0.3	-1.8	-0.8	-7.0	-1.6	-5.3	2.6
Year	-6.8	-0.5	-3.1	-0.2	-2.1	-0.9	-10.4	-3.4	-7.0	3.6
2010										
Q1	-0.1	-0.4	1.1	-0.2	-0.4	-0.2	-2.1	-2.4	0.3	2.1
Q2	0.8	-0.6	2.6	-0.7	-0.4	-0.2	0.1	-3.0	3.1	0.8
Q3	1.6	-0.9	2.4	-0.3	0.3	0.0	1.3	-0.2	1.6	0.2
Q4	1.7	-0.6	2.3	-0.4	0.3	0.1	1.2	-2.0	3.2	0.6
Year	1.1	-0.6	2.2	-0.4	0.0	-0.1	0.2	-1.9	2.1	0.9
2011										
Q1	2.5	0.3	0.9	0.0	1.2	0.1	1.3	-0.1	1.4	1.2
Q2	1.3	0.3	0.0	0.0	0.9	0.1	-0.4	0.0	-0.4	1.7
Q3	1.3	0.5	-0.4	-0.2	1.3	0.2	-1.2	0.3	-1.6	2.6
Q4	1.3	0.4	-0.2	0.4	0.7	0.1	-1.4	0.6	-1.9	2.6
Year	1.6	0.4	0.0	0.1	1.0	0.1	-0.5	0.2	-0.7	2.1
2012										
Q1	-0.6	-0.1	0.0	-0.2	-0.2	0.0	-2.5	-0.8	-1.7	1.9
Q2	-1.6	-0.6	-0.1	-0.4	-0.2	-0.3	-4.4	-0.7	-3.7	2.8
Q3	-1.7	-1.3	-0.3	0.0	0.1	-0.2	-4.0	-2.5	-1.5	2.4
Q4	-2.7	-0.9	-0.7	-0.2	-0.7	-0.1	-2.1	-0.4	-1.7	-0.6
Year	-1.7	-0.7	-0.3	-0.2	-0.3	-0.1	-3.3	-1.1	-2.2	1.6
2013										
Q1	-0.8	0.2	-0.8	0.0	0.0	-0.2	-1.4	-0.2	-1.2	0.6
Q2	0.5	0.9	-0.3	0.2	-0.3	0.0	2.2	0.7	1.5	-1.8
Q3	1.8	1.4	0.2	0.3	0.1	-0.2	0.8	0.1	0.7	1.1
Q4	2.7	0.8	0.7	0.4	0.7	0.1	1.2	0.9	0.3	1.5
Year	1.1	0.9	0.0	0.2	0.1	-0.1	0.7	0.4	0.4	0.4

a) Difference between exports and imports data of contribution to growth of gross domestic product (GDP).

Further information, data (links):

[Tables \(STADAT\)](#)[Methodology](#)www.ksh.hu

Contact details:

kommunikacio@ksh.hu[Information service](#)

Telephone: +36 1 345 6789