



Second-quarter 2014 GDP increased by 3.9%

Gross domestic product, second quarter 2014, second estimation

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Introduction

The gross domestic product of Hungary increased by 3.9% in the second quarter of 2014 compared to the corresponding period of the previous year. The performances of construction, manufacturing and agriculture grew significantly.

According to seasonally and calendar effects adjusted data, economic performance in the second quarter of 2014 was up by 3.7% compared to the corresponding quarter of the previous year and by 0.8% compared to the previous quarter.

Figure 1

Volume change of GDP compared to same quarter of previous year

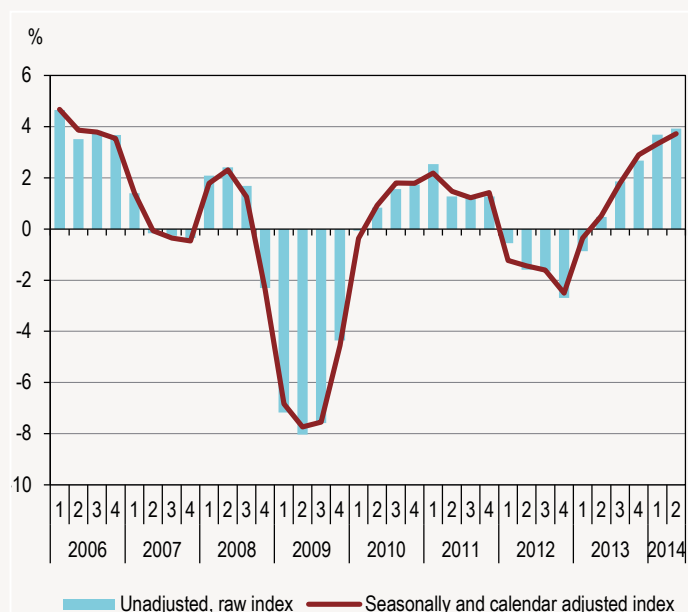


Figure 2

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

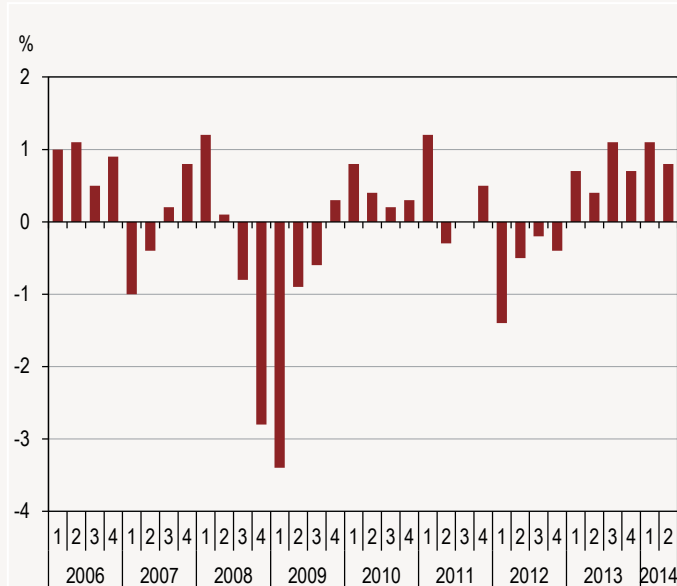


Table 1

Volume indices of production of gross domestic product (GDP)

(corresponding period of previous year=100.0)

NACE code	Industries	2013			2014	
		Q2	Q3	Q4	Q1 ^R	Q2
A	Agriculture, forestry and fishing	125.9	128.1	122.3	102.4	105.6
B-E	Mining and quarrying, manufacturing and electricity	98.7	100.5	103.3	106.3	107.2
C	Of which: manufacturing	99.1	101.8	105.1	109.7	109.0
F	Construction	106.0	107.6	110.4	124.4	119.1
G-T	Services, total, of which:	99.5	100.1	101.2	101.5	102.1
G+I	wholesale and retail trade, accommodation and food service activities	97.4	100.6	102.0	102.9	102.7
H	Transportation and storage	99.6	101.2	104.2	104.0	104.5
J	Information and communication	100.8	101.3	101.7	102.0	102.2
K	Financial and insurance activities	99.1	97.8	98.3	97.9	98.4
L	Real estate activities	96.3	94.4	97.4	97.5	99.7
M-N	Professional, scientific, technical and administrative activities	100.8	101.9	101.8	104.7	103.5
O-Q	Public administration, education, health and social work activities	101.2	100.6	101.4	101.0	101.9
R-T	Arts, entertainment and other services	102.4	106.0	104.1	102.1	103.2
GDP, total (at purchasers' prices)		100.5	101.9	102.7	103.7	103.9

^R Revised data: the revision of the first-quarter 2014 GDP is first of all due to the improving performance of agriculture.

research and development was significant. The total performance of public administration, education and health rose by 1.9%.

Industry contributed to the 3.9% growth of gross domestic product in the second quarter of 2014 by 1.6 percentage points, construction by 0.6 percentage point and services by 1.2 percentage points. Agriculture increased GDP by 0.2 percentage point.

Expenditure

The actual final consumption of households was up by 1.6% in the second quarter of 2014 compared to the same period of the previous year. Household final consumption expenditure, the main component of

the actual final consumption of households, went up by 2.4%. Volumes grew in the case of food, transport, recreation and culture as well as housing, water, electricity, gas and other fuels out of the groups of expenditures with large weight within household final consumption expenditure. Stagnation was measured in the group of alcoholic beverages and tobacco and a decline in the case of other services. The consumption of Hungarian tourists abroad increased at a higher rate than the consumption of foreigners in Hungary.

Social transfers in kind from the government lessened by 2.4%, while the actual final consumption of the government was 0.4% higher than a year earlier.

Figure 3

Contribution to GDP growth (production approach)

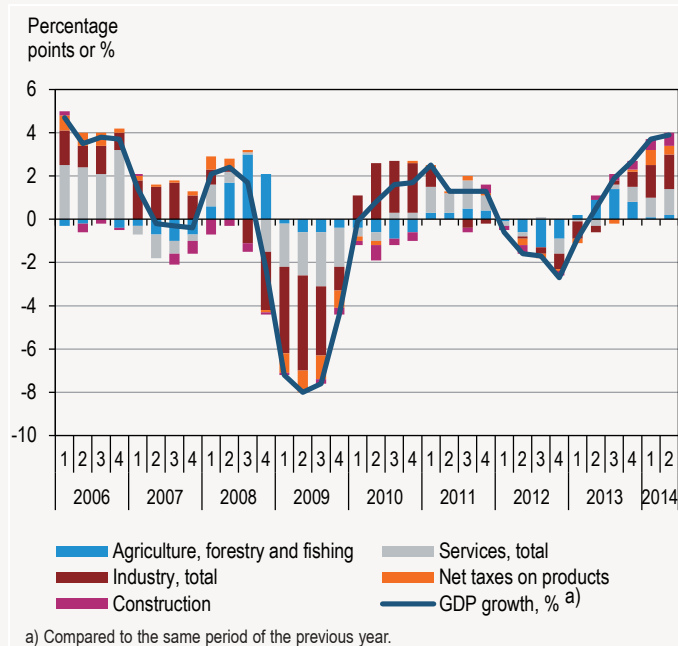


Figure 4

Contribution to GDP growth (expenditure approach)

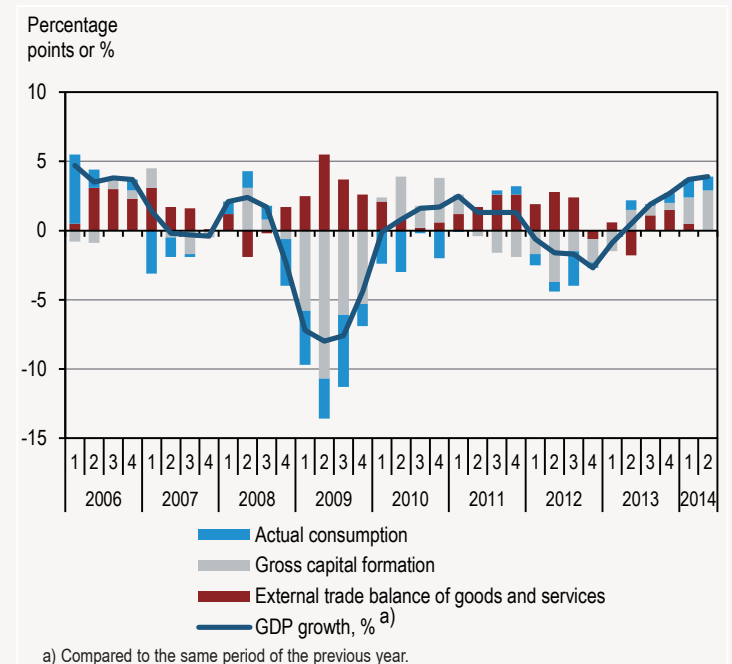


Table 2

Volume indices of final use of gross domestic product (GDP)

(corresponding period of previous year = 100.0)

Items of use	2013			2014	
	Q2	Q3	Q4	Q1 ^R	Q2
Household final consumption expenditure	100.2	100.1	101.2	101.7	102.4
Social transfers in kind from government	99.8	98.8	97.5	100.2	97.6
Social transfers in kind from NPISHs	103.5	103.1	105.1	97.6	101.9
Actual final consumption of households	100.2	100.0	100.7	101.3	101.6
Actual final consumption of government	105.6	101.7	102.9	103.6	100.4
Actual consumption, total	100.9	100.2	101.0	101.6	101.4
Gross fixed capital formation	105.4	108.3	110.5	113.9	118.7
Changes in inventories ^{a)}	x	x	x	x	x
Gross capital formation	110.1	103.4	102.0	114.2	117.4
Domestic use	102.5	100.9	101.2	103.4	104.3
Exports	103.6	106.4	108.9	107.7	106.7
Imports	106.0	105.8	107.6	107.8	107.3
External trade balance of goods and services ^{a)}	x	x	x	x	x
Gross domestic product (GDP), total	100.5	101.9	102.7	103.7	103.9

a) Indicators are not applicable.
^R Revised data.

As a result of these trends actual consumption rose by 1.4% compared to the corresponding period of the previous year.

Gross fixed capital formation increased by 18.7%, a higher rate than in earlier quarters. The volumes of both construction investments and investments in machinery and equipment rose markedly. Investment output grew in the vast majority of industries. Substantial growths were recorded in the areas of transportation and storage, manufacturing, public administration and defence and compulsory social security as well as agriculture out of industries having relatively large weight. Investments in real estate activities stagnated.

Gross capital formation rose by 17.4% compared to one year before.

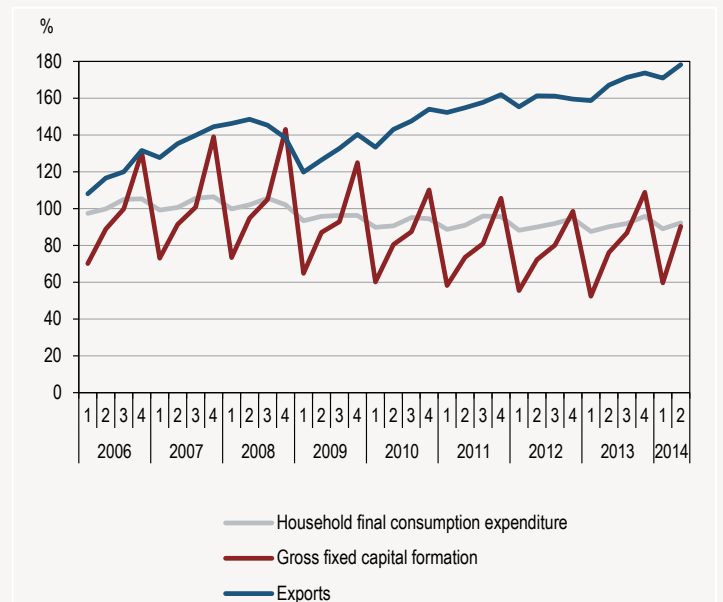
Domestic use increased by a total 4.3% in the second quarter.

In the balance of **external trade** a surplus of HUF 624 billion was generated at current prices. Exports and imports rose by 6.7% and 7.3% respectively. The exports of goods increased by 6.7% and their imports by 8.3%. Within the balance of external trade the exports of services (including tourism) were 6.7%, while their imports 1.6% higher compared to a year earlier.

Actual consumption contributed to the 3.9% growth of gross domestic product in the second quarter of 2014 by 1.0 percentage point, while gross capital formation by 2.9 percentage points. Export surplus had no impact on GDP growth this quarter.

Figure 5

Volume indices of main items of final use
 (average of quarters of 2005=100%)



Change of GDP compared to previous quarter

According to seasonally and calendar effects adjusted data economic performance increased by 0.8% in the second quarter of 2014 compared to the previous quarter, within this, the gross value added of agriculture, industry, construction and services rose by 4.7%, 2.1%, 1.7% and 0.6% respectively. Household final consumption expenditure grew by 0.7%, while social transfers in kind from the government fell by 0.7%. The actual final consumption of the government hardly changed. As an aggregate effect of all these, actual consumption was 0.2% higher. The volume of gross fixed capital formation rose by 4.5%. Exports and imports were up by 1.2% and 1.9% respectively.

According to the first release of Eurostat, the total gross domestic product of the Member States of the European Union (EU-28) increased by 0.2%, while the gross domestic product of Germany was down by 0.2% in the second quarter of 2014 compared to the previous quarter.

Figure 6

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

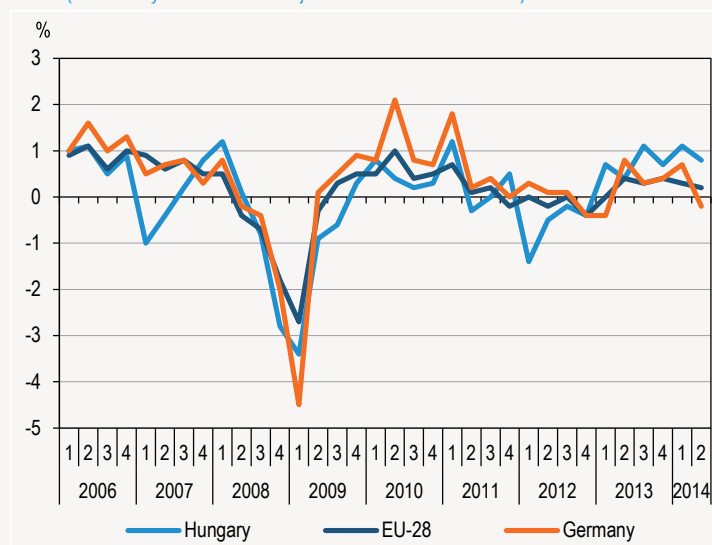


Table 3

Volume indices of gross domestic product (GDP)

Period	Unadjusted, raw data,	Adjusted for calendar effects	Seasonally and calendar effects adjusted and reconciled data	
			corresponding period of previous year=100.0	corresponding previous quarter=100.0
2008				
Q1	102.1	101.7	101.8	101.2
Q2	102.4	102.3	102.3	100.1
Q3	101.7	101.6	101.3	99.2
Q4	97.7	97.6	97.6	97.2
Year	100.9	100.7	100.7	
2009				
Q1	92.8	93.2	93.2	96.5
Q2	92.0	92.0	92.3	99.2
Q3	92.4	92.4	92.4	99.4
Q4	95.6	95.6	95.5	100.3
Year	93.2	93.3	93.3	
2010				
Q1	99.9	100.0	99.7	100.8
Q2	100.8	100.8	100.9	100.4
Q3	101.6	101.6	101.8	100.2
Q4	101.7	101.7	101.8	100.3
Year	101.1	101.0	101.0	
2011				
Q1	102.5	102.5	102.2	101.2
Q2	101.3	101.3	101.5	99.7
Q3	101.3	101.2	101.2	100.0
Q4	101.3	101.4	101.4	100.5
Year	101.6	101.6	101.6	
2012				
Q1	99.4	99.0	98.8	98.6
Q2	98.4	98.5	98.6	99.5
Q3	98.3	98.5	98.4	99.8
Q4	97.3	97.4	97.5	99.6
Year	98.3	98.3	98.3	
2013				
Q1	99.1	99.7	99.7	100.8
Q2	100.5	100.5	100.5	100.3
Q3	101.9	101.8	101.8	101.1
Q4	102.7	102.7	102.9	100.7
Year	101.1	101.2	101.2	
2014				
Q1	103.7	103.6	103.3	101.1
Q2	103.9	103.9	103.7	100.8
Year	103.8	103.8	103.5	

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

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	-0.9	0.2	-0.8	0.0	-0.1	-0.2	-1.5	0.0	-1.5	0.6
Q2	0.5	0.9	-0.3	0.2	-0.3	0.0	2.2	0.7	1.5	-1.8
Q3	1.9	1.4	0.2	0.3	0.2	-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	0.7	0.5	1.5
Year	1.1	0.9	0.0	0.2	0.1	-0.1	0.7	0.4	0.3	0.4
2014										
Q1	3.7	0.1	1.5	0.5	0.9	0.7	3.1	1.3	1.9	0.5
Q2	3.9	0.2	1.6	0.6	1.2	0.4	4.0	1.0	2.9	0.0
Year	3.8	0.2	1.6	0.6	1.0	0.5	3.6	1.2	2.4	0.2

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

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