



Third-quarter 2014 GDP increased by 3.2%

Gross domestic product, third quarter 2014, second estimation

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Introduction

The gross domestic product of Hungary increased by 3.2% in the third quarter of 2014 compared to the corresponding period of the previous year. The performances of manufacturing, construction and agriculture grew significantly.

According to seasonally and calendar effects adjusted data, economic performance in the third quarter of 2014 was up by 3.1% compared to the corresponding quarter of the previous year and by 0.5% compared to the previous quarter.

Figure 1

Volume change of GDP compared to same quarter of previous year

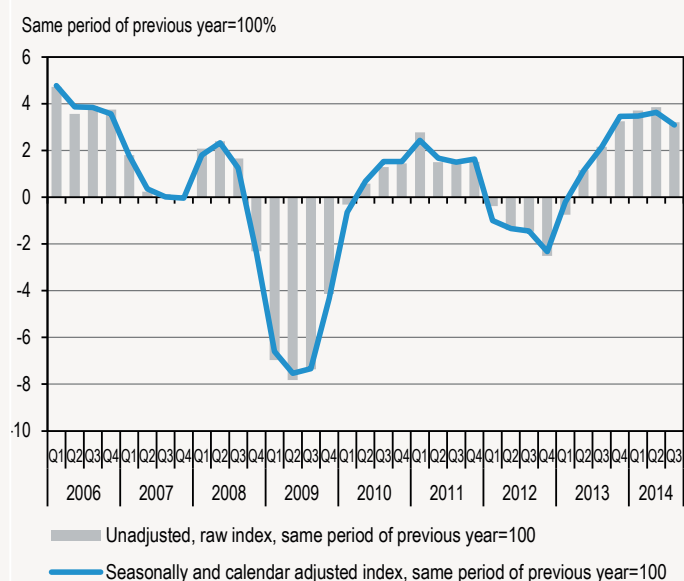
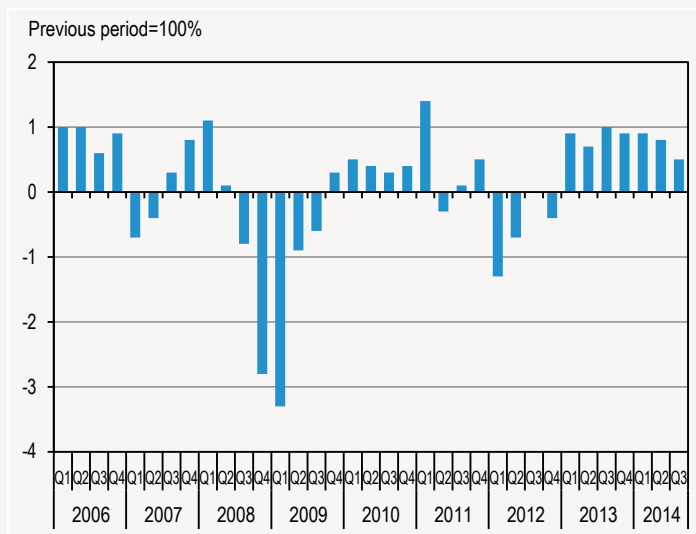


Figure 2

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



Production

The value added of **industry** was 5.6% higher, and within this the value added of manufacturing was 6.2% more in the third quarter year on year. It was performances in the manufacture of motor vehicles, trailers and semi-trailers and in the related supplier branches that grew significantly within manufacturing. The output of **construction** rose by 11.6%, and within this the construction of buildings and civil engineering both increased. The performance of **agriculture** was up by 10.8% in the third quarter.

The gross value added of **services** grew by 1.7% in total year on year. The gross value added of wholesale and retail trade as well as accommodation and food service activities rose by 3.0%, within which it was the growth of accommodation and food service activities that was significant. The performance of transportation and storage was up by 4.4%, in line with the output of industry. Due to the growth of computer programming, consultancy and related activities the value added of information and communication increased by 2.4%. The output of financial and insurance activities lessened by 0.9%, since growing business loans still could not compensate the decline of retail loans. The number of insurance policies was almost the same as in the corresponding period of the previous year. The total value added of professional, scientific, technical and administrative activities expanded by 3.0%, within which the growth of scientific research and development was significant. The total performance of public administration, education and health rose by 0.2%.

Industry contributed to the 3.2% growth of gross domestic product in the third quarter of 2014 by 1.1 percentage points, construction by 0.4 percentage point and services by 0.7 percentage point. Agriculture contributed to GDP growth by 0.6 percentage point.

Table 1

Volume indices of production of gross domestic product (GDP)

NACE	Industries	(corresponding period of previous year=100.0)				
		2013		2014		
		Q3	Q4	Q1	Q2	Q3
A	Agriculture, forestry, fishing	122.8	115.7	104.5	105.3	110.8
B-E	Mining and quarrying, manufacturing and electricity	96.8	100.3	105.1	106.5	105.6
C	Of which: manufacturing	96.3	99.7	107.9	108.2	106.2
F	Construction	107.0	110.2	125.7	120.9	111.6
G-T	Services, total, of which:	102.9	104.4	102.0	102.1	101.7
G+I	Wholesale and retail trade, accommodation and food service activities	106.5	110.1	103.6	103.2	103.0
H	Transportation and storage	100.7	101.0	101.8	102.5	104.4
J	Information and communication	101.5	103.9	103.3	103.4	102.4
K	Financial and insurance activities	93.4	94.3	99.1	99.4	99.1
L	Real estate activities	98.2	100.8	99.7	99.5	99.7
M-N	Professional, scientific, technical and administrative activities	106.7	105.4	108.9	106.4	103.0
O-Q	Public administration, education, health and social work activities	104.4	104.8	99.4	100.4	100.2
R-T	Arts, entertainment and other services	103.9	105.9	103.3	104.7	102.0
Gross domestic product, total (at purchaser's prices)		102.2	103.2	103.7	103.9	103.2

Expenditure

The actual final consumption of households was up by 1.1% in the third quarter of 2014 compared to the same period of the previous year. Household final consumption expenditure, representing the largest proportion of the actual final consumption of households, went up by 1.0%. Volumes grew in the case of food, transport, recreation and culture, restaurants and hotels as well as housing, water, electricity, gas and other fuels out of the groups of expenditures with large weight within household final consumption expenditure. Declines were measured in the group of alcoholic beverages and tobacco and in the

case of other services. The consumption of foreigners in Hungary increased significantly, while the consumption of Hungarian tourists abroad went down.

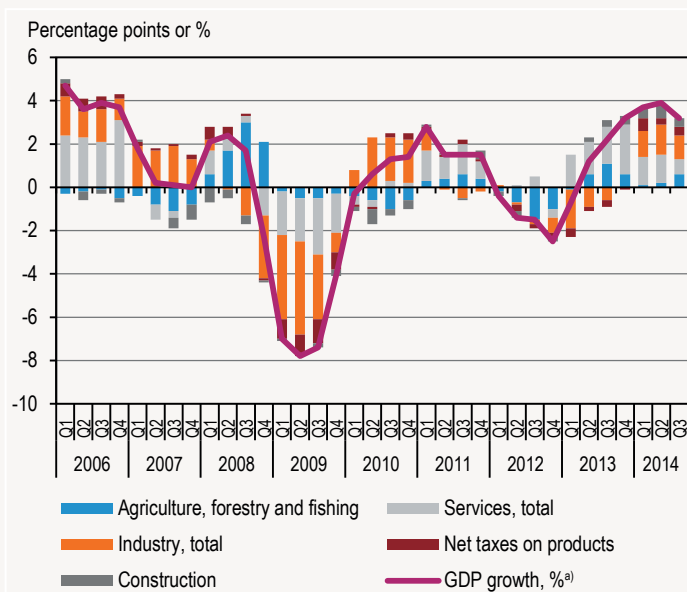
The volume of social transfers in kind from the government was 2.1% more, while that of the actual final consumption of the government was 3.0% higher than a year earlier.

As a result of these trends actual consumption rose by 1.3% compared to the corresponding period of the previous year.

Gross fixed capital formation increased by 13.2%. The volumes of both construction investments and investments in machinery and equipment

Figure 3

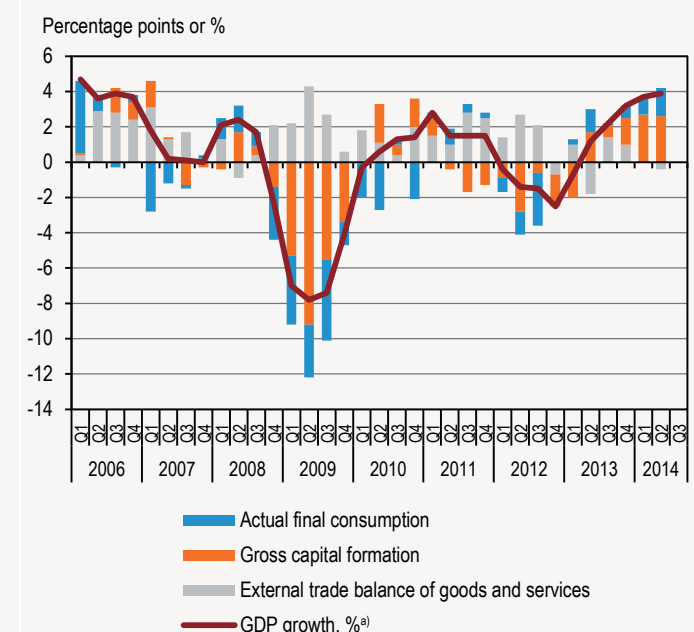
Contribution to GDP growth (production approach)



^{a)} Compared to the same period of the previous year.

Figure 4

Contribution to GDP growth (expenditure approach)



^{a)} Compared to the same period of the previous year.

Table 2

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

(corresponding period of previous year = 100.0)

Items of use	2013		2014		
	Q3	Q4	Q1	Q2	Q3
Household final consumption expenditure	99.5	100.8	101.3	102.6	101.0
Social transfers in kind from government	101.6	100.2	99.8	100.8	102.1
Social transfers in kind from NPISHs	95.3	94.7	93.0	97.1	98.0
Actual final consumption of households	99.8	100.5	100.9	102.1	101.1
Actual final consumption of government	102.7	104.0	103.9	102.5	103.0
Actual consumption, total	100.2	101.0	101.3	102.2	101.3
Gross fixed capital formation	108.1	111.4	119.6	118.4	113.2
Changes in inventories ^{a)}	x	x	x	x	x
Gross capital formation, total	103.3	106.6	119.8	113.7	119.1
Domestic use, total	100.9	102.3	104.0	104.5	105.5
Exports	107.6	110.3	108.2	109.4	107.9
Imports	106.6	109.6	108.9	110.7	111.0
External trade balance of goods and services ^{a)}	x	x	x	x	x
Gross domestic product (GDP), total	102.2	103.2	103.7	103.9	103.2

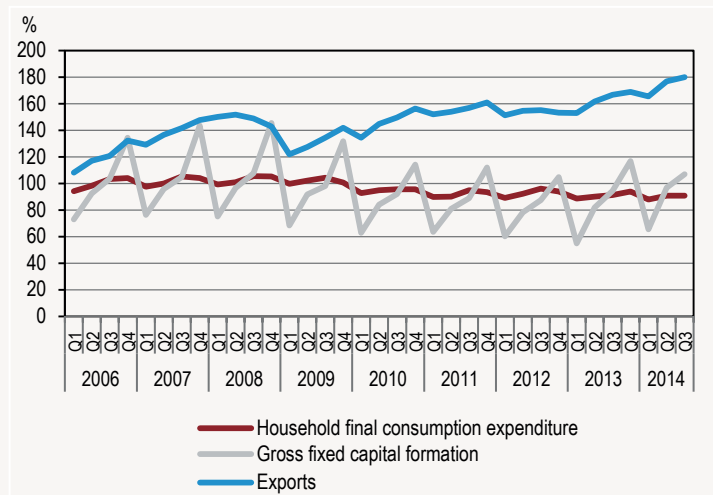
^{a)} For these items volume indices are not applicable.

went on rising markedly. Investment output grew in the vast majority of industries. Substantial growths were recorded in the areas of transportation and storage, manufacturing as well as public administration and defence and compulsory social security out of industries having relatively large weight. Investments in real estate activities decreased.

Gross capital formation rose by 19.1% compared to one year earlier.

Figure 5

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



Domestic use increased by a total 5.5% in the third quarter.

In the balance of **external trade** a surplus of HUF 685 billion was generated at current prices. In total, exports rose by 7.9% and imports were up by 11.0%. The exports of goods increased by 7.5% and their imports by 12.4%. Within the balance of external trade the exports of services (including tourism) were 9.4%, while their imports 3.9% higher than a year earlier.

Actual consumption contributed to the 3.2% growth of gross domestic product in the third quarter of 2014 by 0.9 percentage point, while gross capital formation by 4.0 percentage points. External trade lowered the growth of GDP by 1.7 percentage points.

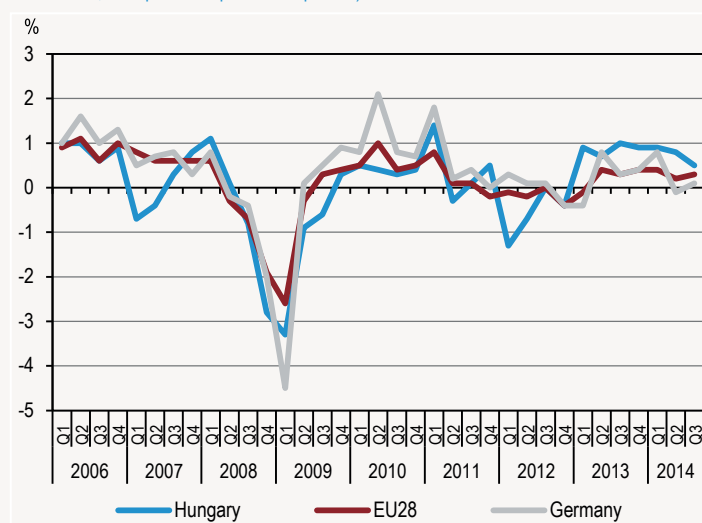
Change of GDP compared to previous quarter

According to seasonally and calendar effects adjusted data¹⁾ economic performance increased by 0.5% in the third quarter of 2014 compared to the previous quarter, within which the gross value added of agriculture rose by 5.8%, that of services by 0.4%, while those of industry and construction decreased by 0.9% and 0.6% respectively.

From expenditure approach, household final consumption expenditure essentially stagnated (+0.1%), while social transfers in kind from the government grew by 0.4%. Actual final consumption of the government increased by 0.5%. Gross fixed capital formation rose by 3.0%. Exports and imports were up by 1.1% and 0.1% respectively.

Figure 6

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



According to the first release of Eurostat, the total gross domestic product of the Member States of the European Union (EU-28) increased by 0.3%, and the gross domestic product of Germany essentially stagnated (+0.1%) in the third quarter of 2014 compared to the previous quarter.

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

Table 3

Volume indices of gross domestic product (GDP)

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	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	103.5	103.5	103.2	101.1
Q2	103.9	103.9	103.6	100.8
Q3	103.2	103.2	103.1	100.5
Year	103.6	103.6	103.4	

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	3.5	-0.2	1.6	0.5	0.9	0.7	3.0	1.5	1.6	0.5
Q2	3.9	0.2	1.4	0.6	1.3	0.3	4.2	1.6	2.6	-0.4
Q3	3.2	0.6	1.1	0.4	0.7	0.4	4.9	0.9	4.0	-1.7
Year	3.6	0.3	1.2	0.5	1.1	0.5	4.3	1.2	3.1	-0.7

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

Further information, data (links):

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

Contact details:

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

Telephone: +36 (1) 345 6789