

## Industrial production increased by 7.1% in December Industry, December 2014, second estimate

In 2014, the volume of industrial production increased by 7.1% in December and by 7.6% over the whole year.

Figure 1

### Volume indices of gross output in industry Monthly average of 2010=100



In December, the index adjusted for working days grew by 4.6% compared to the same month of 2013. The volume of industrial output in December – according to seasonally and working-day adjusted indices – was below the level of the previous month by 1.7%.

Figure 2

### Changes in the volume of the industrial production compared to the previous month, seasonally and working-day adjusted



In 2014, the manufacture of transport equipment was the engine of industrial production. The total volume of industrial production was 7.6% higher than the level of 2013 (there was a 1.1% increase in 2013). In the course of 2014, industrial production was influenced by two half-years of different dynamics; in the second half-year the growth rate slowed down to nearly two thirds of that of the previous half year. The growth rate peaked in July (12.2%) and hit a low in August (0.5%).

Out of the sections of industry, the production of manufacturing (representing almost 95%) grew by 8.6% in December 2014 compared to the same month of 2013, while that of mining and quarrying (having little weight) increased by 1.4%. The output of energy industry (electricity, gas, steam and air-conditioning supply) dropped by 1.6%. The weather was milder than a year ago resulting in a decreased heating demand, which played a role in the volume decline, too (in December 2014, the mean average temperature was 1.5°C higher than in December 2013 according to the Hungarian Meteorological Service).

Table 1

### Production and sales of manufacturing

Period	Gross output	Sales			Share of export in sales at current prices, %
		total	domestic	export	
Volume index, corresponding period of previous year=100.0					
2012	98.3	98.8	97.0	99.6	70.8
2013	101.4	101.6	97.5	103.2	72.3
2014					
January	108.2	107.7	101.8	109.7	75.2
February	109.7	110.0	107.1	111.0	74.9
March	112.6	112.8	106.5	115.1	75.1
April	110.8	109.9	111.2	109.4	72.8
May	111.4	108.6	102.9	110.9	72.9
June	113.0	113.6	111.0	114.6	73.7
July	112.9	112.9	107.9	114.9	72.6
August	100.1	100.1	97.6	101.1	71.5
September	108.2	107.7	106.2	108.2	73.5
October	102.2	101.5	99.7	102.2	72.8
November	106.4	107.7	102.5	109.7	74.0
December	108.6	110.5	106.1	112.3	71.2
From the beginning of the year	108.6	108.5	105.0	109.9	73.4

In December, an increase was observed in ten of the thirteen subsections of manufacturing, while volume decreases of 2.1 to 19.6% were recorded in the other three subsections compared to the same month of the previous year. Out of subsections with a significant weight, the output of transport equipment representing more than one fourth of manufacturing rose by 11.1%. Within the industry, the growth rate accelerated in the classes of manufacture of parts and accessories for motor vehicles and slowed down in the manufacture of motor vehicles. The manufacture of food products, beverages and tobacco products (having the second greatest weight, giving more than 12% of manufacturing) increased by 4.1%. Both domestic and export sales rose. In December, the manufacture of machinery and equipment n.e.c. ranked third in manufacturing (accounting for 11% of manufacturing) grew at the highest rate of 23.7%, primarily due to an outstanding export performance in the class of the manufacture of engines and turbines, except aircraft, vehicle and cycle engines. The manufacture of computer, electronic and optical

products – also representing an 11% weight – was 12.1% higher than a year earlier. Out of the two dominant classes of the subsection, a fall (-3.9%) was measured in the larger one, in the manufacture of communication equipment, while a very significant growth (+61.8%) was recorded in the smaller one, in the manufacture of consumer electronics. A volume increase of almost 20% was measured in two subsections with medium weight: in the manufacture of chemicals and chemical products (19.7%), as well as in that of rubber and plastics products, and other non-metallic mineral products (19.3%); mainly as a result of a rise in export sales in both subsections. In the course of 2014, except for one month, there was an expansion in the manufacture of electrical equipment representing smaller weight: it rose by 8.2% in December. The production grew in the vast majority of the classes of the subsection. The manufacture of coke, and refined petroleum products, accounting for a medium weight, fell for the fifth month in a row: in December its output dropped at the highest rate of 19.6% among the subsections.

Table 2

### Significant subsections of manufacturing, December 2014

code	Branches denomination	Volume indices of gross output, corresponding period of previous year=100.0	Share of subsection within manufacturing at current prices, %
CA	Manufacture of food products, beverages and tobacco products	104.1	12.4
CD	Manufacture of coke, and refined petroleum products	80.4	4.8
CG	Manufacture of rubber and plastics products, and other non-metallic mineral products	119.3	6.8
CH	Manufacture of basic metals and fabricated metal products, except machinery and equipment	97.9	6.6
CI	Manufacture of computer, electronic and optical products	112.1	11.1
CK	Manufacture of machinery and equipment n.e.c.	123.7	11.1
CL	Manufacture of transport equipment	111.1	25.1

In 2014, out of the sections of industry, the output of **mining and quarrying** declined by 0.7% (in 2013 a 7.7% fall was recorded). The **energy industry** saw a 6.3% year-on-year decrease in volume from last year's 4.7% drop. Within the section, the production of electricity representing the largest weight (nearly 40%) fell year-on-year by 3.8%.

Concerning the whole of 2014, the **volume of manufacturing output** grew year-on-year by 8.6% (in 2013 an increase of 1.4% was measured). The level of production, which amounted to more than HUF 24 thousand billion, exceeded the level of the previous year in each month, most significantly in June (13.0%). In 2014, increases were recorded in each of the 13 subsections of manufacturing. Out of the three most significant subsections, the production of transport equipment rose the most by 20.6%, while the output of computer, electronic and optical products increased by 1.3%. Out of the two machine industry subsections, the manufacture of transport equipment (the larger one) grew in each month of the year (from this, growth was over 20% in five months and over 30% in two months), while the smaller one declined in three months. In the course of 2014, the manufacture of food products, beverages and tobacco products was characterized by a moderate growth (4.8%) primarily resulting from a recovery in domestic sales (giving more than 60% of total sales); the volume of export sales only slightly increased. Concerning the whole year a below average growth was recorded in two subsections with medium weight: in the manufacture of basic metals and fabricated metal products, except machinery and equipment (5.8%), as well as in that of rubber and plastics products, and other non-metallic mineral products

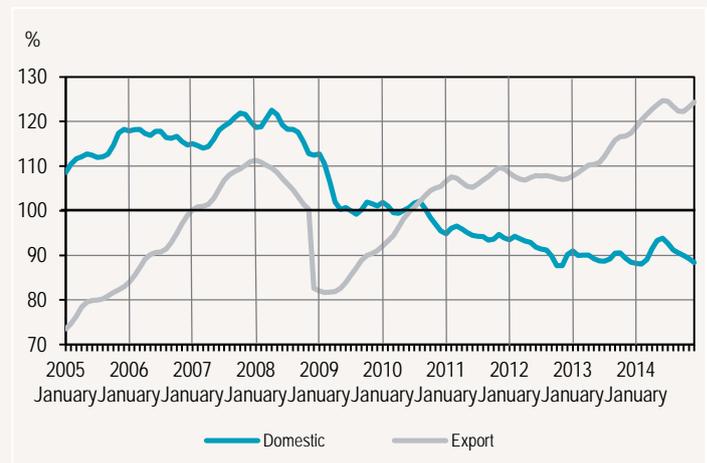
(5.7%). Out of subsections with a smaller weight a significant, two-digit volume increase was observed in the manufacture of textiles, wearing apparel, leather and related products (15.8).

In 2014, **industrial export sales** grew year-on-year by 9.8% (an increase of 4.4% in export volume was recorded a year ago), the growth rate of export sales was lower in the second half of the year than in the first one. In December, export sales rose by 11.1%. Considering the year as a whole, exports accounted for 60.8% of **total industrial sales** and for 73.4% of **manufacturing sales**. **Manufacturing exports** grew by 9.9% in 2014 and by 12.3% in December compared with a year earlier. Two manufacturing subsections gave nearly half of all export sales. In 2014, the export of transport equipment, representing more than one third of manufacturing exports, rose year-on-year at the fastest rate of 20.5% among the subsections. The peak was in July, when the exports of this subsection were 32% higher than a year ago. The second largest subsection, the manufacture of computer, electronic and optical products showed a wavering performance in 2014: its export volume increased year-on-year by 1.8%. Export dynamics hit a low in January (-12.4%) and peaked in December (+14.8%).

**Industrial domestic sales** increased by 1.1% in 2014, and by 0.9% in December compared to the same period of the previous year. The **domestic sales of manufacturing** rose by 5.0% in the whole year and by 6.1% in December. After last year's decline (-2.8%), in 2014 domestic sales grew by 4.6% in the manufacture of food products, beverages and tobacco products accounting for more than 26% of domestic manufacturing sales. The domestic sales of coke and refined petroleum products, representing almost 17% of domestic manufacturing sales, have continued to decline since 2009: the volume decreased by 0.6% in 2014. After a drop of 7.3% in the previous year the domestic sales of basic metals and fabricated metal products giving more than 10% of domestic manufacturing sales (the third largest subsection) grew significantly by 12.4% in 2014.

Figure 3

### Trend of domestic and export sales in industry Monthly average of 2010=100



In December 2014, **total new orders** in the observed branches of manufacturing rose by 14.2% compared to the same month of 2013. The volume of new domestic orders grew by 2.1%, while that of new export orders increased by 15.2%. The volume of **total stock of orders** was above the level of December 2014 by 18.8%.

In 2014, the **labour productivity** of industrial enterprises with 5 or more employees was 5.1% higher than in 2013, along with a 2.5% increase in the number of employees.

In 2014, industrial production grew in **every region of Hungary** year-on-year. The highest growth was observed in Western Transdanubia (17.5%), whereas in the other regions, volume increases of 0.3 to 16.2% were measured.

Table 3

 Summary data of industry

Period	Gross output	Total	Domestic	Export
		sales		
<b>At current prices, million HUF</b>				
2012	24 305 145	28 184 562	12 558 470	15 626 091
2013	24 749 578	28 733 078	12 124 437	16 608 641
2013 January	1 960 093	2 374 126	1 085 448	1 288 678
February	1 928 735	2 282 307	996 542	1 285 765
March	2 113 368	2 491 373	1 054 056	1 437 317
April	2 013 205	2 352 700	957 497	1 395 203
May	2 004 524	2 284 365	956 096	1 328 269
June	2 044 540	2 302 404	926 611	1 375 793
July	2 074 959	2 317 058	962 989	1 354 069
August	1 907 501	2 141 675	887 276	1 254 399
September	2 277 725	2 598 414	1 023 728	1 574 686
October	2 268 248	2 626 672	1 073 775	1 552 897
November	2 236 092	2 577 196	1 066 848	1 510 348
December	1 920 586	2 384 788	1 133 570	1 251 219
2014 January	2 095 597	2 435 585	1 005 113	1 430 472
February	2 109 448	2 424 624	964 040	1 460 584
March	2 307 898	2 619 246	981 410	1 637 835
April	2 194 695	2 484 858	966 028	1 518 829
May	2 215 727	2 457 929	967 310	1 490 619
June	2 307 408	2 585 904	975 126	1 610 778
July	2 362 895	2 573 800	982 288	1 591 513
August	1 930 271	2 165 325	861 992	1 303 333
September	2 479 101	2 734 464	1 011 615	1 722 849
October	2 332 202	2 600 170	1 016 335	1 583 835
November	2 385 803	2 704 514	1 054 830	1 649 683
December	2 067 225	2 516 194	1 100 590	1 415 604
From the beginning of the year	26 788 272	30 302 613	11 886 678	18 415 935

Table 3

## Summary data of industry (continued)

Period	Gross output	Total	Domestic	Export
		sales		
<b>Volume index, corresponding period of previous year=100.0</b>				
2012	98.2	97.8	96.1	99.3
2013	101.1	101.5	97.8	104.4
2013 January	98.4	101.4	101.1	101.6
February	93.9	91.5	85.5	96.6
March	96.2	96.8	96.8	96.7
April	105.0	107.0	98.4	113.8
May	97.5	98.1	96.5	99.3
June	98.7	97.1	95.3	98.4
July	105.1	104.8	100.4	108.2
August	98.3	98.5	93.6	102.3
September	104.6	108.2	104.2	111.0
October	105.2	107.8	104.6	110.1
November	103.9	103.4	101.5	104.8
December	106.7	104.8	97.6	112.3
2014 January	106.3	103.1	94.7	109.9
February	107.9	106.4	99.5	111.5
March	110.7	107.6	96.8	115.4
April	109.7	107.3	103.8	109.6
May	110.2	108.7	104.6	111.6
June	111.4	112.8	108.5	115.7
July	112.2	111.1	105.0	115.3
August	100.5	101.6	100.4	102.4
September	107.9	105.8	102.2	108.1
October	101.5	99.2	97.6	100.2
November	105.6	105.3	101.6	107.7
December	107.1	106.4	100.9	111.1
From the beginning of the year	107.6	106.2	101.1	109.8

## Further information, data (links):

[Tables](#)  
[Tables \(STADAT\)](#)  
[Methodology](#)  
[Abbreviations used in figures](#)  
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