



## Statistical report: Economy and society, January–June 2015

### Tartalom

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### **Domestic and international macro-economic and financial trends**

- Trends in the real economy followed a favourable path in the majority of developed countries in the first six months of 2015. According to the forecast of the International Monetary Fund the performance of the **global economy** – following a rise of 3.4% in the year 2014 – will grow by 3.3% in 2015 compared to the previous year. Growth is affected by geopolitical conflicts, crude oil price changes and the deceleration of the rate of increase of the Chinese economy among others.
- In the first half of 2015 the economic performance of **China** expanded by 7.0% and that of the **United States** by 2.6%,<sup>1</sup> while that of **Japan** essentially stagnated<sup>1</sup> compared to the same period of the previous year.
- According to preliminary data the aggregate performance of **European Union (EU-28)** member countries rose by 1.5%<sup>2</sup> in January–June 2015 compared to one year earlier. The GDP of Germany, considered as the largest national economy in the EU, was up by 1.3%<sup>2</sup>.
- The **gross domestic product of Hungary** grew by 2.7% in the **2<sup>nd</sup> quarter** and by 3.1% in the **first half of 2015** compared to a year earlier. (The rate of economic increase decelerated somewhat in the 2<sup>nd</sup> quarter of 2015 compared to former quarters.) The rise on the production side was principally due to the expansion of the performance of industry, based on the manufacture of transport equipment, however, the performance of agriculture – partly because of the effect of the high base – hindered growth.
- According to the seasonally and calendar-adjusted index applied in **international comparisons** the economic performance of Hungary was 2.8% higher in the first half of 2015 than one year earlier. Out of the regional competitors GDP was up by 4.2% in the Czech Republic, by 3.8% in Romania, by 3.5% in Poland and by 3.0%<sup>3</sup> in Slovakia.
- In **external trade in goods** the value of exports – according to the first estimates – amounted to 45.2 billion euros in the **first half of 2015**, a 7.9% larger amount than in the same period of 2014. The value of imports was 40.9 billion euros, 5.8% more than a year earlier. The external trade has a surplus of 4.3 billion euros at the end of the first half of the year, the balance improving by 1.1 billion euros year on year.

<sup>1</sup> Seasonally adjusted.

<sup>2</sup> Seasonally and working day adjusted.

<sup>3</sup> Seasonally adjusted.

- In **June 2015** – also according to the first estimates – the euro value of exports was 13% and that of imports 8.9% higher than the level observed twelve months earlier. A surplus of 820 million euros was generated on the balance during the sixth month, which was 362 million euros more than one year earlier.
- According to the detailed results for **January–May**, the **volume of external trade in goods** grew by 6.7% in imports and by 7.9% in exports compared to the first five months of 2014. Within the period, the rate of increase of the trade accelerated until March, equal to 13% in exports and 11% in imports in the last month of the 1<sup>st</sup> quarter. However, the rate of increase decelerated in April and May, what is more, the volume of imports in May was somewhat (0.8%) lower than a year earlier.
- The **price level of external trade in goods, measured in Hungarian forints**, decreased in the period of January–May compared to that in the same period last year, the rate of change being 1.1% in exports and 1.6% in imports. As an effect of the price level of imports declining at a rate exceeding that of exports, the **terms of trade** changed favourably, the rate of improvement was 0.5%. The **forint** strengthened somewhat (by 0.2%) against the euro, at the same time, it depreciated by 23% against the dollar.
- The consolidated cash-based **deficit** of the **central sub-system of the general government** was 894 billion forints in **January–July 2015** based on preliminary data of the Ministry for National Economy, 43 billion forints more than in the corresponding period of 2014. The central government had a deficit of 954 billion forints at the end of the first seven months, the balance of the sub-system improving by 77 billion forints compared to a year earlier. By contrast, the balance of social security funds deteriorated, the surplus of 37 billion forints was 98 billion forints less than that in January–July 2014. Similarly to the balance of social security funds, that of extra-budgetary funds became less favourable, too, both the rate of deterioration and the surplus amounting to 23 billion forints in respect of the latter sub-system.
- The **financial assets of households** were 38.6 trillion forints at the end of June 2015 according to preliminary data of the National Bank of Hungary, 8.2% more than a year earlier. The value of **liabilities** was 8.4 trillion forints, 7.7% less than a year ago. **Net financial assets**, i.e. the difference between the two factors, were HUF 30.2 trillion, 14% more than in June 2014. The stock value of **foreign exchange loans**, accounted on the liabilities side, was 471 billion forints at the end of June, 3.8 trillion forints less than one year earlier. The large decrease can be explained by the conversion of mortgage-backed foreign exchange loans into forints with the date of 1 February. The **net financing capacity of households** was 2,502 billion forints in the year to the end of the 2<sup>nd</sup> quarter of 2015, which was equal to 7.7% of GDP.

### Performance of divisions

- The performance of **agriculture** was moderate in the first half of 2015 compared to the period a year earlier, being a record in the production of many crops. Yields were unfavourably affected by the weather, too.
- The **sown area** of cereals – according to data of 31 May 2015 – decreased by 5.0% compared to a year earlier, while that of industrial and fodder crops was up by 4.1%. The sown area of maize became 5.4% and that of wheat 7.6% less, while the sown area of sunflower was 4.4% more out of the most significant crops.
- The number of animals for most of the species within the **livestock** in Hungary grew in the first half of 2015. The cattle stock of 818 thousand was 3.8%, the pig stock of 3 million 124 thousand was 2.1% and the chicken stock of nearly 38 million was 6.5% higher than on 1 June 2014. The sheep stock of 1 million 200 thousand, however, decreased by 3.6% over a year.
- **Agricultural producer prices** were 6.2% lower in **June 2015** than in the same period of the previous year. The prices of crop products were lowered by 3.6% and those of live animals and animal products by 10%. In **January–June 2015**, agricultural producer prices were cut by 6.9%. The prices of crop products fell by 5.9% and those of live animals and animal products by 8.6%.
- The **prices of agricultural production means** decreased by 1.8%, which resulted from the 2.5% fall in the price level of intermediate consumption and the 3.0% rise in the price level of agricultural investments. The value of the **terms of trade**, i.e. the quotient of the agricultural producer price index and the agricultural input price index, was 94.8% in the first half of 2015.
- The volume of **industrial production** was 11% higher in **June 2015** than a year earlier. Both domestic and export sales rose: by 2.3% and 13% respectively. Compared to the previous month, industrial output grew by 1.1% according to seasonally and working day adjusted data.
- In the **first half of 2015** the volume of **industrial production** was 7.3% higher than one year earlier. Sales were up in both directions of sales: export sales, accounting for nearly two-thirds of total sales, grew by 9.4% and domestic sales, accounting for more than one-third of total sales, by 3.3%.
- In the first six months of 2015, production grew by 5.9% in **energy industry** and by 7.7% in **manufacturing**, accounting for more than nine-tenths of production, out of the sections of industry compared to a year earlier. Output increased in the vast majority of the sub-sections of manufacturing, to the highest extent (by 16%) in the manufacture of transport equipment, representing three-tenths of the output of manufacturing, but it also grew considerably, by 15% in the manufacture of rubber, plastics and non-metallic mineral products. The output of electronic industry, producing almost all of its products for exports, rose by 6.7% and that of the manufacture of food products, beverages and tobacco products by 3.4%.
- **Production per employee** of enterprises employing at least 5 persons was 4.5% higher in the first half of 2015 than a year earlier. The increase of productivity occurred along with a 2.9% rise in staff numbers. Productivity increased in the majority of industrial divisions year on year.
- The volume of production grew in each **region** in the first half of 2015, in Southern Great Plain to the largest extent (14%), and by between 3.1% and 10% in the rest of the regions.
- In June 2015 the volume of all **new orders** of the observed **manufacturing branches** was 10% higher than one year earlier. The volume rose in both directions of sales: that of new domestic orders by 21% and that of new export orders by 8.5%. The volume of the total **stock of orders** was 11% higher at the end of the month than at the end of June 2014, which has been the lowest growth rate in the past one and a half years.
- **Industrial producer prices** were cut by an average of 1.0% in the first half of 2015. Within this, domestic sales prices decreased by 3.1%, while export sales prices were up by 0.2%.
- The volume of **construction output** has shown an upward trend for two and a half years. Output went up by 10.2% at constant prices in **June** this year compared to June 2014. Out of the main groups of construction the construction of buildings was up by 5.6% and civil engineering by 15%.
- In the **first half of 2015** the volume of construction output was 8.0% higher in total than a year earlier, within which the construction of buildings was 4.9% and civil engineering 11% higher.
- The volume of **new construction contracts** concluded in January–June was 21% lower than one year earlier. At the end of June the **stock of contracts** of construction enterprises was 48% lower than at the end of June 2014.
- **Construction output prices** were 2.3% higher in the first half of the year on average than in January–June 2014.
- 3,083 **new dwellings** were **built in January–June**, 6.0% less than a year earlier. At the same time, construction authorities issued permits for the construction of 5,581 dwellings, 39% more than in the same period of the previous year. The **average floor space** of occupied dwellings was 99 square metres, practically as many as one year earlier.
- Out of service divisions the volume of **retail trade turnover** increased by 7.2% in **June 2015** and by 6.1% in the **first half of the year** compared with the corresponding period of the previous year. In the first six months of 2015 the **sales of food, drinks and tobacco**, accounting for almost the half of the total turnover, were 3.3% higher year on year. Within this, sales in non-specialised stores (hyper- and supermarkets, general stores), representing over three-fourths of the turnover, became 3.5% and those in specialised stores for food, beverages and tobacco 2.9% higher. The turnover of **non-food products** was up by 8.5%, within which sales rose in all the activity groups. The turnover of **automotive fuel retail trade** increased by 8.8%, in parallel with declining automotive fuel prices.
- A decrease of 2.8% was measured in the turnover of the **retail trade of motor vehicles, vehicle parts and accessories**, accounted outside retail trade.
- The number of tourist arrivals rose by 7.9% and that of tourism nights by 5.7% at **accommodation establishments** in the first half of 2015 compared to the same period of 2014. International tourists spent there 4.9% and domestic ones 6.6% more tourism nights compared to a year earlier. (International tourism reached 5.5 million and the domestic one 5.0 million tourism nights.) The growth of tourism increased the revenues of accommodation establishments, too: they registered 9.4% higher gross revenues in total at current prices, which was influenced approximately to the same extent by the rise of room rates and the growth of tourism. 6.8 billion forints were paid by Széchenyi Recreation Card, 1.6% more at current prices than a year earlier.
- The volume of sales turnover of **catering units** increased by 6.7% year on year, its value amounting to a total of 405 billion forints in the first six months.
- The **goods transport performance** of the national economy, expressed in freight tonne kilometres, was essentially the same (+0.2%) in the first half of 2015 as one year earlier. The passenger kilometre performance of **interurban passenger transport** was 1.4% higher year on year. In **urban passenger transport** 2.6% more trips were registered than in the first half of 2014.
- 94.4 thousand **passenger cars** were **registered for the first time** in Hungary in the first six months of the year, 22% more than a year earlier.

### Social and income trends

- According to preliminary **vital statistical data** 44,167 **children were born in the first half of 2015**, 2.0% (870 children) more than one year earlier, and the birth rate rose from 8.8 per mille to 9.0 per mille. The number of **deceased people** (68,483) was 7.8% (4,939) higher than in the same period of the previous year, and the death rate equalled

14.0 per mille, along with an increase of 1.0 per mille point. The number of deaths was higher in the first four months of the year and 4.5% lower in the period of May–June on average than a year earlier. The significant surplus of deaths at the beginning of the year was influenced by the flu epidemic, peaking at the time, as well as the low base value in the previous year. The **natural decrease** of 24,316 in the first half of the year was 4,069 more than in January–June 2014. The **infant mortality** indicator of 4.2 per mille was 0.7 per mille point lower than one year earlier. The number of **marriages** was 17,155 in the first six months of 2015, 4.9% (805) more than a year earlier.

- **In the 2<sup>nd</sup> quarter of 2015**, employment continued to grow along with the decrease of unemployment compared to a year earlier. The **number of employed people** – in the age group of 15–74 year-olds – rose by 126 thousand over a year to 4 million 201 thousand. 54% of the growth of employment resulted from staff number increase in the primary domestic labour market, 36% from the growing number of persons in public employment and 10% from the rising number of people working at local units abroad. 4 million 167 thousand employed people belonged to 15–64 year-olds, their number increasing by 123 thousand (3.0%) over a year. The **employment rate** – over the same period, among 15–64 year-olds – rose by 2.5 percentage points to 63.8%. The employment indicators of men improved to a higher extent, their employment rate – compared with the 2<sup>nd</sup> quarter of 2014 – was up by 2.8 percentage points, to 70.1% and by 2.1 percentage points, to 57.6% in the case of women. Employment rose in all the three main age groups: the employment rate of young people aged 15–24 years, being present in low number on the labour market, increased to 25.2%, that of people in the best working age, i.e. 25–54 year-olds, to 80.6% and the rate of older people, aged 55–64 years, to 45.1%. **In May–July 2015**, employment continued to grow: the number of employed people rose by 135 thousand to 4 million 189 thousand within the population aged 15–64 years and the employment rate by 2.6 percentage points to 64.1%.
- The **number of unemployed people** – in the 15–64 year-old population **in the 2<sup>nd</sup> quarter of 2015** – decreased by 49 thousand (14%) to 309 thousand, while the **unemployment rate** of 6.9% was 1.2 percentage points lower than a year earlier. The unemployment rate was lower for men (6.7%) than for women (7.1%), at the same time, the rate of improvement was also higher in the case of men (1.3 percentage points) than for women (1.2 percentage points). The unemployment indicators decreased in all the three main age groups, the unemployment rate of 15–24 year-old young people was 17.8%, that of 25–54 year-olds 6.1% and the rate of 55–64 year-olds 5.8%. 48.5% of unemployed people were **unemployed long term**, i.e. for at least one year, while the

**average length of job search** increased from 18.5 months to 19.0 months.<sup>4</sup> **In May–July 2015** the decrease of unemployment continued: the number of unemployed people fell by 51 thousand to 305 thousand and the unemployment rate by 1.3 percentage points to 6.8% over a year in the age group of 15–64 year-olds.

- **In the first half of 2015**, full-time employees earned a **gross** amount of 243,200 forints per month in the national economy<sup>5</sup> on average, the **net** amount of which – calculated without family tax benefit – was 159,300 forints. Due to unchanged contributions burdening earnings and to unchanged personal income tax rules, both average gross and net earnings were higher by the same extent, 3.5% than in the first half of 2014. (Leaving out of consideration the average earnings data of people in public employment, gross and net wages grew at the same rate, too, by 3.4%.) Net earnings were 3.7% higher at enterprises and 2.9% and 2.2% more than a year earlier in the public sector and at non-profit organisations, respectively, both without people in public employment. 2.9% more in the public sector without people in public employment and 2.2% higher at non-profit organisations than a year earlier. (The reason for the distinction of public institutions and non-profit organisations is the large number of persons in public employment there, since 93% of them were employed in these two legal forms.) A **compensation** not making part of earnings was paid to a part of people working in the public sector and at non-profit organisations, and the average gross amount of the benefit was 9,900 forints and 9,300 forints per month respectively.
- The decline of **consumer prices**, as observed at the beginning of 2015, was slowing down, and prices started to rise from May. **In July** the price level was 0.4% higher than a year earlier. **In the first seven months of the year** as a whole, prices were 0.3% lower on average year on year, which was mostly due to the significant reduction in the prices of electricity, gas and other fuels as well as automotive fuels. The prices of food and consumer durables exceeded slightly (by 0.4% and 0.2% respectively), while those of alcoholic beverages and tobacco as well as services at higher rates, by 2.6% and 2.0%, respectively, those in the corresponding period of the previous year. In the case of pensioners, consumer prices rose by 0.2% in January–July.
- The number of **road traffic accidents causing personal injury** rose by 1.5% in the first half of 2015. The outcome of accidents became more severe, since the number of fatal accidents rose by 5.1%, while that of accidents causing serious injury decreased slightly (by 0.2%). The number of **accidents caused under the influence of alcohol** fell by 10.3% compared to the first half of 2014 and made up 9.2% of all accidents.

<sup>4</sup> Within population aged 15–74 years.

<sup>5</sup> At enterprises employing at least five persons, public institutions and observed non-profit organisations.

Table1

**Comprehensive data**

(indices as a % of the same period of the previous year)

**1.) January–June 2015**

Denomination	2014	January–May	June	January–June
		2015		
Industrial indices				
Production	107.7 <sup>R</sup>	106.4 <sup>R</sup>	111.0	107.3
Domestic sales	100.8 <sup>R</sup>	103.5 <sup>R</sup>	102.3	103.3
Export sales	110.5 <sup>R</sup>	108.6 <sup>R</sup>	113.0	109.4
Employment	102.5	103.0	102.6	102.9
Productivity	105.3 <sup>R</sup>	103.6 <sup>R</sup>	108.6	104.5
Index of construction output	113.5 <sup>R</sup>	107.4 <sup>R</sup>	110.2	108.0
Agricultural sales index	114.2	115.4	113.7	115.4
Index of retail trade turnover	105.0	105.8	107.2	106.1
Value of imports, million euro	78,288	33,658 <sup>R</sup>	7,225	40,883
value index	104.7	105.1	108.9	105.8
Value of exports, million euro	84,690	37,149 <sup>R</sup>	8,044	45,193
value index	104.2	106.8 <sup>R</sup>	113.4	107.9
Price indices				
Industrial producer prices	99.6	98.6	101.5	99.0
Industrial domestic sale prices	97.9	96.5	98.9	96.9
Agricultural producer prices	93.9	92.2	93.8	93.1
Forint prices of imports	100.1	98.4	..	..
Forint prices of exports	101.1	98.9	..	..
Number of employees				
1000 persons	2,823	2,857 <sup>R</sup>	2,895	2,864
index	104.5 <sup>R</sup>	102.0 <sup>R</sup>	103.2	102.2
Unemployment rate <sup>a)</sup> , %	7.8	..	..	6.9 <sup>b)</sup>
Average monthly gross earnings				
thousand HUF	237.7	242.7	245.7	243.2
nominal index	103.0	103.5	103.6	103.5
Average monthly net earnings				
thousand HUF	155.7	159.0	160.9	159.3
nominal index	103.0	103.5	103.6	103.5

<sup>a)</sup> As a percentage of population aged 15–64.<sup>b)</sup> April–June 2015.<sup>R</sup> Revised data.**2.) January–July 2015**

Denomination	2014	January–June	July	January–July
		2015		
Consumer prices	99.8	99.6	100.4	99.7
Balance of general government				
billion HUF	–826	–823	–71	–894
Of which:				
Central government	–837	–868	–86	–954
Social security funds	6	15	22	37

Further information,  
data (links):

[Tables](#)  
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