

## Statistical report: Economy and society, January–December 2012

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### Macro-economic and financial trends

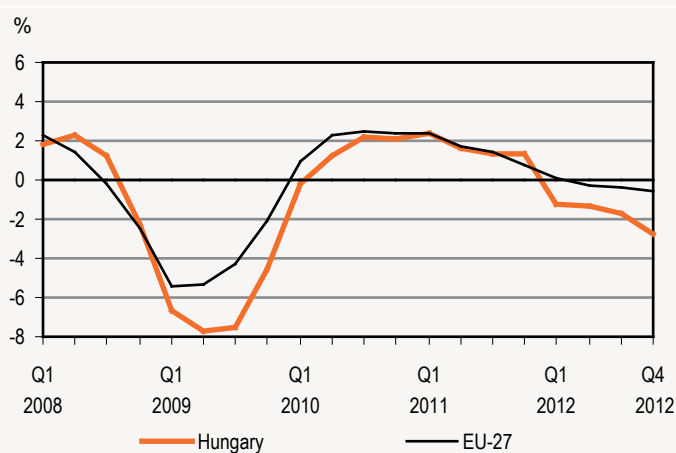
- The impacts of the debt crisis of the euro zone on the real economy proved to be a significant braking force not only in the European recovery but also in the global economy.
- According to the estimation of the International Monetary Fund the loss of impetus of **global economic recovery** continued in 2012 too: the world economy grew by 3.2%. The gross domestic product for the OECD as a whole, predominantly comprising developed countries, rose by 1.3% in 2012 compared to the previous year.
- According to preliminary data the aggregate performance of European Union (EU-27) member states was down by 0.3% in 2012 on an annual basis. The decrease was substantially influenced by the recession in the Southern European countries. However, the performance of Germany, the most significant national economy of the EU grew by 0.7%.
- Contrary to the European Union, the economic performance in the majority of major national economies rose in 2012: that of the **United States** expanded by 2.2%, among Asian countries **China's** by 7.8% and that of **Japan** by 1.9%.
- The **gross domestic product of Hungary** was down by 2.7% in 2012 quarter four compared to the same period of the previous year according to the first estimate – built on a restricted source of information – of HCSO. In 2012 as a whole the economic performance lessened by 1.7%. The latter variable for Hungary is in the last third of the **ranking of EU member states**.
- The declining trend of **investments in the national economy** continued in 2012: the volume of investments was 7.9% lower in the 4<sup>th</sup> quarter and 5.2% less over the year as a whole than one year earlier.
- According to preliminary data on **external trade** the **euro value** of exports grew by 0.2%, while that of imports by 0.4% in the period of January–December. The **balance of external trade** had a surplus of EUR 6930 million in 2012, EUR 131 million less than one year before.
- Based on detailed data on the first eleven months the slight decrease of the volume of exports of **machinery and transport equipment**, representing the most significant weight among the main commodity groups, was paralleled to the stagnation of imports, and one-digit growths were measured in the volume of both exports and imports of **manufactured goods**.
- In the first eleven months of the year the **HUF price level of external trade** was up by 3.8% in exports and by 5.2% in imports, so the **terms of trade** deteriorated by 1.3%.

- According to preliminary data of the Ministry for National Economy the consolidated cash-based deficit of the **central sub-system of the general government** was HUF 607 billion in 2012, which means that the balance improved by HUF 1134 billion compared to 2011. In **January 2013** the deficit amounted to HUF 2 billion, which means that the balance deteriorated by HUF 110 billion compared with the same period one year earlier.
- According to preliminary data of the National Bank of Hungary the gross **financial assets of households** was HUF 28.3 trillion at the end of 2012, 3.9% more than one year before. Liabilities came to HUF 9.7 trillion, 13% less than at the end of 2011. Net financial assets, i.e. the difference between the two factors, were HUF 18.7 trillion, 15% more than a year earlier. The stock value of **foreign currency loans** (HUF 4.9 trillion), accounted for on the liabilities side, was 26% lower at the end of 2012 than one year before. The **net financing capacity of households** was HUF 1512 billion in 2012, which was equal to 5.3% of GDP.

Figure 1

### Gross domestic product\*

(change on same quarter of the previous year)



\* After seasonal and working-day adjustment.

### Performance of branches

- The **gross value added by agriculture** was down by 24% in 2012 at previous year's prices, first of all as a consequence of the extraordinary drought. The 9% decline of the volume of agricultural **output** stemmed from the 16% fall of the volume of crop products and the 1% rise of the output of animal husbandry. The drought had a downward impact on the harvested production of all **crops** with the exception of fruits. As a result of the rise observed primarily at private holdings, the **cattle stock** has grown for two years (10%), while **pig and poultry stocks** went on decreasing.

- The sales of crops and horticultural products remained at the level of the previous year, but those of live animals and animal products increased by 5%, so the **procurement of agricultural products** rose by a total 2%. The **producer price level of agricultural products** was up by 15% in 2012, the price of crop products rising by 18% and that of live animals and animal products by 11% on average. The price level of agricultural **input** grew by 7% in 2012.
- The **volume of industrial production** was 1.7% lower in 2012 than one year earlier. The volume of exports decreased by 0.7%, while that of domestic sales by 3.9% compared to 2011.
- In **manufacturing**, making up some nine-tenths of industrial output, the volume of production rose in nearly the half of the subsections. Among those having a larger share, expansions of 8.5% and 4.4% were registered in the manufacture of transport equipment and food, beverages and tobacco products respectively, while falls of 18% and 10% occurred in the manufacture of computer, electronic and optical products as well as coke and refined petroleum products respectively.
- The **industrial production per employee** of enterprises employing no less than 5 persons was 0.4% higher than in 2011. The growth of productivity resulted from the fact that the number of employees was reduced at a higher rate than production.
- At the end of December the **volume of the total stock of orders** in the observed manufacturing branches was up by 48% compared to one year earlier, which was principally due to a larger order placed in November. In the larger part of the year the **volume of new orders** was lower than a year before, the decline reached 8.7% in December.
- **Industrial producer prices** were 4.3% higher in 2012 than a year earlier. The producer price level rose in all manufacturing sub-sections, out of which at the highest rate, by 15% in the manufacture of coke and refined petroleum products. Domestic prices were raised by 5.3%, while export sales prices by 3.6% on average over a year.
- The **construction** output was 5.9% less in 2012 than in the previous year, within which the volume of buildings construction was cut by 7.6% and that of civil engineering by 4.0%. The **volume of new construction contracts** exceeded by 15% that observed one year before. The **stock of contracts** of construction enterprises was 26% higher at the end of December than the low base recorded one year earlier. In 2012, **construction output prices** surpassed by 1.9% those measured in the previous year.
- Dwellings constructions have already declined for the fourth year in a row. In 2012 10,560 **dwellings** were built in Hungary, 17% less than in the previous year. However, following a rapid fall in the past few years the number of both dwelling constructions and construction permits lessened at a decelerating rate. Within the construction of new dwellings a decreasing proportion of dwellings are built by enterprises and for sale. The **average floor space of dwellings occupied** was 107 square metres in 2012, 4.1 square metres larger than in 2011. Construction authorities **issued 10,600 dwelling construction permits** in 2012, which was 15% less than one year earlier.
- Among services branches the **volume of retail trade turnover** has shown an increasing lag compared to the corresponding period of the previous year since April: the fall equalled 3.1% in December and 2.1% in 2012 as a whole. The **retail trade turnover of food, drinks and tobacco**, accounting for almost the half of total turnover, was 0.8% lower in 2012 than in 2011. The sales volume of **non-food products** diminished by 3.5%, and the largest fall within this group of activities was suffered by furniture and electrical goods stores (11%). Fuelling stations also played a part in the fall of retail trade turnover: the **turnover of automotive fuel** – along with a substantial, 13% rise of automotive fuel prices – was 2.6% lower than in the previous year.
- In 2012 the number of tourist arrivals and tourism nights at **public accommodation establishments** rose by 3.6% and 4.8% respectively, which was largely due to the increase of international tourism. The

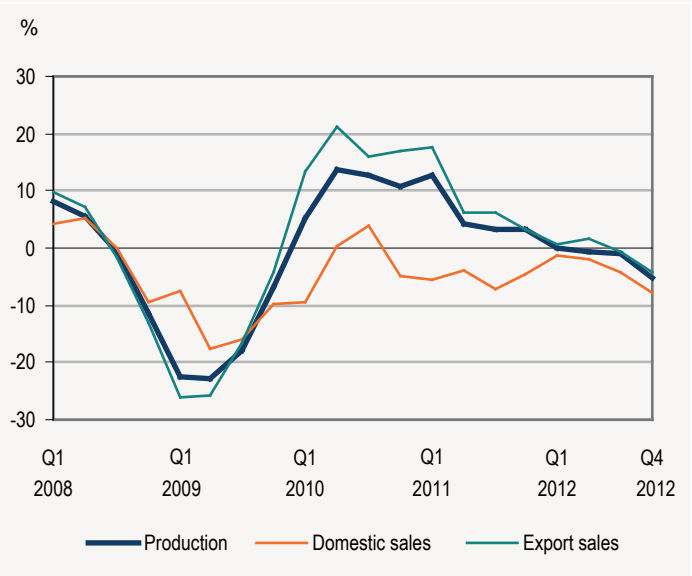
number of international tourist arrivals rose by 8.1% and that of the tourism nights spent by them by 8.5%. At the same time, the number of domestic guests diminished by 0.5%, while that of their tourism nights augmented by 1.0%. In **hotels**, receiving more than three-quarters of tourism, growths of 5.9% and 7.9% were registered respectively, the room occupancy was 47.8%.

- The turnover of **catering units** essentially stagnated at constant prices compared to the previous year, the value of the turnover totalled HUF 731 billion in 2012.
- The **goods transport performance** of the national economy, expressed in freights tonne-kilometres, was one and a half per cent lower in 2012 than a year before. The decline of the performance was owing to the decrease recorded in the volume of goods transported. The passenger-kilometre performance of inter-urban **passenger transport** fell by 12% compared to 2011, which can be explained by the decreasing performance of airplane transport, – because of the termination of Malév. The number of passengers using **urban transport** in 2012 was 1.9% lower than one year earlier.
- In the course of the year 107 thousand **passenger cars** were **registered first time** in Hungary, which was 39% more compared to the low base a year before. In 2012 the growth was largely due to the rise in the registration of second-hand passenger cars, similarly to 2011.

Figure 2

#### Change in the volume of industrial production and sales

(compared to the corresponding period of the previous year)



#### Social and income trends

- Based on preliminary **vital statistics** 90,300 children were born in 2012, which 2.6% higher than a year earlier, and the birth rate was up from 8.8 per mille to 9.1 per mille. The number of deceased people was 129,500, which was 0.5% higher than in 2011, the death rate equalled 13.0 per mille following a growth of 0.1 per mille point. **Natural decrease** was 39,200 persons, by 1546 persons less than in the previous year. There were 36,200 **marriages** over the last year, 1.1% more than in the preceding year. The number of **infant deaths** per thousand live births was 4.9 in 2012, as much as one year before.
- In the 15–64 year-old age group 3 million 843 thousand people worked in 2012, 64 thousand more than in the previous year, and their **employment** rate grew by 1.4 percentage points to 57.2%. The employment level of both men and women rose last year, the employment rate of men was 62.5% and that of women 52.1%, 1.3 and 1.5 percentage points higher,

respectively, than in 2011. The rise of employment was characteristic of young people aged 15–24, people in the ‘best working age’, i.e. aged 25–54 years, and the older 55–64 year-olds.

- In the same period and age group the **number and rate of unemployed persons** was 475 thousand and 11.0% respectively. The number of unemployed people rose by 7 thousand (1.5%), while their rate was the same as in 2011. The unemployment declined among women and increased in case of men, the unemployment rate of the former was 10.7%, while that of the latter 11.3% in 2012. The unemployment rose for 15–24 year-old young people, that of 25–54 year-olds was essentially unchanged last year, while it decreased for 55–64 year-olds. Nearly 47% of unemployed people had been looking for a job for at least one year, and the average length of unemployment was down to 17.6 months.
- The monthly **average gross earnings** of full-time employees were HUF 223 thousand, the **net** value of which was HUF 144 thousand last year. The former was 4.6%, while the latter 2.0% higher than in 2011. Net wages and salaries rose by 4.3% in both the **private and non-profit sectors** compared to the previous year, while they decreased by 3.4% in the public sector. This latter was influenced by the growing weight of public employment, after its elimination average net earnings were up by 2.1% in the public sector. To offset tax and contribution changes, a **compensation** not making part of earnings was paid to some 55% and 9.2% of **employees in the public and non-profit sectors** respectively, the gross monthly amount of the compensation was HUF 10,100 and HUF 10,200 respectively.
- In 2012 there were 17 thousand (0.6%) less, 2 million 674 thousand **employees** in the national economy at enterprises employing at least 5

persons, budgetary institutions and the observed non-profit organisations. The number of employees in the private sector was 34 thousand (1.8%) lower than one year before, while in the public sector it was 17 thousand (2.3%) higher than in 2011. (The number of staff in the public sector not including persons in public employment was 2.3% lower than a year earlier.)

- **Consumer prices** in 2012 rose by 5.7%, a faster rate than in the previous year. Tax changes (increase of VAT and excise tax), the marked price rise of fuel prices and the weakening of the exchange rate of the HUF all had an impact on the development of consumer prices during the year. The consumer price index for pensioners was 105.7%, the same as that for the total population. **In January 2013** the rate of inflation slowed down to 3.7%.
- In 2012 somewhat more than 15 thousand **traffic accidents causing personal injury** occurred on our roads, 4% less than in 2011. In these accidents 605 persons were killed, nearly 5 thousand people were seriously and over 14 thousand relatively slightly injured. The outcome of accidents was less fatal: the number of persons killed, seriously injured and relatively slightly injured was down by 5%, 4% and 6% respectively. **Alcohol** played a part in 11% of all accidents, i.e. in nearly 1700 accidents, which was a 3% rise on the preceding year.
- 472 thousand **crimes** were registered in 2012, 4.6% more than in the previous year. This mainly stemmed from the growing number of crimes against law and order, while economic and traffic crimes as well as crimes against the person – all these groups having low weights – declined. Within crimes the number of offences, judged less severely, rose substantially, while that of felonies lessened.

Figure 3

**Main tendencies in the labour market in Hungary**  
(in the 15–64 year-old age group)

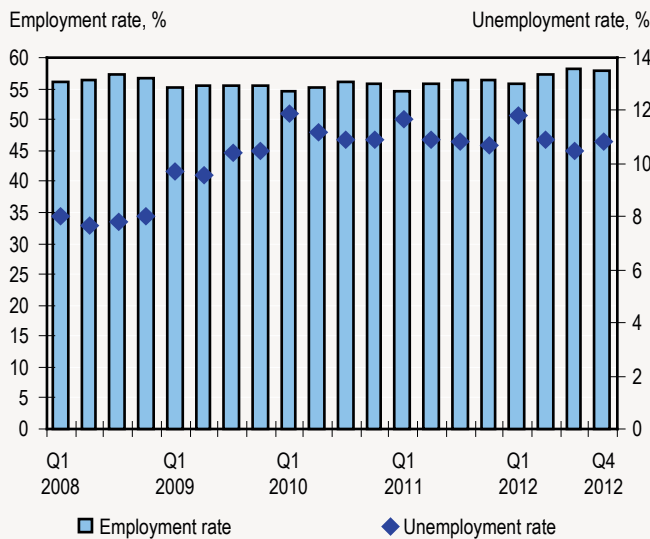


Figure 4

**Changes in consumer prices**  
(compared to the previous year)

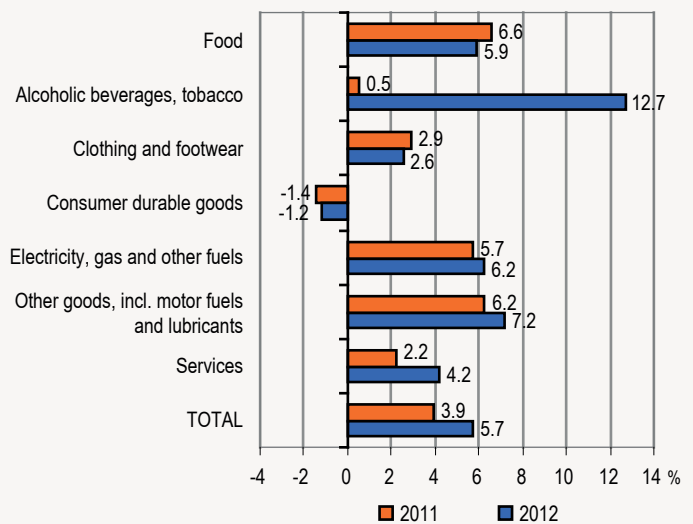


Table 1

**Comprehensive data**

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

**1.) January–December 2012**

Denomination	2011	January–November	December	January–December
		2012		
<b>Industrial indices</b>				
Production	105.6	98.8 <sup>R</sup>	92.4	98.3
Domestic sales	94.8	96.4 <sup>R</sup>	93.6	96.1
Export sales	107.9	100.0 <sup>R</sup>	90.4	99.3
Employment	103.4	97.9 <sup>R</sup>	98.2	97.9
Productivity	102.0	100.9 <sup>R</sup>	94.1	100.4
Index of construction output	92.1	93.8 <sup>R</sup>	96.9	94.1
Agricultural sales index	100.2	102.7 <sup>R</sup>	96.6	102.3
Index of retail trade turnover	100.2	98.0 <sup>R</sup>	96.9	97.9
Value of imports, million euro	72,917	67,896 <sup>R</sup>	5,281	73,177
value index	110.6	100.9	93.6	100.4
Value of exports, million euro	79,978	74,633 <sup>R</sup>	5,473	80,106
value index	111.9	100.8	92.1	100.2
<b>Price indices</b>				
Industrial producer prices	104.2	104.8	98.2	104.3
Industrial domestic sale prices	106.2	105.8	100.8	105.3
Agricultural producer prices	119.3	115.4	118.1	115.4
Forint prices of imports	105.0	105.2	..	..
Forint prices of exports	102.9	103.8	..	..
<b>Number of employees</b>				
1000 persons	2,692	2,677 <sup>R</sup>	2,643	2,674
Index	99.6	99.4 <sup>R</sup>	99.3	99.4
<b>Unemployment rate<sup>a)</sup>, %</b>				
Average monthly gross earnings	11.0	..	..	11.0
thousand HUF	213.1	221.2	243.3	223.0
nominal index	105.2	104.6	104.9	104.6
Average monthly net earnings	141.2	142.9	157.1	144.0
thousand HUF	106.4	101.9 <sup>R</sup>	103.1	102.0

<sup>a)</sup> As a percentage of population aged 15–64.<sup>R</sup> Revised data.**2.) January 2013**

Denomination	2011	2012	January 2013
Consumer prices	103.9	105.7	103.7
Balance of general government	–1,742	–607	–2
billion HUF			
Of which:	–1,727	–620	–91
Central government	–84	–118	51
Social security funds			

**Further information, data (links):**[Tables](#)[www.ksh.hu](http://www.ksh.hu)**Contact details:**

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