HUNGARY 1989–2009

Hungarian Central Statistical Office

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Contents

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Introduction

At the turn of the nineties radical political, economic and social changes took place in the central and eastern European countries, including Hungary. The most fundamental moments of the events referred to as change of regime were the abolition of the one-party system and the establishment of political pluralism, the preponderance of private ownership instead of the dominance of social – state and co-operative – ownership, and the changeover from planned economy to market economy.

The changes occurred very fast from a historical point of view, though not from one day to another in practice but as a result of a longer process. Its key points were the events of 1989–1990, though these were preceded by very important changes and followed by even more significant ones. The antecedents included among others more intensive economic co-operation with developed countries, the establishment of relations with international financial organisations, relatively free market conditions in some areas of the economy, the transformation of the banking system, the modernisation of the personal income tax system, the introduction of the world passport and the lifting of foreign exchange restrictions.

The radical changes started in 1989 with the (round-table) negotiations between the government and the opposition, the legislation on the functioning of the multi-party system, the referendum held on the four important political issues, and continued in the following year with the preparation and implementation of parliamentary elections, and the election of the president of the new republic.

In the last 20 years of Hungary there have been considerable socio-economic changes, determined among others by our international environment – such as our accession to the NATO, then our EU accession in 2004 – in addition to the main processes of the change of regime. The outline of the most important, also statistically measured socio-economic events in the past two decades is summarised in our present publication.

Population, vital events

Unfavourable processes connected to population began already in the years preceding the regime change. In the two decades since that time, these trends prevailed as well. One of the greatest problems of the society is that the population of the country is decreasing as fewer children are born than the number of deceases. On 1 January 2010 the population of Hungary was 10 million 13 thousand, more than 400 thousand less than in 1989.

The fall in the number of live births lasting since the mid-1970s continued: in 2009, 22% fewer children were born than twenty years earlier. Live birth rate fell from 12 per mille and has been steadily below 10 per mille. The level of fertility, which, except four years, has not been sufficient for the natural replacement of the population since 1958, reached its nadir in 2003–2004 and was followed by a slight change in the next five years. The specific feature of the change is that the grandchildren of the "Ratkó children" are born – even if fewer, later and under changing family circumstances – mainly to women in their thirties. While the proportion of childless women aged 15–49 rose by 14 percentage points to 43% over two decades, that of those having one or two children fell to the same extent to 45% and the share of women having three or more children practically did not change. Due to the decreasing number of births and the longer life span, the ageing of the population continued which is in prospect the source of several economic and social problems.

The proportion of extramarital births is larger and larger, which is connected with the change in the forms of partner relations. The proportion of children born outside marriage has increased from 12% to 41% since 1989.

Mortality, which was high in international comparison also earlier, showed some fluctuation after its nadir in 1993, but its trend was basically decreasing. Death rate fell from 14 per mille to 13 per mille. Male mortality worsened in each age-group from 25 years of age, within that the most among middle-aged (40–54 year-old) men but in their case, a slow improvement started at the end of the 1990s. In the improvement of life prospects over the whole period, the better life chances of the older generations and the continuously decreasing infant deaths continued to play a role. The value of the latter one fell to 5.1 per mille from the 15.7 per mille at the time of the regime change.

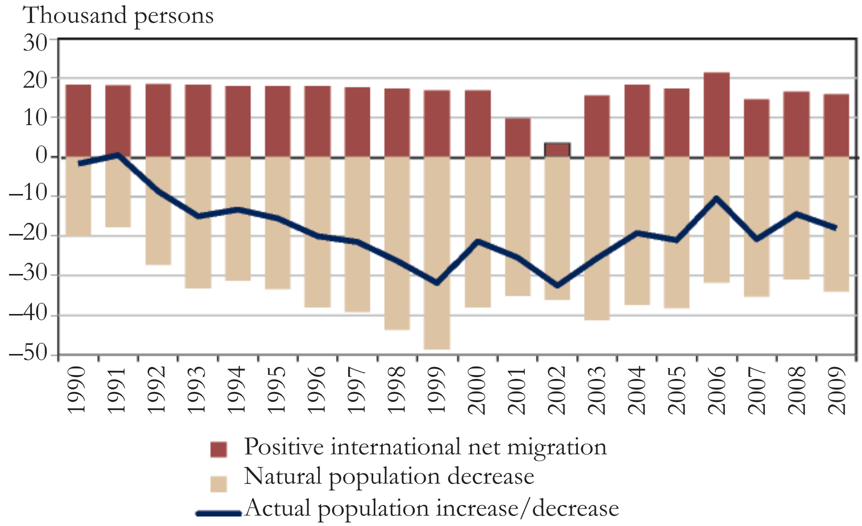
Beside the difference between the number of births and the number of deaths, international net migration influences the actual population number. Since the beginning of the 1990s, Hungary has gained from international migration, thus the positive net migration moderated the natural decrease of more than 700 thousand persons by nearly 300 thousand.

Surplus of women is characteristic of the population which was continuously growing in the last two decades. Another important feature of the population is that the proportion of young people within the population is lower and lower, while the share of older people is increasing. All these can be attributed to the change in the number of births and to the longer life span.

The changes in life style appeared in the considerable decrease of the number of marriages and the changing forms of cohabiting as well. In the last two decades, the number of marriages decreased almost by half, to less than 40 thousand, while the average age of marrying people rose. There was no essential change in the relatively high number of divorces: in 2009 23,800 marriages were dissolved, nearly the same number as twenty years ago. At the same time, beside the decreasing trend of marriages, the composition of the population by marital status changed significantly. In respect of the forms of cohabiting, the proportion of people living in marriage is continuously decreasing, while that of singles is growing. Nowadays less than half of the adult population live in marriage and 32% of them are single. A further important characteristic of the change is the considerable growth in the number and share of people living in cohabiting partnership.

Compared to 1989, life expectancy is higher for both men and women. Better life circumstances, the decreasing number of infant and child deaths and the improving life chances of the older generations equally contributed to this increase. After a stagnation/decrease of more than two decades, life expectancy at birth has risen by nearly 5 years since 1992, and in 2008 it was nearly 74 years. The improvement was slightly better in case of men but their life expectancy of 69.8 years is still 8 years lower than the 77.8 years rate of women.

Figure 1 **Factors determining population number**



Employment, unemployment

The radical changes of the economy and society in 1989–1990 resulted in essential changes in the labour market as well. The major feature of this was the end of full employment and the appearance of unemployment, which became steady. The economic activity of the population decreased significantly, among others due to the closure or transformation of enterprises and co-operatives, the decline of production and turnover and the more intensive utilization of the labour force under new conditions, while the number of economically inactive people rose. In order to avoid unemployment, a large number of people chose pension or some kind of retirement provisions, while young people remained in education for a longer time in the hope of better chances in employment, and, beside the much lower number of births, the number of recipients of child care assistance at home was practically the same as earlier. After 1998 the number of inactive people slightly fell, but, even so, it was 2.6 million among the age-group 15–64 in 2009, 7% (166 thousand) up on 1992.

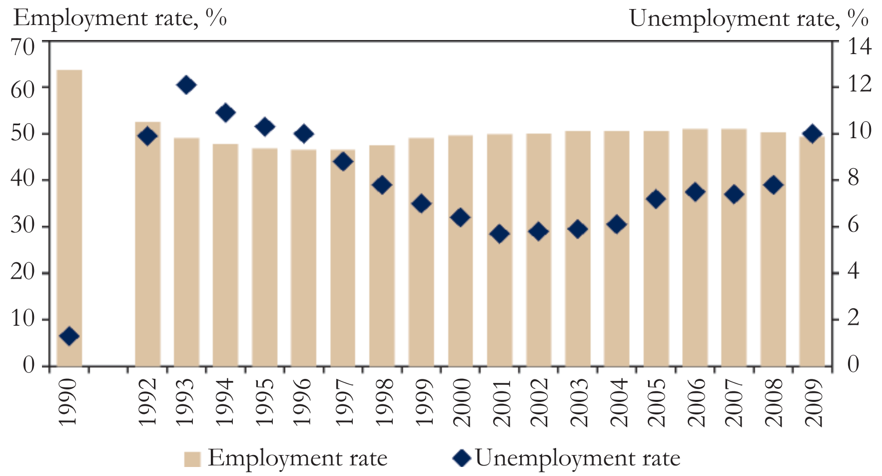
In the years following the regime change, employment declined considerably mainly due to the economic transformation. This process reached its nadir in 1996, when approximately 3.6 million people had a job, 1.3 million fewer than in the period of the regime change. At the very beginning of the 1990s, employment rate still exceeded 60%, then it fell to 52% till 1996. Following the significant fall in the number of employed people in the first period after the regime change, an increase of 327 thousand (9%) occurred between 1996 and 2006 among the 15–64 year-olds, and employment rate grew to 57%. In 2008 and 2009, in connection with the effect of the world economic crisis on the labour market, employment began to decrease again, and the employment rate which was low in international comparison all the time, fell in 2009 again to the level ten years earlier (55.4%). Within this, nearly 18% of young people (15–24 year-old) were employed, which is actually half of the level ten years earlier, while the rate of all age-groups over 40 years of age increased, and it was especially significant among people over 50 years of age. The decrease in the employment of young people can be explained by the higher participation in education, by the fact that work when studying is not widespread and by the significant rise of the unemployment rate of the generation lasting from 2004. At the same time, the more intensive participation of the older age-groups can be attributed to the changes in retirement rules, which became stricter.

Along with the transformation of the economic structure, there was a significant shift in proportion in the structure of industries over twenty years. The proportion of goods producing sectors in employment decreased gradually, while that of different services aiming at meeting the growing consumer demands increased. At the beginning of the 1990s, the proportion of people employed in extraction industries (agriculture, mining) exceeded 10% considerably, by 2009 this share fell to less than 5%, the proportion of people working in industry and construction (without mining) decreased by 5–6 percentage points to 31%, while that of those working in services grew continuously over this period and in 2009 64% of employed people worked in this group of sections.

There is a close connection between the position on the labour market and the educational attainment, the importance of qualification keeps growing. People with low educational qualification or an obsolete profession not in demand are the most disadvantaged in the competition. In the past two decades, in line with the increasing educational level of the population, among employed people, the proportion of those with primary educational attainment fell significantly, while that of people having attained secondary or tertiary education rose considerably. Over the same period, employment rate fell in all of the three groups, though to different extent. The importance of educational attainment can be seen in the fact that while the employment rate of people with primary education did not reach 26% last year, the rate for those with university or college degree was around 80%.

In the first half of the 1990s, the accumulated structural and efficiency problems, the loss of the Eastern European markets, the economic decline and the transition to market economy all resulted in the explosive growth of unemployment. The peak of this process was in 1993, when more than half million people were unemployed and the unemployment rate amounted to 12.1%. Following the start of economic growth, unemployment fell continuously by more than half, to 5.7% by 2001 as a whole. Between 2002 and 2009, except 2007, unemployment increased more or less each year, and the number of unemployed people grew the most in 2009, when their proportion was 10.1%. In the past years, beside the significant loss of jobs caused by the crisis, it contributed to the increase of unemployment as well that active job seeking is more and more the precondition of different benefits and that fewer and fewer unemployed people can leave the labour market through the social security system. In case of young people, whose proportion is less than one fifth among unemployed people, the increase is attributed to the narrowing opportunities to find a job.

Figure 2 **Main labour market trends**
(within the population aged 15–74)

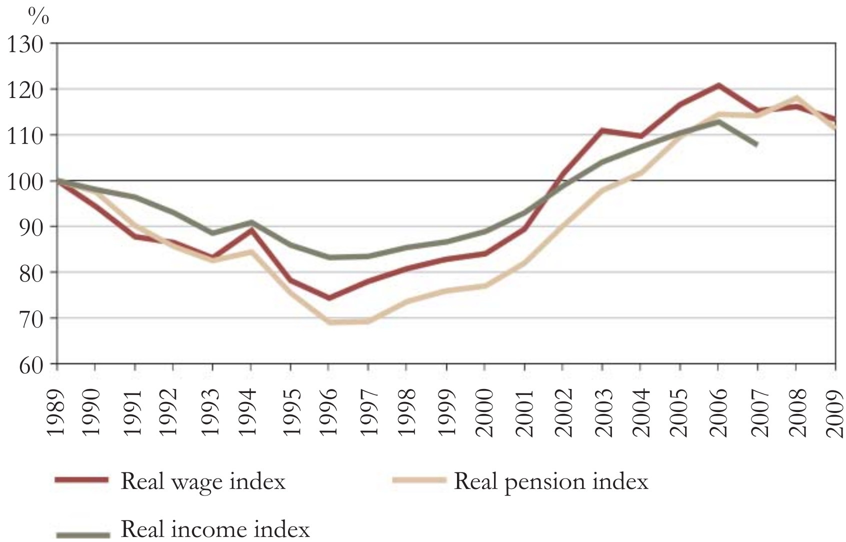


Notes: Data on 1990 is based on experts' estimation. Data of labour force survey are available from 1992.

Income – consumption

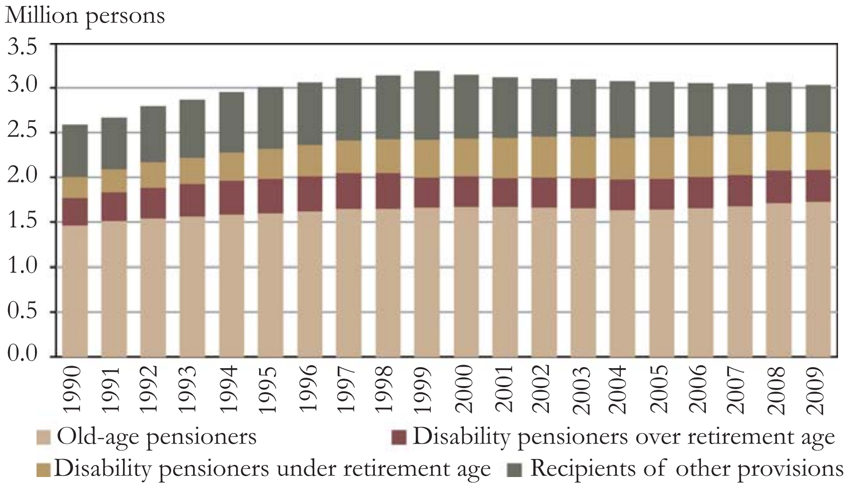
Over twenty years, gross **wages** representing the largest item in the income of the population, rose 19-fold from HUF 10,600 in 1989. Average net earnings after taxation grew to a smaller extent, 15-fold from HUF 8,200. The real value of wages, along with the large nominal growth and the rise of consumer prices, decreased continuously till 1996, it was 26% less that time than in 1989. This was followed by an almost unbroken growth lasting for ten years, but the years after the peak in 2006 were characterized again by decrease or slight growth. The value of real wages in 1989 was reached in 2002, and the value of real wages in 2009 exceeded that 20 years earlier by 13% as a whole.
The quotient of net and gross wages decreased considerably over the period: in 2009 employees received HUF 62 from HUF 100 as opposed to HUF 77 in 1989. The pay gap between sexes decreased, the disadvantage of women diminished from 22% to 13%. Following the regime change, the role of educational attainment increased in terms of earnings. The pay advantage of non-manual workers over manual workers was 70–75% at the time of the regime change and it rose above 100% nowadays. The difference among industries grew as well, and wage ratios were rearranged in several respects.

Figure 3 **Real wage, real pension, real income**
(1989=100)



Social incomes account for more than one third of net income per capita. The largest component – nearly two thirds – of social benefits in cash is the pension provided first of all for old-age people. The proportion of pensions to the total social incomes increased from the second third of the 1990s. In the first eight years following the regime change, the number of pension and retirement provision recipients increased by 30%, and it exceeded 3 million from the mid-1990s. The rapid growth was caused partly by the mass retirement of those reaching retirement age and partly by the appearance of working age people in the pension system who got out of the labour market. Since the end of the 1990s the number of recipients has decreased partly due to gradual rise of retirement age and partly due to the restrictions of early retirement and pre-pension as well as the stricter regulations of disability pensions. The real value of pensions decreased by 31% till 1997, and then, following a one-year-long stagnation, it rose gradually and in 2004 it exceeded the level in 1989. The growth stopped in 2007, and in 2009 a drop of 5.7% occurred.

Figure 4 **Number of pension and retirement provision recipients**



The system of family allowance, which is one of the important social contributions assisting child raising, changed several times. For some years, it was in force together with the tax allowance for children, and later, in 2006 they were combined. It can be explained by these changes as well that the rate of the paid amounts to GDP decreased gradually from 3.1% to 0.9%. Since 2006 it has reached 1.3–1.4%. The number of child care allowance recipients doubled, while that of child care fee recipients fell by 40% as a whole over the 20 years. The rate of expenditure on supporting unemployed people to total social benefits in cash was the highest in 1993 (8%), then it decreased continuously till the beginning of this decade, and it increased again in the recent years.

Social benefits in kind account for one fifth–one sixth of incomes of the population. This income component decreased almost continuously till the mid-1990s, and it grew over one decade. In the last 3 years, a quite significant, nearly 13% fall occurred again. The main elements of this income component are health and social care, education as well as the support of culture, sport and some other similar activities.

In the first seven years of the 1990s, total real income per capita fell by 17%. On the one hand the decline of employment and the decrease of real wages and, on the other hand, the rapid growth in the number of pensioners resulted in the fall of the proportion of labour income and the rise of the role of social incomes. Real income per capita grew continuously for ten years after 1997 but it fell again in two out of three years between 2007 and 2009; its level was in 2006 by 20% and in 2008 by nearly 9–10% higher than in 1989.

Income differences increased largely at the beginning of the period. The advantage of the top income decile over the bottom decile increased to 7.5-fold by 1995 from the 4.6-fold in 1987, this advantage remained till 2004 and has only slightly changed since that time.

The **social** welfare **system** before the regime change had a significant income equalizing and social service provision role. The open and mass unemployment created several social tensions and brought them to the surface. Inequalities and social exclusion was determined more and more by the labour market position of the head of the household, and the exclusion of people with low educational attainment, who could adapt to the labour force demand little, increased risk of poverty tenfold. Since the 1990s, the role of the state decreased and self care or at least the demand for it came to the front.

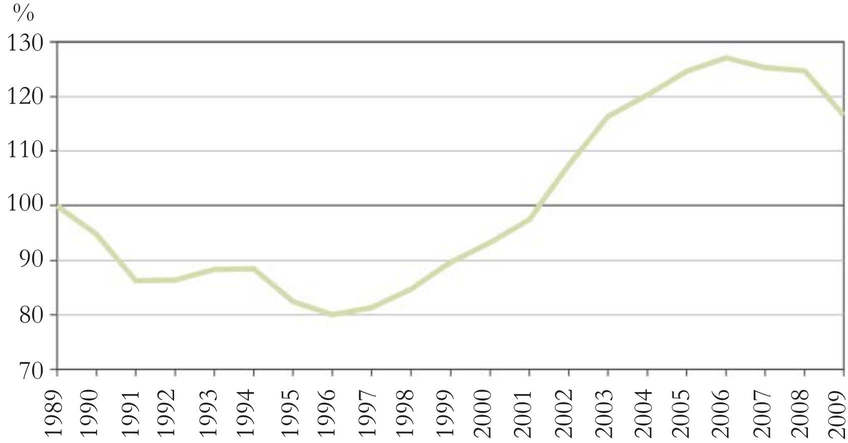
Unemployment and the decrease of real wages and real income limited the **consumption of the population**. At the beginning of the 1990s, the consumption of all important consumer goods – food, beverages, tobacco, clothing, other manufactured goods – fell and so did as the use of services. Over seven years, consumption level declined by nearly 20%, followed by a continuous increase of nearly 60% as a whole during the next ten years. Household consumption fell again in 2007–2009, thus the consumption level was in 2009 about 15% higher than 20 years before.

At the time of the regime change, more than one fourth of total household expenditure was spent on food and non-alcoholic beverages, which diminished to 17.5% by 2008. The proportion of expenditure spent on clothing and footwear fell considerably as well. On the other hand, the proportion of expenditure on housing (due to the significant rise in the prices of household energy and public utility services) and on transport and communication (due to motorization and the spread of fixed-line and mobile phones) increased considerably. The proportion of expenditure on alcoholic beverages and tobacco, which was high also earlier, increased further.

The volume of food consumption decreased in the first half of the 1990s, it was followed by a rise again with some fluctuations and then it stagnated. Nutrition structure transformed over the two decades; the proportion of fruits and vegetables grew and we eat less cereals and sugar. However, in contrast to the developed countries, the consumption of meat and milk being low anyway decreased.

The equipment of households with consumer durables improved as a whole and at the two extreme poles of the income scale as well; in case of numerous important consumer durables nearly all households were equipped with these. Over twenty years, new consumer durables appeared (CD players, microwave ovens, mobile phones, DVDs), and a number of earlier ones were "pushed out" by more up-to-date substitute products (e.g. instead of the earlier traditional refrigerators and deep-freezers their combination). The number of passenger cars, personal computers and colour TVs grew continuously in the observed period.

Figure 5 **Change in the volume of consumption per capita** (1989=100)



In the 1980s, the expansion of market conditions in the Hungarian economy resulted in the multiple and multi-direction modification of the price system, which manifested itself in more and more lively price movements, i.e. practically in price rises. The rise of **consumer prices** could be described by a two-digit number already in 1988. At the beginning of the 1990s price rise accelerated significantly: in 1991 inflation reached 35%. Beside tensions accumulated earlier, the elimination of most of the dotations and consumer price subsidies and similarly significant rise of trade margin contributed to such acceleration of inflation. Besides, the high interest rate of entrepreneurial credits and the more expensive imports increased production costs. In the latter one, the change from rouble accounts to convertible currencies and, at the same time, to world market prices resulting in considerable terms of trade loss played a significant role. The rapid forint value loss against convertible currencies had the same effect. Consumer price subsidy accounted for 8.4% of government expenditure in 1987, and it decreased to 0.9% by 1992. Along with the appearance of many small private shops, trade margin reached 32–34% of net sales, which was twice as much as the rate in the second half of the 1980s.

The significant price rise in 1990–1991 was followed by a more moderate rise in the next three years. In 1995, due to the measures aiming to restore external economic balance, price rise accelerated again. Then, the basic trend of inflation became decelerating; there was some deviation from this trend in one or other field in some years, but price rise was a one-digit number (9.8%) already in 2000, and it remained so later on.

Figure 6 **Consumer price rise compared to the previous year**

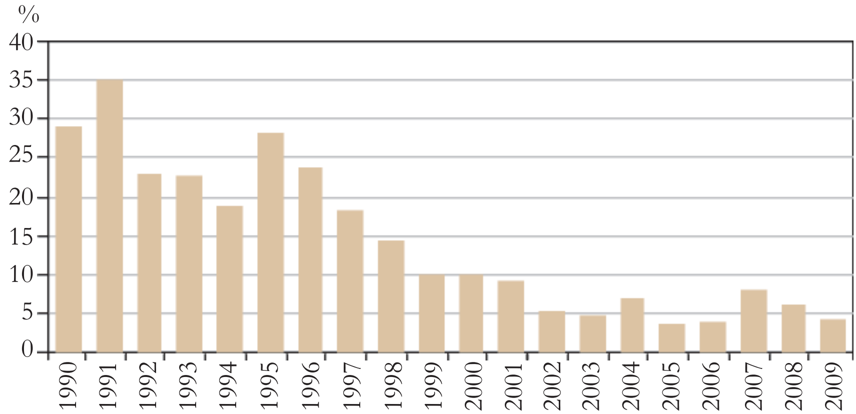
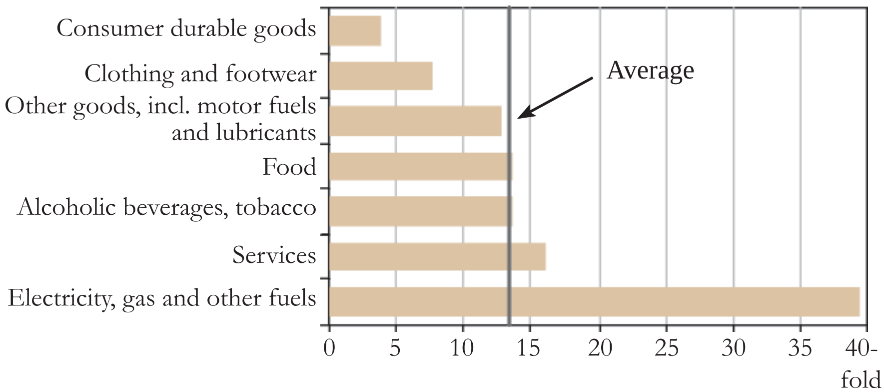


Figure 7 **Consumer price index in 2009 compared to 1989**

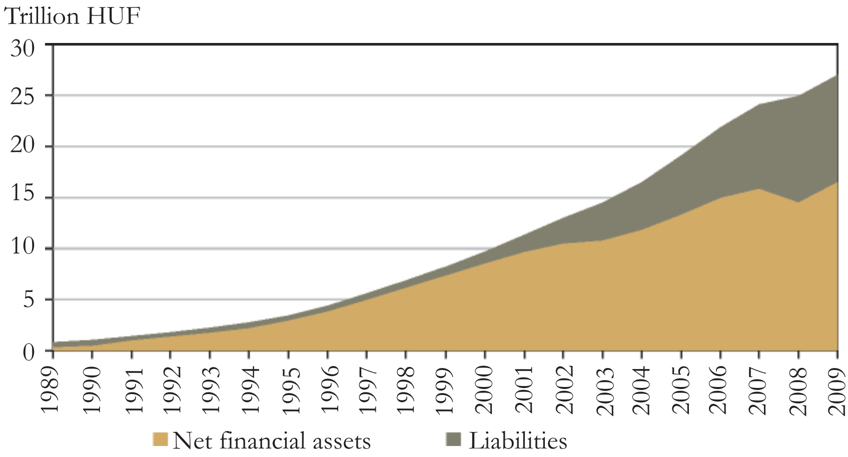


In the course of the observed 20 years, due to the mentioned reasons, the rise of consumer prices was more rapid than that of producer prices; it was 14% on annual average. Behind the average, there was a large dispersion, which resulted in the significant change in the ratio of prices. While prices of consumer durables increased 3.9-fold, that of household energy rose 39-fold.

Clothing and footwear became relatively cheaper. At the same time, prices of services rose above the average, while the price rise of food, miscellaneous goods and fuels corresponded to the average. Due to their importance, medicines and medical products must be highlighted, their prices – as a joint effect of the rises in producer and distribution prices and the decrease of subsidies – increased more than 65-fold over the last 20 years.

At the end of 2009, gross **financial assets of households** amounted to HUF 27.0 trillion, at current prices 33 and at constant prices 2.4 times as high as the value twenty years earlier. Over twenty years, the structure of financial assets of households changed significantly, as many new forms of savings and investments became available for the inhabitants. The appearance of mutual pension funds in 1994 and of private pension funds in 1998 made it possible that the proportion of pension fund reserves to gross financial assets increased to 13% over one and a half decade. Besides, the proportion of mutual funds shares – appearing among assets elements in 1991 – showed also an increasing trend and it accounted for 7% at the end of the period. These increases took place mainly along with the decrease in the proportion of forint cash and deposit assets; the proportion of the former fell to one third of the earlier one, to 6%, while the proportion of deposits, following a decrease of 12 percentage points, accounted for 24%.

Figure 8 **Financial assets of households**
(at the end of the year)



Liabilities did not increase so much as gross financial assets: they amounted to HUF 10.4 trillion at the end of 2009, at current prices 25 and at constant prices 1.9 times as much as the value twenty years earlier. Foreign currency loans appeared among the liabilities of households at the end of 1995. Taking up foreign currency loans increased significantly over the years, their stock value exceeded HUF 100 billion in the second half of 2001 and HUF 1 trillion at the end of 2004. The stock of foreign currency loans rose 5.8-fold to HUF 6.6 trillion between the end of 2004 and the end of 2008, followed by a slight decline in 2009. Within the total loan stock, the value of consumption credits and real estate loans began to grow rapidly in the years around the turn of the millennium (in 1999 and in 2001) as well. By the end of 2009, their amounts rose from HUF 300–300 billion to HUF 3.9 trillion and HUF 4.0 trillion, respectively.

Net financial assets, calculated as the difference between gross financial assets and liabilities amounted to HUF 16.6 trillion at the end of 2009; nominally 41, while on real value 3 times as much as the value twenty years earlier.

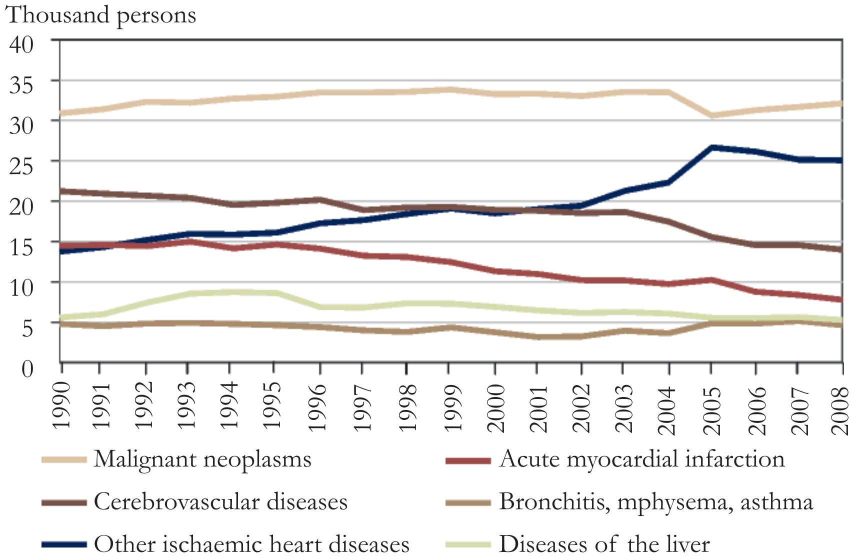
Living conditions

There have been significant changes in the **health** system as well. Soon after the regime change, the privatization of pharmacies and most of the general practitioner services began and it was already finished by the beginning of the 1990s. The availability of pharmacy services became much easier, and the number of pharmacies increased by nearly 3 quarters. Private hospitals appeared as well.

At present, nearly 5 thousand more physicians work in our country than at the end of the 1980s, within this, the number of general practitioners grew the most (by 13%). The number of patients per general practitioner decreased, but, at the same time, patient turnover increased. Following the reorganization of the outpatient services in 1995, there was a sharp increase in the patient turnover, followed by a slow growth and then by a stagnation in the last few years. The number of visits at outpatient consultations per inhabitant is 7. The network of hospitals has been expanded since the beginning of the 1990s, and in 2008, patients were treated in 174 hospitals. The number of hospital beds fell by more than one fourth in the last 20 years, and at present, nearly 4% of them are operated in private hospitals. In the course of the transformation of the National Ambulance Service, rescue remained the task of the national organization, while the task of patient transport was transferred to private service providers.

New services appeared in health service, more and more people take advantage of home care services, hospice service is expanding and a countrywide network of intensive care (perinatal) centres caring infants was built up, which has a significant role in reducing infant mortality.

Figure 9 **Mortality by the most frequent causes of death**

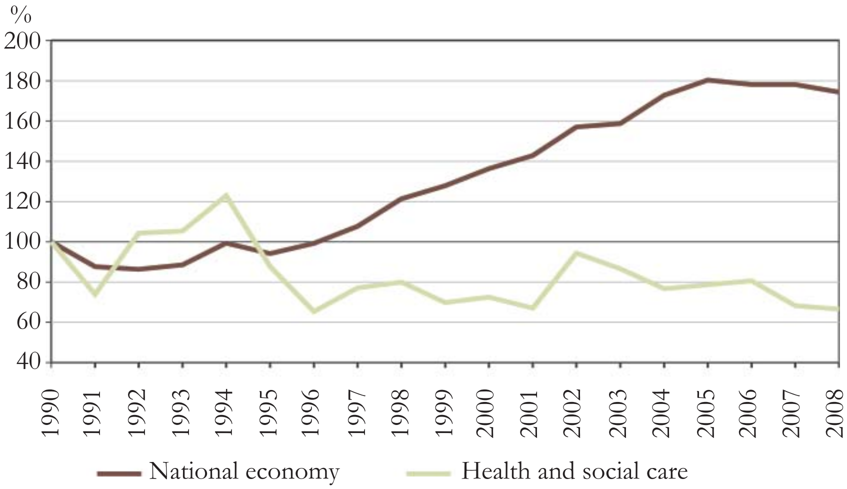


People visit general practitioners most frequently because of so-called "lifestyle diseases". Malformations resulting in the development of these diseases emerge already at the screening examinations in school, first of all locomotion diseases and overweight, which result later in the development of high blood-pressure or possibly in diabetes mellitus. Beside exercises less than necessary as well as too much nutrition of inadequate structure, in adulthood, alcohol and tobacco consumption, high even in European terms, play a role in this as well.

The significance of serious infectious diseases decreased: fewer new patients with dermato-venereal diseases and TB were registered in dispensaries. Fewer and fewer people died of AIDS year by year, but the number of HIV-infected persons grew in the last three years (by nearly one fifth). The number of allergic patients grew sharply and one fifth more new patients are registered at psychiatric wards as well than 20 years ago.

Since 1989 the number of deaths caused by the diseases of the circulatory system accounting for half of all deceases has fallen by one tenth per hundred thousand inhabitants, while deaths caused by neoplasms grew by more than one tenth. In European terms, both values, first of all cancer mortality, are still high. Much fewer people die from accident or suicide than twenty years earlier (by 45% and 44%, respectively).

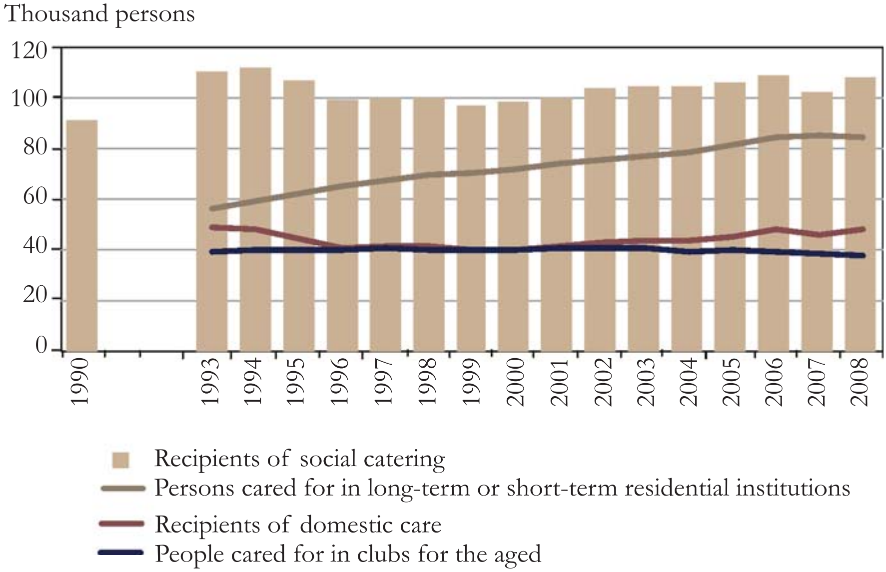
Figure 10 **Investments of health, social care and the national economy** (1990=100)



In 1993, the new social act came into force, which regulated beside social transfers in cash and in kind, institutional provisions as well. After ten years, following the several amendments of the act, the range of compulsory **social services** is over 30 containing up-to-date vertical structures. Among services, the availability of child welfare services is the most favourable, but several of them are developed slowly even after the appearance of local government associations and external service providers.

The smaller the settlement, the smaller the chance for the availability of certain services. The national coverage of some of these services is below the one ordered by law. Some elements of the institutional system tightened (infant nurseries), while others expanded (care of the aged and psychiatric patients). It played a role in the expansion that beside local governments, public benefit companies, foundations, associations, churches and enterprises also maintain such institutions. However, this did not improve the availability of services for those having moderate properties or incomes.

Figure 11 **Social care recipients**



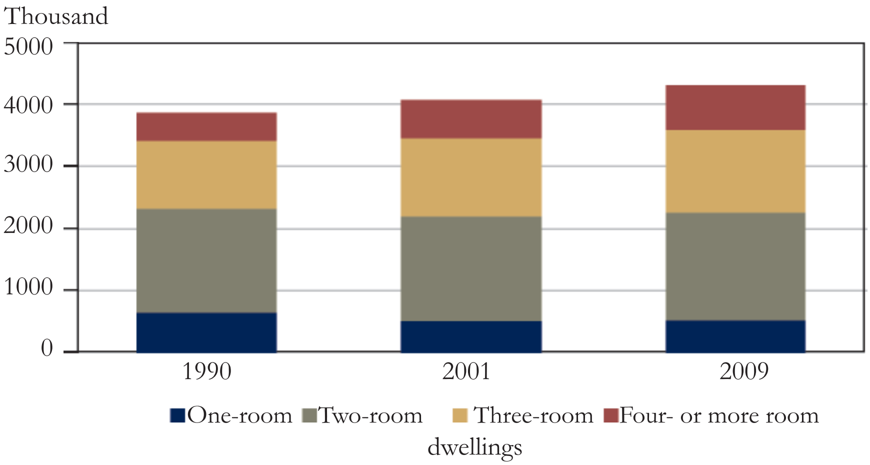
There was a slowdown in the **housing** boom already in the 1980s, the decline strengthened in the 1990s and reached the nadir of the last twenty years in 1999. In the following years, there was a boom in the construction of enterprises, while the proportion of privately built dwellings to the hardly changing number of dwellings fell slightly. In 2004, the number of newly built dwellings reached the peak of the period following the regime change. In the last few years the number of dwellings put to use was about the average of the past twenty years. In 2009, 32 thousand new dwellings were built. Beside construction, nearly 4–6 thousand dwellings are demolished year by year, mainly due to ageing or construction of new dwellings. The change in dwelling stock is the difference between the newly built and the ceased dwellings. In Hungary, the number of dwellings grew by 12% in the observed period, at present 4 million 303 thousand dwellings are registered. The number of rooms in dwellings rose to a larger extent (by 22%); it was more than 11 million in 2009, and the number of persons per hundred rooms was on the average 90 (this rate was 114 in 1990). Population loss contributed as well to the decrease of housing density.

Dwelling construction and modernization improved the quality of dwellings in terms of public utilities as well. The proportion of dwellings supplied with water conduit increased by 16 percentage points to 95%, that of dwellings connected to public sewerage by 27 percentage points to 71%, while the share of dwellings supplied with piped gas grew from 41% to 76%.

The improvement of equipment of dwellings and the sharp rise in the prices of public utilities increased housing maintenance costs to a much larger extent than the average.

The composition of dwelling stock by owner type changed as well. The sale of local authority dwellings at discount prices to the tenants played a significant role in the change. Over 20 years, 610 thousand dwellings were sold this way, 95% of which were purchased at 23–31% of the market value. As a result of this process, the proportion of rented and official dwellings decreased from 26% to below 7%. The proportion of owner-occupied dwellings, which was high earlier as well, increased further.

Figure 12 **Dwelling stock by the number of rooms**

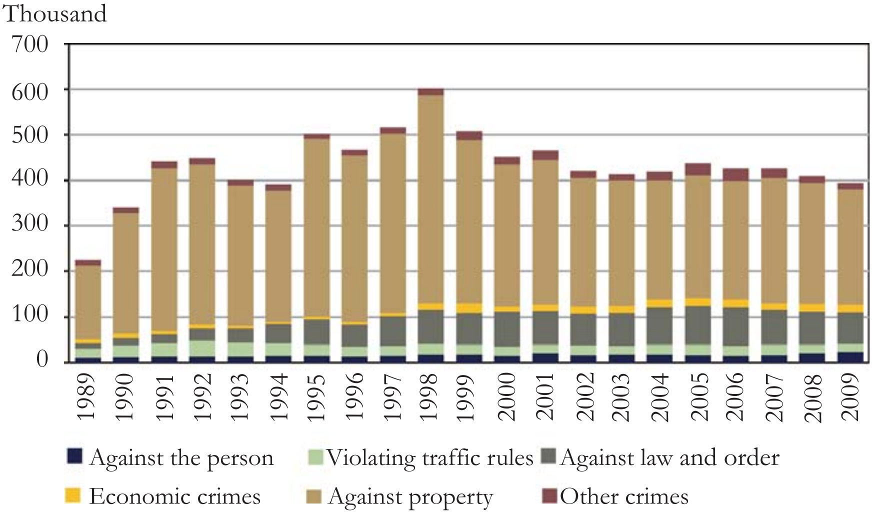


In the course of the regime change, the organization of **law enforcement and justice** changed and its duties were extended. The state exerts power based on the principle of separating the branches of power with independent judicial power. In 1990 death penalty was abolished in Hungary as well. The Constitutional Court was established, and the formerly three-level judicial organization was supplemented with the system of courts of appeal in 2003.

Social changes influenced significantly the processes in the field of law and public security. The former behaviour patterns lost some of their importance, the transition involved many uncertainties, and the dissolved and newly established law and order influenced the extent and forms of crime. New forms of crime appeared, which were not known earlier (organized crime, illegal gambling, counterfeiting, weapon and drug trade), special forms of infringement of law evolved, such as oil bleaching, "housing mafia", VAT fraud, and corruption became significant.

One indicator of public security is the change in the number of registered crimes[1] . This number increased with some fluctuations from 1989 to 1998, when 600 thousand crimes were registered, 2.7 times as many as in 1989. After that the number of law infringements moderated with some fluctuations and it was between 400 thousand and half million. In 2009, the number of registered crimes fell by 3.5% to 394 thousand compared to the previous year, which has been the lowest value since 1994. The overwhelming majority of crimes is invariably against property, but the proportion of this main group decreased, while that of crimes against law and order grew considerably and that of economic crimes and crimes against the person rose to a smaller extent. Over two decades, the number of perpetrators and of persons with a definitive sentence increased as well. Among the latter group, the number and proportion of those sentenced to executory imprisonment diminished.

Figure 13 **Number of registered crimes**



[1] It corresponds to the category of discovered crimes applied till 31 December 2008.

Education, science, culture

Following the change of regime, consistent with the change of economic management and forms of ownership both the structure of education and the maintenance and financing of institutions have altered considerably. Although the differentiation of the educational system already started in the second half of the 1980s, legislation was adopted only in acts of 1993 on education and higher education. Accordingly, the age limit for compulsory education increased to 16, then to 18 years, the system of vocational training was integrated, new types of schools and forms of education were established, and in accordance with life-long learning, one of the most important objectives of the European Union, the development of adult education accelerated. There were considerable changes in tertiary education, too. The changeover to normative financing made institutions interested in raising the number of students, for which there had already been a significant demand from the society previously. The expansion of tertiary education could result from this. Other important changes – in the decade of the 2000s – concerning tertiary education were the integration of institutions, the introduction of the Bologna system and the transformation of the admission system.

The number and proportion of participants in education were influenced dominantly by demographic processes in primary education and by new needs and opportunities in addition to this at secondary and mainly tertiary levels. The sizes of changes can be perceived from the proportions characteristic of the different age-groups. The provision to nursery-school-aged children hardly changed parallel with a decreasing number in the age-group: the share of nursery school children of 3–5 year-olds was up from 86% in 1989 to 87% in 2009. Over the two decades the proportion of students in full-time courses rose from 79% to 94% among 16 year-olds, and from 11% to 53% in case of 20 year-olds – as a consequence of the longer time spent in secondary education and the expansion of tertiary education.

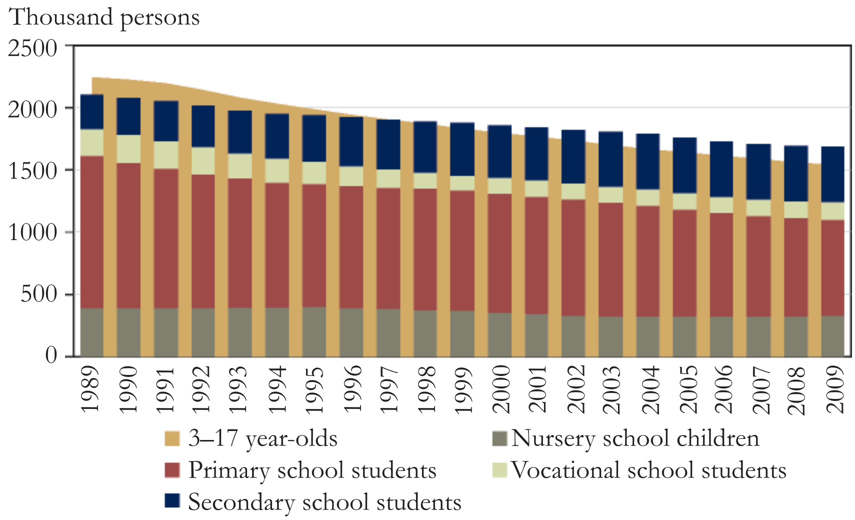
Although the number of nursery schools and nursery school places decreased by approximately a tenth during the twenty years, the number of nursery school children dropped at a higher rate, by 16% – consistently with the declining number of births. The number of children per children-group and nursery school children per nursery school teacher slightly went down in the examined period. In primary schools the number of teachers and full-time students dropped over the 20 years by 23% and 37%, respectively, the latter also influenced by the emergence of 6- and 8-grade secondary schools. The number of students per teacher fell considerably, from 13 to 10.

In secondary education the most important change was the spread of the 6- and 8-grade general secondary school education and the shift from vocational schools towards secondary schools leading to GCSE. The number of vocational school students was down by 36%, while that of students in general and vocational secondary schools rose by 73% and 54%, respectively.

In tertiary education there was a substantial increase in the number of applications and admissions. The ratio of admissions to all applications in full-time education grew from 35% to 77% between 1989 and 2008, and declined to 67% in 2009. All in all, the number of students in full-time education more than trebled over the period. There was a change in the number of students by fields of education. The proportion of students in teacher training declined significantly, and fewer people make their studies in the fields of technical sciences and agriculture. The proportion of students in humanities and social sciences, management and administration as well as sciences increased. The expanding supply of training played a role in the change. As part of tertiary education, PhD and DLA training emerged at the beginning of the 1990s and higher vocational programmes at the end of the decade. Both developed dynamically, in school year 2009/2010 there were about 7 thousand students in PhD and DLA programmes, 71% of whom in full-time education, and 18,500 students participated in higher vocational programmes, of which 15 thousand attended full-time education.

The school education of adults partly aims at reducing the proportion of early school leavers and partly allows those who – for example with vocational school qualifications – would like to go on learning simultaneously with, their entrance to the labour market to learn in parallel with work. Its latter function has an ever increasing importance. The number of participants in the school education of adults decreased significantly at primary level over the twenty years, expanded until the turn of the millennium at secondary level, then went down, and at tertiary level grew almost seven times higher until 2004, and then gradually fell. During the two decades training opportunities outside the schooling system highly expanded, too. In 2008 there were more than 450 thousand participants in the many different retraining, further education and other courses.

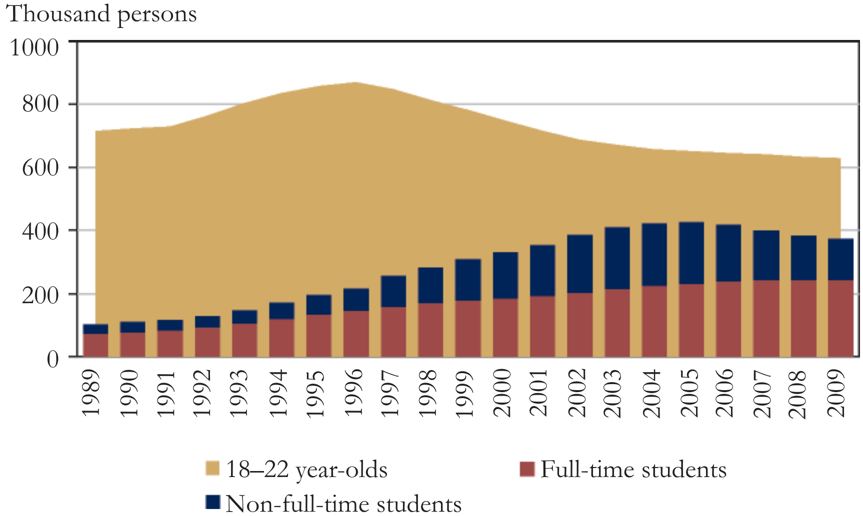
Figure 14 **Number of participants in full-time public education**



With the abolishment of the state monopoly of founding schools, the transfer of state schools to local government ownership and the sharing of management responsibility, the majority of decision competences were transferred to local levels. The formerly nationalised church schools were partly returned to the different denominations after the change of regime and partly new educational institutions were established, and the 8 Catholic and 1 Calvinist general secondary schools, which survived nationalisation, continued education with a growing number of students. After the change of regime several education and training institutions maintained by private individuals or foundations emerged. These were attended by a lower total number of students than church institutions but represented a significant proportion among vocational school and vocational secondary school students: in 2008 these were attended by 8% and 9%, respectively, of students in full-time courses. However, the majority of public education institutions are still maintained by municipalities.

The proportion of language learning, emerging as a compulsory subject, increased significantly both in primary schools and at secondary level – especially in vocational schools. In secondary schools one student learns 1.3 foreign languages on average, which is still lower than the global average. In the nineties the structure of the languages learnt transformed considerably. In primary schools the formerly compulsory Russian was replaced by the dominance of English, while the German language kept the second position: in 2008, 48% and 28% of primary school students learnt English and German, respectively.

Figure 15 **Number of participants in tertiary education**

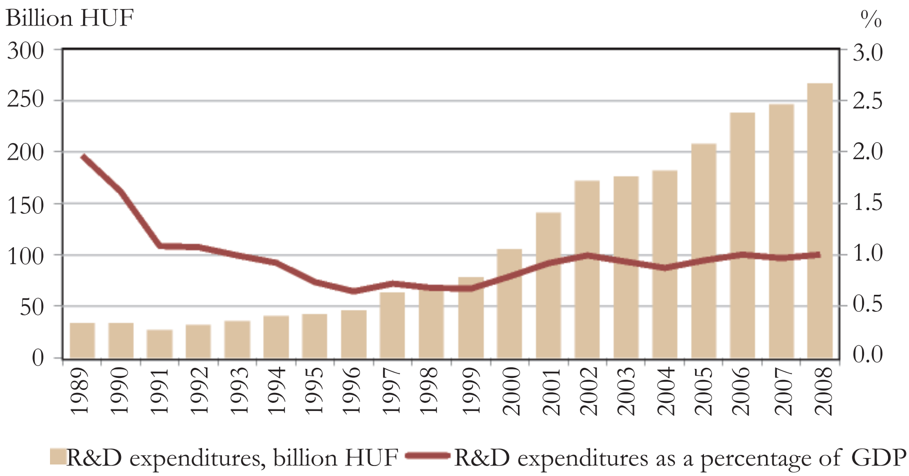


The ratio of government expenditure on education to GDP was the highest (6.6%) in the first third of the 1990s, after which it returned to the level of about 5%, as registered at the change of regime, and changed little. In 2008 almost three quarters of the amount were spent on public education and one fifth on tertiary education.

Following the change of regime **research and development** activities were characterised by little latitude and a significant structural transformation. With the termination of large business enterprises the number of research units of business enterprises declined at first, later smaller economic units played an increasing role in research and development activities, too. At the same time corporate expenditures, which used to represent the largest proportion of expenditures, fell considerably by 1992, and central government became the main source of the activities. Human and material resources decreased in the period of economic recession and stagnation, then from the end of the 1990s research and development expenditures, investments and staff number started to rise slowly. The structural change meant the decrease of the share of the government sector and the strengthening of the role played in research activities by the business sphere and higher education.

Although expenditures rose at current prices, they declined continuously in real terms, and their ratio to gross domestic product fell from 2% in 1989 to below 1% within a few years. From the end of the nineties the ratio of expenditures to GDP rose from 0.67% to 1.00% in 2002, and has not essentially changed since then.

Figure 16 **R&D expenditures at current prices and as a percentage of GDP**



From the end of the eighties the share of basic research in expenditures grew permanently, experimental development lessened, in the middle of the 1990s the three directions of utilisation (basic research, applied research, experimental development) had about the same share of total expenditure. Following this the utilisation of expenditures changed slightly apart from smaller fluctuations, then from the second half of the present decade somewhat more was spent on experimental development. Among the sources of expenditures the state budget was the most significant until 2007, even though the share financed by business enterprises increased considerably in the last five years. In 2007 the state as a supporter was caught up, and then overtaken by business enterprises: in 2008, 48% of all expenditures were provided by business enterprises, 42% by the state budget and the remainder came mainly from foreign organisations.

The number of staff working in the R&D sector declined until the middle of the 1990s, then an increase was observed from the second half of the decade until 2006, and the number has hardly changed since then.

After the change of regime, abolished or significantly decreasing state subsidies in several areas of **cultural services**, the standard of living and the emergence of new information technologies altogether resulted in a change to cultural habits. Simultaneously with a decrease in the cultural role of the state the operation of the majority of cultural institutions was transferred to private hands, and slowly civil patronage developed. Economic efficiency came to the foreground, which can be observed in growing costs of maintenance and production and in rising prices of books, tickets and periodicals. From the second half of the nineties the maintenance of cultural institutions (libraries, community centres, museums) accounted for the largest proportion of government expenditures, and substantial amounts were spent to support artistic activities (theatres and dance art).

All in all, admissions to cultural institutions declined in the past twenty years. Price rises affecting tickets and the development and spread of entertainment technique equipment altogether resulted in in-door recreation, and especially television watching becoming increasingly dominant, while cinema-going and book- and periodical-reading lost in popularity.

The decrease in the number of cinema admissions has already accelerated from the second half of the eighties, and this continued in the first third of the decade following the change of regime. Later on, from the turn of the millennium another fall was recorded, which was smaller than the previous one and was followed by stagnation from the middle of the decade. Over twenty years the number of cinemas (screening rooms) fell to less than a fifth, while the number of performances per room rose more than five times higher.

The number of theatre performances did not change until the turn of the millennium, about 12 thousand performances were played per annum. After the turn of the millennium a slow growth was observed. The number of theatre admissions gradually declined to two thirds by the middle of the nineties compared to the level in the eighties, and did not essentially change after that.

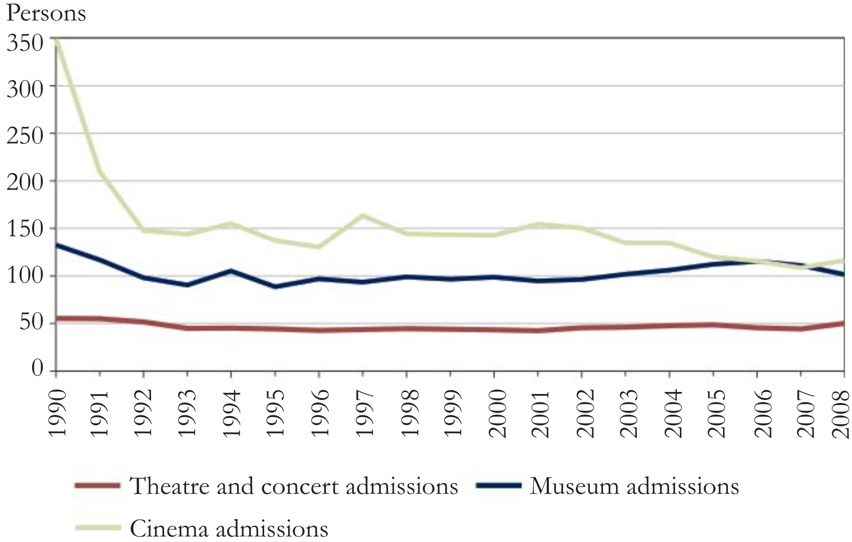
The number of museums was slightly up in the nineties, while the number of museum admissions decreased considerably in the beginning, by 1992 it dropped to half the level registered before the change of regime, following this it changed little.

The number of concert performances and admissions was down to half until the second half of the nineties, rose after that but did not reach the level measured before 1989.

In book production approximately two hundred voluntary associations, domestic- or foreign-owned enterprises and joint ventures are engaged instead of the former large book publishers, though publishing by libraries, museums, ministries and authors is also frequent. The structure of book production changed in that economic efficiency came to the foreground here, too, the volumes are rather published several times. All in all more book titles are put on the market, in a decreasing number of copies.

Out of community cultural opportunities the institutions the most widely used by the population are libraries, through which information is freely available to anyone at low prices. The institutional network was essentially transformed: the majority of workplace and trade-union libraries operating before the change of regime ceased to exist. The number of registered users (1.4 million in 2008) did not show an essential change during the examined twenty years. The number of library units lent did not change in the nineties – though in addition to books electronic data carriers appeared as well in the supply – but has declined since the beginning of the present decade.

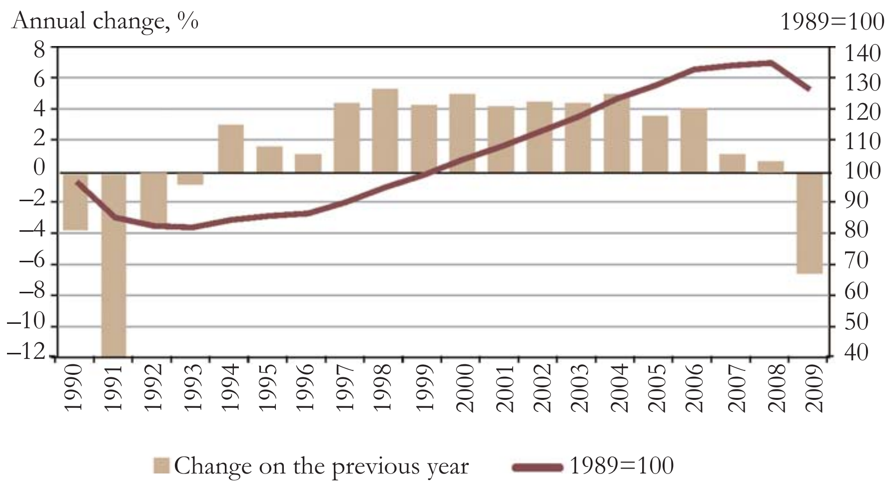
Figure 17 **Admissions to different cultural institutions**
(per hundred inhabitants)



Processes in the real economy

In the second half of the 1980s and at the turn of the decade the socio-economic problems accumulated for decades became evident and increasingly broke to the surface in Hungary and in all the countries of the central and eastern European region. The dissolution of the COMECON had a considerable significance in the change of external conditions, since with this a market taking 42% of exports and ensuring 40% of imports of the Hungarian economy was shocked. Factors on both the demand and the supply side contributed to the development and the deepening of the crisis of transformation. The economic fall could be observed in all areas. The **gross domestic product** (GDP) fell by 18% between 1989 and 1993, to the level registered in the second half of the 1970s, while the number of employed persons declined by almost one and a half million. The gross output of industry in 1992 equalled two thirds of that in 1989, the fall of agriculture lasted until 1993, and had an even higher pace. A further problem was that the capital needed for production and its modernisation was not available. Foreign investments contributed considerably to alleviate this. Significant amounts of foreign capital arrived in the country through privatisation as well, in addition, privatisation mobilised the domestic capital, and with all this basically transformed ownership conditions, which had been characterised by the dominance of the public sector.

Figure 18 **Volume of gross domestic product**



Production fell at a rate higher than use, i.e. demand was higher than real possibilities, and in 1993 the total of domestic consumption and capital formation was 8% higher than the GDP. In the middle of the decade economic restrictions were made and real income and consumption were reduced to improve the balance of production and use, then the Hungarian economy was put on a path of stable growth from 1997. External trade was refocused: the European Union became the main trading partner of Hungary, while the majority of capital investments also came from Western Europe. The even annual economic increase of about 4%, lasting for ten years, relied on the expansion of investment, consumption and exports. The balance was negatively influenced by domestic use exceeding the GDP by some 2% on average in this period.

The progress of restructuring and the close integration with the economy of the European Union are indicated by the fact that Hungary developed after this following mainly European and global economic business cycles, although the rate of economic growth was much higher in Hungary until 2006. That year the domestic production (GDP) reached 132% of the level observed for 1989. The government measures started in the second half of 2006 – aiming to reduce the extremely high general government deficit, primarily through lowering demand – brought about the deceleration of the dynamics of increase. As a result, the gross domestic product rose by 1.1% in 2007. In 2008–2009 the performance of the Hungarian economy was determined on the one hand by internal balance-improving efforts and measures, and by the effects of the crisis on the real estate market, hitting Hungary too, then the financial and economic crisis spreading on a global scale, on the other hand. Although the national performance still rose somewhat in 2008, it fell considerably in 2009.

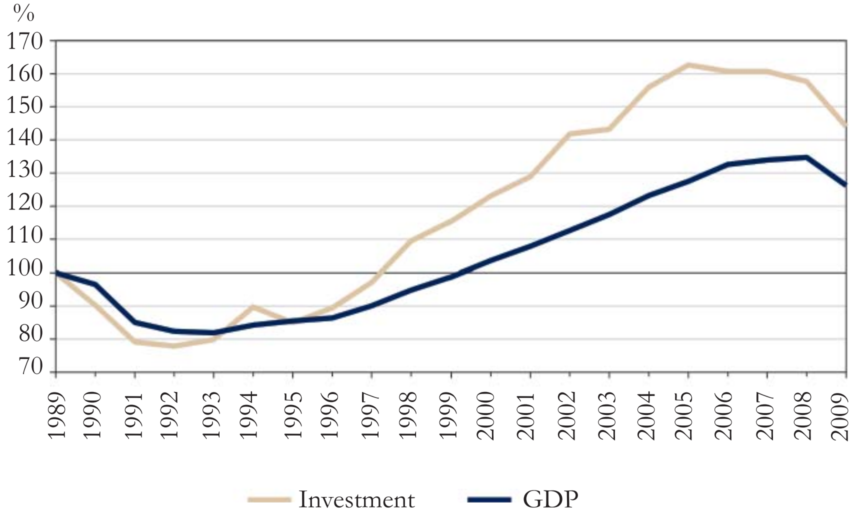
Before the change of regime the economic structure of Hungary changed in a similar direction to that of developed countries but at a slow rate. In the 1990s the change essentially accelerated. The share of agricultural and industrial branches of gross value added decreased by 12 percentage points in the 1980s and by 17 percentage points in the next decade, while the share of services rose to the same extent, having changed from 46% in 1990 to 63% until 2000.

Restructuring was largely over by the turn of the millennium. Since then the change to the weight of the different branches in the economy has been influenced by external and internal business cycle conditions rather than structural transformation.

In **investment** activity – where a declining trend has already been observed in the 1980s – a significant fall occurred in the years after the change of regime, exceeding that of the GDP, followed by a continuous growth from 1993 to 2005 except for one year. However, the period of 2006–2009 was characterised by stagnation and decrease. The volume of investments in 2009 was about 44% higher than in 1989 but 11% lower than in 2005.

An increasing proportion of investments was aimed at developing services, first of all market services. Out of productive branches agriculture had a relatively low, while manufacturing a relatively significant share of investments. The development of infrastructure played an important role. Among its achievements outstanding were the motorway construction and the extension of public sewerage and gas pipe networks. The length of the expressway network rose from 333 km to 1116 km over 20 years. Within this the length of motorways exceeded 900 km at the end of the period.

Figure 19 Volume of GDP and investments (1989=100)



The dominant part of the amount spent on development came from domestic sources but foreign capital – especially in certain periods – also had an important role, which for example in the second half of the 1990s approximated 40% of all investments. Foreign capital primarily helped the development of manufacturing and the financial and economic services sector.

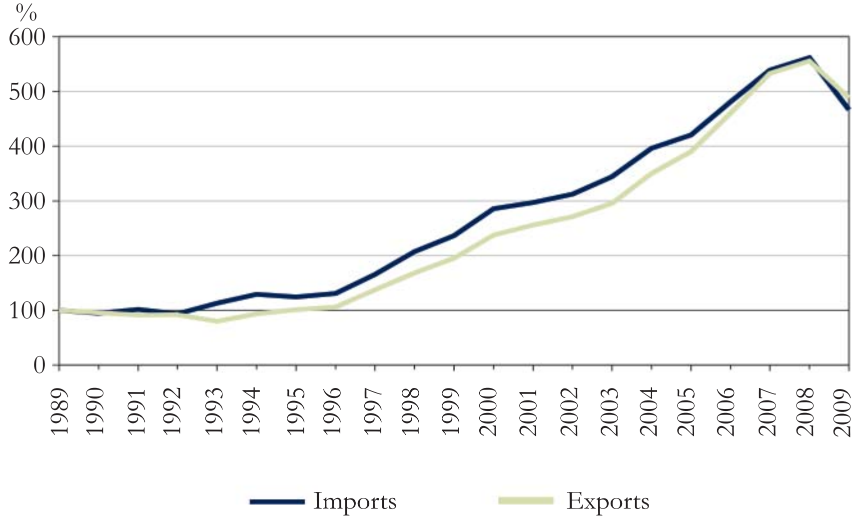
Joint ventures could already be established in Hungary in the first half of the seventies, though their role in the economy remained negligible until the change of regime. Hungary was the first among the states changing regime in the region in 1989 to open its economy for **foreign direct investments (FDI)**. The stock value of FDI expanded rapidly at the beginning of the nineties. Over the decade one of the main forms of capital inflow was privatisation, in the frame of which 4.6 billion euros of investments were realized between 1991 and 1997. The largest income was represented by the privatisation of MATÁV (the fixed-lined telephone company), gas supplier companies and power plants. From 1997 – in addition to green-field investments – reinvested earnings had an increasing role. The stock of foreign direct investments exceeded 10 billion euros at the end of 1996 for the first time, and its value was increasing until 2007, when it amounted to EUR 67.0 billion. In 2008, however, the stock was down to EUR 62.7 billion. The stock of capital invested by Hungarians abroad rose considerably in the second half of the nineties, exceeding 1 billion euros in 2000. In the 2000s the growth continued, and the total value of investments has already come to EUR 11.8 billion in 2007, then in 2008 the stock of capital exports decreased, too.

The same three countries had the highest stocks of investments both in 1998 and 2007 in Hungary: the shares of Germany, the Netherlands and Austria were 25%, 14% and 13%, respectively.

The share of manufacturing in the stock of foreign direct capital investments exceeded one third in 2007. Within this the manufacture of transport equipment, electrical equipment and refined petroleum products had shares of 11%, 6% and 4%, respectively. The share of the services sector increased to reach 54% in 2007. The result stemmed first of all from significant investments made in real estate, renting and business activities and in trade and repair.

In the last twenty years the **external trade** of Hungary underwent a considerable structural transformation. The collapse of the COMECON market at the beginning of the 1990s caused the breaking-up of the former external trade relations and the narrowing of the markets, as a consequence of which the volume of external trade of the country fell strongly. External trade was made more difficult by the fact that there was a changeover to global market prices in the former rouble-accounting trade as well, which made imports much more expensive than exports. Yet, the fall was higher in case of exports, the volume of which reached the bottom in 1993, as opposed to imports, where the volume of imported goods has already started to grow that year. Between 1994 and 1996 slow rises followed both in exports and imports, though these latter were temporarily decelerated in 1995 by the impact of the customs surcharge and the devaluation of the forint. In the period between 1997 and 2000 dynamic, two-digit increases were recorded both in imports and exports, which went on after the slowdown in 2001. This trend was broken by the global economic crisis that started at the end of 2008, owing to which the volume of both exports and imports fell considerably.

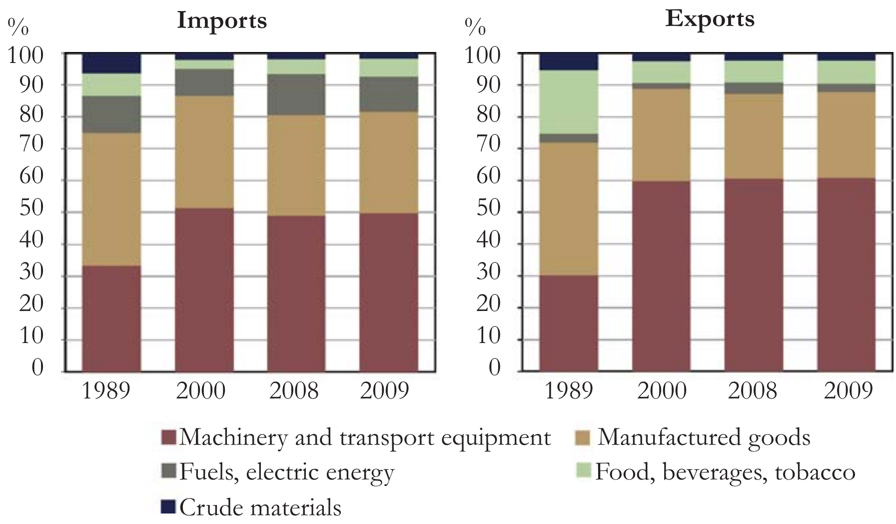
Figure 20 **Volume of external trade**
(1989=100)



After the surplus in 1989–1990 the balance of external trade turned into a deficit in 1991, and continuously showed usually considerable deficits from that time. An outstanding role was played in the turn in 1991 by a price change and a deterioration in terms of trade, which were the consequences of the abolition of the rouble-accounting trade and the changeover to global market prices. At the beginning of the nineties the deficit represented 22–23% of exports. This proportion diminished slowly, and then a significant decrease of the deficit occurred in 2007–2008, which was followed by a high surplus in 2009.

In the period from 1989 the structure of external trade by trading partners and goods totally changed. While earlier on COMECON countries accounted for a considerable part of our exports and imports, from the beginning of the 1990s the focal point of the trade increasingly moved to countries of the European Economic Community and the gradually enlarging European Union. Although back in 1989 and 1990 the Soviet Union was the most important external trade partner of Hungary, Germany took this position afterwards, which it kept all along. In the past twenty years the ten largest partner countries permanently included Austria, France, and – following the disintegration of the Soviet Union – Russia, mainly through imports. Among European countries, after the EU accession in 2004 Hungary's external trade with the central and eastern European countries joining the EU at the same time as Hungary did (Czech Republic, Poland and Slovakia) gained a new impetus as well as with Romania, becoming the member of the integration later. On the American continent we have the liveliest external trade relations with the Unites States, while on the Asian one with China. This latter gradually overtook Japan over the years, the formerly most significant Asian supplier.

Figure 21 **Structure of external merchandise trade by goods**

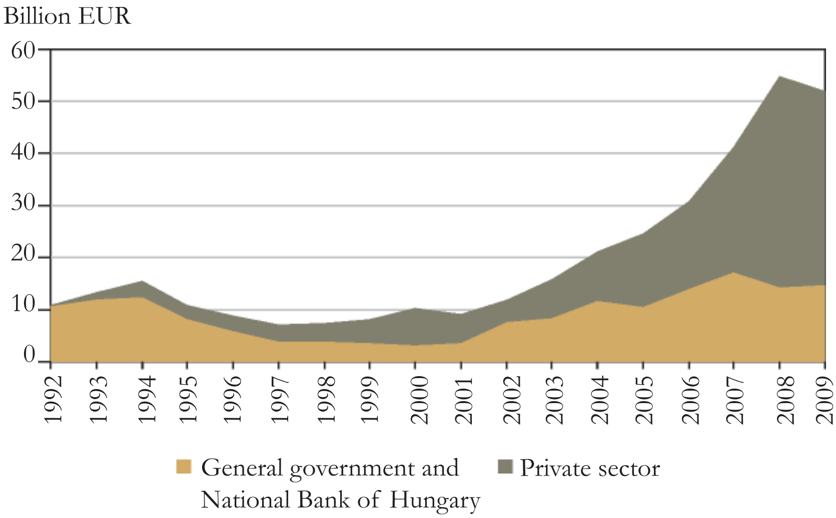


The change in the goods structure was reflected the most markedly by external trade in machinery and transport equipment coming to the limelight. While at the beginning of the period this main commodity group accounted for approximately three tenths of total Hungarian exports and imports, in the 2000s the half of imports and six tenths of exports were continuously represented by this main commodity group. With the increasing role of machinery and transport equipment the share of almost all the other main commodity groups became smaller both in exports and imports: even out of them especially remarkable was the decline in the share of food exports as well as manufactured goods exports and imports.

Financial data

The balance of the **current account** showed a surplus of a few hundred millions of euros at the beginning of the 1990s, after which in 1993 – mostly due to the significant deterioration on the line of goods – a deficit of EUR 3.0 billion was generated. In 1994 the deficit increased further. In 1995, the first year when the time series were compiled according to the new methodology, a deficit of EUR 1.3 billion was observed. The deficit grew almost continuously afterwards, largely as a consequence of the deterioration of the balance of incomes, though in a few years the deficit of the balance of goods increased at a higher rate than that of incomes. The balance of services was typically in surplus. In 2007 the substantial improvement of the balance of goods was nearly completely offset by the increase in the net outflow of incomes. In 2008 the outflow of incomes increased further, and the current account deficit amounted to EUR 7.5 billion. In 2009 the high surplus of trade in goods and the also rising export surplus of services – along with declining outflow of incomes – resulted in a slight surplus of the current account. The capital account between 1995 and 2009 – except for year 2003 – was permanently positive, though considerable surpluses were generated only between 2005 and 2009.

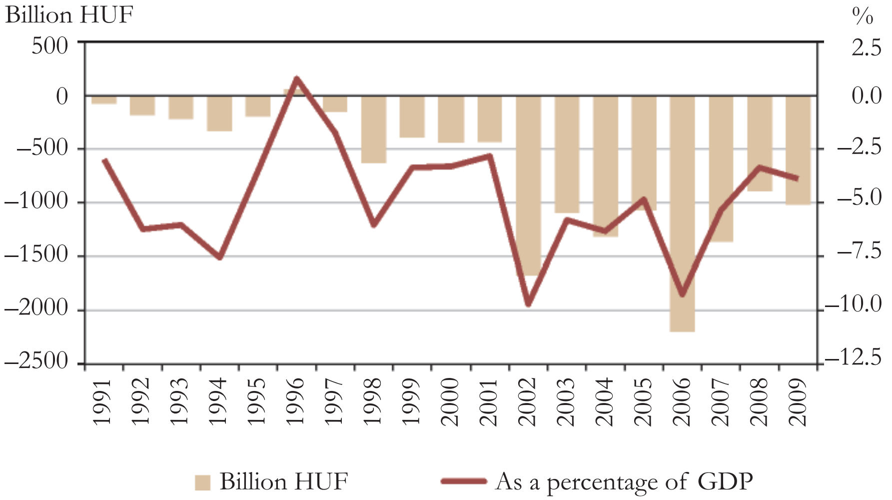
Figure 22 **Net foreign debt stock**
(at the end of the year)



The net **foreign debt stock** of Hungary came to EUR 11.8 billion at the end of 1990. In 1991–1992 the foreign debt decreased, and after a rise of two years a decline was registered again, with the lowest value (EUR 7.1 billion) measured at the end of 1997, when the debt stock was equal to 17% of the gross domestic product. In the subsequent years, except one year, a continuous growth followed. At the end of 2009 the net debt stock was EUR 51.9 billion, which meant more than half of the gross domestic product. While in the middle of the 1990s three quarters of the foreign debt stock were represented by the total debt of the general government and the National Bank of Hungary, at the end of 2009 the private sector became dominant, its share being about the same as that of the public sector 14 years earlier.

The gross revenue and expenditure of the **general government** on cash-flow basis – according to data of the Ministry of Finance – amounted to HUF 1.8 trillion and nearly HUF 1.9 trillion, respectively. Between 1991 and 2009 revenues rose 8.9-fold, while expenditures 9.1-fold at current prices, the deficit augmenting from 75 billion forints to over 1 trillion.

Figure 23 **Balance of general government on cash-flow basis**



Gross revenues and expenditures of the central government on cash-flow basis rose 9.9-fold and 9.7-fold, respectively, between 1991 and 2009. In the years between 1991 and 2006 revenue and expenditure sides typically increased at rates exceeding 10%, in which a change occurred during 2006–2007, the rate of growth of the revenue side having considerably decelerated, while the expenditure side essentially hardly changed over the past three years. The balance of the central government was in surplus only in one year of the examined period, in 1996.

The deficit of social security funds grew continuously between 1991 and 2005 with the exception of three years, the deterioration of the balance being especially significant in 2003. In contrast, in 2006 and in the next year substantial balance improvements were observed, which took place as a consequence of considerable increases of government contributions in 2006 and of revenues from contributions in 2007. In 2007 – as opposed to the other years of the examined period – the closing balance was in surplus. In the last two years the balance deteriorated again.

Gross revenues and expenditures of local governments on cash-flow basis amounted to HUF 385 billion and HUF 365 billion, respectively, in 1991. Between 1991 and 2009 revenues increased 8.0-fold, while expenditures 8.7-fold. Until 2003 revenues invariably grew at rates exceeding 10%, the rate of growth ranged from 1% to 8% between 2004 and 2008, while in 2009 a decrease of about 6% was registered. The balance of the sub-system was close to equilibrium in certain years of the period, deficits exceeding one hundred billion forints were recorded in 2002 and 2006, while the largest surplus of HUF 65 billion was generated in 1997.

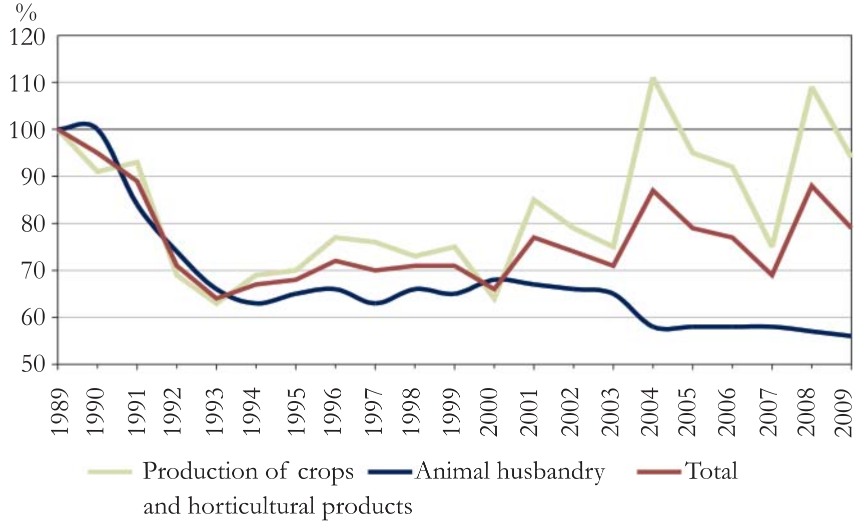
Between 1991 and 2009 both revenues and expenditures increased to the lowest extent, 3.4-fold and 3.9-fold, respectively, in case of extra-budgetary funds. The sub-system was even more balanced than local governments: the most significant deficit of HUF 40 billion was generated in 1999, while the highest surplus of HUF 63 billion occurred in 2007.

Sector performances

The regime change resulted in a significant transformation in the conditions of **agricultural** activity. In 1989, cooperatives and state farms accounted for 70% and 12% of agricultural areas respectively. As a result of the enforcement of the compensation laws and the privatisation that ended by the end of the 1990s the dominance of state and cooperative property was replaced with that of the private property.

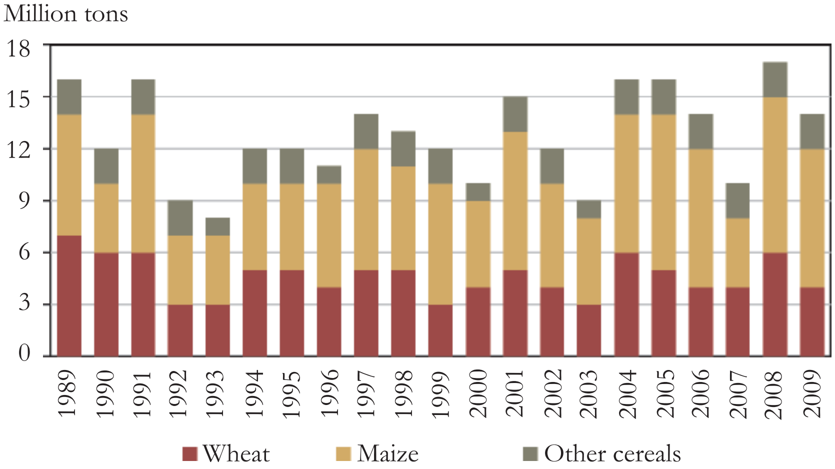
In agriculture the crisis at the beginning of the nineties proved to be more lasting than in other sectors. Over some years the gross production of the sector decreased to two thirds of the volume of 1989 and, except for the years of outstandingly good harvests, it hardly exceeded this low level. Between 1990 and 2009, the share of agriculture in the gross added value declined from 14.5% to only 3%. In agricultural production the balance between the production of crops and animal husbandry disappeared after the regime change. The production of crops accounts for a much higher proportion of the value of gross production than before, while animal husbandry declined in proportion. In the period after the regime change both the transformed large farms and private farms, as a result of the lack of capital, reduced their livestock (mainly that of pigs and cattle). There was a significant change in the supply-demand relations of the sector along with limited sales opportunities, so the volume of animal husbandry fell to less than a half between 2009 and 1989.

Figure 24 **Gross agricultural production**
(1989=100)



There was a significant decrease in the labour retention capacity of agriculture. Out of the total workforce the proportion of agriculture decreased from 14.2% in 1990 to 4.6% in 2009. A similar trend was seen at investments, too, where the proportion of agriculture decreased from 9 to 5.6% along with a slight improvement in agricultural mechanization and technical level. As a result of the EU accession the subsidizing system of agriculture was transformed.

Figure 25 **Cereal production**



The agriculture, as a consequence of a significant market loss resulting from the disintegration of COMECON, was not able to preserve its outstandingly good trade position. Its proportion in exports fell to hardly one-third compared to 20 years ago.

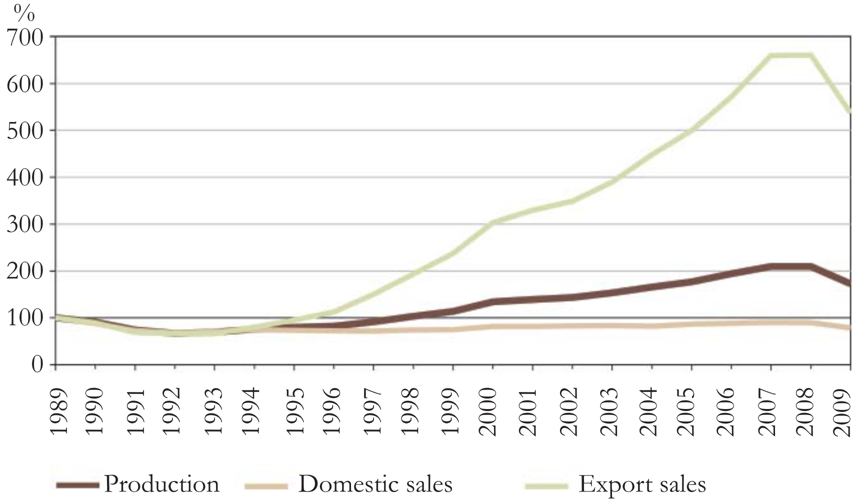
Since our EU accession in May 2004 the Hungarian agriculture has been subject to the competitiveness and funding provisions of the common agricultural policy. As a result of this there are quotas, among others, on the dairy and sugar production.

The economic transformation exerted a significant impact on **industry.** In this sector, the decrease was higher than average both in output and headcount compared to the whole of the economy. However, after the rearrangement in ownership, organization and structure, the industry was the main driver of recovery. Foreign direct investments and technological innovation played a main role in how the export competitiveness of this sector improved.

Industrial output started to decrease in 1989 and showed a sharp and continuous fall over the next three years. It bottomed out in 1992 showing a decrease of one third in output on 1989. In the crisis of the domestic industry – beyond the disintegration of COMECON – the recession that affected most developed countries played a role, too. Industry showed a moderate increase after 1993 and a more dynamic one after 1997 with a slight slowdown at the turn of the millennium, but even so it doubled in volume by 2007 compared to 1989. This was followed by flat growth in 2008 and an 18% fall in 2009.

In the post-1992 growth foreign demand played a more significant role than the domestic one. Over 15 years there was a 33% increase in domestic sales along with a 10-fold increase in the volume of export sales. In 2009, after the stagnation in 2008, the latter decreased at a higher rate (19%).

Figure 26 **Industrial production and sales**
(1989=100)



In 1989, a total of 1.2 million people were employed in industry, over the next five years – in excess of the decrease in industrial output – there was a 40% decrease. In the following years at first there was a slight increase then a decrease in headcount. In 2008, roughly the same number of people was employed as in 1995 along with a 2.5-fold increase in output over this period. It shows a sharp increase in labour productivity as a result of investments and structural changes.

In the past twenty years industry accounted for nearly one third of all domestic investments. The increase in industrial investments started in 1994 and reached its highest rate in 1998. Foreign owned corporations accounted for two thirds of investments. In addition, privatisation resulted in a significant inflow of foreign capital to this sector.

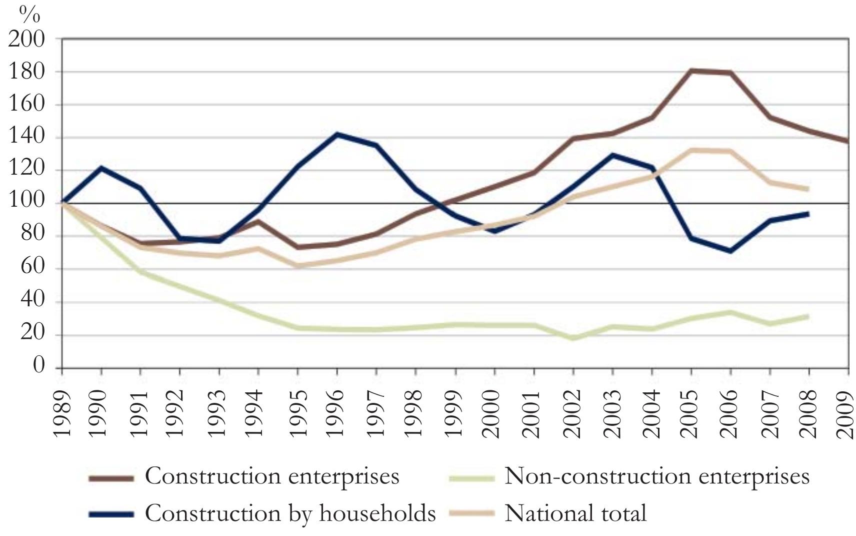
The structural change in industry was mainly characterized by a significant (post-crisis) increase in the proportion of the manufacture of machinery and equipment n.e.c. and a renewal in the internal structure of this sector, in which the manufacture of transport equipment and the manufacture of computer, electronic and optical products were the most important. The manufacture of machinery and equipment n.e.c. accounts for nearly half of industrial output. The other sectors decreased in proportion along with this increase in share. Mining and the manufacture of textiles as well as, out of the major branches, the manufacture of food products show the sharpest – trend-like – decrease in data.

The proportion of industry in the gross value added was 30% in 1989, 29% at the turn of the millennium and 25% in 2009. Foreign owned corporations, in terms of gross value added, played a major role in manufacturing (60%) and mining (55%).

Along with the transition to market economy there was an immediate downturn in **construction** as a result of a sharp decrease in construction demand. As a consequence of the economic growth started in the second half of the nineties there was an increase in investment demand, therefore construction has shown an ongoing increase in output since 1996. At first this increase resulted from buildings, while from the turn of the millennium onwards from civil engineering works – roads and other infrastructural facilities. In the last 20 years national construction output peaked in 2005 with an output volume one fifth higher than in 1989.

In 2006 this dynamic increase was followed by a decrease first of all as a result of a halt in investments and changes in government housing subsidies. In the following years this reduction was further deepened by the economic crisis. In 2008, construction activities, as a total, were 8.4% higher in volume than in 1989.

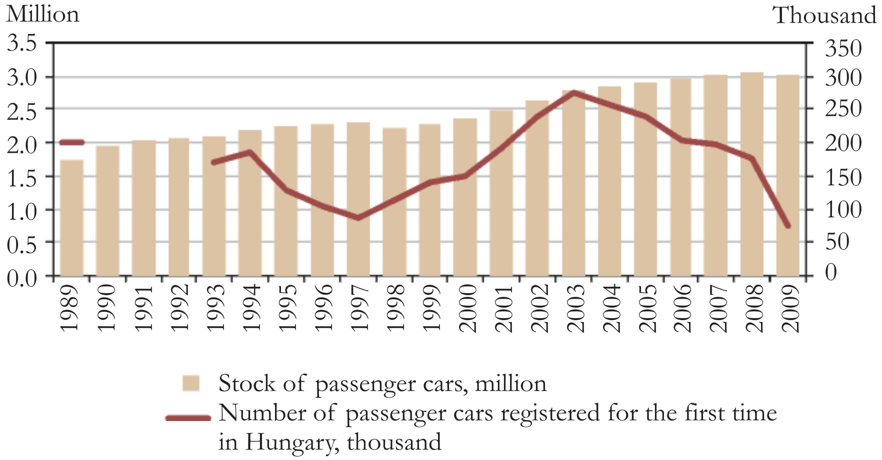
Figure 27 **Construction output by contractor**
(1989=100)



Between the year of the regime change and 2008 the share of construction enterprises in the national construction output increased from three-fifths to four-fifths, because non-construction enterprises sharply decreased in output to nearly one third compared to two decades ago. In the observed period residential constructions showed an uneven performance accounting for over one tenth at the turn of the millennium and for a lower proportion in the last few years.

The performance of **goods transport** expressed in freight ton-kilometres showed a sharp decrease in the first half of the 1990s, the performance of 1994 was less than half compared to five years ago. In the second half of the 1990s the performance fluctuated and it was a tenth higher in 2001 than six years ago. Between 2003 and 2007 there was a significant increase of 65%, then over the last two years of the period – in connection with the global crisis and the related decline in goods production – a 7% decrease took place.

Figure 28 **Stock and first-time registration of passenger cars**



Over the observed two decades, there was a significant shift in the branches of transport. The proportion of road transport increased from 21% in 1989 to 70% in 2009. Rail transport decreased from 58% to 15% and inland water transport from 6% in 1989 to 4%. The shift in transport modes is one of the consequences of the economic transformation, because there was a significant decrease in demand for bulk goods like cereals, raw materials for metallurgy that can be cheaply transported on rails and waterways and an expansion in road goods transport as a result of an increase in demand for point-to-point transport and a significant increase in the number of enterprises.

In the years following the regime change the performance of interurban passenger transport expressed in passenger kilometres also showed a sharp decrease, the level of 1993 accounted for less than three quarters compared to four years ago. Since 1994 there had been an ongoing increase over a decade exceeding the level of 1989 in 2000 for the first time. Over the past two decades performance peaked in 2006 with a 10% higher value than in 1989. This was followed by on ongoing decrease, as a result of which the level of 2009 was slightly lower (by 1.5%) than twenty years ago.

Out of transport modes only air transport showed an increase in performance, its level of 2009 is a 3.5-fold increase on twenty years ago. In 2009, the proportion of bus/coach transport (45%) was practically the same as in 1989, as opposed to rail transport (32%), which showed a 15-percentage-point decrease on 20 years ago.

Urban passenger transport – except for the period between 1998 and 2000, when there was a slight increase – essentially showed an ongoing decrease over the past twenty years. The volume of 2009 – expressed both in terms of the number of passengers and passenger kilometres – was less than six tenths compared to twenty years ago. All transport modes decreased in performance, in terms of the number of passengers, buses/couches accounted for nearly half, while trams and trolleybuses for a combined total of around two thirds compared with the performance of twenty years ago. Out of transport modes the metro and the underground, in terms of combined number of passengers, showed the smallest decrease (14%) compared to two decades ago.

Along with a fall in public transport there was a significant increase in the performance of the means of individual transport. Over 20 years, the number of passenger cars showed an expansion of 1 million 280 thousand, along with this there was an ongoing modernization and the increase of fuel prices was less than that of ticket prices in public transport.

In the field of **telecommunications,** the processes of the last 20 years resulted in a complete transformation in the characteristics of services: there is a much wider group of users, the services are integrated and the telecommunication devices became multifunctional.

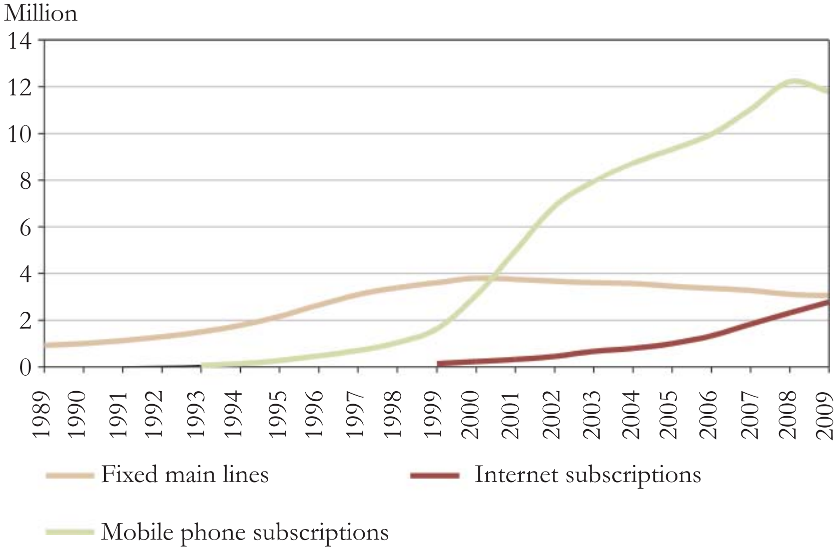
The number of fixed lines increased 3.9-fold from 916 thousands over ten years. However, fixed lines lost their dominance by the turn of the millennium. In 2002, both the number of mobile subscriptions and the number of calls from mobile networks exceeded the number of fixed lines and calls from fixed networks. The significance of mobile phone is great not only as a device that transmits and receives sound: today, on an annual basis, nearly 1.9 billion SMS and 21 million MMS are sent by the users. Cable television started to spread at the beginning of the 1990s: the number of connected households increased from the level of nearly 1.4 million in 1994 to nearly 2.2 million in 2009. Nowadays fixed lines, which, at the beginning, were mainly used for conversations, are used to provide internet and information services, while cable TV networks are used to provide phone and internet services.

In 1989, the Hungarian Television had two channels with programmes broadcasted by terrestrial antennae. As a result of the establishment of the Duna Television at the beginning of the 1990s and the commercial channels launched in 1997 there was an increase in the running time of programmes and a transformation took place in the structure of programmes: nowadays there are hundreds of programmes and there was a multiple increase in the combined weekly running time.

Between 1995 and 2008, in the institutes of the central government the number of personal computers increased 3.5-fold. In 2009, more than half of households had a computer and 89% of enterprises used PCs. The number of internet subscriptions increased 16-fold over ten years from 145 thousand in 1999. 55% of households, 87%

of enterprises and 98% of public administration had internet access. By mode of access the role of public switched networks became insignificant, while the share of broadband services increased to two thirds. The wireless technology accounted for three-tenths of all connections. In 2009, the half of enterprises, 72% of government institutions had a website.

Figure 29 **Number of fixed line, mobile phone and internet subscriptions**



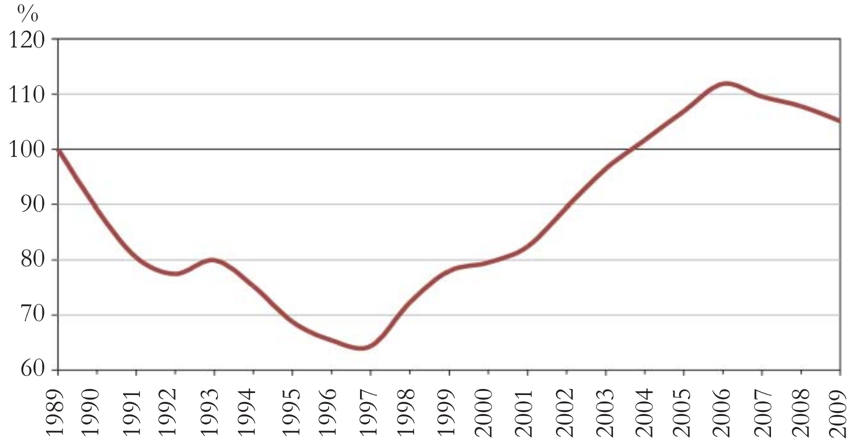
In 2009, there were 14% fewer post offices in the country than twenty years ago. A decrease was seen in the monopolies of the Hungarian Post Office Ltd.: there are competitors in mail traffic and, from 2007 onwards, in newspaper distribution. As a result of this and the spread of alternative services there is a decrease in mail traffic: in 2009 the number of parcel deliveries was the fraction of the earlier data, while that of letters was the same as in 1990. The number of telegrams decreased to 4% over 20 years.

In the field of **retail trade**, one of the major changes was a sharp increase in the number of shops: nowadays there are two and a half times more shops in the country than twenty years before. However, the number of settlements with at least one shop or market – in conjunction with the situation of settlements with an ageing and decreasing population, decreasing purchasing power and the attraction of hypermarkets – started to decrease at the beginning of the 2000s. Before the regime change there were very few shopping centres in the country, but their number increased dynamically at the beginning of the 1990s, similarly to that of the hypermarkets that have a very large floor area. Today there are four significant hypermarket chains in Hungary, which had 136 hypermarkets in 2008. At the end of 2008 the number of shopping centres was 103. The shop network showed a significant concentration: the proportion of enterprises owned by sole proprietors fell from 59% in 1991 to 37%.

The proportion of shops specialized in retail sales of food, beverages and tobacco has decreased, especially since the turn of the millennium. The number of units specialized in the retail sale of automotive fuel, in line with the demand from motorization, more than doubled by 2006; however, there was a decrease of around 10% in 2007–2008. Forms of sales not typical earlier appeared and spread as a result of technical or other reasons: mail order as well as online sales that partially overlap the former.

The volume of sales, except for one year, continued to decrease until 1997 with a total of 35% over seven years, followed by a boom between 1998 and 2006. Since 2007, there has been a decrease in sales, so the level of 2009 was around 5% higher than at the time of the regime change. All in all, it is lower than the increase in the purchasing power and consumption of the population, mainly as a result of an increase in the proportion of services. However, between 2005 and 2007 the increase of sales was higher than that of incomes; the people financed this difference by loans.

Figure 30 **Volume of retail sales***
(1989=100)



* Retail sales including vehicles and fuel up to 2000, from 2001 retail sales including fuel (excluding vehicles).

Political changes, e.g. the introduction of world passport, decreases in and finally the elimination of foreign exchange restrictions, which occurred around the regime change, exerted a significant impact on **tourism**. The number of Hungarians travelling abroad, compared to 1987, doubled over two years, then it varied around 11–14 million. Since the year of our EU accession, the number of those travelling abroad has been at a slightly higher level of around 17–18 million. In 2009, a total of around 41 million visitors came to our country, two thirds more than in 1989, the year of 2004 having resulted in an impetus in this respect, too.

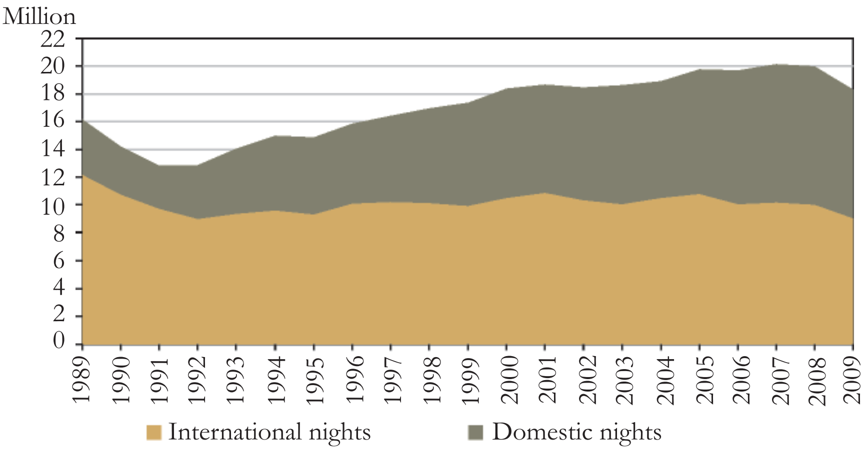
This increase in arrivals was also facilitated by the diversification of the accommodation and product supply. The number of world heritage sites increased from two in 1987 to eight in 2002. The number of hotels increased more than 2.5 fold and there was a dynamic increase in the number of other accommodation establishments along with an increase in the proportion of higher category accommodation units. In addition to the spas of long traditions, experience baths and slide parks came into existence attracting younger and more active people as well as providing incentives for new hotel investments.

In public accommodation establishments the number of international nights accounts for around three quarters compared to twenty years ago, while domestic arrivals more than doubled. All in all, in 2009 13% more nights were recorded in public accommodation establishments than in 1989. In terms of arrivals, by type of accommodation, the proportion of hotels sharply increased, but they showed a decrease in occupancy along with an increase in capacity.

The number of nights recorded at private accommodation units fell to around one third; in terms of volume, it accounted for one fifth of arrivals in public accommodation establishments.

Tourist arrivals show a strong, but slightly lower regional concentration than at the time of the regime change. The capital and the Lake Balaton accounted for 96% of nights spent in accommodation establishments and 94% of foreign arrivals; nowadays these two priority resort areas account for the half of all tourism nights and seven tenths of foreign arrivals. First of all it results from a decrease in length of stay, not from a decrease in proportion in terms of the number of arrivals.

Figure 31 **Number of tourism nights registered at public accommodation establishments**



The role of organized trips has been declining: between 1989 and 2008, in terms of proportion of international visitors, package holidays decreased from 5% to 2.2%.

In 2009, there were more than twice as many **catering units** in the country as twenty years ago. At current prices, sales increased 6.6-fold; however, at constant prices they were 15% less than at the beginning of the observed period. In food services in public catering the proportion of catering units serving hot meal increased from 22% to 24%. The significance of canteens decreased by the middle of the 1990s, since then, in terms of the number of units, they have accounted for a similar proportion – more than one tenth – as in 1989.

Environment and energy

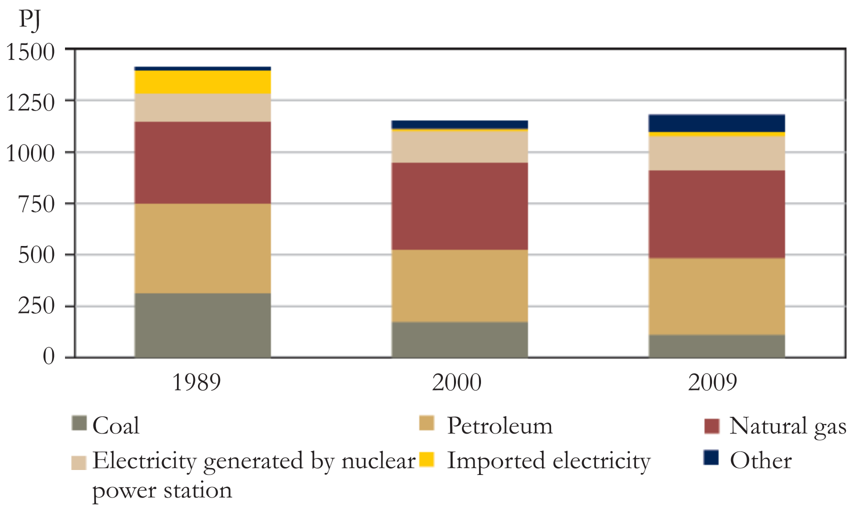
In the past twenty years there was a decrease of one fifth in the **energy** consumption of the country compared to 1989. This fall occurred mostly at the beginning of the 1990s as a result of a fall in economic performance partly because of a significant increase in the price of energy sources as well as owing to economic structural change linked to both. Since then there has been a fluctuation in the consumption of energy.

In energy consumption the proportion of productive sectors decreased along with a concomitant increase in the proportion of households and communal consumers. The economy showed a decrease in energy demand, over 20 years, energy consumption per unit of GDP decreased by 37%.

The domestic output of energy sources decreased by 35% compared to 1989 along with a slight increase in their imports. As far back as 1989 imports accounted for more than half (52%) of the consumption of energy, this proportion increased to 62% by 2009. In terms of energy sources from extraction and imports, the proportion of natural gas showed a significant increase, that of coal a sharp decrease and that of electricity imports a significant decrease.

The role of renewable energy sources increased both in extraction and use, however, they accounted for only a small proportion. In the past 20 years there was an increase in the use of solar and wind energy along with that of more traditional renewables (firewood, geothermal energy).

Figure 32 Structure of energy sources



Over the past 20 years, there was an improvement in the natural **environment** of Hungary, reaching a favourable status in international comparison as well. As a result of a structural change in industry and a decrease in the use of energy as well as a change in its composition there was a decrease in the volume of the emission of pollutants. Transport replaced industry as the main source of air pollution.

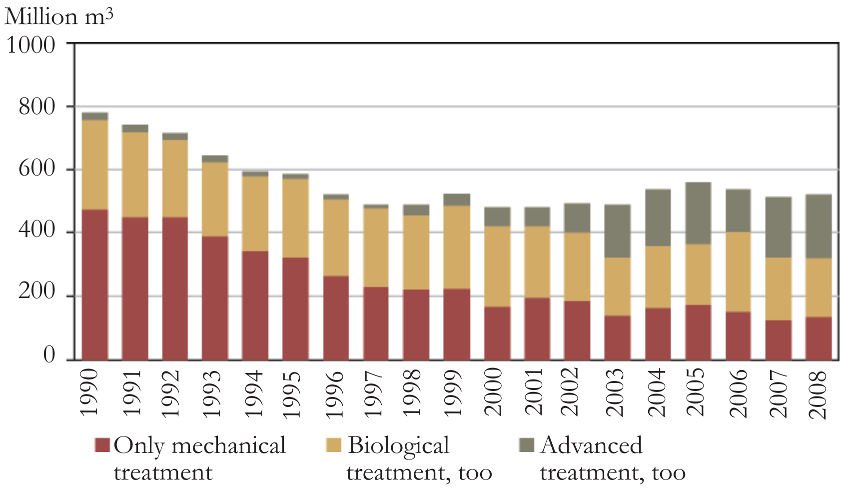
There was an increase in the area of forests. Drought and the increase in wildlife population pose the main threat to them. The quality of the latter is world famous, but there is an increasing difficulty in reconciling the interests of forest and game management.

Areas under nature protection account for more than one fifth of the area of the country. The size of protected areas increased by more than one third compared to 20 years ago. Natura 2000 areas designated by the EU at the end of 2004 are only to protect certain species and types of habitat in terms of management practices. These latter areas partially overlap the areas of nature conservation, benefiting from total protection. One of the 6 bio-geographical regions of the Union – with habitats of European significance – is mainly in our country.

Agriculture accounts for nearly two thirds of our areas. The use of herbicides fell to less than half at the beginning of the 1990s, however, after the turn of the millennium there was a slow increase in their use. Organic farming as a sustainable form of farming is not detrimental to the environment. Domestic production having started in the middle of the 90s, increased 10-fold over ten years, however, it accounts for only 2% of the total area and there was a decrease in the area of this type of production after the reduction of the related subsidies in 2005.

In an international context Hungary has a significant water reserve. Since the beginning of the 1990s there has been an ongoing decrease in the use of water first of all as a result of a structural change in the economy and a multiple increase in the price of water. Over the past 20 years there was an increase of around one fourth in the length of the water-pipe network ensuring access to all settlements. The sewerage network increased 3.5-fold, at present the half of the settlements and 70% of households have access to public sewers.

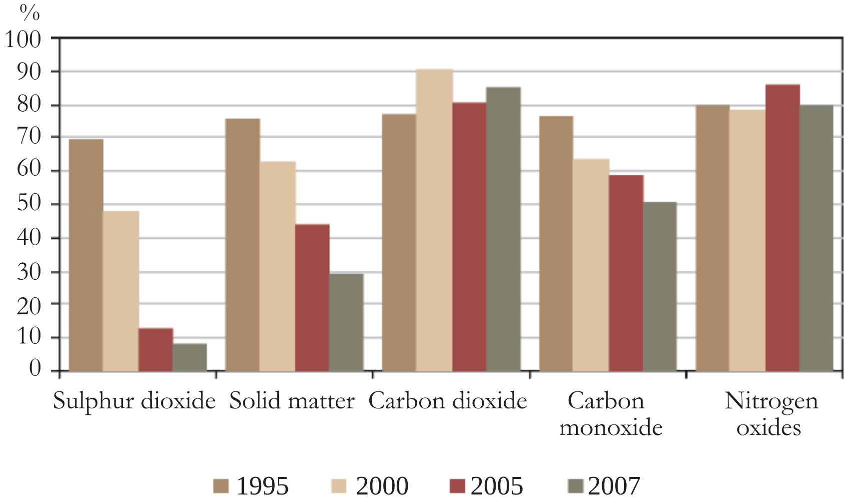
Figure 33 **Municipal waste water treatment**



Traditional waste collection accounts for the overwhelming majority of municipal waste collection, selective waste collection represents 15% of the total volume. Landfill, which is the least environmentally friendly mode of treatment, accounts for three quarters.

Figure 34

Emission of air pollutants
(1990=100)



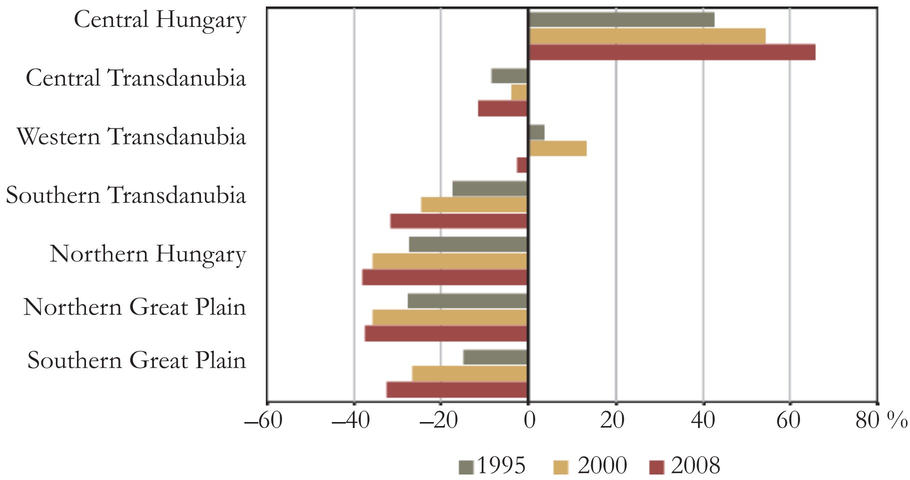
Regions

Socio-economic development resulted in significant regional disparities in most aspects. Of them disparities in economic development, employment and living standard are important and easy to describe. Over the last one and a half-two decades these disparities showed no decrease in most cases, remained unchanged in others, but mainly increased.

The **gross domestic product** per inhabitant is the most frequently used indicator to highlight the spatial disparities of economic development. Related regional data have been accessible since the middle of the 1990s. These show that:

- In 1995, the development level of Central Hungary was the highest, 43% above the national average, a precedence that rose to 66% by 2008.
- In Western and Central Transdanubia the per capita output was around the national average with some fluctuation, out of them the indicator of Western Transdanubia was mainly above average, while that of Central Transdanubia was only near to it and it lagged behind more and more in the recent years.
- In the middle of the 1990s, the development level of Southern Transdanubia and Southern Great Plain was significantly, by 17 and 15% below the national average, respectively; both regions showed an ongoing increase in disparity amounting to 32–32% in 2008.
- Northern Hungary and Northern Great Plain were the least developed in 1995: 27–27% below the national average. This divergence showed a significant increase by the turn of the millennium and a lower one since then amounting to 38 and 37%, respectively in 2008.

Figure 35 Difference of regional per capita GDP values from national average



Since 1992, in Central Hungary as well as in Western and Central Transdanubia, the **rate of employment** has continued to be above the national average. In a regional context, in these regions, the employment level of 2009 decreased less and there was a slight increase in Central Transdanubia. Regional disparities showed an increase; especially the two northern regions are lagging behind. In 1992 Central Hungary and Northern Hungary showed a difference of 10 percentage points in terms of rate of employment; at the end of the period Central Hungary and Northern Great Plain represented the extremes with a difference of 13 percentage points. There was a high level of **unemployment** along with the low level of employment. Over this period, in terms of this indicator, there was an increasing divergence, share of jobseekers accounted for 14–15% in the two northern regions in 2009.

The regions show an interaction between economic development and investments: developed areas attract capital; investments are an incentive to growth. **Investment** per capita was more or less above or near the average in the more developed regions, while Northern Hungary, Northern Great Plain and Southern Great Plain were significantly below average. All that was more pronounced in case of foreign direct investments. Out of a total of over HUF 15 trillion of **foreign direct investments** in Hungary in 2008, businesses headquartered in Central Hungary accounted for HUF 10 trillion. In terms of the per capita amount Central Hungary and Western Transdanubia were above (by 30%) the national average, while the other regions were below that.

There is a relatively low correlation between earnings and economic development. In terms of net **average earnings** the regions show a less marked difference than in per capita output. Central Hungary has the highest net average earning level, which is 15–16% more than the average, while the regions of Northern and Southern Great Plain have the lowest, 16–17% less than the average.

The state of the economy, especially the opportunity to obtain a job, plays a major role in the population retention potential of the given area. After 1990 **internal migration**, as an outcome, was characterized by east-west flows. Two north-eastern regions, Northern Hungary and Northern Great Plain, showed significant losses in migration, these two areas accounted for a combined negative balance of 175 thousand people over this period. The loss in population resulting from out migration is several times more than that resulting from natural decrease. At the same time in addition to the region of Central Hungary, which traditionally has a migration surplus, Central and Western Transdanubia became more and more a host area. In the past three years there has been an increase in disparities: the surplus of Central Hungary amounted to 7.8–8.0 per mille, while the loss of Northern Hungary to 7.1–7.7 per mille.

Life expectancy at birth refers to living conditions and the related changes. Between 1990 and 2008 it increased by 4.5 years nationally. Central Hungary, where the life prospects are most favourable, accounted for the largest increase (nearly 5 years). Northern Hungary, which had the lowest life expectancy earlier too, showed the lowest increase (3.7 years). In terms of data by sex, men show larger regional disparities. The life expectancy in Central Hungary of 71.1 years is 3.2 years more than in Northern

Hungary. In case of women there is a more even distribution: they have the longest life expectancy of 78.7 years in Western Transdanubia, 2.6 years more than in Northern Hungary.

The country showed an increase in the number of **settlements** over the 1990s, mainly as a result of disintegration of previously integrated settlements. As a consequence of the process of urbanization and the change in attitudes, more and more settlements were granted city status. Over two decades the number of towns of county rank increased by 15 to 24 (together with the capital), that of other towns by 149 to 306. Nine tenths of settlements, more than 2800 villages, account for 31% of the population. Hamlets and small villages, which are mainly concentrated in Western and Southern Transdanubia as well as in Northern Hungary, account for more than half of the total number of villages.

THEMATIC TABLES

Explanation of symbols:

– = Non-occurrence.

.. = Not available.

\+ = Preliminary data.

–, | = Break in series (limited comparability).

List of Thematic Tables

1. Comprehensive time series

1.1. Population, employment, unemployment

(thousand persons)

Year	Population (at the beginning of the year)	Among population aged 15–64	
		employed	unemployed
1989	10,421	..	..
1990	10,375	4,880[a]	62.4[a]
1991	10,373	..	..
1992	10,374	3,966	441.8
1993	10,365	3,725	511.9
1994	10,350	3,653	443.9
1995	10,337	3,590	414.3
1996	10,321	3,580	397.8
1997	10,301	3,591	345.7
1998	10,280	3,676	310.4
1999	10,253	3,786	285.1
2000	10,222	3,832	263.2
2001	10,200	3,850	233.9
2002	10,175	3,850	238.4
2003	10,142	3,897	244.3
2004	10,117	3,875	252.4
2005	10,098	3,879	303.1
2006	10,077	3,906	316.5
2007	10,066	3,897	311.7
2008	10,045	3,849	328.8
2009	10,031	3,751	420.3
2009/1989, %	**96.3**	**..**	**..**

[a] Experts' estimation referring to the population aged 15–74.

1.2. Income, consumption

(index, previous year=100.0)

Year	Real wage	Real pension	Real income	Household consumption (per capita)	Consumer prices
1989	99.9	100.7	103.3	105.4	117.0
1990	94.3	97.5	98.0	94.8	128.9
1991	93.0	92.5	98.3	91.0	135.0
1992	98.6	95.0	96.5	100.2	123.0
1993	96.1	96.3	95.2	102.2	122.5
1994	107.2	102.3	102.6	100.1	118.8
1995	87.8	89.5	94.6	93.2	128.2
1996	95.0	91.4	96.8	97.1	123.6
1997	104.9	100.2	100.3	101.6	118.3
1998	103.6	106.4	102.4	104.1	114.3
1999	102.5	103.2	101.4	105.8	110.0
2000	101.5	101.4	102.6	104.1	109.8
2001	106.4	106.5	104.6	104.5	109.2
2002	113.6	110.0	106.4	110.2	105.3
2003	109.2	108.5	105.2	108.3	104.7
2004	98.9	103.9	103.2	103.4	106.8
2005	106.3	107.8	102.8	103.6	103.6
2006	103.6	104.5	102.2	102.0	103.9
2007	95.4	99.8	95.5	98.6	108.0
2008	100.8	103.4	..	99.5	106.1
2009	97.6	94.3	..	93.4	104.2
2009/1989, %	**113.4**	**111.3**	**..**	**116.5**	**1,332.1**

1.3. Living conditions

Year	Hospital beds in operation	Number of patients per General Practitioner	Inhabitants per family paediatrician /General Practitioner	New dwellings put to use	Registered crimes, thousand	Registered perpetrators	Perpetrators with definitive sentence
						thousand persons	
1989	101,758	8,907	1,842	51,487	225.4	88.9	64.7
1990	101,954	9,604	1,769	43,771	341.1	112.3	47.7
1991	100,747	8,555	1,748	33,164	440.4	122.8	65.6
1992	98,532	10,408	1,680	25,807	447.2	132.7	77.5
1993	100,438	10,312	1,622	20,925	400.9	122.6	74.5
1994	98,453	10,117	1,588	20,947	389.5	119.5	78.3
1995	92,603	9,864	1,579	24,718	502.0	121.1	85.7
1996	91,514	9,665	1,555	28,257	466.1	122.2	83.3
1997	83,485	9,603	1,531	28,130	514.4	131.0	88.1
1998	83,770	9,727	1,512	20,323	600.6	140.1	97.3
1999	83,992	10,214	1,516	19,287	505.7	131.7	96.2
2000	83,430	10,306	1,516	21,583	450.7	122.9	95.2
2001	80,504	10,458	1,516	28,054	465.7	120.6	95.3
2002	80,340	10,663	1,513	31,511	420.8	121.9	99.7
2003	79,832	10,962	1,513	35,543	413.3	118.1	94.2
2004	79,605	11,352	1,525	43,913	418.9	130.2	99.0
2005	79,605	11,748	1,529	41,084	436.5	133.8	98.5
2006	79,847	12,315	1,535	33,864	425.9	124.2	97.4
2007	71,902	10,319	1,540	36,159	426.9	116.2	87.5
2008	70,971	10,721	1,529	36,075	408.4	116.6	84.5
2009	..	..	..	31,994	394.0	112.8	86.9
2009/1989, %	**69.7**[a]	**120.3**[a]	**83.0**[a]	**62.1**	**174.8**	**126.9**	**134.3**

[a] 2008/1989.

1.4. Education

(thousand persons)

Year	Nursery school children	Number of primary school students, full-time courses	Number of secondary school students, full-time courses	Number of vocational school students, full-time courses	Number of students in tertiary education, all courses
1989	392	1,222	274	216	101
1990	392	1,166	292	225	108
1991	395	1,112	313	226	115
1992	395	1,072	330	216	126
1993	398	1,032	343	204	145
1994	397	1,002	356	191	170
1995	401	988	373	178	196
1996	396	976	388	164	215
1997	385	973	396	149	255
1998	376	973	406	133	279
1999	367	970	417	122	306
2000	353	958	418	126	327
2001	342	944	421	131	349
2002	332	930	426	131	382
2003	328	910	438	132	409
2004	326	888	439	132	422
2005	327	859	441	131	424
2006	328	829	443	129	416
2007	324	809	442	133	398
2008	326	789	440	134	381
2009	329	773	443	139	370
2009/1989, %	**83.9**	**63.3**	**162.0**	**64.3**	**366.8**

1.5. Culture

Year	Published books and booklets, thousand	Copies of published books, million	Cinema	Theatre	Museum
			admissions, per thousand inhabitants		
1989	8.6	123.7	4,398	491	1,537
1990	8.3	125.7	3,495	482	1,349
1991	8.1	100.0	2,099	493	1,150
1992	8.5	88.1	1,475	460	980
1993	9.2	77.2	1,440	429	907
1994	10.1	75.6	1,551	404	1,035
1995	9.3	66.9	1,373	398	886
1996	9.2	53.2	1,304	382	970
1997	9.3	48.4	1,632	401	933
1998	11.3	49.9	1,438	407	990
1999	10.3	47.3	1,432	399	965
2000	9.6	37.0	1,426	393	987
2001	9.0	33.3	1,543	383	947
2002	10.2	46.7	1,504	409	962
2003	9.5	33.6	1,348	414	1,019
2004	11.9	33.3	1,346	432	1,137
2005	13.6	42.6	1,199	437	1,139
2006	11.7	39.5	1,155	413	1,154
2007	13.6	43.8	1,085	403	1,111
2008	15.3	44.5	1,164	406	1,014
2009	13.6	37.6	1,058	441	920
2009/1989, %	**157.6**	**30.4**	**24.1**	**89.8**	**59.9**

1.6. Processes in the real economy

Year	Gross domestic product	Investments	External trade		Current account	General government
			imports	exports	balance as a percentage of GDP	
	volume index, previous year = 100.0					
1989	100.7	104.1	101.1	100.3	..	..
1990	96.5	90.2	94.8	95.9	0.4	..
1991	88.1	87.7	107.1	95.1	0.8	–3.0
1992	96.9	98.5	92.4	101.0	0.8	–6.2
1993	99.4	102.5	120.4	86.9	–9.0	–6.0
1994	102.9	112.3	114.5	116.6	–9.4	–7.6
1995	101.5	94.7	96.1	108.4	–3.6	–3.5
1996	101.0	105.3	105.5[a]	104.6[a]	–3.8	0.8
1997	104.3	108.6	126.4	129.9	–4.3	–1.7
1998	105.2	112.7	124.9	122.5	–7.0	–6.0
1999	104.2	105.4	114.3	115.9	–7.7	–3.4
2000	104.9	106.7	120.8	121.7	–8.5	–3.3
2001	104.1	104.7	104.0	107.7	–6.0	–2.8
2002	104.4	110.0	105.1	105.9	–7.0	–9.7
2003	104.3	101.0	110.1	109.1	–8.0	–5.8
2004	104.9	108.9	115.2	118.4	–8.3	–6.3
2005	103.5	104.3	106.1	111.5	–7.2	–4.9
2006	104.0	98.8	114.4	118.0	–7.1	–9.3
2007	101.0	100.0	112.0	115.8	–6.5	–5.4
2008	100.6	98.1	104.3	104.2	–7.1	–3.4
2009	93.7	91.4	83.0	87.8	0.2	–3.9
2009/1989, %	**126.2**	**144.1**	**466.3**	**487.8**	**–**	**–**

[a] Excluding customs free zones.

1.7. Agriculture, industry, construction, transport

(previous year = 100.0)

Year	Gross agricultural production	Industrial production	Construction output	Interurban	Urban
	volume index			passenger transport performance (in passenger kilometres)	
1989	98.2	95.0	101.9	96.4	95.1
1990	95.3	90.7	86.2	94.6	92.4
1991	93.8	81.7	87.4	86.9	92.3
1992	80.0	90.3	101.5	93.9	92.0
1993	90.3	104.0	103.2	96.5	98.4
1994	103.2	109.6	112.4	103.8	99.1
1995	102.6	104.6	82.4	105.1	98.2
1996	106.3	103.4	102.7	103.6	98.3
1997	96.7	111.1	108.1	103.6	93.6
1998	100.6	112.5	115.3	103.0	102.2
1999	100.4	110.4	109.0	107.7	100.0
2000	93.6	118.1	107.9	104.4	101.4
2001	115.8	103.7	107.7	100.6	99.7
2002	96.3	103.2	117.5	102.2	99.6
2003	96.0	106.9	102.2	101.2	99.6
2004	122.8	107.8	106.8	103.0	99.1
2005	90.8	106.8	118.8	98.2	95.9
2006	97.8	109.9	99.3	103.7	97.5
2007	88.8	107.9	84.8	96.9	96.8
2008	127.7	100.0	94.6	96.7	99.3
2009	90.0	82.3	95.7	95.3	94.2
2009/1989, %	**79,2**	**164,0**	**137,6**	**98,5**	**59,5**

1.8. Telecommunications, trade, catering

Year	Main fixed telephone lines switched on to the network	Mobile telephone subscriptions	Retail trade turnover	Turnover of catering units
	thousand		volume index, previous year=100.0	
1989	916	..	99.8	100.3
1990	996	..	91.9	96.7
1991	1,129	5	90.2	89.5
1992	1,292	23	96.3	106.8
1993	1,498	70	103.2	100.1
1994	1,785	142	94.1	..
1995	2,157	267	91.4	99.0
1996	2,651	473	95.1	93.6
1997	3,095	706	98.4	106.8
1998	3,385	1,034	112.3	104.6
1999	3,609	1,620	107.9	113.9
2000	3,801	3,076	102.0	83.1
2001	3,746	4,967	103.6	104.2
2002	3,670	6,886	108.6	104.1
2003	3,607	7,945	107.8	97.3
2004	3,570	8,727	105.4	102.7
2005	3,453	9,320	105.1	105.7
2006	3,365	9,966	104.7	96.1
2007	3,282	11,030	97.9	96.3
2008	3,115	12,224	98.4	94.9
2009	3,060	11,792	94.6	92.9
2009/1989, %	**334.1**	**..**	**105.1**	**..**

1.9. Environment, energy

Year	Carbon dioxide emissions, kg/capita	Energy consumption	
		total, PJ	per unit of GDP, previous year = 100.0
1989	7,486	1,316.3	98.3
1990	6,988	1,203.7	94.8
1991	6,645	1,163.6	109.7
1992	6,032	1,059.4	94.0
1993	6,112	1,075.8	102.2
1994	6,011	1,068.2	96.5
1995	5,943	1,084.6	100.0
1996	6,081	1,111.9	101.5
1997	5,926	1,086.8	93.7
1998	5,871	1,083.3	94.8
1999	5,886	1,077.5	95.5
2000	5,727	1,055.1	93.3
2001	5,898	1,087.3	99.0
2002	5,748	1,066.8	93.5
2003	6,050	1,091.6	98.6
2004	5,911	1,088.1	95.0
2005	6,035	1,153.2	102.4
2006	5,919	1,152.0	96.1
2007	5,751	1,125.4	96.7
2008	5,597	1,126.3	99.5
2009	..	1,040.0	98.5
2009/1989, %	**74,8**[a)]	**79.0**	**62.6**

[a)] 2008/1989.

2. Population, vital events

2.1. Number and composition of the population
(at the beginning of the year)

Denomination	1989	2001	2005	2008	2009
Population, thousand	10,421	10,200	10,098	10,045	10,031
Age composition of the population, %					
0–14 year-old	20.8	16.6	15.6	15.0	14.9
15–64 year-old	66.1	68.3	68.7	68.8	68.8
65 year-old and older	13.1	15.1	15.6	16.2	16.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Distribution of population aged 15 years and over by marital status, %					
Single	19.7	27.1	29.4	31.1	31.7
Married	62.3	52.4	49.4	47.2	46.5
Widowed	11.2	11.6	11.5	11.4	11.3
Divorced	6.8	8.8	9.7	10.3	10.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

2.2. Factors of changes in the population number

(per mille)

Denomination	1990–1994	1995–1999	2000–2004	2005–2009
Live births	11.7	9.9	9.5	9.8
Deaths	14.2	13.8	13.2	13.1
Natural decrease	–2.5	–3.9	–3.7	–3.4
Net international migration	1.8	1.7	1.3	1.7
Actual change in population	–0.7	–2.2	–2.4	–1.7

2.3. Fertility, infant mortality

Denomination	1989	2001	2005	2008	2009
Total fertility rate	1.78	1.31	1.32	1.35	1.33
Mean age of women at birth of the first child, year	23.07	25.33	26.96	27.70	..
Distribution of 15–49-old women by the number of live born children, % (1 January)					
childless	29.1	37.2	40.5	42.7	43.2
with one child	22.4	19.9	19.9	20.0	20.1
with two children	36.3	30.7	27.5	25.3	24.7
with three or more children	12.2	12.2	12.2	12.0	11.9
Proportion of extramarital children, %	12.4	30.3	35.0	39.5	40.8
Infant death (per thousand live births)	15.7	8.1	6.2	5.6	5.1

3. Employment, unemployment

3.1. Summary labour market data (among population aged 15–64)

(%)

Denomination	1990[a]	2000	2008	2009
Employment rate	63.6	56.0	56.7	55.4
Of which:				
men	71.7	62.7	63.0	61.1
women	56.2	49.6	50.6	49.9
Unemployment rate	1.3	6.4	7.9	10.1
Of which:				
men	1.4	7.1	7.7	10.3
women	1.1	5.7	8.1	9.8

[a] Experts' estimation relating to the population aged 15–74.

3.2. Distribution of employed and unemployed people by highest educational attainment (among population aged 15–64)

(%)

Denomination	Employed			Unemployed		
	1992	2000	2009	1992	2000	2009
Primary school or lower	28.5	17.3	11.5	44.2	32.4	31.6
Vocational, apprentice school	27.2	32.5	30.2	32.0	38.8	33.8
G.C.S.E.	29.9	33.1	34.4	20.3	24.8	25.6
College	8.2	10.1	14.6	2.1	2.7	6.7
University	6.2	7.0	9.3	1.4	1.3	2.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

3.3. Number and distribution of employed persons by industries (among population aged 15–64)

Denomination	Number, thousand people			Distribution, %		
	1990[a]	2000	2009	1990[a]	2000	2009
Agriculture	697.2	251.9	173.5	15.4	6.6	4.6
Industry, construction	1,711.0	1,299.7	1,174.4	37.9	33.9	31.3
Services	2,107.9	2,280.4	2,403.4	46.7	59.5	64.1
Total	**4,516.1**	**3,832.0**	**3,751.3**	**100.0**	**100.0**	**100.0**

[a] In the interest of presenting the changes over twenty years, we used census data for 1990 and the data of the Labour Force Survey for the other years. Due to the methodological differences of the two surveys, comparison is limited.

4. Income, consumption

4.1. Changes of earnings

Denomination	1989	2000	2008	2009
Average monthly earnings, HUF				
gross	10,571	87,645	198,964	199,775
net	8,165	55,785	122,267	124,086
Net earnings as a percentage of gross earnings	77.2	63.6	61.5	62.1

4.2. Selected social benefits in cash as a percentage of GDP

(%)

Denomination	1989	2000	2008	2009
Pensions, retirement provisions	9.2	9.3	11.5	11.5
Family assistance	4.0	1.6	2.2	2.2
Sick-pay (together with sick-leave data)	1.2	0.6	0.6	..

4.3. Pensions and retirement provisions

Denomination	1989	2000	2008	2009
Number of recipients on 1 January, thousand people	2,431.3	3,145.1	3,053.8	3,030.7
Of which: old-age pensioners	1,371.0	1,671.1	1,716.3	1,731.2
Average amount of monthly provision per capita				
in HUF	5,319	32,986	84,306	83,393
as a percentage of average net earnings	53.1	59.1	69.1	67.2

4.4. Child care allowance and child care fee

Provision	1989	2000	2008	2009
Child care allowance				
Average number of recipients, thousand people	84.6	192.8	167.0	174.2
Average monthly amount per capita, HUF	2,660	16,602	31,381	30,716
Child care fee				
Average number of recipients, thousand people	158.4	54. 0	94.5	95.0
Average monthly amount per capita, HUF	4,340	31,448	73,902	78,719

4.5. Number of recipients of social benefits in cash

(thousand)

Denomination	1989	1993	2007	2008
Unemployment benefit[a]	8	327	96	106
Regular social support[a]	47	30	195	213
Emergency support	..	..	449	418
Benefit to maintain dwelling	..	..	343	326
Public medical treatment card	..	274	399	373
Nursing fee	..	18	52	53
Transport and car purchase support for disabled people	..	202	221	192

[a] Unemployment benefit was partly built in regular social support.

4.6. Main indicators of financial assets of households

Year	Gross financial assets	Liabilities	Net financial assets	
	trillion HUF at the end of the given year			as a percentage of GDP
1989	0.8	0.4	0.4	23.6
2000	9.7	1.2	8.6	64.2
2008	25.0	10.4	14.5	54.7
2009	27.0	10.4	16.6	63.6

4.7. Structure of household consumption

(%)

Denomination	1989[a]	2000	2007	2008
Food and non-alcoholic beverages	26.4	18.9	17.3	17.5
Alcoholic beverages, tobacco	12.8	8.4	9.4	9.9
Clothing and footwear	6.6	4.4	3.5	3.3
Housing, household energy	8.7	18.6	18.9	19.3
Furnishings, household equipment	7.5	6.5	5.8	5.5
Health	7.3	3.2	3.5	3.4
Transport, communication	9.3	18.9	19.6	19.5
Education, recreation and culture, restaurants and hotels	15.7	13.2	13.9	13.5
Other consumption	5.7	7.8	8.1	8.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

[a] Structure of consumption in 1989 is based on a slightly different classification.

4.8. Annual quantity of food consumption per capita

Food	1989	2000	2007	2008
Meat, meat products, kg	78.2	70.2	63.2	61.5
Fish, kg	2.8	3.0	3.8	3.8
Egg, piece	364	275	270	261
Milk and milk products without butter, kg	190	160.6	163.5	158.2
Oils and fats, kg	39	39.0	37.4	36.8
Flour, rice, kg	112	94.1	88.3	89.4
Potato, kg	55	64.0	59.7	65.5
Sugar, kg	41	33.2	31.2	31.9
Vegetable, fruit, kg	160	217.7	194.1	208.9

4.9. Number of consumer durable goods per hundred households

Denomination	1993	2000	2008
Refrigerator	98	85	68
Deep-freezer	57	58	51
Refrigerator with deep-freezer	..	20	39
Microwave oven	15	49	85
Washing machine, automatic, semi-automatic	44	59	83
Colour TV	73	110	151
Video-recorder	30	49	49
CD-player	..	9	36
Personal computer (PC, laptop, palmtop together)	6	14	60
Mobile phone	..	27	174
Passenger car	35	39	56

4.10. Average annual growth rate of consumer prices

(%)

Main product group	1990–1994	1995–1999	2000–2004	2005–2009	1990–2009
Food, non-alcoholic beverages	25.7	16.3	7.5	7.2	13.9
Alcoholic beverages, tobacco	22.0	18.4	10.8	5.5	14.0
Clothing and footwear	22.1	17.7	4.3	0.2	10.7
Consumer durables	17.7	13.1	-0.2	-1.2	7.0
Household energy	34.8	27.2	9.2	11.4	20.2
Miscellaneous goods, fuel	27.7	18.7	6.3	3.4	13.6
Services	27.4	20.4	7.9	5.3	14.9
Total	**25.5**	**18.7**	**7.1**	**5.1**	**13.8**

4.11. Average consumer prices

(HUF)

Product, service	1989	2009
Spare ribs, with bone, kg	120.0	1 101
Sausages, delicious, kg	327.0	4 980
Egg, 10 pieces	34.0	314
Milk, pasteurized, 2.8% fat content, l	12.8	201
Bread, home-made type, kg	15.0	293
Sugar, white, granulated, kg	28.0	215
White table wine, 1 l, bottle	48.0	457[a)]
Men's shirt, cotton, cotton-type, with long sleeves	526.0	5 768
Women's sweater, acrylic, thin, with long sleeves	576.0	4 720
Automatic washing machine, front-loader, for 4–4.5 kg clothes	19,550.0	75,160
Natural gas, piped, 10 m^3	39.2	1 070
Electricity, daytime, kWh	1.5	27
Traditional men's haircut	43.3	1 270

[a)] In 2 l bottle.

5. Living conditions

5.1. Average life expectancy at birth and main causes of death

Denomination	1989	2000	2007	2008
Average life expectancy at birth, years				
Men	65.4	67.1	69.2	69.8
Women	73.8	75.6	77.3	77.8
Together	69.5	71.3	73.3	73.8
Deaths per hundred thousand inhabitants				
Diseases of the circulatory system	714.7	687.1	661.8	645.0
Neoplasms	291.5	336.0	325.7	326.5
Diseases of the digestive system	84.5	100.2	87.7	84.4
Of which: alcoholic liver diseases	38.8	57.4	33.9	37.3
External causes	123.4	95.2	74.0	73.3

5.2. Some indicators of health care

Year	Registered inhabitants per General Practitioners	Number of performed working hours of physicians, thousand	Number of interventions per hundred inhabitants	Proportion of active hospital beds, %	Average length of stay in hospital, days	
		in outpatient service			at active wards	at chronic wards
1989	2,425	8,802	–	70	9.9	32.7
2000	1,647	15,793	–	68	6.7	22.2
2007	1,744	19,260	3,118	62	5.6	27.0
2008	1,737	19,026	3,459	62	5.5	27.4

5.3. Social care recipients and its availability

Provision	Number of recipients		Proportion of settlements providing social care as a percentage of	
	2000	2008	those obliged to provide care	all settle-ments
			2008	
Social catering	98,158	107,803	76.2	76.2
Domestic care	40,292	48,120	74.2	74.2
Family assistance	273,948	508,324	93.7	90.2
Alarm system based home assistance	–	38,091	78.5	59.4
Community care for addicts	–	7,144	36.8	23.4
Community care for psychiatric patients	–	5,455	38.2	22.0
Support service	–	19,350	84.0	56.0
Social works on streets	–	10,793	100.0	2.0
Day care for the aged	39,917	37,964	78.3	35.4
Day homes for the disabled	1,899	4,490	55.6	11.8
Day shelters	3,825	8,531	41.0	5.2
Day homes for addicts	294	1,295	16.7	3.8
Day homes for psychiatric patients	–	1,312	13.2	3.2

5.4. Annual average change in dwelling stock

Denomination	1990–1994	1995–1999	2000–2004	2005–2009
Building of new dwellings	28,923	24,143	32,121	35,835
Cessation of dwellings	5,404	6,074	5,643	4,256
Change in the number of dwellings	23,519	18,069	26,478	31,579

5.5. Dwelling stock, housing density, equipment

Denomination	1 January 1990	1 February 2001	1 January 2009
Number of dwellings, thousand[a]	3,853	4,065	4,303
Distribution, %			
with one room	17	13	12
with two rooms	44	41	40
with three or more rooms	40	46	48
Population per hundred dwellings	269	251	233
Population per hundred rooms	114	98	90
Supplied with, %			
water conduit[b]	83.3	90.6	91.4
flush toilet	74.1	85.0	86.5
bathroom or wash-basin alcove	78.3	88.7	89.8

[a] Occupied and empty dwellings and holiday houses together. [b] Dwellings supplied with public and domestic water pipes together.

5.6. Registered crimes, perpetrators

Denomination	1989	2000	2008	2009
Number of crimes, total	**225,393**	**450,673**	**408,407**	**394,034**
Of which:				
Against the person	11,224	16,591	20,880	23,914
Of which: homicide	189	203	147	138
Violating traffic rules	20,568	19,566	19,450	17,664
Against law and order	12,093	76,312	72,547	68,986
Of which:				
abuse of documents	2,367	24,604	24,432	21,975
forgery of private documents	3,767	19,921	15,401	14,454
ruffianism	3,354	7,817	10,786	10,384
forgery of official documents	1,555	11,898	8,812	9,916
abuse of drugs	53	4,667	5,458	4,823
abuse of guns and ammunition	387	1,103	837	706
Economic crimes	8,073	10,986	15,870	16,752
Against property	160,644	311,611	265,755	253,366
Proportion of detected crimes, %	..	51	59	..
Number of discovered perpetrators	88,932	122,860	116,584	112,831

5.7. Persons with definitive sentence by sex and age-groups

(per hundred thousand people of the same sex and age)

Denomination	1989	2000	2008	2009
Male convicts	1,122	2,104	1,786	1,820
Female convicts	136	260	262	285
Convicts, total	**756**	**1,127**	**976**	**1,004**
Of which:				
Juveniles	1,020	1,516	1,295	1,323
Adults	735	1,103	957	986

6. Education, science, culture

6.1. Public and tertiary education

(%)

Denomination	1989/1990	2000/2001	2008/2009	2009/2010
Nursery school children as a proportion of 3–5 year-olds	85.7	86.2	87.4	86.7
In secondary education				
share of vocational school students	44.1	23.1	23.3	23.8
share of secondary general school students	23.8	32.9	35.5	34.6
share of secondary vocational school students	32.1	44.0	41.2	41.6
Admitted full-time students as a proportion of applicants to tertiary education	34.9	54.9	77.8	67.4
Full-time students as a proportion of all students	71.8	56.2	63.8	65.5

6.2. Distribution of students in tertiary education by fields of training

(%)

Field of training	Students, total		Of which: in full-time education	
	1990/1991	2009/2010	1990/1991	2009/2010
Teacher training, education science	36.7	6.9	35.1	5.4
Arts	1.2	2.1	1.4	2.8
Humanities	1.9	8.1	1.5	9.8
Social sciences	4.3	9.7	4.1	10.5
Business and administration	9.3	24.1	6.2	18.4
Law	4.6	4.9	4.1	4.1
Science	1.6	3.7	2.1	5.1
Computing	2.6	3.2	2.4	3.8
Engineering, manufacturing and construction	19.8	15.8	21.8	18.5
Agriculture	4.9	2.5	5.8	2.4
Health and welfare	9.7	9.5	12.0	10.5
Services	3.4	9.4	3.5	8.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

6.3. Number of graduates in full-time education

(thousand persons)

Denomination	1989	2000	2008	2009
Completed 8 grades in primary school	170.9	121.1	109.7	105.8
Obtained G.C.S.E.	52.6	72.2	68.5	78.0
Of which:				
in secondary general school	24.2	32.2	33.9	40.1
in secondary vocational school	28.3	40.0	34.6	38.0
Obtained a degree in tertiary education	15.7	29.8	29.0	35.3

6.4. Research and development

Denomination	1989	2000	2007	2008
Expenditures, at current prices, billion HUF	33.8	105.4	245.7	266.4
Expenditures as a percentage of GDP	1.96	0.82	0.97	1.00
Actual staff number	42,276	45,325	49,485	50,279
Of which: researchers	20,431	27,876	33,059	33,739
Actual staff number as a percentage of total employment	0.87[a]	1.18	1.26	1.30
Corporate financing as a proportion of all expenditures, %	38.8[b]	37.8	43.9	48.3

[a] As a percentage of active earners in 1989. [b] Data of 1990.

6.5. Cultural expenditures of the population

Expenditure	1993			2008		
	on average, HUF	of which: in the lower-most	of which: in the upper-most	on average, HUF	of which: in the lower-most	of which: in the upper-most
		decile as a percentage of the average			decile as a percentage of the average	
All expenditures on culture	**7,150**	**51**	**196**	**43,667**	**41**	**229**
Of which:						
Purchase of durable goods	1,461	36	235	6,514	22	323
Books	440	30	311	4,049	44	206
Newspapers, periodicals	1,124	49	166	4,003	29	206
Theatre, cinema, concert	373	47	202	14,092	36	214
Sports goods, games and toys	534	78	154	1,791	62	166

6.6. Culture

Denomination	1989	2000	2008	2009
Number of published books per hundred thousand inhabitants	72.9	87.9	143.8	143.6
Number of service units of municipal libraries	4,284	3,132	3,327	..
Users registered in public libraries, thousand	1,534	1,357	1,430	..
Number of cinema screening rooms	2,608	564	418	379
Number of museums	752	812	666	615
Number of exhibitions organised by museums	1,932	2,804	3,232	3,048

7. Processes in the real economy

7.1. Share of industries in gross value added

(%)

Industry	1989[a)]	1991	2000	2009
Agriculture	15.6	8.6	4.3	3.0
Industry	35.5	29.1	27.8	24.9
Construction	8.4	5.5	5.2	4.8
Services, total	40.5	56.8	62.7	67.4
Of which:				
Wholesale and retail trade, catering	10.6	15.6	12.5	13.0
Transport, communication	8.2	8.4	8.5	8.2
Financial services, real estate activities	20.5[b)]	17.5	20.9	23.6
Public administration, education, health services	..	12.7	17.6	17.7

[a)] The data of 1989 are calculated by the activity classification of that time. [b)] Including public administration, education and health services.

7.2. Production and use of gross domestic product

(billion HUF)

Period	Production	Domestic use	Export (+) or import (–) surplus	
			value	as a percentage of GDP
1990–1994	15,219	15,937	–688	–4.5
1995–1999	42,530	43,151	–621	–1.5
2000–2004	85,510	87,950	–2,440	–2.8
2005–2009	123,790	121,873	1,917	1.5
Of which:				
2008	26,543	26,284	259	1.0
2009	26,095	24,266	1,829	7.0

7.3. Structure of investments

(%)

Denomination	1991–1994	1995–1999	2000–2004	2005–2009
Distribution by groups of economic branches				
Productive branches	33.8[a]	38.3	37.4	34.8
Of which: manufacturing	19.8[a]	25.2	23.9	22.7
Market services	51.0[a]	48.5	48.9	54.3
Of which: transport, communication, real estate activities	40.2[a]	37.7	39.0	43.6
Non-market (community) services	15.2[a]	13.3	13.7	11.6
Material and technical composition				
Investment in machines	39.8	43.3	44.2	41.3
Of which: domestic machines	16.3	20.0	22.8	21.2
Investment in construction	51.4	50.1	54.2	57.2

[a] Average of 1993–1994.

7.4. Foreign direct capital investments in Hungary and Hungarian investments abroad

(billion EUR)

Denomination	1995	2000	2007	2008
Foreign capital stock in Hungary	8.8	24.6	67.0	62.7
Hungarian capital stock abroad	0.2	1.4	11.8	13.6

7.5. Distribution of external trade by groups of countries

(%)

Group of countries	1989	2000	2008	2009
Imports				
Old member states (EU-15)	45.9	58.4	53.3	53.6
New member states[a]	11.0	7.7	14.7	15.3
European Union, total (EU-27)	56.9	66.1	68.0	68.9
Other European countries	30.9	11.2	13.4	10.5
Asia	5.9	16.8	16.1	17.7
America	5.2	5.4	2.4	2.8
Africa, Australia and Oceania	1.0	0.5	0.1	0.1
Total	**100.0**	**100.0**	**100.0**	**100.0**
Exports				
Old member states (EU-15)	39.2	75.1	57.2	59.4
New member states[a]	10.6	8.5	20.9	19.8
European Union, total (EU-27)	49.8	83.6	78.1	79.2
Other European countries	34.3	6.5	12.6	11.1
Asia	8.6	3.4	5.2	5.5
America	5.0	6.0	3.0	3.0
Africa, Australia and Oceania	2.2	0.5	1.1	1.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

[a] In 1989 excluding the data of Estonia, Latvia, Lithuania and Slovenia.

7.6. Annual average change of external trade prices

(%)

Denomination	1990–1994	1995–1999	2000–2004	2005–2009
Imports	17.3	16.3	1.7	1.6
Exports	15.8	16.3	0.9	0.8
Terms of trade	–1.3	0.0	–0.8	–0.7

7.7. Annual average value of the balance of external trade

(%)

Denomination	1990–1994	1995–1999	2000–2004	2005–2009
Billion HUF	–172.4	–472.9	–981.3	–64.5
As a percentage of exports	–22.8	–12.8	–10.6	–0.4

7.8. Balance of general government and its sub-systems on cash-flow basis

(billion HUF)

Denomination	1991	2000	2008	2009
General government, total	**–75**	**–442**	**–894**	**–1,016**
Of which:				
Central government	–89	–368	–870	–737
Social security funds	–16	–81	–67	–157
Local governments	20	5	16	–92
Extra-budgetary funds	9	2	28	–30

8. Sector performances

8.1. Production of basic agricultural products

(thousand tons)

Products	1986–1990	1991–1995	1996–2000	2001–2005	2008	2009
	average of years					
Cereals	14,282	11,455	11,967	13,703	16,841	13,527
Of which: wheat	6,261	4,394	4,079	4,629	5,631	4,396
maize	6,449	5,127	5,219	7,179	8,897	7,542
Sunflower	753	743	681	939	1,468	1,259
Vegetables	1,803	1,415	1,683	1,846	1,818	1,600
Fruits	1,629	1,097	912	822	840	932
Meat[a)]	1,300	913	888	869	766	..
Milk	2,748	2,157	2,064	2,029	1,846	1,753
Eggs	249	224	182	182	160	156

[a)] Pigs, cattle, sheep, horse, poultry, other animals, offal. Up to 2003 live animal exports are included. From 2004 net meat production.

8.2. Change in livestock

(thousand heads)

Livestock	1989	2000	2008	2009
Cattle	1,598	805	701	700
Pig	7,660	4,834	3,383	3,247
Sheep	2,069	1,129	1,236	1,223
Poultry	52,564	37,016	39,716	40,264
Horse	75	75	58	61

8.3. Structure of production of agricultural products

(at current prices, %)

Product	1989	2000	2008	2009
Cereals (including seeds)	22.5	22.7	30.9	25.9
Industrial crops	5.4	5.2	11.9	9.9
Forage plants	3.4	2.2	2.5	2.7
Horticultural products	5.5	10.6	9.5	10.1
Potatoes	2.1	2.4	1.5	1.5
Fruits	8.1	7.8	7.6	8.2
Other crop products	2.2	0.9	1.5	1.7
Crops and horticultural products	*49.1*	*51.8*	*65.4*	*60.0*
Live animals	..	30.2	21.6	26.4
Animal products	..	18.0	13.0	13.6
Live animals and animal products	*50.9*	*48.2*	*34.6*	*40.0*
Total	**100.0**	**100.0**	**100.0**	**100.0**

8.4. Industrial production by sub-sections

(at current prices, %)

Section, subsection	1989[a]	2000	2008	2009[b]
Mining	**5.6**	**0.5**	**0.5**	**0.5**
Manufacturing	**88.2**	**91.1**	**91.2**	**91.3**
Manufacture of food products, beverages and tobacco	17.6	13.9	9.8	11.5
Manufacture of textiles, textile products, leather and leather products	7.5	3.6	1.5	1.5
Manufacture of wood and paper products, publishing and printing	4.6	4.9	3.6	3.2[c]
Manufacture of coke and refined petroleum products	6.9	5.6	7.1	6.0
Manufacture of chemicals, chemical products and man-made fibres	9.6	6.5	6.6	7.3
Manufacture of rubber and plastic products	2.3	3.1	3.8	6.8[d]
Manufacture of other non-metallic mineral products	3.1	2.4	2.9	..
Manufacture of basic metals and fabricated metal products	13.3	7.3	7.7	6.0
Manufacture of machinery and equipment n.e.c.	6.5	3.7	5.5	4.6
Manufacture of electrical and optical equipment	10.1	24.7	24.5	24.6
Manufacture of transport equipment	5.4	14.1	16.9	17.1
Manufacturing n.e.c.	1.2	1.1	1.1	2.8
Electricity, gas and water supply	**6.2**	**8.4**	**8.3**	**8.2**[e]
Industry total	**100.0**	**100.0**	**100.0**	**100.0**

[a] Comparability of data on 1989 is limited, as a result of a change in NACE in 1992, with data referring to later years. [b] From 2009 comparability of certain sections is limited with earlier data, as a result of a change in NACE. [c] Excluding printing. [d] Ac-cording to the new NACE a single branch. [e] Excluding water provision.

8.5. Changes in the number of those employed in industry by main sub-sections

(thousand persons)

Denomination	1989	2000	2008	2009[a]
Industry total[b]	**1,273.0**	**832.4**	**747.3**	**681.7**
Of which				
Mining	93.2	6.6	4.7	4.4
Manufacture of food products, beverages and tobacco	190.9	122.8	101.3	96.5
Manufacture of textiles, textile products, leather and leather products	112.8	124.1	55.0	46.1
Manufacture of wood and paper products, publishing and printing	74.0	56.8	53.3	39.0[c]
Manufacture of chemicals, chemical products and man-made fibres	104.8	79.9	80.9	74.9
Manufacture of basic metals and fabricated metal products	72.4	75.2	85.3	71.0
Manufacture of machinery and equipment n.e.c.	422.1	236.0	264.5	207.3
Electricity, gas and water supply	42.2	72.7	46.5	70.9[d]

[a] Since 2009, as a result of a change in NACE, comparability of some branches has been limited with previous data. [b] Total industry. [c] Printing activity. [d] Including water and waste management.

8.6. Distribution of construction output

(%)

Denomination	1989	2000	2007	2008
Construction enterprises	63.6	80.0	84.7	82.2
Non-construction enterprises	27.3	7.8	6.3	8.9
Construction activity of households	9.1	12.2	9.0	8.9
Total	**100.0**	**100.0**	**100.0**	**100.0**

8.7. Distribution of the number of manual employees in construction

(%)

Denomination	1989	2000	2007	2008
Construction enterprises	56.5	71.5	80.0	79.0
Non-construction enterprises	28.6	6.9	6.2	6.2
Construction activity of households	18.9	21.6	13.8	14.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

8.8. Modal split of freight transport (based on data expressed in freight-ton-kilometres)

(%)

Denomination	1989	2000	2008	2009
Rail	58	31	18	15
Road	21	50	67	70
Inland waterway	6	3	4	4
Pipeline	15	15	11	10

8.9. Modal split of interurban passenger transport (based on data expressed in passenger-kilometres)

Denomination	1989	2000	2008	2009
Total, billion passenger kilometres	**25.2**	**25.4**	**26.0**	**24.8**
Distribution, %				
Rail	47	38	32	32
Bus/coach	46	48	46	45
Airplane	6	14	22	22

8.10. Distribution of Internet subscriptions by type of connection

(%)

Denomination	2000	2005	2008	2009
Public switched network (via modem) + ISDN	96.7	24.1	1.1	1.1
xDSL	..	37.2	34.9	34.9
Cable-TV	2.4	21.2	31.1	31.1
Wireless	..	15.6	29.3	29.3
Of which: mobile internet	..	..	24.7	24.7
Other (e.g. LAN, leased line)	0.9	1.8	3.6	3.6
Total	**100.0**	**100.0**	**100.0**	**100.0**

8.11. Number and duration of phone calls

Denomination	1991	2000	2008	2009
Outgoing calls from fixed networks				
Number, million	1,456	4,191	1,981	1,778
Duration, million minutes	..	..	6,205	5,633
Outgoing calls from mobile networks				
Number, million	3	2,258	7,777	7,789
Duration, million minutes	..	2,773	15,765	16,664
Average length of call, minutes				
Fixed (excluding internet calls)	..	..	3.1	3.1
Mobile	..	1.2	2.0	2.1

8.12. Certain indicators of hotels

Denomination	1989	2000	2008	2009
Number of bedplaces				
one-star	11,760	8,027	5,140	3,286
two-star	13,028	24,339	11,882	11,216
three-star	18,270	45,272	53,782	51,430
four-star	8,624	17,653	35,694	40,098
five-star	2,488	5,313	9,171	9,528
Total	**54,170**	**100,604**	**115,669**	**115,558**
Average number of nights				
one-star	2.1	3.4	3.9	2.7
two-star	2.2	3.1	2.5	2.5
three-star	2.5	2.8	2.6	2.6
four-star	3.4	3.0	2.5	2.5
five-star	3.1	2.5	2.2	2.3
Total	**2.5**	**2.9**	**2.5**	**2.5**
Accommodation fee per night, HUF				
one-star	279	1,514	2,339	3,541
two-star	574	2,509	4,255	4,285
three-star	1,048	3,921	5,556	5,684
four-star	2,163	8,717	9,031	8,811
five-star	3,971	26,339	23,108	20,105
Total	**1,243**	**6,301**	**8,589**	**8,512**

9. Environment and energy

9.1. Energy consumption per main consumer

(Petajoules)

Denomination	1989	2000	2008	2009
Industry	580.5	368.0	426.7	385.4
Construction	19.7	8.8	9.0	8.5
Agriculture	98.7	38.7	35.1	32.0
Transport	71.1	48.3	50.5	46.9
Households	402.8	400.6	402.5	381.0
Communal and other consumers	143.5	190.7	202.5	186.2
Total	**1,316.3**	**1,055.1**	**1,126.3**	**1,040.0**

9.2. Structure of energy sources

(%)

Denomination	1989	2000	2008	2009
Coal	22.2	15.2	10.9	9.3
Petroleum	30.7	30.5	33.2	31.9
Natural gas	28.3	36.6	37.0	35.8
Electricity generated by nuclear power station	9.8	13.4	12.4	14.2
Imported electricity	7.9	1.1	1.1	1.7
Other	1.1	3.1	5.5	7.0
Total	**100.0**	**100.0**	**100.0**	**100.0**
Share of imports	51.7	57.8	66.6	62.2

9.3. Energy consumption of households

Denomination	1989	2000	2008	2009
Coal, briquette, coke, thousand tons	5,310	564	328	410
Gas and fuel oil, thousand tons	423	896	1,432	1,420
Natural gas, PB gas, million m^3	2,142	3,867	4,049	4,138
Petrol, thousand tons	1,220	1,114	1,209	1,198
Electricity, million kWh	8,654	9,792	11,249	11,460
Firewood, thousand tons	1,206	909	884	847

9.4. Use of land area

Denomination	1989	2000	2007	2008
Proportion of agricultural land, %	69.7	62.9	62.4	62.2
Protected areas				
Number	..	188	210	211
Area, thousand ha	551	816	845	838
Forests				
Area, thousand ha	1,667	1,773	1,891	1,903
Proportion of those which are symptom free, %	47.7	34.3	36.7	43.6
Organic farming				
Cultivated land, thousand ha	..	54	122	123
Number of farmers	..	666	1,441	1,428

9.5. Public utilities

Denomination	1990	2000	2007	2008
Water consumption of households, thousand m^3	579,287	388,062	371,163	361,803
Municipal solid waste removed, thousand m^3	16,684	20,420	..	..
Proportion of households involved in waste collection, %	65.0	85.1	92.3	92.4
Proportion of dwellings connected to public sewerage network, %	41.6	51.0	64.9	71.3
Within waste water treated by public waste water treatment plants				
proportion of waste water treated only biologically, %	36.0	53.0	34.0	36.0
proportion of waste water treated also with advanced treatment technology, %	2.9	12.0	35.1	38.3

10. Regions

10.1. Population of regions, rates of vital events

Régió	Resident population		Per thousand inhabitants			
	thousand persons, 1 January 2010+	change in population 1989=100.0	natural increase, decrease		net migration	
			1990–1999	2000–2009	1990–1999	2000–2009
			average of years			
Central Hungary	2,951	99.2	–4.6	–3.1	2.2	4.1
Central Transdanubia	1,101	98.4	–1.7	–3.1	0.6	0.9
Western Transdanubia	996	98.6	–3.5	–4.0	0.6	1.4
Southern Transdanubia	945	92.2	–3.6	–4.5	–0.4	–1.9
Northern Hungary	1,210	90.5	–2.8	–4.1	–2.7	–4.1
Northern Great Plain	1,492	96.0	–0.7	–2.3	–2.3	–3.5
Southern Great Plain	1,318	94.0	–4.3	–4.9	–0.1	–1.4
Country total	**10,013**	**96.1**	**–3.2**	**–3.5**	**2.2**	**4.1**

10.2. Labour market indicators*

(%)

Region	Employment rate			Unemployment rate		
	1992	2000	2009	1992	2000	2009
Central Hungary	62.3	60.1	61.6	7.5	5.2	6.7
Central Transdanubia	57.7	58.8	57.8	11.8	4.9	9.3
Western Transdanubia	62.0	63.3	59.7	7.4	4.2	8.6
Southern Transdanubia	57.2	53.3	52.1	9.7	7.8	11.1
Northern Hungary	52.2	49.6	48.6	14.1	10.1	15.3
Northern Great Plain	52.5	49.0	48.1	12.6	9.2	14.3
Southern Great Plain	57.9	55.6	53.2	10.3	5.2	10.7
Country total	**58.0**	**56.0**	**55.4**	**10.0**	**6.4**	**10.1**

* Referring to the population aged between 15 and 64 years.

10.3. Life expectancy at birth

(years)

Region	Males			Females		
	1990	2001	2008	1990	2001	2008
Central Hungary	65.47	69.10	71.06	73.66	76.53	78.08
Central Transdanubia	65.11	68.53	69.61	73.83	76.24	77.72
Western Transdanubia	66.26	68.93	70.47	74.59	77.44	78.72
Southern Transdanubia	65.18	67.83	69.87	73.40	75.79	77.40
Northern Hungary	64.05	66.73	67.90	73.53	76.26	77.05
Northern Great Plain	64.81	67.03	68.76	73.39	76.17	77.40
Southern Great Plain	64.92	68.21	69.71	73.84	76.64	77.69
Country total	**65.13**	**68.15**	**69.79**	**73.71**	**76.46**	**77.76**

10.4. Health care

Region	Number of inhabitants per General Practitioner and family paediatrician			Hospital beds in operation per ten thousand inhabitants		
	1990	2000	2008	1990	2000	2008
Central Hungary	1,677	1,422	1,494	116	98	76
Central Transdanubia	1,862	1,557	1,587	87	73	68
Western Transdanubia	1,772	1,540	1,567	104	84	71
Southern Transdanubia	1,703	1,438	1,427	94	79	73
Northern Hungary	1,835	1,614	1,566	99	74	71
Northern Great Plain	1,884	1,609	1,610	82	72	67
Southern Great Plain	1,773	1,546	1,493	86	74	64
Country total	**1,769**	**1,516**	**1,529**	**98**	**82**	**71**

10.5. Dwellings, public utilities

(%)

Region	Dwelling stock, 1 January 2010		Newly built dwellings per ten thousand inhabitants		Proportion of dwellings connected to		Consumers using piped gas as a percentage of dwelling stock, 2008
	thousand	1 January 1990=100	1990–1999	2000–2009	public water conduit network	public sewerage network	
			average of years		%, 2008		
Central Hungary	1,340	118.2	26.7	51.8	97.2	87.0	85.8
Central Transdanubia	443	110.3	23.1	25.8	96.7	75.7	68.4
Western Transdanubia	419	117.0	27.9	40.6	97.1	75.0	73.0
Southern Transdanubia	403	109.1	23.0	25.8	96.6	65.7	60.4
Northern Hungary	512	106.2	22.3	16.6	89.8	63.8	73.1
Northern Great Plain	618	111.1	32.3	31.2	94.6	59.5	73.4
Southern Great Plain	596	107.8	22.0	20.7	90.5	52.7	81.2
Country total	**4,331**	**112.4**	**25.7**	**33.6**	**94.9**	**71.3**	**76.5**

10.6. Gross domestic product (GDP)

Region	Distribution of gross domestic product, %			Gross domestic product (GDP) per capita			
				thousand HUF		as a percentage of the national average	
	1995	2000	2008+	1995	2008+	1995	2008+
Central Hungary	40.0	42.9	48.1	794	4,387	142.6	165.9
Central Transdanubia	9.9	10.6	9.7	510	2,342	91.5	88.6
Western Transdanubia	10.1	11.1	9.7	577	2,575	103.6	97.4
Southern Transdanubia	8.1	7.4	6.5	400	1,807	82.6	68.3
Northern Hungary	9.3	8.2	7.6	405	1,634	72.7	61.8
Northern Great Plain	11.0	9.9	9.4	404	1,656	72.6	62.6
Southern Great Plain	11.5	9.9	9.0	474	1,789	85.0	67.6
Country total	**100.0**	**100.0**	**100.0**	**557**	**2,644**	**100.0**	**100.0**

List of figures