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## Summary

Hungary's gross domestic product (GDP) at current prices was HUF 32,179.7 billion in 2014, increasing by 3.7% at constant prices compared to the previous year. The amount of gross domestic product per capita was HUF 3,262 thousand, corresponding to EUR 18,662 in purchasing power standards.

The publication contains the 2nd preliminary data for the year 2014 and the finalised data for the year 2013 of the national accounts of Hungary. The data were compiled in line with the ESA2010 methodology, introduced in 2014. Information on the introduction of ESA 2010 is available at the [ESA2010 page \(http://www.ksh.hu/esa2010\)](http://www.ksh.hu/esa2010). The reasons for the changes in the calculations are the following:

- methodological changes in the case of own account software and databases, originals, estimation of VAT fraud and non-observed economy affected by deliberate misreporting, improvements in the method of estimation of dwelling services, and illegal activities (smuggling), as required by Eurostat when checking GNI reports,
- inclusion of routine revisions and corrections of errors, as well as of changes in the data sources used for the calculations.

### Impact of changes on GDP and GNI

Year	GDP			GNI			GDP, volume indices		
	September 2015	change compared to September 2014		September 2015	change compared to September 2014		September 2015	September 2014	change, percentage points
	at current prices, million HUF	%		at current prices, million HUF	%		%		
2011	28 133 826	98 793	0.4	26 766 497	76 445	0.3	101.8	101.8	0.0
2012	28 627 889	79 089	0.3	27 398 987	67 412	0.2	98.3	98.5	-0.2
2013	30 065 005	218 746	0.7	29 206 598	225 971	0.8	101.9	101.5	0.4

At the time of compiling preliminary national accounts in our publication, data sources for 2014, necessary for calculations were not fully complete, therefore all data for 2014 are preliminary ones, finalised data may be different from these. In addition to the effect of methodological changes the data for 2014 contain the differences between quarterly and annual calculations. National accounts for the year 2014 compiled on the basis of comprehensive information will be published at the end of September 2016.

Figure 1

### Gross domestic product at current prices

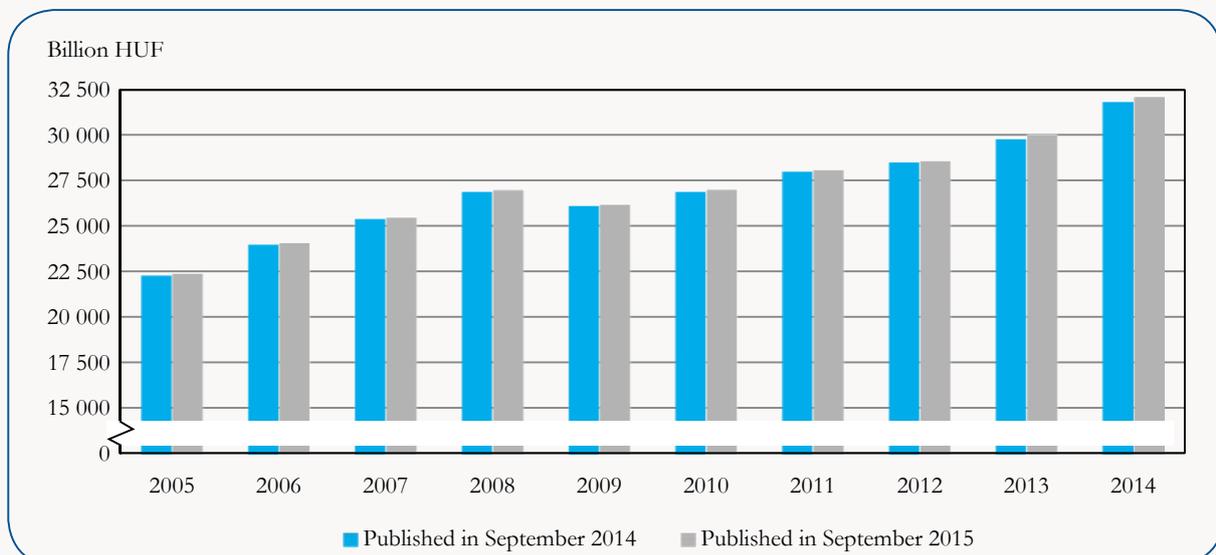
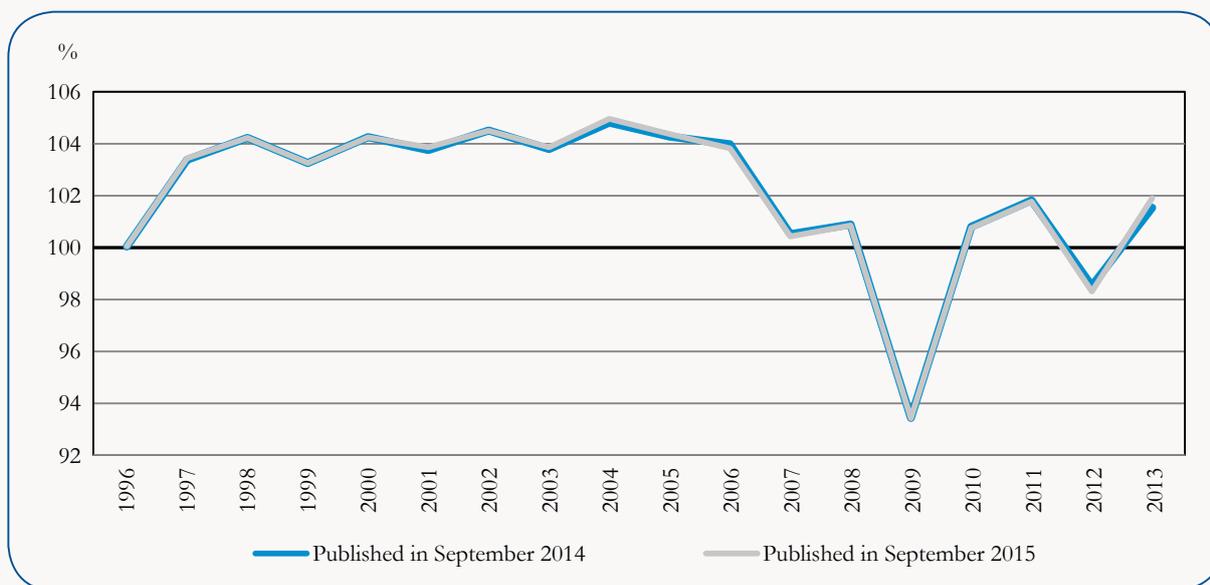


Figure 2

### Change of GDP (previous year = 100%)



#### Tables:

1. Volume indices of gross domestic product and per capita gross domestic product, 1995–2014
2. Gross value added by industries, 1995–2014
3. Gross value added by sectors, 2013–2014
4. Output by industries, 2013–2014
5. Gross value added by industries, 2013–2014
6. Final use of gross domestic product, 1995–2014
7. Gross domestic product by final use, 2013–2014
8. Gross domestic product (GDP) and gross national income (GNI) of Hungary, 1995–2014
9. Integrated economic accounts, 2013 (million HUF)
10. Integrated economic accounts, 2014 (million HUF)

Further detailed data will be issued – at the same time as this publication – in the [Tables \(Stadat\)](#), on the [ESA2010 page \(http://www.ksh.hu/esa2010\)](http://www.ksh.hu/esa2010) as well as in the [dissemination database](#).

#### Methodological information

Our publication titled *National accounts of Hungary, 1995–2014*, containing detailed information is expected to come out in November 2015.

## Methodological notes – Impact of changes

National accounts data were revised for two reasons in the calculations in 2015:

- Eurostat required methodological changes when checking GNI reports,
- routine revisions and corrections of errors during the checking and finalisation of data in some cases, as well as changes in the data sources used for the calculations were included.

Table 1

### Impact of changes on GDP

Year	Published in September 2014	Published in September 2015	Differences		Published in September 2014	Published in September 2015
	at current prices, billion HUF		%		volume indices, previous year=100.0	
1995	5 803.9	5 808.0	4.1	0.1	–	–
1996	7 090.3	7 095.8	5.5	0.1	100.0	100.0
1997	8 792.2	8 803.5	11.3	0.1	103.4	103.4
1998	10 408.9	10 423.2	14.3	0.1	104.2	104.2
1999	11 612.1	11 628.0	15.9	0.1	103.2	103.2
2000	13 293.6	13 310.4	16.8	0.1	104.2	104.2
2001	15 336.6	15 371.9	35.3	0.2	103.7	103.8
2002	17 371.3	17 410.0	38.7	0.2	104.5	104.5
2003	19 007.4	19 065.7	58.3	0.3	103.8	103.8
2004	20 914.6	21 012.8	98.2	0.5	104.8	104.9
2005	22 331.3	22 459.2	127.9	0.6	104.3	104.4
2006	24 034.6	24 138.8	104.2	0.4	104.0	103.8
2007	25 446.9	25 538.6	91.8	0.4	100.5	100.4
2008	26 949.3	27 038.1	88.8	0.3	100.9	100.8
2009	26 174.9	26 258.7	83.8	0.3	93.4	93.4
2010	26 946.0	27 051.7	105.7	0.4	100.8	100.7
2011	28 035.0	28 133.8	98.8	0.4	101.8	101.8
2012	28 548.8	28 627.9	79.1	0.3	98.5	98.3
2013	29 846.3	30 065.0	218.7	0.7	101.5	101.9

Table 2

### Impact of changes on GNI

Year	Published in September 2014	Published in September 2015	Differences	
	at current prices, billion HUF		%	
1995	5 620.0	5 624.1	4.1	0.1
1996	6 829.3	6 834.8	5.5	0.1
1997	8 334.6	8 345.9	11.3	0.1
1998	9 846.4	9 860.7	14.3	0.1
1999	10 970.8	10 986.7	15.9	0.1
2000	12 654.2	12 670.9	16.8	0.1
2001	14 586.6	14 621.8	35.3	0.2
2002	16 495.3	16 534.0	38.7	0.2
2003	18 154.1	18 212.4	58.3	0.3
2004	19 877.2	19 903.6	26.4	0.1
2005	21 192.5	21 246.6	54.1	0.3
2006	22 827.8	22 902.6	74.9	0.3
2007	23 784.4	23 853.3	69.0	0.3
2008	25 292.6	25 381.4	88.8	0.4
2009	24 981.3	25 065.1	83.8	0.3
2010	25 688.3	25 794.0	105.7	0.4
2011	26 690.1	26 766.5	76.4	0.3
2012	27 331.6	27 399.0	67.4	0.2
2013	28 980.6	29 206.6	226.0	0.8

## 1. Impact of methodological changes required by Eurostat when checking GNI reports

### 1.1. Own account software and databases

The methodology remained unchanged in 2015, however, basic data sources used for estimation were updated for the year 2013.

Table 3

#### GDP impact of updating data used for estimation of own account software and databases

Item	2013
Change of GDP at current prices, million HUF	3 563
Change as % of GDP	0.012

### 1.2. Originals

Estimation methods of the capital formation of television and radio programme originals were improved.

According to the methodology of national accounts the production of originals has to be accounted at market prices. Changes were made in the calculation method of the mark-up ratio, which is needed to achieve market price, in line with the international methodological guidelines: a positive mark-up ratio was introduced for market producers and a zero mark-up ratio for non-market producers. The changes were applied for the whole time series. To estimate originals the sector classification of some institutional units was modified for the period between 2003 and 2009 in accordance with the sector classification requirements of national accounts. In addition to the methodological changes, data corrections were made for 2011–2013.

Table 4

#### GDP impact of change in estimation of originals

Item	2010	2011	2012	2013
Change of GDP at current prices, million HUF	7 957	7 261	8 235	9 829
Change as % of GDP	0.030	0.026	0.029	0.033

### 1.3. Estimation of VAT fraud and non-observed economy affected by deliberate misreporting

Commission Decision 98/527/EC requires the estimation of VAT fraud without complicity. To meet this requirement, the methodology of VAT fraud estimation has been developed for the non-financial corporations sector. The estimation of VAT fraud for the households' sector and of the non-observed economic performance affected by deliberate misreporting (N6 category of non-observed economy) was introduced into national accounts by the Hungarian Central Statistical Office in 2011.

The above-mentioned Commission decision determines two types of VAT fraud: with and without complicity. VAT fraud without complicity occurs when the buyer pays the VAT, which the seller does not pay to the tax authority but which raises its operating surplus. This unpaid VAT is included in the output as well as in the gross value added and is part of N6 as well.

The total methodology of the N6 estimation for the non-financial corporations sector was also revised as a part of this project. The data sources of the estimation are the Business Register (BR) of HCSO, the VAT returns database, the combined database of annual structural business statistics and of corporate tax returns, and the results of anonymised legally binding VAT audits of non-financial corporations, covering the period of 2009–2012.

A detailed estimation based on individual data was made on the basis of the available data sources. The result of the methodological change was backcasted to 1995.

Steps of the estimation process:

- Estimation of a theoretical VAT. This amount would be received if all units in the economy paid VAT on all items taxable under VAT according to the legislation in force. It was calculated using the supply and use tables (SUT) for 2010. The total value of VAT fraud is the difference between theoretical and actual VAT receipts.
- The total population of VAT-evading corporations was estimated by the kNN (*k Nearest Neighbour algorithm*) method.
- The breakdown of VAT fraud by industries was estimated by linear regressions fitted for previously determined branch-groups, and the total amount of VAT fraud was broken down by branches according to these results.
- VAT fraud by industries was divided into VAT fraud with and without complicity. The cluster analysis of corporations audited by tax authority and proved as VAT evaders was made based on the parameters determined by our researches in this field.
- VAT fraud with complicity is solely related to sales to households, while VAT fraud without complicity may occur during the accounting of output and intermediate consumption as well. VAT fraud items related to output and intermediate consumption were calculated based on inter-relations in the input-output tables compiled for 2010.
- The economic performance – of corporations not subject to VAT – not observed due to under-reporting was estimated on the basis of the economic performance – of corporations subject to VAT – not observed due to tax avoidance.

Table 5

#### GDP impact of new N6 estimation for non-observed economy

Item	2010	2011	2012	2013
Change of GDP at current prices, million HUF	97 120	90 743	89 513	120 202
Change as % of GDP	0.360	0.324	0.314	0.403

#### 1.4. Improvements in method of estimation of dwelling services

As a result of revising the estimation of dwelling services, the costs of maintenance and repairs paid by tenants in the case of privately rented dwellings are accounted as household final consumption expenditure from 2014.

This methodological change had an effect on the split of the items related to maintenance and repairs of owner-occupied dwellings, holiday homes, garages and privately rented dwellings. The changes affected the value of output and intermediate consumption to different extents, which led to the increase of gross value added. Besides, some data corrections were made for the items of household final consumption expenditure. Corrections were backcasted to 2002.

Table 6

**GDP impact of change in estimation of dwelling services**

Item	2010	2011	2012	2013
Change of GDP at current prices, million HUF	591	814	569	−3765
Change as % of GDP	0.002	0.003	0.002	−0.013

**1.5. Illegal activities – smuggling**

In the estimation of tobacco smuggling the estimation of the import price of smuggled tobacco was updated for 2013, in accordance with the modification in the basic data source used.

Table 7

**GDP impact of data updating in estimation of smuggling**

Item	2013
Change of GDP at current prices, million HUF	4 720
Change as % of GDP	0.016

**2. Impact of other changes due to routine revisions (finalisation of annual data, integration of supply and use tables, data corrections)**

The finalisation of the year 2013 data, the integration of the year 2012 supply and use tables and changes due to other data corrections also modified the value of gross domestic product.

Table 8

**GDP impact of routine revisions and other data corrections**

Item	2010	2011	2012	2013
Change of GDP at current prices, million HUF	0	−25	−19 228	84 197
Change as % of GDP	0.000	0.000	−0.067	0.282

## Explanation of symbols

.. = Not available.

– = Break in series (limited comparability).

x = Not applicable.

Empty space = Block of not applicable items.

0 = Less than half of unit.

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