HUNGARIAN CENTRAL STATISTICAL OFFICE

Hungary

2012

Summary

1. DEMOGRAPHIC SNAPSHOT

• The **population of the country** has been continuously declining for more than three decades. The number of live births was year by year less than that of deaths, and the consequent population decline was partly compensated by the positive balance of international migration.

• As a result of the lastingly decreasing number of **births** since 1976, as well as the continuous growth in the number of deaths since 1963, the balance of the two has been negative since 1981. The number of live births first dropped below 100 thousand in 1998, and it has not reached that figure ever since. The 2011 figure is considered as historical minimum, and the 90,300 live births in 2012 showed already an improvement. The **mortality** reached its local maximum with more than 150 thousand deaths in 1993, and it first dropped below 130 thousand in 2011. In 2012 the increase was 0.5%. Throughout the year, the increase in the number of births exceeded the growth of the number of deaths, thus restraining the rate of **natural population decrease.**

• The decreasing number of those living in long-lasting cohabitation and the instability of existing marriages unfavourably affect the number of births and deaths.

• In line with the population decrease, the **aging** of the population has continued. Due to fertility being steadily below the replacement level and increasing life expectancy, the child and youth population is continuously decreasing, while the elder population is increasing. It is impossible to avoid the further population decrease due to the present age structure and the continual aging of the population, but it may decelerate in case of improving fertility and mortality conditions.

Summary data

Denomination	2010	2011	2012
Population, thousand[a)]	9,986	9,932	9,906
Dependency rate, %[b)]	45.6	45.7	46.2
Ageing index, %[c)]	114.7	116.4	119.0
Vital events per thousand population			
live births	9.0	8.8	9.1
deaths	13.0	12.9	13.1
natural increase or decrease (–)	-4.0	-4.1	-4.0

a) 31st December.
b) Child-age (0–14 year-old) and elderly (65 year-old and older) population as a percentage of the population aged 15–64, 31st December.
c) Elderly (65 year-old and older) population as a percentage of the child-age (0–14 year-old) population, 31st December.

2. LABOUR MARKET SITUATION, EDUCATION

• The economic crisis has temporarily strengthened the negative features of the **Hungarian labour market,** i.e. the low employment level and the broad group of economically inactive people.

• In 2011–2012, there has been an improvement in the field of employment; within 2 years the **number of the employed** grew by 93 thousand, while their **ratio** rose from 55.4% to 57.2%, to which the expansion of public employment also contributed in 2012. This further narrowed the group of economically inactive people. The **employment of women** was below the EU average. In female employment differentiated by the number of children, the difference was the most considerable, nearly 17 percentage points in case of women with 3 or more children. In 2012 the employment rate of women improved, it grew from 50.6% to 52.1% year-on-year.

• In 2012 **the number and the ratio of the unemployed** remained unchanged following the slight decline in 2011. The unemployment rate was 11.0%. The risk of unemployment is high in case of **young people with university/college degree** as well. The unemployment rate among the 20–24 and 25–29 year-old graduates is several times higher than among graduates in the age group 15–64 on the average.

• The number and rate of **job vacancies** decreased in the private sector. In 2012, the average number of job vacancies to be filled was 14.5 thousand, 6.6% less than in 2011.

• The **educational attainment** of the population has remarkably improved in the past decades. In 2011, more than one fifth of the population aged 25-64 years had a university/college degree and another one third had G.C.S.E. A quarter of the population speaks at least one **foreign language.**

• At the end of the past decade, **kindergarten services** showed a considerable improvement (in 2012 88.7% of children aged 3-5 attended kindergarten), although there are still significant regional inequalities. The number of children enrolled in kindergartens increased between 2008 and 2011, but it slightly fell in 2012 (by 1,000 children) year-on-year.

• The number of students in **public education** has further diminished due to the decreasing number of children. The rate of the early school leavers (11.5%) is lower than the EU average.

• In **secondary education,** the share of the different school types did not significantly change in the past decade; 23% of the children attend apprentice schools, 42% secondary vocational schools and 35% secondary grammar schools.

• Since the turn of the millennium, the number of people in **adult education** attending vocational schools has been continuously growing, while it has been decreasing in the case of secondary schools providing G.C.S.E.

• The expansion of **tertiary education** slowed down already in the middle of the last decade, and the number of students has been decreasing ever since. In full-time education, the stagnation was replaced by a 3% decrease in 2012. The number of applicants dropped to a larger extent, so the ratio of those admitted (73%) is higher than in the past two years. Among the fields of training, the ratio of students attending technologic, natural sciences, health and welfare, as well as services education has grown since 2005.

Summary data

Denomination	2010	2011	2012
Employment rate, %[a]	55.4	55.8	57.2
Unemployment rate, %[a]	11.2	11.0	11.0
Number of students passed vocational examination			
total	52,597	55,888	64,839
in vocational, special vocational schools	23,507	23,812	32,642
in secondary vocational schools	29,090	32,076	32,197
Full-time tertiary students as a percentage of the 18 to 22-year-old population	38.2	38.9	38.4

[a] Within the population aged 15–64.

3. LIVING CONDITIONS

• The **income of the population** consists of two major parts: income from work and social income. The change of earnings was influenced by numerous measures in 2012, above all by the minimum wage rise, the salary adjustment of employees in health care and the number and wage determination of public workers. Average monthly **gross earnings** of full-time employees increased by 4.6% to HUF 223 thousand last year, that – excluding family tax benefit – totalled to HUF 144 thousand in **net terms,** 2.0% more than in 2011. Along with the introduction of the new approach of the flat personal income tax system, **real earnings** – taking into account family tax benefit – significantly increased (by 5.8%) in 2011, which was followed by a drop (3.4%) in 2012.

• **Pensions and pension-type benefits** account for one fourth of the households` total income. The number of pensioners has showed a decreasing tendency since the turn of the millennium, although they still account for almost three tenths of the population. From 2012 the Hungarian pension system has significantly changed, some provisions were terminated or modified. The average amount of provision per recipient was HUF 96.6 thousand in 2012, in real terms 2.1% higher than in 2011.

• The **family support** system aims to reduce income differences between families with and without children; it includes benefits paid on universal basis, as well as insurance-based benefits. In 2011, new elements, relating to family tax benefits and aiming to encourage people to have and raise children, were built into the tax system, which made the situation of families with children more favourable.

• In 2012, **household consumption** diminished by 2.0% compared to the previous year, due to the increasing willingness to save, the decline in real wages and household lending, as well as the accelerating inflation. The household consumption expenditure accounting for four-fifths of the actual consumption has moderated by 1.4%, while the volume of transfers in kind from the general government decreased by 4.9%, and transfers received from non-profit institutions serving households decreased by 1.4% year-on-year.

• In respect of the **consumption structure,** the largest item of household expenditure accounting for the quarter of total expenditures is still housing and household energy; their rate is increasing year by year. This is followed by food products, on which households spent 23% of their total expenses. After spending on basic needs, such as housing, nutrition and transport to school and work, only 40% remained on the average for other expenditures, such as culture and entertainment, which significantly limited the free consumption of households.

• In 2012 **consumer prices** grew by 5.7%, faster than in the previous year, which was primarily strengthened by the significantly higher prices of fuels and alcoholic beverages. The VAT rate increase at the beginning of the year, the multiple increase in tobacco products excise tax, along with the change in the forint exchange rate also affected the consumer prices, which could not be compensated even by the price-depressive effect of the weak domestic demand. The inflation has exceeded the EU average every year since our accession to the European Union, the fastest rate of price increase was recorded in Hungary in 2012. 2013 brought a significant change in this respect: the rate of the price increase slowed down to 2.9% in the 1st quarter of the year.

• According to the data of the National Bank of Hungary, the **households` gross financial asset** was HUF 28.4 billion at the end of 2012, 3.9% more than a year earlier. The sum of debts amounted to HUF 9.7 billion, 13% less than at the end of 2011. The stock of foreign currency loans at the end of 2012 (HUF 4.9 billion), appearing on the liability side, showed a 26% decrease compared to the end of 2011. One of the factors of the decrease was the option of early repayment at preferential exchange rate, according to which HUF 712 billion foreign currency loan was paid back in the first two months of 2012. (The choice of early repayment appeared already in the last quarter of 2011, whereas HUF 642 billion valued foreign currency loan was repaid). At the end of 2012, the households` net financial asset amounted to HUF 18.7 billion, 15% more than in the year before. During the year, the net financing capacity of households was HUF 1,502 billion, accounting for 5.3% of the GDP.

• The recession has not left the **housing market** untouched, either. Since 2008 the volume reduction in housing construction has decreased, in 2012 however, fewer homes were built than ever before. Following the fast fallback of the past years, home building and the number of construction permits have decreased at a slow pace. The number of construction permits issued does not project an increase in housing for the future. The composition of home builders is still characterized by the drop in the proportion of enterprises. Since 2010 the mortgage market has been narrowing, which is due to the tightened credit conditions and the lower risk taking of the population.

• The **cultural expenditure of the general government** rose, and the support structure changed between 2010 and 2011. During this time, the households` cultural expenditure on current prices became less, and the difference between the cultural spending of the higher and lower income households rose.

• The use of **cultural services** changed differently, the attendance of theatre plays rose, while the concert and museum attendance has moderated, whereas the number of museum institution guests has been decreasing since 2007. At the same time, the number of civil initiatives related to culture, cultural communities, clubs and study circles grew in the past years.

• Between 2005 and 2012, the broadcasting time of the **public service radio and the public service television** significantly grew (especially at the beginning of the examined period). In the case of public service radio broadcasting, mostly the weight of news and information, while in the case of public service television broadcasting, mostly the weight of literature and entertainment strengthened.

• The **book market** is still in crisis, book sales have been declining for the past four years. In the case of book publishing, both the number of titles, as well as the number of their copies further moderated in 2012 compared to the previous year, except in the case of literary books and special literature. At the end of the last decade, the usage of **libraries** increased, the previous decreasing trend of borrowing activity stopped and the number of registered readers grew.

• In regard to **life expectancy,** our position is not improving on international level: in Europe there are only four nations having lower life expectancy than the Hungarians; with this we are in the middle range among the post-socialist countries. However, there are substantial differences in mortality within the country according to sex, geographical location and type of settlement. The country`s cancer mortality rate is one of the least favourable in Europe (and in the whole world). While the total death rate has decreased by 4% since 2005, the cancer-related death rate has risen by 4% and the number of new cancer-related diseases has increased by 14%. Besides the main causes of death – cardiovascular diseases and cancer –, ability to work is mostly decreased by mental diseases and problems due to the lack of physical exercise.

• According to the 2011 census, 4.6% of the population lives with a disability and 16.6% with a chronic disease. 70% of disabled people and 77% of people living with chronic diseases are aged 50 years or more. While the educational level of people living with disability is much lower than average, the ones living with chronic diseases show only slightly lower educational level than the average, which probably can be attributed to the age structure.

• In 2010 in Hungary, – similarly to the year of 2009 – 7.8% of the GDP was spent on **health care expenditure;** calculating on purchasing power parity, it reached EUR 1,244 per person. 64% of the total health care expenditure is covered by the general government.

• The **social protection expenditure** has fallen following the worst year of the crisis (2009), and, consequently, the gap between the EU average and Hungary further widened. The per capita amount at constant prices accounted for slightly more than half of the EU average in 2010, however, among countries having accessed since 2004, we are still spending relatively much on social protection. The social protection expenditures` largest component with a continuously increasing weight is the care for the elderly including pensions and pension-type benefits.

• The proportion of means-tested benefits within social protection benefits amounted to less than half of the EU average in 2010.

• Among the traditional basic social services, after a long period of time, the number of those receiving **social catering and domestic care** has been increasing again since 2008; in 2011 155 thousand people received social catering and 88 thousand were provided with domestic care. By 2011, despite its considerable fallback two decades ago, the latter has exceeded the level registered at the beginning of the 1990s. Between 2009 and 2011, the number of residents in long-term residential social institutions increased further; most of them live in homes for the aged.

• Among basic **child welfare services,** the number of children enrolled in infant nurseries rose further in 2011, the day-care centres also developed further, although their number is still insignificant. The recourse of child welfare services continuously rose along with the expansion of their duties. The number of endangered children (201 thousand) rose again in 2011, and the number of children taken into child protection continued to increase in line with the previous trend (29 thousand in 2011).

• The number of **registered perpetrators** was 100 thousand in 2012, 11% fewer than in the previous year and 18% fewer than two years earlier. This was at the same time the lowest level registered after the regime change. The number of **registered crimes** rose in the previous years and it was 472 thousand in 2012. In the growth primarily the increase of crimes against law and order having an increasing proportion in crimes played a major role. The number of misdemeanours having a milder judgement in criminal law but representing a higher proportion increased by some 12%, while that of offences decreased by 9.3% year-on-year. The number of **imprisoned people** (17,200) was stagnant in 2012 after an increase typical in the former years.

Summary data

Denomination	2010	2011	2012
Monthly average earnings of employees, HUF/month			
gross	202,525	213,094	222,990
net	132,604	141,151	144,040
Real wage index, 2000=100.0	137.5	140.8	135.9
Expenditures on pensions, benefits, annuities and other provisions and sum of provisions as a percentage of GDP	11.2	11.3	11.8
Monthly average pension received by old-age pensioners, HUF/person	104,014	104,610	100,533
Consumer price index, 2000=100.0	172.9	179.6	189.8
Number of newly built dwellings per ten thousand population	20.8	12.7	10.6
Housing loan stock as a percentage of GDP	16.0	15.0	12.4
Number of published books	12,480	11,821	11,645
Theatre attendance per hundred population	46	47	51
Museum attendance per hundred population	95	84	79
Number of registered crimes per hundred thousand population	4,465	4,520	4,742

4. DOMESTIC AND INTERNATIONAL MACRO-ECONOMIC TRENDS

• In 2011–2012 the impetus of the **global economy** slowed down. According to the IMF's estimates global economy expanded by 3.2% in 2012, compared to 4.0% in 2011. The global growth was in great part due to the Asian countries. The global growth was narrowed by several factors, the processes were influenced unfavourably by the economic problems emerging in the Southern European countries, as well as the dry weather, striking the agriculture of the most important grain producing countries.

• Out of the national economies that mostly influence the global economic processes, the economic performance of the **United States** has expanded by 2.2, that of **Japan** by 1.9%. **China,** who occupies a more and more significant role in the global economy, experienced a 7.8% growth in GDP in 2012, less dynamic than in the previous two years.

• In 2012 the economy of the **European Union,** following a two-year growth, sank into recession: the output has decreased by 0.3%. The real economic effects of the euro zone's debt crisis are substantially moderating the growth of the EU. Despite this fact, the performance of the German economy grew by 0.9%.

• **Hungary's economic output** started dropping at the beginning of year 2012 due to the unfavourable external environment and the low domestic demand. In the past year it moderated by a total 1.7% compared to the last year's figure, positioning Hungary in the last third of the EU rankings.

• From the **expenditure side,** despite the weaker performance of our export markets, goods and services exports still have a positive influence on the output of the national economy, which also strengthen our dependency on the trends of the European recovery. The domestic demand – because of the moderating consumption and the low investment activity – did not support the economic growth in 2012.

• On the **production side** there was a volume decrease in most of the industries in 2012: in the goods producing branches by 4.3% and in the services branches by 0.5%. The production was unfavourably affected by the lower external and the declining internal demand, as well as the dry weather. Only the information and communication section, as well as public administration, education, and health services grew.

• Following the significant fall owing to the global economic crisis the volume of Hungary's **external trade in goods** first decreased, then – mainly because of the base effect – expanded at a two-digit rate. From June

2011 the gradual deceleration of the growth rate changed into stagnation in quarter 3 of 2012 and into a decrease in the last quarter. Looking at 2012 as a whole the 0.9% rise of the volume of exports was paralleled by the stagnation of imports. The surplus of external trade was EUR 6823 million in 2012, EUR 238 million less than one year earlier.

• The dynamic expansion of **international trade in services, calculated in EUR,** observed for earlier years slowed down to 0.9% in case of exports and decreased by 2.7% on the imports side in 2012. As a result of the slighter rise of exports and the fall of imports, the growth of the surplus, having started in 2009, continued: the balance of international trade in services was EUR 3.8 billion in 2012, EUR 352 million more than a year before.

• The **current account** improved by some EUR 800 million in 2012, a surplus of EUR 1.6 billion was generated over the year. **Net** external **financing capacity,** equal to the aggregate balance of the capital account and the current account, was EUR 4.3 billion, and the surplus on the balance of EU transfers was EUR 4.1 billion. At the end of 2012, Hungary's net external liabilities were EUR 100.2 billion, 5.1% more than a year earlier. **Net external debt** (not including other capital within direct capital investments) was EUR 42.4 billion, 4.7% less than at the end of 2011.

• The consolidated, cash-based balance of the central sub-system of the **general government** improved substantially, by HUF 1134 billion in 2012, the deficit coming to HUF 607 billion. The amount of the deficit has been the lowest since 2002, the improvement of the balance occurred compared to a considerable deficit in 2011. In 2012, the level of taxes burdening consumption rose, and the amount of payments by households grew, too, after decreasing at a high rate in 2011. The **debt stock of the central government** was HUF 20.7 trillion at the end of 2012, 1.1% less than one year before.

Summary data

Denomination	2010	2011	2012
Volume index of gross domestic product (GDP), 2000=100.0	121.6	123.6+	121.4+
GDP per capita, thousand HUF	2,661	2,797+	2,844+
GDP per capita, EUR	9,661	10,016+	9,828+
Volume index of investment, 2000=100.0	114.4	109.2	103.5+
Balance of external trade in goods, billion HUF	1,515.7	1,978.6	1,971.4
Volume index of imports, 2000=100.0	188.2	200.7	200.6
Volume index of exports, 2000=100.0	237.8	261.1	263.4
Balance of current account, million EUR	1,065.5	807.8	1,604.7
Gross external debt as % of GDP[a)]	110.9	102.6	96.7

[a)] Excluding intercompany loans.

5. PERFORMANCE OF BRANCHES

• The number of the **registered business units** was 1 million 806 thousand at the end of 2012, almost 17 thousand more than one year before. The increase was due to the rise in the number of enterprises by nearly 15 thousand as well as the rise in that of non-profit organisations by more than 2 thousand. At the same time the number of the terminations increased further: mainly due to the cessation of a large amount of sole proprietors.

• One of the most important factors of the economic growth is the innovation activities of enterprises: the introduction of new products or procedures and the opening of new markets. The research and development activities of enterprises promote future growth. Domestic **research and development expenditures** as a proportion of GDP (1.2%) have slightly increased in the past years, but were even so less than the EU average. The country's position is relatively good in the ranking of the indicator compared to the 12 countries that joined last the EU.

• In the past decade, up until 2008, the role of the enterprises strengthened in financing the **research and development activities**, since then – except for minor fluctuations – it has stagnated. In Hungary, 47.5% of all expenditures were financed by enterprises in 2011. In the past ten years the growth of the weight of the entrepreneurial sector has been indicated by the number of R&D units and staff number data in addition to the financing of expenditures.

• The **innovation activity** is mainly typical for greater businesses. Compared to the pre-crisis period the number of innovations has decreased in the case of small-sized enterprises and has somewhat risen in the case of enterprises employing 50 or more people.

• **Productive branches** account for some one third of gross value added, however, their output decreased by 4.3% compared to 2011. The weight and importance of **services branches** have risen for years: nearly two-thirds of gross value added was generated in services branches in 2012. A part of domestic branches was principally influenced by the domestic environment or internal factors, while some branches are remarkably export-oriented, therefore they are exposed to changes in the international environment to a high extent.

• The performance of **crop production** highly depends on weather conditions. The 2012 drought caused a fall in crop production, primarily in cereals, most specifically corn production.

• In the case of **livestock,** the proportion of pig stock has dropped to half size, while cattle stock has dropped to four-tenths of its size in the last two decades. This latter one's long-lasting decrease turned into an increase in 2011, which continued in 2012, as well. The last two years' livestock increase was 10%, which could be better seen in the case of private farms (20%).

• The **agricultural producer prices** rose by two digits in the past three years. A similar trend prevailed in the producer prices of crops and horticultural products. Live animals' and animal products' prices have been rising since 2004 except for year 2009.

• Less people make less **agricultural activities** for additional income purposes, compared to the era of the regime change or even the turn of the millennium. It is to be feared that the transmission of experiences ends and the absence of the experience and knowledge will make it more difficult to restart this kind of additional income activity at later ages.

• After a rise of 5.6% in 2011, the volume of the output of **industry** – accounting for more than one-fourth of the gross value added – decreased by 1.7% in 2012. According to the EU scale this figure puts Hungary into the middle range on the basis of such industry performance change, but it still positions us behind the Visegrád countries' indicators. The export market sales moderated by 0.7%, the volume of domestic sales, that showed a decreasing tendency for the past five years, lagged behind by 3.9% from the figure from the year before.

• The production volume of **manufacturing**, well indicating the private sector's economic trends, lagged behind by 1.6% in 2012 from the previous year's figure. Within the branch the volume of the investments has been rising year by year since 2010, on the whole by 39% within three years.

• The engine of industrial production is the **manufacture of transport equipment,** which represents one-fifth of manufacturing and whose volume was 8.5% higher in 2012 than a year earlier and expanded by 44% compared to the worst times of the crisis in 2009.

• The production volume of **construction** has been decreasing since 2006. In 2012, the branch's gross output moderated further (5.9%) compared to the previous year's low base. The demand for the branch still remains at the bottom, mainly due to the fall of the construction and renovation of dwellings, which was recorded to be higher than in all previous years. In addition, for many long years now the undercapitalized branch has not been capable of disposing of the burden that is caused by the continuously reappearing gridlock.

• In 2012, **transport performances** moderated. The goods transport performance decreased by 1.5% in 2012, following the slight increase in the former two years. Interurban passenger transport fell behind by 12% compared to 2011, in which Malév's bankruptcy in February was a large contributing factor. The number of the urban public transportation users moderated by 1.9% in 2012. During the year, 107 thousand passenger cars were put into circulation for the first time in Hungary, 39% more than in 2011, which is considered to be a low base. The increase can be primarily explained by the increasing number of used cars put into circulation.

• Innovations of **information technology** are still keeping the information communication sector on the move. Due to the dynamically expanding mobile internet the number of internet subscriptions was over 5.4 million in 2012. Due to the more and more common usage of the internet, the proportion of the consumers using online public administration or purchase is increasing.

• The **retail sale** volume decreased by 2.1% in 2012, this fall was due to the moderating real wages and salaries as well as the speeding inflation and the consumption-related tax increases. Concerning the structure of the turnover, the proportion of the food and fuels has been increasing for years at the expense of the non-food products. From 2011 the number of retail shops started to grow again and it exceeded 145 thousand in 2012.

• **Tourism and catering** were affected simultaneously by rising international tourism and narrowing domestic demand. In 2012, 3.6% more tourist arrivals and 4.8% more tourism nights were registered in total at public accommodation establishments compared to the previous year. International tourism rose by 9%, at the same time the number of domestic tourist arrivals slightly dropped, tourism nights spent by them, however, increased by 0.1%. In 2012, more foreigners visited Hungary, while the number of Hungarians travelling abroad moderated. The number of travellers taking part in a domestic overnight trip fell, as well.

Summary data

Denomination	2010	2011	2012
R&D expenditures as a percentage of GDP	1.16	1.2	..
Volume index of agricultural output, 2000=100.0[a]	96.8	105.7	104.5
Volume index of industrial production, monthly average in 2005 = 100.0[b]	107.9	113.8	111.8
Industrial producer prices index, 2005=100.0	123.1	128.2	133.7
Share of exports in industrial sales, %[b]	53.0	55.3	55.4
Volume index of construction output, monthly average in 2005 = 100.0	69.5	64.5	60.0
Transport performance index, 2000=100.0			
goods transport by road[c]	193.9	198.6	192.8
interurban passenger transport[d]	98.7	102.3	90.4
Number of mobile phone subscriptions per hundred population	120.3	117.3	116.7
Number of internet subscriptions per hundred population	33.5	43.4	55.1
Volume index of retail trade turnover, 2000=100.0	125.7	125.9	123.3
Hungarians travelling abroad, thousands	16,082	16,634	16,143
Foreign visitors, thousands	39,904	41,304	43,565
Number of tourism nights at public accommodation establishments, thousands	19,554	20,616	21,609

[a] At basic prices.
[b] Data on all industrial enterprises.
[c] Based on freight ton-kilometres.
[d] Based on passenger kilometres.

6. ENVIRONMENT AND ENERGY

• Following a quick and overall reduction of air pollution at the end of the last century, among the **air pollutants** studied by the HCSO, the emission of hydro-fluoro-carbons (HFCs) and nitrogen oxides (NO_X) rose, while the emission of the rest of them decreased or stagnated between 2000 and 2010.

• In respect of **water**, which is becoming an increasingly scarce resource, our country's position is favourable: water resources per capita are about 12 thousand cubic meters per year, which is one of the highest volumes in Europe. At the same time, the distribution of the mass of water coming from across our country borders as well as the rainfall, is extremely uneven both in time and space.

• The proportion of settlements connected to the sewage system has grown from 27% to 56%, while the length of the sewage network per one kilometre of water pipes from 396 metres to 658 metres since 2000.

• The value of **investments,** created for environmental purposes, was the highest in 2005, from 2007 however it started to decrease and in 2011 was 18% less in real terms (HUF 129 billion) than in the previous year.

• In 2012, the country used 5% less **energy**. Domestic production decreased by nearly 2%, while energy imports by 3% compared to 2011.

• The domestic household **electricity and gas prices** are ones of the highest compared to the EU countries' prices in purchasing power standards.

• Hungary uses a relatively lower amount of **alternative sources** in energy production compared to the EU average. The volume and the share of the electricity gained from renewable energy sources, in the total electricity production, decreased in 2011.

• The number of **dwellings equipped with district heating** remained unchanged, while the amount of sold heat decreased by 7.7% within a decade. The cause of the reduction is primarily the application programmes specifically targeting the energy efficiency increase for dwellings, which resulted in the renewal of nearly 300 thousand dwellings – equipped with district heating – since 2001.

Summary data

Denomination	2010	2011	2012
Forest area, thousand hectares[a)]	1,912.9	1,922.1	1,927.2
Of which: proportion of healthy forests, based on defoliation, %	63.7	60.1	63.8
Protected areas and monuments of national significance, thousand hectares[b)]	846.5	846.5	846.7
CO_2 emission (gross), kg/capita	5,029.0	5167.3	4,995.0
Particulate matter: particulate matter with a diameter of 10 μm or less (PM10), kg/capita	5.6	4.6	4.4
Wastewater piped to sewage treatment plant, million m^3	505.1	551.9	472.3
Of which: with also advanced treatment, million m^3	1082.1	255.0	243.1
Generation of municipal solid waste, thousand tonnes	4,312.0	4,033.0	3,809.0
Environment protection investments (at current prices), billion HUF	124.3	153.0	128.6
Industrial sales of environment protection (at current prices), billion HUF	355.0	364.4	417.3
Energy use, petajoules	1,055.6	1,085.0	1,053.1
Share of natural and petroleum products of all energy sources, %	68.1	67.3	65.0

a) 1st January. – b) 31st December.