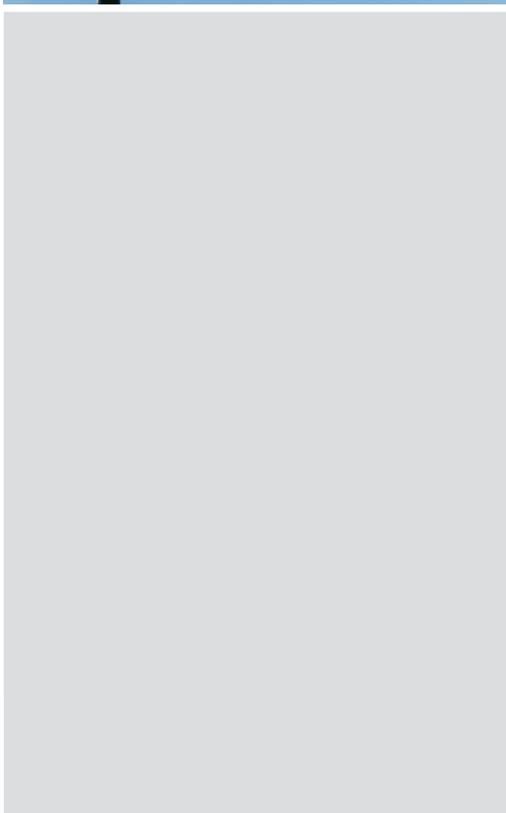




HUNGARIAN
CENTRAL
STATISTICAL
OFFICE

Hungary 2015



WITH INTERNET
ANNEX

SUMMARY

1. DEMOGRAPHIC SNAPSHOT

Population number

- The **estimated population number** of Hungary calculated from the 2011 census data was 9 million 823 thousand on 31st December 2015. On the present territory of the country, the population number was the highest in 1981 (10 million 713 thousand), a number continuously decreasing since that time. One of the reasons for this is the low **fertility** combined with a steadily high-level mortality in European comparison. The annual number of **births** has been continuously below 100 thousand since 1998, and in 2015, 91,700 children were born, 0.2% more than in the previous year.
- The **total fertility rate** shows an upward trend with a value of 1.44 in 2015, which has been the highest rate since 1997.
- In recent decades, the number of **deaths** showed basically a declining trend. In 2014, the number of deaths was 126 thousand, but an unfavourable turn occurred in 2015: 4.2% more people deceased (131,600) than in the previous year, which was the highest mortality level in the last seven years. At the same time, infant mortality was the lowest ever recorded in the history of vital statistics in Hungary so far.
- In 2015, the rate of **natural decrease** accelerated, and the population number declined by 32,600 compared to the previous year. The number of deaths was 39,900 more than that of births, and natural decrease could only be moderated by the positive international net migration of 7,300 persons.
- In the last half century, partnerships changed considerably. In parallel with the decreasing inclination to get married, cohabitation has become more and more common. As a result of this, nearly one out of every two children was born outside marriage in 2015. Since 2010, the fall in the number of **marriages** has turned to an increase: in 2015, 45.9 thousand marriages were registered at the registrars' offices, 7,120 more than in the previous year.
- Similarly to the developed European countries, one of the greatest demographic challenges is the **ageing society** in Hungary as well. As a result of the persistently low fertility and the increase of life expectancy, the proportion of the child population is lowering, while that of the older age-groups is rising, and so, the dependency burden on the active age-groups having a decreasing proportion is significant.

Demographic ageing

• In EU comparison, since the 1990s Hungary has been among the countries with a low but positive **international net migration** despite the fact that according to estimates, the rate of emigration accelerated in recent years.

Summary data

Denomination	2012	2013	2014	2015
Population number, thousand ^{a)}	9,909	9,877	9,856	9,823
Dependency rate, % ^{b)}	46.2	47.0	47.9	48.8
Ageing index, % ^{c)}	118.9	121.5	123.6	126.1
Vital events per thousand population:				
live births	9.1	9.0	9.3	9.3
deaths	13.0	12.8	12.8	13.4
natural increase or decrease (-)	-3.9	-3.9	-3.5	-4.1
Total fertility rate	1.34	1.34	1.41	1.44

^{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

Labour market

- In recent years, the Hungarian **labour market** indicators improved: the number and rate of employed people increased, while unemployment and inactivity declined. The number of employed people has been continuously increasing since 2011, and the number of the unemployed has been decreasing since 2013.
- In 2015, the **number of employed people** aged 15–64 rose by 106 thousand to 4 million 176 thousand and the **employment rate** of 63.9% was 2.1 percentage points higher than one year earlier.
- The number and rate of unemployed people have decreased significantly since 2013. In 2015, the **number of unemployed** people aged 15–64 fell by 36 thousand to 307 thousand and the **unemployment rate** diminished from 7.8% to 6.8% compared to the previous year. The decrease in unemployment indicators was more considerable among men than among women.
- **In EU comparison**, the labour market position of Hungary has improved. In the age-group 20–64, the employment rate in our country approached the EU average and the unemployment rate of the population aged 15–64 was lower than that.
- Since 2013, the **number and rate of job vacancies** have increased considerably. On the level of the national economy, the average number of job vacancies was 44.6 thousand in 2015, 18% more than in the previous year. Compared to a year earlier, the number of job vacancies to be filled grew by 23% in the business sector, 9.0% in the public sector and 17% at non-profit organisations.
- The **education level of the population** continued to improve: the proportion of people with at least GCSE was nearly 56% in 2015 – within this, those with university or college degree accounted for more than 24% of the population aged 25–64 years –, while the proportion of people with at most primary education (17%) continued to decrease.
- In 2015, the number of **kindergarten** sites was 4,564, 20 more than in the previous year. The number of kindergarten places did not continue to increase (it fell by 0.2%). The number of kindergarten children (321 thousand) was lower than that of kindergarten places. In the 3–5 year-old population, the proportion of children attending kindergarten grew from 87.8% in 2010 to 91.6% by 2015.
- In connection with the change in the number of the child's age-group concerned, the number of full-time students in **primary school** fell by 0.4% compared to the previous year. Thus, the number of students enrolled in the 3,594 school sites equalled 745 thousand. The decrease in the number

Public education, adult education, tertiary education

of teachers over several years stopped in 2013 and their number started to increase: in 2015, 77 thousand teachers worked in primary schools.

- In **secondary education**, the proportion of students in **vocational schools** has shown a downward trend since 2011, and in 2015, it was lower than ever before (19%). The proportion of students in **secondary general schools** increased again in recent years and it amounted to nearly 40% in 2015, which was higher than ever before and reached the proportion of **secondary vocational schools**. The number of students per teacher was similar in the three school types, but this indicator improved the most in case of the previously backward vocational schools (decreased from 12.9 to 9.7 over 6 years). The number of students per class was the lowest in vocational schools.

- In **tertiary education**, the total number of full-time students admitted to university and college was 53 thousand, and their proportion was 67%, 2 percentage points higher than in 2010, but nearly the same percentage points lower than in 2014.

- The **distribution of students by fields of training** partly followed the earlier trend between 2010 and 2015 as well, however, new trends have also appeared. The weight of engineering, manufacturing and construction trainings further strengthened, while, in contrast, that of natural sciences slightly decreased from 2013 and remained stagnant on the whole in the observed period. The proportion of the field of training 'business and administration' fell by 4.6 percentage points over six years, but even so, it is the most popular together with the field of training 'engineering, manufacturing and construction' (both have a proportion of 19%). Since 2013, the role of teacher training has strengthened again.

- While the role of **adult education** declined in public education in the past decades (already from the 1980s), it strengthened in tertiary education until the first third of the last decade. The proportion of adult education in primary education has always been low (around 0.3%), and the number of participants in it amounted to 2,293 in school year 2015/2016. The proportion of adult education in secondary education has not changed in recent years (14%). In tertiary education, the weight of part-time education fell significantly after the expansion and in the last years and was 29% in the academic year 2015/2016.

Summary data

Denomination	2012	2013	2014	2015
Employment rate, % ^{a)}	56.7	58.1	61.8	63.9
Unemployment rate, % ^{a)}	11.1	10.2	7.8	6.8
Number of students having passed				
vocational examination total	64,839	58,409	55,353	48,640
in vocational schools	32,642	26,855	26,573	24,205
in secondary vocational schools	32,197	31,554	28,780	24,435
Students in full-time tertiary education as a percentage of the population aged 18–22	37.5	36.5	36.5	36.7

^{a)} Within the population aged 15–64.

3. LIVING CONDITIONS

Income

- Average gross monthly **earnings** of full-time employees amounted to HUF 247,700 in 2015, that – excluding family tax benefit – totalled HUF 162,300 in net terms. Due to the unchanged rules of contributions and personal income tax, both average gross and net earnings were 4.2% higher than those in 2014. In 2015, real earnings – excluding family tax benefit – were 4.3% higher than a year earlier.

- The 2015 budget spent HUF 3,502 billion on **pensions, benefits, allowances and other provisions**, which accounted for 10.4% of the GDP. The average number of provision recipients was 2 million 690 thousand, 2.4% less than in 2014. The average **monthly amount of the provision** per recipient was HUF 108.5 thousand, 3.2% more than in the previous year. The regional differences in the labour market and earning opportunities are reflected in the average amount of old-age pensions. The monthly provision of pensioners in Budapest is one third more than that of pensioners living in Szabolcs-Szatmár-Bereg county.

- In 2014, the **annual gross income** per capita of private households was HUF 1 million 373 thousand, 3.8% more than in the previous year. The net income per capita amounted to HUF 1 million 100 thousand, 4.8% more than in 2013.

- The income situation of households is basically influenced by the household composition, i.e. whether they raise **children**. In 2014, 1 million 252 thousand households, 30% of all households had children. In these households, the net income per capita continued to be lower than the national average, but it increased by 4.8% on average compared to the previous year, which can be partly explained by the expansion of family tax benefits.

- In 2014, gross income increased the most (by 6.4%) in the middle **income quintile**, and it rose by 2.0% in the lowest and by 3.1% in the top quintile. The still considerable inequality of income distribution is indicated by the fact that the income of households in the top income quintile was more than five times higher than in the lowest quintile. In 2014, 14.9% of the total population, i.e. 1.4 million people lived in **relative income poverty**, and their share fell slightly, by 0.1 percentage point compared to 2013.

- In 2013, **social protection expenditure** accounted for 20.6% of the GDP in Hungary, 1.5 percentage points less than in 2010. Among the member states having joined the EU in and since 2004, this rate is not low, only Cyprus, Slovenia and Croatia are in front of Hungary in the ranking. In Hungary, the per capita amount calculated in purchasing power standard was slightly more than half of the EU average in 2012.

Social care

Consumption of households

- Between 2010 and 2013, the **structure of social protection expenditure** changed so that the proportion of provisions for the elderly increased from 40 to 46%, that of social protection expenditure on the survivors and other social exclusion (e.g. poverty, treatment of drug and alcohol problems) did not essentially change and the share of other items decreased.

- Together with the social processes (ageing) and the expansion of the social institutional system, the number of recipients of **social services** provided for the elderly continued to increase in 2014. Among child welfare provisions, the number of children receiving infant nursery care was 1.8% more than in the previous year and 6.0% more than six years earlier.

- In 2014, after almost 8 years of decline or stagnation, **household consumption** grew by 4.2% at current prices and by 4.4% in real terms. The largest item of household expenditure was food expenditure in 2014: households spent 23% of their total expenditure (HUF 17 thousand per capita per month, an annual average of HUF 210 thousand) on food and non-alcoholic beverages.

- After paying the **expenditures on basic needs**, i.e. food and housing, 53.9% of households' income remained to be spent on transport and other expenditures (e.g. culture and entertainment), which was 1.5 percentage points more than in 2013.

- The consumption expenditure of people in the top **income quintile** was 3.4 times as much as that of households in the lowest income quintile.

- The situation of **households with children** developed favourably on the whole compared to the previous year. Except for the expenditure on housing and household energy, their consumption increased in each main consumption group. The annual average per capita expenditure of these households amounted to HUF 705 thousand, which was 5.4% higher at current prices and 5.6% more in real terms than in the previous year.

Consumer prices, inflation

- In 2015, the persistently low raw material prices and the moderate economic expansion created a low-inflation external environment in global terms, and the drop in fuel prices greatly reduced the inflation rate in our country as well. On the whole, **consumer prices** were 0.1% lower in 2015 than in the previous year. Among the main commodity groups, in connection with the fall in fuel prices, the price level of other goods decreased the most, while the price rise of alcoholic beverages and tobacco has been the biggest for years.

Housing conditions

- In 2015, building authorities issued 30% more **new building permits** (a total of 12,515), which was a significant improvement compared to the relatively low base a year earlier. At the same time, the number of **homes built** (7,612) was 9.0% lower than in 2014. The decline was 4% in Budapest and in villages and 14% in towns with county right. Since the

turn of the millennium, the proportion of homes built by natural persons has been usually more than half of the homes built; similarly to 2014, their share was 59% in 2015. Dwellings built by enterprises continued to be the most typical in Budapest, where their share was 66% in 2015 (the national average was 39%). Since 2011, the **average floor area** of homes put to use has been more than 100 m². It was 101 m² in 2015, practically the same as a year earlier.

- The annual average number of **ceased dwellings** was 4–5 thousand between the turn of the millennium and 2009, since then it has decreased to an annual average of 1–2 thousand. In 2015, 2,000 homes ceased to exist, 16% more than a year before.

- The growth of **housing stock** has slowed down in recent years, which is associated with the decline of residential construction. Due to the continuous renovations, modernization as well as the increasing number of rooms, the state, quality and comfort of dwellings improved, but more slowly than earlier.

- The population decline in Hungary is the consequence of the low fertility and the high **mortality**. Our fertility rate is the ninth and our death rate is the fifth most unfavourable one in the EU. In 2015, 4.2% more people (131,600) deceased in Hungary than a year before.

- One fifth of deaths related to diseases of the circulatory system (12,390 deaths) were due to **cerebral vascular diseases**. In 2013, more than 550 thousand cases were registered in the group of cerebral vascular diseases in the general practitioners' offices.

- The number of **general practitioners' practices** hardly changed between 2008 and 2014 (decreased by 0.9%), it amounted to 6,665 in 2014 and 95% of them were privately owned. The number of practices with only substitute GPs increased by 90% over the 6 years preceding 2014.

- In 2014, 4.9% of the total annual expenditure of the population, HUF 44,771 per capita were spent on **health care**. The largest proportion (70%) of this was spent on medicaments and medical products. 14% of the per capita expenditure were spent on outpatient and 3.5% on inpatient services.

- Between 1995 and 2003, the proportion of students who have tried **drugs** quadrupled, and, after a slight decline having begun in 2007, it started to increase again in 2011.

- Out of the components of **health awareness**, the population takes prevention more seriously, while unhealthy lifestyle affects large strata and the improvement is insignificant.

Health

Culture

- In 2014, the budgetary **expenditures on culture** amounted to HUF 298 billion, 0.9% of the GDP. According to household statistics data, within the per capita consumption, HUF 64 thousand was spent annually on recreation and culture and HUF 68 thousand on communication. For the first time, the expenditure on **communication** exceeded the amount and proportion of spending on culture in the narrower sense. In 2014, the proportion of expenditures on recreation and culture was 7.1% and that of expenditures on communication equalled 7.4%.

- The book market continued to recover: the downward trend in the **number of books (titles) published**, which started in 2009, turned in 2014, and the growth continued in 2015 as well (by 8.8%). That year, nearly 13 thousand books were published. **The turnover of the 'free' book market** (excluding textbooks in public education) amounted to HUF 45 billion 830 million in 2015, 3.2% more than in the previous year. The average price of books has decreased for the third year, in 2015 by 4.9%.

- The range of **cultural services** and the number of those making use of them increased in recent years. The number of **museums** grew by 8.2%, while that of exhibitions fell by 11% between 2010 and 2015. Over the same period, the number of visitors increased by 2.4%.

- In line with the growing number of internet subscriptions, the **internet penetration of households** (76% in 2015) is steadily rising, however, it is still low in EU comparison. In Hungary, 63% of people are daily internet users.

Subjective well-being

- **Overall life satisfaction** is one of the most important indicators of **subjective well-being**. Among the adult population, the average value of the answers was 6.1 on a scale of 0 to 10 both in 2013 and 2015. Age, educational attainment and labour market status, which are associated with the income situation of the individual, significantly affect the value of the answers.

- The **feelings** of individuals are very important in terms of life quality. In 2015, in a given month, 57% of the adult population declared themselves to be generally or mostly happy.

- Among all subjective variables, **trust** in other people showed the lowest average value in 2015 as well (5.0 on a scale of 0 to 10), which, compared to the average value of 5.3 measured in 2013, continued to deteriorate. With the increase of highest educational attainment, the level of trust in others typically increased.

Summary data

Denomination	2012	2013	2014	2015
Average earnings of employees, HUF/month				
gross	223,060	230,714	237,695	247,746
net	144,085	151,118	155,690	162,275
Real wage index, 2010 =100.0	98.9	102.0	105.3	109.9
Expenditures on pensions, benefits, allowances and other provisions as a percentage of GDP	11.7	11.5	10.8	10.4
Average monthly pension of old-age pensioners, HUF/person ^{a)}	104,610	112,781	115,786	118,439
Consumer price index, 2010 =100.0	109.8	111.7	111.5	111.4
Number of dwellings built per ten thousand population	10.6	7.4	8.5	7.7
Home loan stock as a percentage of GDP	12.3	11.0	10.3	8.9
Number of books published	11,645	11,388	11,555	12,572
Theatre attendances per hundred population	52	59	65	66
Museum attendances per hundred population	84	92	89	99

^{a)} January data.

4. DOMESTIC AND INTERNATIONAL MACRO-ECONOMIC ENVIRONMENT

International economy

- The performance of the **global economy** – following a growth of 3.4% in 2014 – was up by 3.1% in 2015 compared to the previous year. A substantial part of this was due to the economic performance of Asian countries. Out of global actors, mostly influencing world economic trends, the economic performance of **China**, considered as the largest national economy in the world, grew by 6.9%, that of the **United States** by 2.4% and that of **Japan** by 0.5%.

- The development of world economic trends was influenced by the decelerating growth rate of the Chinese economy as well as the price decrease of raw materials. The value of the price index managed by the International Monetary Fund and covering all major raw materials was 35%, that of the global food price index of FAO 19% and the average Brent market price 47% lower in 2015 than a year earlier.

- The economy of the **European Union** (EU-28), belonging to our closer international environment, increased by 1.9%, within which that of Germany, the largest national economy, by rose 1.7% in 2015.

Domestic macro-economic environment

- The Hungarian economy started to follow a path of increase in 2013, and the growth continued in 2015. The **gross domestic product of Hungary** rose by 2.9% in 2015 compared to a year earlier, a change with which Hungary is in the middle in the ranking of EU member countries considering economic performance.

- **From expenditure approach**, it was internal demand – within which especially the consumption of households – that caused the economic growth. External trade, reaching a record surplus, also had a favourable impact on the performance.

- The volume of **investments in the national economy** increased by 0.6% compared to the high base a year earlier. The growth was principally due to investments by budgetary institutions. Out of sections with a large weight, investments rose by 0.2% in transportation and storage and were cut by 6.0% in manufacturing and by 6.9% in real estate activities.

- **From production approach**, the performance of goods producing branches and the service sector both went up. The driving force of the growth was the manufacture of transport equipment and the divisions based on that, as well as trade, accommodation and food service activities.

External trade

- The **volume of external trade in goods** increased by 7.9% in exports and by 7.0% in imports in 2015 compared to 2014. Following a standstill in

2012, the growth of exports accelerated continuously in the last three years. The **value** of exports amounted to 90.5 billion euros and that of imports to 82.4 billion euros in 2015. A surplus of 8.1 billion euros was recorded in the Hungarian external trade at the end of the year, the **balance** improved by 1.8 billion euros compared to 2014. The balance of external trade has shown a surplus since 2009, the amount of the surplus ranged between 6 and 7 billion euros in 2012–2014, and in 2015 reached a level unexperienced earlier on. The **foreign exchange price level of the Hungarian external trade** decreased in 2015, too, the **terms of trade** improved (by 0.8%).

- The **value of service exports** was 19.6 billion euros and that of service imports 13.9 billion euros in 2015. Trade was 5% higher in both directions of trade than in the preceding year. A surplus of 5.8 billion euros was generated in the Hungarian external trade in services over the course of 2015, the balance improved by 258 million euros compared to 2014. The balance continuously ameliorated in the past five years, the improvement amounted to 2.7 billion euros compared to 2010.

- The **deficit of the general government sector** was HUF 626 billion in 2015, which corresponded to 1.9% of GDP. The deficit was HUF 114 billion less or 0.4 percentage point lower as a proportion of GDP than in 2014. The ratio of the deficit to gross domestic product in 2015 was the lowest in the time series back to 1995. The **debt of the general government sector** – according to data of the Central Bank of Hungary – equalled 75.3% of GDP at the end of 2015, which was 0.9 percentage point less than a year earlier and 5.3 percentage points lower than at the end of 2010. The value of the debt in forints increased by 16% in the last five years and amounted to HUF 25.4 thousand billion at the end of 2015. The **Maastricht criterion** was met for the balance in all of the years 2012–2015, however, the debt was higher than that even in spite of the modest decreases measured in the past years.

General government sector

Summary data

Denomination	2012	2013	2014	2015
Volume index of gross domestic product (GDP), year 2010 = 100.0	100.0	101.9	105.7	108.8
GDP per capita, EU-28 average = 100.0 ^{a)}	65	67	68	..
Volume index of investments, year 2010 = 100.0 ^{b)}	90.6	96.0	114.6	115.3
Volume index of actual final consumption of households, year 2010 = 100.0	98.4	99.0	100.5	103.1
Balance of external trade in goods, million euros	6,655	6,555	6,274	8,118
Volume index of imports, year 2010 = 100.0	106.6	111.9	121.8	130.3
Volume index of exports, year 2010 = 100.0	110.7	115.3	123.3	133.0
Balance of general government sector, as % of GDP	-2.3	-2.6	-2.3	-1.9
Debt of general government sector, as % of GDP	78.3	76.8	76.2	75.3

^{a)} In purchasing power parity.

^{b)} Based on quarterly data.

5. PERFORMANCE OF BRANCHES

Domestic business environment

- The number of **registered business units** was 1 million 838 thousand in 2015, 10 thousand fewer than a year earlier. The primary source of the decrease was a decline in the number of enterprises, and especially business partnerships, however, the number of non-profit organisations and other business units grew. The sections with the largest weight within enterprises continued to be agriculture, real estate activities, wholesale and retail trade as well as professional, scientific and technical activities. The distribution of enterprises by staff size categories was unchanged compared to earlier years: 99.7% of them were small-sized, 0.3% medium-sized and 0.05% large enterprises.

- The number of **newly registered enterprises** was up by 1.9% (to 106 thousand) compared to the previous year. In 2015, 12% less business partnerships but 7.0% more entrepreneurs were registered than in 2014. (The change in the number of business partnerships was mostly influenced by the six-fold rise in the initial equity capital of limited liability companies.)

- Similarly to earlier years the **number of closures** rose, though the rate varied from year to year. In 2015, 118 thousand enterprises ceased to exist, 32% more than in 2014. The number of both ceasing business partnerships and entrepreneurs increased: that of the former by 23% and the number of the latter by 39%.

Research, development and innovation

- The ratio of **research and development expenditures** to gross domestic product equalled 1.38% and their amount came to HUF 441 billion in 2014. The value of domestic expenditures relative to GDP was rising in the past years except for 2014, but was still lower than the target taken by Hungary (1.8%).

- The **proportion of R&D expenditures financed by business enterprises** rose again in 2014, to 48%. The role of research units of business enterprises became larger in the last years in respect of research units, personnel as well as the utilisation of expenditures, as a result of which the proportion of **experimental development** reached 52% already in the total R&D sector by 2014.

- The proportion of researchers is not considered to be high on the labour market in international comparison, though it has been growing for years. According to OECD data the **number of researchers per thousand employed persons** was 7.8 in the EU-28 on average and 6.2 in Hungary in 2014.

Agriculture

- The **gross value added** of agriculture decreased by 7.8% at previous year's prices and was unchanged at current prices in 2015. Labour input in agriculture did not change significantly, real factor income per work unit was 4.4% and entrepreneurial income 8.9% lower than in the previous year.

- In Hungary there were extremities in the weather in the growing season during 2015. After the outstanding yield in 2014, a 16% lower **production** of cereals was harvested. The harvested production of maize was nearly a third less, and that of wheat was similar to the production in the previous year.
- The **livestock** surveyed in December 2015 was larger in case of cattle, chickens and turkeys and smaller in case of ducks than on 1 December 2014. The number of pigs, sheep and geese was practically unchanged.
- Agricultural **producer prices** – following declines in 2013 and 2014 – hardly changed in 2015 (+0.4%) compared to the previous year. The prices of crop products rose by 6.4% after 2 years of decrease, and those of live animals and animal products were cut by 8.4% after a slight reduction in the previous year.
- After a significant increase in 2014 (14%), the volume of **procurement** of agricultural products grew by 4.3% in 2015. The procurement of live animals and animal products increased at a higher-than-average rate (5.7%), 9.3% more animal products were procured.
- The **prices of agricultural production means** were lowered by 1.2% in 2015, which stemmed from a 1.8% decline in intermediate consumption and a 2.8% increase in the price level of investments in agriculture.
- Domestic **industry** produced more than a quarter of gross value added in the past years, which is considered high in an EU comparison. The volume of industrial production, which turned into growth in the course of 2013, grew by 7.5% in 2015 compared to the previous year. The rise was primarily due to export-oriented enterprises based on the manufacture of transport equipment.
- The export orientation of industry strengthened further in 2015, 64% of sales were realized on external markets. The volume of **export sales** grew dynamically in 2015 too, it was 9.9% higher than a year earlier. Partly consistently with increasing domestic consumption, **domestic sales** rose – more markedly than one year earlier – by 2.8% in 2015.
- Following an 8.7% growth in 2014, the volume of production in **manufacturing**, representing 95% of industrial output, was up by 8.1% in 2015, which continued to be dominantly influenced by sales on external markets. Output rose in the vast majority of sub-sections, to the highest extent (17%) in the manufacture of transport equipment.
- **Industrial producer prices** have decreased since 2014, they declined by 0.9% in 2015 compared to a year earlier. Prices changed oppositely in the two directions of sales in the course of 2015: the price level of domestic sales was cut by 3.1%, while that of export sales rose by 0.3% compared to the previous year.

Industry

Construction

- The volume of output in **construction** has been rising since 2013. The growth of the output exceeded 13% in 2014, however, its rate slowed down in 2015, when the output was 3.0% higher than one year earlier. The **construction of buildings** was up by 4.8% and **civil engineering** by 1.6%. In case of buildings the increase was in connection with the construction of sports facilities and health care buildings and in respect of civil engineering with the construction of communal facilities and road renovations. **Construction output prices** were 2.5% higher on average in 2015 than a year earlier.

Transport

- **Transport performances** increased in 2015, though growth rates were lower than those in 2014. The goods transport performance of the national economy, expressed in freight tonne kilometres, was 0.9% and the transported weight 1.4% higher than in 2014. The performance of inland traffic grew by 3.0% and that of international traffic, accounting for three-quarters of the total performance, by 0.3%. The performance of inter-urban passenger transport was 1.4% higher than in 2014. The increase in the performance was due to the lengthening average travel distance since the number of travels lessened by 2.4%. The number of users of urban public transport services was up by 1.4% in 2015.

- 200 thousand **passenger cars were registered for the first time in Hungary** in 2015, 22% more than in 2014. The growth was mostly owing to the increasing registration of used – more than two-year-old – cars. The **passenger car stock** came to 3 million 197 thousand at the end of 2015, 89 thousand more than at the end of 2014. The average age of the passenger car stock in Hungary was 13.7 years at the end of 2015, 0.3 year more than a year earlier, which has been the highest value since the turn of the millennium.

**Telecommunications,
internet**

- As a consequence of dynamically spreading VoIP voice channels, 2.5% more **fixed main telephone lines** were recorded at the end of 2015 than one year earlier. The number of **mobile phone subscriptions** also rose (by 0.6%). Both the number and length of calls initiated from fixed networks decreased in 2015 (by 10 and 4.7%, respectively), while those of calls initiated from mobile networks were up (by 0.1 and 7.1%, respectively).

- Thanks to the more and more popular and increasingly affordable mobile internet the **number of internet subscriptions** (8.1 million) increased by 11% in 2015 compared to a year earlier. At the same time, the 7.1% growth of net sales revenues from internet access services (HUF 182 billion) lagged behind the expansion in the number of internet subscriptions. The concentration of the internet provision market is high, 96% of the subscriptions were accounted for by 10 enterprises at the end of 2015.

Retail trade

- The **turnover of retail shops** started to grow in 2013, which continued in 2015 as well: the volume of turnover rose by 5.7% in 2015 as a whole compared to the previous year. The underlying reasons were the growth in real earnings and the improving labour market situation, as well as the moderate inflation environment and the significant decrease in motor fuel prices. The volume of food purchases, accounting for almost 47% of the

total turnover, was up by 3.6%, that of non-food purchases by 7.8% and the volume of motor fuel purchases by 7.0% compared to a year earlier.

- **Foreign citizens made 48 million visits in Hungary** in 2015, 5.1% more than in 2014. The vast majority (97%) of visitors came from Europe, within which over eight-tenths of them from the European Union. **Hungarian people made 17.3 million visits abroad** in 2015, 5.7% more than in the previous year. 86% of trips were to countries of the European Union and 82% to neighbouring countries.

- The services provided by domestic public **accommodation establishments** were used by 10.4 million guests for 25.8 million tourism nights in 2015, which were 7.4 and 5.4% more, respectively, than a year earlier. The growth in tourism substantially exceeded the increase in capacity. **Foreign** guests arriving in Hungary spent 12.9 million and **domestic** guests 12.8 million nights at public accommodation establishments in Hungary, 4.6 and 6.4% more, respectively, than one year earlier.

- The sales turnover of **catering units** – including the catering units of public accommodation establishments – was HUF 918 billion in 2015, 11% larger in volume than in 2014. The volume of commercial catering, accounting for 86% of the turnover, was 12% and that of canteen catering 6.7% higher than a year earlier.

Summary data

Denomination	2012	2013	2014	2015
R&D expenditures as a percentage of GDP	1.27	1.41	1.38	..
Volume index of agricultural output, year 2010 = 100.0 ^{a)}	100.0	112.4	124.9	121.2
Volume index of industrial production, monthly average of year 2010 = 100.0 ^{b)}	103.7	104.8	112.9	121.4
Index of industrial producer prices, year 2010 = 100.0	108.7	109.5	109.0	108.0
Share of exports in industrial sales, % ^{b)}	55.4	57.8	61.0	63.6
Volume index of construction output, monthly average of year 2010 = 100.0	86.0	93.2	105.8	109.0
Index of transport performance, year 2010 = 100.0				
goods transport ^{c)}	100.4	105.1	109.4	110.4
interurban passenger transport ^{d)}	92.9	94.6	100.0	101.3
urban passenger transport ^{e)}	97.8	98.1	103.0	104.4
Number of passenger cars registered for the first time in Hungary, year 2010 = 100.0	173.9	207.0	268.1	326.0
Number of mobile subscriptions per hundred inhabitants	116.7	118.2	119.7	120.8
Number of internet subscribers per hundred inhabitants	55.1	65.6	74.2	82.6
Volume index of turnover of retail shops, year 2010 = 100.0	98.0	99.8	104.9	110.9
Number of visits made by Hungarian citizens abroad, thousands	16,143	16,038	16,340	17,276
Number of visits made by foreign citizens in Hungary, thousands	43,565	43,611	45,984	48,345
Number of tourism nights at public accommodation establishments, thousands	21,805	22,968	24,434	25,765

^{a)} At basic prices.

^{b)} Data on all industrial enterprises.

^{c)} Based on freight tonne kilometres.

^{d)} Based on passenger kilometres.

^{e)} Based on number of passengers.

Tourism, catering

6. ENVIRONMENT AND ENERGY

Environment

- An intensive warming started in the Carpathian Basin at the beginning of the 1980s, the rise in the temperature can be detected primarily in the change of average temperatures in summer and spring. Extremely cold weather (freezing days) became rarer, while hot spell days more frequent.
- Both the number of people engaged in and the areas under **ecological farming** decreased in 2014 compared to the previous year. 2.3% of our agricultural area are utilised by organic farming, which is the 5th lowest proportion in the EU, not reaching even the half of the EU average (5.8%).
- Sewage was piped by **sewers** from 77% of dwellings in Hungary – from about 3.4 million dwellings – in 2014. The proportion of dwellings with sewage connection was considerably higher in towns (87%) than the level in villages (50%).
- The emission of **air pollutants** – greenhouse gases (GHG), acidifying gases, ozone precursors and suspended particulates – has been declining continuously in Hungary. The decrease is due to many different reasons, which are primarily technological changes, environmental regulations and the re-structuring of industrial production and agriculture.
- Business units spent 36% more in real terms (HUF 175 billion in total) in 2014 on preventing, reducing or eliminating environment pollution than in the previous year.

Energy

- Domestic **energy consumption** has followed a downward trend since 2010. However, a slight rise occurred in 2014, 963 petajoules of energy were used in the national economy, in a five-year comparison 11% (122 PJ) less.
- In 2014, 35% of **resources intended to cover energy needs** came from domestic production and 65% from imports, the ratio has shifted towards energy imports. Domestic production was 0.7%, within which electricity production 3.0% less than in the previous year. More than the half of electricity was generated from nuclear energy.
- **Energy imports** were 12% higher in 2014 than one year earlier. Within this, the imports of petroleum and petroleum products were up by 15% and those of natural gas by 10%.
- The **relative energy intensity** of the Hungarian economy showed a downward trend in the past few years, it decreased by 4.3% in 2013, along with a 1.6% rise in economic performance. Even so, the relative energy use of Hungary is high in international comparison.

• The share of **energy from renewable sources** in consumption has been continuously rising in Hungary, it was 9.5% in 2014, though lower than the EU average (16%). The share of renewable energy sources in total electricity use was 7.3% in 2014, higher than in the previous year.

Summary data

Denomination	2011	2012	2013	2014
Forest area, thousand hectares ^{a)}	1,927.7	1,933.6	1,938.1	1,939.3
Of which: proportion of healthy, based on defoliation, %	63.8	59.5	55.6	52.4
Protected areas and relics of national significance, thousand hectares ^{b)}	846.5	850.7	848.2	848.7
Carbon dioxide emission (gross), kg/capita	5,061.7	4,720.5	4,447.6	4,421.2
Suspended particulates: particulate matters with a diameter less than 10 µm (PM ₁₀), kg/capita	4.9	4.8	4.6	4.5
Sewage piped to sewage treatment plants, million cubic metres ^{c)}	464.2	429.4	483.0	481.1
Of which: treated also with advanced treatment technology, million cubic metres	237.8	324.5	375.3	372.6
Generated municipal solid waste, thousand tonnes	3,809.0	3,987.5	3,737.8	3,794.8
Environment protection investments (at current prices), HUF billion	128.6	138.1	127.3	175.5
Environmental industrial sales (at current prices), HUF billion	417.3	416.6	429.1	445.7
Energy use, petajoules	1,053.8	990.0	956.6	963.4
Share of natural gas and petroleum products in energy sources, % ^{d)}	60.0	59.0	59.0	61.0

^{a)} 1 January.

^{b)} 31 December.

^{c)} Including sewage piped to Austria for treatment.

^{d)} Including LPG used in mining and gasoline.