



Statistical report: Economy and society, January–December 2018

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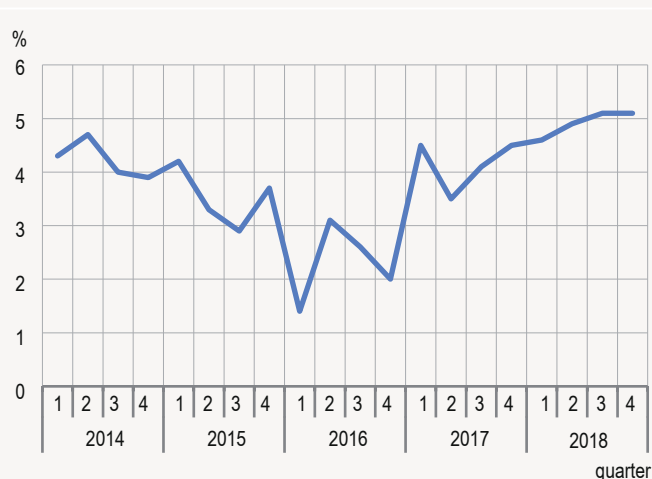
Macro-economic trends

- The growth continued in Hungary's international economic environment in the 4th quarter of 2018. The volume of **GDP** calculated for the **European Union** as a whole was 1.4% and the performance of Germany's economy 0.6% higher than in the corresponding period of the previous year, however, the increase of both slowed down considerably.¹
- The dynamic growth of **Hungary's** economy which started in 2013 continued in the 4th quarter of 2018: the **volume of GDP** rose by 5.1% compared to the high base one year earlier. Most areas of the economy contributed to this, market-based services to the highest extent. According to the seasonally and calendar-adjusted index the economic performance grew by 4.9% compared to the same period of the previous year, at considerably higher rate than the EU average and by 1.0% compared to the previous quarter. Poland's, Slovakia's and Czechia's economies all increased more slowly (by 4.6%, 4.0% and 2.8%, respectively) than Hungary's – based on adjusted data – compared to a year earlier.

Figure 1

GDP volume change

(on corresponding quarter of previous year)

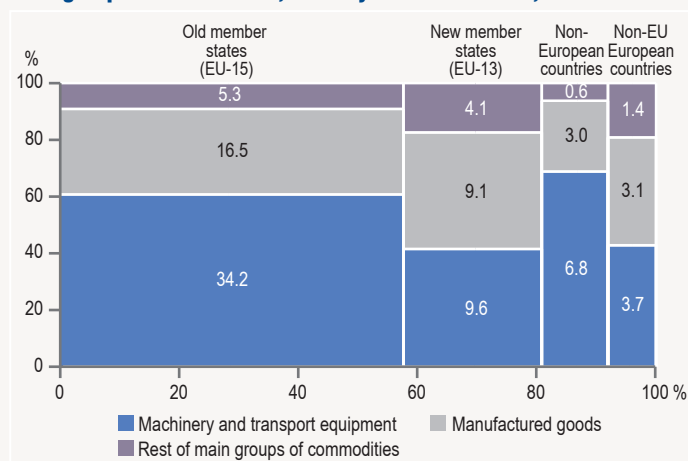


¹ Seasonally and calendar-adjusted data, their source is the Eurostat database.

- In 2018 as a whole**, the **performance of Hungary's economy** rose by 4.9% – based on unadjusted data – compared to the high base in 2017, which was primarily due to market-based services, consistent with domestic consumption, from the production approach and to the actual final consumption of households and investments from the expenditure approach. The growth rate in 2018 was the most dynamic rise in the last 14 years.
- The dynamic increase of **investments in the national economy**, lasting since the beginning of 2017, continued in the 4th quarter of 2018, too: the volume of developments was 17% higher both in the last quarter of the year and over the year as a whole than the high base one year earlier. Residential and business real estate investments, as well as infrastructural and capacity-increasing developments all influenced the growth. The volume increase of construction investments was 22% and that of investments in machinery and equipment 11% in 2018 compared to the previous year. Investment activity went up in all sections over the year as a whole. The three areas representing the largest weight in investment (manufacturing, transportation and storage as well as real estate activities) together realised six-tenths of the annual investment performance.
- According to the first estimate on **external trade in goods**, the **value of exports** amounted to 105.1 billion euros **in 2018**, a 4.3% larger amount than a year earlier. The value of imports was 99.0 billion euros, 6.9% higher than in 2017. The external trade surplus came to 6.0 billion euros, 2.0 billion euros less than in 2017. The surplus was less than in 2018 for the last time in 2010.
- The **volume of external trade in goods** increased by 4.6% in exports and by 6.2% in imports according to data for **January–November 2018** compared to the corresponding period of the previous year. The **price level** of external trade, **measured in Hungarian forints**, rose by 3.0% in exports and by 3.9% in imports, so the **terms of trade** worsened by 0.9%. The **forint** depreciated by 3.1% against the euro and strengthened by 2.3% against the dollar compared to January–November 2017.

Figure 2

Structure of goods exports by group of countries and main group of commodities, January–November 2018, billion euros

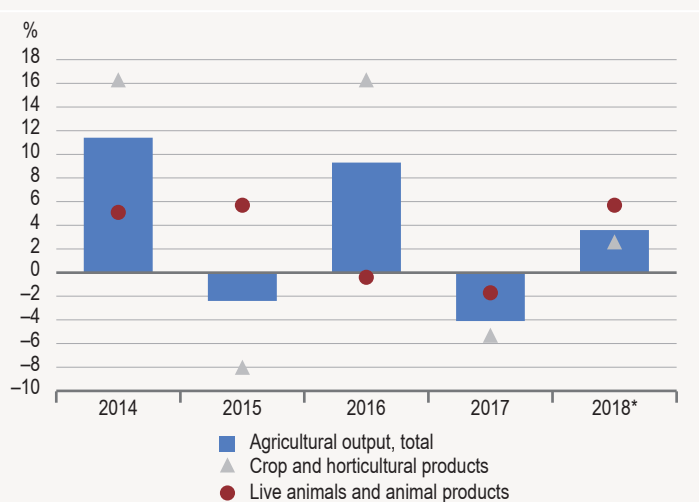


Performance of divisions

- The performance of agriculture, industry, construction, retail trade and tourism all rose in 2018, the key factors of which were mainly domestic economic trends (for example, growing domestic consumption and high investment activity).
- According to the second estimate for the economic accounts for agriculture, the **performance of agriculture** was up by 3.6% in 2018 compared to one year earlier. The output volume of crop production was 2.6% higher than in 2017. The output of cereals increased by 6.8%, within which, however, wheat output was down by 1.0% and that of barley by 19%. The volume of maize became 18% higher, since its harvest results were substantially higher than in 2017, when they were lower than the average. The volume of production of forage plants expanded by 3.3% and that of fruits by 14%, the production volume of potatoes was the same as a year earlier, despite a decline in their area. The output of industrial crops was 4.8% and that of horticultural products 2.4% lower than in 2017. The total volume of output of livestock production was 5.7% higher, within which the output of live animals 8.1% and that of animal products merely 0.6% surpassed the level one year earlier.

Figure 3

Change in volume of agricultural production compared to previous year



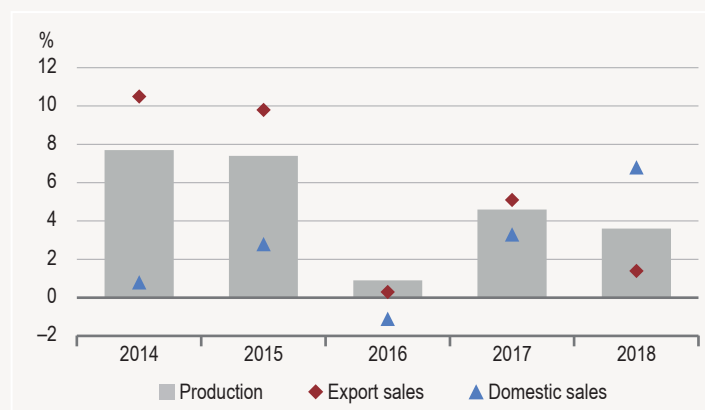
* According to the second estimate.

- Along with a 1.8% growth in the volume of intermediate consumption, the gross value added of agriculture went up by 5.9% in 2018. Factor income was 2.9% and entrepreneurial income 2.6% higher than in the previous year. Labour input in agriculture, expressed in annual work units, was reduced by 3.9% over a year. Real factor income per work unit (indicator 'A') was up by 3.3%, the rate of increase being at the top of the ranking of EU member states.
- The **harvest results of main arable crops in 2018**, except for sunflower, potatoes and sugar beet – the latter two with less significance –, were the same as or higher than in 2017 according to preliminary data. 5.7% higher yields of cereals, produced on 54% of arable land, were harvested on a 2.0% smaller area than in the previous year. A similar quantity of wheat, however, 18% more maize was produced than in 2017, first of all because of the favourable weather. The harvest results of oilseeds changed in the same direction as their extension: the production of rape went up by 7.2%, that of sunflower decreased by 9.4%. The level of lucerne production was similar to that in the previous year. The average yield of maize and sunflower was higher, that of lucerne hay almost the same and the average yield of wheat, sugar beet and rape lower than in 2017.

- The **number of the main farm animals** changed differently in 2018. The growth of the cattle stock, lasting since the end of 2010, continued. Holders stabled 885 thousand cattle on 1 December, 15 thousand more than a year earlier. The pig stock (2.9 million heads) has decreased since 2015, which stopped by the end of the year. The number of sheep diminished by 3.3% over a year to 1.1 million heads. The chicken stock (30.7 million heads) became 3.7% less, however, the stock of laying hens, representing 36% of the total number, was almost the same as one year earlier.
- The volume of **industrial production²** was 5.4% higher in **December 2018** than in the same month of the previous year. Industrial exports expanded by 4.4% and domestic sales by 7.2% at comparative prices. Based on working-day adjusted data, the output of industry was up by 5.7%.
- Looking at the year as a whole, the volume of **industrial production** was 3.6% higher in 2018 than in the previous year, thus the rising trend, lasting since 2013, continued. In the last years the engine of the growth was basically the expansion of exports, in 2018, however, the volume of domestic sales went up at a higher rate (by 6.8%) than that of sales on external markets (1.4%), so the weight of exports within industrial sales at 63% was lower than a year earlier.

Figure 4

Change in volume of industrial production and sales, on previous year



- Out of the **sections of industry**, the output of manufacturing, having a dominant share (of 96%), was 3.7% higher, while that of energy industry 3.3% lower in 2018 than in the previous year. The output of small-weight mining increased by 54%, dominantly due to a volume increase in exploring activities related to crude petroleum and natural gas extraction, as well as in the quarrying of stone, sand and clay, serving brisk construction demand and producing base materials necessary mainly for road constructions.
- The manufacture of transport equipment, representing the largest weight within **manufacturing**, was practically the same as in 2017 (-0.1%). Within this, the volume of the manufacture of motor vehicles was reduced, while the manufacture of parts and accessories for motor vehicles, the other area having a large share, grew. The output of electronic industry, producing goods almost fully for external markets, rose by 6.8% at comparative prices, the rate of increase accelerating gradually quarter by quarter. The output of food industry – with similar weight, representing more than one-tenth of manufacturing output – was 4.9% higher than one year earlier, the main contributor to which was the performance of meat industry and of the manufacture of beverages. The highest (15%) growth out of the sub-sections of manufacturing was recorded in the manufacture of rubber, plastics and non-metallic mineral products, which was influenced by an increase in rubber industry exports, a rise in the domestic demand for plastics industry products

² The total of industry refers to total industry, while the rest of the data on industry to the group of enterprises employing at least 5 people.

as well as an expansion in construction. The manufacture of basic metals and fabricated metal products, the other sub-section with medium weight, was up by 6.8%, mostly due to its outstanding performance in the 1st half of the year. Out of the areas making up 5–6% each of manufacturing output, the expansion in the manufacture of coke and refined petroleum products resulted from the favourable domestic demand, while the manufacture of chemicals and chemical products increased sales in both directions. However, the volume of the manufacture of machinery and equipment n.e.c. was 8.1% lower than in the previous year, mostly owing to a fall in the manufacture of engines and turbines³.

Table 1

Structure of and change in manufacturing output*, 2018

(%)

Manufacturing sub-section	Distribution of value of production	Volume change on corresponding period of previous year
Manufacture of transport equipment	27.9	-0.1
Electronic industry	11.9	6.8
Food industry	10.6	4.9
Manufacture of rubber, plastics and non-metallic mineral products	8.9	14.9
Manufacture of basic metals and fabricated metal products	8.7	6.8
Manufacture of machinery and equipment n.e.c.	5.9	-8.1
Manufacture of chemicals and chemical products	5.6	5.8
Manufacture of coke and refined petroleum products	5.2	6.6
Manufacture of electrical equipment	4.6	8.9
Manufacture of wood and paper products, printing	3.4	7.2
Other manufacturing	3.0	-1.7
Manufacture of basic pharmaceutical products and pharmaceutical preparations	2.9	-0.3
Manufacture of textiles, wearing apparel, leather and related products	1.5	-3.7
Manufacturing, total	100.0	3.7

* In the group of manufacturing enterprises employing at least 5 people.

- The volume of industrial production was higher in all **regions** in 2018 than in the previous year. The output went up at the highest rate (by 9.5%) in Pest Region, growths of 0.5–7.7% were measured in the rest of the regions.⁴
- The volume of total **new orders** in the observed manufacturing divisions⁵ was 1.3% larger in **December 2018** than in the corresponding month of the previous year. The volume of the total **stock of orders** was 7.2% higher **at the end of December** than a year earlier.
- The value of **construction output** at comparative prices was nearly 18% higher in **December 2018** than in December 2017. (Compared to the previous month the seasonally and working-day-adjusted volume of the output decreased by 2.4%.) Output expanded significantly in both main groups of constructions: the volume of the construction of buildings by 15% and that of civil engineering by 22%.

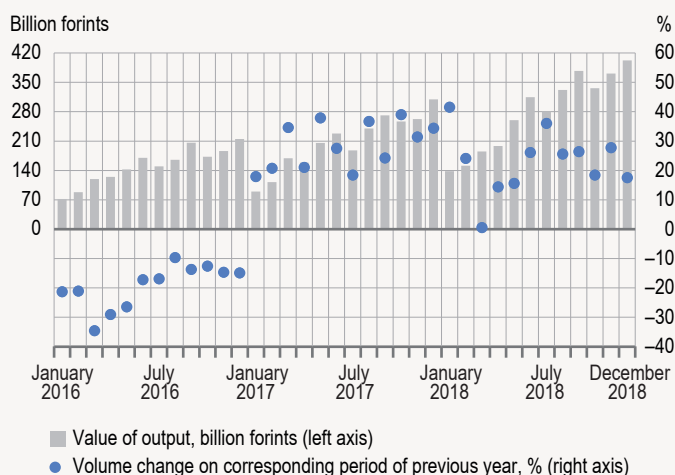
³ The manufacture of aircraft, vehicle and cycle engines does not belong to this class.

⁴ Based on data by local unit.

⁵ In the group of industrial enterprises employing at least 50 people.

Figure 5

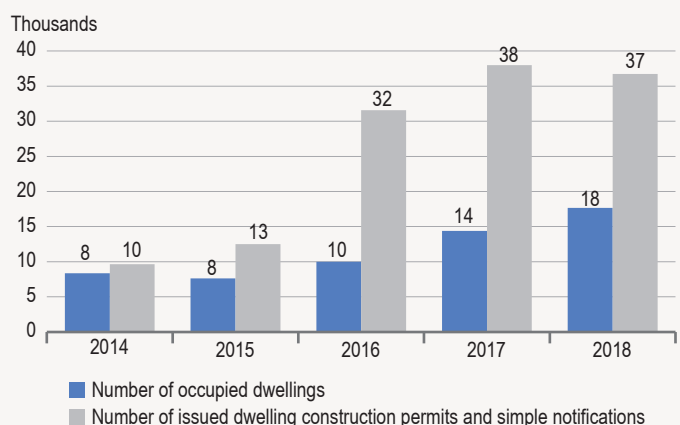
Construction output



- Out of the **divisions of construction**, the volume of output grew by 21% in the construction of buildings, by 19% in civil engineering and by 15% in specialised construction activities in **December** compared to one year earlier. In the former order of the divisions, the proportions of the values of output were 30%, 26% and 44%.
- The volume of construction output in **January–December 2018** also expanded substantially, by 22% compared to a year earlier. 54% of the annual value of output of over 3.3 thousand billion forints came from activities carried out on buildings and 46% from those carried out on civil engineering works, the volume of the former rising by 16% and that of the latter by 31%. In the group of buildings large contributors to the growth were works carried out on business (e.g. industrial and commercial) facilities as well as educational and residential buildings, and in the case of civil engineering works transport infrastructure developments as well as the development of utility projects.
- The value of **new contracts concluded in December** for construction works was 72% lower at comparative prices than in December 2017, within which a 21% larger volume of contracts was made for the construction of buildings and an 86% lower one for civil engineering, compared to the high base.
- The value of construction enterprises' **stock of contracts at the end of 2018** (1.9 thousand billion forints) was 7.7% lower at comparative prices than one year earlier. Within this, these enterprises had a 7.3% smaller volume of stock of orders for works to be carried out on buildings and a 7.8% smaller one for civil engineering than at the end of 2017. 17% of the value of the stock of contracts was for the construction of buildings and 83% for civil engineering.
- 17,681 **new dwellings** were built in Hungary in 2018, 23% more than in the previous year. 40% more dwellings were occupied in Budapest and 39% more in Pest Region, and the growth was higher (30%) in villages, too, than the average. Nearly the half of dwellings were built in Budapest and in Pest Region, and despite a decrease of 2.8%, the share of Western Transdanubia continued to be significant, where 18% of dwellings were built. (The performance of the latter region was dominated by Győr-Moson-Sopron County, where 14% of new dwellings were built at national level, however, their number went down by 10% compared to 2017.) The weight of constructions shifted towards enterprises, which built 53% of dwellings compared with 49% in the previous year. 53% of dwellings occupied in new residential buildings were in family houses, 38% in multi-dwelling buildings and 5.0% in residential parks. The average floor space diminished by 1 m² to 99 m².

Newly built dwellings and issued construction permits

Figure 6



- The volume of the **turnover of retail stores** was up by 3.7% in **December 2018** and by 6.0% in **January–December** compared to the same period of the previous year. (According to calendar-adjusted data the rise was 4.1% in December and 6.0% in January–December.) Compared to the previous month, the turnover of stores was practically unchanged in December based on seasonally and calendar-adjusted data.
- Sales in **specialised stores for food, beverages and tobacco** and in **non-specialised stores with food, beverages or tobacco predominating**, together accounting for 45% of the total turnover, were 3.3% higher in **2018** than in the previous year. Within this, sales in non-specialised stores, realising 77% of the turnover, rose by 3.9% and sales in specialised stores for food, beverages and tobacco by 1.4% compared to 2017. The turnover of **stores for non-food products** went up by 9.0% as a whole compared to a year earlier. The turnover expanded in all groups of stores within the activity group, out of which sales in stores for furniture and electrical goods, having the largest share (27%), rose by 7.1%. During that time the growth was 27% in retail trade via mail order houses or via internet, covering a wide range of products and making up merely 4.5% of the total turnover of retail stores. The **turnover of filling stations** was up by 6.2% in January–December.

Turnover of retail stores, 2018

Table 2

(%)

Denomination	Distribution	Volume change on previous year
Non-specialised stores with food, beverages or tobacco predominating	34.8	3.9
Specialised stores for food, beverages and tobacco	10.3	1.4
Specialised stores for food, beverages and tobacco and non-specialised stores with food, beverages or tobacco predominating, total	45.0	3.3
Non-specialised stores with manufactured goods predominating	3.8	13.3
Stores for textiles, clothing, footwear and leather goods	5.7	5.9
Stores for furniture and electrical goods	10.4	7.1
Stores for books, computer equipment and other manufactured goods	7.3	4.0
Stores for pharmaceutical and medical goods and cosmetics	6.5	8.0
Second-hand stores	0.4	2.6
Mail order houses or internet	4.5	26.6
Stores for non-food products, total	38.5	9.0
Filling stations	16.5	6.2
Retail trade, total	100.0	6.0

- An increase of 7.5% was measured in the turnover of **stores for motor vehicles and vehicle parts and accessories**, accounted outside retail trade, in **2018** compared to one year earlier.
- 827 thousand tourist arrivals and 1.9 million tourism nights were registered at **accommodation establishments in December 2018**, which were 1.0% and 1.6% higher, respectively, than a year earlier. The slight rise (of 0.9%) in international tourism nights was somewhat exceeded by the increase (of 2.3%) in domestic tourism.
- The number of tourist arrivals and spent tourism nights at accommodation establishments both went up – by 5.2% and 3.8%, respectively – in **2018** compared to the previous year. International tourists spent there 15.3 million and the domestic ones 15.6 million tourism nights, 2.4% and 5.3% more, respectively, than in the previous year. Hotels were the most popular among both international and domestic tourists, over eight-tenths and almost seven-tenths, respectively, of spent tourism nights increased tourism at hotels, by 1.8% and 4.3%, respectively, compared to 2017. The majority (62%) of people arriving from abroad chose Budapest–Central Danube Region, and the greater part (25%) of domestic tourists – with a relatively even distribution among regions – Lake Balaton out of tourism regions. Tourism measured in tourism nights rose in both regions, by 2.8% and 3.0%, respectively, over a year.

Figure 7

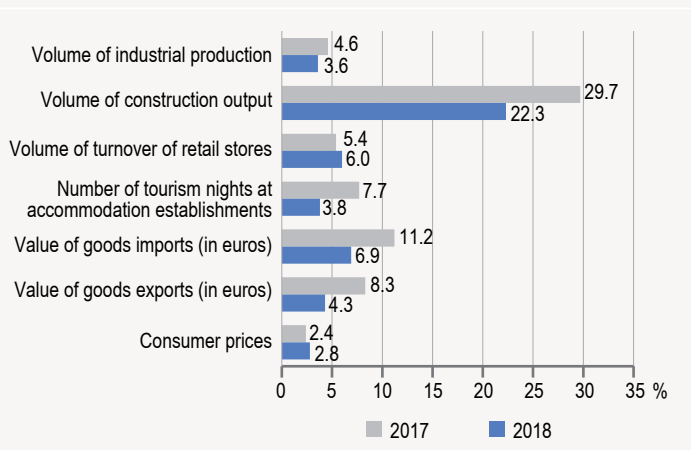
Change in number of tourism nights spent at accommodation establishments (on corresponding period of previous year)



- Germany continued to stand out among source countries, 14 in hundred international tourism nights in Hungary were spent by tourists from Germany in 2018. From the 10 most important source countries, making up some six-tenths of international tourism, more tourism nights were registered than one year earlier with the exception of Austria, Italy and Slovakia. Out of these the most significant expansion (13%) was recorded in the tourism nights of people arriving from the United States.
- Accommodation units** booked total gross sales revenues of 510 billion forints at current prices in 2018, 9.3% more than a year earlier. Some six-tenths of the revenues came from accommodation fees, and further 24% and 17% from catering and other services, respectively. 20.3 billion forints came from payments by **Széchenyi Recreation Card**, practically the same revenue as in the previous year.
- The volume of the sales turnover of **catering units** increased by 8.9% in 2018 compared to 2017, its value amounting to a total 1,220 billion forints.
- The **goods transport performance** of the national economy, expressed in freight tonne kilometres, was 4.9% lower in 2018 than in 2017. The passenger-kilometre performance of **inter-urban passenger transport** rose by 5.4%, and 1.1% less trips were registered in **urban passenger transport**.
- 295 thousand **passenger cars** were **registered for the first time** in Hungary in 2018, 8.7% more than over the preceding year.

**Main economic indicators+
(change on previous year)**

Figure 8



+ Data for the year 2018 on industry, construction, turnover of retail stores, accommodation establishments and external trade are preliminary.

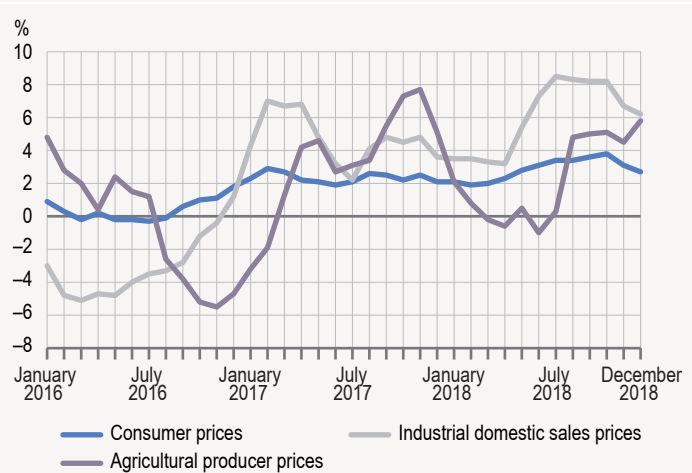
Producer and consumer prices

- The producer prices of industrial and agricultural products, as well as consumer prices all rose in 2018. The development of prices was influenced by the price rise of several basic materials, in addition, the improving income position of households and a change in the exchange rate of the forint.
- Agricultural producer prices** increased by 5.8% in **December 2018** compared to the corresponding period of 2017, which was due to a rise of 10.2% in the price of crop products as well as a decrease of 1.5% in the price of live animals and animal products. Cereals prices went up by 14%, within which the price of wheat to a much higher extent (23%) than that of maize (6.3%). The price of fruits – especially apple prices (–27%) – fell (by 15%), however, vegetables and potatoes prices rose significantly, by 30% and 44%, respectively. The price of live animals was unchanged.
- In 2018, agricultural producer prices** were up by 2.7% compared to 2017, the price of crop products became 5.8% higher, that of live animals and animal products 2.2% lower. Price increases were recorded for vegetables (16%) as well as potatoes (17%), however, fruits prices were down by 14% compared to the previous year. The price of slaughter pigs fell by one-tenth.
- The **input prices of agricultural production** were 4.8% higher in 2018 than in 2017, with an increasing price level for both intermediate consumption (4.6%) and agricultural investments (5.7%). Animal feeding-stuffs became 5.7%, fertilisers 3.7%, plant protection chemicals 1.3%, veterinary medicinal products 1.4% and energy and lubricants 7.4% more expensive. The prices of investments in buildings and in machinery and equipment also moved up (by 9.4% and 3.7%, respectively). The value of the terms of trade was 98.0%.
- Industrial producer prices** have risen continuously for two years, being 4.7% higher in **December 2018** than in the same period of the previous year. The rate of the price increase has gradually slowed down since August. Industrial products **sold on domestic markets** cost 6.2%, **those exported** 3.9% more in December 2018 than in December 2017.
- Industrial producer prices were 5.5% higher in 2018 as a whole than in the previous year. The pace of the price rise was largely influenced over the year among others by wage growth, world petroleum market price trends – including both rising and decreasing cycles –, a significant price rise on the international electricity market and changes in the exchange rate of the forint. Prices increased by 5.0% in large-weight manufacturing on average, by 8.3% in energy industry and by 5.8% in mining, having a small proportion, out of the sections of industry.

- Industrial products **sold on domestic markets** cost 6.0% more in 2018 on average than in 2017. Within this, prices were up by 5.9% in manufacturing, representing a weight of six-tenths, and by 6.6% in energy industry, with a weight of over one-third. Product prices increased in all manufacturing sub-sections, to the highest extent, by 19% in the manufacture of coke and refined petroleum products – highly exposed to global market effects. On this market, prices in food industry, having the largest weight, moved up at a lower rate than the average, by 2.5%.
- Industrial **export sales** prices rose by 5.2% compared to the previous year. A price rise of 4.7% occurred in manufacturing and of 17% – because of the price-raising effect of many global factors – in energy industry, representing small weight. The exported products of the manufacture of transport equipment, realising the largest value of export revenues within manufacturing, cost 6.1% and those of electronic industry, with the second largest weight, 1.9% more than one year earlier.
- Construction output prices** were up by 11% in the 4th quarter of 2018 compared to the same quarter of 2017, to a higher extent than in the previous quarters of the year. Out of the divisions of construction, the price increase was the highest in the construction of buildings (13%), a price rise of 8.0% occurred in civil engineering and the same as the construction average in specialised construction activities. Prices moved up by 2.3% on average compared to the previous quarter.
- Construction prices** were 9.5% higher in 2018 on average than in 2017, within which the increase was 12% in the construction of buildings, 9.6% in specialised construction activities and 7.0% in civil engineering. The pace of the price rise was higher in all the three divisions of construction than in any of the previous ten years.
- The rate of inflation was 2.8% in 2018 compared with 2.4% in 2017. **Consumer prices** were 2.7% higher on average in **January 2019** than a year earlier, the rate of the price rise was the same as in December 2018. Significant price increases were measured over the past year for alcoholic beverages and tobacco as well as for food.

Figure 9

**Change in consumer prices, industrial domestic sales prices and agricultural producer prices
(on corresponding period of previous year)**

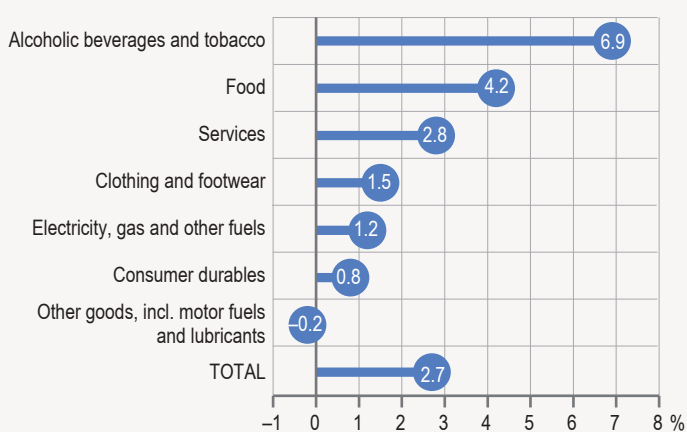


- Food prices** rose by 4.2% on average compared to January 2018, the price change showed substantial discrepancies by product. Seasonal food items became 21% more expensive, primarily due to an increase in the producer price of potatoes and of fresh vegetables. Out of the main food items and non-alcoholic beverages, bread cost 5.8%, other meat preparations 5.0%, non-alcoholic beverages 4.6%, milk products (excluding cheese) 2.9% and poultry meat 1.8% more, pork 1.2% less for consumers than one year earlier. Milk became 8.4% cheaper on average, since the VAT rate of UHT (ultra-heat-treated) and ESL (extended shelf life) milk was down from 18% to 5% on 1 January 2019. The 10% and 25% cuts in the price of sugar and of eggs, respectively, were

consistent with the high base. **Alcoholic beverages and tobacco** became 6.9% more expensive on average. The price of tobacco went up by 9.6%, basically as an effect of an increase in the excise duty in many stages, for the last time in January 2019. The charges for **services** rose by 2.8% on average. The price of **clothing and footwear** increased by 1.5% and that of **electricity, gas and other fuels** by 1.2%. In the latter main group, butane and propane gas could be purchased at a 12%, firewood and coal at a 7.8% higher price than a year earlier. **Consumer durables** prices were 0.8% higher than in January 2018 because of the rising price of vehicles and of durable household goods. The price of motor fuels, representing large weight in consumption, was 3.0% lower, that of pharmaceutical products 1.5% higher than one year earlier.

Figure 10

Change in consumer prices on a year earlier by main group of expenditure, January 2019



- Consumer prices were up by 0.3% on average **over a month**, compared to December 2018. The price change was influenced among others by the rising price of certain food items (e.g. seasonal food items, sugar, cocoa and flour) as well as of alcoholic beverages and tobacco, and by a decrease in the price of motor fuels and – as a result of end-of-season sale – of clothing and footwear.

Social and income trends

- In **December 2018**, based on preliminary vital statistical data, 7,184 children were born, 5.3% fewer than in the same month of 2017. At the same time, the number of deaths increased: 12,188 people died, which meant an increase of 5.7% compared to December 2017. As a balance of live births and deaths, natural decrease was 5,004 persons, which represented an increase of 27% compared to the same month of 2017. The number of marriages decreased by 8.2% and was 2,105 over the month, 189 fewer than in December 2017.
- In **2018**, 89,800 children were born, 1.9% or numerically 1,777 children fewer than in 2017. The number of deaths also decreased, 131,100 people died over the year, 0.4% or numerically 574 people fewer than in 2017. As a balance of live births and deaths, natural decrease was 41,300 persons, which was 3.0% (1,203 persons) higher than a year earlier. The number of marriages increased: 50,900 marriages were registered in 2018, 0.6% or numerically 328 marriages more than in 2017.
- There were 9.2 live births and 13.4 deaths per thousand inhabitants. The number of live births per thousand inhabitants decreased minimally, by 0.2 per mille point, and the ratio of deaths to the population number has practically not changed compared to the whole year of 2017. The number of **infant deaths** was 3.4 per thousand live births, 0.2 per mille point lower than in 2017.
- The estimated **total fertility rate** was 1.49 in 2018, the same as in 2017.

- In **2018**, labour market indicators continued to improve compared to the previous year: employment increased and unemployment decreased. In the 15–74 age group, the average **number of employed people** was 4,469 thousand, 48 thousand more than in 2017. (The number of the employed in 2018 is the highest value in the 26-year history of the labour force survey.) The increment was fully realised in the primary labour market where an increase of 99 thousand persons was recorded, while the number of public workers fell by 46 thousand and that of people working at local units abroad decreased within the limits of sampling error, by 5 thousand compared to a year earlier. 4,411 thousand employed people belonged to the 15–64 age group, which meant an increase of 37 thousand (0.9%) over one year compared to 2017, while their **employment rate** rose by 1.1 percentage points to 69.2%. The annual improvement in the employment rate was the same, 1.1 percentage points for both women and men, but the level of employment was higher for men than for women: 76.3% and 62.3%, respectively.
- In 2018, the average **number of unemployed people** aged 15–64 was 172 thousand, by one-tenth (20 thousand persons) fewer than in the previous year, and the **unemployment rate** fell by 0.4 percentage point to 3.7%. (The current level of unemployment is the lowest one in the 26-year history of the labour force survey.) The unemployment rate was lower for men than for women (3.5% and 4.0%, respectively), but the year-on-year improvement was higher among women (0.3 and 0.6 percentage point, respectively). The **rate of long-term unemployed people**, i.e. those who had been unemployed for at least one year decreased by 1.5 percentage points to 41.1%, and the **average length of job search** fell from 16.4 to 15.8 months.

Table 3

Employment and unemployment of people aged 15–64 years by age group, 2018

Age group	Number, thousand persons	Rate	
		value, %	change compared to the same period of previous year, percentage point
Employment			
15–24 year-olds	297.2	29.0	0.0
25–54 year-olds	3 417.0	84.1	0.4 ^{a)}
55–64 year-olds	696.4	54.4	2.7
Total	4 410.7	69.2	1.1
Unemployment			
15–24 year-olds	33.6	10.2	-0.5 ^{a)}
25–54 year-olds	119.7	3.4	-0.3
55–64 year-olds	18.4	2.6	-1.0
Total	171.8	3.7	-0.4

a) Changed within the limits of the sampling error.

- In **December 2018**, average monthly **gross earnings** of full time employees were 360,000 forints at the level of the national economy⁶, 10.2% higher than in December 2017. Taking into account the family tax benefit, **average net earnings** are estimated to be 247,900 forints, while excluding that, they amounted to 239,400 forints.
- In **2018**, average monthly **gross earnings** of full-time employees amounted to 329,900 forints at the level of the national economy, which meant an increase of 11.3% over one year. The family tax benefit adjusted **average net earnings** are estimated to be 228,000 forints, while

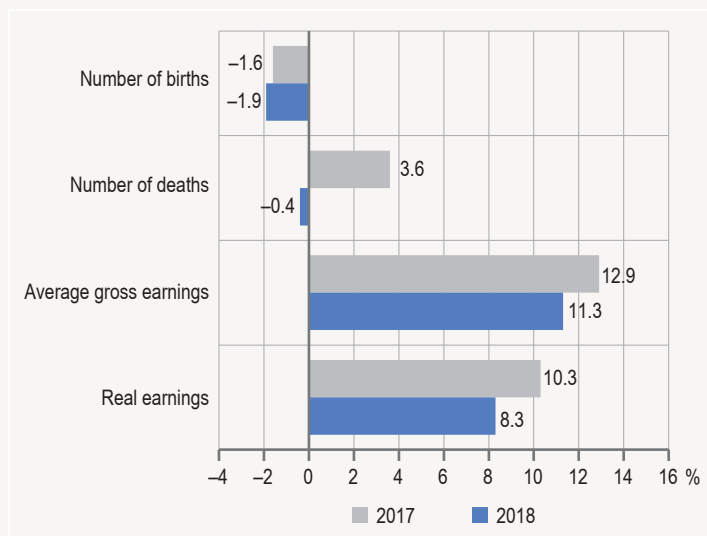
⁶ At enterprises employing at least 5 people, as well as budgetary institutions and observed non-profit organisations.

average net earnings without the benefit were 219,400 forints, which were – as in case of the gross wage index – 11.3% higher than in 2017. (The rules of family tax benefit in 2018 had a positive impact on the net earnings of families with two children.)

- An upsurge in labour demand, rises of 8% in the minimum wage and 12% in the guaranteed minimum wage as well as salary adjustments affecting specific areas of the public sector and the employees of some state-owned public service companies had a primary impact on the annual growth rate of earnings.
- Average gross and net earnings **calculated without public workers** increased at the same rate, by 10.2% compared to 2017. Within this, average net earnings of employees in the **business sector** increased by 10.8% to 227,600 forints compared to the previous year, in the **public sector**, a net amount of 230,000 forints was earned on average, which was 9.0% more than one year earlier, while average net earnings of people working at **non-profit organisations** were 204,100 forints, 9.6% more than in 2017.
- Along with a 2.8% rise of consumer prices, **real earnings** were 8.3% higher than in the previous year. (The growth rate was 10.3% in 2017.)
- A **compensation** not making part of earnings and aimed to offset tax and contribution changes in 2011–2012 was paid to a part of employees – some 79 thousand persons – working in the public and non-profit sector. The average monthly gross amount of the compensation was 8,100 forints and 7,300 forints, respectively in 2018.

Figure 11

Major social indicators*
(change on corresponding period of previous year)



+ Data on vital events relating to 2018 and those on earnings relating to both periods are preliminary ones.

Summary data

Indicator	2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Volume change on corresponding period of previous year, %					
Gross domestic product (GDP)	4.9 ^R	4.6 ^R	4.9	5.1 ^R	5.1 ^R
Investment [†]	17.0	10.5 ^R	16.0 ^R	22.1	16.9
Actual final consumption of households	4.6	5.2 ^R	4.6 ^R	4.4 ^R	4.3
As a percentage of GDP					
Net lending (+)/net borrowing (–) of government sector	..	–0.5	0.1	–0.7	..
Thousands					
Number of dwellings built	17.7	3.4	3.1	3.7	7.5
Indicator	2018	July–September 2018	August–October 2018	September–November 2018	October–December 2018
Within population aged 15–64 years, %					
Unemployment rate	3.7	3.9	3.7	3.7	3.6
Employment rate	69.2	69.5	69.8	69.7	69.5
Indicator	2017	October 2018	November 2018	December 2018	January–December 2018
Number					
Live births	91,577	7,982 ⁺	7,307 ⁺	7,184 ⁺	89,800 ⁺
Deaths	131,674	10,921 ⁺	10,468 ⁺	12,188 ⁺	131,100 ⁺
Natural increase (+) / decrease (–)	–40,097	–2,939 ⁺	–3,161 ⁺	–5,004 ⁺	–41,300 ⁺
Million euros					
External trade in goods					
Value of imports	92,602	9,170 ⁺	8,996 ⁺	7,271 ⁺	99,018 ⁺
Value of exports	100,680	9,474 ⁺	9,474 ⁺	7,669 ⁺	105,059 ⁺
Balance	8,078	304 ⁺	478 ⁺	398 ⁺	6,041 ⁺
Change on corresponding period of previous year, %					
Volume of imports	8.3	7.4 ⁺	5.4 ⁺	..	6.2 ⁺ a)
Volume of exports	5.9	6.4 ⁺	3.9 ⁺	..	4.6 ⁺ a)
Agricultural producer prices	5.6	5.1	4.5	5.8	2.7
Volume of industrial production	4.6	6.0 ⁺	4.0 ⁺	5.4 ⁺	3.6 ⁺
Volume of industrial domestic sales	3.3	11.9 ⁺	6.9 ⁺	7.2 ⁺	6.8 ⁺
Volume of industrial export sales	5.1	4.9 ⁺	1.9 ⁺	4.4 ⁺	1.4 ⁺
Volume of new orders in manufacturing	–	5.7 ⁺	2.8 ⁺	1.3 ⁺	–
Industrial producer prices	3.3	6.4	5.1	4.7	5.5
Output volume of construction	29.7	18.4 ⁺	27.7 ⁺	17.5 ⁺	22.3 ⁺
Sales volume of retail stores	5.4	6.4 ⁺	5.0 ⁺	3.7 ⁺	6.0 ⁺
Accommodation establishments					
number of tourist arrivals	6.9	8.0 ⁺	6.5 ⁺	1.0 ⁺	5.2 ⁺
number of tourism nights	7.7	5.4 ⁺	3.7 ⁺	1.6 ⁺	3.8 ⁺
Number of employees [†]	1.6	0.9	1.4	0.8	1.2
Average monthly gross earnings, nominal [†]	12.9	10.8	10.4	10.2	11.3
Average monthly net earnings, nominal [†]	12.9	10.8	10.4	10.2	11.3
Consumer prices ^{b)}	2.4	3.8	3.1	2.7	2.8

a) January–November 2018.

b) January 2019: 2.7%.

.. No data.

⁺ Preliminary data.

– Non-occurrence.

^R Revised data.

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