

Hungary, 1st–3rd quarters 2019





Macro economy

- The GDP of our immediate economic environment, the European Union (according to seasonally and calendar effects-adjusted data) increased by 1.7% in the 1st quarter of 2019, by 1.4% in the 2nd quarter and by 1.3% in the 3rd quarter, year-on-year. Last time during the 4th quarter of 2013 was the economic growth of the Union lower than in this period.
- The economic performance of the Hungarian economy is continuously growing since 2013. The volume of GDP increased by 5.1% in the 1st–3rd quarters of 2019 according to unadjusted raw data compared to the high base of the previous year.
- The dynamic expansion of the investments of the national economy continued, representing a significant pillar of the economic growth. Developments volume in the 1st–3rd quarters exceeded the high base of the same period of the previous year by 18%.
- The import value growth (5.7%) in merchandise trade was higher than the export's (4.6%). The surplus in the external trade decreased to EUR 3.9 billion, in contrast the surplus value in international trade of services including tourism increased to EUR 7.0 billion. Import value of services increased by 3.0%, that of export by 4.1%.
- The balance of the general government sector improved in the 1st semester of 2019, the surplus amounted to 1.3% of the GDP. Increase in revenues (9.7%) was higher than that in expenditures (3.7%).
- The value of home loan stock was HUF 3.5 thousand billion at the end of June 2019, 11% more than a year earlier. In the 1st semester of 2019 5.3% less credits have been authorised than one year earlier, however the requested amount increased by 14%.



Performance of divisions

- Agricultural land prices increased on average by 11% in 2018 more than twice as much as in 2017, in parallel with a basically unchanged turnover.
- Cereals crops have been produced on 1.4 million hectares in 2019. The abundant rain in May, following the winter and early spring drought had a positive influence on the production, the volume of the harvested grain (7.2 million tonnes) surpassed the previous year's by 4.9%.
- The volume of industrial production further increased in the 1st–3rd quarters of 2019: output was 6.3% higher than in the same period of the previous year. One of the growth factors was the manufacture of transport equipment which is once more gaining momentum, in connection with which export grew as well.
- The energy consumption of the country varied during the first eight months of 2019, it increased overall by 3.6% year-on-year.
- Construction output volume exceeded in the 1st–3rd quarters of 2019 the high base of the previous year by 28%. Production increase is uninterrupted since the beginning of 2017.

- In the first semester of 2019 10.3 thousand new dwellings have been constructed in the country, 0.8% more than in the equivalent period of previous year. Construction increased in Budapest, in towns of county rank and villages, it decreased in smaller towns. The number of dwellings to be constructed based on building permits and registrations was 2.7% higher than in the 1st–3rd quarters of 2018.
- Turnover volume of retail shops increased by 5.8% in the 1st–3rd quarter of 2019 year-on-year. Retail units selling non-food goods contributed primarily to the growth.
- The freight transport performance of the national economy, expressed in freight tonne kilometres grew by 2.0% year-on-year. The passenger-kilometre performance of the intercity passenger transport surpassed by 2.8% in the 1st–3rd quarters of 2019 the level a year ago, the number of passengers in local transport decreased by 0.3%. New car registrations increased by 3.5% year-on-year.
- The number of guests increased by 0.9% at accommodation establishments, that of tourism nights lessened by 0.2% compared to the same period of the previous year. In spite of the fact that tourist traffic hardly changed, gross revenue of accommodation establishments grew by 8.0% at current prices.
- Mobile phone subscription numbers were 12.4 million at the end of the 3rd quarter of 2019, that of fixed lines 3.2 million. The decrease in number of the latter continued. Internet market continues to expand dynamically, the number of internet subscriptions was 3.5% higher year-on-year. The number of fixed line internet subscriptions grew faster than that of the wireless ones.



Prices

- In the 1st–3rd quarters of 2019 producer prices increased in several segments of the national economy: by 5.8% in agriculture, 2.2% in industry, by 10% in construction. In the case of industry one had to pay 4.3% more for domestically sold industrial products. Intense demand pushed prices up in construction. In the first semester of 2019 prices surpassed on average by 2.0% last year's level in the observed service areas, price changes have been influenced mostly by freight transport by road becoming more expensive and by the decrease in telecommunication fees.
- Pure price change in the 1st semester of 2019, compared to the corresponding period of previous year was 13% in the case of resale dwellings and 8.3% for the new ones.
- The price level of the external trade in goods in HUF was 1.7% higher in case of exports and 1.5% higher for imports year-on-year. The terms of trade slightly improved as a result.
- Consumer prices grew overall by 3.3% in January–October 2019 compared to the same period of 2018. Prices of alcoholic beverages and tobacco products increased the most and food prices grew above average as well.



Demographic and social trends

- Fewer children were born in the 1st–3rd quarters of 2019, the number of deaths essentially did not change year-on-year, in consequence natural decrease was 3.5% higher than a year earlier. The number of weddings increased significantly: 20% more couples got married.
- The favourable labour market trends continued in the 3rd quarter of 2019: more people worked and fewer were out of job year-on-year, while the proportion of economically active population slightly increased, that of the inactive ones decreased.
- In January–September 2019 gross earnings of full-time employees were HUF 359 900 on the national economy level, 10.8% more than a year earlier. Considering allowances net average earnings amounted to HUF 246 700. Real value of earnings along inflation was 7.3% higher.
- In the 1st–3rd quarters of 2019 2.8% fewer road traffic accidents causing personal injury occurred year-on-year. There was an improvement in the outcome of accidents as the number of accidents with casualty was one-fifth less.



Comprehensive data

Denomination	2018	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q1–Q3
Volume changes compared to the same period of the previous year, %						
Gross Domestic Product (GDP)	5.1	5.3	5.3	4.9	5.0	5.1
Investments ⁺	19.2	19.0	22.3 ^R	18.8	14.8	18.0
Actual consumption of households	4.0	3.5	4.6	4.7	4.2	4.5
Imports of products	6.4	6.4	7.1 ⁺	3.1 ⁺	7.7 ⁺	5.9 ⁺
Exports of products	4.3	4.0	5.7 ⁺	0.6 ⁺	8.0 ⁺	4.7 ⁺
Industrial production	3.5	5.1	6.3 ⁺	4.7 ⁺	7.9 ⁺	6.3 ⁺
Industrial domestic sales	5.9	7.5	5.2 ⁺	7.6 ⁺	6.7 ⁺	6.5 ⁺
Industrial export sales	1.6	4.1	7.2 ⁺	4.6 ⁺	10.5 ⁺	7.3 ⁺
Construction output	21.3	21.6	47.9 ⁺	27.0 ⁺	19.1 ⁺	28.0 ⁺
Turnover of retail shops ⁺	6.5	5.3	6.1	5.2	6.2	5.8

Comprehensive data (continued)

Denomination	2018	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q1–Q3
Changes compared to the same period of the previous year, %						
Energy consumption of the national economy	-1.2	0.1	0.8	10.3	0.1 ^{a)}	3.6 ^{b)}
Tourism nights at accommodation establishments	4.2	3.9	-1.2 ⁺	1.5 ⁺	-0.9 ⁺	-0.2 ⁺
Freight traffic performance (in freight tonne kilometres)	-4.5	-5.7	5.1 ⁺	2.6 ⁺	-1.7 ⁺	2.0 ⁺
Industrial production prices	5.5	5.4	3.1	2.3	1.1	2.2
Gross average earnings ⁺	11.3	10.5	11.0	10.3	11.4	10.8
Balance of the external trade, million EUR						
Products	5 520	1 036	1 738 ⁺	1 347 ⁺	803 ⁺	3 088 ⁺
Services	8 514	1 944	1 943	2 341	2 704	6 988
In the proportion of GDP						
Balance of the general government sector	-2.3 ^R	-5.8 ^R	0.8 ^R	1.8
Thousand						
Number of built dwellings	17.7	7.5	3.7	2.8	3.8	10.3
Within the population aged 15–64, %						
Unemployment rate	3.7	3.6	3.6	3.4	3.5	3.5
Proportion of employees	69.2	69.5	69.9	70.0	70.3	70.0
Number, people						
Live births	89 807	22 484	20 859 ⁺	21 095 ⁺	24 303 ⁺	66 257 ⁺
Deaths	131 045	33 495	37 788 ⁺	30 220 ⁺	29 528 ⁺	97 536 ⁺
Natural decrease	-41 238	-11 011	-16 929 ⁺	-9 125 ⁺	-5 225 ⁺	-31 279 ⁺

SUMMARY OF THE 1ST–3RD QUARTERS OF 2019

Denomination	2018	June 2019	July 2019	August 2019	September 2019	January–September 2019
Agricultural producer prices	2.7	10.2	8.1	4.2	1.1	5.8
Consumer prices ^{c)}	2.8	3.4	3.3	3.1	2.8	3.3

^{a)} July–August 2019.

^{b)} January–August 2019.

^{c)} October 2019: 2.9%, January–October: 3.3%.

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