

## Statistical report: Economy and society January–March 2013

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### *Domestic and international macro-economic trends*

- In the first months of 2013, a positive sentiment was characteristic of global money and capital markets, however, fears over the euro zone's debt crisis emerged again in March. Owing to the serious malfunctions of the Cyprian banking system, the operation of the banks of that place were suspended for several days.
- According to the forecast of the International Monetary Fund the **performance of the global economy will expand by 3.3% in 2013**. The gross domestic product for the OECD as a whole, predominantly comprising developed countries, rose by 0.8% in the 1<sup>st</sup> quarter of 2013 compared to the same period of the previous year.
- According to preliminary data the **aggregate performance of European Union (EU-27) member states was 0.7% lower** in the 1<sup>st</sup> quarter of 2013 compared to a year earlier. The decrease was substantially influenced by the recession in the Southern European countries. The performance of Germany, the most significant national economy in the EU, diminished by 0.3%.
- In the first three months of 2013, the economic performance of the **United States** expanded by 1.8%, that of **China** by 7.7%, while **Japan's** stagnated compared to one year earlier.
- The **gross domestic product of Hungary lessened by 0.3% compared to one year before, after seasonal and working-day adjustment**, according to the first estimate of HCSO, based on a restricted source of information. This change puts Hungary in the middle of the ranking of EU member states. Without adjustment, the GDP decreased by 0.9% in the first quarter of 2013 as compared to the corresponding period of the previous year. **In comparison to the preceding quarter, the Hungarian economy expanded by 0.7% in the first quarter**, according to the seasonally and working-day adjusted index.
- According to preliminary data on **external trade** the **euro value** of exports and imports was almost unchanged looking at the period of January–March 2013 as a whole compared to what was measured a year earlier. The balance of external trade had a surplus of EUR 1709 million at the end of the first quarter, EUR 20 million more than one year before.
- Based on detailed data on the first two months, the volume of both exports and imports of machinery and transport equipment, representing the most significant weight among the main commodity groups, was 1.2% lower compared to the corresponding period of the previous year. A slight growth was measured in the volume of both exports and imports of manufactured goods, having a substantial proportion, too.

- In the first two months of the year the **HUF price level of external trade** was 1.5% lower in exports and 2.2% less in imports than in the same period of the previous year, so the terms of trade improved by 0.7%.
- According to data of the Ministry for National Economy, the consolidated cash-based **deficit of the central sub-system of the general government** was HUF 529 billion **in the first four months** of 2013, HUF 300 billion more than in the corresponding period of the previous year.
- According to preliminary data of the National Bank of Hungary the gross **financial assets of households** were HUF 28.8 trillion at the end of March 2013, 6.2% more than one year before. Liabilities came to HUF 9.6 trillion, 5.5% less than at the end of March 2012. Net financial assets, i.e. the difference between the two factors, were HUF 19.3 trillion, 13% more than a year earlier. The stock value of **foreign currency loans**, accounted for on the liabilities side, was 10% lower at the end of March (HUF 5.0 trillion) than one year before. The **net financing capacity of households** was HUF 1547 billion in the year ending by the first quarter of 2013, which was equal to 5.5% of GDP.

### *Performance of branches*

- The **volume of industrial production** was 3.1% lower in the 1<sup>st</sup> quarter of 2013 than one year earlier. The volume of exports decreased by 0.5%, while that of domestic sales by 4.7% compared to the first quarter of 2012.
- Among manufacturing sub-sections, producing more than nine-tenths of industrial output, an expansion of 8.8% occurred in the manufacture of transport equipment – with the highest share – and of 8.5% in the manufacture of chemicals and chemical products, while a fall of 18% was recorded in the manufacture of computer, electronic and optical products – having the second largest share – and of 2.1% in the manufacture of food products, beverages and tobacco products – with the third highest share.
- The **industrial production per employee** of enterprises employing no less than 5 persons decreased by 3.4% in January–March, which took place along with a 0.2% growth in staff size.
- At the end of March the **volume of the total stock of orders** in the observed manufacturing branches was 11% higher compared to one year earlier, which was due to a larger former order. The **volume of new orders** was 24% lower in March than a year before.
- **Industrial producer prices** were 0.7% higher in January–March than a year earlier. Domestic sales prices were up by 0.4% and export sales prices by 0.9% on average over a year.
- The **volume of construction output** increased by 4.8% in the first quarter compared to the low base in the corresponding period last year, within which the construction of buildings expanded by 4.0% and civil engineering works by 5.4%. The volume of **new construction contracts** exceeded by 11% that observed one year before. The **stock of contracts** of construction enterprises was 20% higher at the end of March than the low base recorded one year earlier. In the first quarter, **construction output prices** surpassed by 1.4% those measured in the corresponding period last year.
- The decrease in dwellings constructions have already lasted for more than four years. In the first quarter of 2013, 1123 **new dwellings** were built, 54%

less than a year earlier. Construction authorities issued 1,383 dwelling construction permits, which means a decrease of 36% compared to the 1<sup>st</sup> quarter of 2012. Within the construction of new dwellings the proportion of dwellings built by enterprises went on decreasing, their number in the first quarter was down to less than one-third of what was measured one year before. The **average floor space** of occupied dwellings was 112 m<sup>2</sup>, 15 m<sup>2</sup> more than a year earlier.

- Among services branches the volume of **retail trade turnover** was 1.7% lower **in the 1<sup>st</sup> quarter of 2013** than in the corresponding period of the previous year. Turnover expanded in none of the groups of activities in the first three months: the sales of food, drinks and tobacco, accounting for almost the half of total turnover, stagnated, while those of non-food products lessened by 2.9%. The largest fall within the latter group was suffered by furniture and electrical goods stores (10.3%). Filling stations also played a part in the fall of turnover: the turnover of automotive fuel decreased by 3.4% in the first quarter – along with almost unchanged automotive fuel prices.
- **At public accommodation establishments**, the number of arrivals rose by 7.7% and that of tourism nights by 6.7% in the first quarter of 2013. Both domestic and international tourism were up in the examined period. **In hotels**, receiving nearly nine-tenths of tourism, the number of arrivals and tourism nights grew by 8.4% and 7.6% respectively.
- The **volume of sales turnover of catering units** decreased by 3.3% compared to January–March 2012, and totalled HUF 159 billion in the first three months of 2013.

### **Social and income trends**

- Based on preliminary **vital statistics**, 21,032 **children were born** in the 1<sup>st</sup> quarter of 2013, 4.8% less than a year earlier, and the birth rate diminished from 9.0 per mille to 8.6 per mille. The number of **deceased people** was 33,608, 6.1% less than in the 1<sup>st</sup> quarter of 2012, and the death rate equalled 13.8 per mille following a decrease of 0.7 per mille point. **Natural decrease** was 12,576 persons, by 1,116 persons less than in the previous year. There were 3,769 **marriages** over the first three months of 2013, 8.9% less than a year earlier. **Infant death** rate diminished from 5.6 per mille to 4.8 per mille over one year.
- In the 15–64 year-old age group, the number of employed people was 3 million 787 thousand in the 1<sup>st</sup> quarter of 2013, 31 thousand more than

one year earlier. The **employment** rate grew by 0.9 percentage point to 56.6%; the rate was 61.5% for men and 51.8% for women, 0.7 and 1.0 percentage point higher, respectively, than in the 1<sup>st</sup> quarter of 2012. The rise of employment was characteristic of young people aged 15–24, people in the ‘best working age’, i.e. aged 25–54 years and the older, 55–64 year-olds alike.

- In the 1<sup>st</sup> quarter of 2013, the **number and rate of unemployed people** – also in the 15–64 year-old population – was 508 thousand and 11.8%, respectively. The two indicators were basically the same as a year earlier. The unemployment declined among women and increased in case of men, the unemployment rate of the former was 11.0%, while that of the latter 12.5%. The unemployment rose among 15–24 year-old young people, that of 25–54 year-olds was essentially unchanged, while it decreased among 55–64 year-olds compared to the same period of the previous year. Nearly 45% of unemployed people had been looking for a job for at least one year, and the average length of unemployment decreased from 17.3 months to 15.8 months over one year.
- In the 1<sup>st</sup> quarter of 2013, the monthly **average gross earnings** of full-time employees were HUF 225,600, the **net** value of which was HUF 147,800. The former was 2.9%, while the latter was 4.2% higher than in the 1<sup>st</sup> quarter of 2012. Net earnings rose in the business, the public and the non-profit sectors alike, by 3.9%, 4.9% and 5.4%, respectively. To offset tax and contribution changes, a **compensation** not making part of earnings was paid to a number of **employees in the public and non-profit sectors**, the gross monthly amount of the compensation was HUF 10,000 and HUF 9,500, respectively.
- Year-on-year, **consumer prices rose** by 1.7% **in April** and by 2.6% **in the first four months of the year**. The rate of inflation slowed down, in which, besides reducing overhead costs at the beginning of the year, the fall of fuel prices (first of all in April) and the more moderate rise in food prices than earlier played a role. The consumer price rise for pensioners was 2.6% in January–April, the same as that for the total population.
- In the 1<sup>st</sup> quarter of 2013, 86.5 thousand **crimes** were registered, 18% fewer than in the previous year. This mainly stemmed from the decrease in the number of crimes against law and order as well as against property, while there was an increase in traffic crimes having a lower weight. Within crimes, both the number of misdemeanours judged less severely and that of felonies lessened.

Table 1

**Comprehensive data**

(indices as a % of the same period of the previous year)

**1.) January–March 2013**

Denomination	2012	January–February	March	January–March
		2013		
Industrial indices				
Production	98.3	96.7 <sup>R</sup>	97.1	96.9
Domestic sales	96.1	94.3 <sup>R</sup>	97.3	95.6
Export sales	99.3	100.2 <sup>R</sup>	98.3	99.5
Employment	97.9	100.3 <sup>R</sup>	100.0	100.2
Productivity	100.4	96.2	97.2	96.6
Index of construction output	94.1	101.0 <sup>R</sup>	109.9	104.8
Agricultural sales index	102.3	94.7	93.7	94.2
Index of retail trade turnover	97.8 <sup>R</sup>	97.5	99.6	98.3
Value of imports, million euro	73,267	12,067 <sup>R</sup>	6,115	18,182
value index	100.5	102.7 <sup>R</sup>	94.4	99.8
Value of exports, million euro	80,090	13,023 <sup>R</sup>	6,868	19,891
value index	100.1	101.4 <sup>R</sup>	97.2	99.9
Price indices				
Industrial producer prices	104.3	99.9	102.2	100.7
Industrial domestic sale prices	105.3	100.2	100.7	100.4
Agricultural producer prices	115.4	117.8	114.6	116.7
Forint prices of imports	104.2	97.8	..	..
Forint prices of exports	102.9	98.5	..	..
Number of employees 1000 persons	2,674	2,577 <sup>R</sup>	2,636	2,596
Index	99.4	99.1 <sup>R</sup>	98.7	98.9
Unemployment rate <sup>a)</sup> , %	11.0	..	..	11.8
Average monthly gross earnings thousand HUF	223.0	223.5 <sup>R</sup>	229.7	225.6
nominal index	104.6	102.8 <sup>R</sup>	103.2	102.9
Average monthly net earnings thousand HUF	144.0	146.4 <sup>R</sup>	150.4	147.8
nominal index	102.0	104.1 <sup>R</sup>	104.4	104.2

<sup>a)</sup> As a percentage of population aged 15–64.<sup>R</sup> Revised data.**2.) January–April 2013**

Denomination	2012	January–March	April	January–April
		2013		
Consumer prices	105.7	102.9	101.7	102.6
Balance of general government				
billion HUF	–607	–494	–35	–529
Of which:				
Central government	–620	–589	–79	–668
Social security funds	–118	63	36	99

**Further information, data (links):**[Tables](#)[www.ksh.hu](http://www.ksh.hu)**Contact details:**

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