
Macroeconomic update and economic outlook

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**Webinar
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BY POLISH-HUNGARIAN CHAMBER OF COMMERCE

E-COMMERCE 13_10_2022

MAIN PARTNER:  CONSULTING HUNGARY

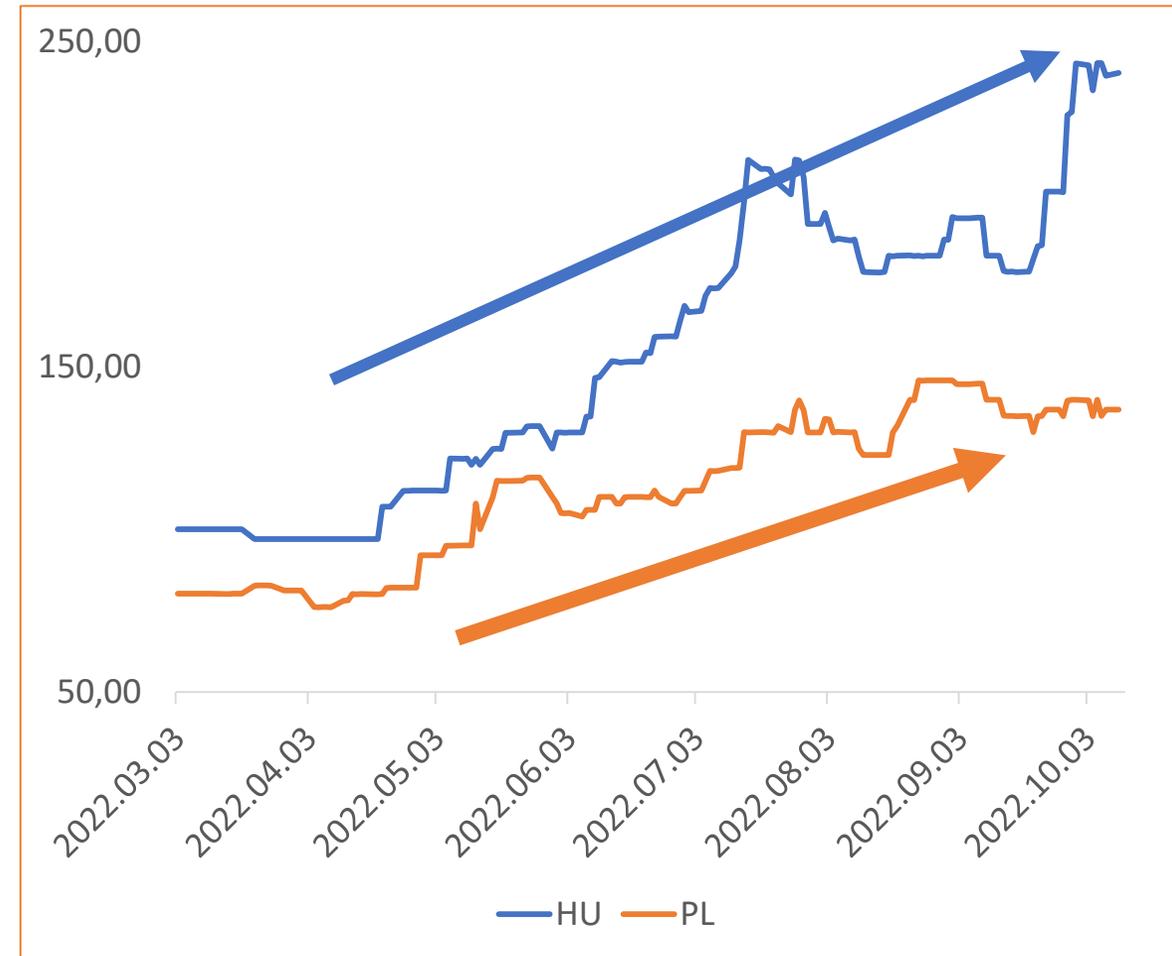
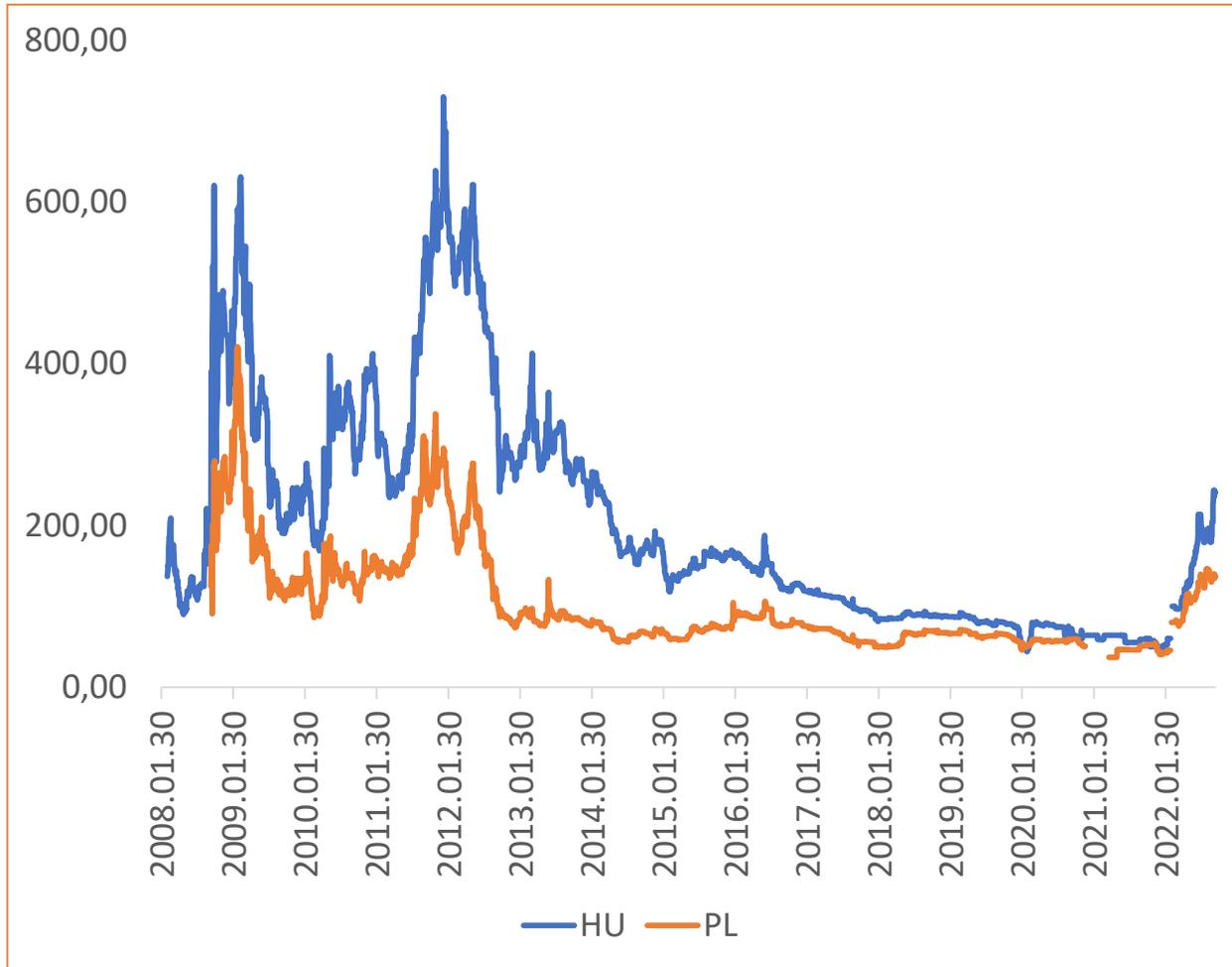
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Topics – selected indicators, data

- Financial stability
 - CDS volatility
- Monetary policy
 - Inflation
 - Central Bank reference rate
 - FX
- Fiscal policy – cost of Ukrainian refugees
- Macroeconomic Indicators
 - GDP
 - Investment
 - Labour
 - DESI Index (E-commerce)

CDS volatility – far from state bankruptcy, but the situation is concerning especially in Hungary

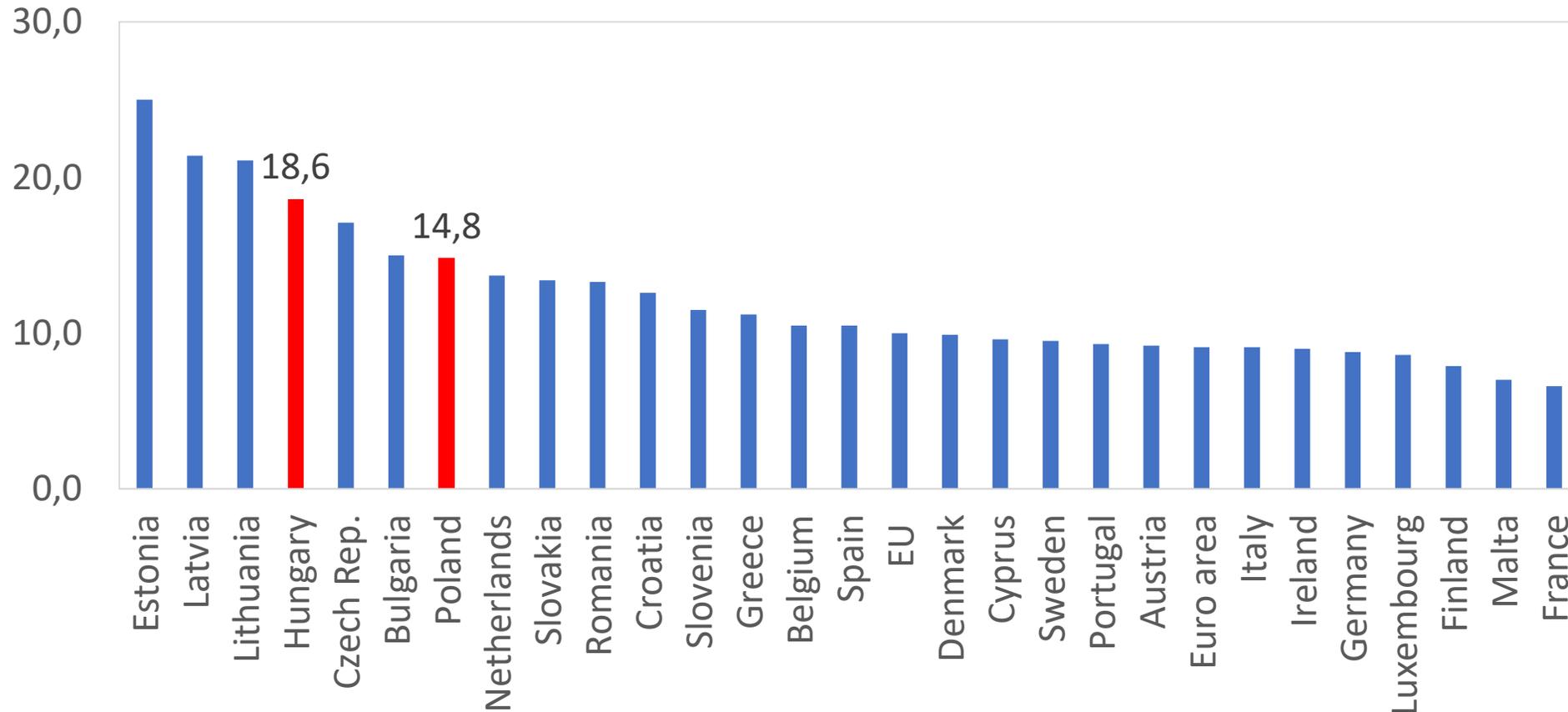


Source: Bloomberg

Two-digits inflation

Inflation – Aug 22

Comments

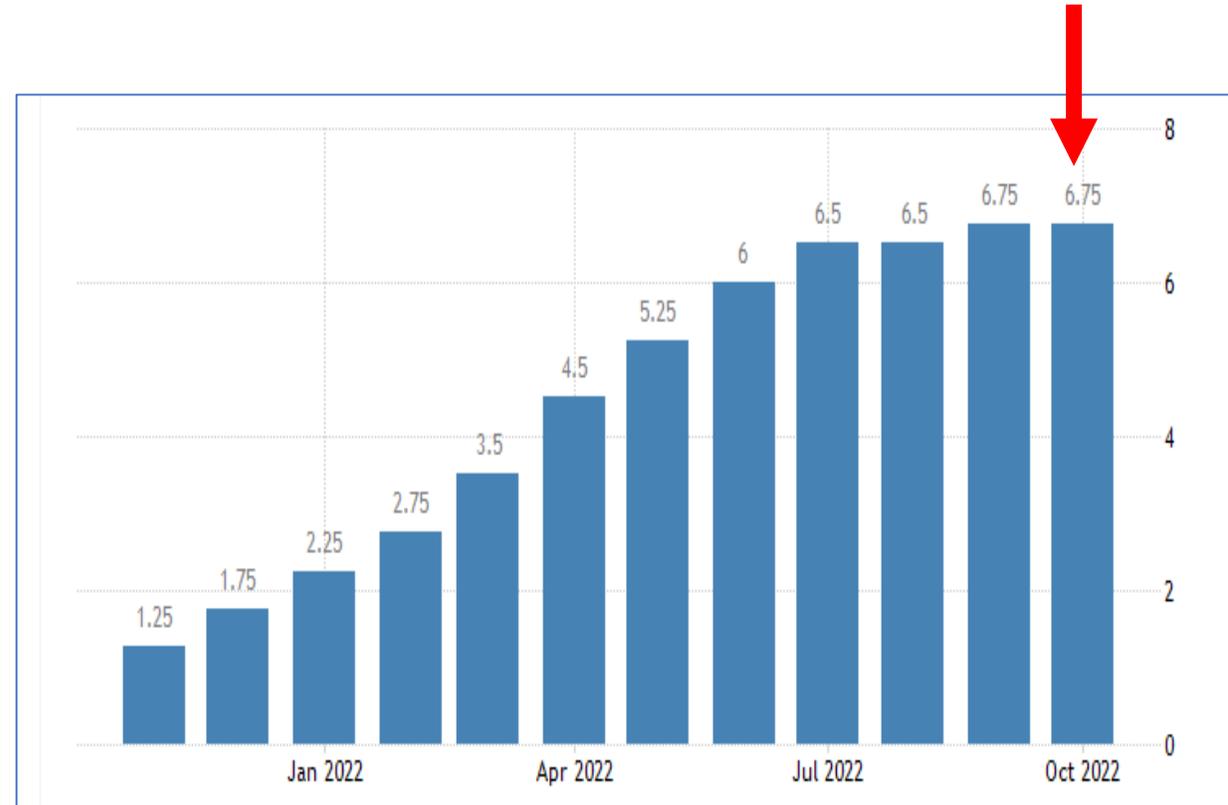
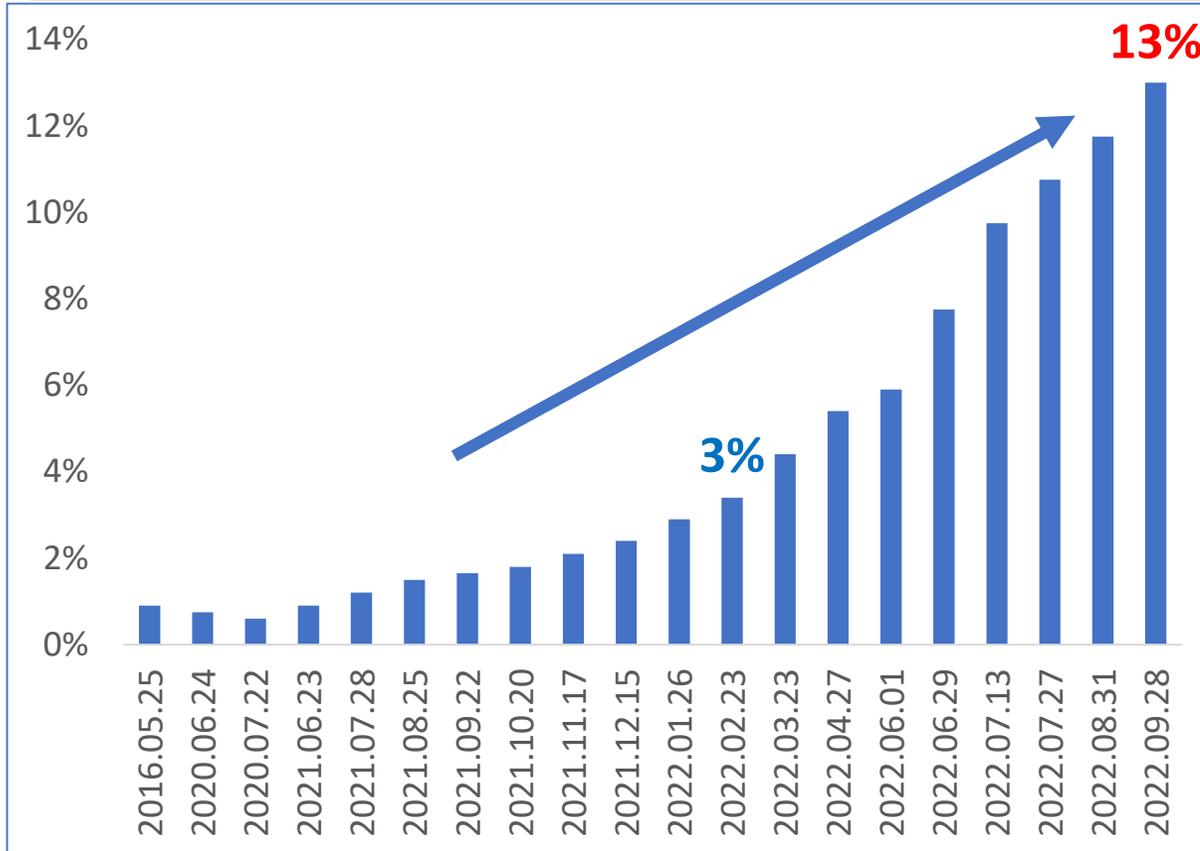


Source: Eurostat

- **Two-digits inflation** is due to increasing costs of imports and commodities.
- **Antiinflation measures**

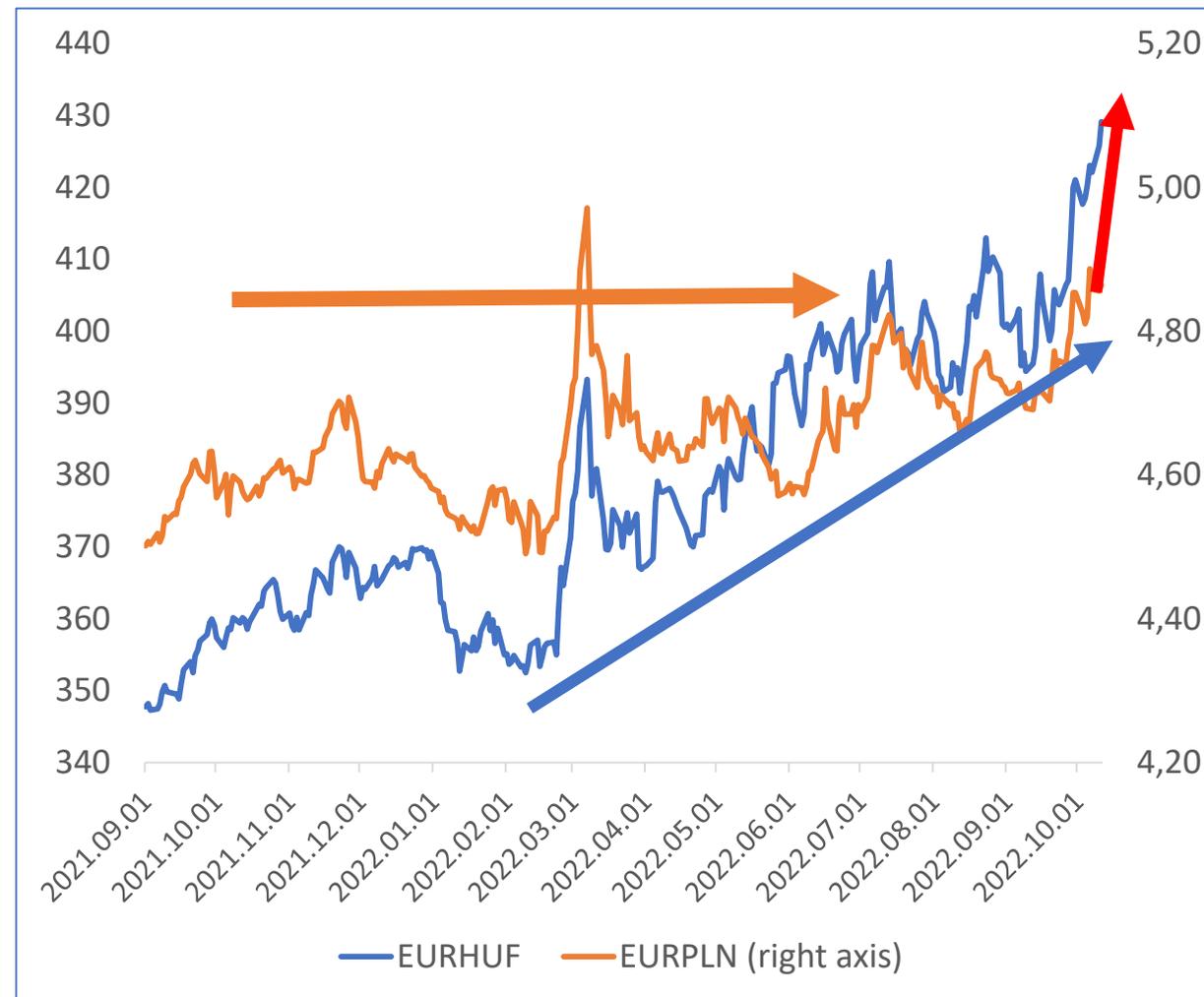
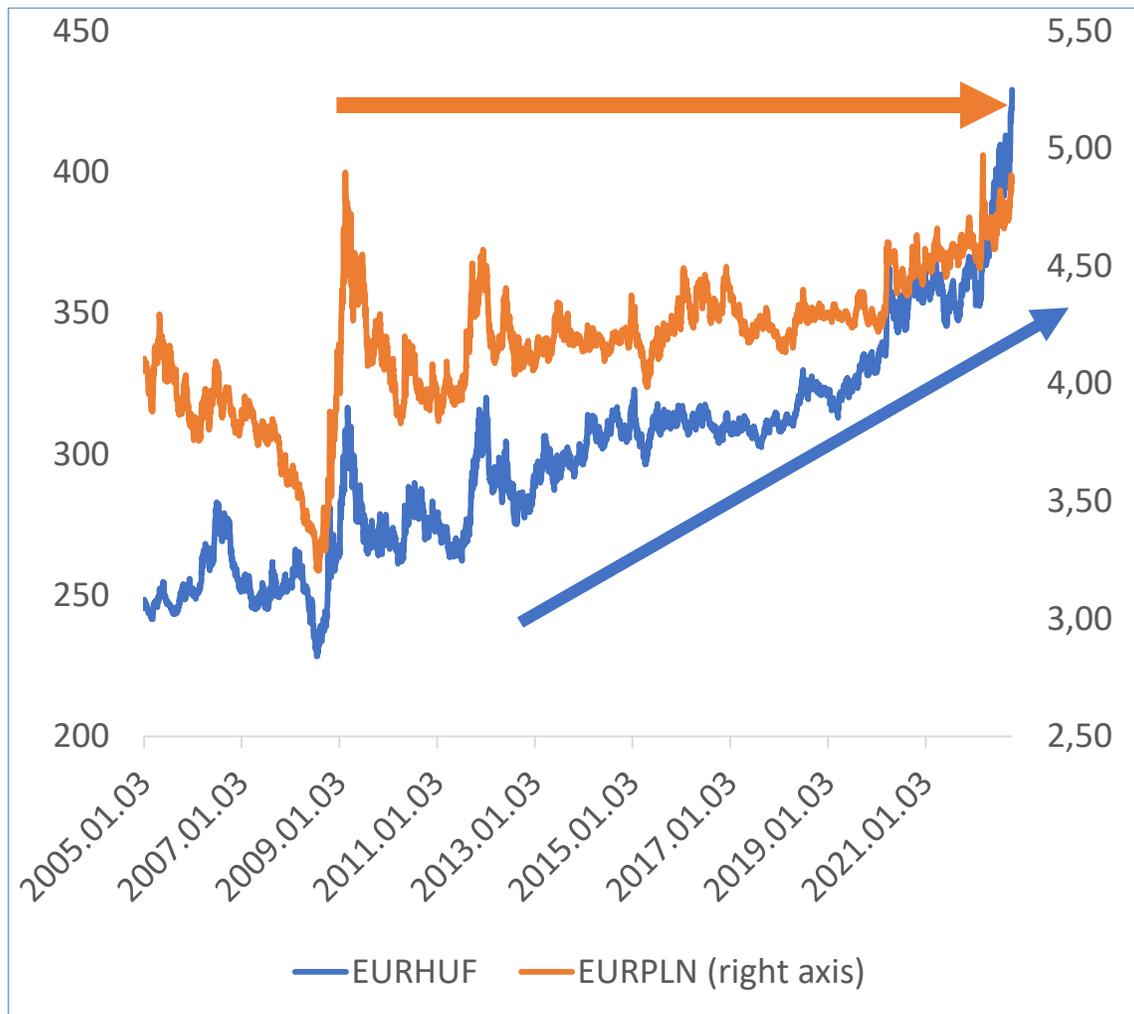
Reference rates

Central bank base reference rates are **13%** in Hungary and **6,75%** in Poland



Source: Central Bank of Hungary and Narodowy Bank Polski

The Hungarian forint hit record lows in October, past the psychological **430 per euro** level

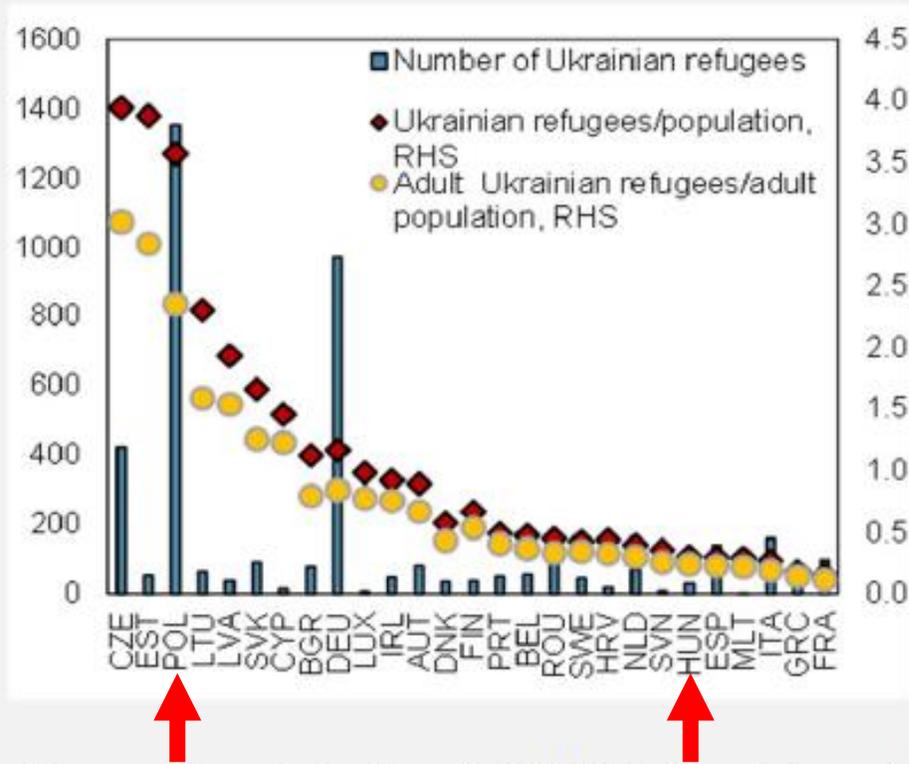


Source: Bloomberg

Fiscal policy

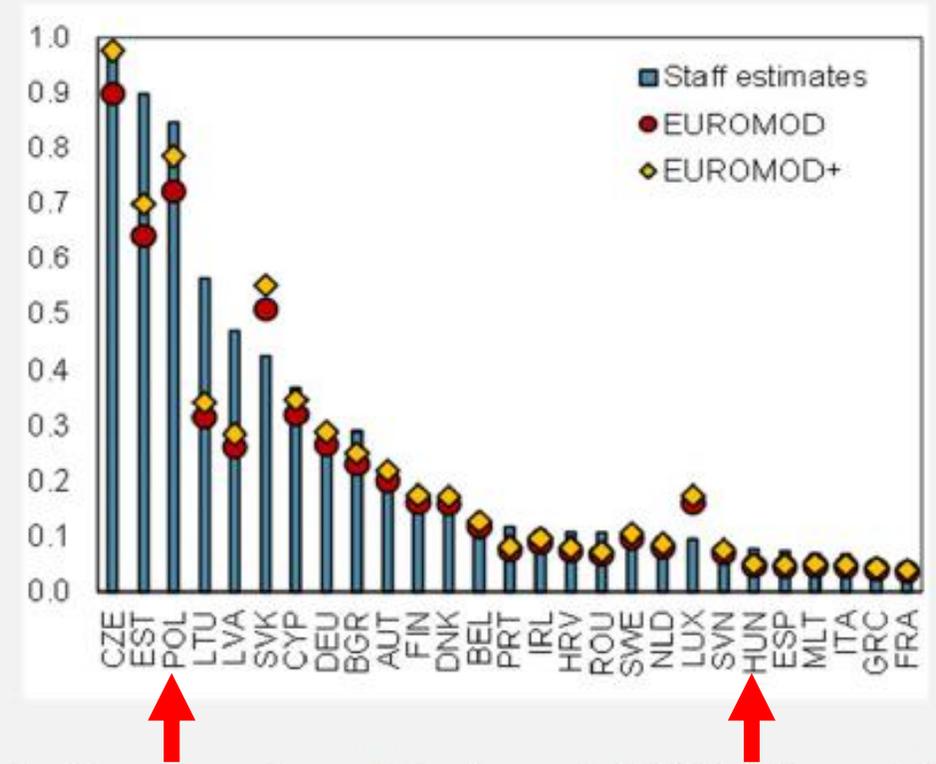
Box Figure 1.1.1. Ukrainian Refugees in the European Union

(In thousands)



Box Figure 1.1.2. Fiscal Cost of Ukrainian Refugees

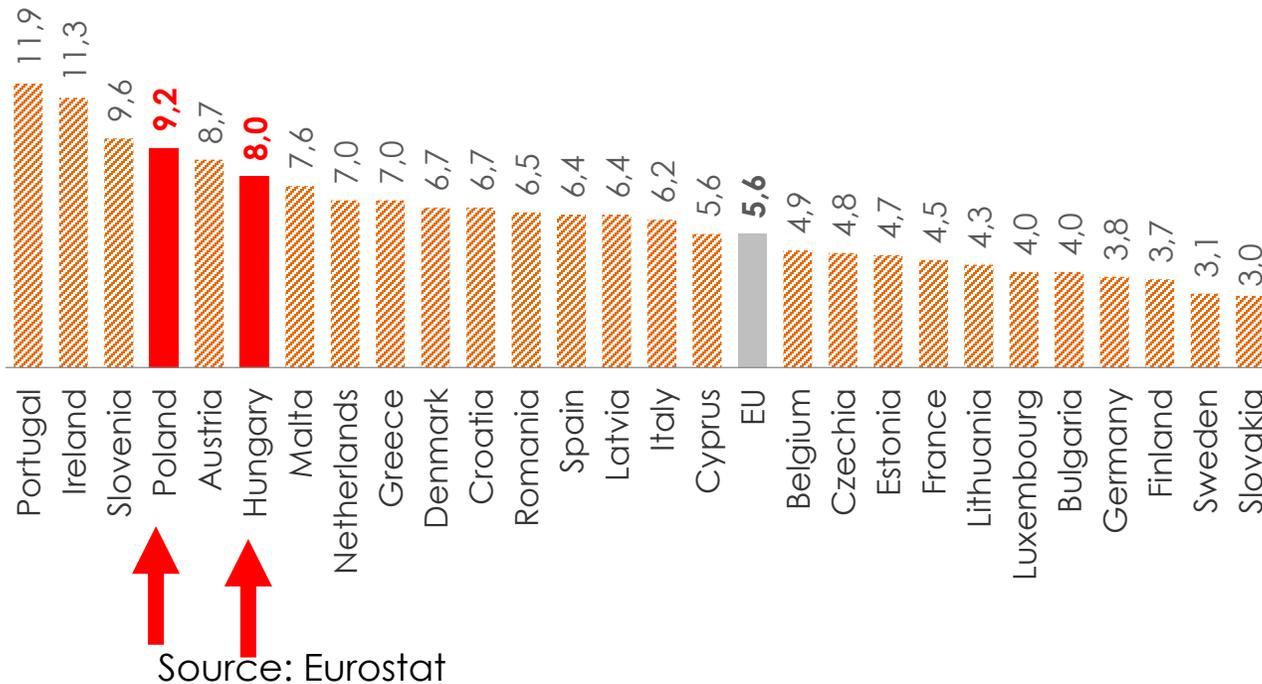
(Percent of GDP)



Sources: European Commission; Eurostat; UN High Commissioner for Refugees; Organization for co-operation and development; IMF World Economic Outlook database; and IMF staff calculations.

The Hungarian economy is strong and growing in Q1 2022, as it has fully recovered from the Covid-19 outbreak

Real GDP growth in Q1 2022

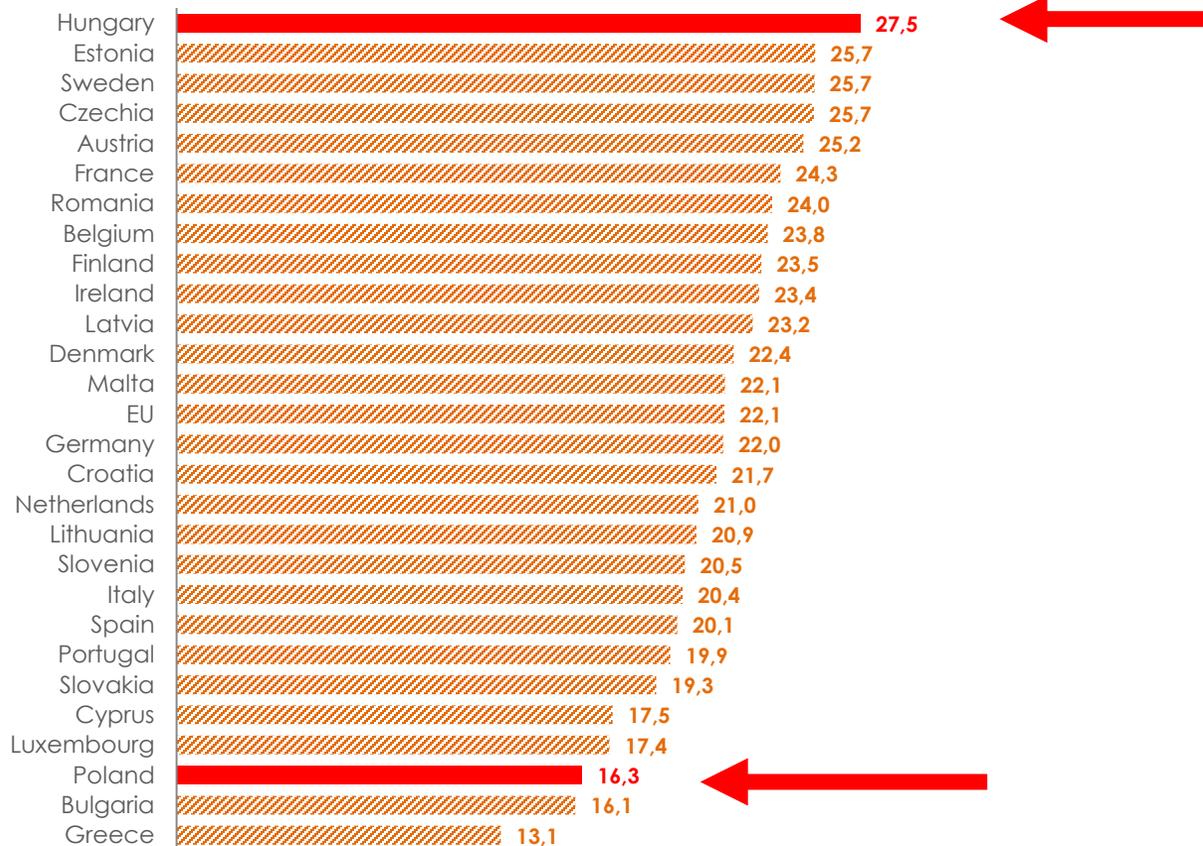


Comments

- HU and PL GDP have increased by **8%** and **9,2%** in the first quarter of 2022.
- There is a need to implement key governance reforms **to secure EU funds** that will further support long-term, sustainable growth.

Structurally high investment and consumption levels boost the economy and its ability to face external shocks

Investment rate in Q1 2022 (% of GDP)



Comments

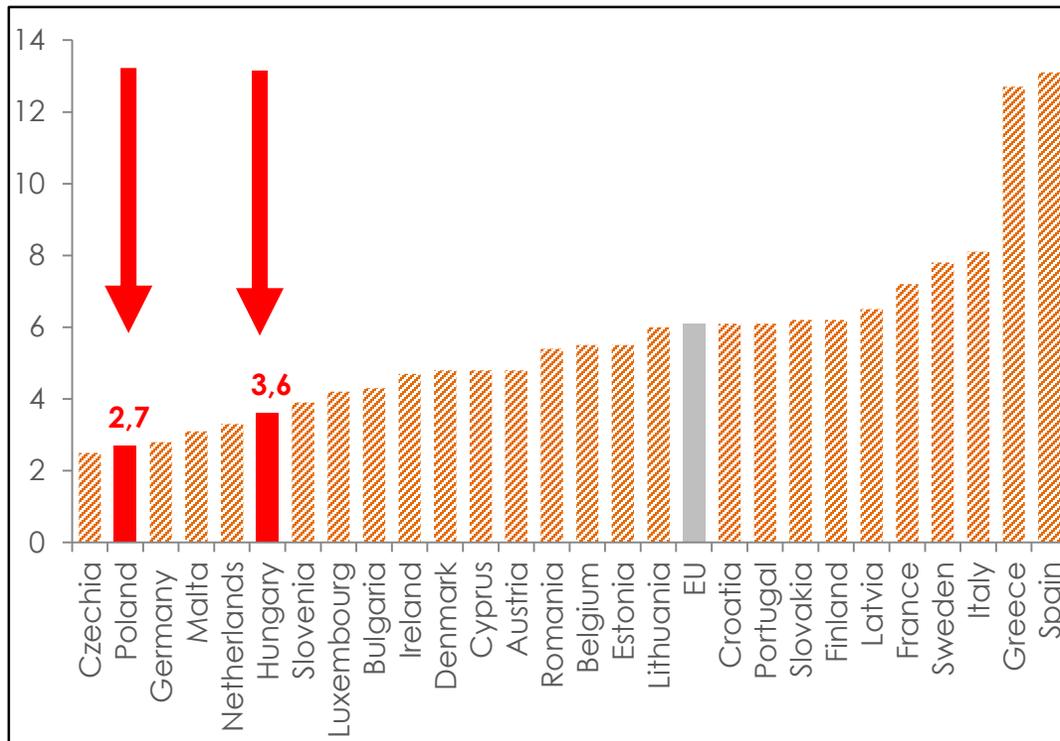
- Hungary records the **highest investment rates** in the EU
- Poland is lagging behind
- The employment rate **increased significantly** over the past decade
- Hungarian wage levels are very competitive compared to EU countries

Source: Eurostat, MoF

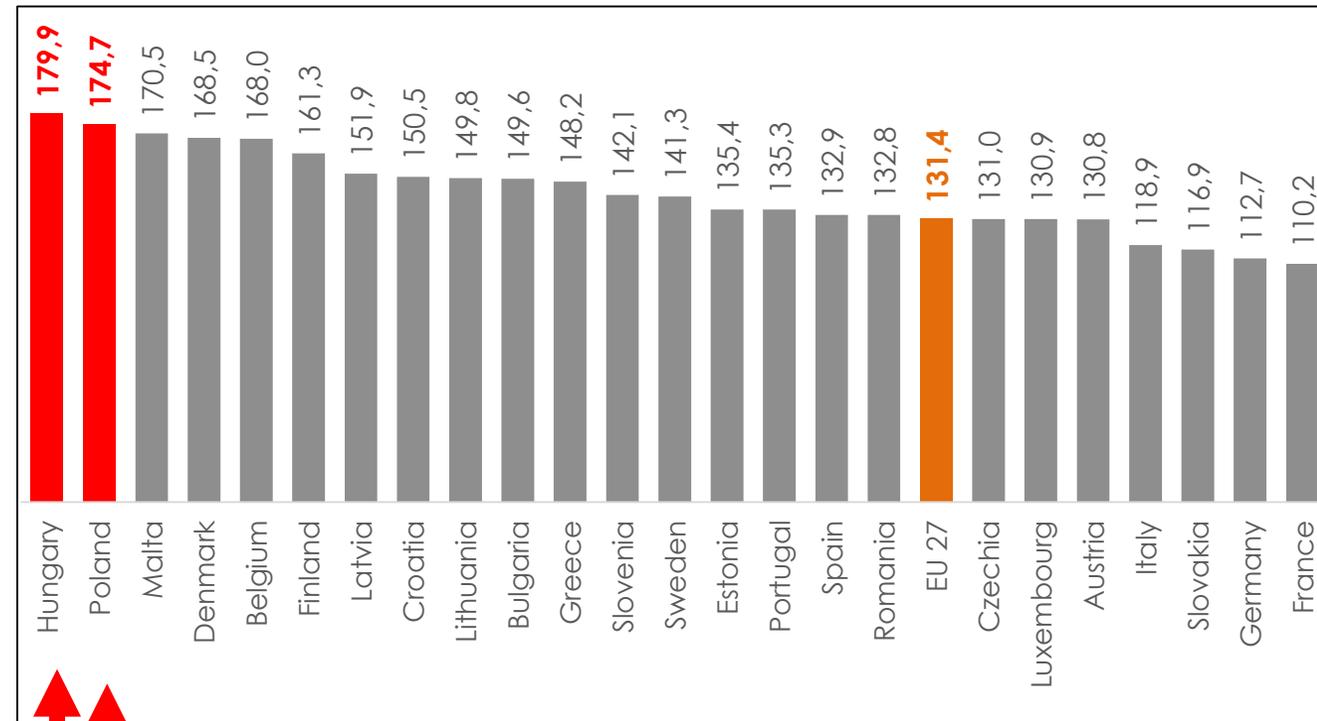
HU and PL economies rely on the lowest unemployment rates, affordable labour ensures competitiveness

Unemployment rate in May 2022

Wage adjusted labour productivity in manufacturing (% , 2020)

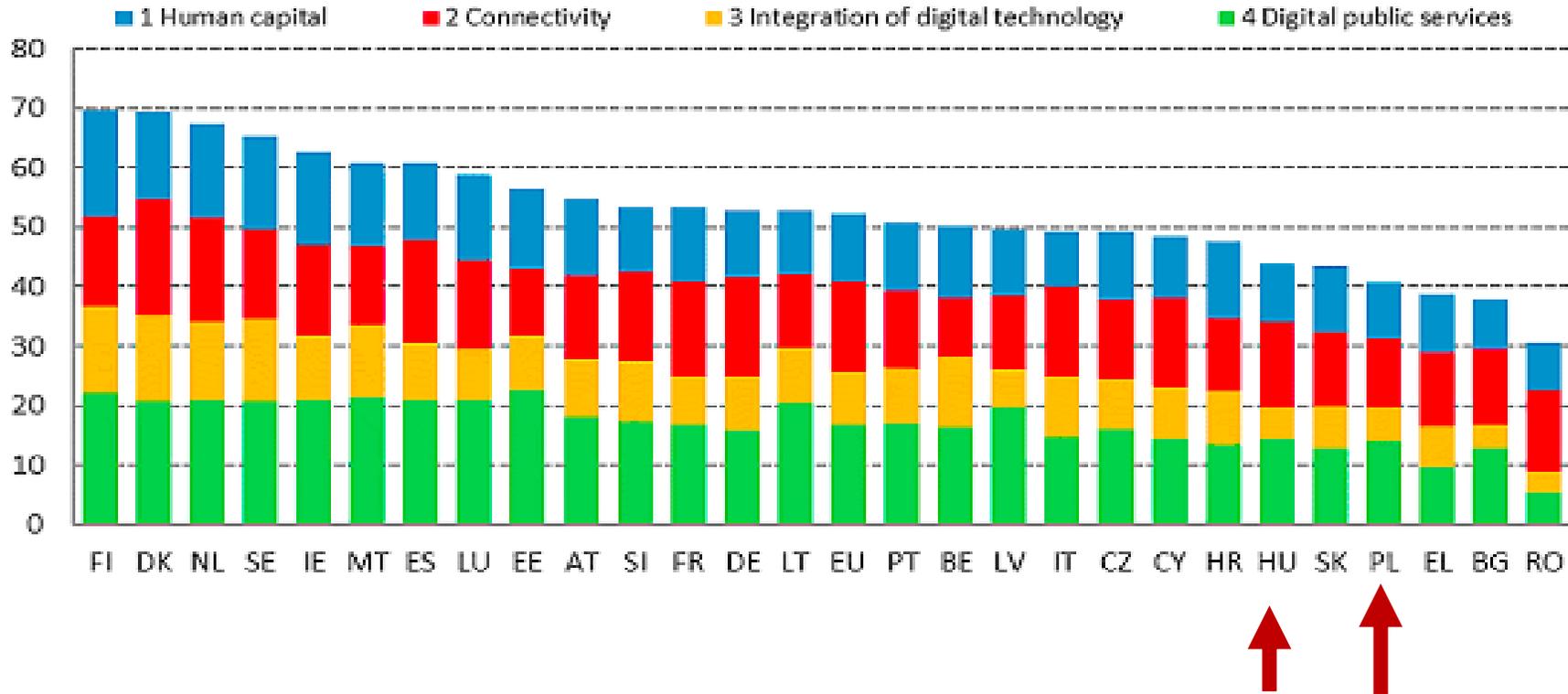


Source: Eurostat, MoF



Source: Eurostat

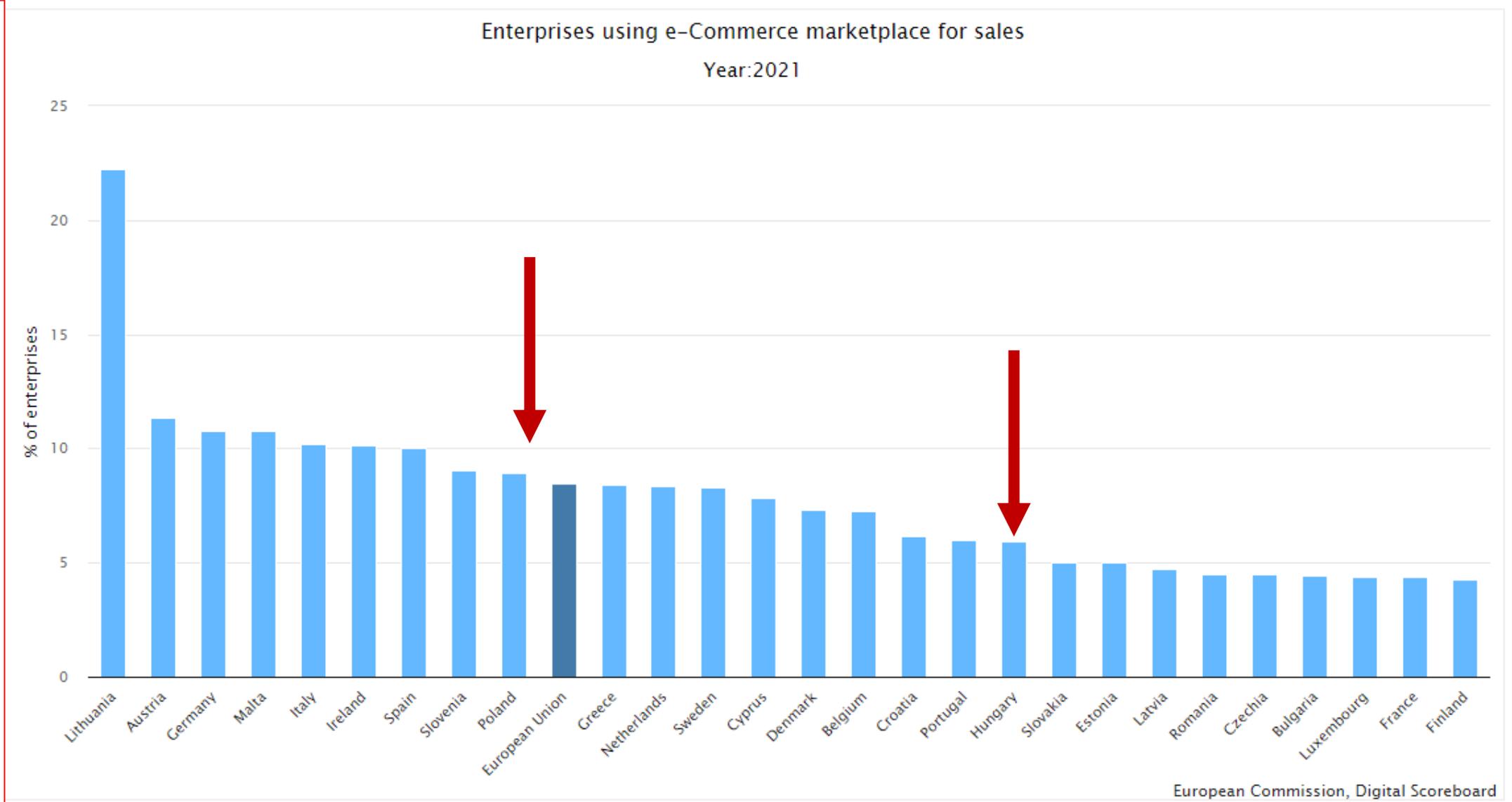
Digital Economy and Society Index (DESI) 2022



- Productivity of the Hungarian labour force is the highest in the EU, attracting investments
- Affordable labour ensures Hungary's price competitiveness

Source: Eurostat

Digital Economy and Society Index (DESI) 2022



Thank you for your kind attention!

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