



AUTUMN 2007 ECONOMIC OUTLOOK FOR HUNGARY: ANSWERS FROM MGYOSZ

MAIN FORECAST Real GDP growth Consumer price inflation Unemployment rate					
Consumer price inflation		2007	2008	2009	
		2.2 7.5	2.8 4.5	4.1 3.0	
		7.5 7.5	7.4	7.3	
Employment growth		0.0	0.3	0.7	
Components of aggregate dem	nand				
Annual % change		2007	2008	2009	
Private consumption		-0.9	0.0	1.5	
Public consumption nvestment (Gross fixed capital fo	ormation)	-1.7 2.1	-4.6 3.7	1.1 7.0	
Exports	omaton,	10.9	9.9	9.4	
mports		8.5	8.0	8.8	
ECONOMIC SENTIMENT					
Question 1 Frend in business climate over the next 6 months	Positive	Negative	Unchanged Industry Services		
Question 2 Frend in profitability over the next 6 months	Positive	Negative	Unchanged Industry Services		
Question 3	Increase (faster	Increase (slower	Unchanged	Decrease (slower	Decrease (faster
	pace)	pace)	-	pace)	pace)
Investment intentions over the next 6 months (compared to the last 12 months)			Industry		
			Services		
Question 4	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment decisions in the next six months	na	na	Up	Up	
Question 5	Positive	Negative	Unchanged		
rend in consumer confidence ver the next 6 months					
Question 6	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
Overall trend in employment	<i>months</i> Same	<i>months</i> Same	<i>months</i> Same	<i>months</i> Same	
overall trend in employment		Game	Game	Game	
Question 7	Higher / more difficult	Same	Lower / less difficult		
Compared to 6 months ago,		Cost			
SME's cost/access to capital for business development will be		Access			
ousiness development will be		Access	_		
Pusiness development will be Question 8 Effect of financial market turmoil on assessement of financing	to a large extent	Access to some extent	not at all		
usiness development will be Question 8 Effect of financial market turmoil in assessement of financing onditions for next 6 months IAIN RISKS			not at all		
Question 8 Effect of financial market turmoil on assessement of financing conditions for next 6 months AAIN RISKS Question 9	to a large extent Dollar per euro		not at all	Question 10	Dollar per euro
usiness development will be Question 8 Iffect of financial market turmoil n assessement of financing onditions for next 6 months IAIN RISKS Question 9 bove which EUR/USD level rill the national economy be			not at all	Question 10 Where will the EUR/USD stand in April 2008 ?	Dollar per euro na
usiness development will be Question 8 Iffect of financial market turmoil n assessement of financing onditions for next 6 months IAIN RISKS Question 9 bove which EUR/USD level rill the national economy be ignificantly hurt?	Dollar per euro		not at all	Where will the EUR/USD stand in	
Ruestion 8 Effect of financial market turmoil in assessement of financing onditions for next 6 months MAIN RISKS Ruestion 9 Above which EUR/USD level will the national economy be ignificantly hurt?	Dollar per euro		not at all Neither satisfactory nor unsatisfactory	Where will the EUR/USD stand in	
Pusiness development will be Puestion 8 Effect of financial market turmoil on assessement of financing conditions for next 6 months MAIN RISKS Puestion 9 Above which EUR/USD level will the national economy be ignificantly hurt? Policy MIX Puestion 11 Progress towards medium-term	Dollar per euro na	to some extent	Neither satisfactory	Where will the EUR/USD stand in April 2008 ?	na
Ruestion 8 Effect of financial market turmoil on assessement of financing onditions for next 6 months IAIN RISKS Ruestion 9 Robove which EUR/USD level will the national economy be ignificantly hurt? POLICY MIX Progress towards medium-term audgetary objective is	Dollar per euro na	to some extent	Neither satisfactory nor unsatisfactory	Where will the EUR/USD stand in April 2008 ?	na Deteriorating Loose, appropria
Ruestion 8 Effect of financial market turmoil in assessement of financing onditions for next 6 months MAIN RISKS Ruestion 9 Above which EUR/USD level will the national economy be ignificantly hurt? POLICY MIX Ruestion 11 Progress towards medium-term audgetary objective is	Dollar per euro na Excellent Tight, appropriate	to some extent Satisfactory	Neither satisfactory nor unsatisfactory yes	Where will the EUR/USD stand in April 2008 ? Unsatisfactory	na Deteriorating Loose, appropria
Austion 8 Effect of financial market turmoil on assessement of financing conditions for next 6 months MAIN RISKS Question 9 Above which EUR/USD level will the national economy be ignificantly hurt? POLICY MIX Question 11 Progress towards medium-term and getary objective is Question 12 Monetary policy is	Dollar per euro na Excellent Tight, appropriate	to some extent Satisfactory Tight	Neither satisfactory nor unsatisfactory yes Appropriate	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money	na Deteriorating Loose, appropria
Progress towards medium-term budgetary objective is Progress towards medium-term budgetary objective is Progress towards medium-term budgetary policy is Procusion 12 Monetary policy is Procus on elements of the ECB analysis underlying its current	Dollar per euro na Excellent Tight, appropriate for the euro area Robust growth and above-target	to some extent Satisfactory Tight yes Downside risks to	Neither satisfactory nor unsatisfactory yes Appropriate Risks to price stability from high	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit	Deteriorating Loose, appropria for the euro are
Pusiness development will be Puestion 8 Effect of financial market turmoil on assessement of financing conditions for next 6 months MAIN RISKS Puestion 9 Above which EUR/USD level will the national economy be ignificantly hurt? POLICY MIX Progress towards medium-term pudgetary objective is Puestion 12 Monetary policy is Puestion 13 Focus on elements of the ECB analysis underlying its current policy stance is	Dollar per euro na Excellent Tight, appropriate for the euro area Robust growth and above-target	to some extent Satisfactory Tight yes Downside risks to	Neither satisfactory nor unsatisfactory yes Appropriate Risks to price stability from high	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit	Deteriorating Loose, appropria for the euro are
	Dollar per euro na Excellent Tight, appropriate for the euro area Robust growth and above-target inflation	Satisfactory Tight yes Downside risks to growth	Neither satisfactory nor unsatisfactory yes Appropriate Risks to price stability from high	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit	Deteriorating Loose, appropria for the euro are