


FEBRUARY 2010 ECONOMIC OUTLOOK FOR HUNGARY: ANSWERS FROM MGYOSZ

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-6.2	-0.9		
Unemployment rate		4.4	3.9		
Employment growth		9.9	10.3		
		na	-1.1		
Components of aggregate demand - in real terms					
Annual % change		2009	2010		
Private consumption		-7.8	-5.3		
Public consumption		na	-0.9		
Investment (Gross fixed capital formation)		-6.6	0.2		
Exports		-11.2	6.0		
Imports		-18.1	3.0		
ECONOMIC SENTIMENT					
		Positive	Negative	Unchanged	
Trend in business climate over the next 6 months	Industry				
	Services				
Trend in profitability over the next 6 months	Industry	Positive	Negative	Unchanged	
	Services				
Investment intentions over the next 6 months		Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)
	Industry				Decrease (faster pace)
	Services				
Influence on companies' investment decisions		Global demand	Domestic demand	Cost of finance	Availability of finance
	positive	neutral	negative	neutral	
Driving force behind investment decisions in the next 6 months		Replacement	Extension	Rationalisation	Innovation
	neutral	positive	neutral	positive	
Overall trend in employment		Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months
	Down	Up	Down	Same	
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been... <i>for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier	
		Cost			
		Access			
<i>for larger companies (>250 employees)</i>		Cost			
		Access			
Over the next 6 months, cost /access to finance will be... <i>for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier	
		Cost			
		Access			
<i>for larger companies (>250 employees)</i>		Cost			
		Access			
For companies, the current financing situation is...	threat to company existence	of high concern	somewhat concerning	not worrying	
working capital / treasury needs		SMEs			
		large companies			
debt refinancing	SMEs				
		large companies			
financing productive investments	SMEs				
		large companies			
financing innovation and R&D		SMEs			
		large companies			



POLICY MIX					
	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>			yes		
	<i>adequate</i>	<i>inadequate</i>			
<i>Consistency between fiscal and monetary policies</i>	yes				
	<i>excellent commitment</i>	<i>satisfactory commitment</i>	<i>neither satisfactory nor unsatisfactory commitment</i>	<i>unsatisfactory commitment</i>	<i>no clear commitment creating an extremely worrying situation</i>
<i>Regarding the sustainability of public finances, government shows ...</i>		yes			
	<i>respect the 3% limit</i>	<i>be in balance</i>			
<i>In 2015, the government deficit will...</i>	yes	no			