

## SPRING 2008 ECONOMIC OUTLOOK FOR HUNGARY: ANSWERS FROM MGYOSZ

### MAIN FORECAST

	2007	2008	2009
Real GDP growth	1.4	2.6	4.0
Consumer price inflation	7.9	5.0	3.0
Unemployment rate	7.4	7.4	7.3
Employment growth	0.1	0.2	0.6

### Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	-0.4	1.2	1.9
Public consumption	-5.5	-2.8	0.4
Investment (Gross fixed capital formation)	2.0	4.2	7.4
Exports	15.5	12.9	11.8
Imports	13.2	11.1	11.0

### ECONOMIC SENTIMENT

<b>Trend in business climate over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
			Industry		Services
<b>Trend in profitability over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
			Industry		Services
<b>Investment intentions over the next 6 months</b>	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
	Industry	Services			
<b>Driving force behind investment decisions in the next 6 months</b>	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
	Same	Up	Same	Up	
<b>Trend in consumer confidence over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
			yes		
<b>Overall trend in employment</b>	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>	
	Same	Same	Same	Same	
<b>Over the next 6 months, cost/access to finance will be...</b>	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>		
	Cost		Access		
	to a large extent	to some extent	to a limited extent	not at all	
<b>Financial market turmoil has affected companies' investment decisions negatively ...</b>			yes		

### EXCHANGE RATE DEVELOPMENTS

	Dollar per euro
Where will the EUR/USD stand in October 2008 ?	na

### POLICY MIX

	Not necessary, situation is satisfactory	Excellent	Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
Progress towards medium-term budgetary objective is...			yes			
Monetary policy is...	Tight	Appropriate	Loose			
	yes					
	Adequate	Inadequate				
Consistency between fiscal and monetary policies	yes					