



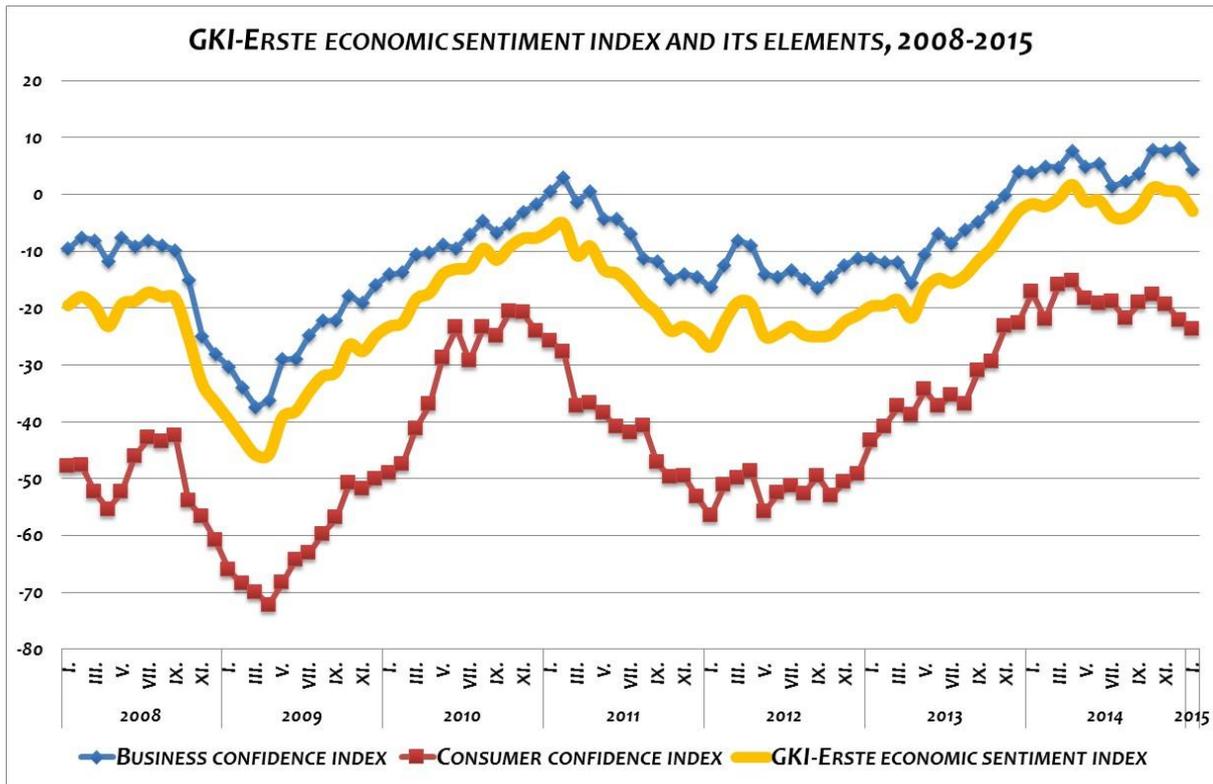
## GKI-ERSTE ECONOMIC SENTIMENT INDEX STARTED THE YEAR WITH A DECREASE

GKI-Erste economic confidence index adjusted for seasonal effects decreased noticeably, though from a high level. According to the empirical survey conducted by GKI ([www.gki.hu](http://www.gki.hu)) with the support of the EU both business and consumer expectations declined. Business expectations are at their level of autumn 2014, whereas consumer expectations were at this lower level more than a year ago, in the autumn of 2013.

Although expectations in the **business sphere** dropped in all sectors, the number of companies expecting improvement still outnumbered those anticipating deterioration in all sectors except construction. In **industry**, only the assessment of production of the previous period improved slightly compared to December, whereas the evaluation of production prospects, orders and stocks worsened. In January, the **construction** confidence index fell to its lowest point in the past ten months. The assessment of production in the preceding three-month improved somewhat, whereas that of orders got worse considerably. After its slight decline in December, the **trade** confidence index declined further; however, it remained within the relatively narrow band in which it fluctuated in the past year. The evaluation of the sales positions, with slightly decreasing inventory levels, improved somewhat, whereas that of expected orders fell considerably. In January, the **services** confidence index dropped to its November level. This was mainly due to the worsening evaluation of the general business climate, though the assessment of the turnover in the last period also deteriorated. Assessment of expected turnover, however, slightly improved.

The **intentions of employment** deteriorated in industry and services, whereas they picked up in construction and trade. Fear of unemployment by households intensified. Intentions to **increase prices** dropped slightly in industry and services. In construction, unlike the trends in recent years, companies planning price increase became a slight majority. However, almost three-quarters of the responding companies continue to expect stable prices. In trade the share of those firms planning price increases grew markedly in one month's time, and the average rate of price rises remained unchanged. Inflationary expectations of households continued to decrease. The assessment of the **perspectives of the Hungarian economy** deteriorated slightly in industry and among consumers, while in other sectors it deteriorated spectacularly.

Following its decrease in the previous three months, GKI's **consumer confidence** index, though at a slower pace, continued to decline in January and reached its level of autumn 2013. Households also assessed their financial situation and savings capacity for the following year slightly worse than in December.



**EXPLANATION TO THE METHODOLOGY:**

In line with the methodology used by the EU, GKI surveys the expectations of industry, trade, construction, services and households in the calculation of its business confidence index. GKI-Erste economic sentiment index is the weighted average of the consumer confidence index and the business confidence index.

The business confidence index is calculated from the responses of enterprises in industry, trade, construction and services given to questions concerning the state of business and expectations of turnover and employment. (As far as services are concerned, similarly to the practice of the EU, companies of the financial and public sectors have not been included in the surveys yet.) GKI publishes seasonally adjusted data by using appropriate mathematical methods to filter out the discrepancies caused by seasonal effects (e.g., differences in weather conditions between winter and summer, increased demand before Christmas, lower output because of summer vacations).

The consumer confidence index is calculated from responses given to questions concerning the expected financial position of households, the expected economic and unemployment situation of the country, and the prospects for saving.

## GKI-ERSTE ECONOMIC SENTIMENT INDEX AND ITS ELEMENTS, 2008-2015

Year	Month	Business confidence index	Consumer confidence index	GKI-Erste economic sentiment index
2008.	I.	-9.6	-47.8	-19.5
	II.	-7.6	-47.6	-18
	III.	-8.1	-52.4	-19.7
	IV.	-11.8	-55.4	-23.2
	V.	-7.7	-52.3	-19.3
	VI.	-9.1	-46.1	-18.7
	VII.	-8.2	-42.9	-17.2
	VIII.	-9	-43.5	-18
	IX.	-9.8	-42.5	-18.3
	X.	-15	-54	-25.2
	XI.	-25	-56.7	-33.2
	XII.	-28.1	-60.8	-36.6
2009.	I.	-30.3	-66.1	-39.6
	II.	-33.9	-68.5	-42.9
	III.	-37.4	-70	-45.8
	IV.	-36.3	-72.3	-45.7
	V.	-29	-68.3	-39.2
	VI.	-28.9	-64.3	-38.1
	VII.	-24.7	-63.1	-34.7
	VIII.	-22.2	-59.8	-32
	IX.	-22.1	-56.9	-31.2
	X.	-17.8	-50.8	-26.4
	XI.	-19.1	-51.9	-27.6
	XII.	-15.9	-50.1	-24.8
2010.	I.	-14.1	-49.1	-23.2
	II.	-13.7	-47.5	-22.5
	III.	-10.5	-41.2	-18.4
	IV.	-10.3	-37	-17.3
	V.	-8.9	-28.7	-14
	VI.	-9.5	-23.4	-13.1
	VII.	-7.1	-29.3	-12.8
	VIII.	-4.7	-23.4	-9.5
	IX.	-6.7	-25	-11.5
	X.	-5.2	-20.6	-9.2
	XI.	-3.1	-20.8	-7.7
	XII.	-1.8	-24.1	-7.6
2011.	I.	0.5	-25.8	-6.3
	II.	2.9	-27.7	-5.1
	III.	-1.3	-37.3	-10.7
	IV.	0.6	-36.8	-9.1
	V.	-4.3	-38.5	-13.2
	VI.	-4.4	-41	-13.9
	VII.	-6.9	-42	-16
	VIII.	-11.3	-40.7	-18.9
	IX.	-11.7	-47.2	-20.9
	X.	-14.9	-49.8	-24
	XI.	-14	-49.5	-23.2
	XII.	-14.5	-53.3	-24.6
2012.	I.	-16.3	-56.6	-26.8

Year	Month	Business confidence index	Consumer confidence index	GKI-Erste economic sentiment index
	II.	-12.4	-51.2	-22.5
	III.	-8.1	-49.9	-19
	IV.	-9	-48.8	-19.3
	V.	-14	-55.9	-24.9
	VI.	-14.6	-52.6	-24.5
	VII.	-13.3	-51.4	-23.2
	VIII.	-14.9	-52.7	-24.7
	IX.	-16.4	-49.5	-25
	X.	-14.6	-53	-24.6
	XI.	-12.4	-50.7	-22.4
	XII.	-11.3	-49.3	-21.2
	2013.	I.	-11.3	-43.4
II.		-12.0	-40.9	-19.5
III.		-11.9	-37.3	-18.5
IV.		-15.6	-38.9	-21.7
V.		-10.5	-34.4	-16.7
VI.		-6.9	-37.3	-14.8
VII.		-8.6	-35.3	-15.5
VIII.		-6.3	-36.9	-14.3
IX.		-4.8	-31.0	-11.6
X.		-2.3	-29.4	-9.3
XI.		-0.1	-23.3	-6.1
XII.		4.0	-22.7	-2.9
2014.	I.	3.8	-17.2	-1.7
	II.	4.9	-22.0	-2.1
	III.	4.7	-15.9	-0.7
	IV.	7.7	-15.3	1.7
	V.	4.8	-18.4	-1.2
	VI.	5.4	-19.3	-1.0
	VII.	1.4	-18.9	-3.9
	VIII.	2.2	-21.9	-4.1
	IX.	3.6	-19.1	-2.3
	X.	7.8	-17.6	1.2
	XI.	7.7	-19.4	0.7
	XII.	8.1	-22.1	0.2
2015.	I.	4.4	-23.8	-2.9

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