

ECONOMY OF HUNGARY – CURRENT STATE AND PROSPECTS OF DEVELOPMENT

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In economic terms, Hungary belongs to the medium developed States. In several Central Eastern European countries Hungary is approximately at the same level with Poland, Slovakia and Croatia. However, it remains significant – about 1.5-2 times – lag for most indicators from leading Western States. The country is relatively poor in minerals. Among the major energy – develop small reserves of natural gas and oil, as well as average size of deposits of brown coal and lignites. There are also large deposits of bauxite, industrial deposits of copper, uranium and manganese ores. Accumulated geological data on shale gas reserves. There are great numbers of mineral water sources, many of them have good medicinal properties. Fairly warm climate is conducive to agricultural development. Arable land relative to total land area is quite significant. In recent years, the Hungarian economy is in a rather difficult position due to the negative impact of the global crisis, the backlog of serious internal problems and a worsening geopolitical situation. In General, over the past nine years, the gross domestic product remains close to pre-crisis level. Parity GDP per capita in 2014 – about 23 thousand dollars. The average salary gross of 1050 dollars a month, the average net salary (after all taxes and fees) – \$ 700. Share of Hungary in a world of parity GDP and 0.2%, in the joint GDP of the EU was 0.8%. By the end of 2014, the economy experienced a relative rise. Gross domestic product grew by 3.2%, industry – by 5.5%, agricultural production – 7%, construction – 15%. At the same time investment increased by 13%, the consumption of individuals – 1.2%. Exports of goods and services increased by 7% and imports by 8.5%. The state budget deficit to GDP was 2.9%. Positive foreign trade balance of 6.4 billion euros. The positive balance of the current account balance and capital account is 6.5% of GDP. Inflation fell from 1.7% to 0%. The unemployment rate dropped from 10.2% to 7.7%. Positive change, however, was partially a consequence of the previous long period of decline. The prospects for further improvement are assessed cautiously. In a recent review by the OECD indicates that "the economic development potential of Hungary over the last decade has declined significantly. Actually stopped the growth of production efficiency. Among the main reasons for the deterioration of the business climate, the increased unpredictability of changes in the regulatory system, the aggravation of problems of small and medium enterprises, as well as limitation of competition in the infrastructure sectors".

Monetary and financial balance of Hungary for 2014 on a number of indicators have improved. Interest rates 10-year pointovyh government bonds fell from 6% to 3.5%, Eurobonds – from 2% to 0.8%. CDS quotes fell from 270 to 140. Foreign-currency-denominated liabilities in the debt structure – below 37%. The net outflow of financial resources was reduced, including due to the outbreak of transfers to Hungary of funds from the funds of the European Union. But the overall situation remained unstable overall. Thus, net public debt to GDP has increased, according to official data, from 75.7% to 76.3% (the real value is about 80%).