

## Hungary: Industry is on a roll

Industrial production surpassed expectation by rising 6.7% annually, which only increases the probability of another quarter of 4% GDP growth



Source: Pixabay

# 6.7%

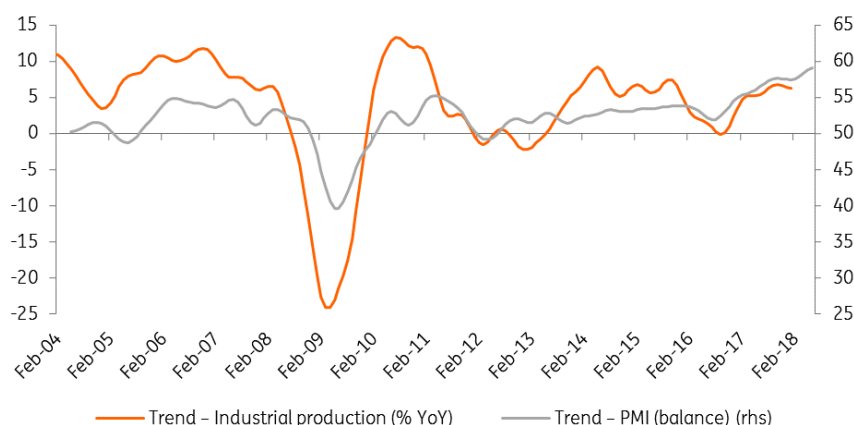
## Industrial production (wda)

Consensus (5.4%) / Previous (4.5%)

Better than expected

Industrial production came in at 6.9% year-on-year and 6.7% YoY when adjusted for working days. This has been the strongest January reading since 2015 and also beats market expectations. Against this backdrop, we have every reason to be thrilled. On a yearly average, industrial production grew by 4.8%, significantly exceeding the average production performance of 2016.

## Industrial production on an upward trajectory



Source: HCSO, ING

As the HCSO's press release hasn't shared any detailed data, we can only assume the main drivers behind the surprisingly strong figure. However, a spokesperson from the statistical office highlighted the food industry, which recorded an outstanding performance.

Meanwhile, the average growth of the two main subsectors (car manufacturing and electric industry) were enough to push the data. Looking forward, we see these two sectors as the long-term drivers of the industry on the capacity enhancements, helping to reach an average growth of around 8% in 2018.

### The big picture

Better-than-expected January retail sales and industrial production readings increased the probability of having another quarter of 4% YoY GDP growth.

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