

The short-term outlook for inflation has improved



KEY MESSAGES OF THE MNB'S INFLATION REPORT, JUNE 2024

Inflation

In the coming months, inflation is expected to fluctuate in the central bank tolerance band of 2-4 percent, close to its upper bound.

2024	2025	2026
3.0 – 4.5	2.5 – 3.5	2.5 – 3.5

Main factors affecting the changes in inflation:

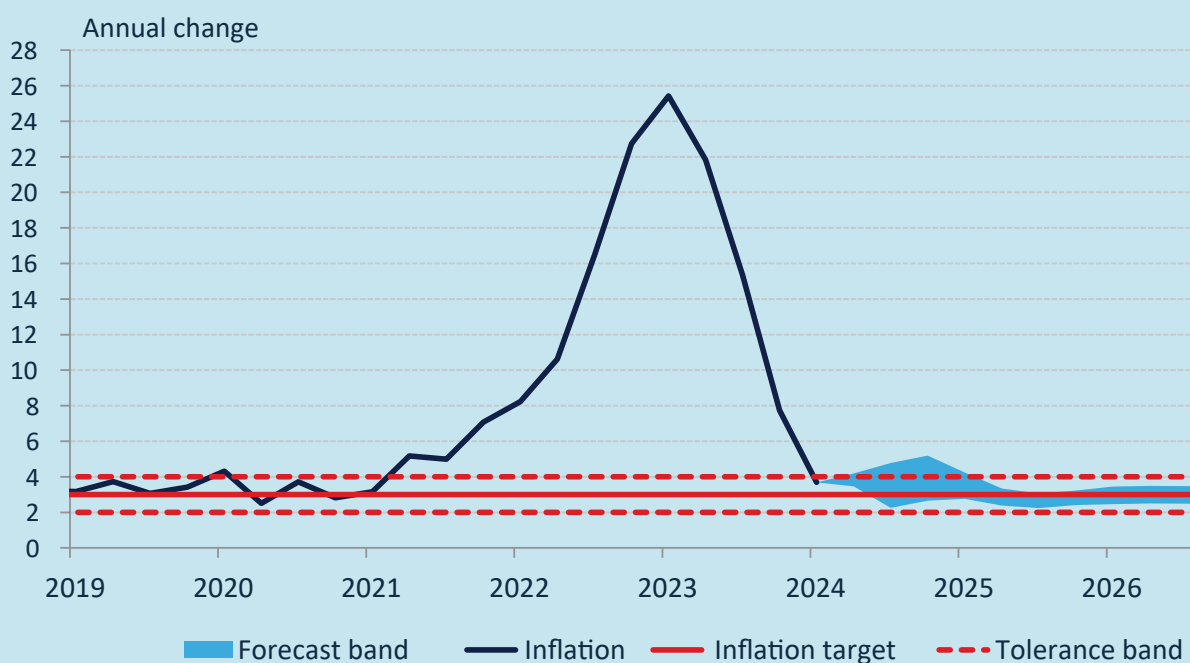


– The decline in global oil prices in April



+ Backward-looking repricings in some market services

The central bank inflation target is likely to be reached in a sustainable manner in 2025.



Source: KSH, MNB

Real economy

In 2024, GDP growth may be between 2.0 percent and 3.0 percent in Hungary as a result of increasing real wages and positive net exports.



With a pick-up in corporate investment, investment is likely to make a positive contribution to economic growth in 2025. Consequently, balanced economic growth is expected next year.



Labour market tightness has eased; however, the level of employment remains high.



In 2024, the current account surplus is expected to be 2 percent of GDP and is likely to improve further in the coming years.

