

# Economic growth is expected to pick up strongly in 2025



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

## Inflation

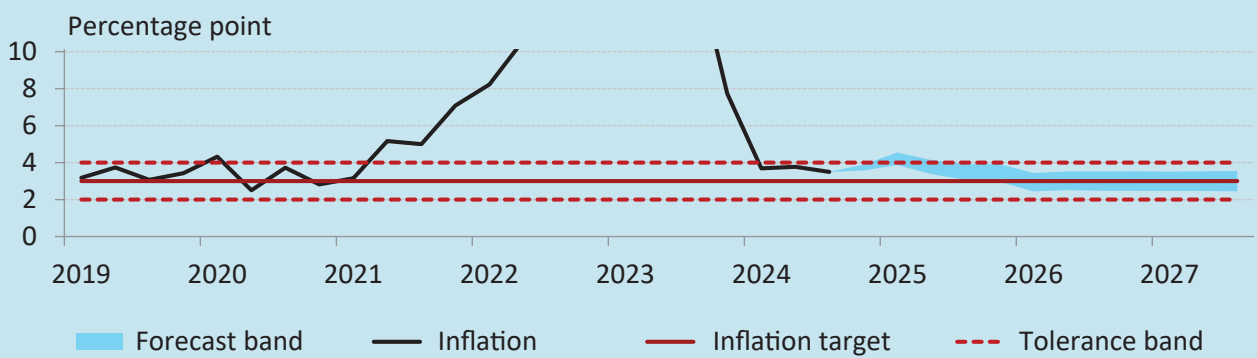
As seen over 2024, inflation is expected to remain within the tolerance band throughout most of 2025.

2024	2025	2026	2027
3.6 – 3.7	3.3 – 4.1	2.5 – 3.5	2.5 – 3.5

- The disinflation trend is expected to restart in 2025 Q1 following a temporary increase.



- The consumer price index is expected to return to the 3 percent target persistently from 2026.



Source: HCSO, MNB

## Real economy

The Hungarian economy is expected to enter a dynamic growth phase again in 2025.

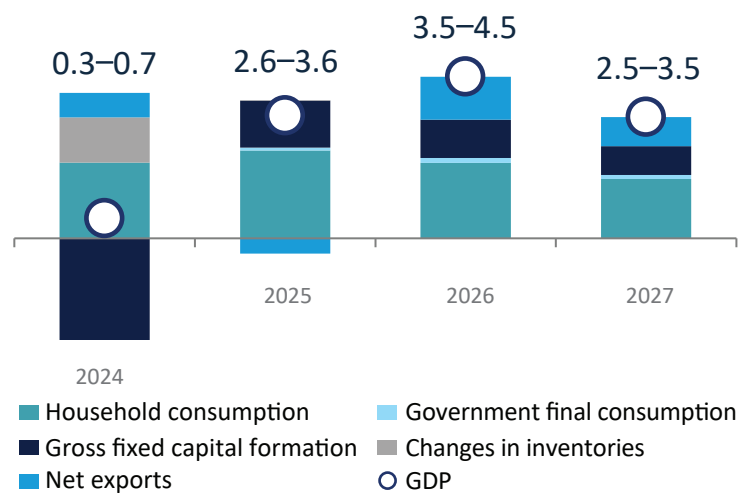
**Consumption** will continue to provide strong support to the economy this year and in the years ahead, driven by rising real wages.

In 2025, the **investment** cycle is expected to turn positive as deferred investment projects are implemented.

**Exports** will be boosted by the start of production of major investment projects in the automotive and battery industries from 2025.

**Government stimulus measures** will also support growth in 2025.

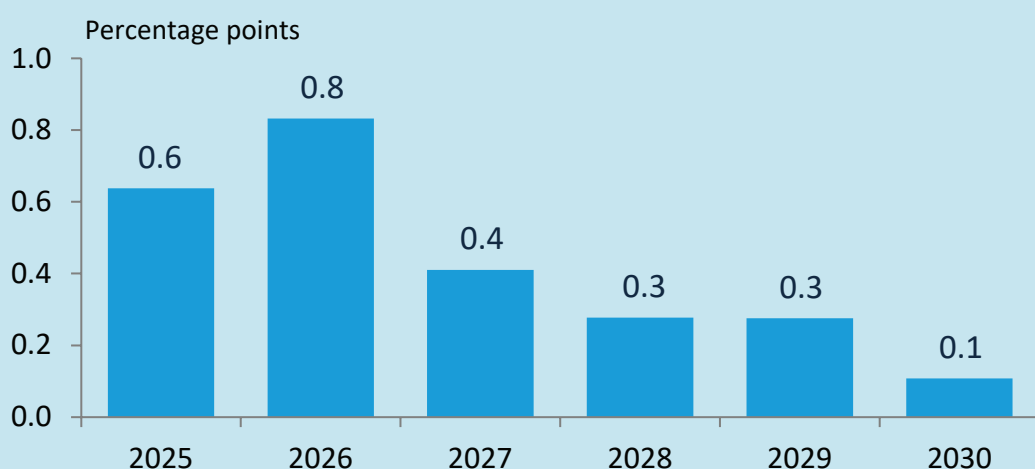
### GDP forecast (annual changes)



## Investment

Large investment projects by BMW, BYD and CATL are expected to produce in 2025. Factories will accelerate GDP growth by gradually increasing capacity over several years. The growth impact in 2025 will be around 0.6 percentage points, taking into account suppliers in the production chain.

### Impact of large investment projects by BMW, BYD and CATL on annual GDP growth



Source: Media news, MNB estimate