

# Rapid recovery and declining inflation from early 2022



## KEY MESSAGES OF THE MNB'S SEPTEMBER 2021 INFLATION REPORT

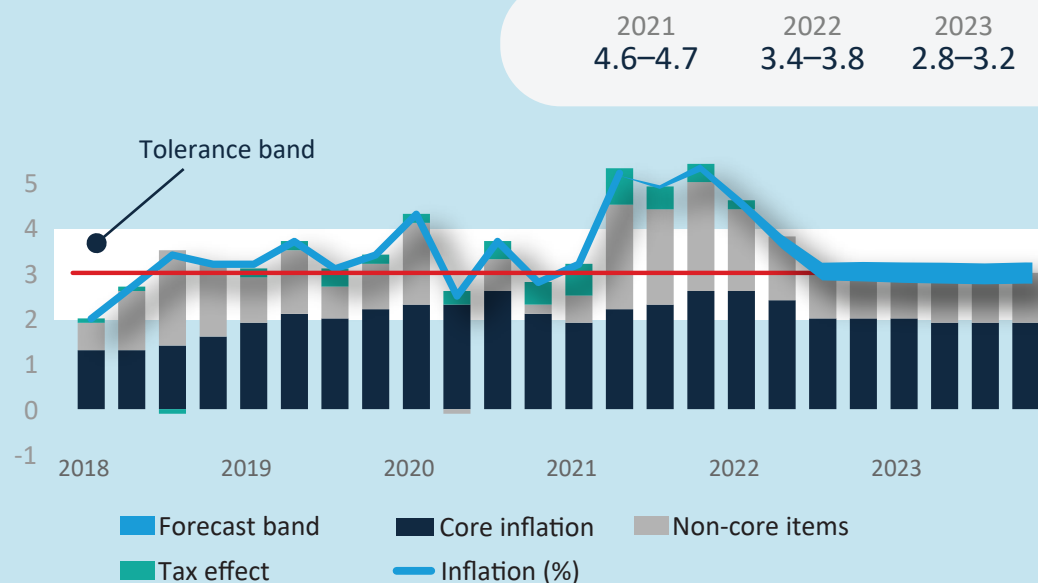
### Inflation

**Rising inflation is a global phenomenon. This has been driven by the reopening of economies and the effects of sharp increases in commodity prices and freight costs.**

Hungary passed the first peak in June, but another spike is expected in inflation in the autumn.

The MNB's measures to bring inflation under control will have an impact from early 2022, and as a result the inflation rate will fall below 4 percent in the second quarter of 2022.

Inflation will stabilise around the 3 percent central bank target in the second half of 2022.



### Real economy

**The Hungarian economy restarted successfully. GDP returned to its pre-crisis level in the second quarter.**



**H2**

Economic growth will be strong in the third quarter; however, the fourth wave of the coronavirus pandemic, disruptions in supply and the effects of high energy and natural gas prices on companies will temporarily slow the recovery towards the end of the year.



**2021**

GDP growth is expected to be 6.5–7.0 percent this year and 5.0–6.0 next year.



**<4%**

Full employment may be achieved again in the second half of 2021 as the economy is restarted; unemployment is expected to fall sustainably below 4 percent.

#### GDP forecast (annual changes)

