

The Russo-Ukrainian war significantly increases uncertainty around the macroeconomic outlook



MAIN MESSAGES OF THE MNB'S INFLATION REPORT, 2022 MARCH

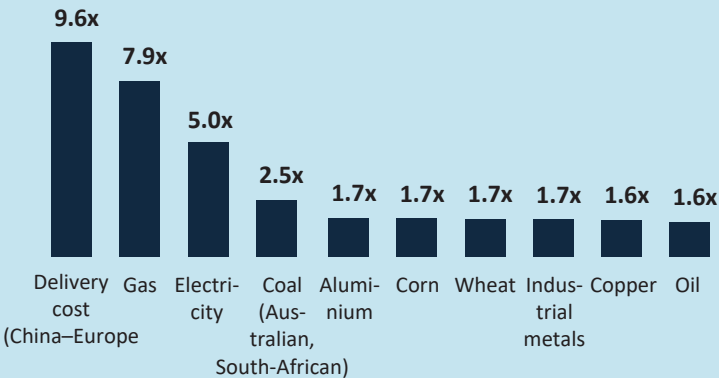
Inflation

As a result of the cost shocks, inflation rose further across Europe and it is unlikely to decline before the second half of the year.

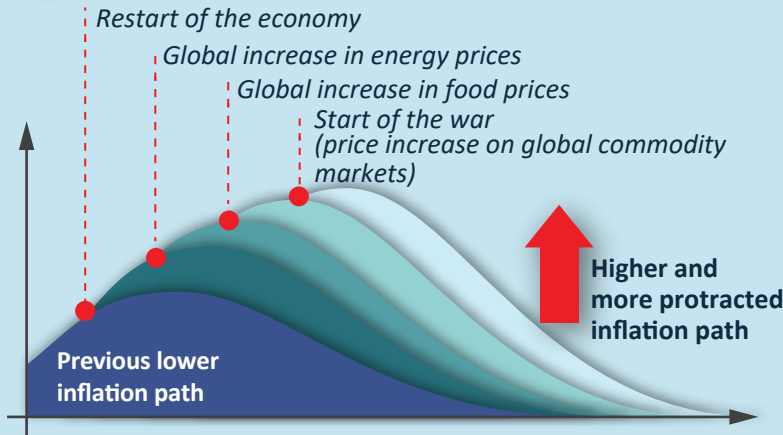
2021	2022	2023	2024
5.1	7.5–9.8	3.3–5.0	2.5–3.5

Energy and commodity prices have multiplied since 2019, leading to high inflation globally.

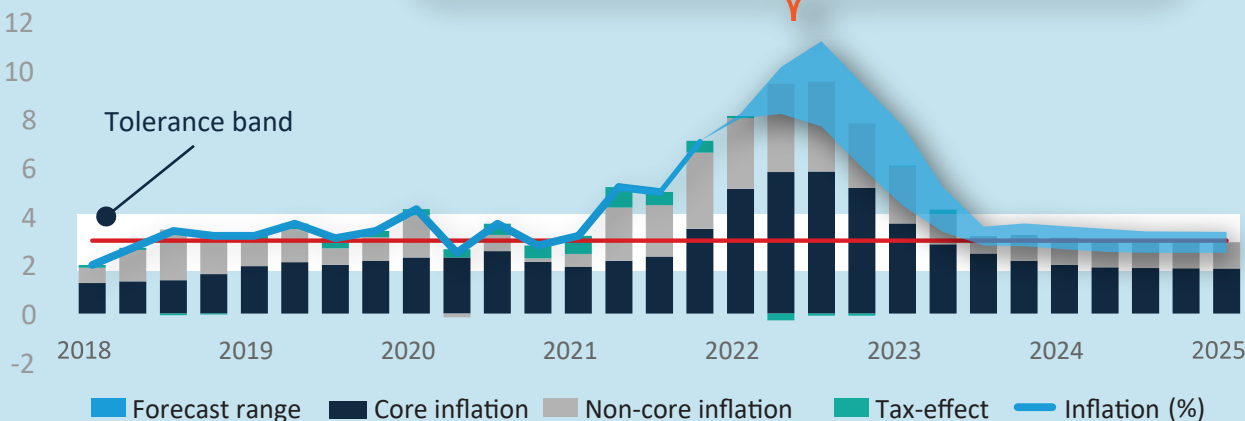
2022/2019



Series of cost shocks raises inflation in Hungary and in other countries.



The cost shocks caused by the war raise inflation, which will return to the tolerance band of around 3 percent in the second half of 2023.



Note: The breakdown shows the mean of the range forecast.

Real economy

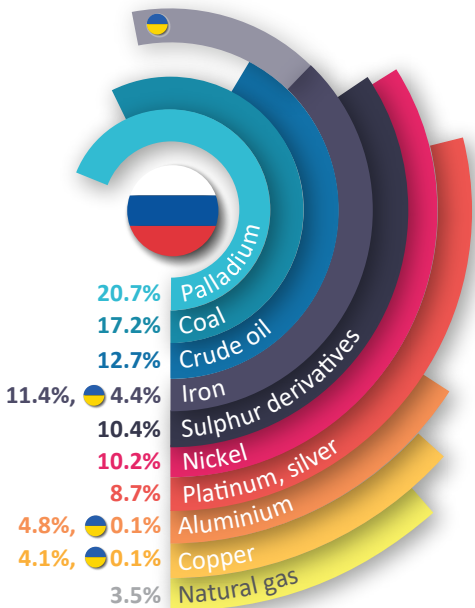
The economy's growth potential is strong, while the economic outlook is surrounded by a high degree of uncertainty. Growth has been slowed by rising commodity and energy prices as well as by growing supply chain disruptions.



Russia and Ukraine have significant weight in exports of certain commodities



Disruptions in international supply chains increase again.



Note: Share in global exports.

Expected Hungarian GDP (annual change)

