

In our analysis we examine articles dealing with the subject of debt queues and how they changed over time as well as their context. The data used is derived from the online content analysis software Textplore (<http://textplore.org/>) developed by GVI. In our database there are 607 articles from 2002 or a later which contains at least one of the terms ("debt queue", "debt circle" or "late payment") and appears in one of the following portals: fn.hu, hetivalasz.hu, hir24.hu, hvg.hu, index.hu, mno.hu, origo.hu, vg.hu.

Number of articles related to debt queue over time

The number of articles related to debt queues between 2002 and 2004 failed to reach even 10 units per year, but in 2005 and 2006 the number jumped to around 50. After a small decline, more and more articles were published on this topic until 2011, more than 90 per year between 2011 and 2013. This number dropped to 33 in 2014.

The absolute number of articles can be deceiving, as some websites (e.g. vg.hu) were established after 2002. Therefore, we also studied that for a given year what proportion of the total number of articles did a website deal with the phenomenon. The theme was popular in the 2005-2006 periods. The 2014 slump is not only detected in terms of the absolute number of articles, but also in their percentage of the total number of articles. A slightly larger proportion of articles published until July 2015 can be found in those dealing with debt queues than in 2014.

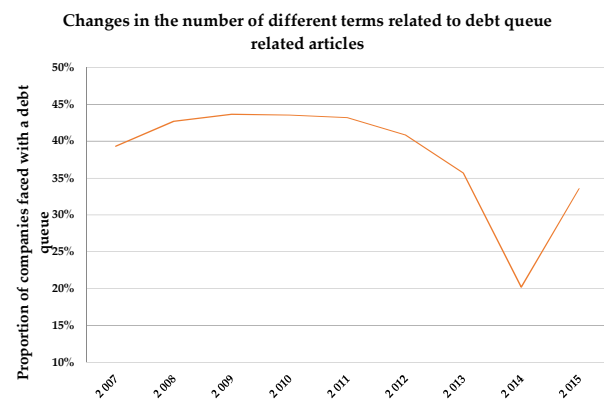
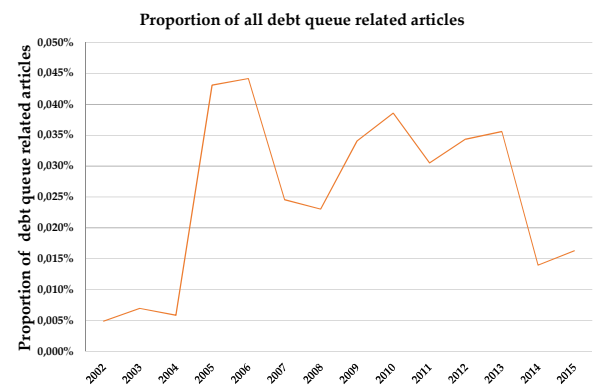
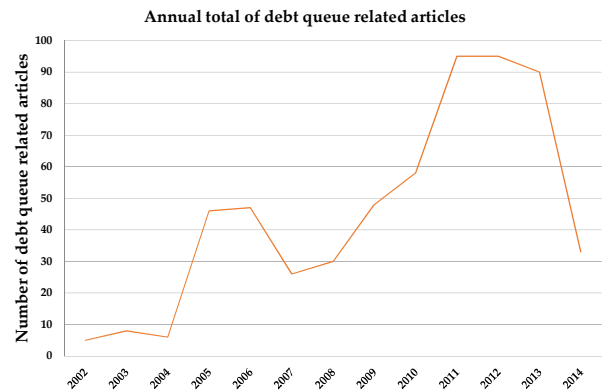
We examined changes in the numbers of debt queue related articles depending on which of the terms ("debt queue", "debt circle" and "late payment") are included. The number of articles that use the word "debt circle" was the highest in 2005, while the terms "debt queue" and "late payment" appeared in most of the articles in 2013. In 2014 there were a reduced number of articles for all three terms.

Until 2010, mno.hu featured the most articles on debt queues, while between 2011 and 2013 vg.hu and hvg.hu dealt with it most of the time. It can also be seen that in 2014 the number of articles dealing with debt queues dropped for all portals.

Conceptual environment of the examined articles

We also looked into what context debt queue related articles typically appeared. For a first approximation, we used cluster analysis to separate groups of words and articles based on the words that are included in at least 10% of the articles but there weren't any grouping of which we could find a meaningful interpretation. Exploratory factor analysis did not find any intuitively interpretable structure within the articles. These attempts would have led to success only if certain word groups typically occurred together in cases when a particular theme runs throughout an article. For example, the appearance of a word related to the theme of a debt queue article that touches on the legal environment (e.g. "law") makes it more likely to other words linked to the subject (e.g. "legislation") also appears in the same article.

After these attempts a different approach was chosen: we determined topics that were interesting in connection with



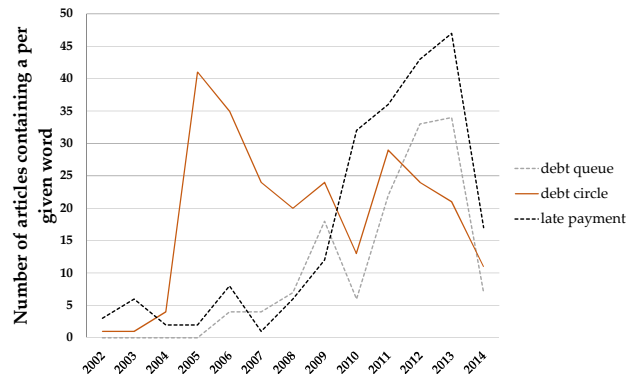
debt queues (legal regulations, EU tenders, construction, economics concepts), and terms linked to these selected topics were selected, and again we took into account words that are included in at least 10% of the articles.

We then calculated the arithmetic mean for the occurrence of words in connection with the particular topic in all the articles in our database. This number was projected on a 100 scale, yielding an indicator for each topic which shows the intensity that a word occurs which belongs to the topic compared with that of the maximum average observed. Thus, with these indicators we want to measure that for a given article how much is a given topic dealt with compared to the maximum possible.

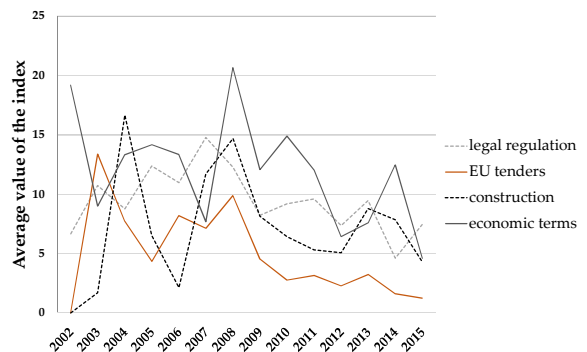
The yearly average for all indicators shows basically a downward trend seen since 2008. This was broken in 2013 and 2014 when the construction theme was more popular than in previous years; also the number of articles containing economic concepts in large numbers soared in 2014.

We also investigated how aggressively some topics appeared in individual portals. It can be seen that articles in hetivalasz.hu are more intensive compared to other portals for terms dealing with economics, legal regulations, and EU tenders. Aside from this, within the theme of legal regulations index.hu also is above average in the context of the debt queues. Economic concepts appear intensively above average more in the articles of origo.hu.

Changes in the annual number of debt queue related articles according to web portal



Annual intensity of thematic groups connected to debt queue related articles



Macroeconomic Trends: The European Commission's Autumn Forecast

Below we provide a short overview of macro-economic trends on the basis of the Commission's autumn 2015 forecast. The focus is on the most important macro data of the EU and Hungary from forecasts for the period 2015-2017. According to the European Commission forecasts the slowdown in economic growth in Hungary will stop: the pace of GDP growth is estimated to be 2.9 in 2015, 2.2 in 2016, but in 2017 to be 2.5 percent. The European Union forecast is for slower growth. In addition to this, increased current account payments and positive labor market trends are expected both in the EU and our country. The Commission continues to predict a slow increase in inflation, while the overall government deficit is likely to be in Hungary and in the EU under the 3 percent threshold. The public debt to GDP ratio is expected to decline slightly.

GDP and current account balance

According to the European Commission's autumn 2015 forecast ("European Economic Forecast, Autumn 2015"), the euro zone economy will continue to experience slow growth. This year, low oil prices, the favorable euro exchange rates, and the ECB's monetary and fiscal policies helped the growth of GDP. The projections are that in the future the loosening of credit conditions and increased investment will play an important role in this. The European Commission predicts growth in the euro zone of 1.6 in 2015, 1.8 in 2016, and 1.9 percent by 2017. For the EU as whole, similar increases of 2-3 percentage points higher have been calculated.

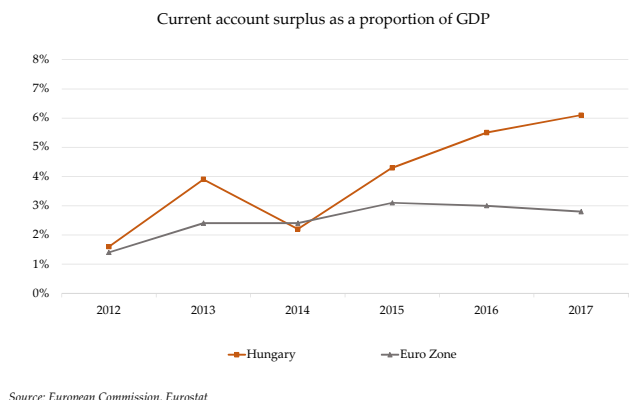
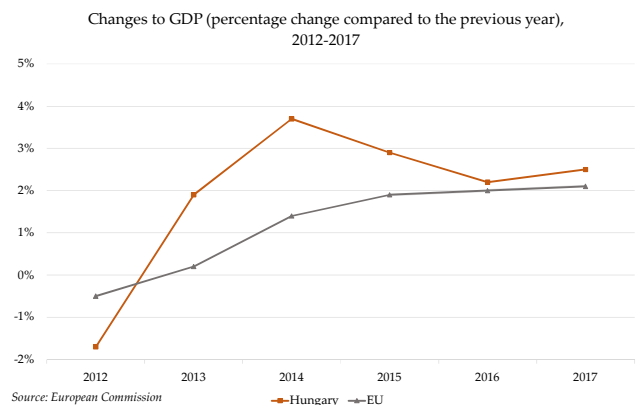
A GDP growth estimate of 2.9 percent for 2015 is projected for Hungary. In 2016 it is expected to rise 2.2 and 2.5 percent in 2017. One reason for the increase is low inflation in parallel with rising nominal wages, which contributes to an increase in consumption. Another reason is the rise of net exports for which the new automotive investments plays an important role.

According to the European Commission, the combined current account surplus of EU Member States in 2015 and 2016 will be 2.2 percent of GDP and in 2017 it will account for 2.0 per cent. Within the euro zone the surplus will be respectively 3.7, 3.6, and 3.4 percent from 2015 to 2017. However differences may be significant in this area between individual Member States. In Hungary the current account surplus is projected to be 4.3 percent in 2015, 5.5 percent in 2016, and 6.1 percent in 2017.

Labor market

The labor market also continues a slow improvement; as the economy recovers there is an increase in the number of jobs whilst labor market reforms introduced by the member states begin to mature. According to the forecasts, the employment rate within the EU could grow by 1 percent this year and for both 2016 and 2017 by 1 percent. However, this will not be enough to reduce the unemployment rate to pre-crisis levels.

In Hungary, the employment rate is predicted to rise slowly, at a rate of 1.8 per cent in 2015, 1.1 in 2016, in 2017 by 1.2 percent. The unemployment rate is projected to be 7.1 per cent this year, 6.7 percent next year and 6.2 percent in 2017. These values are about 2.5 percentage points lower than



the combined unemployment rates of EU Member States. The improvement in the labor market situation is mainly due to the revival of the private sector, but the further expansion of the public works program also plays a role.

Inflation

The downward pressure on oil prices continues to play a crucial role in the development of inflation – something that consumption growth can not offset. The Commission's expectation for euro zone inflation in 2015 is lower than previous estimates, at 0.1 percent. The harmonized index of consumer prices is expected to increase to 1.0 in 2016, and 1.6 percent in 2017. According to the forecast inflation in Hungary in 2015 will be 0.1, 1.9 in 2016 and in 2017 it could be 2.5 percent. In our country, the reduction of charges of consumer utilities restrains the price increases.

General government deficit and debt

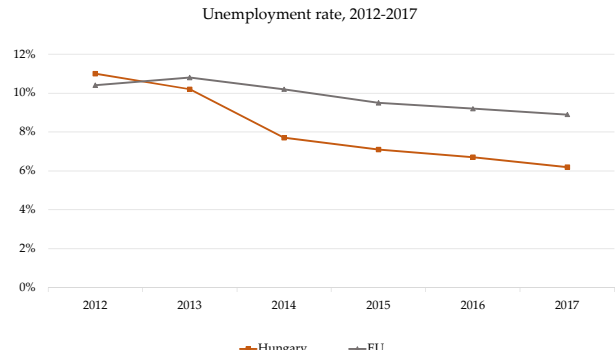
The combined ratio of general government debt to GDP in the EU is projected to decline to 2.5 percent in 2015 and by 2017 will reach 1.6 per cent. In Hungary this rate is 2.3 percent this year, 2.1 percent next year, and will represent 2.0 percent in 2017. However, unforeseen factors may impact general government debt, such as fiscal policy changes coming into force in 2016, as well as one-time increases in state revenues, such as the sale of government land.

Due to the strengthening of GDP growth and the primary balance surplus, government debt to GDP ratio in the EU for 2015 promises to be 87.8 per cent, and by 2017 a 2 percentage point decline is forecast by the European Commission. Hungary's public debt to gross domestic product is estimated to be 75.8 percent in 2015. It is expected to be 74.5 percent in 2016 and 72.6 percent in 2017.

Source: *European Economic Forecast Autumn 2015*

http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip011_en.pdf

http://ec.europa.eu/economy_finance/eu/forecasts/2015_autumn/hu_en.pdf



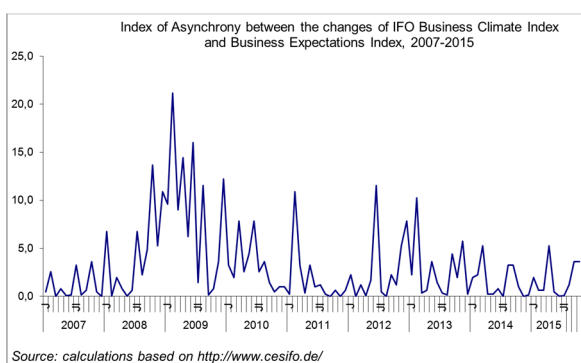
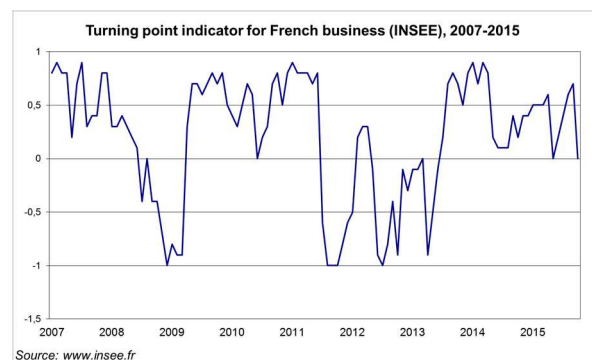
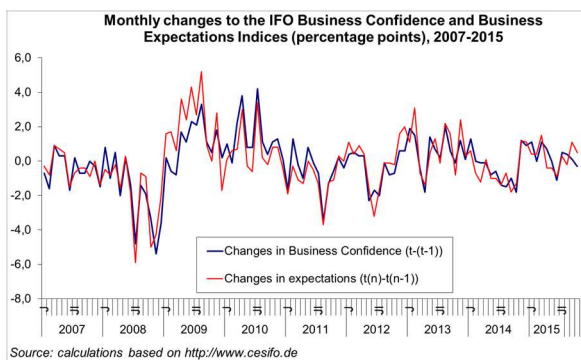
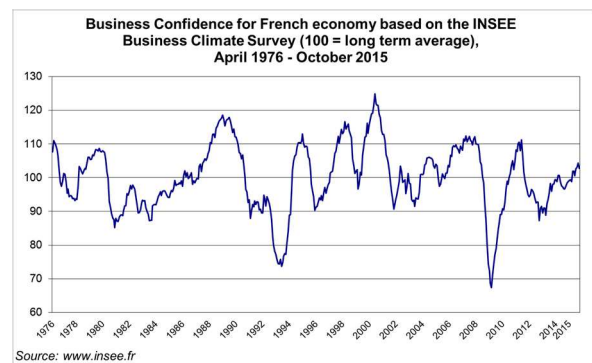
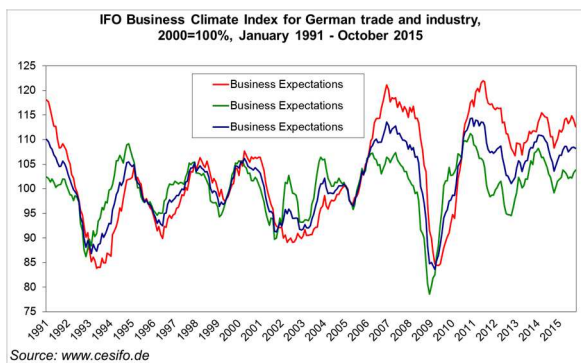
International trends

The Ifo business confidence index from the Munich Institute for Economic Research of German Industry and Trade in October 2015 fell to 108.2 points from 108.5 points in September 2015. The assessment of the current business environment is slightly less favourable than in the previous month. The outlook for the expected business situation was somewhat more optimistic about future business developments. The gap between the business situation and expected developments, as calculated by the IEER asynchronous index did not change from September to October

(Source: Ifo, <http://www.cesifo-group.de>)

According to the French statistical office (INSEE) survey of October 2015, executives surveyed were of the opinion that the situation of French industrial activity is stable. The INSEE business confidence index decreased 1 points, this value is still above its long-term average (100). The turning point indicator decreased to the uncertain short-term economic situation zone. Corporate executives are less optimistic on their personal production expectations: the corresponding balance fell by 4 points compared to the last last month. The general outlook index – which reflects the sum of opinions on the industrial activity of respondents – has also decreased in October.

(Forrás: INSEE, <http://www.insee.fr>)



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