

Embassy of India Budapest

Economic and Commercial Report for the month of January 2017

Executive Summary

1. OLAF to issue fine for M4 irregularities
2. Hungary's Economy Minister visits HUAWEI, BYD in Shenzhen, China
3. Foreign Minister Peter Szijjártó pays visit to Moscow
4. MNB signs contract with Bank of China
5. World Bank sees growth above 2%
6. ÁKK to scrap residency bonds
7. Commercial property market booming

Economic

Economic Summary: The Monetary Council of the MNB has left the base rate of 0.9% unchanged. Foreign-currency reserves stood at €24.384 billion at the end of December, dropping by €767 million from €25.151 billion from November 2016. There has been a decline of €5.938 billion over the course of 2016. The central budget had a Ft 771.6 billion (appx €2.5 bln) deficit, while there were shortfalls of Ft 75.2 billion (€243.3 mln) in social security funds and Ft 1.5 billion (appx €4.85 mln) in independent state funds. Inflation stood at 1.8% year-on-year in December 2016, the highest level since July 2013. Annual inflation averaged 0.4% during the course of 2016. Industrial producer prices were down 0.5% in November 2016 from one year earlier, following a 1.2% fall in October. The November drop was largely due to the 5.5% decline in energy prices. Industrial producer prices for the January-November period were 1.9% lower than in the same period of 2015. Hungary's trade surplus was €908 million in November, up from €778 million one year earlier. Exports increased by 5.8% year-on-year while import growth came to 4.6%. EU countries received 80% of Hungary's exports and provided 77% of its imports. The surplus for January-November 2016 was €9.452 billion, up from €7.957 billion in the same period of 2015, on increases of 2.7% in exports and 1% in imports. The unemployment rate in the fourth quarter of 2016 was 4.4%, while the rate for the whole year of 2016 was 5.1%. The average number of registered unemployed was 235,000, down from 308,000 in 2015. The average gross wage in Hungary went up 8.2% year-on-year in November 2016, reaching monthly Ft 285,800 (appx €925). From January-November, the average gross wage was Ft 260,800, (appx €844) up 6.2% from one year earlier.

OLAF to issue fine for M4 irregularities: The European Commission could order Hungary to repay Ft 76.6 billion in funding due to irregularities in the construction of Budapest's fourth metro line, PMO leader János Lázár announced. He said EU anti-fraud office OLAF has closed a three-year inquiry into the project, and the report speaks of suspected fraud, corruption, abuse of office and forming cartel activities, he added. Lázár said the cabinet will not appeal the EU report admonishing Hungary, as that could lead to an even bigger fine.

Hungary's Economy Minister visits HUAWEI, BYD in Shenzhen, China: Economy Minister Mihály Varga underscored Hungary's objective to become a regional hub for digital technological development during visits to major Chinese tech companies in Shenzhen on 18th January. Chinese companies expressed interest in working with Hungarian partners in the areas of e-mobility, intelligent transport systems, autonomous vehicles and the development of smart cities. Huawei said it would take part in background work related to a new project to build a test track for autonomous vehicles in Zalaegerszeg, in western Hungary. BYD wants to build its first European electric bus plant in Komárom, in northern Hungary.

Hungary regarded as reliable business partner: Hungary has been Hong Kong's number one trade partner in the CEE region, and the existing mutual confidence may be further improved by Hungary's participation in the "One Belt, One Road" initiative, Minister for National Economy Mihály Varga said after having met with Hong Kong government members and economic stakeholders on the sidelines of the 10th Asian Financial Forum during his visit to Hong Kong and China on 16-18 Jan 2017.

Foreign Minister Peter Szijjártó pays visit to Moscow: Foreign Minister Péter Szijjártó paid a visit to Moscow on 23rd January at the invitation of Russian Foreign Minister Sergei Lavrov. The two leaders that

they have a vested interest in promoting political dialogue and in boosting trade, economic investment, innovation, and humanitarian and technical-scientific cooperation, as per statement of Russian Foreign Ministry. They discussed the implementation of the agreements signed by Russian President Vladimir Putin and Prime Minister Viktor Orbán in Moscow a year earlier. Hungarian partners confirmed their commitment to continuing Hungarian-Russian cooperation in the matter of the enlargement of the Paks nuclear power plant with the participation of Rosatom. Hungary believes it is urgently necessary to reach an agreement between the EU and Russia. "If the EU and Russia cannot agree on the terms of a pragmatic, close cooperation, the EU will heavily lag behind in terms of international economic and political competition."

MNB signs contract with Bank of China: The National Bank has signed a contract with the Bank of China (BoC) on 23rd January, employing it as its agent on the interbank market in China, with the aim to diversify its portfolio with access to the Chinese market. This means that MNB can purchase Chinese bonds with the help of the BoC, utilising the foreign reserves of MNB. MNB also signed an agreement with the BoC on establishing mutual renminbi settlement. The BoC will help MNB to improve its efficiency in this field.

Bank of China issues yuan card: The Bank of China is issuing a yuan account based bankcard for business users in cooperation with China UnionPay, Bank of China Chairman Tian Guoli announced in Budapest at a press conference. The card can be used in over 2,000 points of sales and in hundreds of ATMs. The bank is also planning to issue similar cards in Prague, Vienna and Belgrade. The MNB launched its renminbi programme earlier in 2015 and the Bank of China opened its regional clearing centre in Budapest. The Hungarian government signed a strategic cooperation agreement with the bank in the presence of Prime Minister Viktor Orbán.

Lending programme drives agriculture: Businesses have received some Ft 2.6 trillion (appx €8.4 bln) in preferential loans through the Central Bank's (MNB) Funding for Growth programme in the past three years, which is nearing its end. In 2016 loan contracts worth Ft 473 billion (appx €1.53 bln) were signed, 75% of them for investments and 25% for leasing transactions. Since June 2013, some 37,400 businesses received Ft 2.6 trillion (appx €8.4 bln) of cheap financing. Under the programme, the MNB provided zero-interest refinancing to banks and capped lending costs at 2.5%. The agriculture sector was the largest beneficiary of the scheme, with one-third of forint-based loans channelled there in 2016. The MNB does not plan to renew the lending programme.

World Bank sees growth above 2%: Hungary's economy will expand by 2.6% in 2017 after 2.1% growth in 2016, according to the World Bank's Global Economic Prospects report released in January 2017. The economy is forecast to grow by a further 2.9% in 2018. The latest figures are well below the government's projections of an expansion of more than 4% in 2017 and 2018, which are shared by some analysts.

Fewer businesses in 2016: The number of businesses in Hungary dropped by some 20,000 during 2016 to 545,000 by the end of 2016, company information provider Opten reported. The decrease has been going on for three years, albeit at a slower pace in 2016. Last year saw some 26,000 companies being founded and 46,000 being closed.

Skilled labour in short supply: Companies are experiencing a drastic shortage of skilled labour, according to a survey commissioned by economics research company GKI in November. Some 81% of respondents reported a shortage of skilled labour. The shortage of skilled labour is most acute among companies with more than 250 employees, as 96% of them complained of a short supply. The lack of skilled labour is highest in the construction sector at 94%, but stands at 93% in the steel industry, 90% in machine making and 89% in the food sector.

NAV met 2016 revenue target: The tax authority NAV has met its target of raising Ft 12.792 trillion (appx €41.4 bln) in 2016, its President András Tállai announced. He said new tax cuts will leave Ft 580 billion (appx €1.88 bln) with businesses in 2017, roughly equal to 1.5% of GDP. Tállai expressed hope that companies will direct these funds to fixed capital investments, development projects and higher wages.

Commercial property market booming: Investments in commercial property in Hungary expanded by 133% in 2016 to €1.7 billion, property consultancy Colliers International said. Colliers forecasts a similar boom for 2017, with declining yields and rising rents. The greatest demand in 2016 was for office space, which accounted for 56% of transactions by value, followed by retail spaces, industrial and logistics projects. The upgrading of Hungary's sovereign debt attracted additional investors to the property market, Colliers noted.

ÁKK to scrap residency bonds: The state debt manager ÁKK will end the sale of residency bonds as of March 31. The ÁKK said the state's improved financial position makes such a move possible. More than 17,000 residency bonds have been sold since they were introduced in June 2013, for a total of €1.3 billion. The ÁKK credited the bonds with boosting ratings of Hungary's sovereign debt and with saving the state Ft 1.5 billion (appx €4.85 mln).

18% rise in tourism in November: The Central Statistics Office announced an 18% rise in the number of foreign tourists in November 2016, from one year earlier to 371,000. The visitors spent 900,000 guest nights in paid accommodation, an increase of 17% from November 2015, when numbers were relatively low due to the refugee crisis. In addition, 403,000 domestic tourists, a 10% increase, spent 887,000 nights in commercial accommodation.

Commercial

BorsodChem profits up in 2016: BorsodChem increased its revenues to €1.2 billion in 2016, the Chinese-owned petrochemical company announced. Ebitda for the Kazincbarcika company surpassed €250 million, rising by 50% from the previous year of 2015.

China CEE Fund buys Invitel: The private capital fund China CEE has purchased a majority stake in Hungarian telecoms company Invitel for Ft 63 billion (appx €203.9 mln). The seller is Magyar Telecom B.V., registered in the Netherlands which is in turn owned by the investment fund Mid Europa Partners and other investors. The transaction still needs the approval of the competition authority and will probably be closed in the first quarter. The Invitel group reported a Ft 14 billion (appx €45.3 mln) pre-tax profit on revenues of Ft 45 billion (appx. €145.6 mln). China CEE, one of the largest investment funds in Central and Eastern Europe, manages \$430 million worth of assets. It has investments in energy, pharmaceutical and other companies in Poland, the Czech Republic, Slovenia and Bulgaria. China's Eximbank is the largest investor in the fund, and Hungary's Eximbank is also a shareholder.

US fund buys Sziget organizer: US firm Providence Equity Partners has bought a 70% stake in festival organiser Sziget, as part of plans to build a Europe-wide operation. Current owners will retain managerial control of the company, as well as a 30% stake under the deal. The Sziget group includes the flagship annual event in Budapest, as well as the Balaton Sound and Telekom VOLT festivals, the Gourmet Fesztivál and children's event Gyerek Sziget. Providence aims to establish a significant international portfolio of festivals, with the Hungarian executives having a leading role.

Mercedes, Audi sales rise in 2016: Mercedes sales saw 34.5% growth in Hungary in 2016, selling a total of 2,751 vehicles, the sales agent of the carmaker announced. Mercedes forecasts an increase of more than 10% for 2017, with a high sales growth in the SUV category that could reach 80%. The number of new car sales was up 25% in 2016, reaching 96,555, market researcher Data House estimated earlier. Audi sold 2,503 cars in Hungary in 2016, a 14% increase.

Upcoming Trade Fairs in Hungary:

(I)	<u>CONSTRUMA</u> 5-9th April 2017 –International Construction industry and Homemaking exhibition
(II)	<u>CONSTRUMA GARDEN</u> 5-9th April 2017 –Exhibition on landscaping, garden planning
(III)	<u>Home Design</u> 5-9th April 2017 - Exhibition on Interior Decoration, Design
(IV)	<u>RENEO</u> 5-9th April 2017 – International exhibition on Renewable Energy, building engineering
(V)	<u>MACH-TECH</u> 9 - 12th May 2017 - International Trade Exhibition of Machine Manufacturing and Welding Technology
(VI)	<u>INDUSTRY DAYS</u> 9 - 12th May 2017 International Trade Exhibition of Industries, showcasing latest professional trends

Further information: www.hungexpo.hu



Trends in bilateral trade: Source: Central Statistical Office (www.ksh.hu)

2016 January-November trade (USD, EUR million and billion)

	Hungary's Exports	Hungary's Imports	Total	% growth of trade over last period		% change of Total trade over last period
				Export	Import	
India (mln)	168.8 USD	355.3 USD	524.1 USD	-7.5%	+3.2%	-0.5%
	151.5 EUR	318.8 EUR	470.3 EUR	--7.8%	+2.9%	-0.8%
World (bln)	95.6 USD	85.1 USD	180.7 USD	+2.8%	+1.2%	+2.1%
	85.9 EUR	76.6 EUR	162.5 EUR	+2.7%	+1.1%	+2.0%

Top 10 items of Export to the World 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	112,536.9	100,387.6	-10.8%	100%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	22,201.1	20,074.7	-9.6%	20%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	21,090.3	18,902.4	-10.4%	19%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	17,814.6	18,003.0	1.1%	18%
30 PHARMACEUTICAL PRODUCTS	4,990.3	4,822.7	-3.4%	5%
39 PLASTICS AND ARTICLES THEREOF	4,303.3	3,834.5	-10.9%	4%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	4,591.4	3,311.8	-27.9%	3%
40 RUBBER AND ARTICLES THEREOF	2,607.9	2,373.8	-9.0%	2%
27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	3,778.6	2,334.2	-38.2%	2%
94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	1,969.5	1,760.6	-10.6%	2%

Top 10 items of import from the World (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	104,188.1	91,384.8	-12.3%	100%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	20,096.9	18,693.9	-7.0%	20%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	17,232.4	15,592.7	-9.5%	17%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	9,839.7	9,516.3	-3.3%	10%

27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	12,480.1	7,432.8	-40.4%	8%
39 PLASTICS AND ARTICLES THEREOF	4,582.1	4,167.8	-9.0%	5%
30 PHARMACEUTICAL PRODUCTS	3,874.0	3,958.2	2.2%	4%
73 ARTICLES OF IRON OR STEEL	2,380.8	2,104.7	-11.6%	2%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	2,054.4	1,923.7	-6.4%	2%
40 RUBBER AND ARTICLES THEREOF	2,018.8	1,836.2	-9.0%	2%
72 IRON AND STEEL	2,474.1	1,835.7	-25.8%	2%

Top 10 items of Export to India 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	210.5	213.8	1.6%	100%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	86.8	77.6	-10.6%	36%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	34.9	52.2	49.7%	24%
29 ORGANIC CHEMICALS	22.5	26.6	18.1%	12%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	6.1	9.4	53.2%	4%
39 PLASTICS AND ARTICLES THEREOF	9.4	7.5	-20.3%	4%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	13.0	7.1	-45.3%	3%
48 PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	5.4	4.5	-16.1%	2%
73 ARTICLES OF IRON OR STEEL	5.7	4.0	-30.8%	2%
74 COPPER AND ARTICLES THEREOF	3.8	3.8	-0.5%	2%
94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	5.0	2.9	-42.7%	1%

Top 10 items of Import from India 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	385.1	364.9	-5.2%	100%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	82.3	94.4	14.7%	26%
29 ORGANIC CHEMICALS	97.5	84.5	-13.3%	23%
30 PHARMACEUTICAL PRODUCTS	72.8	72.6	-0.2%	20%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	58.3	51.2	-12.2%	14%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	9.8	9.2	-5.7%	3%

64 FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	9.4	6.4	-32.0%	2%
40 RUBBER AND ARTICLES THEREOF	5.6	5.7	2.6%	2%
73 ARTICLES OF IRON OR STEEL	6.1	4.7	-23.5%	1%
39 PLASTICS AND ARTICLES THEREOF	5.5	4.0	-26.7%	1%
41 RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	3.6	2.4	-32.8%	1%

Average Monthly Exchange rates for January 2017

1US\$= 290.98

1EUR= 309.05

Source: MNB-Hungarian National Bank www.mnb.hu

Trade enquiries: In the month of January 2017 Embassy of India, Budapest received 18 enquiries from India and none from Hungary.

Indian Trade inquiries for the month of January 2017

S. No.	Enquiry originator	Product	HS codes	Nature Export/Import value (\$ mln)	Action taken
1	RRG World Connect	Coir, Coco		Export to Bosnia	All inquiries have been answered
2	Silverstone Export	Ceramic tiles		Export to Hungary	
3	Arico Foods Pvt. Ltd	Rice		Export to Hungary	
4	Vrudhi Exims	Leather, Fly ash		Export to Hungary	
5	SK Impex	Food and beverages, confectionery, rice, sugar, electronics		Export to Hungary	
6	Sunheart Tiles	Ceramic tiles		Export to Hungary	
7	Triyugi Enterprises	Incense sticks		Export to Hungary	
8	Eastman Impex	Livestock equipment		Export to Hungary	
9	Pavit Ceramics Pvt. Ltd.	Ceramic tiles		Export to Hungary	
10	Kayavlon Imp	Plastics, Textile		Export to Hungary	
11	Vela Exim	Paper		Import to India	
12	Babu Ram Dharam Prakash	Herbs, Cosmetics		Export to Hungary	
13	Akmira Exim Pvt. Ltd	Vegetables, Stationery		Export to Hungary	
14	Sri Mathi Enterprises	Textile fabrics		Export to Hungary	
15	Komal Enterprises	Pharmaceuticals		Export to Hungary	
16	Ixorra Exports Pvt. Ltd.	Incense sticks		Export to Hungary	
17	Ravis International	Agro: rice and spice		Export to Hungary	
18	Coris Chemicals and Pharmaceuticals Pvt Ltd	Pharmaceuticals		Export to Hungary	

Bilateral

EVOPRO visits India: A business delegation consisting of Mr. Unni Krishnan, Director of LongWealth GmbH, a consultancy firm and Mr. Tamás Winkler Vice-President and Head of International Expansion and Business Development of EvoPro Group visited India on 16th January 2017. The company specializes in lightweight buses, made of composite materials, as also mechanical, electrical and control technology design

of complex industrial systems, focusing on production lines for the automotive industry, airport and postal logistical systems. The delegation met with M/O New and Renewable Energy, Ministry of Roads Transport and Highways and the Ministry of Urban Development. It also had meetings with commercial and investment partners in India.

Embassy of India, Budapest made an official visit to the city of Szeged to participate in an introductory programme of the InfoPolus IT Cluster on 17th January 2017 at the University of Szeged where a meeting was held introducing the cluster and its prominent software companies. Information was given on investment opportunities in India and the upcoming 3rd Global Exhibition on Services 17-20 April 2017, Greater Noida, India.

Bosnia & Herzegovina (BiH)

Q3 GDP Grows 2.4%: The economy of Bosnia and Herzegovina expanded by a real 2.4% year-on-year in the third quarter of 2016, according to non-seasonally adjusted data, accelerating from a 1.2% growth rate in the second quarter, the Central agency for statistics said. In the third quarter of 2015, GDP growth was 3.9% year-on-year. The sector of administrative activities showed a real 12.1% growth of the gross value added in the third quarter of 2016, followed by electricity, gas, steam and air conditioning supply, with an increase of 11.1%, and agriculture, with 9.5% growth rate compared to the same period of 2015. Real fall of the gross value added was recorded in education and information and communication, down by 0.9% and 0.5%, respectively.

IMF Affirms Emerging, Developing Europe 2017 GDP Growth Forecast at 3.1%: The IMF expects the end-2016 GDP growth in emerging and developing Europe to reach 2.9%, down from 3.7% a year earlier, it said in its World Economic Outlook. The region comprises Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Macedonia, Montenegro, Poland, Romania, Serbia, and Turkey.

Foreign Debt Rises 3.7%, C/A Deficit Narrows in Third Quarter of 2016: Bosnia and Herzegovina's foreign debt increased to a preliminary 8.8 billion KM at the end of the third quarter in 2016 from a revised 8.6 billion KM (appx €4.4 bln) a year earlier, according to Central Bank data. Compared to a year earlier, Bosnia's current account deficit decreased by 57.3 percent in the third quarter of 2016. The net foreign exchange reserves held by the Central Bank of Bosnia and Herzegovina rose by 0.8 percent in November 2016, reaching 9.4 billion KM (appx €4.8 bln) at the end of the month. At the end of November 2015, the Central Bank's net foreign exchange reserves stood at 8.6 billion KM (appx € 4.4 bln).

Industrial Output Growth Speeds Up, Annual Deflation Expands in 2016: industrial output increased by 4.3 percent in 2016, after expanding 2.6 percent in 2015, according to preliminary data from the Statistics Agency. In December alone, industrial output increased by 7.3 percent year on year. The figures are seasonally adjusted. Month-on-month, the country's industrial production dropped 1.0 percent in December. Annual deflation expanded to 1.1% in 2016 from 1.0% in 2015.

Sarajevo Airport Registers Record 2016: Sarajevo Airport saw its busiest year in 2016, during which it handled 838,966 passengers, an increase by 8.5 percent compared to 2015. Sarajevo Airport anticipates seeing a turning point in its operations in 2017 with plans to handle one million passengers, overhaul its runway and expand its terminal building. Talks are underway with several carriers over the introduction of new flights to the city. So far, TUI, Fly Belgium (Charleroi) and Wizz Air (Budapest) have announced new services to the Bosnian capital in 2017.

Foreign Tourist Arrivals Grow 14.1%: The number of foreign tourists in the first eleven months of 2016 grew 14.1% on the year, reaching 739,423, according to the country's Statistics Agency. The total number of tourists staying in Bosnia and Herzegovina in 2016 from January to November increased by 11.2 percent year on year to 1.1 million. Total tourist overnights in the period from January until November 2016 increased to 2.2 million, up 10.3 percent year-on-year. Out of them, foreign tourist overnights accounted for 69.8 percent, or 1.6 million, up 14.7 percent on the year.

Sarajevo Business Forum 2017: The 8th Sarajevo Business Forum 2017 (SBF) international investment conference will be held on 22 and 23 May in Sarajevo under the auspices of the Presidency of Bosnia and Herzegovina. The event will offer a series of projects in agriculture, energy, education, finance, infrastructure, construction, services, tourism and other development sectors. In the past seven years, SBF has brought together participants from more than 30 countries. The last forum was attended by more than 1,600 people, including 350 accredited journalists, and there were more than 250 direct meetings of business people and

entrepreneurs. Organizer of the Investment Conference is Bosna Bank International (BBI), in cooperation with the Islamic Development Bank (IDB).

TRADE FAIRS in Bosnia and Herzegovina

MOSTAR SAJAM	General International Trade Fair	Mostar	04-08 April 2017	www.mostar-fair.com
SARAJEVO BUSINESS FORUM	International Investment Conference on in agriculture, energy, education, finance, infrastructure, construction, services, tourism	Sarajevo	22-24 May 2017	http://www.new.sarajevobusinessforum.com
ENERGA TUZLA	international trade fair for energy, industry and mining	Tuzlanski Sajam d.o.o	June 2017	www.tuzlanskisajam.ba

<http://www.tradefairdates.com/Fairs-Bosnia-and-Herzegovina-Z18-S1.html>

Average Monthly Exchange rates for January 2017

1US\$= 1.818531 KM

1EUR= 1.955830 KM

Source: Central Bank BIH <http://cbbh.ba>

Vijay Khanduja
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