WINTER 2023

THE EQUILIBRIUM INSTITUTE'S ECONOMIC FORECAST FOR HUNGARY

Equilibrium Institute

The Equilibrium Institute's

Economic Forecast for Hungary

Winter 2023

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Future for Hungary

Equilibrium Institute

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EXECUTIVE SUMMARY

GDP

The Equilibrium Institute forecasts that the Hungarian economy will contract by 0.6% in 2023.

The think tank expects growth to resume in the coming years, with GDP expansion reaching 3.2 percent in 2024 and 3.1 percent in 2025.

The Hungarian economy's growth could be driven by a rebound in consumption and investment.

According to a large-sample representative poll by the Equilibrium Institute, Hungarians would need a net HUF 400,000 (EUR 1050) for what they consider to be an average lifestyle, and a net HUF 600,000 (EUR 1575) for a carefree living. However, only 12.5% of respondents reported a net monthly income of more than HUF 400,000 (EUR 1050).

The government is unlikely to embark on a major fiscal adjustment next year at the risk of economic growth, therefore the Equilibrium Institute expects a deficit of more than 3 percent in 2024.

Inflation

According to the think tank's forecast, inflationary pressures are expected to ease in the coming years. While the average price increase in 2023 will be 17.5 percent, inflation will decrease to 5.7 percent in 2024 and then to 3.6 percent in 2025.

Based on the observed trends, both demand and supply factors tend to point towards further decline in inflation in the coming years.

Rising excise duties and high oil prices due to geopolitical uncertainties will continue to contribute positively to price increases through fuel prices. However, food inflation is expected to be moderate in 2024.

The Hungarian Central Bank (MNB) will reach its inflation target in the second half of 2025.

Exchange rate and monetary policy

The gradual decline in inflation will allow the Hungarian Central Bank to cut the policy rate, but the vulnerability of the forint will only allow for cautious interest rate cuts.

The depreciation of the forint is expected to continue, but at a more moderate pace than in recent years.

The average euro exchange rate is expected to be in the range of 393-403 forints in 2024 and 406-419 forints in 2025.

Labor market and wages

Labor market demand has shown a high degree of resilience over the past year.

With economic growth returning in the third quarter of 2023, the Equilibrium Institute expects employment to grow by 0.8 percent this year and to remain at a similar pace in the coming years.

The unemployment rate in Hungary will be 3.9 percent this year and 3.7 percent next year.

In 2023, despite double-digit nominal wage growth, purchasing power of wages will fall by 1.6 percent. Next year, double-digit wage growth and positive real wage dynamics can be expected again, driven by tight labor market conditions and a pick-up in economic activity.

A merger of the minimum wage and the graduate minimum wage wage is likely by the end of 2027. Although there has been some talk in the press of a merger at levels above HUF 400 000, the GDP and inflation forecasts of the Equilibrium Institute suggest that a level of HUF 350-370 000 seems more likely by the end of the four-year process.

	2023	2024	2025
GDP growth (%)	-0.6	3.2	3.1
CPI inflation (%)	17.5	5.7	3.6
EUR/HUF exchange rate (annual average)	381.4	393 - 403	406 - 419
Growth in nominal wages in the private sector (%)	16.0	12.7	7.7
Growth in real wages in the private sector (%)	-1.6	6.7	3.9
Employment growth in the private sector (%)	0.8	0.7	0.8
Unemployment rate (%)	3.9	3.7	3.3
Growth of real household consumption (%)	-2.2	2.2	3.5
Growth of real investments (%)	-10.7	6.8	4.8

Table 1: Key figures from the Equilibrium Institute's macroeconomic forecast

1. INTRODUCTION

The Hungarian economy is leaving behind an extremely difficult year: inflation on top of EU's rankings, high interest rates, highly volatile exchange rate, and four consecutive quarters of GDP contraction. However, the darkest times appear to be behind us: inflation and interest rates are falling, the exchange rate has stabilized and economic growth is expected to return by the third quarter of 2023.

Below we set out our outlook for the Hungarian economy until 2025, outlining the likely evolution of the economy's main macro indicators. In doing so, we have typically used official data (e.g. from Hungarian Central Statistical Office, MNB, Eurostat), which we have processed using our own forecasting model.

For our forecast we have taken into account data received until 31 October 2023.

"The Hungarian economy is leaving behind an extremely difficult year: inflation on top of EU's rankings, high interest rates, highly volatile exchange rate, and four consecutive quarters of GDP contraction."

2. GDP FORECAST

The Hungarian economy will contract by 0.6% in 2023, falling short of most preliminary expectations. The decline will be driven by a fall in household consumption, mainly due to lower real wages as a result of high inflation, and a significant drop in investment. Investment is expected to fall by more than 10% this year, reflecting rising financing costs, the absence of EU funding and the associated suspension of public investment. A greater decrease of output is prevented by the performance of exports: the trade balance contributes positively to GDP. Monetary conditions have been negatively impacting real demand since the second quarter of 2023, holding back growth. However, fiscal policy continues to provide a stimulus to the economy.

The Equilibrium Institute expects growth to resume in the following years: GDP growth may reach 3.2 percent in 2024 and 3.1 percent in 2025. Economic performance reached its lowest point in the second quarter of 2023: after four consecutive quarters of decline, growth is expected to pick up from the third quarter of 2023. Growth will be broad-based: resurgent purchasing power, driven by moderating inflation, will support a pick-up in consumption, while the gradual easing of monetary conditions and the arrival of significant foreign direct investment projects, mainly in the battery industry, will support investment growth. The latter also contributes to export growth, but the contribution of net exports remains modest due to the high import intensity of investment.

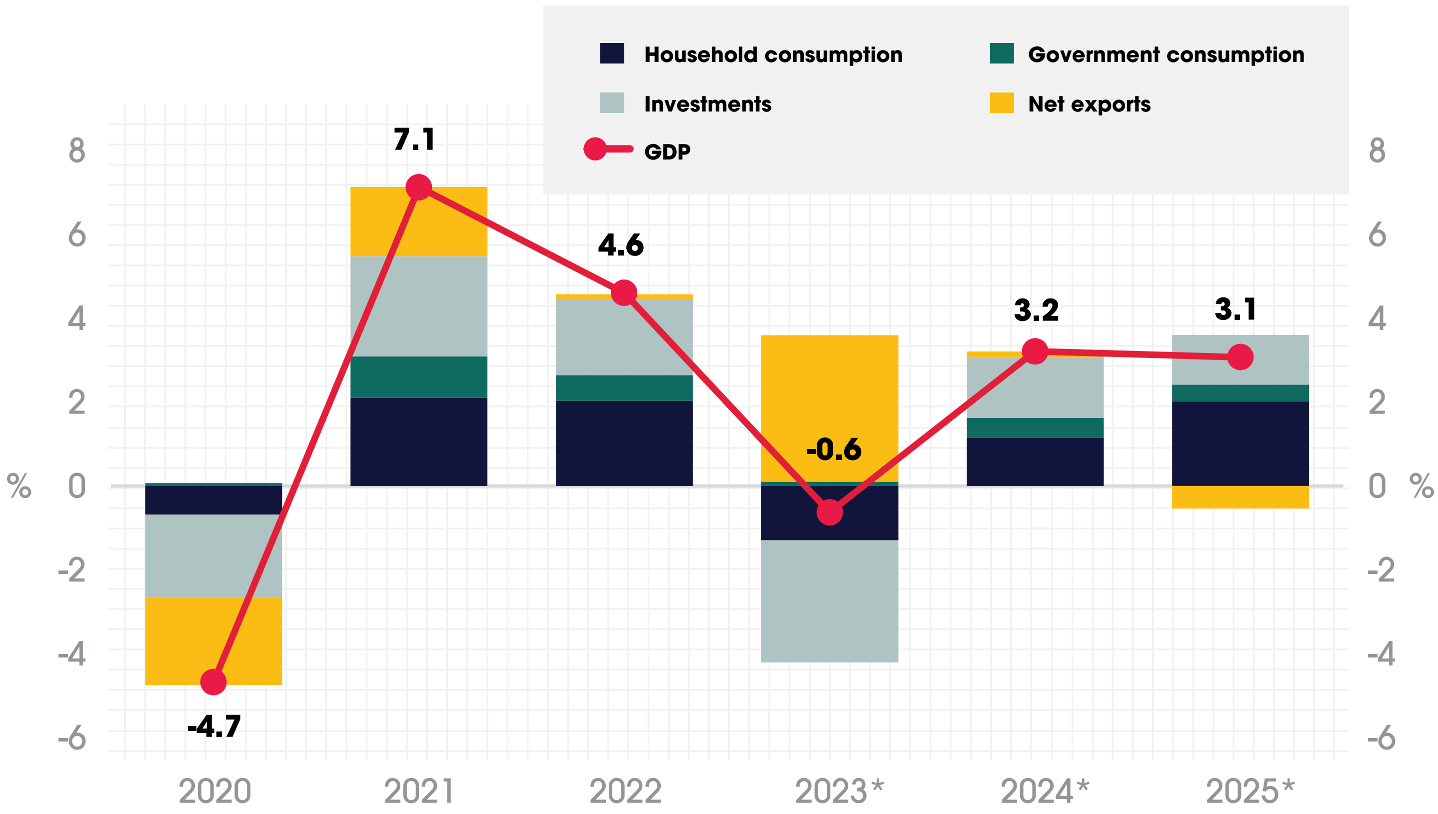

Figure 1: Breakdown of changes in GDP by end use

Source: Forecast of the Equilibrium Institute based on Hungarian Central Statistical Office data until 2023Q2

3. INFLATION FORECAST

Inflationary pressures are expected to ease in the coming years. According to the Equilibrium Institute's economic forecast, while the average price increase will be 17.5 percent in 2023, it will fall to 5.7 percent next year and to 3.6 percent in 2025. According to Hungarian Central Statistical Office data, the consumer price index increased by 12.2 percent year-on-year in September 2023, less than half of the 25.7 percent recorded at its peak in January. The increase in prices relative to the previous month shows a significant deceleration in the second quarter of 2023, including the core inflation indicator, which best captures the demand dynamics and is calculated by filtering out the more volatile elements of the consumer basket. The repricing of products and services, which had an exceptional frequency in the past year, returned to the historical average by September. This confirms that no inflationary pressures are present on the demand side. **In the coming years, both demand and supply factors will act in the direction of a further decrease in inflation:**

01 STRICT MONETARY CONDITIONS

In addition to the real interest rate turning positive for the first time in a long time, the significant real appreciation of the forint-euro exchange rate in 2023 will also contribute to lower inflation. The positive real interest rate will curb lending and investment activity and encourage households to restrain consumption and save more. The overvalued real exchange rate cools consumption and restrains export growth by harming competitiveness.

02 WEAK DOMESTIC DEMAND

While after four quarters of GDP contraction (including the second quarter of 2023) the Equilibrium Institute expects growth to return, strong inflationary pressures from the demand side remain unlikely.

03 MODERATE REAL WAGE GROWTH

After the expected 1.6% decrease for this year, real wages can be expected to increase again in the following years. However, the increase will remain moderate, so the think tank does not expect a wage-price spiral to fuel inflation either.

04 GLOBAL PROCESSES

Inflation is on a downward trajectory everywhere in the world's major economies as a result of weak global economic demand, the recovery of supply chains, the fading of the commodity price shock, and strict central bank policies.

The slowdown in inflation is therefore set to continue: inflation is expected to fall by single digits in November and to reach 7.5% by the end of the year. Rising fuel prices due to high oil prices caused by geopolitical uncertainties (and rising excise duties) will continue to contribute to price increases, but food prices are likely to rise less than headline inflation in 2024, due to global food price trends and favorable domestic harvests. The central bank could reach its inflation target in 2025. Risks to inflation are overwhelmingly on the upside, especially in 2024 (see the section on this at the end of the forecast).

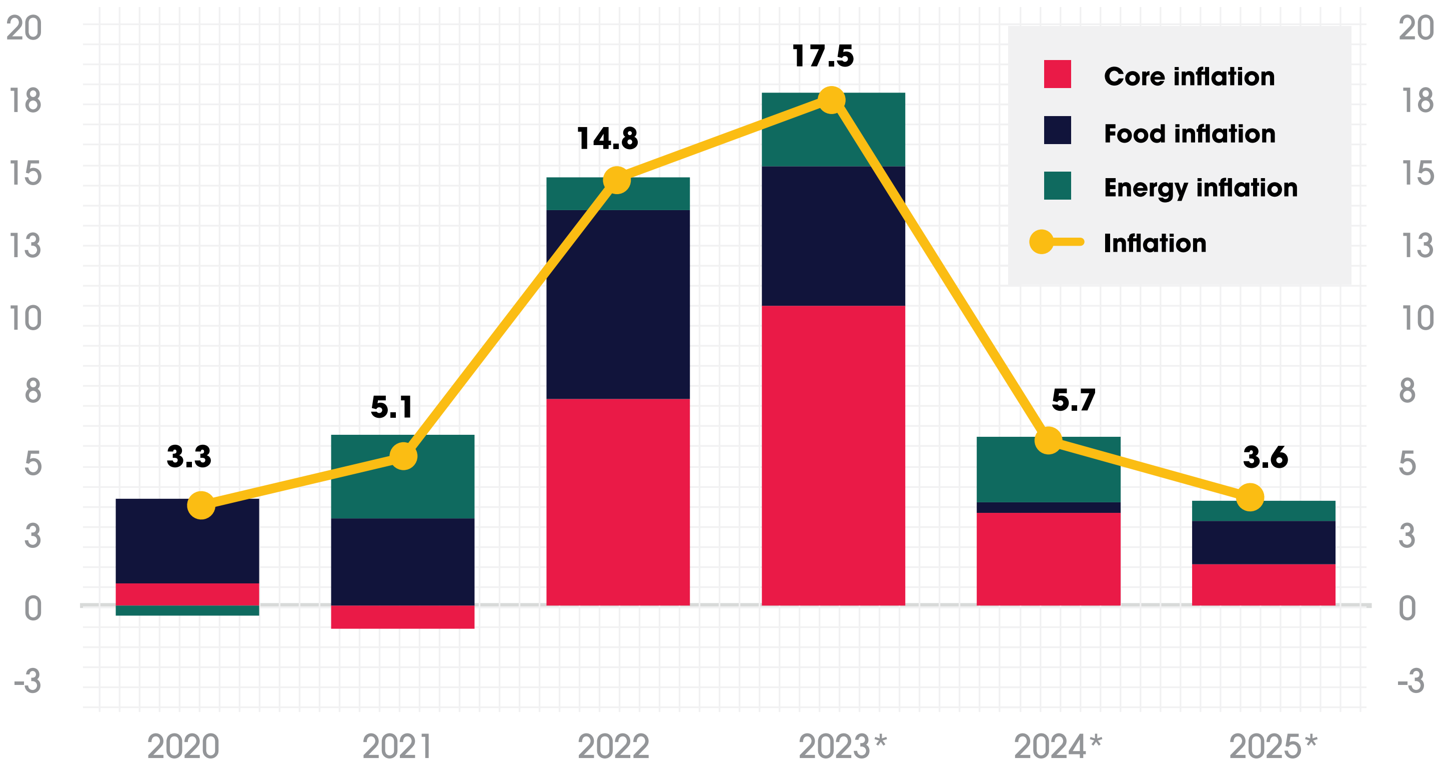

Figure 2: Breakdown of the annual evolution of inflation by main groups

Source: Calculation of the Equilibrium Institute based on data from the Hungarian Central Statistical Office and the MNB until September 2023, then the forecast of the Equilibrium Institute

4. POLICY RATE AND EXCHANGE RATE FORECAST

The reduction of inflation allows the central bank to lower the policy rate gradually, but the vulnerability of the forint allows only cautious rate cuts. As a result of falling inflation and the high policy rate, the real interest rate reached positive territory for the first time since 2015 in the second quarter of 2023. In line with this, despite the long-standing dovish rhetoric on rate cuts, the central bank's policy became tight only from the middle of this year, when the real interest rate rose above its equilibrium level, thus cooling the economy. In its October 2023 rate decision, the Monetary Council cut the policy rate to 12.5%. In its explanatory statement, the MNB stressed that due to strengthening external risks, it is justified to maintain a cautious approach and to continue the interest rate reduction at a slower pace than before. Moreover, in a July 2023 study, the MNB explained that as the economic environment changed, the depreciation of the forint does not have a stimulative effect on the economy any more, while its impact on inflation is more pronounced than before. This could be interpreted as a sharp change of direction, as it suggests that the MNB will pay more attention to maintaining exchange rate stability in the future. **Against this backdrop, the Equilibrium Institute expects the pace of the interest rate reduction cycle to slow down, with the rate expected to fall to 11.5% by the end of this year, 8% by the end of 2024 and 6% by the end of 2025.**

The devaluation of the forint will most likely continue, but it will remain more restrained than the dynamics seen in recent years. After bottoming out at the end of 2022, the forint's exchange rate against the euro has stabilized in the range of 380-390 forints. The dynamic nominal appreciation and the parallel rise in the price level has led to a significant real appreciation. **According to the Equilibrium Institute, the forint is currently overvalued**: the real exchange rate is above the equilibrium level, which is worsening the situation of exporters and consumers, thus cooling the economy and helping disinflation. **Going forward, the forint is expected to remain on a depreciating path**, in line with the higher risk premium demanded by international investors and correcting its current overvaluation. The main reasons for this are the gradual disappearance of the attractive interest rate differential and the persistence of uncertainties around EU funding. **However, the depreciation will remain moderate** as the reported large inflows of FDI and the resulting recovery in exports will ensure sufficient foreign exchange inflows.

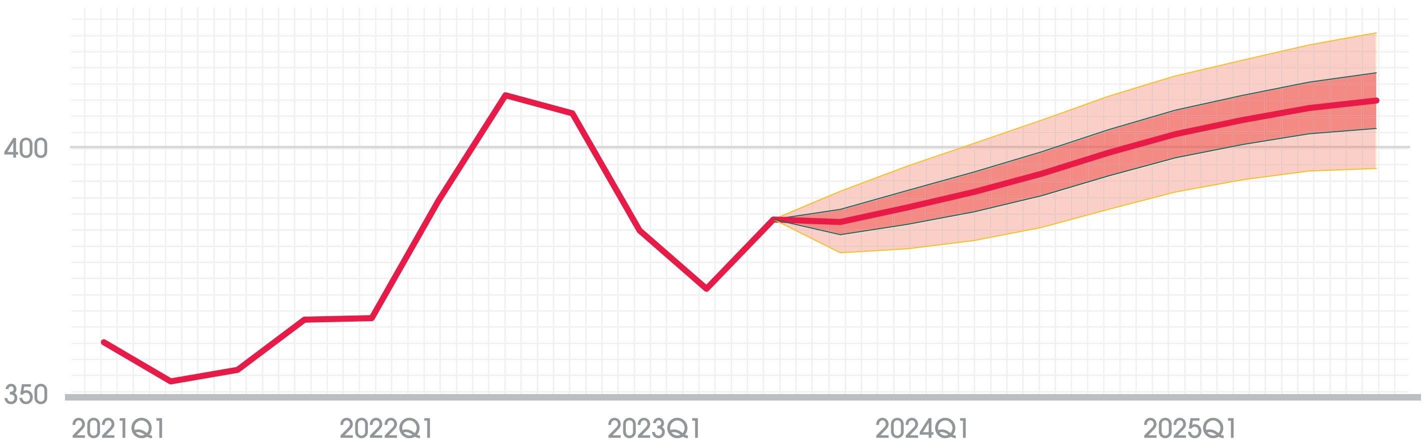

Figure 3: Fan chart of the euro-forint exchange rate forecast

Source: Forecast of the Equilibrium Institute based on the Hungarian Central Statistical Office data

5. LABOR MARKET FORECAST

5.1. EMPLOYMENT

Over the past year, labor market demand has shown a high degree of resilience. Given the economic recovery that started in the third quarter of 2023, the Equilibrium Institute expects a 0.8 percent increase in the number of people employed in the private sector this year, and similar dynamics in the coming years. Despite four consecutive quarters of GDP contraction, the Hungarian labor market has remained tight, with both employment and job vacancies reaching historic highs in June. While the number of job vacancies has since fallen slightly, employment has continued to grow, with the average number of employed persons aged 15-74 rising to 4 million 759 thousand by September, 20,000 more than a year earlier. The behavior of domestic employers follows the global post-COVID trends: they are trying to retain staff even in a weak demand environment, as recruitment is difficult in a tight labor market. Companies continue to adapt to market conditions mainly through process optimisation, alternative sourcing and finding new markets, with layoffs discussed only as a last option. As GDP growth returns from the third quarter onwards, employment growth is predicted to continue, **with the Equilibrium Institute forecasting that the number of people employed in the private sector will grow by 0.8% in 2023.** Although this dynamic falls short of the growth of over 2 percent in recent years, it is still **a remarkable result given the decrease in GDP this year**. Employment is expected to grow at a similar rate in the coming years as demand recovers.

The domestic labor market is facing two major challenges: on the one hand, far fewer people are entering the labor market than are retiring; on the other hand, there are mismatches between the demand side of the labor market and the supply side, mainly for educational and geographical reasons. In this respect, increasing the employment rate of the over-55s has a significant potential for the national economy. If it becomes possible and especially attractive for the older age groups to stay in the labor market and to return to it, it could greatly contribute to overcoming the challenges associated with the aging of society. Although Hungary has made significant progress in the employment of older workers in recent years, and we are not in a bad position compared to our regional competitors with similar capabilities, there is still room for further mobilisation of labor market potential in the older age group. In 2022, the employment rate in Hungary for the 55-64 age group was 65.5 percent, while the employment rate for the over-65 age group was 6.4 percent. Based on the employment rates of the leading countries in our region, up to 250 000 potential workers could be attracted to the labor market in these age groups (in Czechia, the employment rate for the 55-64 age group is 72.9 percent, while in Serbia it is 14.9 percent for the over-65s). If only half of this reserve could be mobilised in the next five years, **the Hungarian economy could achieve an annual growth surplus of nearly 0.4 percentage points compared to the baseline scenario of our macroeconomic forecast, which would result in a nominal GDP increase of nearly HUF 2,000 billion by 2028.**

(The Equilibrium Institute has also addressed the domestic labor market mismatch in more detail in its policy proposal titled '*How should everyone have a job?*')

While the unemployment rate has increased slightly, it is considered low by both historical and regional standards. The Equilibrium Institute expects unemployment to gradually decline in both 2024 and 2025. The unemployment rate in September 2023 was 3.9 percent, 0.2 percentage points lower than in the second quarter. Although the Czech Republic boasts a lower rate in the region (3.5 percent), Hungarian unemployment is lower than that of other Visegrád countries and most other EU countries. As economic activity picks up, unemployment is expected to slowly fall further in the coming years. **Unemployment is therefore not expected to pose a problem in the coming years, with the Equilibrium Institute forecasting an unemployment rate of 3.7% next year and 3.3% in 2025.**

	2020	2021	2022	2023*	2024*	2025*
Unemployment rate (%)	4.1	4.0	3.6	3.9	3.7	3.3
Employment in the private sector (thousands, ann. avg.)	3231.2	3311.8	3403.4	3430.7	3454.0	3481.0
Employment growth in the private sector (%)	-0.8	2.5	2.8	0.8	0.7	0.8
Nominal wage in the private sector (thousand HUF, avg.)	401.0	435.4	509.4	590.7	665.8	717.0
Nominal wage growth in the private sector (%)	9.7	8.6	17.0	16.0	12.7	7.7
Real wage growth in the private sector (%)	6.2	3.3	2.3	-1.6	6.7	3.9

Table 2: Forecast of main labor market variables

Source: Forecast of the Equilibrium Institute based on Hungarian Central Statistical Office data

5.2. WAGES

According to the forecast of the Equilibrium Institute, despite the double-digit nominal wage increase, the purchasing power of wages will decrease by 1.6 percent in 2023. In the following years, due to tight labor market conditions and resuming economic growth, a double-digit wage increase is expected with returning expansion in real wages. The dynamics of wages in the first and second half of this year showed an interesting duality. In the first half of the year, while nominal wages increased considerably due to tight labor markets, high inflation expectations and significant increases in the graduate minimum wage and the minimum wage, real wages decreased as a result of a parallel spike in inflation. In the second half of the year, despite lower wage growth due to weak demand, real wages started to rise again due to disinflationary developments. Overall, average wage growth of nearly 16 percent in the private sector over 2023 will not be sufficient to maintain the purchasing power of wages: **the Equilibrium Institute expects real wages to fall by 1.6 percent this year**. However, the resumption of economic growth and the tightness of the labor market described above mean that dynamic wage growth is likely to continue over the next two years, **with real wage growth in the competitive sector forecast to reach 6.7 percent in 2024 and 3.9 percent in 2025.**

Recently, the idea of merging the minimum wage and the graduate minimum wage has been seriously discussed between workers, employers and the government, and the outcome of the minimum wage negotiations will have a major impact on wage developments next year. On the basis of the information currently available, a longer-term, 4-year wage agreement is highly likely, with the minimum wage and the graduate minimum wage merging by the end of 2027. Next year, the guaranteed minimum wage could rise by 10 percent and the minimum wage by 15 percent. Although there has been some talk in the press of a merger at levels above HUF 400,000, the Equilibrium Institute's GDP and inflation forecasts suggest that a level of HUF 350-370,000 seems more likely by the end of the process. This would raise the minimum wage from the current 39% of the average wage to 44% (Figure 4). There is also a proposal from employers and employees to allow employers to pay employees a maximum of HUF 100,000 once this year, tax and social contribution free, to compensate workers for the fall in real wages. This will not be implemented, but it is highly likely that next year's increase will be brought forward to December.

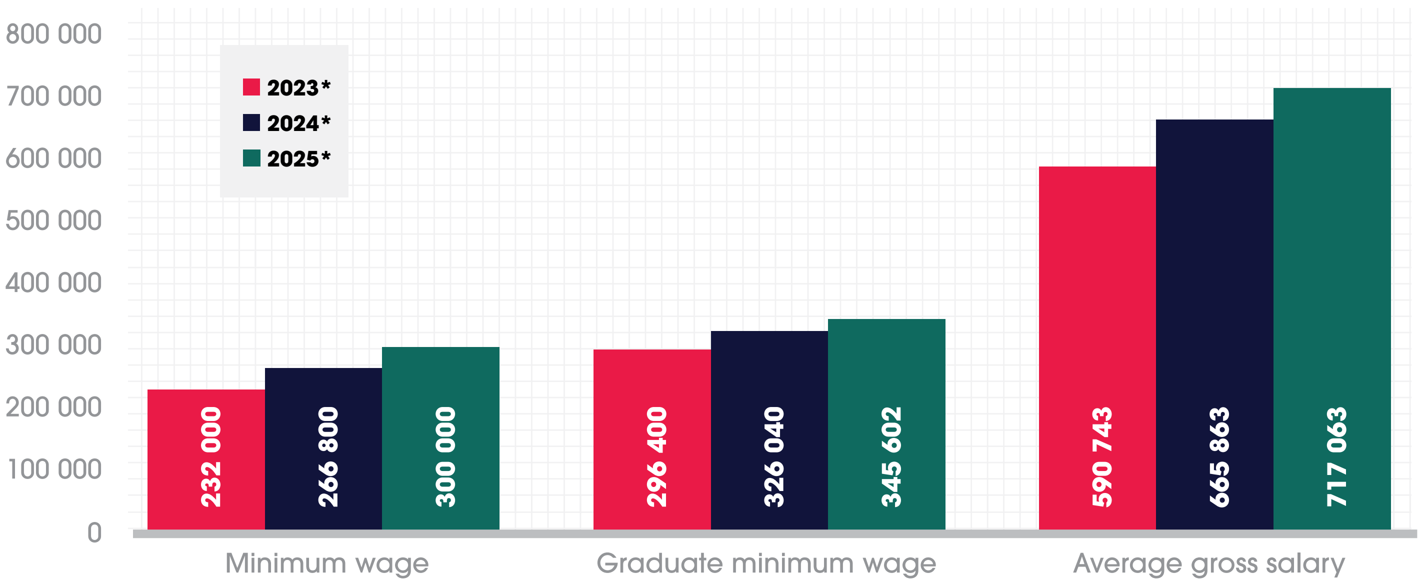

Figure 4: Minimum wage, graduate minimum wage and average gross earnings of full-time employees

Source: Forecast of the Equilibrium Institute based on Hungarian Central Statistical Office data

6. CONSUMPTION, INVESTMENTS AND THE BUDGET

The decline in purchasing power due to soaring inflation resulted in a decrease in household consumption in 2023, surpassing even the decline experienced during the COVID epidemic. In the coming years, however, consumption could rebound as the economy recovers and real wages are expected to rise. Following the surge in consumption growth last year, supported by election spending, **the Equilibrium Institute anticipates a decrease of more than 2% in real consumption this year.** Negative developments are attributed to rising living costs, caution stemming from wavering household confidence in the future (as indicated by the evolution of confidence indices), and more attractive savings due to high real interest rates. Lower-income households have been particularly affected by the impact of runaway food inflation. The households' strained situation is further confirmed by the September 2023 large-sample representative poll conducted by the Equilibrium Institute. According to respondents, an average lifestyle would require a monthly net HUF 400,000, while carefree living would necessitate a net HUF 600,000. The former represents an increase of net HUF 50,000 from June, and the latter requires an additional net HUF 100,000. However, **only 12.5 percent of respondents reported a net monthly disposable income exceeding HUF 400,000.** With a continued disinflationary trend in 2024 and real wages turning positive during the economic recovery, household consumption could once again be on an upward trajectory. **The Equilibrium Institute projects real consumption growth of 2.2% next year and 3.5% in 2025.**

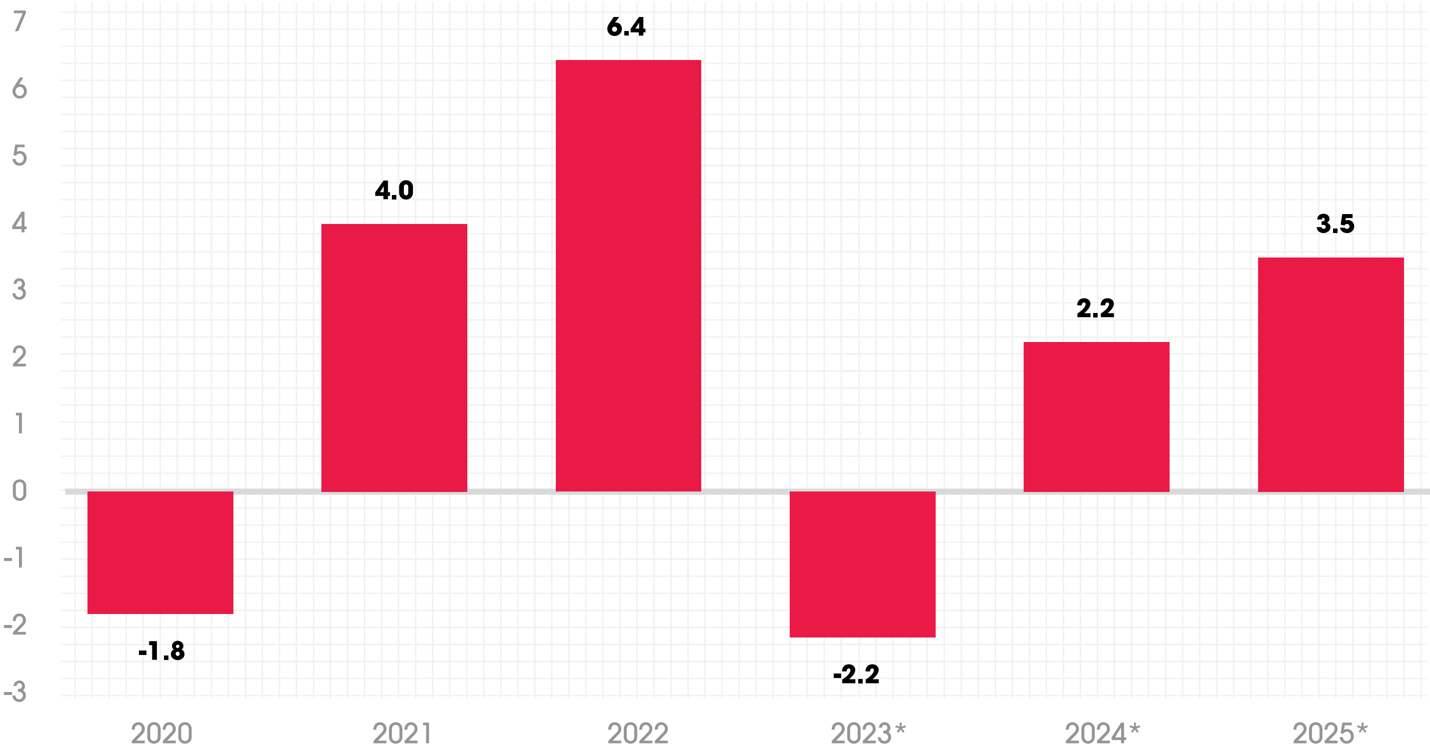

Figure 5: Real growth in household consumption

Source: Forecast of the Equilibrium Institute based on Hungarian Central Statistical Office data

The more than 10 percent drop in the real value of investment marks the largest decline since the 2008-2009 crisis. Growth is anticipated to rebound in the coming years, driven by eased monetary conditions, improved fiscal situations, and the acceleration of significant foreign direct investment projects. By the second quarter of 2023, the investment rate at fixed prices is projected to decrease from 27 percent of GDP in 2018-2022 to 23 percent. On the one hand, the depletion of EU funds and the strained situation of the budget have resulted in a near-complete halt in public investment. On the other hand, high interest rates have significantly reduced household investment activity. Thirdly, the negative impact on growth is attributed to changes in inventory. However, the contribution of investment in machinery and equipment remained positive due to substantial foreign direct investment projects. Additionally, government-subsidized investment loan schemes available to small and medium-sized enterprises have positively influenced investment dynamics. **Despite the expected non-approval of the EU RRF loan application, investment growth is projected to resume in the coming years, driven by a gradual easing of credit conditions, an improvement in the fiscal situation, and an intensive influx of foreign capital. The Equilibrium Institute forecasts a growth of 6.8 percent in investment for 2024 and 4.8 percent in 2025.**

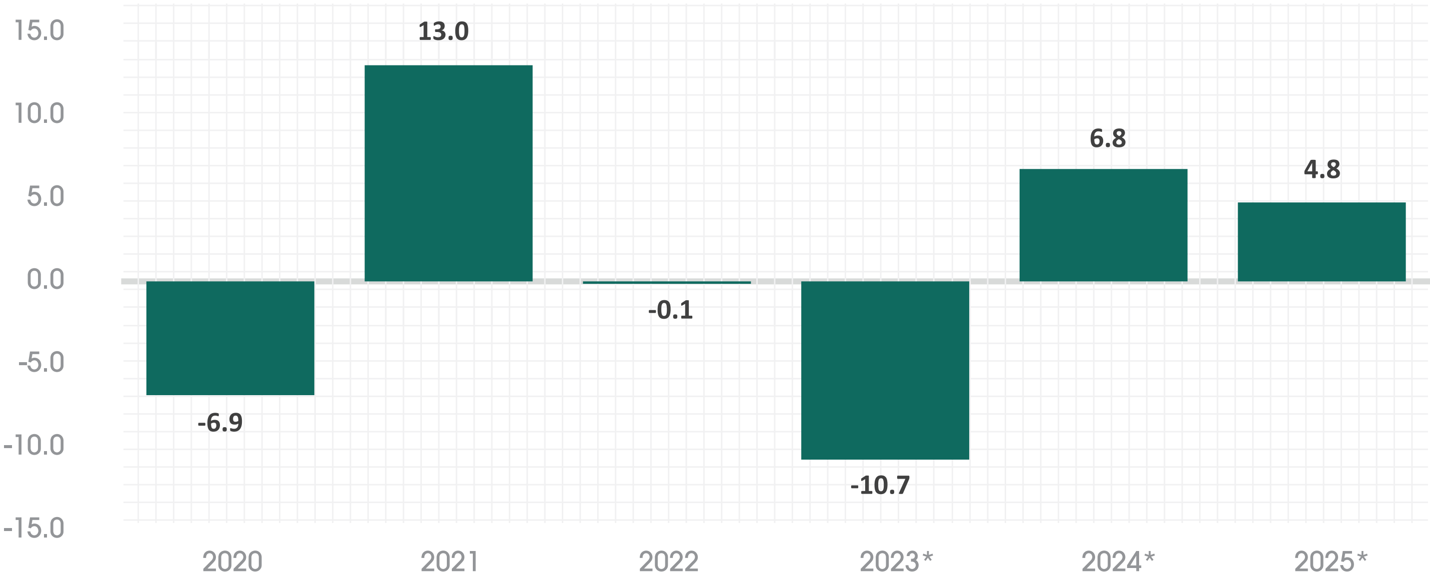

Figure 6: Real growth of investments

Source: Forecast of the Equilibrium Institute based on Hungarian Central Statistical Office data

The worse-than-expected decline in consumption has placed the budget in a challenging position: in October, the government raised this year's deficit target for the second time, from 3.5% to 5.2%. It is unlikely that the budget deficit will fall below 3 percent next year either, as doing so would jeopardize the government's growth targets. Although higher inflation typically boosts governments' tax revenues, the reverse has been true in Hungary this year. Decreasing real incomes have led to such a significant drop in consumption that lower VAT revenues necessitated a second increase in the deficit target. Additionally, high inflation is exacerbated by elevated interest rates, estimated to elevate the interest burden on public debt to 4% of GDP next year, nearly double the 2018-21 figure. The commitment in the adopted budget for 2024 is to reduce the general government deficit to 2.9% of GDP. However, achieving this would imply significant pressure for adjustments, especially given the increased deficit target this year. Nevertheless, it is improbable that the government will undertake a major adjustment at the risk of growth, so a deficit above 3 percent can be expected next year. However, this increases the risk of the European Union launching an excessive deficit procedure against Hungary.

7. RISKS

Macroeconomic forecasts always have to take into account a number of uncertainties and the effects of a wide range of unexpected events. These are briefly assessed below, with the three most important factors ranked in order of importance. The majority of the risks to the outlook point towards lower GDP growth and higher inflation.

The signs in parentheses after each risk factor indicate the direction of the expected shift from the forecast outlined above: + indicates an effect towards growth, - indicates a downward effect and 0 indicates no significant effect.

01 FURTHER ESCALATION OF GEOPOLITICAL TENSIONS: GDP (-), INFLATION (+)

In October, the re-ignition of the Israeli-Palestinian conflict intensified geopolitical tensions worldwide. The potential escalation in the Middle East, coupled with the possibility of increased great power confrontation, poses a significant threat to Hungary's macroeconomic trajectory. Opening another war front would lead to a drop in energy and raw material prices, resulting in higher inflation, lower real wages, and consequently reduced consumption. Great-power rivalry also jeopardizes the crucial Chinese investment projects in our country, adding to the negative risks for economic growth.

02 LOSS OF EU FUNDS: GDP (-), INFLATION (+)

Negotiations concerning the EU funds owed to Hungary have progressed considerably. The Hungarian government is likely to comply with Brussels' requirements regarding judicial reform, and the European Commission is expected to unfreeze part of cohesion funds soon due to obligations related to the rule of law procedure. However, several political risks loom over this scenario. Failure to reach an agreement in the negotiations and the permanent withdrawal of cohesion funds from Hungary would significantly worsen the country's risk assessment. The anticipated higher risk premium from investors could lead to a weaker exchange rate, resulting in higher inflation. Additionally, the increased costs of state financing might necessitate budget cuts, exerting a negative impact on GDP growth.

03 STICKINESS OF INFLATION EXPECTATIONS: GDP (-), INFLATION (+)

Inflation expectations play a pivotal role in both pricing and wage negotiations. If the inflation shock of the past year has more severely damaged the central bank's credibility than assumed in the baseline scenario (resulting in inflation expectations remaining "sticky" at a high level), the rate of inflation reduction may be slower. This could compel the central bank to decelerate the rate-cutting cycle, potentially impeding economic recovery.

ABOUT US

The Equilibrium Institute is Hungary's largest independent, future-oriented policy think tank.

In line with the vision of Hungary's future presented in our publication entitled Hungary 2030, the Equilibrium Institute works on creating a smart and environmentally cleaner nation rooted in a strong community. To this end, we write widely appealing and practical policy proposals that serve the development of our country, and we discuss these jointly with the best domestic and international experts.

Our goal is to ensure that the current and future political, economic, and cultural decision-makers learn about our recommendations, come to agree with them and implement them.

The staff members of the Equilibrium Institute and the members of its Advisory Board are renowned experts in Hungary who are considered to be among the best researchers and analysts in their respective fields. The work of the Institute is helped by more than 30 experts, including economists, sociologists, political scientists, lawyers, urbanists, and climate researchers.

OUR EXPERTS

TAMÁS BOROS

Executive director and co-founder of the Equilibrium Institute

Tamás Boros is the executive director and co-founder of the Equilibrium Institute. He serves as a member of the Scientific Council of a leading European think tank, the Brussels-based Foundation for European Progressive Studies (FEPS). He is the co-founder and co-owner of Policy Solutions, a consultancy and research institute. He is a recurring guest on a variety of political talk shows and often comments about public affairs for leading international media. He previously worked for the European Commission and the Hungarian Ministry of Foreign Affairs as an expert on communication and EU affairs. His research focuses on Hungarian and EU political communication and populism.

GÁBOR FILIPPOV

Director of Research

Gábor Filippov is the director of research at the Equilibrium Institute. Previously he worked as an expert advisor in the Hungarian National Assembly and then as a political analyst and senior analyst at the Hungarian Progressive Institute. His analyses and op-eds have been published by numerous domestic and international media outlets, and he is frequently invited to talk about politics on television and radio shows. His research focuses on the European and the Hungarian far-right, on the histories of anti-Semitism and Islamophobia and their present-day manifestations, as well as the workings of contemporary authoritarian regimes.

ÁKOS KOZÁK

Director of Business Relations and co-founder of the Equilibrium Institute

Ákos Kozák is the director of business relations and co-founder of the Equilibrium Institute. Previously, he served as the director of the GfK Hungária Market Research Institute for nearly 30 years. He is the former president of the Hungarian Marketing Association. Formerly, he was also a lecturer at the Budapest Business School and is currently an academic research fellow at the Cyber Economics Research Centre. He is the author or co-author of numerous academic studies on market research. He is the 2008 recipient of the Gábor Klauzál Award (the most prestigious Hungarian state award in the area of trade). He is an expert in futures research and consumer studies and holds a PhD in the sociology of consumption.

BARNA SZABÓ

Chief Economist

Barna Szabó is the chief economist at the Equilibrium Institute. He worked for the International Monetary Fund (IMF) and the Bank of England, and counselled more than half a dozen other central banks on building forecasting systems. Previously, he worked for OGResearch, a Prague-based macroeconomic consultancy. He specialises in macroeconomic modelling and forecasting and holds a PhD in Economics from Universitat Pompeu Fabra, Barcelona.

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