Discussion of:
„The Savings Gap in Hungary“
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This paper:

- Studies the impact of demographic changes in Hungary on per capita consumption and labour income until 2100;
- Uses a simple cohort model based on Hungarian National Transfer Accounts project;
- Finds the amount of savings and saving rate to cover per capita consumption same as nowadays.

Main findings:

- To keep consumption per capita same have to:
  - Receive windfall capital equivalent of 3 times the national income;
  - Savings should be 2.5 times higher than current savings rate;
- Mismanagement of pre-funding pension system reform proves to be missed opportunity to have less painful demographic transition.

Discussion (1): Assumptions

- Productivity → 1.5 percent
- Rate of return → 3 percent
- No inflation ← Why?

- The average age of leaving the labour market stays 59 in long-run
  - Why not adjust the average age of leaving the labour market?

Discussion (2): Sensitivity of results

- Two scenarios – household economy included and demographic window opens
- Does Hungary differ from UK, France, Italy and Spain?
- Options of sensitivity analysis:
  - Maybe higher fertility or higher migration scenarios?
  - Changing of consumption pattern?
  - Adjusting average age of leaving labour market?

Discussion (3): Policy proposals

- What kind of policy proposals could make based on the paper?
- Is the idea of the paper to lead politicians to make unpopular decisions because the savings idea is mission impossible?
- When comes the next opportunity to make the pre-funded pension reform?

- **Thank you for your attention!**