

HIPA GUIDE

HIPA Hungarian Investment Promotion Agency
Non-Profit Private Company Limited by Shares

April 2026

**ECONOMIC ANALYSIS
DEPARTMENT**



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SUMMARY

GDP

GDP volume: 0.8% (Q4 2025)
Prognosis (2026): 1.7% (MNB), 1.7% (IMF)



- In 2025, the value of GDP in Hungary amounted to HUF 87,046 billion.
- In Q4 2025, GDP decreased only in Romania of the 27 EU member states on an annual basis.



- In the first 2 months of 2026, the total production value of manufacturing amounted to HUF 7,877.8 billion.
- The key sectors were the manufacture of transport equipment (26.2% share), the manufacture of computer, electronic and optical products (13.9%) and the manufacture of food products (12.9%).

Manufacturing

Value added in the national economy: 18.5% (2024)

Foreign trade

Goods exports: +1.7%, EUR 24.8 billion (yoy, January–February 2026)
Goods exports: +1.6% (yoy, MNB prognosis, 2026)



- In 2025, the digital data processing unit (EUR 6.8 billion) was the most important Hungarian export product, surpassing Li-ion batteries (EUR 5.2 billion).
- The annual rise of EUR 2.4 billion in exports in 2025 was primarily due to the 64.4% expansion in digital data processing unit exports.
- In 2025, exports of the above product increased by 774.5% (EUR 1.7 billion) in the United States, which is the largest export market for Hungarian digital data processing units, and by 2,006.6% (EUR 0.8 billion) in India.

Inflation

Consumer price index: 1.8% (yoy, Q1 2026)
Annual average inflation: 3.8% (yoy, MNB prognosis, 2026)



- Between March 2025 and March 2026, the Harmonized Index of Consumer Prices (HICP) in the EU increased the most in Romania (+3.9 percentage points), while it decreased the most in Hungary (-2.7 percentage points).
- In March 2026, consumer prices in Hungary grew by an average of 1.8%.
- According to the MNB's forecast, inflation may rise above the Central Bank's tolerance band (3%±1 percentage point) from Q3 2026 and may only reach the 3% inflation target persistently in H2 2027.



- The Hungarian unemployment rate in Q4 2025 (4.4%) was the 10th lowest in the EU and was lower than the EU average (5.9%).
- The Hungarian employment rate in Q4 2025 (65.0%) exceeded the EU average (62.1%) and was the 3rd highest among Central European member states.
- In the first 2 months of 2026, the average gross earnings in the business sector increased by 8.2% (to HUF 723,200) on an annual basis.

Labour market

Unemployment rate: 4.6% (MNB prognosis, 2026)
Number of employees in the business sector: -1.4% (yoy, MNB prognosis, 2026)
Average gross earnings in the business sector: +8.7% (yoy, MNB prognosis, 2026)

FDI

The total value of investments from Germany amounted to approximately EUR 23 billion in Hungary in 2024, which corresponds to 21.3% of the total inward FDI stock of EUR 109.4 billion.

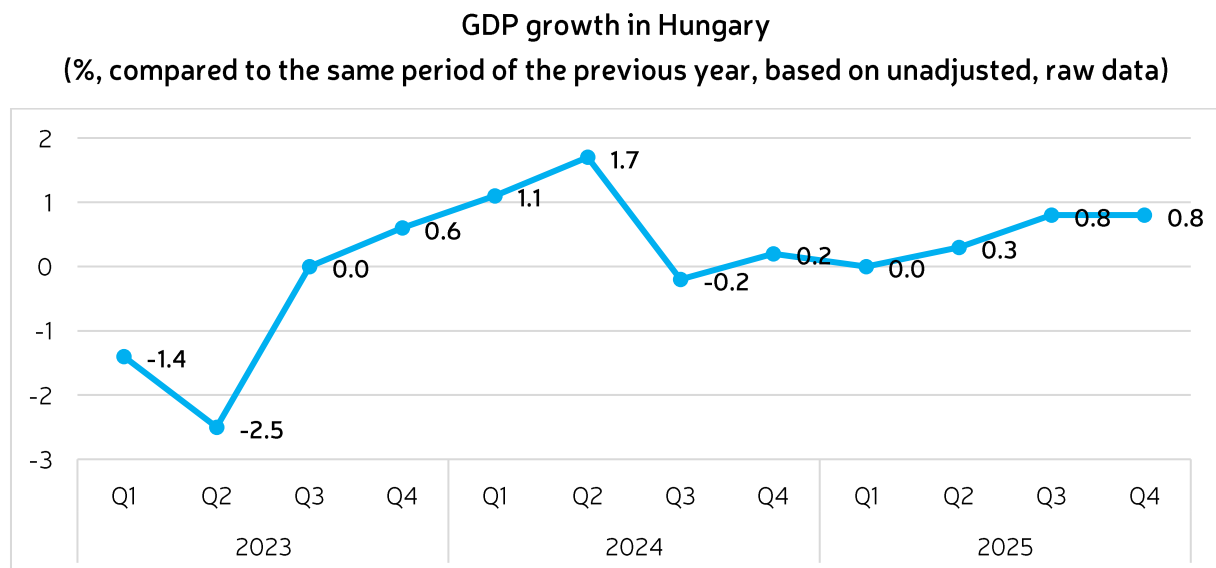


- Compared to 2023, the United States and South Korea swapped places in the ranking in 2024; thus, based on the latest FDI stock data, South Korea is considered the number one non-European investor in Hungary.

1. Economic growth

In 2025, according to raw data, the volume of GDP increased by 0.5% in Hungary compared to the previous year.¹ The performance of manufacturing last year was by 2.6% lower than that registered in 2024. The subdued performance of industrial output is due, on the one hand, to weak external demand as well as the competitiveness and product portfolio problems of companies. The construction industry was able to grow in three consecutive quarters: its value added is 3.0% higher than that measured in 2024. In 2025, the sector's production volume expanded by 2.8% compared to the previous year, and the volume of contracts also significantly exceeded that registered year earlier. The further expansion of the construction industry's output is also encouraged by various measures to increase family income, as well as the Home Start Programme. The performance of agriculture in 2025 fell short by 4.3% of that registered a year earlier.

On an annual basis, the gross value added of services increased in each quarter of last year, therefore, the sector's overall performance in 2025 exceeded that of the previous year by 1.4%, primarily due to the expansion of the financial and insurance activities (3.1%) and the accommodation and food service activities (2.4%) branches of the national economy. Services (+0.8 percentage points) and construction (+0.2 percentage points) contributed positively to the growth of GDP in 2025, while industry (-0.5 percentage points) and agriculture (-0.1 percentage point) contributed negatively.²



Source: KSH (Central Statistical Office)³

On the expenditure side, actual final consumption of households increased by 2.9% compared to 2024. Household final consumption expenditure also expanded (by 3.1%), which was primarily

¹ Source: [KSH](#)

² Source: [KSH](#)

³ Source: [KSH](#)

supported by the rise in real wages, income-increasing budgetary steps (including the increase in the minimum wage and the guaranteed wage minimum, as well as sectoral wage increases), as well as the decreasing propensity to save. It should be noted here that the volume of retail trade has not decreased in any month since December 2023.⁴ It is important to mention however, that the volume of construction investments decreased and investments in machinery and equipment remained essentially unchanged on an annual basis. All in all, **actual final consumption contributed 2.1 percentage points to the performance of the national economy last year, and gross capital formation contributed 0.1 percentage points, while the balance of foreign trade restrained it by 1.7 percentage points.**⁵

The Hungarian National Bank (MNB) expects a GDP rise of 1.7% for 2026 and 3.0% for 2027.⁶ In Q1 2026, fiscal policy prioritized stimulating consumption. **The stability of consumption is likely to persist in the long term**, as the domestic labour market is relatively stable, real wages are rising, other benefits have appeared with the elections approaching, and the propensity to save has also decreased compared to before. Although economic performance has improved somewhat compared to the first months of 2025, it can still be considered moderate.

Domestic economic developments continue to be characterized by duality: although household consumption and retail sales have expanded, investments and industrial production continue to be on a downward path. The latter is severely constrained by a somewhat narrowed market due to the uncertain global economic environment. Business environment remains unfavourable, and industry KPIs continue to indicate that industrial performance is restrained (export sales also decreased on an annual basis). Due to low-capacity utilization, weak demand and trade tensions, corporate investment activity remained moderate.

Investment volume has been continuously declining since Q2 2023, one of the reasons for which is that the investment-oriented economic strategy has led to overcapacity in many sectors. The expansion of investments may occur primarily in the residential sector, which is also supported by the Home Start Programme. Thanks to this, the construction industry can continue to move on a growth path.

The automotive industry is considered a key sector of Hungarian industry; thus, negative impacts may also occur directly. Sudden loss of demand may reduce the capacity utilisation of factories in the short term, which may also have a negative impact on labour market trends. It is important to recognize that Hungary is in the middle of the supply chain for the most important export products (machinery, road vehicles and electrical equipment), so the key is whether the automotive companies will be able to find new markets for their products.

According to the Central Bank's forecast, both internal and external factors will encourage the recovery of the economy from this year. This will be based on stable consumption dynamics,

⁴ Source: [KSH](#)

⁵ Source: [KSH](#)

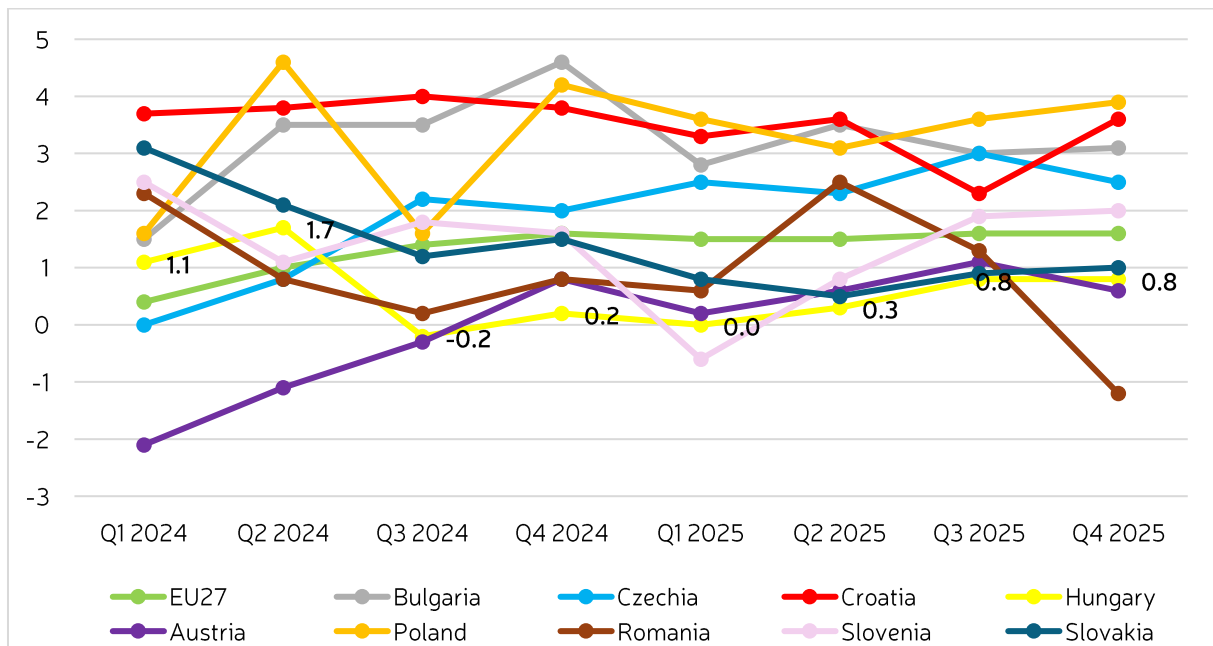
⁶ Source: [MNB](#)

real wage increase, government measures, and the start of production of previously announced capacity expansion investment projects. These projects can accelerate Hungary’s technological development, attract strategic suppliers, and support the creation of skilled jobs in key industrial regions. It is also important to point out that the expansion of services will continue to be a major driver of growth.

Looking at Q4 2025, economic growth in the majority of European economies was in line with analysts’ expectations; however, at the same time, the economic performance of the European Union remained moderate (+1.6%).

Europe’s potential growth is also held back by its own internal constraints, notably weak productivity dynamics and adverse demographic trends. The performance of European economies in Q4 2025 exceeded expectations, with GDP declining on an annual basis in only one member state (Romania) out of the 27 countries of the European Union. **According to Eurostat data, an expansion of 3.9% in Poland, 2.5% in Czechia, 1.0% in Slovakia and 0.8% in Hungary was registered among the Visegrad countries in the last 3 months of 2025 on an annual basis.** The economic performance of the European Union also expanded (+1.6%), and overall, the positive growth in Malta (6.4%) and Cyprus (4.5%) can be highlighted.⁷

GDP growth of regional countries on an annual basis (% , Q1 2024–Q4 2025)



Source: Eurostat⁸

According to the IMF forecast, the largest growth in the region is expected in Poland in 2026, and in Croatia next year. **In Hungary, an expansion of 1.7% can be expected this year, and around 2.0% in 2027.**

⁷ Source: [Eurostat](#)

⁸ Source: [Eurostat](#)

GDP growth of regional countries (% , forecast)

	2026	2027
Hungary	1.7	2.0
Eurozone	1.1	1.2
Austria	0.7	1.0
Bulgaria	2.8	2.5
Czechia	2.2	2.2
Croatia	2.6	2.6
Poland	3.3	2.4
Romania	0.7	2.5
Slovakia	0.6	1.6
Slovenia	2.0	2.1

Source: IMF⁹

2. Manufacturing

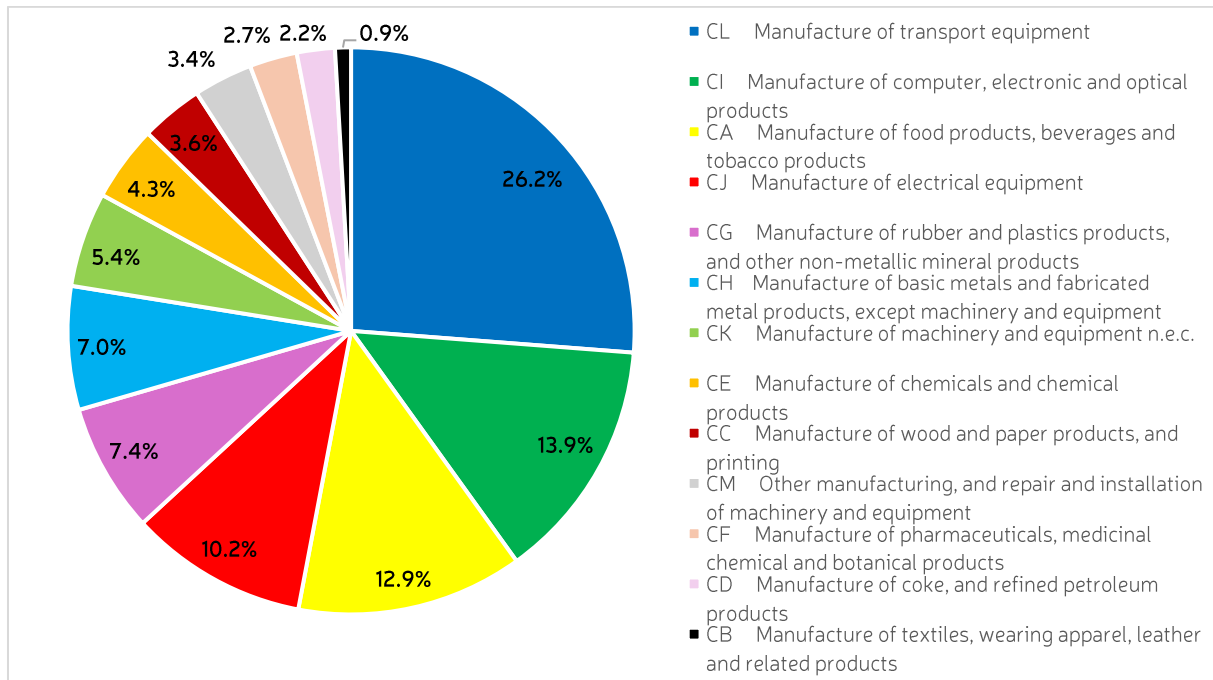
In the first 2 months of 2026, the total production value of manufacturing amounted to HUF 7,877.8 billion, which represents a 4.9% decrease compared to the same period of the previous year, and a drop of 1.8% was also registered based on the volume index.¹⁰ 26.2% of the production value was accounted for by the manufacture of transport equipment, 13.9% by the manufacture of computer, electronic and optical products, and 12.9% by the manufacture of food products, beverages and tobacco products.¹¹

Share of manufacturing output by sub-sector (January–February 2026)

⁹ Source: [IMF](#)

¹⁰ Source: [KSH](#)

¹¹ Source: [KSH](#)



Source: KSH

Examining the volume index of production in January–February 2026, expansion was registered in only three sub-sectors: the manufacture of computer, electronic and optical products (+20.8%), the manufacture of electrical equipment (+11.3%), and the manufacture of basic metals and fabricated metal products (+1.1%). **However, a decrease was recorded in 10 of the 13 manufacturing sub-sectors.** The largest decline was registered in the manufacture of coke, and refined petroleum products sub-sector (-37.2%), followed by the manufacture of chemicals and chemical products (-23.9%), and the manufacture of pharmaceuticals by a drop of 11.4%.¹²

The restrained result of the industry may be primarily due to the slowdown of the export markets. Manufacturing is highly export-oriented; therefore, it is largely determined by the development of foreign markets. Since a remarkable part of Hungarian industry's exports go to Germany, the weakness of German industry, and especially German car factories (OEMs), also have a negative impact on Hungarian prospects. Most European companies are still complaining about the lack of demand and orders.

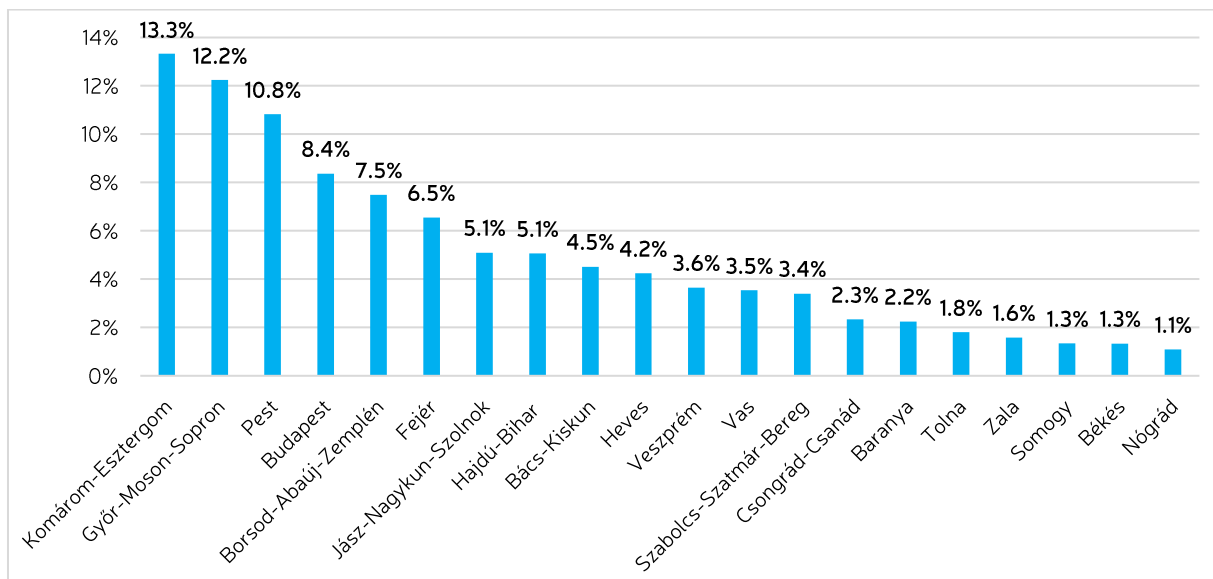
This year's economic performance will be considerably affected by higher oil and oil product prices and various disruptions to supply chains, which significantly overwrite previous forecasts and may also carry numerous negative risks for the Hungarian industry.

The domestic Purchasing Managers' Index for March 2026 also shows a slightly deteriorating business environment: it is lower than the average of the last three Marches and has also fallen compared to the February value. Three of the five components of the indicator (production volume, new orders, purchased inventories indices) are still just above 50 points while declining.

¹² Source: [KSH](#)

It is worth mentioning that the volume of industrial output increased on an annual basis in only three months of last year (March, September and December). Examining the territorial distribution of total industrial output, based on the data for the period January–February 2026, five counties were able to show growth, with the largest increase in the volume of industrial production in Hajdú-Bihar County by 37.4%, in Komárom-Esztergom County by 27.9%, and in Vas County by 3.3%. In contrary, the volume of production decreased by 28.9% in Bács-Kiskun County and by 18.2% in Heves County, while industrial output dropped by 10.5% in Pest County.¹³

Share of industrial output by county (January–February 2026)



Source: KSH¹⁴

In terms of industrial output in Hungary, the counties of Komárom-Esztergom, Győr-Moson-Sopron, as well as Pest can be highlighted; the 3 territorial units together accounted for more than a third (36.4%) of the total industrial output in the first 2 months of 2026. The lowest share was represented by the counties of Nógrád, Békés and Somogy, with shares of 1.1% and 1.3–1.3%, respectively.

Examining the 12-month period from March 2025 to February 2026, it can be concluded that regional manufacturing output has still not recovered and the performance of individual countries varies from month to month. It is worth noting that over the 12-month period, four Central European countries had positive average monthly growth: Croatia (4.4%), Austria and Poland (both 3.0%), and Czechia (2.6%). **Considering the above period, the average monthly decrease in the manufacturing production volume index of Hungary was 2.6%.**

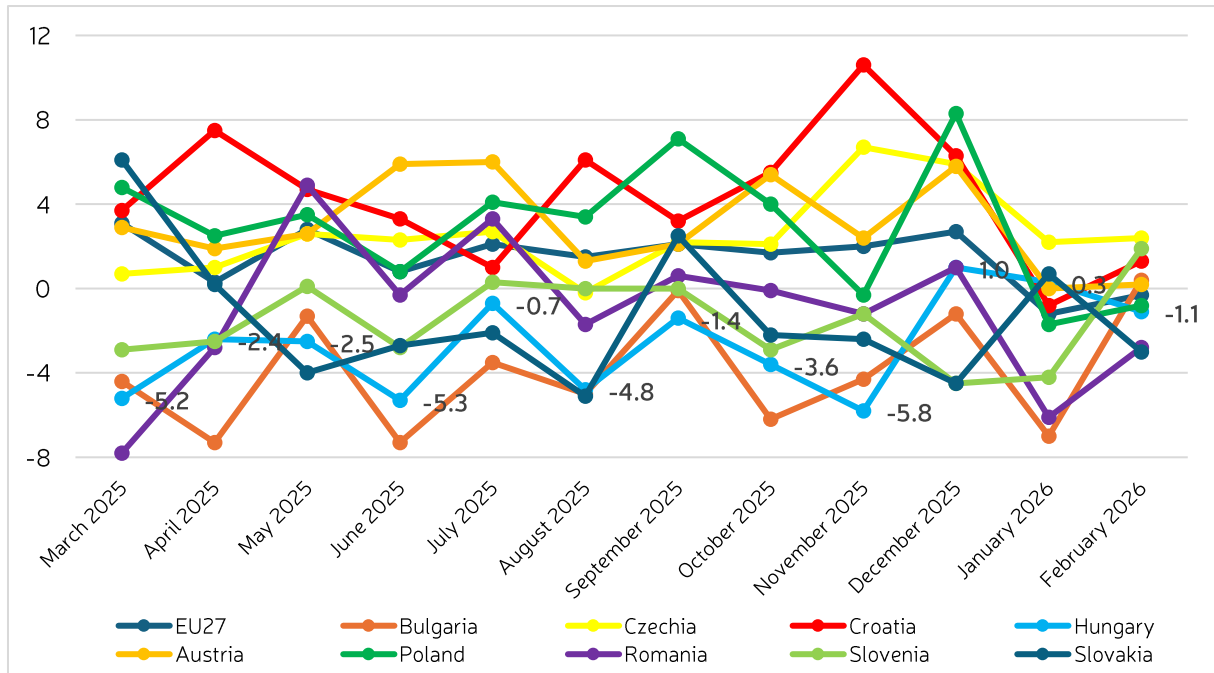
It can be stated that without the growth of Germany’s industry, Hungarian industry cannot embark on a growth path, since a significant portion of sales are made in foreign markets, while

¹³ Source: [KSH](#)

¹⁴ Source: [KSH](#)

domestic demand, even with artificial stimulation, is not able increase enough to compensate for the weakness of the former. Thus, it can be expected that **new factories coming into production during the year will bring some dynamism to Hungarian industry.**

**Manufacturing production volume index of the countries of the region on an annual basis
(%, calendar-adjusted)**



Source: Eurostat¹⁵

3. Foreign trade

In 2025, the value of Hungarian goods exports increased by 1.7% on an annual basis to EUR 146.9 billion, and the value of goods imports by 2.0% to EUR 138.6 billion. Foreign trade balance decreased by nearly 4.1% in one year, with a surplus of EUR 8.3 billion.¹⁶

The fact that the EUR 2.4 billion export growth is primarily due to the 64.4% (EUR 2.7 billion) expansion in digital data processing unit exports indicates a significant strengthening of the export capacity of the Hungarian electronics sector. The digital data processing unit was already considered the most important Hungarian export product in 2025, surpassing the Li-ion battery.

In 2024, the export value of Li-ion batteries, the most important Hungarian export product at the time (EUR 6.7 billion), was more than 1.6 times the export value of the digital data processing units (EUR 4.1 billion). Nevertheless, Li-ion battery exports decreased by 23.1% (to EUR 5.2 billion) in one year, while digital data processing unit exports increased by 64.4% (to EUR 6.8

¹⁵ Source: Eurostat

¹⁶ Source: KSH

billion). In January–February 2026, the export value of digital data processing units (about EUR 1.8 billion) was more than double that of Li-ion batteries (nearly EUR 0.9 billion).

In 2025, Hungarian digital data processing unit exports were highly concentrated geographically. 79.4% of exports went to four EU countries (Germany, the Netherlands, Ireland, Spain) and six non-EU countries (United States, India, United Kingdom, Australia, Norway, Japan). 94.1% of the annual export growth in the product group was registered in the two largest export markets (United States, India).

**Hungarian digital data processing unit export trends
in the most important export markets (2024–2025)**

Ranking (2025)	TOP export partner country (2025)	Exports 2024, EUR million)	Exports (2025, EUR million)	Annual change (EUR million)	Annual change (%)
1	USA	215.2	1 881.8	1 666.6	774.5%
2	India	41.7	878.6	836.9	2 006.6%
3	United Kingdom	395.0	475.4	80.4	20.4%
4	Germany	454.3	468.4	14.1	3.1%
5	the Netherlands	496.2	417.8	-78.3	-15.8%
6	Ireland	518.7	382.7	-136.0	-26.2%
7	Spain	96.3	302.4	206.1	214.1%
8	Australia	67.7	245.9	178.3	263.3%
9	Norway	415.6	180.3	-235.2	-56.6%
10	Japan	115.0	164.3	49.3	42.9%
The above 10 countries in total (2025)		2 815.6	5 397.7	2 582.2	91.7%
Total		4 133.5	6 794.7	2 661.2	64.4%

Source: KSH

In the United States, the largest market for Hungarian digital data processing unit exports, exports of this product group increased by 774.5% (from EUR 215.2 million to EUR 1,881.8 million) in one year. In 2024, digital data processing unit exports accounted for only 3.6% of the nearly EUR 6.0 billion in total Hungarian product exports to the USA. In 2025, digital data processing units were the most important Hungarian export item to the United States, accounting for 32.2% of total Hungarian product exports to the USA. About 62.6% (EUR 1,666.6 million) of the annual growth in Hungarian digital data processing unit exports (EUR 2,661.2 million) was registered in the United States.

In 2025, India was already the second largest export market for Hungarian digital data processing units. Between 2024 and 2025, exports of these items increased 21-fold (from EUR 41.7 million to EUR 878.6 million). Within Hungarian product exports to India, the share of the digital data processing unit increased from 9.1% to 63.8% in one year. About 31.4% (EUR 836.9 million) of the annual growth in Hungarian digital data processing unit exports was registered in India.

Last year, among the European target markets, Hungarian digital data processing unit exports expanded significantly in Spain (by EUR 206.1 million) and the United Kingdom (by EUR 80.4 million). However, exports of the product decreased considerably in the case of Norway (by EUR 235.2 million), Ireland (by EUR 136.0 million) and the Netherlands (by EUR 78.3 million), but despite the decline in 2025, the digital data processing unit remained the most important Hungarian export product in these three European export markets. Moreover, it accounted for almost half of Hungarian product exports to Norway and Ireland, 46.5% and 43.6% respectively. Hungarian digital data processing unit exports to Germany increased by only 3.1% in one year, but Germany was still the second largest European market for this product group.

Reorganization of the most important export markets of the Hungarian digital data processing unit (2024– 2025)

Ranking (2024)	Ranking (2025)	TOP export partner country (2025)	Exports 2024, EUR million)	Exports (2025, EUR million)	Export share (2024, %)	Export share (2025, %)
6	1	USA	215.2	1 881.8	5.2%	27.7%
20	2	India	41.7	878.6	1.0%	12.9%
5	3	United Kingdom	395.0	475.4	9.6%	7.0%
3	4	Germany	454.3	468.4	11.0%	6.9%
2	5	the Netherlands	496.2	417.8	12.0%	6.1%
1	6	Ireland	518.7	382.7	12.5%	5.6%
11	7	Spain	96.3	302.4	2.3%	4.5%
15	8	Australia	67.7	245.9	1.6%	3.6%
4	9	Norway	415.6	180.3	10.1%	2.7%
9	10	Japan	115.0	164.3	2.8%	2.4%
The above 10 countries in total (2025)			2 815.6	5 397.7	68.1%	79.4%
Total			4 133.5	6 794.7	100.0%	100.0%

Source: KSH

In one year, among the most important markets for Hungarian digital data processing unit exports, the United States moved up from 6th place to 1st place, whereas India moved from 20th place to 2nd place. The former increased its share in Hungarian digital data processing unit exports from 5.2% to 27.7%, and the latter from 1.0% to 12.9%. In 2025, Spain was the 7th and Australia was the 8th export market for Hungarian digital data processing unit exports, whereas in 2024 they were only in 11th and 15th place, respectively.

In 2024, the most important markets for this product group were still European countries. Among them, in one year, Ireland dropped from 1st place to 6th place, the Netherlands from 2nd place to 5th place, Germany from 3rd place to 4th place, and Norway from 4th place to 9th place. While in 2024, 45.6% of Hungarian digital data processing unit exports went to the above four European countries, in 2025 their export share was only 21.3%.

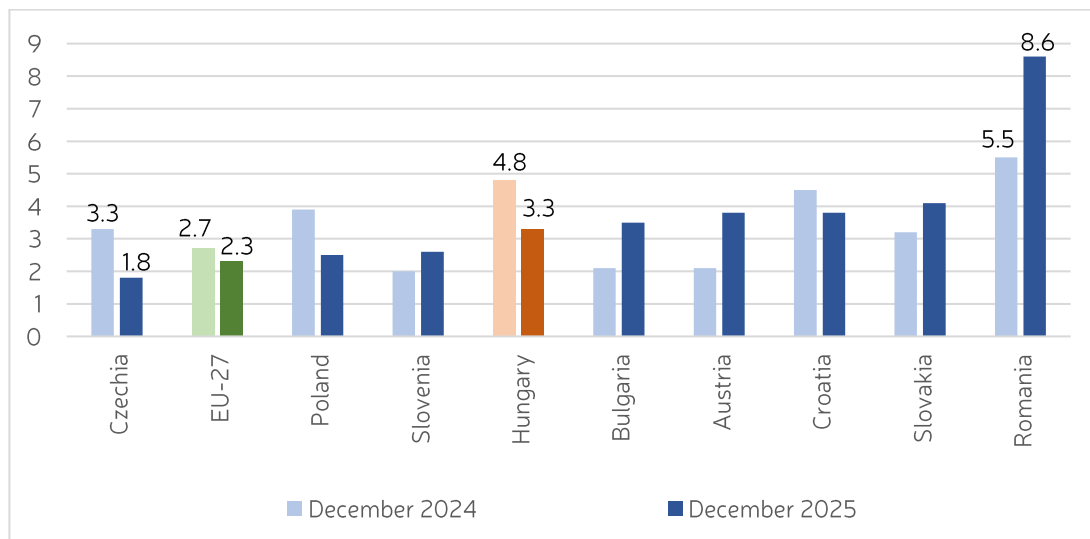
In January–February 2026, the total value of Hungarian goods exports increased by 1.7% on an annual basis to EUR 24.8 billion, and the total value of goods imports rose by 4.0% to EUR

23.5 billion.¹⁷ Less favourable than expected industrial trends and rising energy prices due to the Iranian conflict are expected to restrain growth in export markets; therefore the **MNB expects Hungarian exports to extend by 1.6% this year.** From H2 2026, however, the new manufacturing capacities starting production can help Hungarian exports, so **the Central Bank forecasts export growth of 5.2% in 2027 and 4.4% in 2028.**¹⁸

4. Inflation

In March 2026, the Harmonised Index of Consumer Prices (HICP)¹⁹ used by Eurostat increased from 2.5% to 2.8% in the European Union in one year. Among the member states, the highest rate of average price increase was measured in Romania (9.0%), Croatia (4.6%), as well as in Lithuania (4.4%). The lowest HICP rates were recorded in Denmark (1.0%), followed by Cyprus, Czechia and Sweden (all 1.5%). Compared to the HICP recorded in March 2025, the HICP rate in March 2026 was higher in 13 EU Member States, lower in 13, and was the same in Austria. **In one year, the HICP increased the most in Romania (by 3.9 percentage points), while it decreased the most in Hungary (by 2.7 percentage points) within the EU.**

Evolution of the Harmonised Index of Consumer Prices (HICP) in the Central European Union member states (March 2025–March 2026, %)



Source: Eurostat

In March 2026, among the Central European EU member states, inflation was recorded in Czechia (1.5%), Hungary (2.1%), and Slovenia (2.4%) below the EU average, while in Bulgaria it was in line with the EU average (2.8%). The HICP typically ranged between 1.5–4.6% in the region, except for Romania, where inflation accelerated to 9.0%.

¹⁷ Source: [KSH](#)

¹⁸ Source: [MNB](#)

¹⁹ Source: [Eurostat](#)

Based on KSH data,²⁰ in Q1 2026, the average consumer price index was 1.8% in Hungary. In January–March 2026, the prices of alcoholic beverages and tobacco (5.9%), electricity, gas and other fuels (4.9%), services (4.4%) and consumer durables (2.8%) increased the most on an annual basis. The price increase of clothing and footwear (1.2%) as well as food (0.5%) lagged behind the average price level growth. The average price of other goods including motor fuels and lubricants decreased by 2.4% on an annual basis.

In March 2026, consumer prices on average were 1.8% higher than a year earlier. The fastest growth was registered in prices of alcoholic beverages and tobacco (5.5%) and household energy (4.3%) with natural and manufactured gas rising by 7.9% and electricity by 2.4%. The price of services (4.1%) also increased at an above-average rate, including theatre tickets by 18.8%, recreation abroad by 17.8%, recreation in the country by 8.7%, and personal care services, as well as repairs and maintenance of vehicles both by 7.8%. The price of consumer durables increased by 2.7%, including jewellery prices by 29.1%, second-hand passenger cars by 4.4%, and living and dining room furniture by 4.3%. Food prices stagnated, including a price increase of other bakery products by 13.3%, buffet products by 9.7%, fresh domestic and tropical fruits by 7.5%, as well as meals at restaurants and canteens by 7.4%, while the price of margarine decreased by 24.9%, potatoes by 18.5%, butter by 18.2%, milk product by 15.3%, flour by 13.4%, and milk by 13.1%. The price of motor fuels dropped by 3.0%, while the price of pharmaceutical products grew by 6.0%.

At the beginning of the year repricing trends were favourable, therefore inflation decreased significantly. The favourable development of the food price cycle and the decline in motor fuel prices at the beginning of 2026 play an important role in the moderate price adjustment. While most of the products and services registered more restrained price changes than in previous years, the price increase was more significant for industrial goods, especially electronic goods. The moderate price adjustments are being offset by the rise in energy prices due to the Iranian conflict. The timing of the phasing out of government price control measures (margin restrictions, fuel price caps), as well as the extent of subsequent price adjustment also make this year's inflation path uncertain. According to the MNB's forecast, inflation may accelerate in the remainder of the year and from Q3 2026 may rise above the Central Bank's tolerance band (3% ±1 percentage point). Energy prices may normalize by mid-2027, which may moderate next year's inflation. The MNB expects average inflation of 3.8% this year, 3.7% in 2027, and 3.0% in 2028. The rate of price increase may persistently reach the 3% inflation target in H2 2027.²¹

MNB inflation forecasts in March 2026 (2025–2028 annual average, %)

	2025 (fact)	2026	2027	2028
Inflation	4.4	3.8	3.7	3.0
Core inflation	4.6	3.9	3.9	3.1

²⁰ Source: [KSH](#)

²¹ Source: [MNB](#)

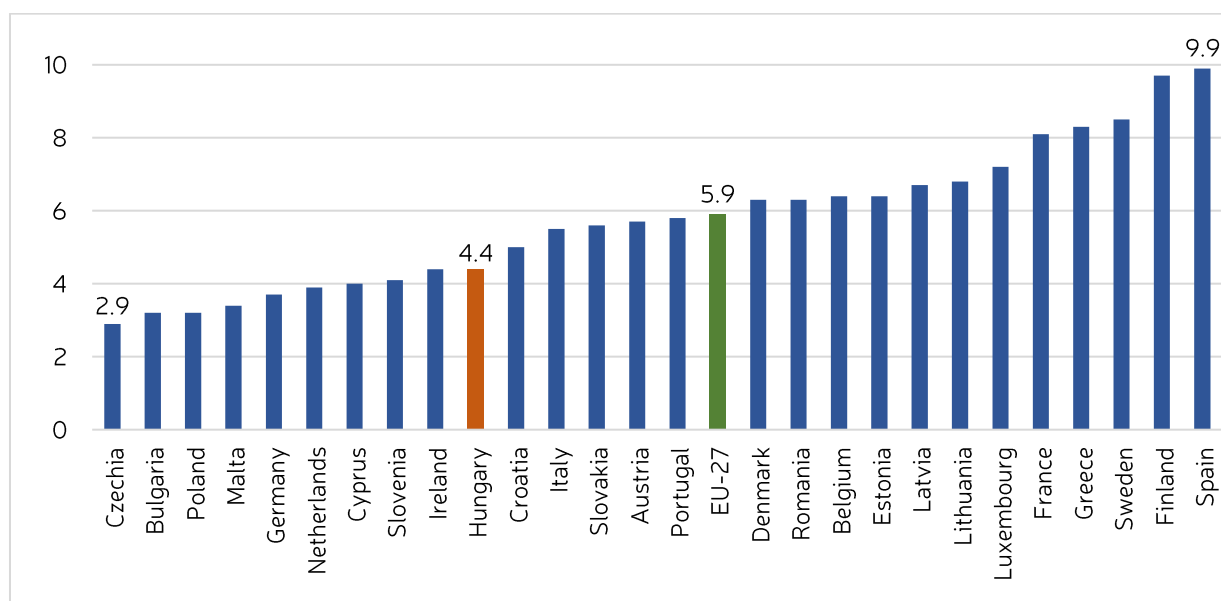
Source: MNB

5. Labour market

Unemployment

Based on Eurostat data, the Hungarian unemployment rate of 4.4% in Q4 2025 was the 10th lowest in the EU and – after Czechia, Bulgaria, Poland, and Slovenia – the 5th lowest among Central European countries. Between Q4 2020 and Q4 2025, the unemployment rate increased in only 7 EU Member States, including Hungary (from 4.1% to 4.4%). However, the average unemployment rate in the EU dropped significantly during this period (from 7.4% to 5.9%). The rate fell mainly in the southern EU Member States, with the largest declines in Greece (from 17.5% to 8.3%) and Spain (from 16.1% to 9.9%), where unemployment still remains high. Between Q4 2020 and Q4 2025, with the decrease of 3.9–4.3 percentage points, the unemployment rate has already fallen below the EU average in Cyprus, Croatia, and Italy.

Unemployment rate among the population aged 15–74 in the EU member states
(Q4 2025, %)



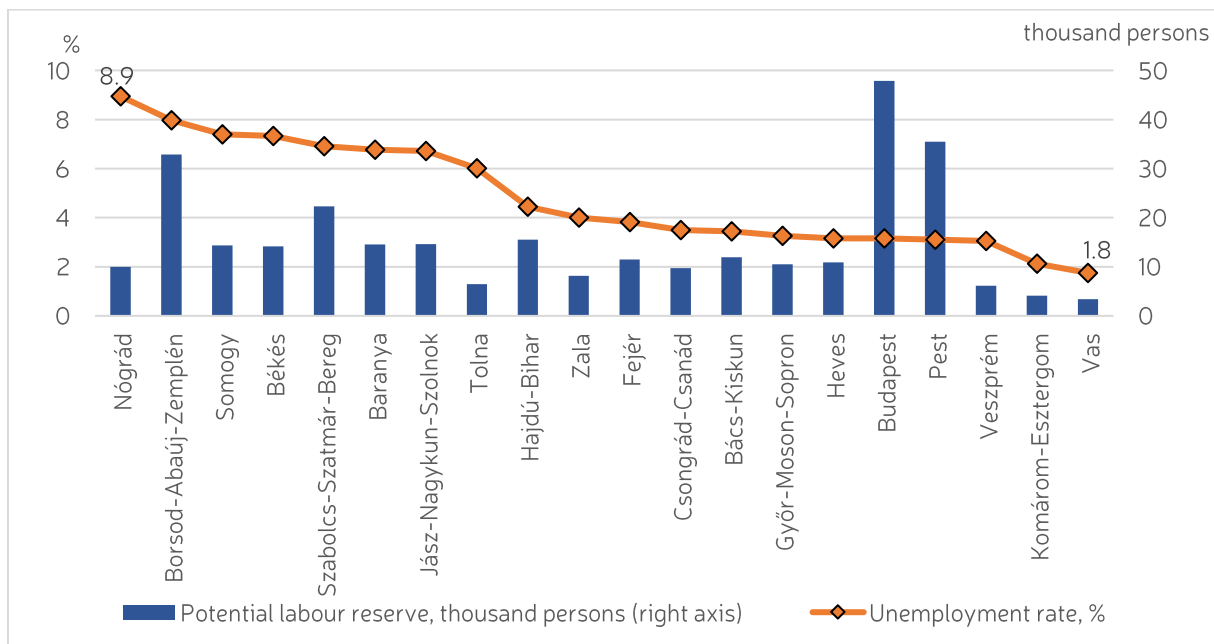
Source: Eurostat

Based on KSH data, in Q1 2010, the number of unemployed among the population aged 15–74 was still close to half a million people (493.8 thousand), and the unemployment rate amounted to 11.4%. In Q4 2025, the number of unemployed was 213.1 thousand, and the unemployment rate was 4.4%. Compared to Q4 2024, the number of unemployed decreased by some 3.2 thousand and the unemployment rate stagnated. Remarkable geographical differences can still be observed with regard to the unemployment rate.

In Q4 2025, the unemployment rate was lowest in Vas (1.8%), Komárom-Esztergom (2.1%) and Veszprém counties (3.0%), while it was highest in Nógrád (8.9%), Borsod-Abaúj-Zemplén (8.0%), Somogy (7.4%) and Békés counties (7.3%).

Nearly half of the country's potential labour reserve (304.4 thousand people) reside in the Great Plain and Northern Hungary (142.0 thousand people, 46.6%), 27.4% (83.3 thousand people) in the capital and Pest County, and more than one quarter in Transdanubia (79.1 thousand people, 26.0%). **According to the KSH data, the largest potential labour reserves are in Budapest (47.8 thousand people), Pest (35.5 thousand people), Borsod-Abaúj-Zemplén (32.9 thousand people) and Szabolcs-Szatmár-Bereg counties (22.3 thousand people).**

Hungary's unemployment rate and potential labour reserve among the population aged 15–74 broken down by county (Q4 2025, % and thousand people)



Source: KSH

Between December 2025–February 2026, the number of unemployed aged 15–74 increased by 21.7 thousand to 235.7 thousand compared to the base period. As a result, the unemployment rate also increased from 4.4% to 4.9%.²² Based on the data of the National Employment Service (NFSZ) 222,954 jobseekers were registered in March 2026, which means a decrease of 9,550 people (4.3%) compared to the same period of the previous year. Registered jobseekers accounted for 3.6% of the working-age population.²³

The tightness of the labour market has eased remarkably compared to the peak in mid-2022. The average number of hours worked per week by full-time employees has only slightly risen from the low levels experienced during the Covid crisis, indicating that **labour hoarding is still a factor.** In Q4 2025, there were 39,866 vacant positions in the business sector, which is by 578 (1.5%) higher than in the same period of the previous year. The trend in the number of vacancies in the business sector **indicates a stabilization of labour demand.** According to KSH data, in one

²² Source: [KSH](#)

²³ Source: [NFSZ](#)

year the number of vacancies in the business sector decreased most in professional, scientific and technical activities (by 26.1%, 725 people) as well as wholesale and retail trade (by 11.6%, 447 people), but the most vacancies are still found in manufacturing (12,182 people). The number of vacancies in the area of administrative and support service activities, which also includes temporary employment agencies, increased by 22.1%, or 1,689 people.

In addition to the decline in employment, labour market activity has decreased, therefore the MNB expects a slight increase in the unemployment rate in 2026. **According to the MNB's forecast, the unemployment rate could be 4.6% in 2026, 4.3% in 2027, and 3.9% in 2028.**²⁴

Earnings

Based on KSH data, in January–February 2026, the average monthly gross earnings of full-time employees in the business sector²⁵ amounted to some HUF 723,200, which is an 8.2% increase compared to the same period in 2025. In this sector, the median value of monthly gross earnings was HUF 568,600, which is 9.1% higher than the base value. In January–February 2026, at the level of the national economy (calculated without fostered workers), the average monthly gross earnings were HUF 796,200, which means an increase of 18.1% on an annual basis. It is important to note that the significant increase in average earnings in January 2026 was determined by the service allowance equivalent to six months' salary for national defence and law enforcement professionals. In February 2026, the average gross earnings were highest in the sector of information and communication (HUF 1,204,000), and lowest in accommodation and food services (HUF 469,400).²⁶

From 1 January 2026, the gross amount of the monthly minimum wage grew by 11.0% to HUF 322,800, and the guaranteed wage minimum increased by 7.0% to HUF 373,200. Although the rate of minimum wage increase in 2026 was ultimately lower than the 13% included in the three-year wage agreement, high wage dynamics are still expected in the coming years. According to the MNB's forecast, average earnings in the business sector may increase by 8.7% in 2026, 8.3% in 2027, and 7.1% in 2028. Real wages may rise by 4.7% this year, 4.4% next year, and 4.0% in 2028.²⁷

Employment

Based on Eurostat data, the Hungarian employment rate in Q4 2025 (65.0%) exceeded the EU average (62.1%) by 2.9 percentage points. Among Central European member states, Hungary has the 3rd highest employment rate after Czechia and Austria. Between Q4 2020 and Q4 2025, the employment rate increased by an average of 3.4 percentage points in the EU, while it increased by 2.5 percentage points in Hungary.

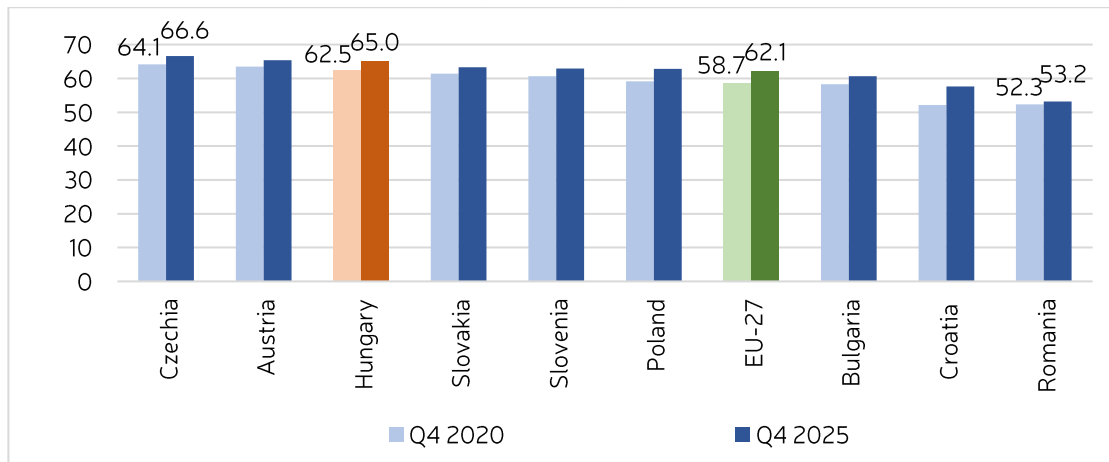
²⁴ Source: [MNB](#)

²⁵ Note: calculated without fostered workers, for all enterprises with employees

²⁶ Source: [KSH](#)

²⁷ Source: [MNB](#)

Employment rate among the population aged 15–74 of the Central European Union member states (Q4 2020–Q4 2025, %)



Source: Eurostat

Since 2010, the guideline of employment policy in Hungary has been the Government's undertaking to create 1 million new jobs **to achieve full employment**. Based on KSH data, in Q1 2010, the number of employed people among the population aged 15–74 was still around 3.8 million (3,821.8 thousand), and the employment rate was below 50% (49.8%). **In Q4 2025, nearly 4.6 million people (4,642.4 thousand) were registered as employed.** Compared to Q4 2024, the number of employed people decreased by 46.4 thousand, and the employment rate stagnated at 65.0%. **In Q4 2025, the employment rate was highest in Budapest (70.1%), Pest (68.1%) and Győr-Moson-Sopron County (67.3%), while the lowest was in Zala (59.0%), Borsod-Abaúj-Zemplén (59.7%), Nógrád (60.1%) and Baranya County (60.2%).**

Between December 2025–February 2026, the number of employed people dropped by 66.4 thousand people on an annual basis, and the employment rate decreased to 64.8%. Out of 4,622.8 thousand employed, 112.1 thousand working at foreign locations, and the number of fostered workers was 71.5 thousand. **The number of people working abroad decreased by 11.0 thousand, while the number of fostered workers increased by 9.7 thousand compared to the same period of the previous year.**²⁸

The subdued economic performance was also reflected in the decline in employment. According to the MNB, the economic growth that will pick up from H2 2026 may first stabilize the employed headcount and then slightly increase it. Due to the existing labour capacities as a result of labour hoarding, the increase in the employed headcount may be modest in the first stage of economic recovery. **According to the MNB's forecast, the number of people employed in the business sector may decrease by 1.4% in 2026, while it may increase by 0.3% in 2027 and by 0.2% in 2028.**²⁹

²⁸ Source: [KSH](#)

²⁹ Source: [MNB](#)

6. Foreign Direct Investment (FDI)

Based on data compiled by the country of ultimate investor and published by the MNB on 27 March 2026 regarding 2024,³⁰ **Germany is still considered the most important investing country in Hungary in terms of FDI stock. The total value of investments from Europe's largest economy amounted to approximately EUR 23 billion in 2024, which corresponds to 21.3% of the total inward FDI stock of EUR 109.4 billion.** The second largest investing country is Austria, since the FDI stock from the neighbouring country was nearly EUR 9.4 billion, which corresponds to a share of 8.6%.

Compared to 2023, the United States and South Korea swapped places in the ranking in 2024; thus, based on the latest data, South Korea is considered the number one non-European investor in Hungary.

The distribution of investments is concentrated, considering that the TOP10 countries account for nearly 70% of the total value.

It is worth noting that the FDI stock from South Korea amounted to only EUR 740 million in 2014, which was 0.9% of the total value. By 2024, this amount increased to EUR 9,061 million, which was 8.3% of the total FDI stock. Germany's share dropped from 25.6% to 21.3% over the same period, but it still has a significant lead over Austria, which represents 8.6%.

Foreign direct investment (FDI) stock in Hungary based on the country of ultimate investor (2024, TOP10 countries)

Ranking	Country	EUR million	Share
	Total FDI stock	109 370	100.0%
1	Germany	23 250	21.3%
2	Austria	9 381	8.6%
3	South Korea	9 061	8.3%
4	United States of America	8 515	7.8%
5	China	5 252	4.8%
6	France	4 999	4.6%
7	Switzerland	3 895	3.6%
8	United Kingdom	3 766	3.4%
9	Japan	3 338	3.1%
10	Italy	3 132	2.9%

Source: MNB

The TOP 10 largest investing countries in Hungary include 3 East Asian countries (South Korea, China, Japan), which together accounted for 16.1% of the total FDI stock. Another 4 countries are members of the EU (Germany, Austria, France, Italy), which together accounted for more than 37% of the total value.

³⁰ Source: [MNB](#)

In 2024, 46.5% of the total FDI stock, or nearly EUR 51 billion, can be attributed to manufacturing. Within manufacturing, the largest share is represented by the manufacture of transport equipment based on 2024 figures (10.8% of the total FDI stock), followed by the manufacture of electrical equipment (6.2%), and in third place is the manufacture of computer, electronic and optical products sector (4.2%).

7. Education

According to data from the Central Statistical Office (KSH), the number of foreign students studying in Hungarian tertiary education institutions grew significantly between 2014 and 2024. In 2014, some 25,000 (24,598) foreign students pursued tertiary education studies in Hungary, while in 2024, their number was nearly 46,000 (45,755). **Therefore, between 2014 and 2024, the number of foreign students studying in tertiary education in Hungary increased by more than 86%. Their share in the total number of students grew from 8.0% to 13.9% during the same period.**

Based on the country ranking of foreign students by nationality, **Germany is in first place**, as 7.4% of all foreign students can be linked to Europe's largest economy. Romania and China also represent shares above six percent.

Foreign students pursued their studies in Hungarian tertiary education from a total of 176 countries in 2024. The composition is quite concentrated, as students from the top 15 countries account for 55.3% of all foreign students.

The rise of 21,157 foreign students registered between 2014 and 2024 was mainly due to citizens of China (+2,044 students), Pakistan (+1,317), India (+1,182), Iran (+1,151) and Romania (+1,091).

Number of foreign students in Hungarian tertiary education institutions by country of citizenship (TOP15 countries in 2024)

Ranking	Country	Number of students	Share
1	Germany	3 385	7.4%
2	Romania	3 083	6.7%
3	China	2 769	6.1%
4	Iran	2 142	4.7%
5	Serbia	1 827	4.0%
6	Slovakia	1 817	4.0%
7	Pakistan	1 395	3.0%
8	Türkiye	1 386	3.0%
9	India	1 279	2.8%
10	Ukraine	1 174	2.6%
11	Nigeria	1 167	2.6%
12	Jordan	1 075	2.3%
13	France	1 033	2.3%
14	Viet Nam	894	2.0%

15	South Korea	864	1.9%
TOP15 altogether		25 290	55.3%
All foreign students		45 755	100.0%

Source: KSH

Based on data for 2024, **more than half of foreign students (23,309 people) participated in tertiary education BA/BsC programmes**, 25.8% studied in undivided education, while 15.1% continued their studies in postgraduate MA/MsC programmes. More than 3,000 people, or 6.7% of the total number of foreign students, participated in PhD programmes.

