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SUMMARY

GDP

GDP volume: 0.4% (Q4 2024)
Prognosis (2025): 1.9–2.9% (MNB), 2.5% (Hungarian government)



- Last year, the value of GDP was HUF 81,514 billion, and its volume increased by 0.5% compared to 2023.
- Out of the 27 countries of the European Union, the GDP only decreased in 3 member states on an annual basis.



Manufacturing

The key sectors were the Manufacture of transport equipment (26.8% share), the Manufacture of food products, beverages and tobacco products (12.9%) and the Manufacture of computer, electronic and optical products (10.6%).

- In the first 2 months of 2025, the total production value of manufacturing amounted to HUF 8,261.1 billion.
- In terms of industrial production in Hungary, the counties of Pest, Győr-Moson-Sopron and Komárom-Esztergom can be highlighted.

Foreign trade

Goods exports: 0.0%, EUR 24.2 billion (January–February 2025)
Goods exports: +0.6–2.6% (yoy, MNB prognosis, 2025)



- In 2024, more than two-thirds (67.2%) of Hungarian Li-ion battery exports were directed to Germany, the USA and Mexico.
- Last year, out of the 12 most important export markets for Hungarian Li-ion battery, Hungarian exports expanded only in the four non-EU relations (USA, Mexico, United Kingdom, Türkiye).
- In 2024, a 35.8% drop in Li-ion battery exports caused nearly two-thirds of the EUR 5.45 billion decrease in total Hungarian product exports.

Inflation

Consumer Price Index: 5.3% (yoy, January–March 2025)
Average annual inflation: 4.5–5.1% (yoy, MNB prognosis, 2025)



- In March 2025, Hungary had the second highest Harmonised Index of Consumer Prices (HICP) (4.8%) within the EU after Romania (5.1%).
- In March 2025, consumer prices in Hungary increased by an average of 4.7%.
- According to the MNB, sustained disinflation may restart in Q4 2025, and inflation may return to the Central Bank's tolerance band (3.0% ± 1%) in early 2026.



Labour market

Unemployment rate: 4.1–4.3% (MNB prognosis, 2025)
Average gross earnings in the business sector: +9.6–10.4% (yoy, MNB prognosis, 2025)

- The Hungarian unemployment rate in Q4 2024 (4.4%) was the 9th lowest in the EU and was significantly lower than the EU average (5.7%).
- The Hungarian employment rate in Q4 2024 (65.0%) exceeded the EU average (61.8%) and was the 3rd highest among Central European member states.
- In January–February 2025, the average gross earnings in the business sector increased by 9.5% (to HUF 669,400) on an annual basis.



FDI

According to UNCTAD data, global FDI flows reached close to USD 1.4 trillion last year, which means an increase of 11%. If we do not take into account certain European countries, which are considered major financial centres, we can talk about an 8% decline.

- According to the latest data, the USA is the number one non-European investor in Hungary, 8.8% of the total FDI stock attributable to US investors.



1.

Economic growth

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Last year, the value of GDP was HUF 81,514 billion, and its volume increased by 0.5% compared to 2023.

The services increased the volume of GDP on the production side by 1.1 percentage points, while industry decreased it by 0.6 and agriculture by 0.3 percentage points in 2024. The performance of the construction did not substantially affect the volume of gross domestic product. On the expenditure side, actual final consumption increased the volume of gross domestic product by 1.6 and the balance of foreign trade by 0.6 percentage points, while gross capital formation reduced economic performance by 1.7 percentage points.

In Q4 2024, according to raw data, the GDP volume increased by 0.4% in Hungary compared to the same period of the previous year.

The performance of manufacturing in Q4 of last year also fell short of that registered in the same period of the previous year (this time by 3.2%), which is mainly due to the decline in the transport equipment manufacturing and electrical equipment manufacturing sectors. In contrast, the manufacture of computer, electronic and optical products, as well as the manufacture of coke and refined petroleum products was able to expand. The construction grew in Q1 and Q2 2024, however, its performance decreased again after Q3: its value added was 3.2% lower than in the same period of 2023. The sector's production volume also decreased in 8 months in 2024.

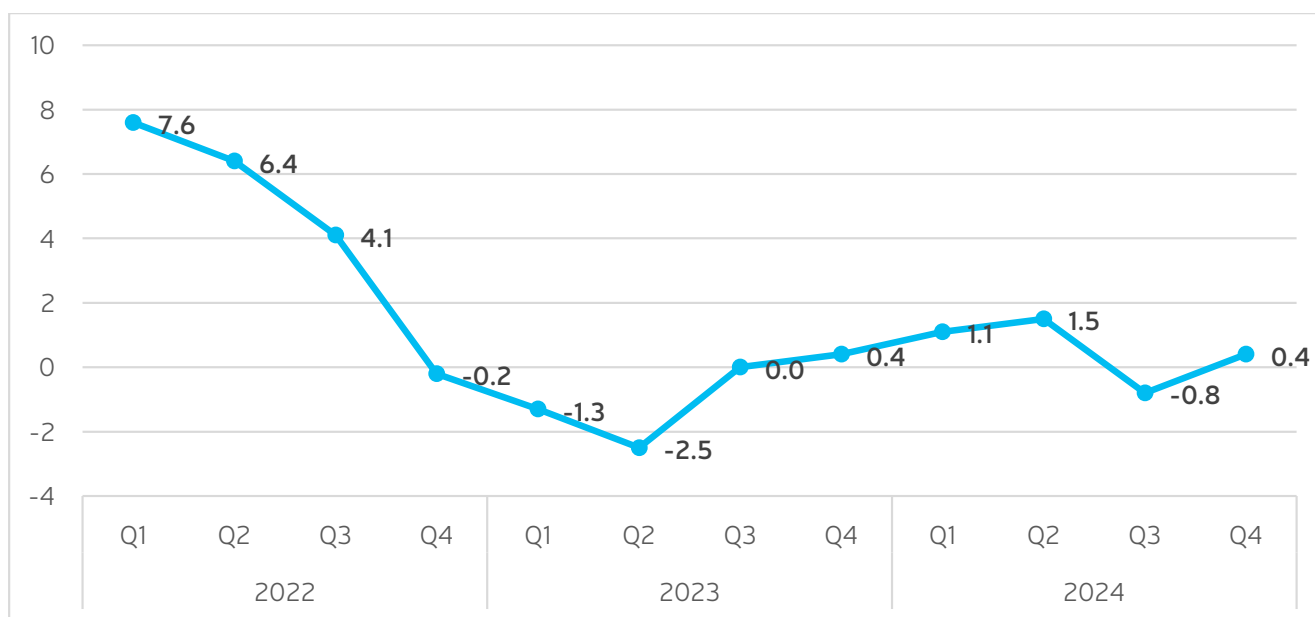
The extreme weather in 2024 (the heat experienced in the summer as well as the significant amount of precipitation in the autumn) caused serious damage to agriculture (reduction in crop volume and the area of harvest). According to the first estimate of the KSH (Central Statistical Office), the volume of total agricultural output in 2024 was 3.7% lower than the previous year.

Similar to the first three quarters of 2024, the gross value added of services increased in Q4 (by 2.1%), primarily due to the expansion of accommodation and food service activities (6.2%) and arts, entertainment and recreation, repair of household goods and other service (4.0%). **The volume expansion of gross domestic product in Q4 2024 was driven by the balanced performance of services (+1.3 percentage points). In contrast, industry and agriculture (-0.4 percentage points each) and construction (-0.2 percentage points) slowed down the GDP growth.**

On the expenditure side, the actual final consumption of households increased by 3.8% compared to Q4 2023. Household final consumption expenditure also increased (by 5.5%), supported mainly by the increase in real wages, as well as improved consumer confidence. It is important to note here that the volume of retail sales has not decreased in any month since December 2023. It must also be mentioned, however, that the volume of both construction investments and investments in machinery and equipment decreased.

All in all, **actual final consumption contributed 2.1 percentage points to the growth of GDP in Q4 2024, and gross capital formation slowed it down by 1.4 percentage points, while the balance of foreign trade restrained it by 0.2 percentage points.**

GDP growth in Hungary (%, compared to the same period of the previous year, based on unadjusted, raw data)



Source: KSH

The Hungarian National Bank (MNB) expects an increase of 1.9–2.9% for 2025 and 3.7–4.7% for 2026. According to the Central Bank’s expectations, as a result of rising real wages, announced government measures, falling government bond interest rates (and the resulting outflow of interest income), as well as recovering household lending, **the gradual increase in GDP may be primarily supported in 2025 by household consumption.** The economic recovery effect of the extension of the personal income tax exemption for mothers and the VAT refund to be introduced for pensioners is likely to be felt later. **Services will play a key role in the expansion of economic output this year as well as the production of new manufacturing capacities that will be launched continuously from the end of the year.** The strengthening of small and medium-sized enterprises (SMEs) will be supported by the Demján Sándor Programme, which supports technological innovation and digitalisation.

However, it is important to note that the risks surrounding industrial production and the sectoral indicators point to industrial performance remaining moderate in the short term, as shown by low order volumes and corporate confidence indices. **The more subdued performance of the construction will certainly improve in the second half of the year,** when certain targeted measures (dormitory building program, Rural Home Renovation Subsidy Programme, and using the pension fund savings for housing purposes) may give it a new momentum. **This year’s growth track might be influenced by several risks: the pace of the European (and German) economy’s momentum, uncertainties around the (electric) automotive industry, US President Trump’s trade policy measures; furthermore, the relatively narrow space of the fiscal and monetary policy.**

Customs tariffs are likely to reduce the volume of direct Hungarian exports to the United States, and indirectly the deliveries to Germany may also fall. The United States is Hungary's 11th most important foreign trade partner, and road vehicles play a major role in exports there. The automotive industry is considered the key sector of the Hungarian industry; therefore, negative effects may also occur directly.

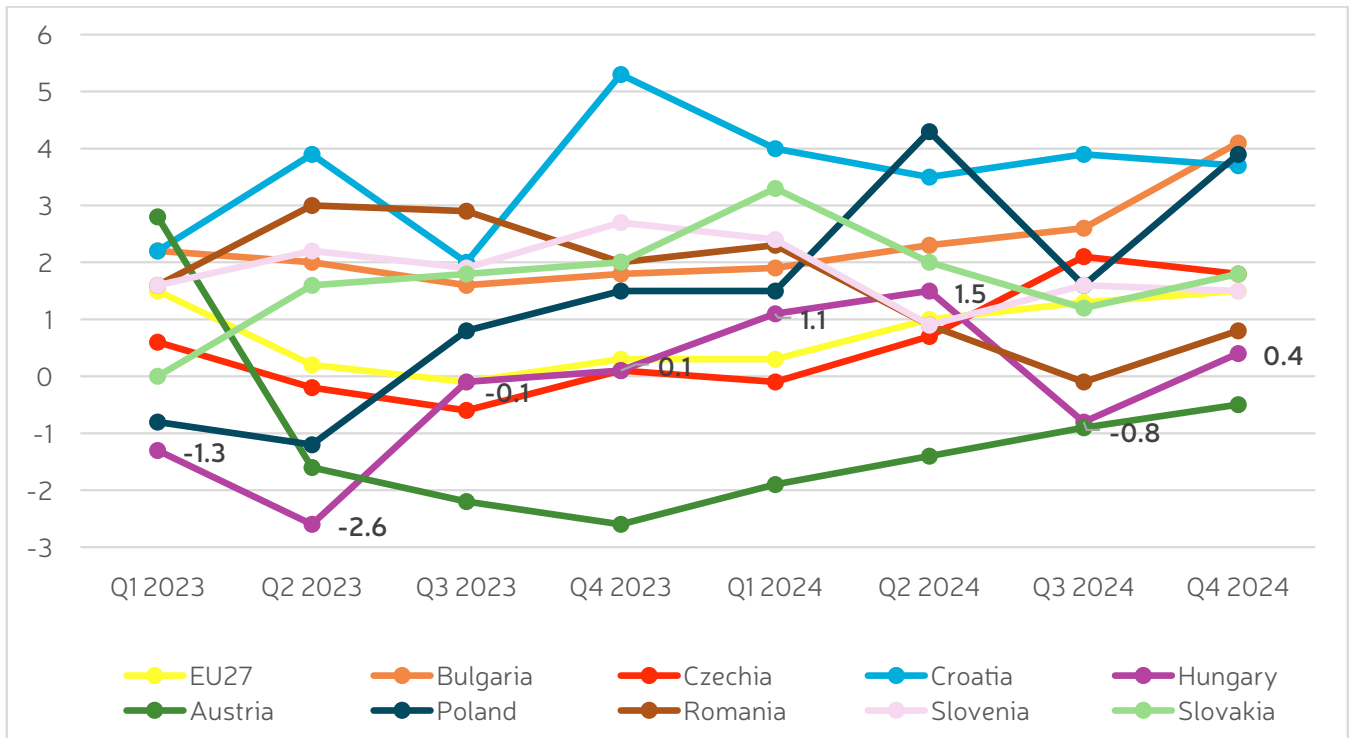
The sudden drop in demand may reduce the capacity utilisation of factories in the short term, which in turn may have a negative impact on labour market processes. **It is important to see Hungary is in the middle of the supply chain for the most important export products (machinery, road vehicles, electrical equipment), thus the key is whether automotive companies will be able to find a new market for their products.**

Looking at Q4 2024, economic growth in most European economies was in line with analysts' expectations; however, at the same time, the economic performance of the European Union remained moderate (+1.5%). Nevertheless, it is important to note that last year higher year-on-year growth was registered quarter by quarter.

The level of global trade in goods and industrial output increased minimally in the last three months of last year, while expectations of growth are also significantly influenced by trade policy measures and the geopolitical challenges. Compared to previous forecasts, consumer confidence and business sentiment in EU countries have fallen, and the industrial confidence index is also at a relatively low level. **Out of the 27 countries of the European Union, the GDP only decreased in 3 member states on an annual basis.**



GDP growth of regional countries on an annual basis (% , Q1 2023–Q4 2024)



Source: Eurostat

According to Eurostat data, an expansion of 3.9% in Poland, 1.8–1.8% in Czechia and Slovakia, and 0.4% in Hungary was registered among the Visegrad countries in Q4 2024. The economic performance of the European Union also expanded (+1.5%), and overall, it can be stated that the Irish (9.2%), Bulgarian (4.1%) and Lithuanian growth (4.0%) stand out in a positive sense, while the Austrian (-0.5%), Latvian and German declines (-0.4%) can be highlighted in a negative context.



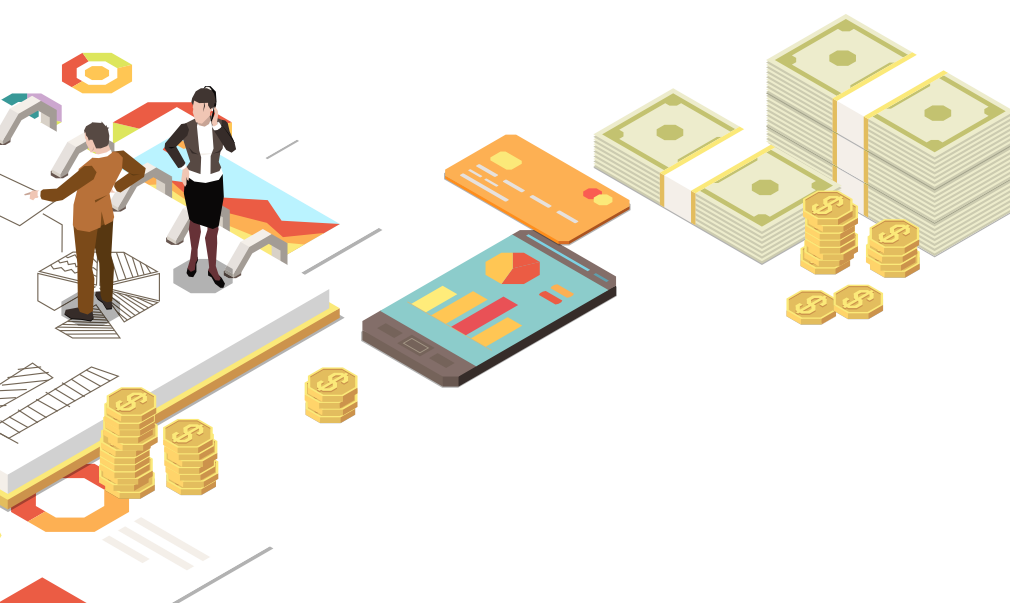
GDP growth of regional countries (% , forecast)

Country	OECD		European Commission		Anticipated growth*	
	2025	2026	2025	2026	2025	2026
Hungary	2.1	2.9	1.8	3.1	2.0	3.0
Eurozone	1.3	1.5	1.3	1.6	1.3	1.6
Austria	1.1	1.4	1.0	1.4	1.1	1.4
Bulgaria	2.8	2.6	2.9	3.0	2.9	2.8
Czechia	2.4	2.6	2.4	2.7	2.4	2.7
Croatia	3.0	2.8	3.3	2.9	3.2	2.9
Poland	3.4	3.0	3.6	3.1	3.5	3.1
Romania	2.6	3.1	2.5	2.9	2.6	3.0
Slovakia	2.4	2.1	2.3	2.5	2.4	2.3
Slovenia	2.6	2.6	2.5	2.6	2.6	2.6

Source: OECD, European Committee

* average of the two organizations' forecasts

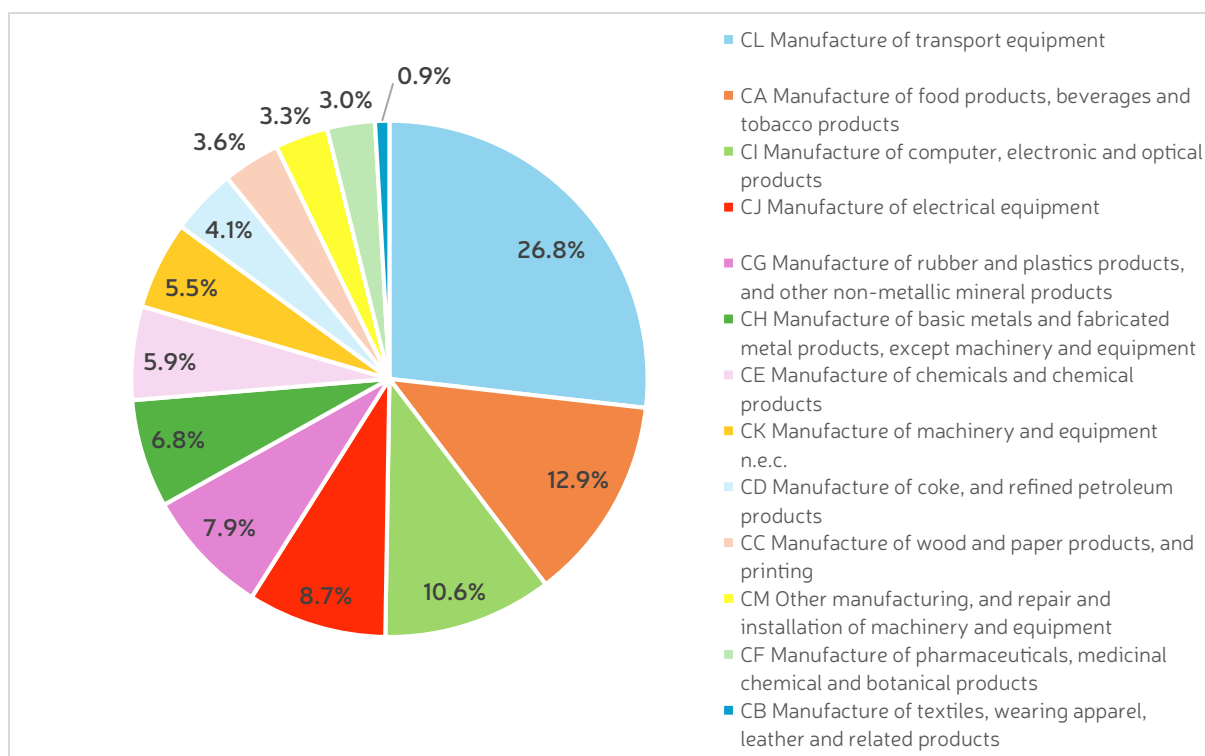
It is a positive development that the international organisations expect growth in all the countries of the region for 2025 and 2026 as well; however, they are more cautious than previous forecasts, and estimates have been revised downwards for several states. The biggest growth is expected to be in Poland in 2025 and 2026, but next year a remarkable expansion can be forecasted in Hungary and Romania as well. **Based on the forecasts of the OECD and the European Commission, Hungary is expected to reach an expansion of 2.0% this year, and around 3.0% in 2026.**





In the first 2 months of 2025, the total production value of manufacturing reached HUF 8,261.1 billion, which represents a 1.6% decline compared to the same period of the previous year, and a drop of 6.7% was also registered based on the volume index. The manufacture of transport equipment accounted for 26.8%, the manufacture of food products, beverages and tobacco products for 12.9% and manufacture of computer, electronic and optical products for 10.6% of the production output.

Share of manufacturing output by sub-sector (January–February 2025)



Source: KSH

Examining the volume index of production in January–February 2025, expansion was registered in only three sub-sectors: the manufacture of computer, electronic and optical products (+6.8%), the manufacture of wood and paper products, and printing (+4.9%) as well as the manufacture of chemicals and chemical products (+4.2%). **However, a decrease was recorded in 10 of the 13 manufacturing sub-sectors.** The largest decline was experienced by the manufacture of electrical equipment (-26.8%), followed by the manufacture of basic metals and fabricated metal products (-13.0%) as well as the manufacture of coke and refined petroleum products by a decrease of 10.5%.

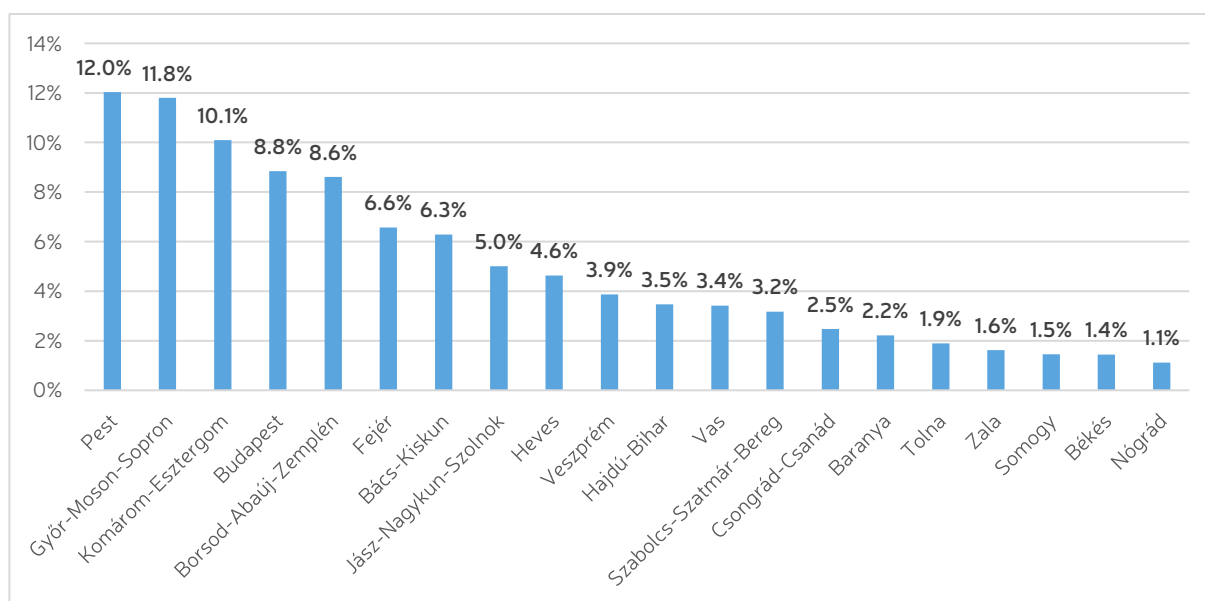
The restrained performance of the industry may be primarily due to the slowdown of the export markets. Manufacturing is highly export-oriented; therefore, it is largely determined by the development of foreign markets. At the same time, it is important to note that the domestic manufacturing sector would have capacities, while both the volume of industrial exports and the volume of the total new orders for the key manufacturing sectors fell short of the volume registered a year earlier. The December–January data for electrical equipment manufacturing sub-sector is likely to have fallen behind the previous year's ones, because several factories stopped production for a shorter period.

The uncertainty in industrial production across Europe continues to have a tangible impact in Hungary. The increase in U.S. tariffs and the resulting rising uncertainty in economic policy are making the planning processes of manufacturing companies quite difficult all over the world, including in Hungary. At this moment, it is hard to predict the most important domestic economic developments of the coming months.

The majority of manufacturers operating in Hungary continue to reserve workforce, and the series of weak industrial performances suggests that in the short term it is difficult to outline a trend reversal in industry. The economic stimulus measures of the European Union and Germany may help the domestic sector, but even it may take several quarters for the positive effects to appear. The greatest uncertainty is, of course, Donald Trump's tariff war, which could mean a narrowing of the market in the short term and possibly the withdrawal of production capacities. **In the longer term, it is even more difficult to predict how the allocation decisions of multinational companies in Europe will be affected by increased tariffs.**

Examining the territorial distribution of total industrial output, **based on the data for the period January–February 2025, three counties were able to show growth**, the largest being Hajdú-Bihar County with 10.6%, Szabolcs-Szatmár-Bereg County with 2.1%, while in Jász-Nagykun-Szolnok County the volume of industrial production increased by 0.1%. On the contrary, the volume of production decreased by 17.1% in Csongrád-Csanád County, while industry performance dropped by 16.9% in Pest County, and by 14.1% in Békés County.

Share of industrial output by county (January–February 2025)

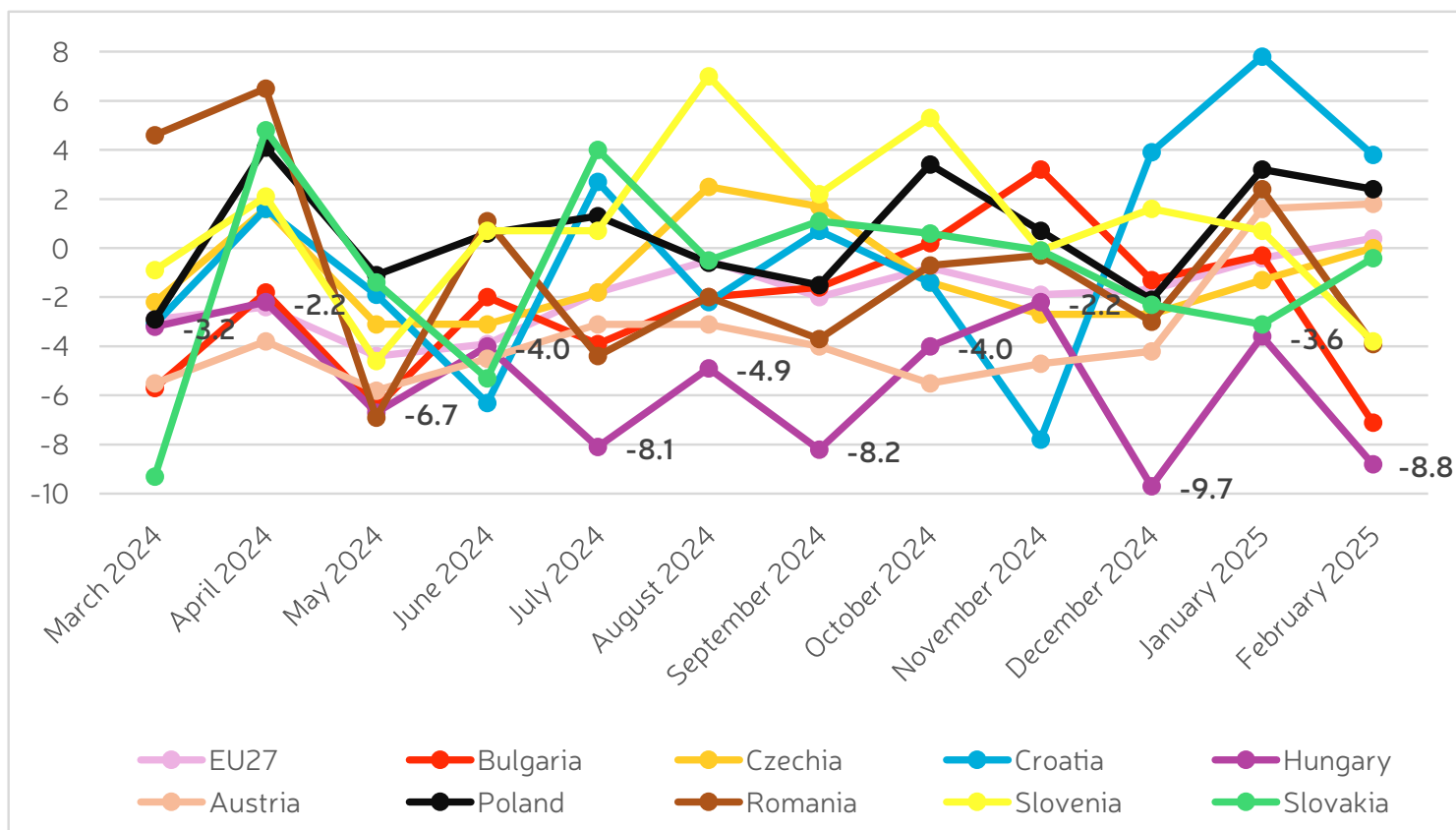


Source: KSH

In terms of industrial production in Hungary, the counties of Pest, Győr-Moson-Sopron and Komárom-Esztergom can be highlighted; the 3 territorial units together accounted for more than one third (33.9%) of the total industrial output in the first two months of 2025. The lowest share was represented by the counties of Nógrád, Békés and Somogy, with shares of 1.1%, 1.4% and 1.5%, respectively.

Looking at the 12-month period from March 2024 to February 2025, it can be concluded that regional manufacturing output has still not fully recovered, although some countries have already registered growth on an annual basis in the first two months of this year. It is worth noting that only two Central European countries had positive average monthly growth over the 12-month period: Slovenia (0.9%) and Poland (0.6%). **In terms of the above period, the average monthly decrease in the manufacturing production volume index of Hungary was 5.5%.**

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



Source: Eurostat



In 2024, the value of Hungarian goods exports decreased by 3.6% on an annual basis to EUR 144.2 billion, and the value of goods imports by 5.7% to EUR 132.5 billion. The foreign trade balance of goods improved by EUR 2.6 billion in one year, with a surplus of EUR 11.6 billion. The significant improvement in the foreign trade balance is mainly due to the substantially lower energy deficit than in the previous year and lower demand for imports of declining investments. Decreasing exports resulted by weak industrial production and the import-enhancing effect of the recovery in consumption have only partially restrained the rise in the foreign trade surplus.

The EUR 5.45 billion decline in exports of in 2024 was mainly due to a decrease in exports to Germany (EUR 3.35 billion, 8.5%), Italy (EUR 1.14 billion, 13.3%) and Belgium (EUR 0.84 billion, 22.1%). In the case of all three countries, Hungarian Li-ion battery exports dropped the most. Last year, goods exports increased to Poland (EUR 0.92 billion, 13.6%), Mexico (EUR 0.43 billion, 36.6%) and the United States (EUR 0.38 billion, 6.9%) the most. While in the case of Poland, the Hungarian export growth was mainly driven by the export of immunological products, in the case of the USA and Mexico – contrary to the general trend – it was primarily the Li-ion batteries that resulted in the dynamic expansion.

The evolution of Hungarian Li-ion battery exports according to the most important export markets (2023–2024)

Ranking (2024)	TOP export partner country (2024)	Exports (2023, EUR million)	Exports (2024, EUR million)	Annual change (EUR million)	Annual change (%)
1	Germany	4 701.2	2 620.0	-2 081.2	-44.3%
2	USA	746.6	1 153.9	407.2	54.5%
3	Mexico	5.3	350.3	345.0	6 542.9%
4	Belgium	1 045.3	348.6	-696.7	-66.7%
5	Slovakia	302.9	256.7	-46.1	-15.2%
6	United Kingdom	178.7	243.4	64.7	36.2%
7	Türkiye	9.6	227.1	217.5	2 274.0%
8	Czechia	948.7	200.4	-748.3	-78.9%
9	Italy	804.5	198.1	-606.4	-75.4%
10	Spain	210.3	162.9	-47.4	-22.6%
11	Netherlands	165.8	98.9	-66.8	-40.3%
12	Austria	133.1	96.2	-36.9	-27.7%
The above 12 countries in total (2024)		9 251.9	5 956.4	-3 295.5	-35.6%
Total		9 562.1	6 137.6	-3 424.4	-35.8%

Source: KSH

62.8% (EUR 3.42 billion) of the decrease in total Hungarian goods exports was caused by the 35.8% drop in Li-ion battery exports. In 2023, Li-ion battery exports accounted for 6.4% (EUR 9.56 billion) of total Hungarian exports, while in 2024 this share decreased to 4.3% (EUR 6.14 billion). **Despite the export value shrinking to less than two-thirds, Li-ion batteries remained Hungary's dominant export item last year.**

In 2024, Hungarian Li-ion battery exports were highly concentrated geographically, with 97.0% of exports going to eight EU and four non-EU countries.

Exports of this product to Germany, the largest market for Hungarian Li-ion battery exports, fell by 44.3%, or more than EUR 2 billion in one year, and an annual decrease of 15.2–78.9% was also seen in the other seven EU markets. The amount of the annual decrease in the total Hungarian Li-ion battery exports was essentially due to the drop of EUR 3.53 billion in exports of the product to Germany, Belgium and Czechia. In case of the other export markets, the annual changes in battery exports balanced each other out. **In 2023, Germany, Belgium and Czechia were the three most important export markets,** accounting for 70.0% of total Hungarian Li-ion battery exports. In 2024, these three countries had only 51.6% share of the total Hungarian Li-ion battery exports.

Last year, out of the 12 most important export markets for Hungarian Li-ion battery exports, Hungarian exports expanded only in the four non-EU relations. While the total Hungarian Li-ion battery exports shrank by more than one third (35.8%), **Hungarian Li-ion battery exports to the four most important non-EU markets (the United States, Mexico, the United Kingdom and Türkiye) more than doubled (increased by 110.0%) in 2024.**

With its 42.7% share, Germany continues to be the main export market for Hungarian Li-ion battery exports, even though exports to this country have shrunk by around 44.3% in one year.



Realignment of the most important export markets for Hungarian Li-ion battery exports (2023–2024)

Ranking (2023)	Ranking (2024)	TOP export partner country (2024)	Exports (2023, EUR million)	Exports (2024, EUR million)	Export share (2023, %)	Export share (2024, %)
1	1	Germany	4 701.2	2 620.0	49.2%	42.7%
5	2	USA	746.6	1 153.9	7.8%	18.8%
23	3	Mexico	5.3	350.3	0.1%	5.7%
2	4	Belgium	1 045.3	348.6	10.9%	5.7%
6	5	Slovakia	302.9	256.7	3.2%	4.2%
8	6	United Kingdom	178.7	243.4	1.9%	4.0%
20	7	Türkiye	9.6	227.1	0.1%	3.7%
3	8	Czechia	948.7	200.4	9.9%	3.3%
4	9	Italy	804.5	198.1	8.4%	3.2%
7	10	Spain	210.3	162.9	2.2%	2.7%
9	11	Netherlands	165.8	98.9	1.7%	1.6%
10	12	Austria	133.1	96.2	1.4%	1.6%
The above 12 countries in total (2024)			9 251.9	5 956.4	96.8%	97.0%
Total			9 562.1	6 137.6	100.0%	100.0%

Source: KSH

Between 2023 and 2024, among the most important markets for Hungarian Li-ion battery exports, Czechia (from 3rd place to 8th place) and Italy (from 4th place to 9th place) suffered the most significant loss of position, but the export share of Belgium, which fell from 2nd place to 4th place, also dropped by almost half in one year.

Between 2023 and 2024, the United States moved up from 5th to 2nd place, Mexico from 23rd to 3rd place, the United Kingdom from 8th to 6th place, and Türkiye from 20th to 7th place among the 12 most important export markets for Hungarian Li-ion battery exports. **The rapid growth of non-EU markets is well indicated by the fact that the United States, Mexico, the United Kingdom and Türkiye had a 9.8% share of the total Hungarian Li-ion battery exports in 2023 and 32.2% in 2024.**

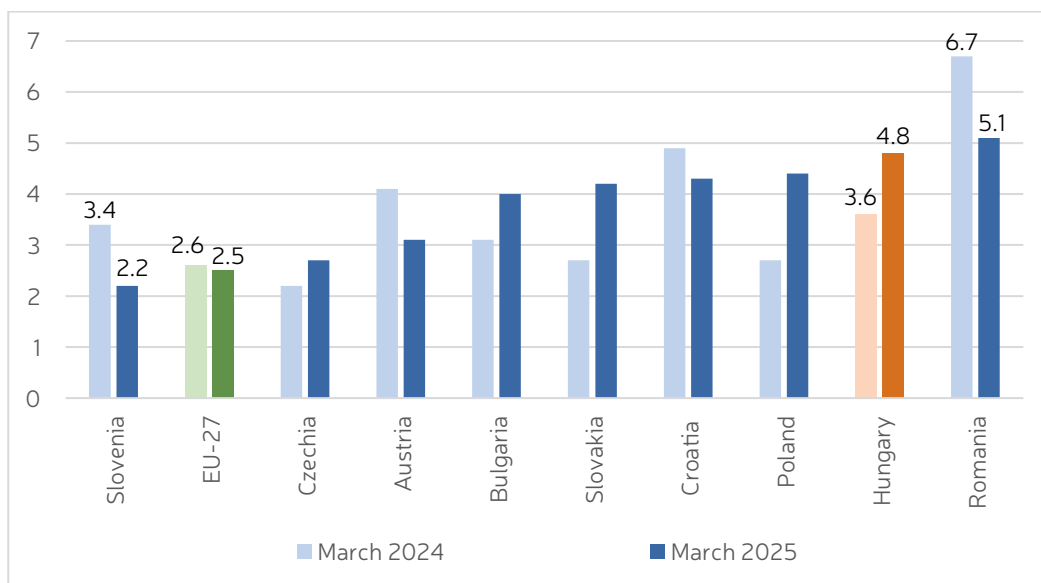
In January–February 2025, the value of Hungarian goods exports of EUR 24.2 billion stagnated year-on-year, while goods imports increased by 1.1% to EUR 22.2 billion. The MNB expects exports to shrink in the first half of 2025 due to declining industrial production. The imposition of US tariffs may reduce demand for Hungarian export products directly in the Hungarian-American relationship and indirectly (for example, through trade relations with Germany, China and Mexico). According to the MNB, the US export exposure of Hungarian output (2.9%) is the 7th largest among EU member states and higher than the EU average (2.5%). As of the end of the year, Hungarian exports could increase as a result of the investments related to battery and electric car production in Hungary and in case of an increase in external demand. **The MNB expects moderate export growth of 0.6–2.6% in 2025.**



In March 2025, the Harmonised Index of Consumer Prices (HICP) used by Eurostat was 2.5% in the European Union. Among the member states, the fastest average price increase was measured in Romania (5.1%), Hungary (4.8%) and Poland (4.4%), while France (0.9%), Denmark (1.4%) and Luxembourg (1.5%) had the lowest HICP rates.

In March 2025, among the Central European EU member states, inflation in Slovenia (2.2%) fell below the EU average (2.5%), while in the other member states the Harmonised Index of Consumer Prices typically ranged between 2.7–5.1%. In March an 4.8% inflation rate was measured in Hungary. Among the Central European EU member states, the HICP increased the most in Poland (by 1.7 percentage points), Slovakia (by 1.5 percentage points) and Hungary (by 1.2 percentage points) over the year. In the region, the price index decreased the most in Romania (by -1.6 percentage points), Slovenia (by -1.2 percentage points) and Austria (by -1.0 percentage points) compared to March 2024.

Evolution of the Harmonised Index of Consumer Prices (HICP) in the Central European member states (March 2024–March 2025, %)



Source: Eurostat

Based on KSH data, in Q1 2025, the average consumer price index in Hungary was 5.3%. In January–March 2025, the highest annual price increases were registered for services (8.4%) and food (6.7%).

The prices of alcoholic beverages and tobacco (5.1%), other goods including motor fuels (2.7%), clothing and footwear (2.0%) and consumer durable goods (1.5%) also increased. At the same time, the average price level of household energy decreased by 0.9%.

In March 2025, consumer prices were on average 4.7% higher than a year earlier. The fastest rate of price increase was observed in the prices of services (7.5%), including rents by 11.8%, postal services by 11.3%, the repair and maintenance of vehicles by 10.3%, the repair and maintenance of dwellings by 10.0%, and personal care services by 9.9%. **The price of food (7.0%) also increased at an above-average rate,** with flour rising by 42.2%, edible oil by 32.7%, eggs by 26.1%, and coffee by 18.6%, while the price of other meat preparations decreased by 1.4% and pasta products by 0.8%. The price of alcoholic beverages and tobacco increased by an average of 5.5%, and that of clothing and footwear by 2.3% in one year. **The price of motor fuels decreased by 2.5%,** while pharmaceutical products became 3.1% more expensive than in March 2024. **Consumer durables prices were up by 2.1% on average,** including jewelry by 21.0%, new passenger cars by 6.1%, living and dining room furniture by 3.2%, while second-hand passenger cars cost 2.0% less. **The average price of household energy decreased by 2.7% in one year.**

By 2025, higher-than-expected repricing at the beginning of the year predict a higher inflation trajectory. According to the MNB's expectations, the consumer price index will decrease as a result of the restriction of food price margins; however, it is expected to remain above the Central Bank's tolerance band ($3\% \pm 1$ percentage point) for the rest of the year. **Sustained disinflation may restart in Q4 2025, and inflation could return to the Central Bank's tolerance band in early 2026.** The development of consumer prices is surrounded by considerable uncertainty, so the MNB also provided a banded forecast in its Inflation Report published on 27 March 2025.

MNB inflation forecast in March 2025 (2024–2027 annual average, %)

	2024 (fact)	2025	2026	2027
Inflation	3.7	4.5–5.1	2.9–3.9	2.5–3.5
Core inflation	4.6	5.0–5.5	3.2–3.9	2.6–3.2

Source: MNB, KSH

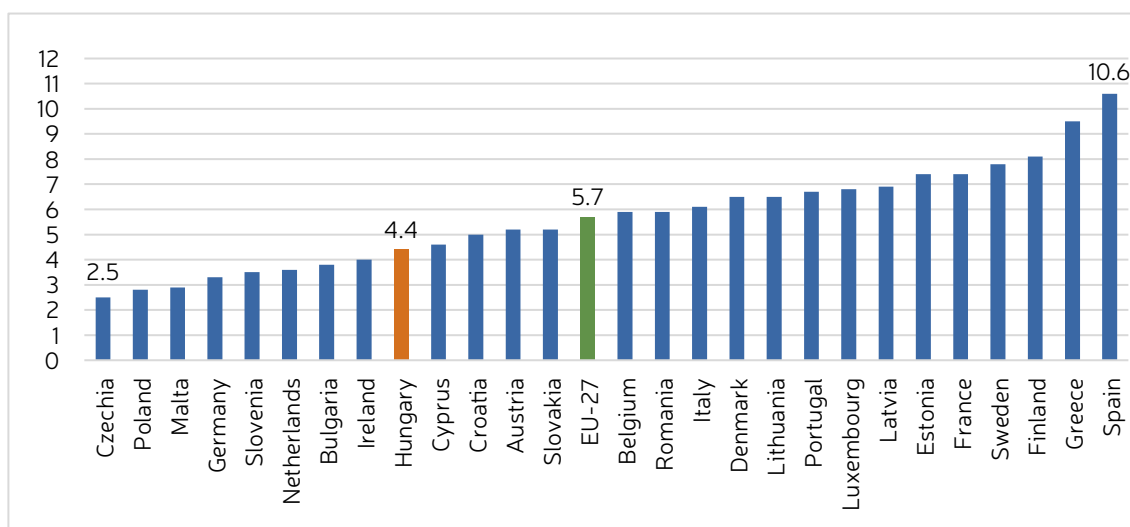




Unemployment

Based on Eurostat data, the Hungarian unemployment rate of 4.4% in Q4 2024 was the ninth lowest in the EU and – after Czechia, Poland, Slovenia and Bulgaria – the fifth lowest among Central European member states. The Hungarian unemployment rate is less than four fifths of the EU average (5.7%). In Hungary, the unemployment rate decreased from 7.0% to 4.4% in ten years.

Unemployment rate among the population aged 15–74 in the EU member states (Q4 2024, %)



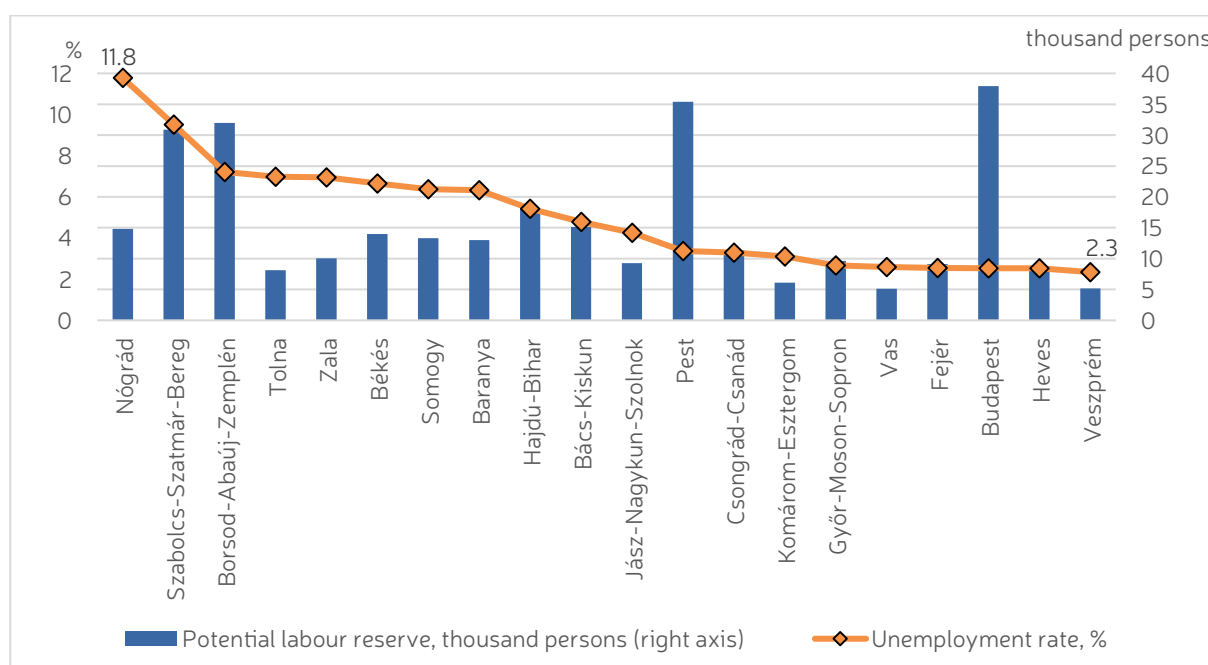
Source: Eurostat

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 2024, the number of unemployed people was 216.3 thousand, and the unemployment rate was 4.4%.** Compared to Q4 2023, the number of unemployed people decreased by 1.6 thousand, and the unemployment rate stagnated at 4.4%. Major geographical differences can be observed with regard to the unemployment rate.

In October–December 2024, the lowest unemployment rates were in the counties of Veszprém (2.3%), Budapest, Fejér and Heves (2.5% in all three), while the highest unemployment rates were in Nógrád (11.8%), Szabolcs-Szatmár-Bereg (9.5%) and Borsod-Abaúj-Zemplén (7.2%) counties.

More than half of the country's potential labour reserve (307.2 thousand people) is in the Great Plain and Northern Hungary (154.2 thousand people, 50.2%), more than one quarter in Transdanubia (79.6 thousand people, 25.9%), and close to one fourth is located in the capital and Pest County (73.4 thousand people, 23.9%). **Budapest (38.0 thousand people), Pest (35.4 thousand people), Borsod-Abaúj-Zemplén (32.0 thousand people), Szabolcs-Szatmár-Bereg (30.9 thousand people) and Hajdú-Bihar County (18.0 thousand people) have the largest potential labour force reserve based on KSH data.**

Hungary's unemployment rate and potential labour reserve among the population aged 15–74 broken down by county (Q4 2024, % and thousand people)



Forrás: Eurostat

In December 2024–February 2025, the number of unemployed people aged 15–74 decreased by 16.0 thousand to 214.0 thousand compared to the same period of the previous year. In line with this, the unemployment rate decreased by 0.3 percentage points to 4.4% in one year. Based on the data of the National Employment Service (NFSZ) 232,504 jobseekers were registered in March 2025, which means a decrease of 3,547 people (1.5%) compared to the same period of the previous year. Registered jobseekers accounted for 3.7% of the working-age population.

The tightness of the labour market eases, and labour demand moderates. In Q4 2024, there were 39,288 vacant positions in the business sector, which is 7,713 (16.4%) lower than in the same period of the previous year. **According to KSH data, the number of vacant positions dropped substantially in one year in manufacturing (15.4%), in the transportation and storage sector (21.7%), in the construction (30.3%) and in the administrative and service support activities sector, which also includes temporary employment agencies (32.2%).** According to the Central Bank's prognosis, the unemployment rate could be 4.2–4.3% in 2025 and 3.6–4.1% in 2026.

Earnings

Based on KSH data, in January–February 2025, the average monthly gross earnings of full-time employees in the business sector amounted to HUF 669,400, which is a 9.5% increase compared to the same period in 2024. In this sector, the median value of monthly gross earnings was HUF 522,700, which is 9.2% higher than the base value. In January–February 2025, at the level of the national economy (calculated without fostered workers), the average monthly gross earnings were HUF 664,700, which means an increase of 9.8% on an annual level. In February 2025, the average gross earnings were the highest in the information and communication sector (HUF 1,123,300), and the lowest in the field of accommodation and food services (HUF 432,200).

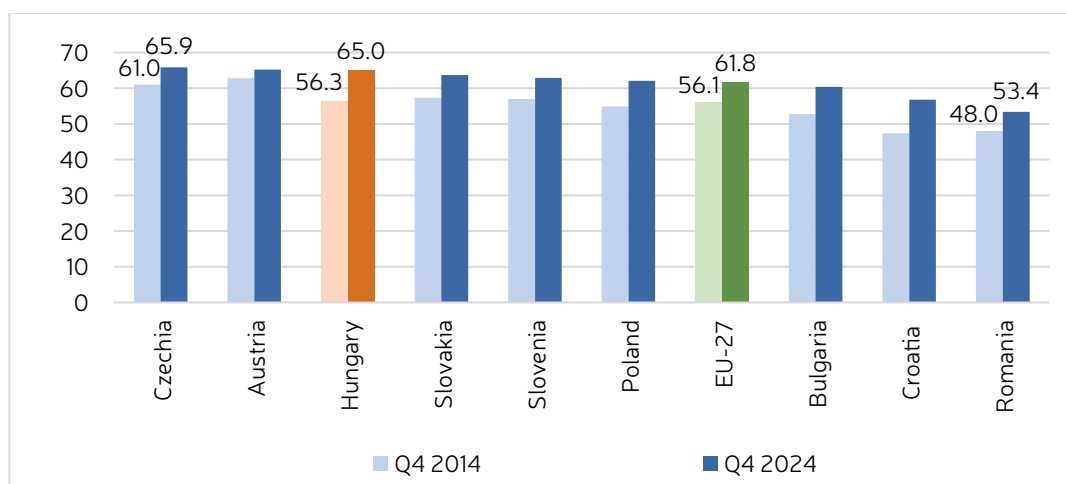
In 2025, nominal wage dynamics in the business sector may be more moderate than last year, in line with the easing of labour market tightness and the minimum wage increase. At the same time, inflation expectations of the population remained high. According to the MNB's forecast, in 2025, average gross earnings may increase by 9.6–10.4% and real wages by 4.6–5.4% in the business sector.

Employment

Based on Eurostat data, the Q4 2024 Hungarian employment rate (65.0%) exceeded the EU average (61.8%) by 3.2 percentage points, and thus Hungary has the third highest employment rate among Central European member states – after Czechia and Austria.

In ten years, Hungarian employment rate increased by 8.7 percentage points, which is considered the seventh largest increase in the EU.

Employment rate among the population aged 15–74 of the Central European member states (Q4 2014–Q4 2024, %)



Source: Eurostat

It has been the guideline of employment policy in Hungary since 2010, when the Government undertook to create 1 million new jobs while striving **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 people), and the employment rate was below 50% (49.8%).

In Q4 2024, nearly 4.7 million people (4,688.8 thousand) were registered as employed. Compared to Q4 2023, the number of employed people decreased by 23.5 thousand, and the employment rate stagnated at 65.0%. **In October–December 2024, the employment rate was the highest in Budapest (71.7%) and Győr-Moson-Sopron County (68.8%)**. Apart from them, it exceeded the national average only in the counties of Central Transdanubia, as well as in Pest (67.6%) and Vas County (65.4%). **In Hungary, the employment rate was the lowest in Tolna (57.1%), Zala (57.8%) and Nógrád County (57.9%)**.

During December 2024–February 2025, out of 4,689.2 thousand employees, 101.1 thousand people worked in foreign locations, and the number of fostered workers was 61.8 thousand. Both the number of people working abroad and the number of fostered workers decreased by 1.8 thousand people each compared to the same period of the previous year. According to the MNB's forecast, no increase in business sector employment is expected in the first half of this year, in line with moderate labour demand and the labour reserves available at companies. The number of people employed in the business sector may start to increase slowly in the second half of 2025, which may continue in 2026. Given that enterprises responded to the previous decline in their output by reserving labour and utilising the available labour capacity less; therefore, **according to the MNB's forecast, despite the gradual economic recovery, the number of people employed in the business sector may decrease by 0.3–0.7% in 2025, while it may increase by 0.4–0.9% in 2026**.





Based on the data of the MNB published on 28 March 2025, compiled according to the country of the final investor regarding 2023, **Germany remains the most important investing country in terms of the FDI stock in Hungary.** The total value of investments from Europe's largest economy amounted to around **EUR 20 billion in 2023, which equals to 18.7% of the total domestic FDI stock of EUR 107.5 billion.** The second largest investing country is Austria, as the stock of FDI from the neighbouring country exceeded EUR 11.6 billion (share of 10.8%).

Compared to 2022, the United States and South Korea swapped places in the ranking in 2023, therefore, according to the latest data, the USA is the number one investing country outside Europe, since 8.8% of the total FDI stock can be attributed to investors from the United States.

The largest Asian investor country is South Korea, accounting for 7.8% of the total FDI stock, which represents an investment of EUR 8.4 billion. **The distribution of investments is concentrated, considering that the TOP10 countries account for almost 70% of the total value.**

Foreign direct investment (FDI) stock in Hungary based on the country of ultimate investor (2023, TOP10 countries)

Ranking	Country	EUR million	Share
	Total	107 500	100.0%
1	Germany	20 074	18.7%
2	Austria	11 606	10.8%
3	USA	9 485	8.8%
4	South Korea	8 405	7.8%
5	France	5 137	4.8%
6	China	5 089	4.7%
7	Switzerland	3 766	3.5%
8	United Kingdom	3 353	3.1%
9	Japan	3 310	3.1%
10	Italy	3 150	2.9%

Source: MNB

Among the 10 largest investing countries are 3 East Asian states (South Korea, China, Japan), which together account for 15.6% of the total FDI stock. Another 4 countries are members of the European Union (Germany, Austria, France, Italy), which together account for more than 37% of the total value.

According to preliminary data published by UNCTAD in January, global FDI flows reached nearly USD 1.4 trillion last year, which represent an 11% increase compared to the 2023 figure. If we do not take into account certain European countries, which are considered major financial centres, we can speak of an 8% decline, while in Europe an even higher decrease of 45% was recorded.

The number of greenfield investments announced globally decreased by 8% and their value by 7% in 2024 compared to the previous year. EU member states received 26% fewer greenfield investments, with the biggest decline recorded in Germany, Poland and France. In contrast, the number of greenfield investments in North America increased by 20%.

The number of cross-border mergers and acquisitions dropped by 13% last year, while their total value increased by 2%. In terms of value, the European Union recorded an 18% increase, while North America registered a 75% expansion. However, the total value of cross-border mergers and acquisitions fell by 56% in Asia and 65% in South America.





Between 2018 and 2023, the number of people studying in tertiary educational institutions in Hungary grew by more than 10%, increasing from 281,461 to 310,414 people. The largest percentage increase was recorded in the field of social and behavioural science (+36.5%), followed by computing (+27.0%), as well as health and welfare (+25.0%).

The largest decrease was recorded in the fields of science (-9.2%), engineering, manufacturing and construction (-5.9%), and teacher training and education (-3.1%).

The number of people studying in STEM fields (Science, Technology, Engineering and Mathematics) rose from 71,616 to 74,090 between 2018 and 2023, which corresponds to an increase of 3.5%.

In 2023, more than 18% of students studied in the field of business and administration, making this the field in which most students conduct their studies. It is followed by engineering, manufacturing and construction as well as health and welfare, which each represent a share of 12.5%.

In 2023, 61% of students participated in undergraduate (BA/BSc) training, which is a slight increase compared to 60% in 2018. It should be highlighted that the number of people participating in PhD/DLA training increased by 41.8% between 2018 and 2023, thus in 2023 it amounted to 10,730 people.



Number of students in Hungarian tertiary education by training of study in 2018 and 2023

Field of training	Number of students (capita)		Share of students		Change (2023/2018)
	2018	2023	2018	2023	
Total	281 461	310 414	100.0%	100.0%	10.3%
Business and administration	48 768	56 694	17.3%	18.3%	16.3%
Engineering, manufacturing and construction	41 276	38 849	14.7%	12.5%	-5.9%
Health and welfare	31 065	38 841	11.0%	12.5%	25.0%
Teacher training and education	34 318	33 249	12.2%	10.7%	-3.1%
Social and behavioural science	24 248	33 103	8.6%	10.7%	36.5%
Computing	21 255	26 995	7.6%	8.7%	27.0%
Law	15 306	17 979	5.4%	5.8%	17.5%
Humanities	15 602	16 375	5.5%	5.3%	5.0%
Services	15 189	15 025	5.4%	4.8%	-1.1%
Agriculture	10 582	10 540	3.8%	3.4%	-0.4%
Arts	7 017	8 288	2.5%	2.7%	18.1%
Science	9 085	8 246	3.2%	2.7%	-9.2%
Not classifiable by field of training	7 750	6 230	2.8%	2.0%	-19.6%

Source: KSH Information Database

Based on the data from the 2022 census , it can be concluded that in 2022, 20.5% of the population over 7 years of age had a higher education degree. In 2001, this indicator was only 9.8%, and in 2011 it was 15.5%. The proportion of people with a maximum of 8 years of primary education qualification was 29.8% in 2022, which is a substantial decrease compared to 50.7% in 2001.

Notes



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