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Closed on: 17 July 2025

THIS REPORT WAS CONDUCTED BY
Hungarian Investment Promotion Agency (HIPA)

PUBLISHER
Hungarian Investment Promotion Agency (HIPA)

WEB ADDRESS
www.hipa.hu



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Summary

GDP

GDP volume: 0.0% (Q1 2025)
Prognosis (2025): 0.8% (MNB), 0.8% (EC), 0.9% (OECD), 1.4% (IMF)



- In Q1 2025, the value of GDP was HUF 18,611 billion.
- Out of the 27 countries of the European Union, the GDP decreased in 6 member states on an annual basis.



- In the first 5 months of 2025, the total production value of manufacturing amounted to HUF 21,427.2 billion.
- In terms of industrial production in Hungary, the counties of Győr-Ménfőcsanak, Pest and Komárom-Esztergom can be highlighted.

Manufacturing

The key sectors were the Manufacture of transport equipment (27.1% share), the Manufacture of food products, beverages and tobacco products (12.9%) and the Manufacture of computer, electronic and optical products (10.5%).



Foreign trade

Goods exports: +1.8%, EUR 62.2 billion (yoy, January–May 2025)
Goods imports: +4.5% (yoy, MNB prognosis, 2026)

- In the first 5 months of 2025, the export share of digital data processing units (3.6%) already exceeded that of Li-ion batteries (3.0%).
- The export of medicinal and pharmaceutical products increased by 15.1% in one year; therefore, in the first 5 months of 2025 this product group was already the 3rd most important export item of Hungary.
- In the first 5 months of 2025, the exports of office machines and automatic data processing machines grew by EUR 1.28 billion on an annual basis, exceeding the EUR 1.11 billion increase in total Hungarian goods exports.

Labour market

Unemployment rate: 4.8% (MNB prognosis, 2026)
Average gross earnings in the business sector: +9.3% (yoy, MNB prognosis, 2026)

Inflation

Consumer Price Index: 4.8% (yoy, January–June 2025)
Average annual inflation: 3.7% (yoy, MNB prognosis, 2026)



- In June 2025, Hungary, tied with Slovakia, had the third highest (4.6%) Harmonized Index of Consumer Prices (HICP) within the EU, after Romania (5.8%) and Estonia (5.2%).
- In June 2025, consumer prices in Hungary increased by an average of 4.6%.
- According to the MNB, the rate of price increases may return to the Central Bank's tolerance band (3.0% ± 1%) in early 2026 and reach the 3% inflation target in 2027.



- The Hungarian unemployment rate in Q1 2025 (4.3%) was the 9th lowest in the EU, significantly below the EU average (6.2%).
- The Hungarian employment rate in Q1 2025 (65.3%) exceeded the EU average (61.6%) and was the 2nd highest among Central European member states.
- In the first 5 months of 2025, the average gross earnings in the business sector increased by 8.9% (to HUF 699,400) on an annual basis.



- Global FDI flows expanded by nearly 4% in 2024, reaching USD 1,509 billion. If we do not take into account certain European countries, which are considered major financial centres, global FDI flows was 11% lower than in 2023.

FDI

In 2024, most of the announced greenfield investment projects concern the United States (2,460 projects), the United Arab Emirates (1,359), the United Kingdom (1,193), India (1,080), and Germany (887).

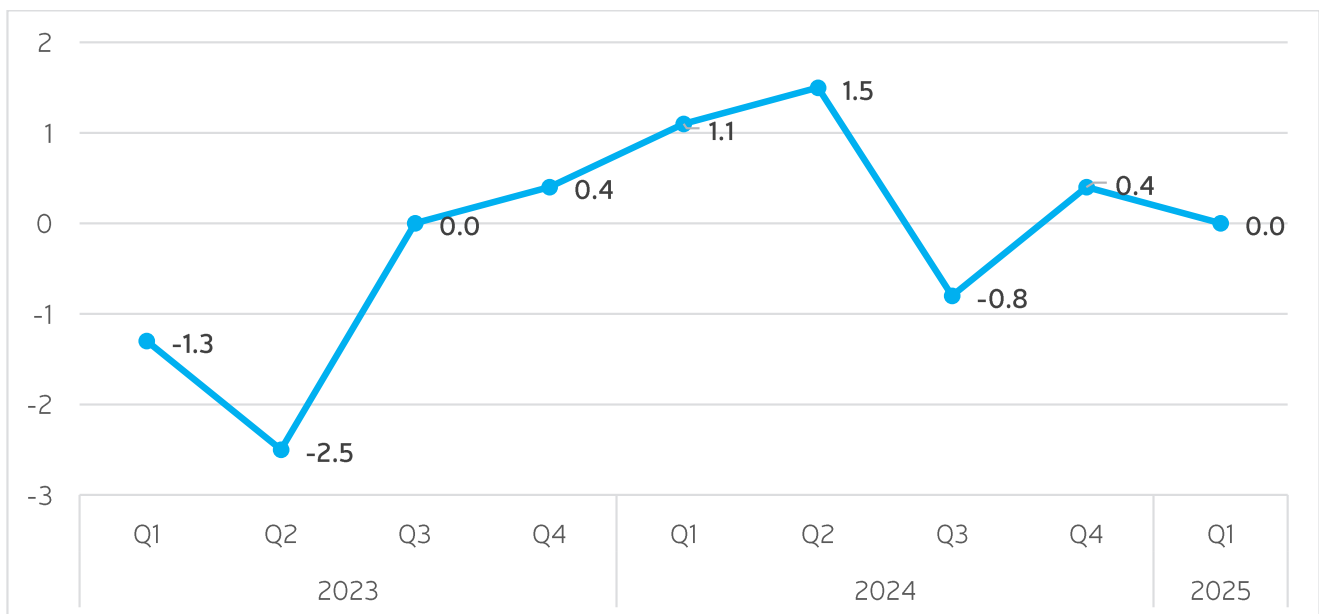


In Q1 2025, according to raw data, the volume of GDP stagnated in Hungary compared to the same period of the previous year. The performance of manufacturing in Q1 this year fell short of that registered in the same period of the previous year (this time by 4.6%), which can be mostly explained by the decline in the manufacture of electrical equipment. In contrast, the manufacture of computer, electronic and optical products was able to expand. The construction grew in Q1 and Q2 2024, however, its performance decreased again in the first 3 months of this year after Q3 and Q4 2024: its value added was 5.1% lower than in the same period of 2024. The performance of agriculture fell by 0.7% in Q1 from that registered a year earlier.

Similar to all quarters of 2024, the gross value added of services also increased in the first 3 months of this year (by 1.1%), primarily due to the expansion of education (3.5%) and arts, entertainment and recreation (3.1%). Services contributed positively to the stagnation of GDP in Q1 2025 (+0.7 percentage points), while industry (-0.7 percentage points) and construction (-0.2 percentage points) contributed negatively. The performance of agriculture did not substantially influence the development of GDP.

GDP growth in Hungary

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



Source: KSH (Central Statistical Office)

On the expenditure side, the actual final consumption of households increased by 2.2% compared to Q1 2024. Household final consumption expenditure also increased (by 4.1%), supported primarily by real wage increase, as well as the improvement in consumer confidence. It should be noted here that the volume of retail sales has not decreased in any month since December 2023. It is also important to mention that the volume of both construction investments and investments in machinery and equipment has fallen.

All in all, **actual final consumption contributed 2.2 percentage points to the performance of the national economy in Q1 2025, on the other hand gross capital formation slowed it down by 1.9 percentage points, while the balance of foreign trade restrained it by 0.3 percentage points.**

The Hungarian National Bank (MNB) expects an increase of 0.8% in 2025 and 2.8% in 2026. According to the Central Bank's expectations, as a result of real wage increase, announced government measures, falling government bond interest rates (and the resulting outflow of interest income), and recovering household lending, **in 2025, primarily household consumption may support the gradual increase in GDP.** However, we cannot talk about the previously robust dynamism, the pace of expansion has slowed down. The economic recovery effect of extending the personal income tax exemption for mothers and providing food vouchers for pensioners will probably appear only 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 Demjén Sándor programme, which supports technological innovation and digitalization, will serve to strengthen small and medium-sized enterprises.

In the run-up to the 2026 elections, fiscal policy will increasingly focus on boosting consumption. **The stability of consumption is likely to persist in the long term, as the domestic labour market is relatively stable, real wage is rising, and other benefits may appear as the elections approach.**

Subdued economic growth is primarily due to the lack of investments. There is no room for progress in the public sector due to tight budget (EU funds are not available, and any release of funds is unlikely before the elections). Stakeholders in the private and corporate sector do not start new investments, they prefer to wait or possibly postpone their plans. This can be primarily explained by the trade war, geopolitical risks, the uncertain financial environment and tight financing conditions. **Investment volume has been continuously declining since Q4 2022, one of the reasons for which is that the investment-oriented economic strategy has led to overcapacity in many sectors.**

It is important to note, however, that both the risks surrounding industrial production and 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, Home Start Programme, and using the pension fund savings for housing purposes) may give it a new momentum. One sign of this may be that after 11 months of volume decline, construction output increased again in May 2025.

This year's growth track may be influenced by a number of risks: the pace of the European (and German) economic momentum, uncertainties around the (electric) automotive industry, US President Trump's trade policy measures, and the relatively narrow space of fiscal and monetary policy.

Customs tariffs are likely to reduce the volume of direct Hungarian export to the United States (this happened in April and May 2025 on an annual basis), and indirectly the deliveries to Germany. 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; thus, negative impacts may also occur directly. Sudden fall of demand may reduce the capacity utilisation of factories in the short term, which may also have a negative impact on labour market processes.

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 automotive companies will be able to find new markets for their products.

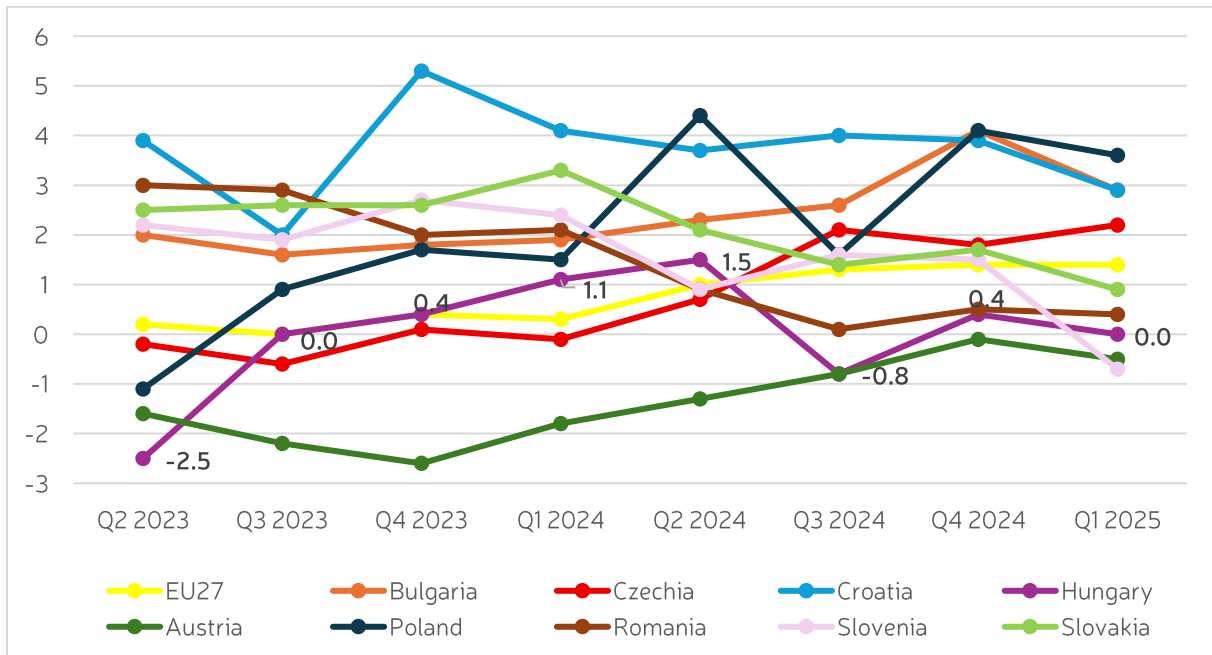
In addition to stable consumption growth, the expected recovery in the second half of the year can also be supported by normalising global market economy and base effects.

Looking at Q1 2025, economic growth in most European economies was in line with analysts' expectations, nevertheless, the economic performance of the European Union remained moderate (+1.4%). However, it is important to note that compared to the expansion in Q4 of last year, lower annual growth was recorded in several member states in the first three months of this year.

Out of the 27 countries of the European Union, the GDP decreased in 6 member states on an annual basis. **According to Eurostat data, an expansion of 3.6% in Poland, 2.2% in Czechia, and 0.9% in Slovakia was registered among the Visegrád countries in Q1 2025, while stagnation was registered in Hungary.** The economic performance of the European Union also improved (+1.4%), and overall, we can state that in a positive sense, the Irish (22.2%), Danish (4.0%) and Polish growth (3.6%) can be highlighted, while in a negative context, the Slovenian (-0.7%) and Austrian decline (-0.5%) can be highlighted.

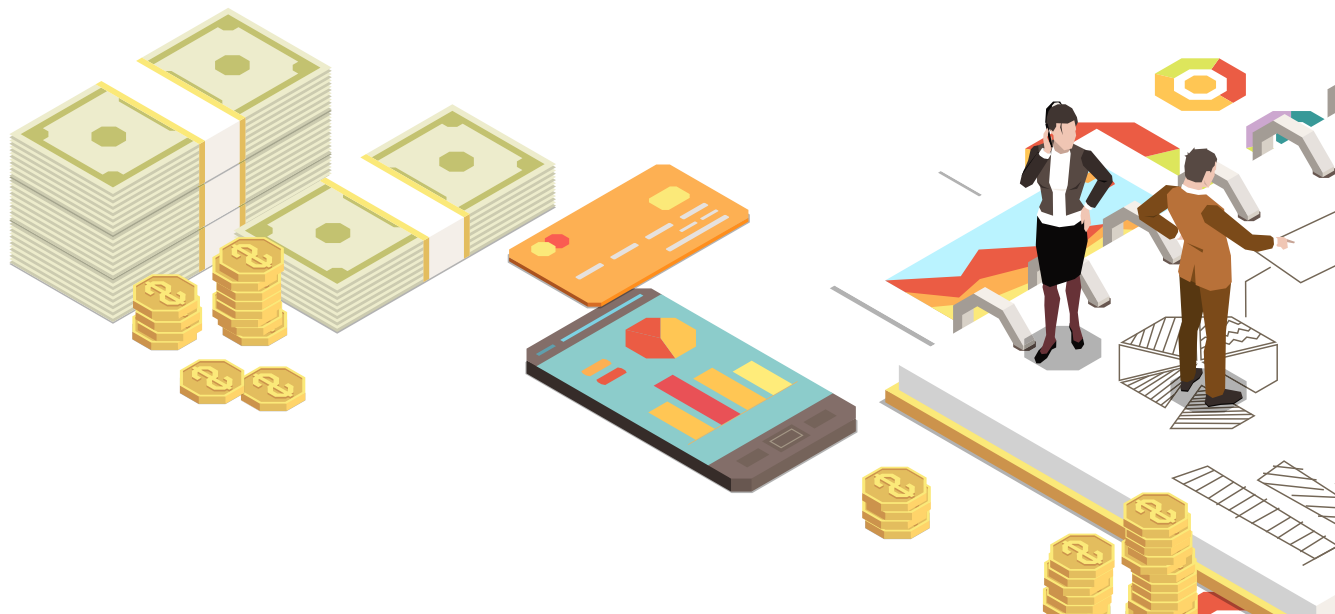


GDP growth of regional countries on an annual basis
(%, Q2 2023-Q1 2025)



Source: Eurostat

It is a positive development that international organizations expect expansion in all the countries of the region for 2025 and 2026; however, they are more cautious compared to previous forecasts, and estimates have been revised downwards for several states. The largest growth is expected in Poland and Croatia in 2025 and 2026, at the same time, remarkable expansion can also be forecasted in Hungary next year. **Based on the forecasts of the European Commission, the IMF and the OECD, an expansion of around 1.0% is expected in Hungary this year, while in 2026 it is expected to be around 2.5%.**



GDP growth of regional countries (%, forecast)

Country	European Commission		IMF		OECD		Anticipated growth*	
	2025	2026	2025	2026	2025	2026	2025	2026
Hungary	0.8	2.5	1.4	2.6	0.9	2.4	1.0	2.5
Eurozone	0.9	1.4	0.8	1.2	1.0	1.2	0.9	1.3
Austria	-0.3	1.0	-0.3	0.8	-0.3	1.0	-0.3	0.9
Bulgaria	2.0	2.1	2.5	2.7	2.6	2.3	2.4	2.4
Czechia	1.9	2.1	1.6	1.8	1.9	2.2	1.8	2.0
Croatia	3.2	2.9	3.1	2.7	2.9	2.7	3.1	2.8
Poland	3.3	3.0	3.2	3.1	3.2	2.7	3.2	2.9
Romania	1.4	2.2	1.6	2.8	1.5	2.4	1.5	2.5
Slovakia	1.5	1.4	1.3	1.7	1.4	1.1	1.4	1.4
Slovenia	2.0	2.4	1.8	2.4	1.6	2.4	1.8	2.4

Source: European Commission, IMF, OECD

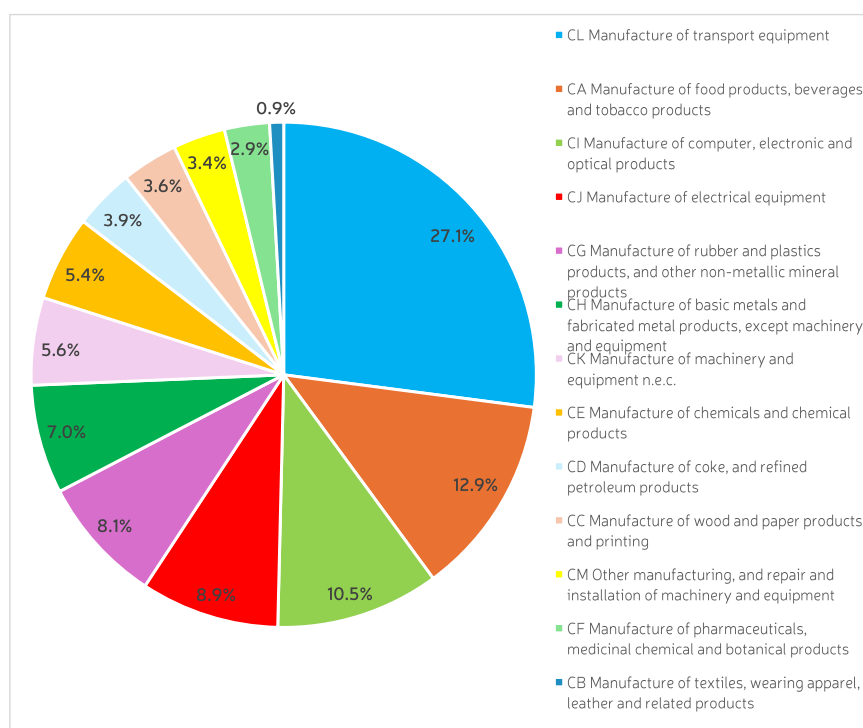
* Average of the three organizations' forecasts





In the first 5 months of 2025, the total production value of manufacturing amounted to HUF 21,427.2 billion, which represents a 0.1% decline compared to the same period of the previous year, and a decrease of 4.3% was also registered based on the volume index. The manufacture of transport equipment accounted for 27.1%, the manufacture of food products, beverages and tobacco products for 12.9%, and the manufacture of computer, electronic and optical products for 10.5% of the production output.

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



Source: KSH

Examining the volume index of production, in the period January–May 2025, growth was registered in only two sub-sectors: the manufacture of computer, electronic and optical products sub-sector (+6.7%), as well as the manufacture of wood and paper products, and printing sub-sector (+3.9%). **However, a decrease was recorded in 11 of the 13 manufacturing sub-sectors.** The largest decline was experienced by the manufacture of electrical equipment (-19.5%), followed by the manufacture of basic metals and fabricated metal products (-10.0%), and the manufacture of machinery and equipment with a decline of 8.7%.

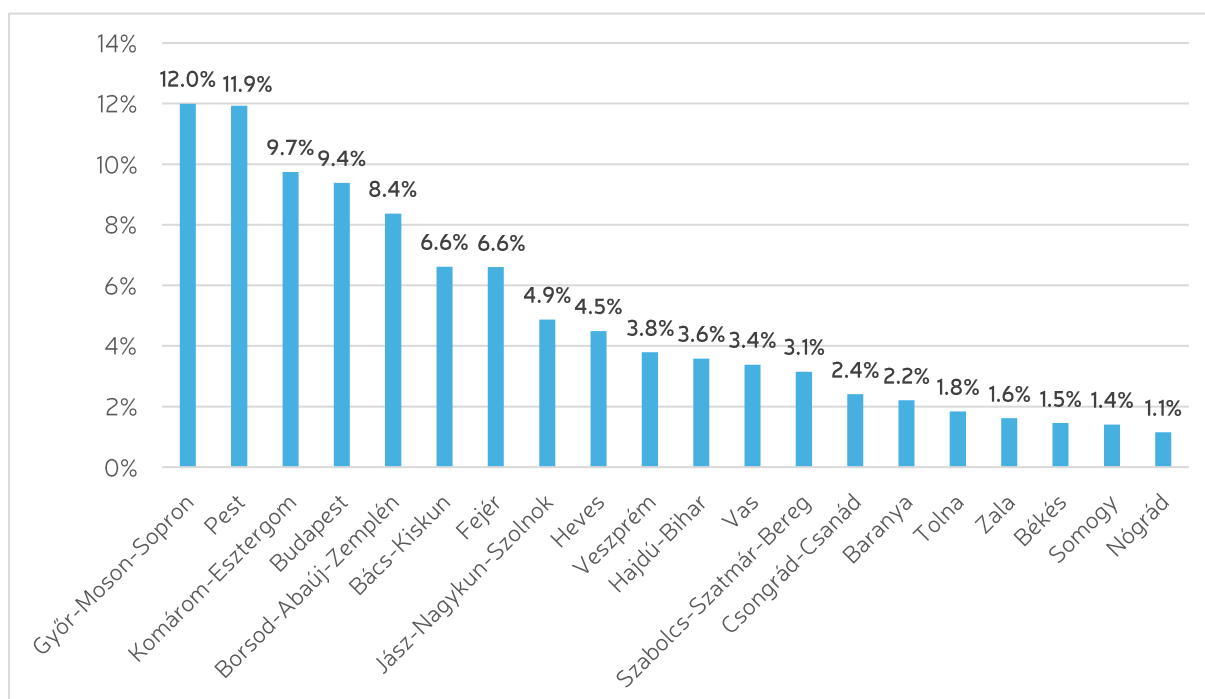
The restrained performance of the industry may be primarily due to the slowdown of the export markets. Manufacturing is highly export-oriented; therefore, it is largely determined by the development of foreign markets. However, it is important to note that the domestic manufacturing sector has capacities. A sign of recovery may also be that in May 2025, both the volume of industrial exports and the total new orders for the key manufacturing sectors increased on an annual basis.

U.S. tariffs and the resulting increased economic policy uncertainty 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 a series of weak industrial performances suggests that it is difficult to outline a trend reversal in industry in the short term. The economic recovery 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 Donald Trump's tariff war, which could mean narrowing of the market in the short term, and possibly the withdrawal of production capacities. The German (and European) economy is facing serious competitiveness problems with China, as high value-added Chinese products (such as automobiles) proving to be competitive in the market. **In the longer term, it is even more difficult to predict how allocation decisions of multinational companies in Europe will be affected by customs duties.**

Examining the territorial distribution of total industrial output, **based on the data regarding January–May 2025, six counties were able to show growth**, with the largest increase in the volume of industrial production in Hajdú-Bihar County by 13.0%, in Győr-Moson-Sopron County by 5.0%, while in Szabolcs-Szatmár-Bereg County by 1.3%. In contrast, the volume of production in Pest County dropped by 13.5%, in Bács-Kiskun County by 11.3%, while in Békés County the performance of industry fell by 8.7%.

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



Source: KSH

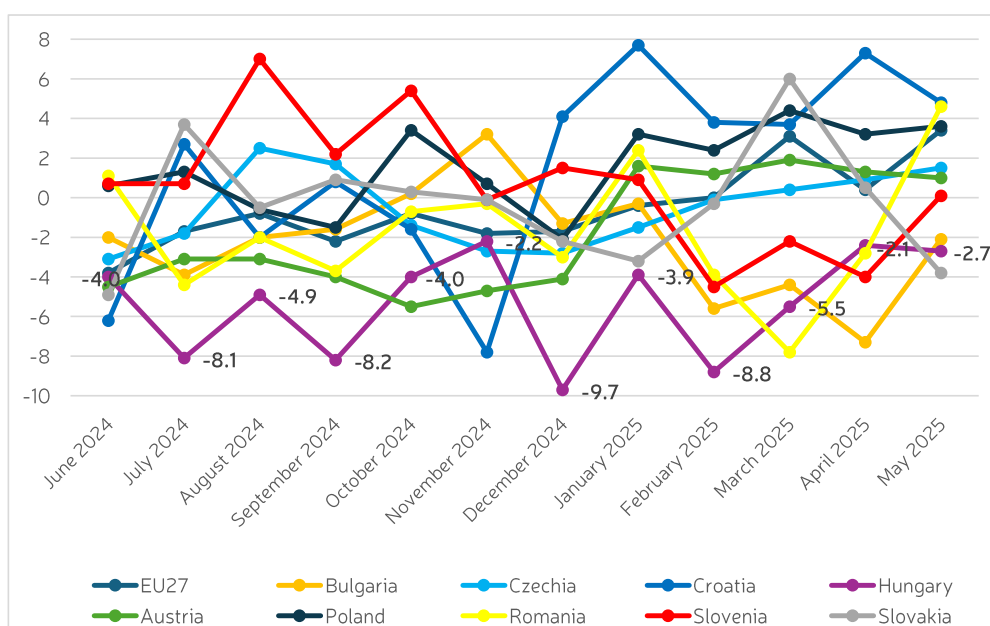
In terms of industrial production in Hungary, the counties of Győr-Moson-Sopron, Pest and Komárom-Esztergom can be highlighted; the 3 territorial units in total accounted for more than one third (33.7%) of the total industrial output in the first 5 months of 2025. The lowest share was represented by the counties of Nógrád, Somogy and Békés, with shares of 1.1%, 1.4% and 1.5%, respectively.

European industry has started to overcome the difficulties caused by the coronavirus and the energy crisis; however, the tariffs introduced by Trump could set back the recovery (unless an agreement can be reached with the United States soon). **Considering the above time interval, the average monthly decrease of the production volume index of Hungary's manufacturing was 5.4%.**

Looking at the 12-month period from June 2024 to May 2025, it can be concluded that manufacturing production in the region has still not fully recovered, however, many countries have already registered growth on an annual basis in the first five months of this year. It is worth noting that only three Central European countries had positive average monthly growth over the 12-month period: Poland (1.6%), Croatia (1.4%) and Slovenia (0.6%).

According to the business survey of GKI, business sentiment in Hungary are still pessimistic, and current order volumes are significantly lower than a year ago. Sources of industrial growth are at a low level, with most respondents identifying the replacement of outdated equipment as their primary investment motive. So far, there is no indication that either production expansion or development leading to the production of new products will take place. This forecasts a further decline, or at best, stagnation of the Hungarian industry.

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



Source: Eurostat



Even though the same seven product groups accounted for more than 60% of Hungarian goods exports in the first 5 months of 2024 and 2025, the order of the product groups changed substantially even in one year. While the exports of three product groups (electrical machinery, apparatus and appliances, road vehicles and telecommunication apparatus) decreased by a total of approximately EUR 1.24 billion compared to the base period of January–May 2024, the 56.8% (EUR 1.28 billion) rise in the export of office machines and automatic data processing machines offset this.

In January–May 2024, road vehicle exports accounted for 16.9% (EUR 10.30 billion) of Hungarian exports, the export share of electrical machinery, apparatus and appliances, ranked 2nd, amounted to 16.1% (EUR 9.86 billion). In one year, the export value of road vehicles decreased by 4.0% (EUR 0.41 billion), and the export value of electrical machinery, apparatus and appliances decreased by 6.7% (EUR 0.66 billion). In the first 5 months of 2024, these two product groups together accounted for about one third (33.0%) of total Hungarian exports, while their combined export share decreased to 30.7% by January–May 2025.

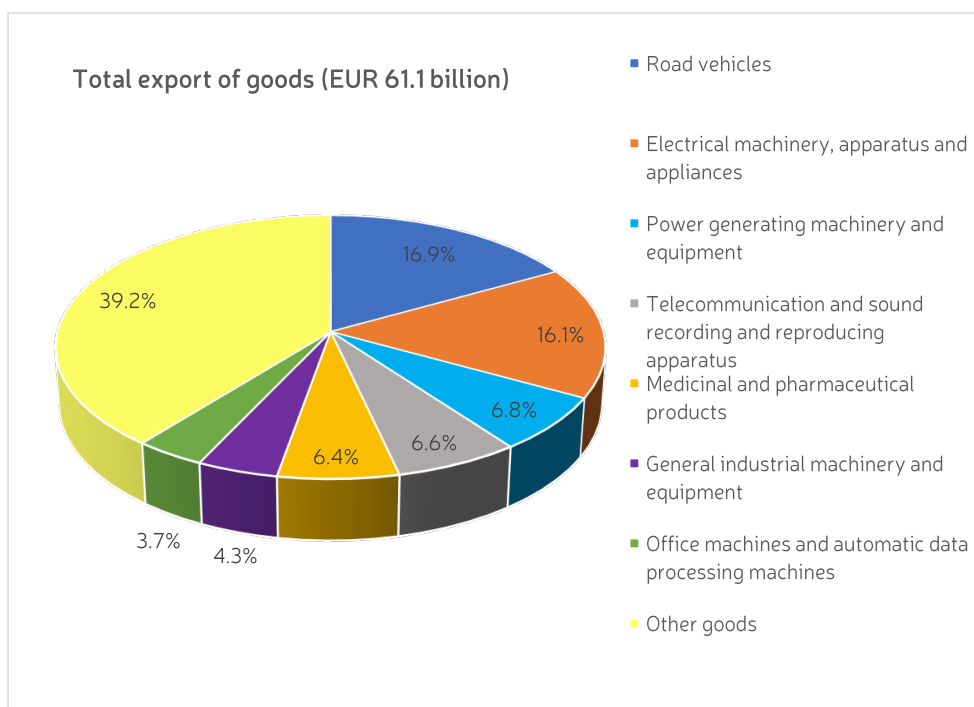
The decline in exports of electrical machinery, apparatus and appliances is primarily due to the fact that among Hungarian export items, exports of Li-ion batteries fell the most (by EUR 1.02 billion, 35.7%) compared to the base period of January–May 2024.

In the first 5 months of 2024, Li-ion batteries were the most important Hungarian export item (with a 4.7% export share), in January–May 2025, the 3.6% export share of digital data processing units exceeded that of Li-ion batteries (3.0%).

In January–May 2024, Li-ion batteries, pharmaceuticals, and internal combustion road vehicle engines over 1,000 cm³ were the most important Hungarian export products, respectively. The **export of digital data processing units, which ranked 4th last year in the order of export products, increased by 75.4% year-on-year** (from EUR 1.28 billion to EUR 2.25 billion) in the first five months of 2025, **thus moving up to 1st place**. It should be noted that **with the spread of electromobility, the export of internal combustion road vehicle engines over 1,000 cm³ fell by 15.5% in one year**, thus this product **dropped to 4th place in the ranking of Hungarian export items**.



Share of Hungarian goods exports among the seven most important export product ranges (January–May 2024, %)



Source: KSH

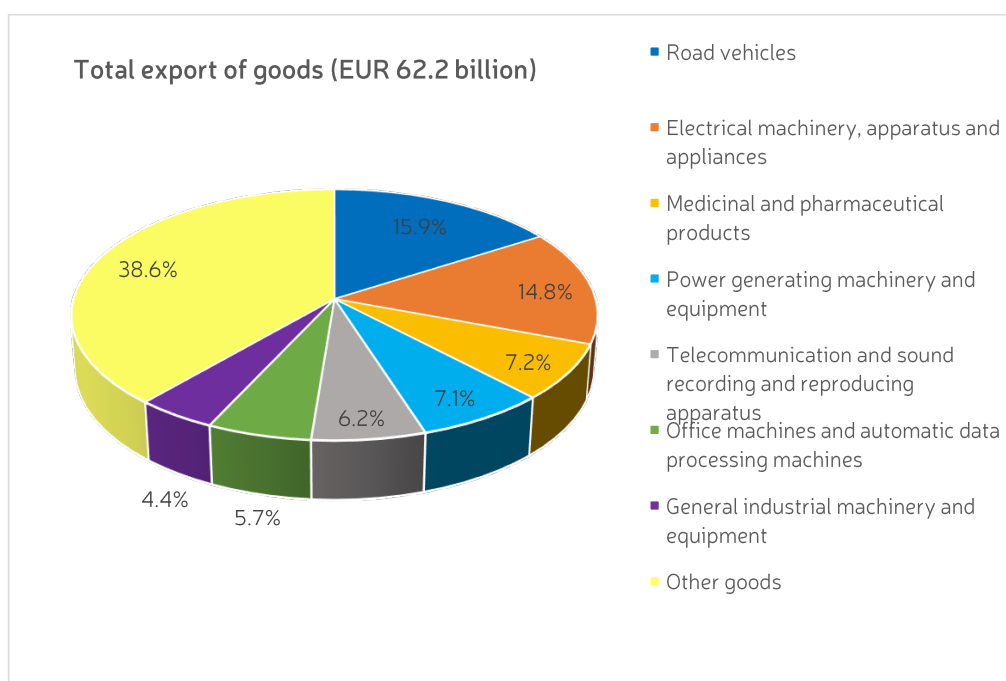
In the first 5 months of 2024, the export of the 5th most important export item, the medicinal and pharmaceutical product group (EUR 3.89 billion), was still behind the power generating machinery and equipment (EUR 4.16 billion) and telecommunication apparatus (EUR 4.03 billion), which ranked 3rd and 4th respectively in the product export ranking. In the product export ranking for January–May 2025, however, medicinal and pharmaceutical products (EUR 4.47 billion) and power generating machinery and equipment (EUR 4.44 billion) were in 3rd-4th place with almost the same export performance, while this year's export of telecommunication apparatus (EUR 3.86 billion) practically fell back to last year's level of medicinal and pharmaceutical product exports.

One of the reasons for the rearrangement is that the export of medicinal and pharmaceutical products surged by 15.1% in one year, thus increasing its share in Hungarian goods exports from 6.4% to 7.2%. The medicinal and pharmaceutical product group has now become the 3rd most important export item of Hungary.

On the other hand, the export of telecommunication apparatus decreased by 4.2% in one year; therefore, the export share of the product group shrank from 6.6% to 6.2%. Thirdly, in January–May 2025, exports of office machines and automatic data processing machines expanded by 56.8% (from EUR 2.26 billion to EUR 3.54 billion), primarily driven by a 75.4% (nearly EUR 1 billion) increase in exports of digital data processing units.

The share of office machines and automatic data processing machines in Hungarian goods exports rose from 3.7% to 5.7%. In one year, the EUR 1.28 billion increase in office machines and automatic data processing machines exports exceeded the EUR 1.11 billion upsurge in total Hungarian goods exports.

Share of Hungarian goods exports among the 7 most important export product ranges (January–May 2025, %)



Source: KSH

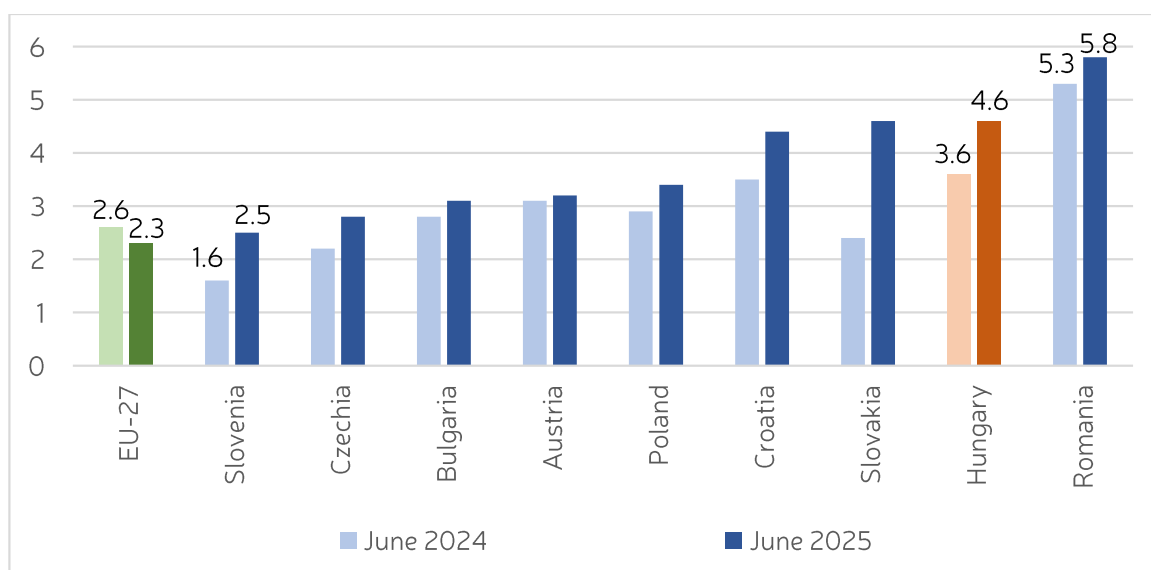
Based on KSH data, in January–May 2025, the value of total Hungarian goods exports increased by 1.8% on an annual basis to EUR 62.18 billion, while goods imports expanded by 3.5% to EUR 56.34 billion. Due to the faster expansion of imports, the Hungarian foreign trade surplus decreased by 12.2% (EUR 0.81 billion) to approximately EUR 5.83 billion in the first 5 months of 2025, compared to the Hungarian surplus of nearly EUR 6.65 billion registered in January–May 2024. **According to MNB, the uncertain global economic environment is narrowing the export opportunities of the Hungarian industry.** As a result of the expected expansion of German industry by the end of the year and the slowly recovering external economy, **Hungarian exports may expand slightly (0.5%) in 2025**, after last year's decline. From 2026, GDP growth accelerated by military development and fiscal stimulus programmes may partially offset the negative impact of customs tariff increases in our European export markets. Hungary's automotive and battery industry investment projects of recent years are also gradually starting production, therefore **accelerated export growth is expected in 2026 (4.5%) and in 2027 (6.2%).**



In June 2025, the Harmonised Index of Consumer Prices (HICP) used by Eurostat fell from 2.6% to 2.3% in the European Union in one year. Among the member states, the highest rate of average price increase was measured in Romania (5.8%), Estonia (5.2%) and – tied with Slovakia – in Hungary (4.6%), while the lowest HICP rates were recorded in Cyprus (0.5%), France (0.9%) and Ireland (1.6%). The HICP rate fell in 8 member states over the course of a year, while it increased in 19.

In June 2025, inflation in the Central European EU member states did not drop below the EU average (2.3%), but the Harmonised Index of Consumer Prices typically ranged between 2.5–5.8%. In Hungary, inflation was measured at 4.6% in June. Among the Central European EU member states, the HICP increased the most in one year in Slovakia (by 2.2 percentage points), Hungary (by 1.0 percentage points), Croatia and Slovenia (by 0.9–0.9 percentage points).

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



Source: Eurostat

Based on KSH data, in H1 2025, the average consumer price index in Hungary was 4.8%. In January–June 2025, the fastest annual price increases were registered for services (7.3%) and food (6.3%).

The prices of alcoholic beverages and tobacco also increased above average (by 5.9%), while the price increases of household energy (by 2.5%), clothing and footwear (by 1.9%), consumer durable goods (by 1.9%) and other goods including motor fuels (by 1.5%) lagged behind the average price level increase.

In June 2025, consumer prices on average were 4.6% higher than a year earlier. The fastest rate of increase was of household energy prices (8.6%), with natural and manufactured gas by 18.4% and butane and propane gas by 5.8%. **The prices of alcoholic beverages and tobacco (6.3%), and that of food (6.2%) also rose above average.** Within food items, for example, the price of eggs increased by 26.0%, flour by 24.4%, edible oil by 22.2%, and coffee by 20.3%, while the price of margarine decreased by 31.2% and that of milk products by 7.2%. **Services increased in price by an average of 5.4%** in one year, including postal services by 11.3%, personal care services by 10.1%, repair and maintenance of dwellings by 9.8%, repair and maintenance of vehicles by 9.6%, and rents by 9.4%. **The price of consumer durable goods increased by 2.6%,** including jewellery prices by 23.8%, living and dining room furniture by 4.6%, and new passenger cars prices by 3.7%. **The price of motor fuels dropped by 1.0%,** while the price of pharmaceutical products increased by 5.5%.

According to the MNB, price restriction measures have a remarkable inflation-reducing effect in the short term, however, **strong corporate repricing can still be observed in the underlying inflation trends.** In the mid-term, robust consumer demand and the base effect of price restrictions will slow down next year's disinflation, whereas tight monetary conditions will contribute to a slowdown in the rate of price increases in 2026 and 2027.

The MNB expects an average consumer price increase of 4.7% in 2025 and inflation is expected to remain above the Central Bank's tolerance band (3% ± 1 percentage point) for the rest of the year. The rate of price increase may decrease permanently to the tolerance band in early 2026 and may reach the 3% inflation target in 2027.

In its Inflation Report published on 26 June 2025, MNB provided the following point estimate for consumer prices.

MNB inflation forecasts in June 2025 (2024–2027 annual average, %)

	2024 (fact)	2025	2026	2027
Inflation	3.7	4.7	3.7	3.0
Core inflation	4.6	4.9	4.0	3.0

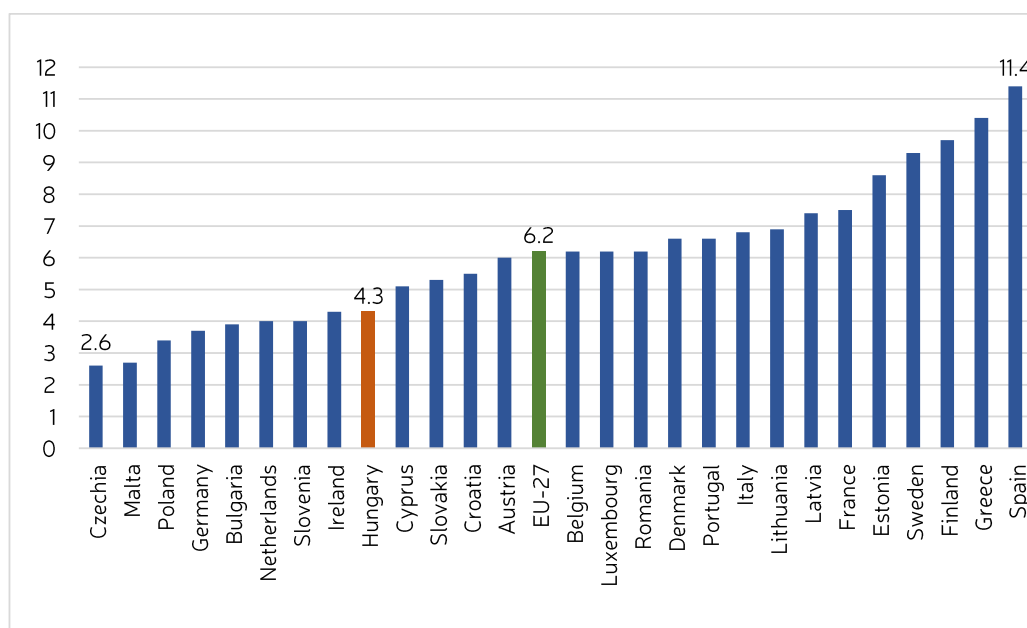
Source: MNB, KSH



Unemployment

Based on Eurostat data, the Hungarian unemployment rate of 4.3% in Q1 2025 was the ninth lowest in the EU and – after Czechia, Poland, Bulgaria and Slovenia – the fifth lowest among the Central European EU member states. The average unemployment rate in the EU (6.2%) was nearly one and a half times the Hungarian value. In Hungary, unemployment rate has fallen from 7.6% to 4.3% in ten years.

Unemployment rate among the population aged 15–74 in the EU member states
(Q1 2025, %)



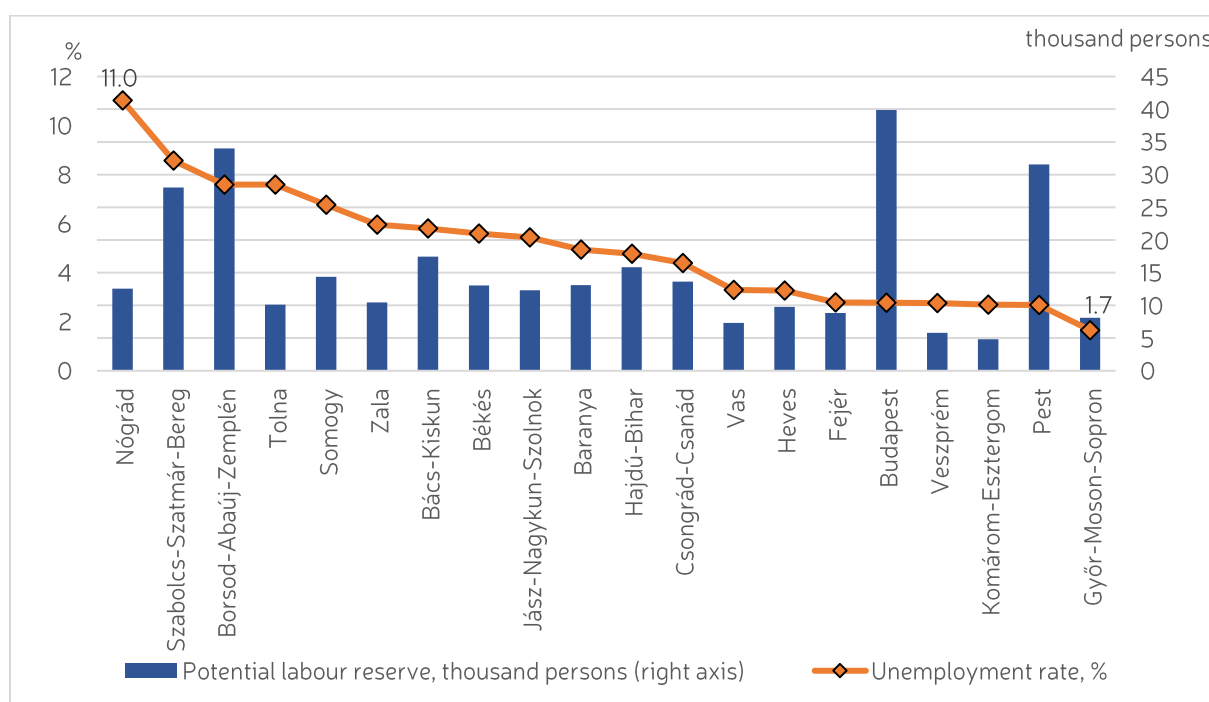
Source: Eurostat

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 Q1 2025, the number of unemployed was 212.8 thousand, and the unemployment rate was 4.3%. Compared to Q1 2024, the number of unemployed decreased by about 14.0 thousand, and the unemployment rate dropped by 0.3 percentage points. Remarkable geographical differences can be observed with regard to the unemployment rate.

In January–March 2025, the lowest unemployment rates were in the counties of Győr-Moson-Sopron (1.7%), Komárom-Esztergom and Pest (2.7–2.7%), while the highest rates were recorded in Nógrád (11.0%), Szabolcs-Szatmár-Bereg (8.6%), Borsod-Abaúj-Zemplén and Tolna (7.6–7.6%).

Half of the country's potential labour reserve (310.9 thousand people) reside in the Great Plain and Northern Hungary (156.6 thousand people, 50.4%), more than a quarter in Transdanubia (82.9 thousand people, 26.7%), and nearly one quarter in the capital and Pest County (71.4 thousand people, 23.0%). **According to KSH data, the largest potential labour reserves are in Budapest (39.9 thousand people), Borsod-Abaúj-Zemplén (34.0 thousand people), Pest (31.6 thousand people), Szabolcs-Szatmár-Bereg (28.0 thousand people) and Bács-Kiskun counties (17.5 thousand people).**

Hungary's unemployment rate and potential labour reserve among the population aged 15–74 broken down by county
(Q1 2025, % and thousand people)



Source: KSH

In March–May 2025, the number of unemployed people aged 15–74 decreased by 5.0 thousand to 211.5 thousand compared to the same period of the previous year. In line with this, the unemployment rate decreased by 0.1 percentage points to 4.3% in one year. Based on the data of the National Employment Service (NFSZ) 219,599 jobseekers were registered in June 2025, which means a decrease of 3,156 people (1.4%) compared to the same period of the previous year. Registered jobseekers accounted for 3.5% of the working-age population.

The tightness of the labour market has remarkably eased compared to its peak in mid-2022. The number of vacant positions continued to decline on an annual basis in most sectors of the national economy. In Q1 2025, there were 41,000 vacant positions in the business sector, which is 3,245 (7.3%) lower than in the same period of the previous year. **Based on KSH data, the number of vacant positions decreased most in the professional, scientific and technical activities (35.3%), transportation and storage (26.7%), construction (29.8%) and accommodation and food service activities (28.2%) sectors over the past year.**

According to MNB's forecast, the unemployment rate could be 4.5% in 2025, 4.8% in 2026, and 4.5% again in 2027.

Earnings

Based on KSH data, in January–May 2025, the average monthly gross earnings of full-time employees in the **business sector** amounted to approximately HUF 699,400 which is an **8.9% increase** compared to the same period in 2024. In this sector, **the median value of monthly gross earnings was HUF 541,000**, which is 9.0% higher than the base value. In January–May 2025, at the level of the national economy (calculated without fostered workers), the **average monthly gross earnings were HUF 701,800**, which means an **increase of 9.0% on an annual level**. In May 2025, the average gross earnings were highest in the **energy industry** (HUF 1,404,900), and lowest in the field of **accommodation and food services** (HUF 446,700).

The minimum wage agreement will significantly influence wage dynamics in the upcoming years. Nominal wage dynamics in the business sector may be more moderate in 2025 than last year, in line with the easing of labour market tightness. **According to MNB's forecast, average earnings in the business sector may increase by 9.1% in 2025, 9.3% in 2026, and 9.4% in 2027. Real wages in the business sector may increase by 4.3% this year, 5.5% next year, and 6.2% in 2027.**

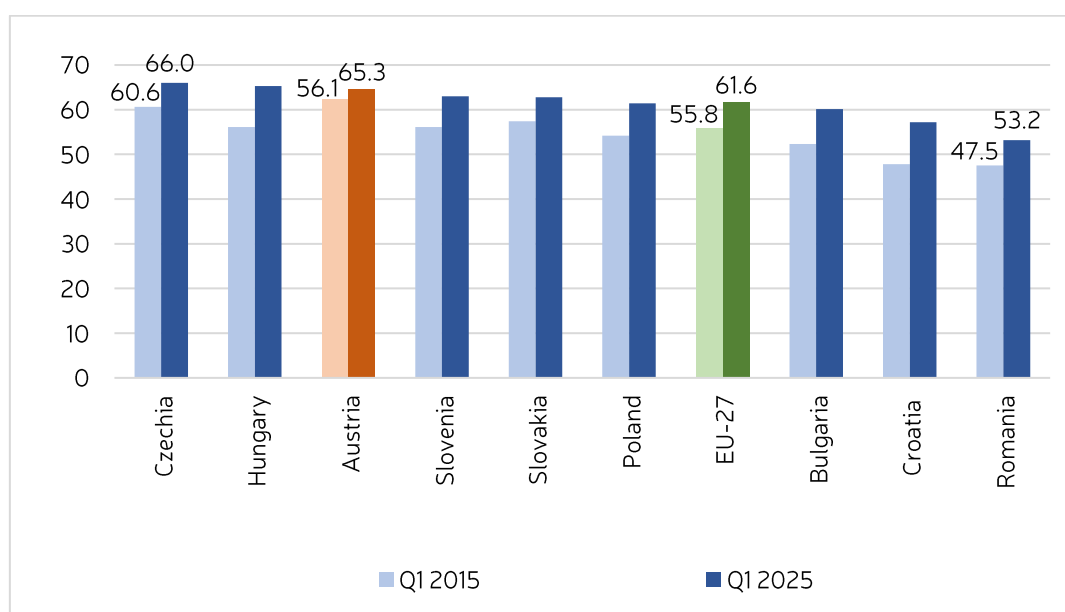
Employment

Based on Eurostat data, the Hungarian employment rate in Q1 2025 (65.3%) exceeded the EU average (61.6%) by 3.7 percentage points. Among Central European member states, Hungary has the second highest employment rate after Czechia.

The Hungarian employment rate increased by 9.2 percentage points in ten years, which is the 7th largest increase in the EU.



Employment rate among the population aged 15–74 of the Central European Union member states (Q1 2015–Q1 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 people), and the employment rate was below 50% (49.8%). **In Q1 2025, nearly 4.7 million people (4,692.0 thousand) were registered as employed.** Compared to Q1 2024, **the number of employed people increased by 1.8 thousand, and the employment rate rose to 65.3%.** In January–March 2025, the employment rate was highest in Budapest (71.7%) and Győr-Moson-Sopron County (69.8%). Furthermore, it exceeded the national average only in the counties of Central Transdanubia and Pest County (68.0%). **The lowest employment rates were in the counties of Nógrád, Borsod-Abaúj-Zemplén (58.1–58.1%) and Zala (58.8%).**

In March–May 2025, out of 4,673.3 thousand employees, 105.8 thousand people worked abroad, and the number of fostered workers was 66.2 thousand. The number of people working abroad decreased by 0.1 thousand, while the number of fostered workers increased by 6.6 thousand compared to the same period of the previous year.

Employment in the business sector has been declining since Q3 2024, adapting to the prolonged weak economy. Over the recent period, employment **has fallen primarily among manufacturing companies**, which may be exacerbated by the uncertainty surrounding export markets. In Q1 2025, 30,000 fewer people were employed in manufacturing than a year earlier. **In addition, employment has also decreased in construction and agriculture.** According to MNB's forecast, **employment in the business sector may decrease by 0.8% this year.** In line with the expected economic recovery, the Central Bank expects a slow increase in the number of employees in the business sector from mid-2026. **According to their forecast, the number of people employed in the business sector is expected to decrease by 0.3% in 2026 and may increase by 0.2% in 2027.**

Foreign Direct Investment (FDI)



Global FDI flows grew by nearly 4% in 2024, reaching USD 1,509 billion. If we do not take into account certain European countries, which are considered major financial centres, global FDI flows was 11% lower than in 2023.

A decline of almost 22% was recorded in the developed economies, which can be attributed to the unfavourable performance of the European Union (44% decrease). In North America, on the other hand, the FDI inflows increased by almost 23%. An increase of 0.2% was registered in developing countries, expansion being particularly large in Africa (+75%). In contrast, the value of capital flowing into Latin America and the Caribbean dropped by 12%.

In 2024, 40.1% of the total FDI flows went to Asia, nearly 23% to North America, while more than 13% to Europe. Despite the outstanding growth for the continent, **Africa's share only amounted to 6.4%.**

Development of Foreign Direct Investment (FDI) between 2022 and 2024
(USD billion)

Region	2022	2023	2024	Share (% , 2024)
World	1390	1455	1509	100.0
Developed economies	460	590	642	42.5
Europe	-61	221	198	13.1
<i>European Union</i>	-50	148	268	17.7
North America	363	280	343	22.7
Developing economies	930	865	867	57.5
Africa	55	55	97	6.4
Asia	677	622	605	40.1
East Asia	316	297	260	17.2
South-East Asia	225	205	225	14.9
South Asia	56	35	35	2.3
West Asia	70	78	82	5.4
<i>Latin America and the Caribbean</i>	196	187	164	10.9

Source: UNCTAD, based on FDI inflows

The aggregate value of transactions involved in international project financing decreased by 27% worldwide in 2024, while **the value of mergers and acquisitions (M&A) increased by 14%** during the past year.

Greenfield project announcements showed mixed signals. The number of announced greenfield projects grew by 3%, with the expansion driven by the manufacturing industry, after the sector was able to show a 5% growth rate.

The chemical industry stands out with a 19% expansion. Nevertheless, the total value of greenfield projects fell by 5%, but still amounted to USD 1,338 billion. **The total value of greenfield investments in the IT sector increased by 73%.**

Most of the announced greenfield investment projects concern the United States (2,460 projects), the United Arab Emirates (1,359), the United Kingdom (1,193), India (1,080), and Germany (887).

Same as in 2023, the United States was the number one destination for FDI inflows last year as well. Singapore stepped up from third place to second position. Europe's leading economic power, Germany, did not make the TOP20 countries.

It is worth highlighting that Egypt improved its performance to 9th place last year, after 32nd place in 2023.

TOP10 destination countries for foreign direct investment (FDI) in 2024

Rank	Country	FDI inflows (USD billion)
1	United States	279
2	Singapore	143
3	Hong Kong, China	126
4	China	116
5	Luxembourg	106
6	Canada	64
7	Brazil	59
8	Australia	53
9	Egypt	47
10	United Arab Emirates	46

Source: UNCTAD

According to the findings of UNCTAD, **the outlook for global FDI flows for 2025 can be considered negative.** Although expectations at the beginning of the year were for modest growth, these have been overshadowed by growing economic and political uncertainty. The escalation of the new tariff war and deteriorating investor sentiment have led to a downward correction in key determinants of global FDI flows: global GDP growth, capital formation, international trade and exchange rate stability. These trends contributed to a sharp decline in investment activity in early 2025, with Q1 data showing record lows both in regard to volumes and announced projects.

Still, positive factors can also be identified. **Falling interest rates** in major economies might ease borrowing conditions. Furthermore, the **profit levels of large multinational companies can still be considered strong.**



In the Hungarian tertiary education system, 292,887 people studied in bachelor's and master's programmes in the 2024/2025 academic year, which means a 7.9% increase compared to the 271,480 people recorded in the 2014/2015 academic year.

Based on the data examined, we can state that more than half of the students involved in the analysis continued their studies in Budapest in the 2024/2025 academic year. In the last academic year, tertiary undergraduate and postgraduate trainings were offered in every county, however, **the number of students is quite concentrated.**

The four counties with the highest number of students together with Budapest account for more than 80% of the surveyed student population.

The **concentration has slightly increased** compared to ten years ago (in 2014/2015 the share of the TOP5 region was 78.8%).

In terms of percentage change, the largest expansion was recorded in Komárom-Esztergom, Bács-Kiskun and Fejér counties. In contrast, a decrease was registered in the case of Zala, Pest, Heves and Veszprém counties. In terms of absolute decrease, Heves and Pest counties can be highlighted, while **in terms of absolute expansion, Budapest, Baranya and Hajdú-Bihar counties are among the leaders.**

In the 2024/2025 academic year, altogether **63 tertiary educational institutions were registered in Hungary**, of which **34 are based in Budapest**. 4 institutions are headquartered in Pest County, and the seats of **3 institutions each are in Veszprém, Győr-Moson-Sopron and Borsod-Abaúj-Zemplén counties**. In another 8 counties there are 2 tertiary educational institutions each, and in the remaining 7 counties there is no headquarter of tertiary educational institution.



Number of students in tertiary undergraduate (BA/BSc) and postgraduate (MA/MSc) training by place of task units in the given academic year

County	2014/2015	2024/2025	Share (2014/2015)	Share (2024/2025)	Change (2024/2025-2014/2015)	Change (2024/2025-2014/2015, %)
Budapest	136 031	149 547	50.1%	51.1%	13 516	9.9%
Hajdú-Bihar	24 868	27 365	9.2%	9.3%	2 497	10.0%
Csongrád-Csanád	21 174	22 793	7.8%	7.8%	1 619	7.6%
Baranya	16 564	19 786	6.1%	6.8%	3 222	19.5%
Győr-Moson-Sopron	15 324	15 852	5.6%	5.4%	528	3.4%
Borsod-Abaúj-Zemplén	9 837	10 882	3.6%	3.7%	1 045	10.6%
Heves	9 452	6 402	3.5%	2.2%	-3 050	-32.3%
Szabolcs-Szatmár-Bereg	5 670	6 149	2.1%	2.1%	479	8.4%
Bács-Kiskun	3 786	5 733	1.4%	2.0%	1 947	51.4%
Pest	8 118	5 276	3.0%	1.8%	-2 842	-35.0%
Fejér	3 164	4 554	1.2%	1.6%	1 390	43.9%
Veszprém	4 778	4 486	1.8%	1.5%	-292	-6.1%
Vas	2 329	2 714	0.9%	0.9%	385	16.5%
Somogy	2 476	2 621	0.9%	0.9%	145	5.9%
Jász-Nagykun-Szolnok	1 476	1 912	0.5%	0.7%	436	29.5%
Békés	1 374	1 748	0.5%	0.6%	374	27.2%
Outside the borders of the country	1 523	1 622	0.6%	0.6%	99	6.5%
Zala	2 252	1 339	0.8%	0.5%	-913	-40.5%
Komárom-Esztergom	742	1 281	0.3%	0.4%	539	72.6%
Tolna	542	700	0.2%	0.2%	158	29.2%
Nógrád	0	125	0.0%	0.0%	125	
Total	271 480	292 887	100.0%	100.0%	21 407	7.9%

Source: KSH



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