

# HIPA GUIDE

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

October 2025

**ECONOMIC ANALYSIS  
DEPARTMENT**



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# SUMMARY



## GDP

GDP volume: 0.1% (Q2 2025)  
Prognosis (2025): 0.6% (MNB), 0.6% (IMF)

- In H1 2025, the value of GDP in Hungary amounted to HUF 39,770 billion.
- In Q2 2025, GDP decreased in only 3 of the 27 member states of the European Union on an annual basis.



## Manufacturing

Value added in the national economy: 18.4% (2024)

- In the first eight months of 2025, the total production value of manufacturing amounted to HUF 33,536.3 billion.
- The key sectors were the Manufacture of transport equipment (26.1% share), the Manufacture of food products, beverages and tobacco products (13.6%) and the Manufacture of computer, electronic and optical products (10.8%).



## Foreign trade

Goods exports: +1.2%, EUR 97.3 billion (yoy, January–August 2025)  
Goods exports: +4.3% (yoy, MNB prognosis, 2026)

- In January–August 2025, the annual increase of EUR 1.11 billion in exports was primarily due to the 60.4% expansion in digital data processing unit exports.
- In January–August 2025, the digital data processing unit was considered the most important Hungarian export product.
- In January–August 2025, the largest export market for Hungarian digital data processing units was the United States, with 22.3% of exports of this product going there.

## Inflation

Consumer price index: 4.6% (yoy, January–September 2025)  
Annual average inflation: 3.8% (yoy, MNB prognosis, 2026)



- In September 2025, Hungary had the fifth highest (4.3%) Harmonized Index of Consumer Prices (HICP) within the EU, after Romania (8.6%), Estonia (5.3%), Slovakia and Croatia (4.6–4.6%).
- In September 2025, consumer prices in Hungary increased by an average of 4.3%.
- According to MNB, the rate of price increases may persistently return to the Central Bank's tolerance band (3.0% ± 1%) in early 2026 and reach the 3% inflation target in 2027.



## Labour market

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

- The Hungarian unemployment rate in Q2 2025 (4.5%) was the 9th lowest in the EU and was significantly lower than the EU average (5.9%).
- The Hungarian employment rate in Q2 2025 (65.1%) exceeded the EU average (62.1%) and was the 3rd highest among Central European member states.
- In January–August 2025, the average gross earnings in the business sector increased by 8.9% (to HUF 697,500) on an annual basis.



## FDI

Between 2013 and 2023, the number of people employed by South Korean companies in Hungary increased nearly fivefold, from 5,282 to almost 24,000.

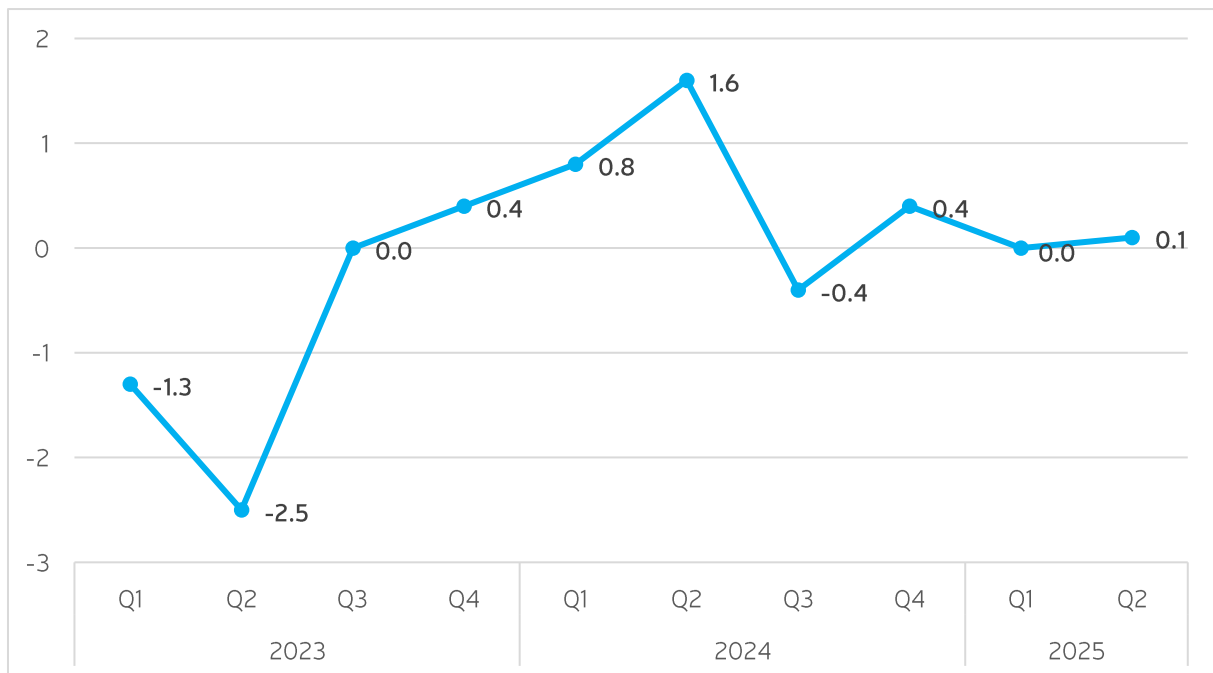
- Based on the data on the FDI stock in 2023, the TOP 10 largest investing countries in Hungary include 3 East Asian countries (South Korea, China, Japan), which together account for 15.1% of the total FDI stock.

## 1. Economic growth

In Q2 2025, according to raw data, the volume of GDP increased by 0.1% in Hungary compared to the same period of the previous year.<sup>1</sup> In Q2 of this year, the performance of manufacturing was also below the data registered in the same period of the previous year (this time by 3.7%), which is mainly due to the decline in the manufacture of fabricated metal products sector. In contrast, the manufacture of other transport equipment was able to expand. Following three quarters of decline, the construction industry increased again: its value added is 3.7% higher than that measured in the same period in 2024. The performance of agriculture in Q2 fell well short (by 10.3%) of that registered a year earlier.

Following the first three months of this year, the gross value added of services increased in Q2 as well (this time by 1.4%), primarily due to the expansion of arts, entertainment and recreation (5.9%), as well as the information and communication (5.8%) branches of the national economy. Services (+0.9 percentage points) and construction (+0.2 percentage points) contributed positively to the growth of GDP in Q2 2025, while industry (-0.7 percentage points) and agriculture (-0.3 percentage point) contributed negatively.<sup>2</sup>

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



Source: KSH (Central Statistical Office)<sup>3</sup>

<sup>1</sup> Source: [KSH](#)

<sup>2</sup> Source: [KSH](#)

<sup>3</sup> Source: [KSH](#)

**On the expenditure side, actual final consumption of households increased by 3.1% compared to Q2 2024.** Household final consumption expenditure also increased (by 3.5%), supported mainly by real wage increase, as well as the improvement in consumer confidence. It should be noted here that the volume of retail trade has not decreased in any month since December 2023.<sup>4</sup> It is also important to mention that the volume of both construction investments and investments in machinery and equipment decreased. All in all, **actual final consumption contributed 2.4 percentage points to the performance of the national economy in Q2 2025, on the other hand gross capital formation slowed it down by 2.1 percentage points, while the balance of foreign trade restrained it by 0.2 percentage points.**<sup>5</sup>

**The Hungarian National Bank (MNB) expects a GDP growth of 0.6% for 2025 and 2.8% for 2026.**<sup>6</sup> 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.** Although economic performance has improved somewhat compared to the previous quarter, it can still be considered subdued. According to expectations, the gradual recovery of the economy will become more noticeable from the last third of the year; however, the decline in agricultural output due to the drought period may restrain the expansion. **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. Due to low-capacity utilization and weak demand, corporate investment activity will remain moderate until the end of the year.

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). Private and corporate sector players 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, an 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 numerous sectors.**

To address the current economic situation, the Government has developed 4+1 steps providing safe haven in an uncertain environment: supporting SMEs with favourable funding opportunities, introducing new tax reductions to ease the burden on businesses, trade and consumer protection measures, supporting the spread and application of artificial intelligence (AI), and increasing energy independence by supporting battery storage systems. The broad improvement of housing conditions and housing renovation together with the revival of the construction sector are strengthened by the Rural Home Renovation Subsidy Programme, the Housing Capital

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<sup>4</sup> Source: [KSH](#)

<sup>5</sup> Source: [KSH](#)

<sup>6</sup> Source: [MNB](#)

Programme and other Budapest and nationally focused measures for affordable housing, which have been supplemented by the Home Start Programme, available from September 2025.

The automotive industry is considered a key sector of 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 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 automotive companies will be able to find new markets for their products.** In addition to stable consumption growth, the expected recovery may be supported by normalising global market activity and base effects.

According to the Central Bank's forecast, both internal and external factors will help the recovery of the economy from next year. This will be based on stable consumption dynamics, real wage increase, government measures, and the start of production of previously announced capacity expansion investment projects.

**According to the MNB's estimate, investments related to the automotive industry and battery production will contribute 0.5–0.7 percentage points to GDP growth in 2026 and 2027.**

The latter process will have its impact not only on industrial production but also on foreign trade. Consumption will also be supported by the announced tax benefits, the gradual expansion of household lending, the decreasing savings rate, as well as the expected fiscal stimulus due to the upcoming elections.

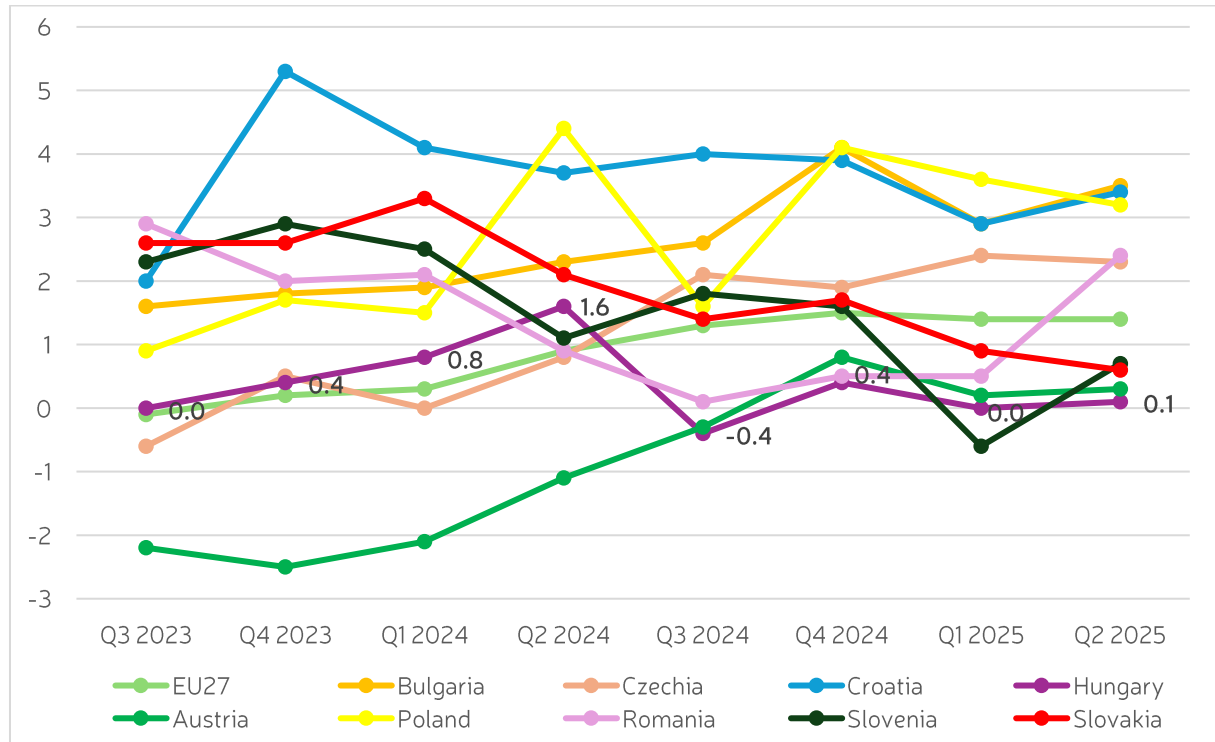
At the end of this year and early next year, the pace of consumption may further increase thanks to the increase in the family tax relief and the tax exemption for mothers with three children. Food vouchers given to pensioners and pension supplement in November may also give a boost to consumption. **Looking at Q2 2025, economic growth in most European economies was in line with analysts' expectations, however, the economic performance of the European Union remained moderate (+1.4%).**

As a result of the trade agreements concluded in the recent period, the global economic outlook has improved, uncertainties have decreased, and global economy has proven resilient. At the same time, it is important to note that, based on economic sentiment indicators, both business and consumer confidence have stagnated in the recent period. The global environment remains unfavourable: the tariff war is distorting trade, Chinese industrial overproduction is holding in European demand, and the American economy is also on a slowing path.

GDP decreased in only 3 of the 27 member states of the European Union on an annual basis. **According to Eurostat data, an expansion of 3.2% in Poland, 2.3% in Czechia, 0.6% in Slovakia and 0.1% in Hungary was registered among the Visegrad countries in Q2 2025 on an annual basis.** The economic performance of the European Union also improved (+1.4%), and overall, we can state that in a positive sense, the Irish (17.1%), Cypriot (3.6%) and Bulgarian growth (3.5%)

can be highlighted, while in a negative context, the Luxembourgish, Finnish (both -0.4%) and German declines (-0.2%) can be highlighted.<sup>7</sup>

### GDP growth of regional countries on an annual basis (% , Q3 2023–Q2 2025)



Source: Eurostat<sup>8</sup>

It is a positive development that the IMF expects growth in all countries in the region for 2025 and 2026 as well; however, they are more cautious than in previous forecasts, and estimates have been revised downwards for several states. The largest growth is expected in Poland and Bulgaria in 2025 and 2026, while an expansion of over 2.0% can also be predicted in Hungary next year. **According to the International Monetary Fund’s forecast, Hungary is expected to register an expansion of 0.6% this year, and around 2.1% in 2026.**

### GDP growth of regional countries according to IMF (% , forecast)

	2025	2026
<b>Hungary</b>	<b>0.6</b>	<b>2.1</b>
<b>Eurozone</b>	<b>1.2</b>	<b>1.1</b>
Austria	0.3	0.8
Bulgaria	3.0	3.1
Czechia	1.2	1.6
Croatia	3.1	2.7
Poland	3.2	3.1

<sup>7</sup> Source: [Eurostat](#)

<sup>8</sup> Source: [Eurostat](#)

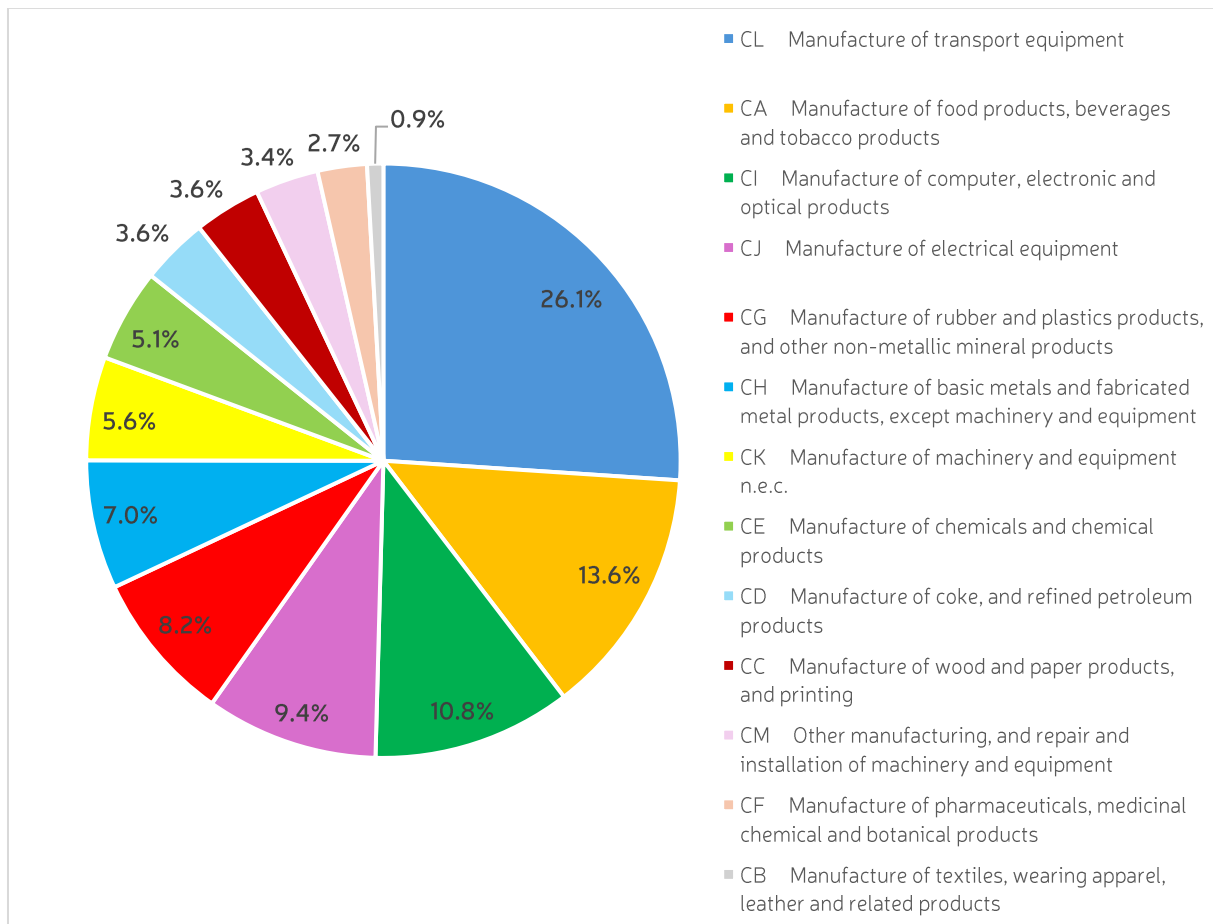
Romania	1.0	1.4
Slovakia	0.9	1.7
Slovenia	1.1	2.3

Source: IMF<sup>9</sup>

## 2. Manufacturing

In the first eight months of 2025, the total production value of manufacturing amounted to HUF 33,536.3 billion, which represents a 0.5% decrease compared to the same period of the previous year, and a drop of 4.0% was also registered based on the volume index.<sup>10</sup> The manufacture of transport equipment accounted for 26.1%, the manufacture of food products, beverages and tobacco products for 13.6%, and the manufacture of computer, electronic and optical products for 10.8% of the production value.<sup>11</sup>

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



Source: KSH

<sup>9</sup> Source: [IMF](#)

<sup>10</sup> Source: [KSH](#)

<sup>11</sup> Source: [KSH](#)

Examining the volume index of production in January–August 2025, expansion was registered in only two sub-sectors: the manufacture of computer, electronic and optical products (+9.2%), as well as the manufacture of wood and paper products, and printing (+2.6%). **However, a decrease was recorded in 11 of the 13 manufacturing sub-sectors.** The largest decline was experienced by the manufacture of electrical equipment (-13.3%), followed by the manufacture of basic metals and fabricated metal products (-9.2%), and the manufacture of textiles, wearing apparel, leather and related products by a decrease of 9.1%.<sup>12</sup>

**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.** However, it is important to note that the domestic manufacturing sector has capacities. U.S. tariffs and increasing 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 difficult to predict the most important economic developments in Hungary in 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 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. **Since a significant part of Hungarian industry's exports go to Germany, the continued weakness of German industry, and especially German car factories (OEMs), also has a negative impact on Hungarian prospects.**

It is worth mentioning that the volume of industrial output has decreased on an annual basis in 15 of the last 16 months. One of the main reasons for this was the stuck ramp-up in battery production in Hungary, which can be explained by the structural transformation and narrowing of the consumer market.

**In addition, it is important to highlight that Hungary will have an advantage over regional countries in the future during the transition of the automotive industry, when the focus will be on the new generation of electric cars compared to traditional internal combustion cars.**

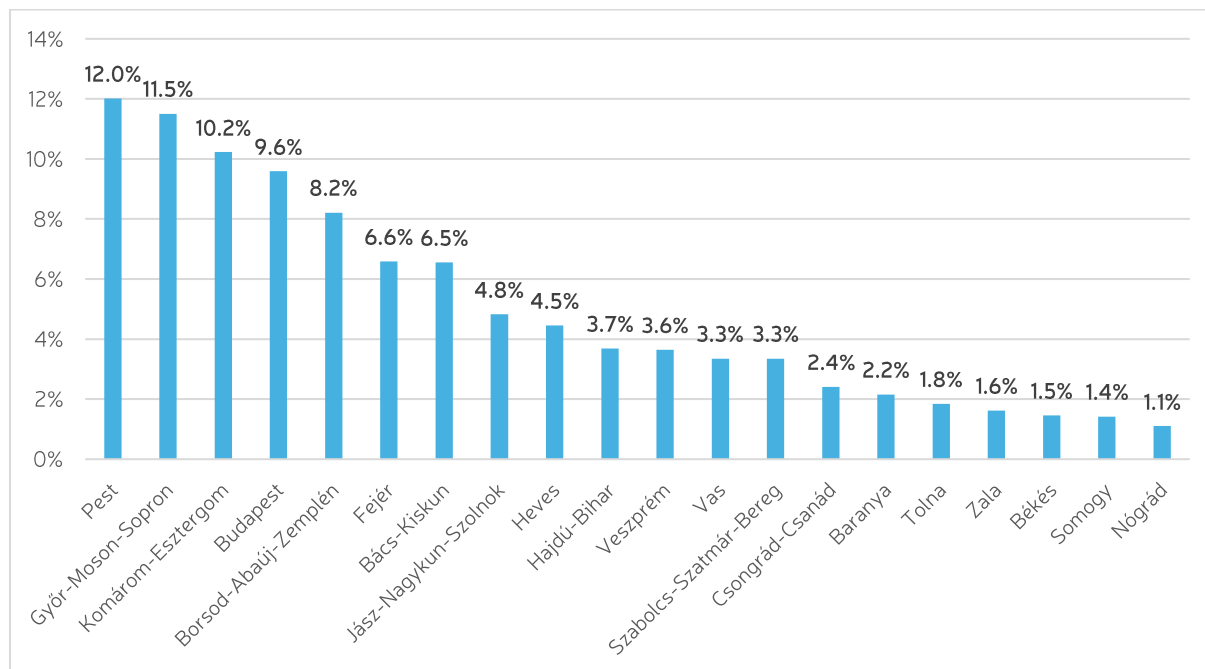
Examining the territorial distribution of total industrial output, **based on the data for January–August 2025, eight counties were able to show growth**, the largest being in Hajdú-Bihar County with 13.6%, in Komárom-Esztergom County with 2.8%, while in Baranya County the volume of industrial production increased by 2.3%. On the contrary, the volume of production decreased by

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<sup>12</sup> Source: [KSH](#)

15.6% in Bács-Kiskun County, while industrial output dropped by 10.6% in Pest County, and by 9.1% in Nógrád County.<sup>13</sup>

### Share of industrial output by county (January–August 2025)



Source: KSH<sup>14</sup>

In terms of industrial output in Hungary, the counties of Pest and Győr-Moson-Sopron, as well as Komárom-Esztergom can be highlighted; the 3 territorial units together accounted for more than a third (33.7%) of the total industrial output in the first eight 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.

Examining the 12-month period from September 2024 to August 2025, 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 (2.8%), Poland (2.1%), Austria (0.8%) and Slovenia (0.2%). **Considering the above period, the average monthly decrease in the manufacturing production volume index of Hungary was 4.6%.**

It can be stated that without the growth of the EU economy, Hungarian industry cannot embark on a growth path, since a remarkable portion of sales are made in foreign markets, while 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 towards the end of the year will bring some dynamism to Hungarian industry; therefore, the**

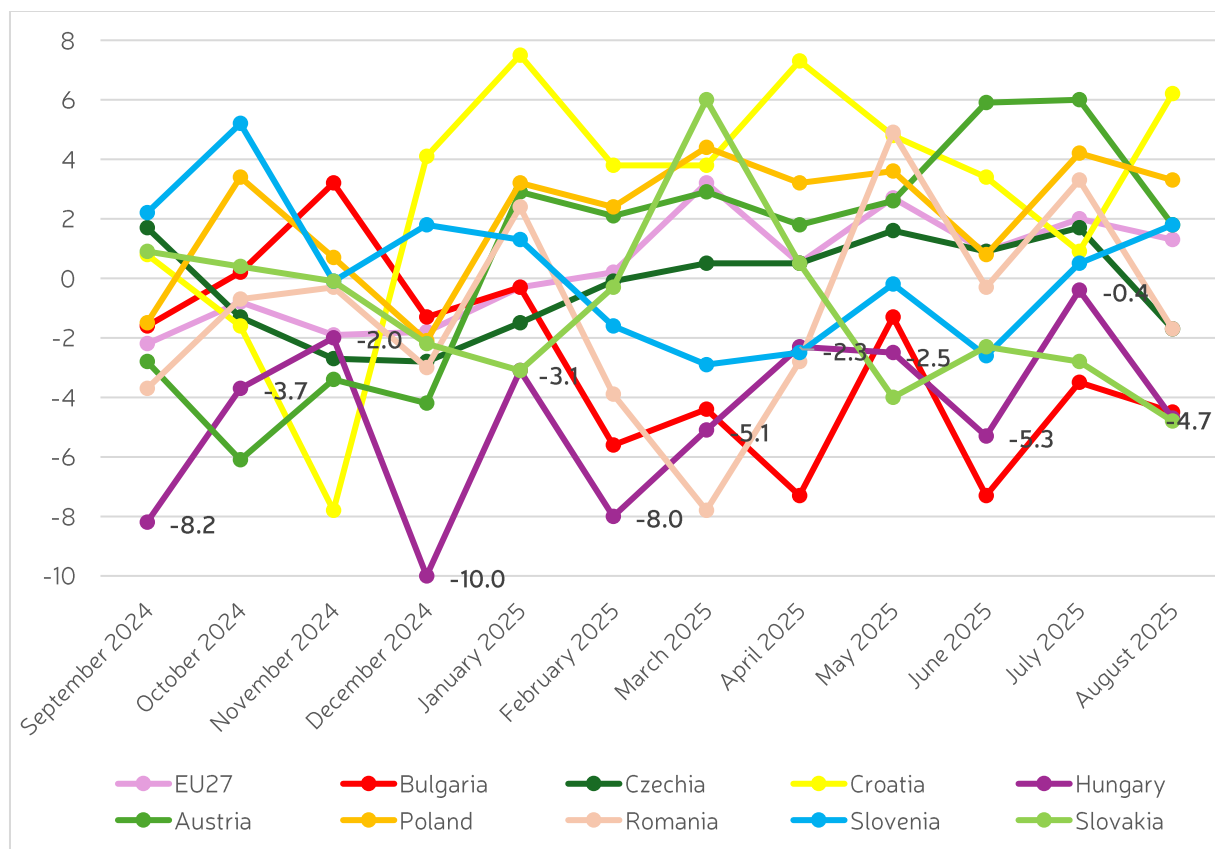
<sup>13</sup> Source: [KSH](#)

<sup>14</sup> Source: [KSH](#)

**extent of the first half-year decline may ease.** Based on gross output data and other economic indicators, however, it is not expected that industry will be able to grow throughout the year, but the decline may stop towards the end of the year, and sustained growth may begin in 2026 due to improving foreign market prospects.

There are also obstacles to industrial growth from the input side. While in the past, respondents to GKI Economic Research Co. (GKI) business surveys considered the labour shortage to be the main obstacle to growth, this aspect has been increasingly overshadowed in recent times, and where it does crop up, it is not about a quantitative but a qualitative labour shortage.<sup>15</sup>

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



Source: Eurostat<sup>16</sup>

### 3. Foreign trade

**In January–August 2025, the value of Hungarian goods exports increased by 1.2% on an annual basis to EUR 97.3 billion, and the value of goods imports by 0.1% to EUR 90.1 billion. Foreign trade balance improved by EUR 1.0 billion in one year, with a surplus of EUR 7.2 billion.<sup>17</sup>**

<sup>15</sup> Source: [GKI](#)

<sup>16</sup> Source: [Eurostat](#)

<sup>17</sup> Source: [KSH](#)

**The fact that the EUR 1.1 billion export growth is primarily due to the 60.4% (EUR 1.4 billion) increase in digital data processing unit exports indicates a significant strengthening of the export capacity of the Hungarian electronics sector. The digital data processing unit is already considered the most important Hungarian export product this year, surpassing the Li-ion battery.**

In January–August 2024, the export value of Li-ion batteries, the most important Hungarian export product at that time (EUR 4.8 billion), was about twice the export value of digital data processing units (EUR 2.3 billion). Nevertheless, Li-ion battery exports decreased by 28.3% (to EUR 3.4 billion) in one year, while digital data processing unit exports increased by 60.4% (to EUR 3.8 billion).

**In January–August 2025, Hungarian digital data processing unit exports were highly concentrated geographically, with 62.3% of exports going to four EU countries (Germany, the Netherlands, Ireland, Spain) and two non-EU countries (United States, United Kingdom). 77.1% of the export growth of this product was also registered in the above six main export markets.**

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

Ranking (January–August 2025)	TOP export partner country (January–August 2025)	Exports (January– August 2024, EUR million)	Exports (January– August 2025, EUR million)	Annual change (EUR million)	Annual change (%)
1.	USA	133.7	838.3	704.7	527.2%
2.	Germany	242.1	357.7	115.6	47.7%
3.	United Kingdom	247.8	329.3	81.5	32.9%
4.	Netherlands	230.0	307.0	77.1	33.5%
5.	Ireland	337.5	276.4	-61.1	-18.1%
6.	Spain	58.8	231.8	173.0	294.1%
<b>The above 6 countries in total</b>		<b>1 249.8</b>	<b>2 340.6</b>	<b>1 090.8</b>	<b>87.3%</b>
<b>Total</b>		<b>2 343.5</b>	<b>3 758.3</b>	<b>1 414.8</b>	<b>60.4%</b>

Source: KSH

**In the United States, the largest market for Hungarian digital data processing unit exports, exports of this product group increased more than sixfold (from EUR 133.7 million to EUR 838.3 million) in one year.** In the first eight months of 2024, digital data processing unit exports accounted for only 3.3% of the nearly EUR 4.1 billion in total Hungarian product exports to the USA. **In January–August 2025, digital data processing units were the most important Hungarian export item to the United States, with their share increasing to 22.3% of total Hungarian product exports to the USA. About half (EUR 704.7 million) of the annual growth in Hungarian digital data processing unit exports (EUR 1,414.8 million) was registered in the United States.** In January–August 2024, the 1,500–3,000 cm<sup>3</sup> gasoline engine cars and Li-ion batteries were still leading Hungarian exports to the US market. However, in January–August

2025 their export values not only individually, but also collectively fell short of the export value of the digital data processing unit (EUR 838.3 million).

**In the first eight months of 2025, Germany was already the second largest export market for Hungarian digital data processing units. In one year, exports of these items increased by 47.7% (from EUR 242.1 million to EUR 357.7 million).** Within Hungarian product exports to Germany, the share of the digital data processing unit increased from 1.0% to 1.4%. Nonetheless, **Li-ion batteries continue to be the most important Hungarian export item on the German market,** although the export value of this product decreased by 9.8% year-on-year (from EUR 2.2 billion to EUR 2.0 billion) compared to January–August 2024.

**In January–August 2025, digital data processing units were considered the most important Hungarian export item in both the United Kingdom and the Netherlands, with exports of this product increasing by about a third annually in both countries.** Consequently, the share of digital data processing units in Hungarian product exports to the United Kingdom increased from 7.0% to 9.1%, while its share in exports to the Netherlands grew from 7.2% to 9.0%.

**In the first eight months of 2025, out of the six most important export markets for Hungarian digital data processing unit exports, product exports decreased for Ireland alone.** Even despite the 18.1% decrease in exports, **the share** of digital data processing units still **accounted for 44.7% of Hungarian product exports to Ireland.**

Among the most important export markets, **Hungary’s digital data processing unit exports to Spain grew by the second largest amount compared to the first eight months of 2024.** With **exports expanding nearly fourfold** in one year (from EUR 58.8 million to EUR 231.8 million), the digital data processing unit has become **the second most important Hungarian export product in Spain** after 250–1,000 cm<sup>3</sup> internal combustion vehicle engines. In January–August 2025, **the share of digital data processing unit exports within Hungarian product exports to Spain increased from 2.0% to 8.4%** compared to the base period.

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

Ranking (January–August 2024)	Ranking (January–August 2025)	TOP export partner country (January–August 2025)	Exports (January–August 2024, EUR million)	Exports (January–August 2025, EUR million)	Export share (January–August 2024, %)	Export share (January–August 2025, %)
6	1	USA	133.7	838.3	5.7%	22.3%
3	2	Germany	242.1	357.7	10.3%	9.5%
2	3	United Kingdom	247.8	329.3	10.6%	8.8%
4	4	Netherlands	230.0	307.0	9.8%	8.2%
1	5	Ireland	337.5	276.4	14.4%	7.4%
12	6	Spain	58.8	231.8	2.5%	6.2%
The above 6 countries in total			1 249.8	2 340.6	53.3%	62.3%
Total			2 343.5	3 758.3	100.0%	100.0%

Source: KSH

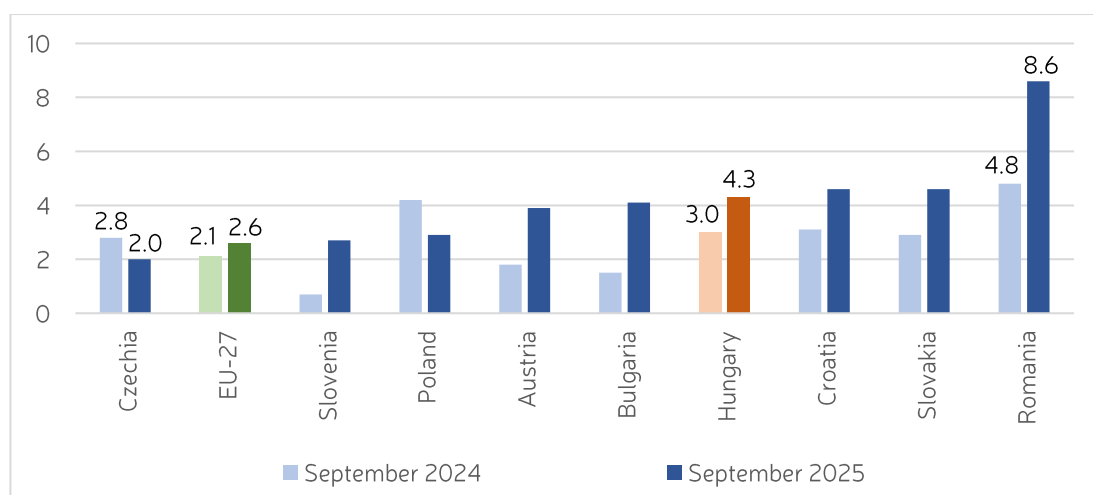
In one year, among the most important markets for Hungarian digital data processing unit exports, the United States moved up from 6<sup>th</sup> place to 1<sup>st</sup> place, whereas Spain moved from 12<sup>th</sup> place to 6<sup>th</sup> place. Ireland, the most important destination market for this product in the first eight months of 2024, dropped from 1<sup>st</sup> place to 5<sup>th</sup> place, but still accounts for 7.4% of Hungarian digital data processing unit exports. In one year, Germany and the United Kingdom swapped places in 2<sup>nd</sup> and 3<sup>rd</sup> place, while the Netherlands retained its 4<sup>th</sup> place among the export destinations of Hungarian digital data processing units.

With the exception of the electronics sector, capacity utilization remains low overall in industrial sectors producing for export. **Due to subdued domestic industrial output and the continued decline in new foreign industrial orders, the MNB expects Hungarian exports to expand by 0.2% in 2025.** In addition to new manufacturing capacities starting production next year, European military and fiscal stimulus programmes could boost the European economy. Intensifying external demand may also have a positive impact on Hungarian industrial exports, so **the Central Bank forecasts a 4.3% expansion in exports for 2026.**<sup>18</sup>

#### 4. Inflation

In September 2025, the Harmonised Index of Consumer Prices (HICP)<sup>19</sup> used by Eurostat increased from 2.1% to 2.6% in the European Union in one year. Among the member states, the highest rate of average price increase was measured in Romania (8.6%), Estonia (5.3%), as well as in Slovakia and Croatia (4.6–4.6%). The lowest HICP rates were recorded in Cyprus (0.0%), France (1.1%), Italy and Greece (1.8–1.8%). Over the course of a year, the HICP rate fell in 8 member states, while it increased in 19.

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



Source: Eurostat

<sup>18</sup> Source: [MNB](#)

<sup>19</sup> Source: [Eurostat](#)

**In September 2025, among the Central European EU member states, inflation only dropped below the EU average (2.6%) in Czechia (2,0%).** The HICP in the region typically ranged between 2.7–4.6%, except in Romania, where price increases accelerated to 8.6%. **In Hungary, the HICP was measured at 4.3% in September.**

Among the Central European EU member states, the HICP increased the most in Romania (by 3.8 percentage points), Bulgaria (by 2.6 percentage points) and Austria (by 2.1 percentage points) over the course of a year, while it decreased in Poland (by 1.3 percentage points) and Czechia (by 0.8 percentage points).

**Based on KSH data<sup>20</sup>, in Q1–Q3 2025, the average consumer price index in Hungary was 4.6%. In January–September 2025, the highest annual price increases were observed in services (by 6.7%), alcoholic beverages and tobacco (6.2%), and food (by 6.0%).** The price of household energy also increased above average (by 5.3%), while the price increase of consumer durable goods (by 2.0%), clothing and footwear (by 1.9%), and other goods including motor fuels (by 0.9%) lagged behind the average price level increase.

**In September 2025, consumer prices on average were 4.3% higher than a year earlier. The fastest rate of increase was of household energy prices (10.6%),** with natural and manufactured gas rising by 23.4% and electricity by 2.3%. **The prices of alcoholic beverages and tobacco (7.1%), services (5.9%) and that of food (4.7%) also increased above average. Within services,** recreational services increased by 12.9%, repairs and maintenance of vehicles and personal care services by 9.5% each, the repairs and maintenance of dwellings by 9.4%, rents by 9.3%, and health services by 8.6%. **Among food items,** for example, the price of chocolate and cocoa increased by 19.2%, eggs by 18.2%, coffee by 17.6%, and edible oil by 8.4%, while the price of margarine decreased by 29.0%, flour by 12.0%, milk products by 8.4%, and sugar by 8.2%. **The price of consumer durables increased by 2.5%,** including jewellery prices by 20.7%, living and dining room furniture by 5.1%, heating and cooking appliances by 4.1%, and new passenger cars by 1.8%. **The price of motor fuels dropped by 0.3%, while the price of pharmaceutical products increased by 4.4%.**

According to the MNB, **price restriction measures could reduce inflation by 1.1 percentage points this year,** which could be partially offset by **cross pricing of other products.** In 2026, vigorous consumption could broaden companies' leeway in terms of pricing, and the price raise effect of phasing out price restriction measures could also be reflected in the future. Their inflationary effects are offset by the predictable, low-volatility HUF exchange rate and strict monetary policy.

**MNB expects an average consumer price increase of 4.6% 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 persistently decrease to the Central Bank's tolerance band**

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<sup>20</sup> Source: [KSH](#)

**in early 2026 and reach the 3% inflation target in 2027.** In its Inflation Report published on 25 September 2025, MNB provided the following point estimate for consumer prices.<sup>21</sup>

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

	2024 (fact)	2025	2026	2027
Inflation	3.7	4.6	3.8	3.0
Core inflation	4.6	4.7	3.9	2.9

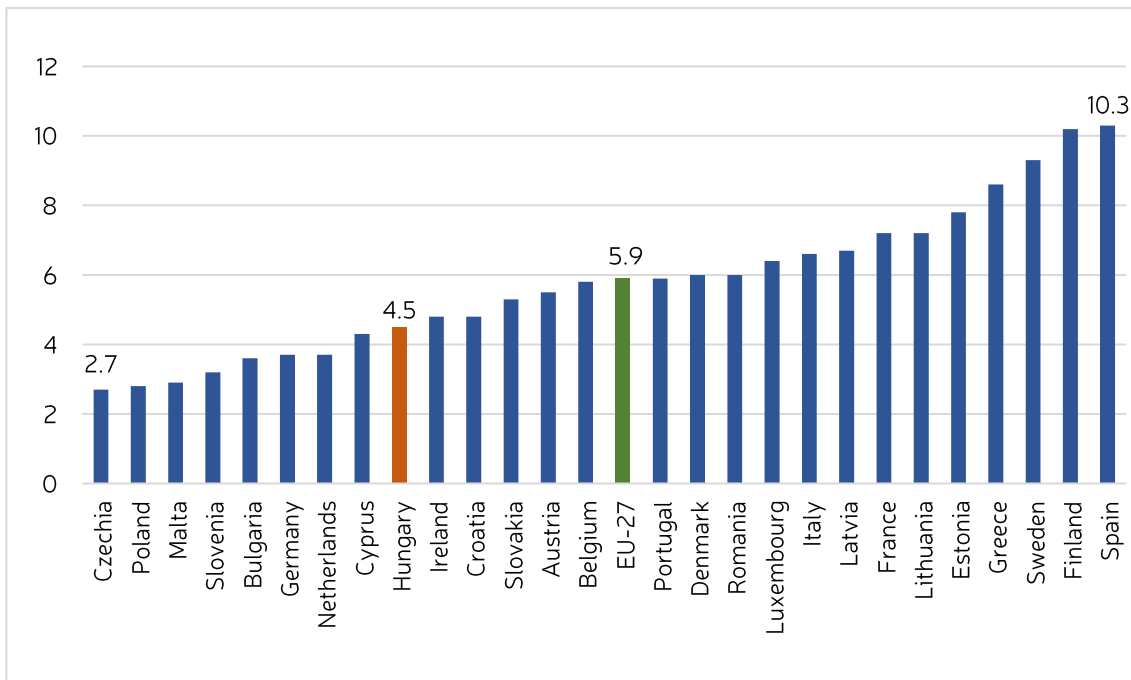
Source: MNB, KSH

## 5. Labour market

### Unemployment

Based on Eurostat data, the Hungarian unemployment rate of 4.5% in Q2 2025 was the ninth lowest in the EU and – after Czechia, Poland, Slovenia and Bulgaria – the fifth lowest among Central European EU member states. The average unemployment rate in the EU (5.9%) remarkably exceeded the Hungarian value. In Hungary, unemployment rate has decreased by about two-thirds (from 6.7% to 4.5%) in ten years.

**Unemployment rate among the population aged 15–74 in the EU member states (Q2 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 Q2 2025, the number of unemployed was 218.6 thousand, and the unemployment

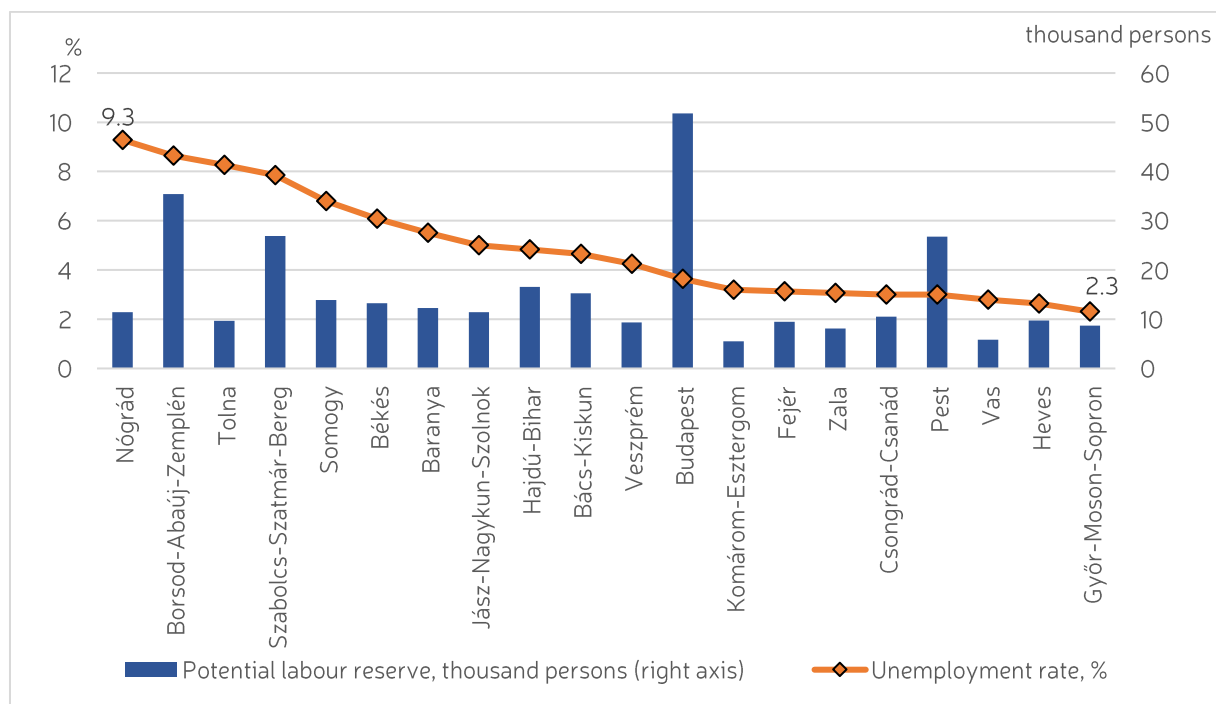
<sup>21</sup> Source: [MNB](#)

rate was 4.5%. Compared to Q2 2024, the number of unemployed increased by about 4.7 thousand and the unemployment rate rose by 0.2 percentage points. Significant geographical differences can be observed with regard to the unemployment rate.

**In Q2 2025, the unemployment rate was lowest in Győr-Moson-Sopron (2.3%), Heves (2.6%) and Vas counties (2.8%), while it was highest in Nógrád (9.3%), Borsod-Abaúj-Zemplén (8.6%) and Tolna counties (8.3%).**

Nearly half of the country's potential labour reserve (312.0 thousand people) reside in the Great Plain and Northern Hungary (150.5 thousand people, 48.2%), more than a quarter in Transdanubia (82.9 thousand people, 26.6%), and one fourth in the capital and Pest County (78.6 thousand people, 25.2%). **According to KSH data, the largest potential labour reserves are in Budapest (51.8 thousand people), Borsod-Abaúj-Zemplén (35.4 thousand people), Szabolcs-Szatmár-Bereg (26.9 thousand people) and Pest (26.8 thousand people) counties.**

**Hungary's unemployment rate and potential labour reserve among the population aged 15–74 broken down by county (Q2 2025, % and thousand people)**



Source: KSH

**In June–August 2025, the number of unemployed aged 15–74 increased by 5.4 thousand to 216.6 thousand compared to the same period of the previous year. In line with this, the unemployment rate increased by 0.1 percentage points to 4.4% in one year.<sup>22</sup> Based on the data of the National Employment Service (NFSZ) 220,207 jobseekers were registered in September**

<sup>22</sup> Source: [KSH](#)

2025, which means a decrease of 8,149 people (3.6%) compared to the same period of the previous year. Registered jobseekers accounted for 3.5% of the working-age population.<sup>23</sup>

**The tightness of the labour market has eased remarkably 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 Q2 2025, there were 40,931 vacant positions in the business sector,** which is 3,591 (8.1%) lower than in the same period of the previous year. **Based on KSH data, the number of vacant positions decreased most in manufacturing (by 7.5%, 994 people), construction (by 35.8%, 904 people), professional, scientific and technical activities (by 23.9%, 772 people) as well as accommodation and food service activities (by 26.1%, 534 people) over the course of a year.** In addition to the decline in employment, labour market activity has decreased, therefore the MNB expects a slight increase in the unemployment rate. **According to MNB's forecast, the unemployment rate could be 4.6% in 2025, 4.8% in 2026, and 4.5% in 2027.**<sup>24</sup>

### *Earnings*

Based on KSH data, **in January–August 2025, the average monthly gross earnings** of full-time employees **in the business sector**<sup>25</sup> amounted to about **HUF 697,500**, 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 540,300**, which is 8.9% higher than the base value. **In January–August 2025, at the level of the national economy** (calculated without public workers), **the average monthly gross earnings were HUF 703,100**, which means an **increase of 9.0%** on an annual basis. **In August 2025, the average gross earnings were highest in the sector of information and communication (1,069,700 HUF), and lowest in the field of accommodation and food services (448,900 HUF).**<sup>26</sup>

The minimum wage agreement will significantly influence wage dynamics in the upcoming years. In 2025, wages in the business sector may increase at a slower pace than last year, and due to global economic uncertainty, companies' cost adjustments may become more pronounced. **According to MNB's forecast, average earnings in the business sector may increase by 8.5% in 2025, 9.3% in 2026, and 9.4% in 2027. Real wages in the business sector may rise by 3.8% this year, 5.3% next year, and 6.2% in 2027.**<sup>27</sup>

### *Employment*

Based on Eurostat data, the Hungarian employment rate in Q2 2025 (65.1%) exceeded the EU average (62.1%) by 3.0 percentage points. Among Central European member states, Hungary has the third highest employment rate after Czechia and Austria.

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<sup>23</sup> Source: [NFSZ](#)

<sup>24</sup> Source: [MNB](#)

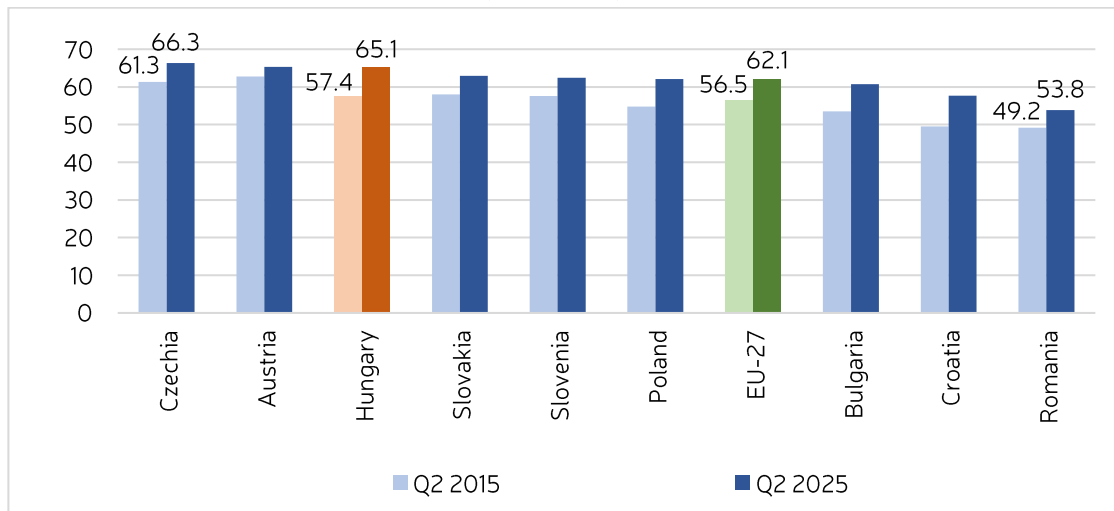
<sup>25</sup> Note: calculated without public workers, for all enterprises with employees

<sup>26</sup> Source: [KSH](#)

<sup>27</sup> Source: [MNB](#)

**The Hungarian employment rate expanded by 7.7 percentage points in ten years, which is the 8<sup>th</sup> largest increase in the EU.**

**Employment rate among the population aged 15–74 of the Central European Union member states (Q2 2015–Q2 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 Q2 2025, nearly 4.7 million people (4,660.7 thousand) were registered as employed. Compared to Q2 2024, the number of employed people decreased by 49.1 thousand, and the employment rate dropped to 65.1%. In Q2 2025, the employment rate was highest in Győr-Moson-Sopron County (70.0%) and Budapest (69.9%). The lowest employment rates in the country were in the counties of Borsod-Abaúj-Zemplén (58.3%), Somogy (59.3%), Zala (59.4%) and Tolna (59.5%).

In June–August 2025, out of 4,679.2 thousand employed, 104.9 thousand working abroad, and the number of public workers was 71.7 thousand. The number of people working abroad decreased by 0.9 thousand, while the number of public workers increased by 14.6 thousand compared to the same period of the previous year.<sup>28</sup>

Among manufacturing companies, employment began to decline on an annual basis in 2024, as the subdued international economy and uncertainty surrounding world trade affected this sector the most. This year, signs of a decline in labour demand are already visible in the service sector as well. 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

<sup>28</sup> Source: [KSH](#)

MNB's forecast, the number of people employed in the business sector will decrease by 1.4% in 2025, by 0.4% in 2026, while it may increase by 0.3% in 2027.<sup>29</sup>

## 6. Foreign Direct Investment (FDI)

Based on **revised** data compiled by the country of ultimate investor and published by the MNB on 25 September 2025, **Germany remained 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 21.3 billion in 2023, which corresponds to 20.0% of the total domestic FDI stock of nearly EUR 107 billion.** The second largest investing country is Austria, since the stock of capital investments from the neighbouring country exceeded EUR 10 billion, which corresponds to a share of 9.5%.

**The United States ranked 3<sup>rd</sup>**, with FDI stock from the country amounting to EUR 9.4 billion. The largest investor from Asia is South Korea, with the Republic of Korea accounting for 7.7% of the total FDI stock. **The geographical distribution of investments is concentrated, considering that the TOP10 countries are responsible for nearly 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
	<i>Total</i>	<i>106 529</i>	<i>100.0%</i>
1	Germany	21 273	20.0%
2	Austria	10 122	9.5%
3	USA	9 402	8.8%
4	South Korea	8 202	7.7%
5	France	5 158	4.8%
6	China	4 540	4.3%
7	Switzerland	3 766	3.5%
8	United Kingdom	3 367	3.2%
9	Japan	3 310	3.1%
10	Italy	3 134	2.9%

Source: MNB

**The TOP 10 largest investing countries in Hungary include 3 East Asian countries (South Korea, China, Japan), which together account for 15.1% of the total FDI stock.** Another 4 countries are members of the European Union (Germany, Austria, France, Italy), which together accounted for approximately 37% of the total value.

Among the foreign-controlled companies in Hungary, those with a German ownership background play a prominent role, as 30% of all employees of foreign-controlled companies work for them. In this approach, companies related to the USA (nearly 100,000 employees) and

<sup>29</sup> Source: [MNB](#)

neighbouring Austria (around 76,000 people) can also be highlighted. **The first three countries account for more than 50% of the total number of employees related to foreign companies.**

It is worth highlighting that **between 2013 and 2023, the number of people employed by South Korean companies in Hungary increased nearly fivefold, from 5,282 to almost 24,000.**

**Main summary data of enterprises operating in Hungary based on the nationality of the ultimate owner (2023)**

Ranking	Country	Number of employed persons*	Number of active enterprises
	<i>All countries</i>	3 330 687	901 708
	Hungary	2 543 160	885 820
	<i>All countries, except for Hungary</i>	787 527	15 888
1	Germany	234 870	2 253
2	USA	96 618	1 362
3	Austria	75 792	2 273
4	France	45 199	537
5	United Kingdom	43 647	694
6	Switzerland	32 485	917
7	Japan	27 631	195
8	South Korea	23 842	259
9	Netherlands	18 312	602
10	Italy	18 234	521

Source: KSH, Statistics of foreign-controlled subsidiaries operating in Hungary (Inward FATS)

\*: Number of employees and self-employed persons (EMPL)

## 7. Value added

In 2024, manufacturing produced 18.4% of the gross value added in the Hungarian national economy, which is 1.4 percentage points lower than the 19.8% rate in 2023. The manufacture of transport equipment can be considered the largest manufacturing sub-sector, which represents a 3.2% share in the total domestic value added. The food industry is in second place, with a share of 2.2%.

After manufacturing, the largest national economic sector is represented by real estate activities (12.0% share), followed by wholesale and retail trade, repair of motor vehicles and motorcycles (9.9% share). The shares of agriculture and construction decreased in 2024 compared to the previous year.

**In terms of expansion, real estate activities and education can be highlighted as national economic sectors, with the share of the former increasing from 11.4% to 12.0%, and the latter from 4.3% to 4.9% between 2023 and 2024.**

### Gross value added in the Hungarian national economy by sector

Sector	2023	2024	2023	2024
	HUF billion		Share	
All sectors	65 157 153	69 986 484	100.0%	100.0%
A= Agriculture, forestry and fishing	2 201 047	2 208 145	3.4%	3.2%
B= Mining and quarrying	237 162	283 055	0.4%	0.4%
C= Manufacturing	12 886 141	12 871 984	19.8%	18.4%
CA Manufacture of food products, beverages and tobacco products	1 414 653	1 526 397	2.2%	2.2%
CB Manufacture of textiles, wearing apparel, leather and related products	217 356	207 928	0.3%	0.3%
CC Manufacture of wood and paper products, and printing	631 496	621 891	1.0%	0.9%
CD Manufacture of coke, and refined petroleum products	602 445	498 327	0.9%	0.7%
CE Manufacture of chemicals and chemical products	486 157	422 983	0.7%	0.6%
CF Manufacture of pharmaceuticals, medicinal chemical and botanical products	879 562	882 461	1.3%	1.3%
CG Manufacture of rubber and plastics products, and other non-metallic mineral products	1 190 875	1 210 086	1.8%	1.7%
CH Manufacture of basic metals and fabricated metal products, except machinery and equipment	1 268 626	1 236 242	1.9%	1.8%
CI Manufacture of computer, electronic and optical products	1 066 672	1 067 557	1.6%	1.5%
CJ Manufacture of electrical equipment	1 122 904	1 163 910	1.7%	1.7%
CK Manufacture of machinery and equipment n.e.c.	904 789	856 485	1.4%	1.2%
CL Manufacture of transport equipment	2 189 889	2 208 406	3.4%	3.2%
CM Other manufacturing, and repair and installation of machinery and equipment	910 717	969 311	1.4%	1.4%
D= Electricity, gas, steam and air-conditioning supply	1 614 347	1 504 423	2.5%	2.1%
E= Water supply, sewerage, waste management and remediation	363 066	498 936	0.6%	0.7%
F= Construction	3 978 312	4 139 723	6.1%	5.9%
G= Wholesale and retail trade, repair of motor vehicles and motorcycles	6 717 014	6 935 071	10.3%	9.9%
H= Transportation and storage	3 413 913	3 819 015	5.2%	5.5%
I= Accommodation and Food service activities	1 445 248	1 629 434	2.2%	2.3%
J= Information and communication	3 358 789	3 727 471	5.2%	5.3%
K= Financial and insurance activities	2 702 308	3 059 775	4.1%	4.4%
L= Real estate activities	7 452 859	8 405 626	11.4%	12.0%
M= Professional, scientific and technical activities	4 038 273	4 363 612	6.2%	6.2%
N= Administrative and support service activities	2 651 222	2 938 663	4.1%	4.2%
O= Public administration and defence, compulsory social security	4 674 785	5 113 998	7.2%	7.3%
P= Education	2 791 593	3 424 602	4.3%	4.9%
Q= Human health and social work activities	2 863 831	3 110 901	4.4%	4.4%
R= Arts, entertainment and recreation	970 865	1 112 973	1.5%	1.6%
S= Other services	786 788	828 810	1.2%	1.2%

T= Activities of households as employers; undifferentiated goods and services producing activities of households for own use	9 590	10 267	0.0%	0.0%
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Source: KSH