# HIPA GUIDE

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

January 2026

**ECONOMIC ANALYSIS DEPARTMENT**

hipa

## Contents



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# SUMMARY

**GDP**

GDP volume: 0.6% (Q3 2025)
Prognosis (2026): 2.4% (MNB), 2.3% (European Commission), 2.1% (IMF), 1.9% (OECD)

- In Q1-Q3 2025, the value of GDP in Hungary amounted to HUF 62,255 billion.
- In Q3 2025, GDP decreased only in Finland of the 27 EU member states on an annual basis.

**Manufacturing**

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

- In the first 11 months of 2025, the total production value of manufacturing amounted to HUF 46,668.6 billion.
- The key sectors were the manufacture of transport equipment (25.7% share), the manufacture of food products (13.8%) and the manufacture of computer, electronic and optical products (11.6%).

**FDI**

Last year, the number of announced greenfield projects decreased by 16%, including a 23% decline in manufacturing.

- In 2025, UNCTAD estimates that the global value of foreign direct investments (FDI) has increased by 14%, exceeding USD 1,600 billion. Excluding flows through major global financial centres, the growth amounted to around 5%.

**Foreign trade**

Goods exports: +1.3%, EUR 136.0 billion (yoy, January–November 2025)
Goods exports: +3.9% (yoy, MNB prognosis, 2026)

- In the first 11 months of 2022 and 2025, electrical machinery, apparatus and appliances, and road vehicles were the two most important Hungarian export products.
- In three years, Hungarian medicinal and pharmaceutical product exports expanded by 41.1% to nearly EUR 9.2 billion, making them the 3 rd most important export item in January–November 2025.
- Between January–November 2022 and January–November 2025, the EUR 3.9 billion increase in digital data processing unit exports accounted for more than 80% of the total Hungarian goods export growth.

**Inflation**

Consumer price index: 4.4% (yoy, January–December 2025)
Annual average inflation: 3.2% (yoy, MNB prognosis, 2026)

- Between December 2024 and December 2025, the Harmonised Index of Consumer Prices (HICP) in the EU decreased the most in Hungary and Czechia (by 1.5 percentage points each), after Cyprus (by 3.0 percentage points) and Belgium (by 2.2 percentage points).
- In December 2025, consumer prices in Hungary increased by an average of 3.3%.
- According to the MNB, the rate of price increases may temporarily fall below the inflation target in the first months of 2026 but may persistently reach the 3% inflation target in the second half of 2027.

**Labour market**

Unemployment rate: 4.8% (MNB prognosis, 2026)
Average gross earnings in the business sector: +9.0% (yoy, MNB prognosis, 2026)

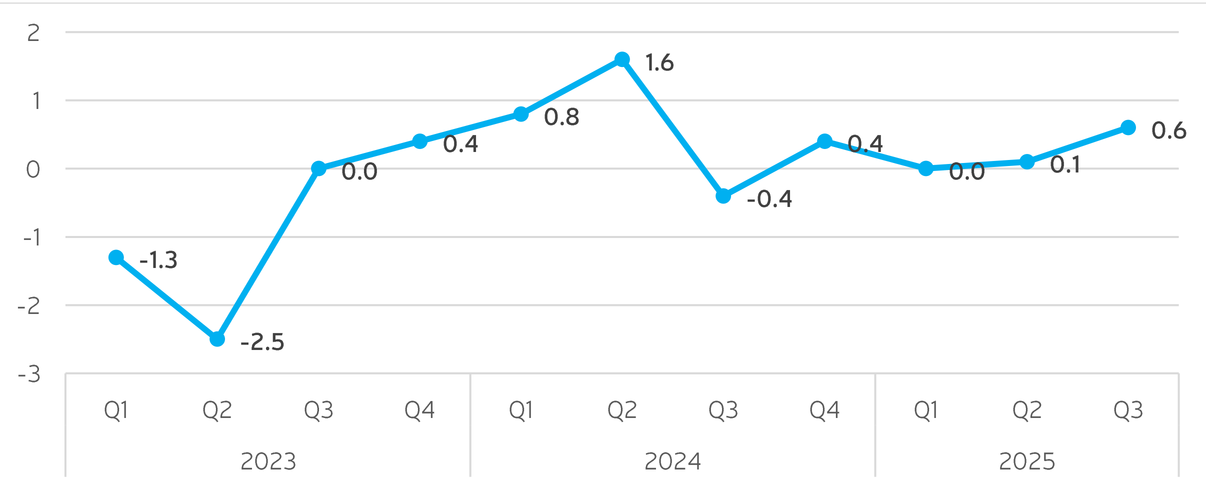
- The Hungarian unemployment rate in Q3 2025 (4.5%) was the 10 th lowest in the EU and was significantly lower than the EU average (6.0%).
- The Hungarian employment rate in Q3 2025 (65.4%) exceeded the EU average (62.2%) and was the 3 rd highest among Central European member states.
- In the first 11 months of 2025, the average gross earnings in the business sector increased by 8.7% (to HUF 700,600) on an annual basis.

## 1. Economic growth

**In Q3 2025, according to raw data, the volume of GDP increased by 0.6% in Hungary compared to the same period of the previous year.**[1] In Q3 2025, the performance of manufacturing was also below the growth rate registered in the same period of the previous year (this time by only 0.8%), which is mainly due to the decline in the manufacture of road vehicles and that of batteries and other electrical products. In contrast, the manufacture of computer, electronic and optical products was able to expand on an annual basis. **The subdued performance of industrial output is due to weak external demand as well as the competitiveness and product portfolio problems of companies.** The construction industry has grown for the second consecutive quarter: its value added is 2.6% higher than that measured in the same period in 2024. In the first eleven months of 2025, the sector's production volume increased by 1.6% compared to the same period of the previous year, and the volume of contracts also significantly exceeded that registered a year earlier. **The expansion of the construction industry's output is also encouraged by various measures to increase family income, as well as the Home Start Programme.** The performance of agriculture in Q3 2025 fell short by 6.2% of that registered a year earlier.

**Following Q1 and Q2 2025, the gross value added of services increased in Q3 as well (this time by 1.5%),** primarily due to the expansion of the financial and insurance activities (3.8%) and the accommodation and food service activities (3.0%) branches of the national economy. **Services (+0.9 percentage points) and construction (+0.1 percentage points) contributed positively to the growth of GDP in Q3 2025, while industry (-0.3 percentage points) and agriculture (-0.2 percentage point) contributed negatively.**[2]

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




Source: KSH (Central Statistical Office)[3]

[1] Source: KSH
[2] Source: KSH
[3] Source: KSH

**On the expenditure side, actual final consumption of households increased by 1.9% compared to Q3 2024.** Household final consumption expenditure also increased (by 2.6%), 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.[4] It is important to mention, however, that the volume of construction investments decreased and investments in machinery and equipment increased. Another interesting fact is that investments increased in sectors producing for the domestic market, while investments decreased among export-oriented companies. All in all, **actual final consumption contributed 0.4 percentage points to the performance of the national economy in Q3 2025, and gross capital formation contributed 3.5 percentage points due to inventory changes, while the balance of foreign trade restrained it by 3.3 percentage points.**[5]

**The Hungarian National Bank (MNB) expects a GDP increase of 0.5% for 2025 and 2.4% for 2026.**[6] 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 two quarters, it can still be considered subdued.

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

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 Q2 2023, one of the reasons for which is that the investment-oriented economic strategy has led to overcapacity in many sectors.**

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

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[4] Source: KSH
[5] Source: KSH
[6] Source: MNB

**Countries like Hungary, which are deeply integrated into European production networks (for example, through the automotive industry), closely follow the industrial trends of the Eurozone with fluctuations in their industrial output. In addition to stable consumption growth, the expected recovery may be supported by normalising global market activity and base effects.**

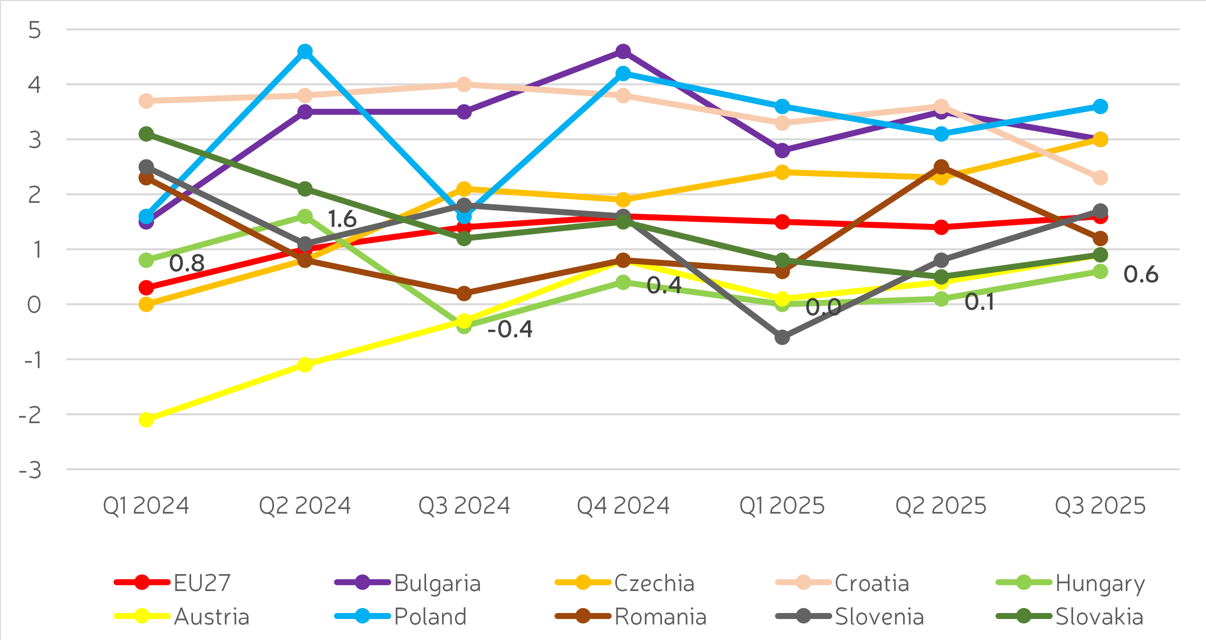
According to the Central Bank's forecast, both internal and external factors will encourage the recovery of the economy from this year. This will be based on stable consumption dynamics, real wage increase, government measures, and the start of production of previously announced capacity expansion investment projects. These projects can accelerate Hungary's technological development, attract strategic suppliers, and support the creation of skilled jobs in key industrial regions. **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.

**Looking at Q3 2025, economic growth in most European economies was in line with analysts' expectations, however, the economic performance of the European Union remained moderate (+1.6%).** Europe's potential growth is also held back by its own internal constraints, notably weak productivity dynamics and adverse demographic trends. **According to analysts at BNP Paribas, growth in the Eurozone in 2026 will be driven by the continent's largest economies, primarily through investments.** These will be partly public investments (e.g. German infrastructure developments and European rearmament programmes) and partly private investments, which will be stimulated by strong demand for artificial intelligence (AI) and digital infrastructure. 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.

The performance of European economies in Q3 2025 exceeded expectations, with GDP declining on an annual basis in only one member state (Finland) out of the 27 countries of the European Union. **According to Eurostat data, an expansion of 3.6% in Poland, 3.0% in Czechia, 0.9% in Slovakia and 0.6% in Hungary was registered among the Visegrad countries in Q3 2025 on an annual basis.** The economic performance of the European Union also expanded (+1.6%), and overall, the positive growth in Ireland (10.8%), Denmark (4.0%) and Cyprus (3.8%) can be highlighted.[7]

[7] Source: Eurostat

**GDP growth of regional countries on an annual basis (%, Q1 2024–Q3 2025)**




Source: Eurostat[8]

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 in previous forecast, and estimates have been revised downwards for several states. The largest growth is expected in Poland, Croatia and Bulgaria in 2025 and 2026, while an expansion of over 2.0% can also be predicted in Hungary this year. **According to the forecast of the three organizations, Hungary is expected to register an expansion of 0.4% in 2025, and around 2.1% in 2026.**

**GDP growth of regional countries (%, forecast)**

| Country | European Commission | | IMF | | OECD | | Anticipated growth* | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 |
| **Hungary** | **0.4** | **2.3** | **0.6** | **2.1** | **0.3** | **1.9** | **0.4** | **2.1** |
| **Eurozone** | **1.3** | **1.2** | **1.2** | **1.1** | **1.3** | **1.2** | **1.3** | **1.2** |
| Austria | 0.3 | 0.9 | 0.3 | 0,8 | 0.3 | 0.9 | 0.3 | 0.9 |
| Bulgaria | 3.0 | 2.7 | 3.0 | 3.1 | 3.0 | 2.6 | 3.0 | 2.8 |
| Czechia | 2.4 | 1.9 | 2.3 | 2.0 | 2.4 | 2.0 | 2.4 | 2.0 |
| Croatia | 3.2 | 2.9 | 3.1 | 2.7 | 3.2 | 2.7 | 3.2 | 2.8 |
| Poland | 3.2 | 3.5 | 3.2 | 3.1 | 3.3 | 3.4 | 3.2 | 3.3 |
| Romania | 0.7 | 1.1 | 1.0 | 1.4 | 1.3 | 1.0 | 1.0 | 1.2 |
| Slovakia | 0.8 | 1.0 | 0.9 | 1.7 | 0.8 | 1.1 | 0.8 | 1.3 |
| Slovenia | 1.0 | 2.4 | 1.1 | 2.3 | 0.9 | 2.3 | 1.0 | 2.3 |

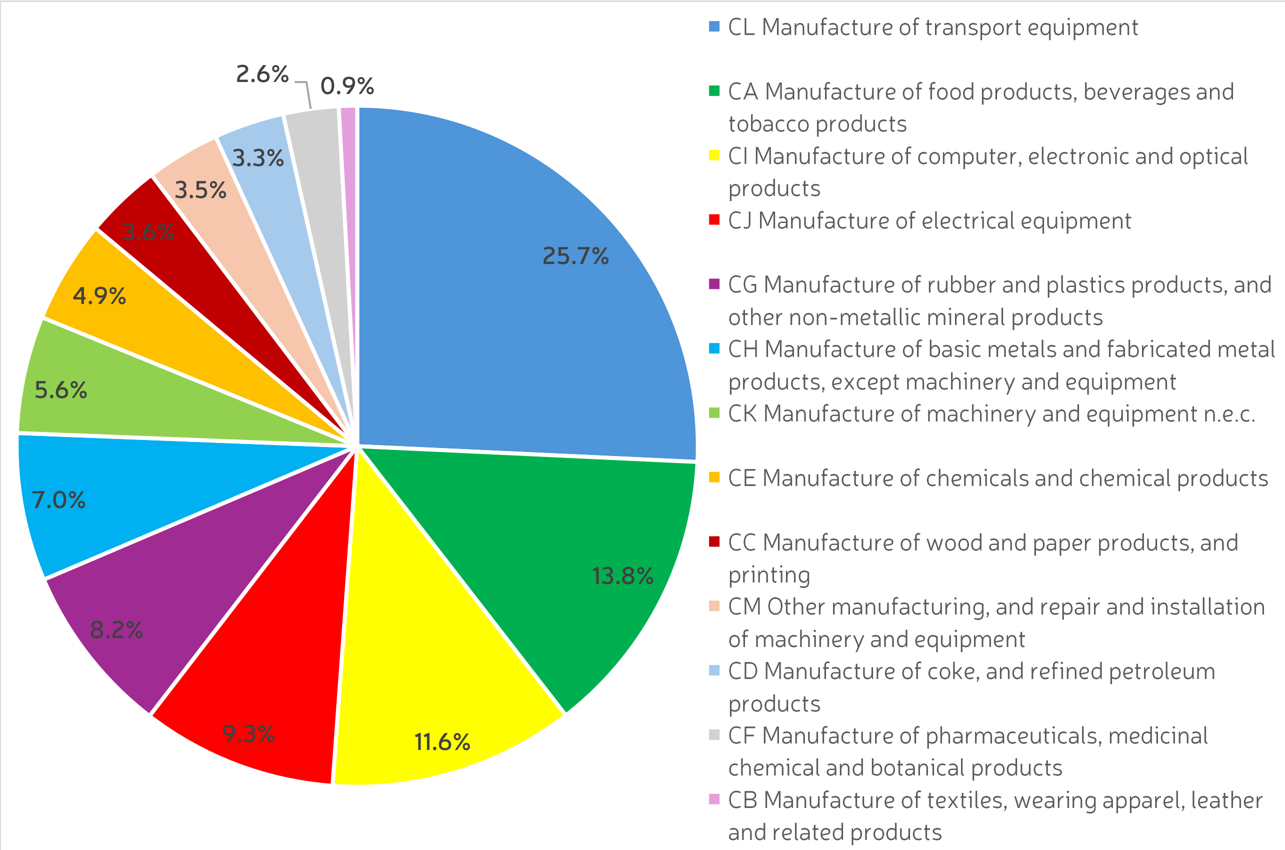
[8] Source: Eurostat

Source: European Commission,[9] IMF,[10] OECD[11]
* average of the three organizations' forecasts

## 2. Manufacturing

**In the first 11 months of 2025, the total production value of manufacturing amounted to HUF 46,668.6 billion, which represents a 1.0% decrease compared to the same period of the previous year,** and a drop of 3.6% was also registered based on the volume index.[12] The manufacture of transport equipment accounted for 25.7%, the manufacture of food products, beverages and tobacco products for 13.8%, and the manufacture of computer, electronic and optical products for 11.6% of the production value.[13]

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




Source: KSH

Examining the volume index of production in January–November 2025, expansion was registered in only two sub-sectors: the manufacture of computer, electronic and optical products (+12.9%), as well as the manufacture of wood and paper products, and printing (+1.9%). **However,**

[9] Source: European Commission
[10] Source: IMF
[11] Source: OECD
[12] Source: KSH
[13] Source: KSH

**a decrease was recorded in 11 of the 13 manufacturing sub-sectors.** The largest decline was experienced by the manufacture of electrical equipment (-12.3%), followed by the manufacture of coke, and refined petroleum products (-9.9%), and the manufacture of textiles, wearing apparel, leather and related products by a decrease of 9.7%.[14]

The restrained result of the industry may be primarily due to the slowdown of the export markets. Manufacturing is highly export-oriented; therefore, its performance is largely determined by the development of foreign markets. The German (and European) economy is facing serious competitiveness problems, as high-value-added Chinese products (such as automobiles) proving to be competitive in the market.

**Observing the sectoral shifts, it is clear that a strong rescheduling is taking place, both on the manufacturing and political sides, in line with market trends. Last year showed that the pace of the electric transition is ultimately determined not by target dates, but by demand, infrastructure and total cost (price of electricity, residual value, financing, subsidies).**

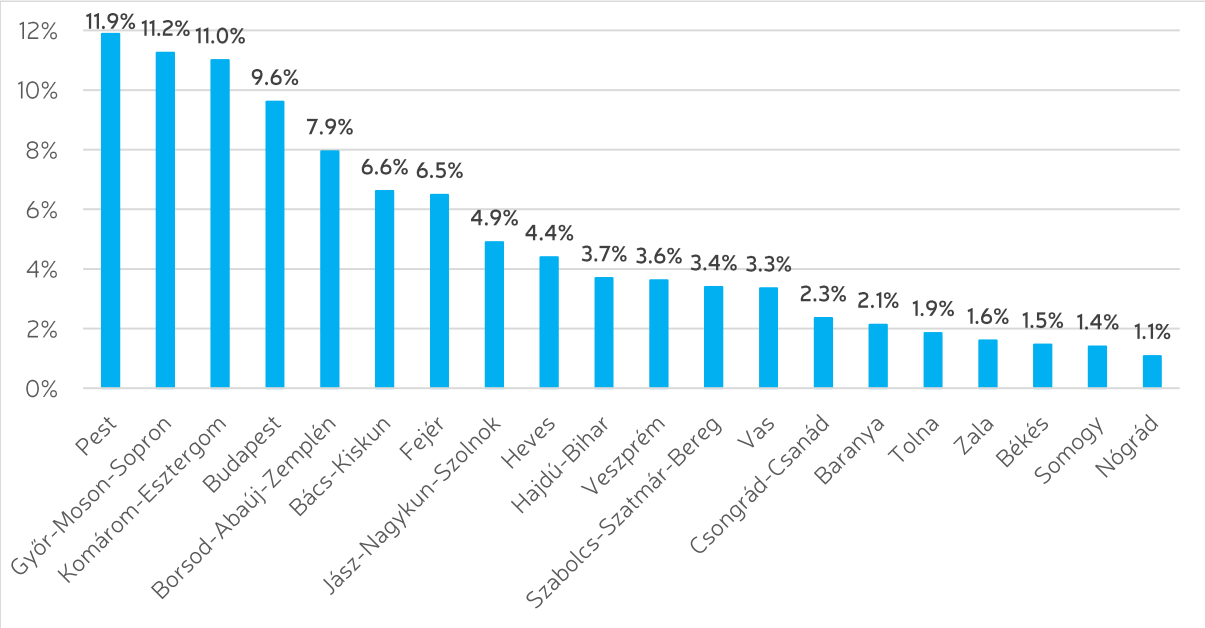
Since a remarkable part of Hungarian industry's exports go to Germany, the weakness of German industry, and especially German car factories, also have a negative impact on Hungarian prospects. Most European companies are still complaining about the lack of demand and orders. **Positive signs are already visible and a kind of cyclical upswing in industrial performance has begun across Europe; however, it will take a few months for this to be reflected in the order books of Hungarian industrial companies and manifest itself as an actual performance improvement.** 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. Another positive development is that the seasonally adjusted Purchasing Managers' Index (PMI) for December is already in the expansion range. The indicator has not only improved compared to November but has been well above the long-term average.

**It is worth mentioning that the volume of industrial output increased on an annual basis in only two of the first eleven months of last year (March and September).** 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.

Examining the territorial distribution of total industrial output, **based on the data for the period January–November 2025, eight counties were able to show growth**, with the largest increase in the volume of industrial production in Hajdú-Bihar County by 11.5%, in Komárom-Esztergom County by 10.1%, while in Jász-Nagykun-Szolnok County by 2.3%. On the contrary, the volume of production decreased by 14.0% in Bács-Kiskun County, while industrial output dropped by 9.9% in Nógrád and Pest County.[15]

[14] Source: KSH
[15] Source: KSH

**Share of industrial output by county (January–November 2025)**




Source: KSH[16]

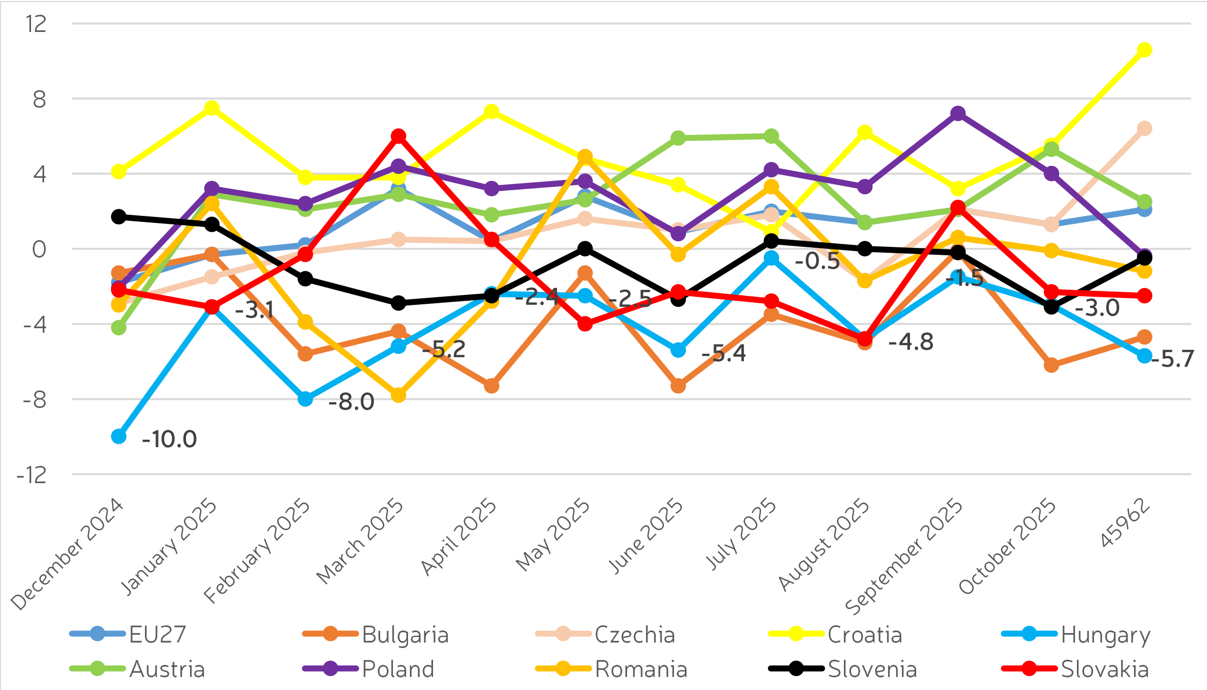
**In terms of industrial output in Hungary, the counties of Pest and Győr-Moson-Sopron, as well as Komárom-Esztergom can be highlighted; the 3 territorial units together accounted for more than a third (34.1%) of the total industrial output in the first eleven months of 2025.** The lowest share was represented 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 December 2024 to November 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 (5.1%), Poland (2.8%), Austria (2.6%) and Czechia (0.7%). **Considering the above period, the average monthly decrease in the manufacturing production volume index of Hungary was 4.3%.**

It can be stated that without the growth of Germany's 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 in the first half of the year will bring some dynamism to Hungarian industry.**

[16] Source: KSH

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



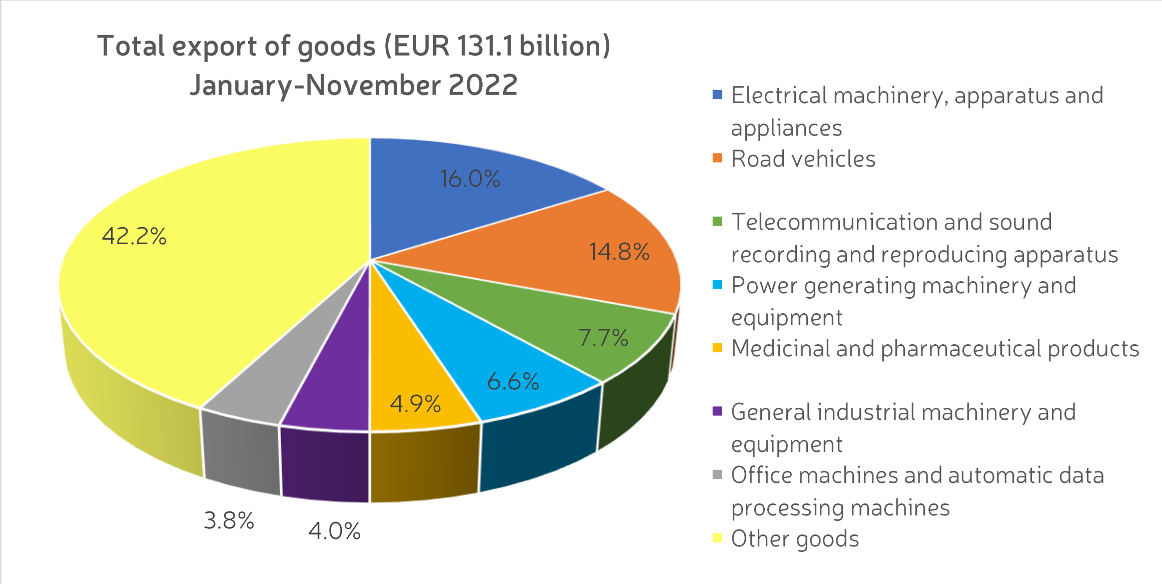

Source: Eurostat[17]

## 3. Foreign trade

**In three years, the value of Hungarian goods exports increased from EUR 131.1 billion to EUR 136.0 billion. In the first 11 months of 2022 and 2025, the same seven product ranges** (Electrical machinery, apparatus and appliances, Road vehicles, Medicinal and pharmaceutical products, Power generating machinery and equipment, Office machines and automatic data processing machines, Telecommunication and sound recording and reproducing apparatus, General industrial machinery and equipment) **accounted for about 60% of Hungarian goods exports, but the structure of exports has become more concentrated. While in January–November 2022 the seven most important product ranges of Hungarian exports amounted to 57.8% of total exports, in January–November 2025 they accounted for 61.9%. Over three years from the above seven product ranges, only the export of telecommunication apparatus decreased** (by 16.8%), **while the export of the other six product ranges was growing a faster pace** (by 5.0–71.4%) **than total goods exports** (3.7%).

[17] Source: Eurostat

**Share of Hungarian goods exports among the seven most important export product ranges (January–November 2022, %)**



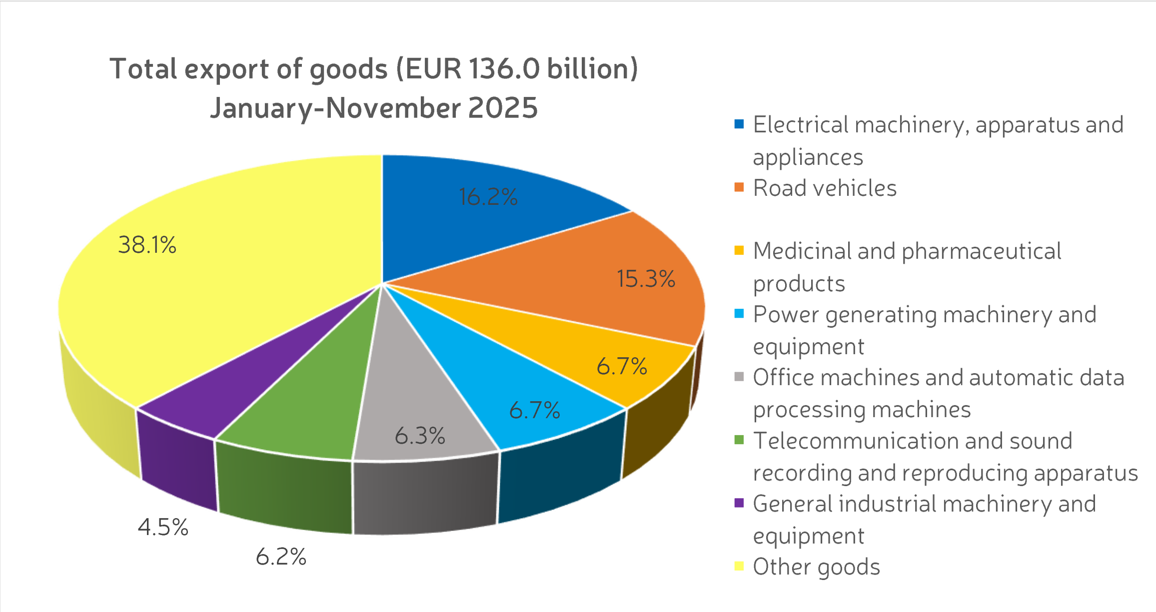

Source: KSH

**In the first 11 months of 2022 and 2025, electrical machinery, apparatus and appliances, and road vehicles were the two most important Hungarian export products. In three years, exports of electrical machinery, apparatus and appliances increased by 5.0%** (from EUR 20.9 billion to nearly EUR 22.0 billion), and their export share **increased** from 16.0% to 16.2%. **Road vehicle exports increased by 7.1%** (from EUR 19.4 billion to EUR 20.8 billion) over the same period, and their export share grew from 14.8% to 15.3%. Similarly to the previous two product ranges, **exports of power generating machinery and equipment also showed moderate growth, expanding by 6.0%** (from EUR 8.6 billion to EUR 9.1 billion) **in three years.** Therefore, in the first 11 months of 2022 and 2025, **power generating machinery and equipment was the fourth most important Hungarian export item,** with an export share of 6.6% and 6.7%, respectively.

At the same time, there were **remarkable changes in the order of the seven most important Hungarian export products** between January–November 2022 and January–November 2025. In the first 11 months of 2022, the 4.9% export share of the medicinal and pharmaceutical products, which was the 5th most important export item, was still significantly lower than the export share of power generating machinery and equipment (6.6%), which was in 4th place in the product export ranking at that time. **In three years, Hungarian medicinal and pharmaceutical products exports expanded by 41.1%** (from EUR 6.5 billion to nearly EUR 9.2 billion), **making them the 3rd most important export item in January–November 2025.** In the first 11 months of 2025, **medicinal and pharmaceutical products had an export share of 6.7%**, which is now the same as the export share of power generating machinery and equipment, which is in 4th place in the export ranking. **The dynamic expansion of Hungarian medicinal and pharmaceutical**

**products exports can be primarily attributed to the fact that the export of immunological products increased nearly 2.5 times** (from EUR 0.9 billion to EUR 2.3 billion) **over three years.**

**Share of Hungarian goods exports among the seven most important export product ranges (January–November 2025, %)**




Source: KSH

In the first 11 months of 2022, the 3.8% export share of the office machines and automatic data processing machines, which was the 7th most important export item, was even less than half of the export share of telecommunication apparatus (7.7%), which was in 3rd place in the product export ranking at that time. **In three years, Hungarian office machines and automatic data processing machines exports expanded by 71.4%** (from EUR 5.0 billion to nearly EUR 8.6 billion), **making them the 5th most important export item in January–November 2025.** In the first 11 months of 2025, **office machines and automatic data processing machines had an export share of 6.3%**, which already exceeded the 6.2% share of telecommunication apparatus, which ranked 6th in the export ranking. **The dynamic expansion of Hungarian office machines and automatic data processing machines exports can be primarily attributed to the fact that the export of digital data processing units increased nearly 2.8 times** (from EUR 2.1 billion to EUR 6.1 billion) **over three years**. Between January–November 2022 and January–November 2025, **the rise in digital data processing unit exports accounted for more than 80% of the total Hungarian goods export growth.**

Although between the first 11 months of 2022 and 2025, **Hungarian exports of general industrial machinery and equipment increased by 16.3%** (from EUR 5.2 billion to nearly EUR 6.1 billion) and their **export share grew from 4.0% to 4.5%**, they still dropped from 6th to 7th place in the product export ranking. The reason for this is that in the January–November 2022 export ranking, the medicinal and pharmaceutical products range preceding the general industrial machinery and equipment product range, moved from 5th place to 3rd place in three years, while the office machines and automatic data processing machines product range, which follows, moved from 7th place to 5th place.

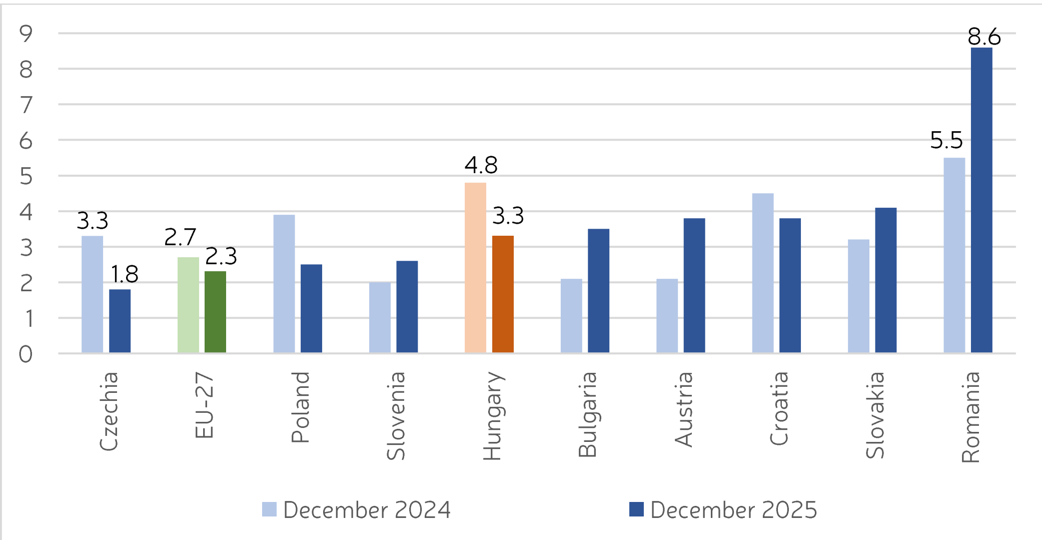
**According to data from the KSH, in January–November 2025, the value of total Hungarian goods exports increased by 1.3% on an annual basis** (from EUR 134.3 billion to EUR 136.0 billion), and of **goods imports by 1.7%** (from EUR 126.0 billion to EUR 128.1 billion). Due to the faster expansion of imports, the Hungarian foreign trade surplus (EUR 7.9 billion) in the first 11 months of 2025 was 4.9% lower than the surplus (EUR 8.3 billion) registered in the same period of the previous year.[18]

**The MNB expects that the dynamic growth of exports in 2026 will be facilitated by the gradual start of production of new vehicle and battery industry capacities. According to the Central Bank's forecast, exports may expand by 3.9% in 2026, 5.2% in 2027, and 4.0% in 2028.**[19]

## 4. Inflation

**In December 2025, the Harmonised Index of Consumer Prices** (HICP)[20] **used by Eurostat dropped from 2.7% 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 (8.6%), Slovakia (4.1%), as well as in Estonia (4.0%).** The lowest HICP rates were recorded in Cyprus (0.1%), France (0.7%) and Italy (1.2%). **Over the course of a year, the HICP rate increased in 13 Member States and decreased in 12.**

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




Source: Eurostat

[18] Source: KSH
[19] Source: MNB
[20] Source: Eurostat

**In December 2025, among the Central European EU Member States, inflation only dropped below the EU average (2.3%) in Czechia (1.8%).** The HICP in the region typically ranged between 2.5–4.1%, except in Romania, where inflation accelerated to 8.6%. **In Hungary, the HICP was measured at 3.3% in December.**

Among the Central European EU Member States, the HICP increased the most in Romania (by 3.1 percentage points), Austria (by 1.7 percentage points) and Bulgaria (by 1.4 percentage points) over the course of a year, while it decreased in Czechia and Hungary (by 1.5-1.5 percentage points) as well as in Poland (by 1.4 percentage points) the most.

**Based on KSH data,[21] the average consumer price index was 4.4% in 2025 in Hungary. In January–December 2025, the highest annual price increases were observed in services (by 6.7%), alcoholic beverages and tobacco (6.5%), electricity, gas and other fuels (by 6.4%), and food (by 5.3%).**

The price increase of consumer durables (by 2.2%), clothing and footwear (by 1.8%), and other goods including motor fuels and lubricants (by 0.4%) lagged behind the average price level rise.

**In December 2025, consumer prices on average were 3.3% higher than a year earlier. The fastest growth was registered in household energy prices (8.9%),** with natural and manufactured gas rising by 19.8% and electricity by 2.2%. **The price of alcoholic beverages and tobacco (7.1%)** and **services (6.8%)** also **increased at an above-average rate.** Within the latter, recreational services increased by 14.3%, personal care services by 9.8%, repairs and maintenance of vehicles by 9.6%, repairs and maintenance of dwellings by 9.0%, and health services by 8.9%. **Consumer durable price increased by 2.7%,** including jewellery prices by 24.5%, living and dining room furniture by 5.0%, new passenger cars by 2.7%, and heating and cooking appliances by 2.3%. **Food prices increased by 2.6%,** including chocolate and cocoa by 13.5%, other confectionery products by 12.4%, and coffee by 12.0%, while the price of margarine decreased by 27.8%, flour by 11.6%, milk products by 14.3%, milk by 12.3%, and pork by 9.8%. **The price of motor fuels diminished by 8.6%, while the price of pharmaceutical products rose by 5.1%.**

According to the MNB, the timing and effect of the withdrawal of margin restrictions, as well as the development of corporate repricing at the beginning of the year, make the inflation outlook uncertain. **Disinflation is being strengthened, among other things, by the longer-term continuation of margin restrictions, the improved external cost environment and the stronger forint.** At the same time, the **substantial expansion of** household disposable income and **consumption on the demand side increases companies' pricing room**, but this only partially offsets the favourable effect of disinflationary factors. Postponement of the increase in excise duties on fuels will temporarily lower the rate of inflation in H1 2026. Nevertheless, the low base

[21] Source: KSH

resulting from the extension of margin restrictions and postponement of the excise duty increase will then subsequently raise inflation in early 2027.

**The rate of price increases will briefly decline below the inflation target (3%) in the first months of 2026, and then temporarily increase again near the upper limit of the Central Bank's tolerance band (3% ± 1 percentage point).**

**The MNB expects an average consumer price increase of 3.2% in 2026 and 3.3% in 2027. The rate of price increase may persistently reach the 3% inflation target in the second half of 2027.**[22]

**MNB inflation forecasts in December 2025 (2025–2028 annual average, %)**

| | 2025 (fact) | 2026 | 2027 | 2028 |
|---|---|---|---|---|
| Inflation | 4.4 | 3.2 | 3.3 | 3.0 |
| Core inflation | 4.6 | 3.6 | 3.1 | 3.0 |

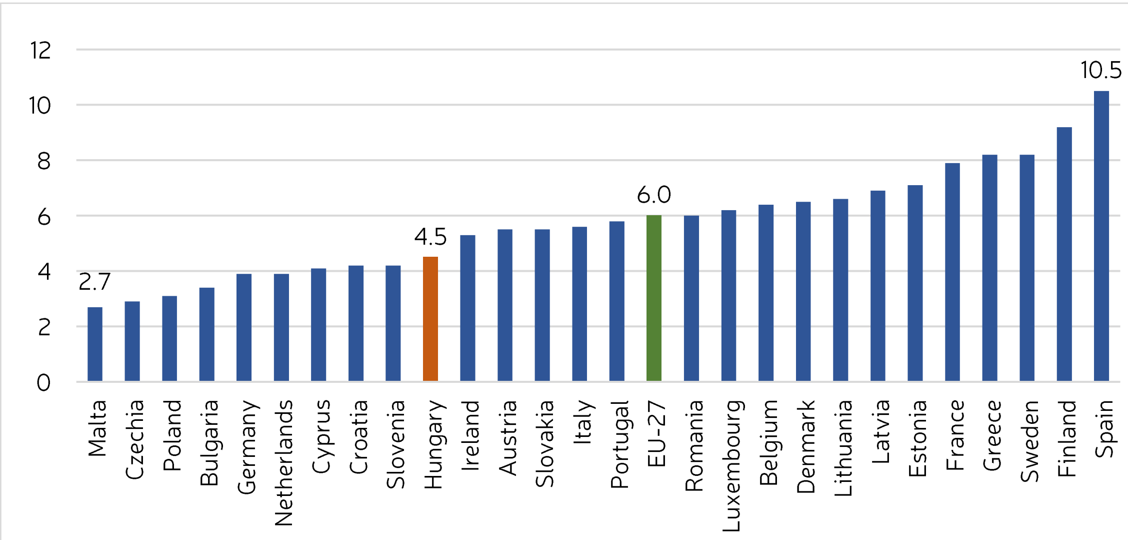
Source: MNB, KSH

## 5. Labour market

### *Unemployment*

**Based on Eurostat data, the Hungarian unemployment rate of 4.5% in Q3 2025 was the tenth lowest in the EU and – after Czechia, Poland, Bulgaria, Croatia and Slovenia – the sixth lowest among Central European countries.** The average unemployment rate in the EU (6.0%) significantly exceeded the Hungarian value. **The unemployment rate in Hungary has fallen from 6.2% to 4.5% in ten years.**

**Unemployment rate among the population aged 15–74 in the EU member states (Q3 2025, %)**




Source: Eurostat

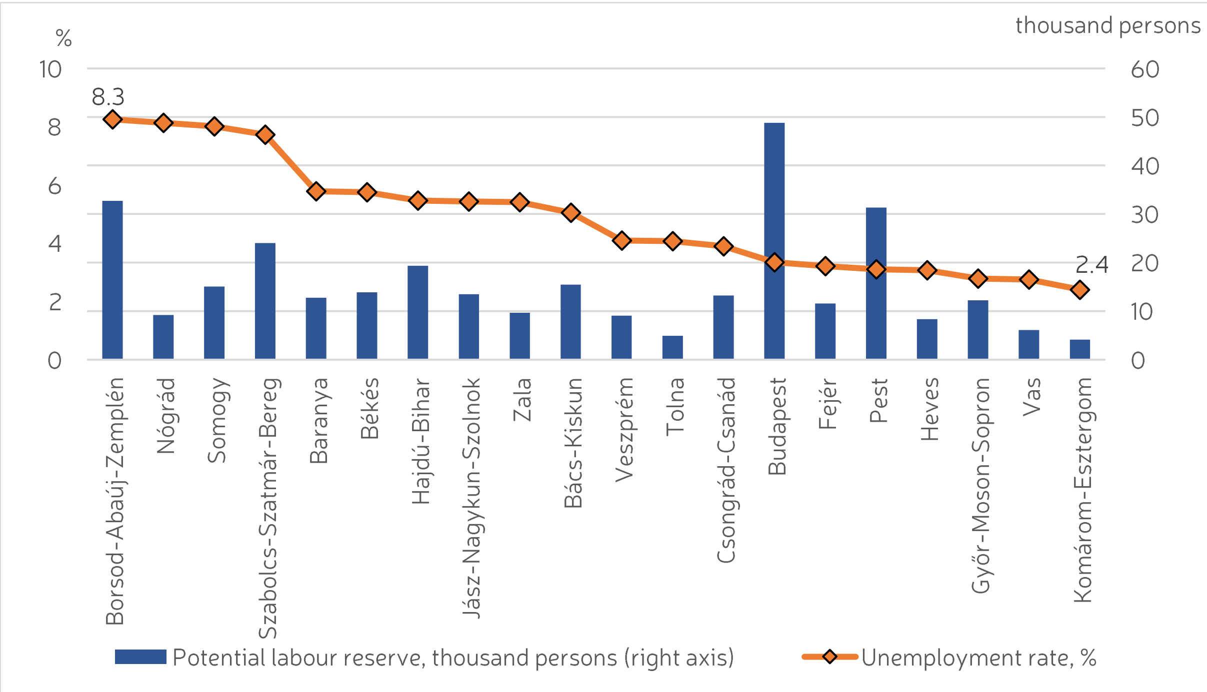
[22] Source: MNB

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 Q3 2025, the number of unemployed was 221.5 thousand, and the unemployment rate was 4.5%.** Compared to Q3 2024, the number of unemployed decreased by some 3.1 thousand and the unemployment rate by 0.1 percentage points. Remarkable geographical differences can be observed with regard to the unemployment rate.

**In Q3 2025, the unemployment rate was lowest in Komárom-Esztergom (2.4%), Győr-Moson-Sopron and Vas counties (2.8–2.8%), while it was highest in Borsod-Abaúj-Zemplén (8.3%), Nógrád (8.1%), Somogy (8.0%) and Szabolcs-Szatmár-Bereg counties (7.7%).**

Nearly half of the country's potential labour reserve (315.3 thousand people) reside in the Great Plain and Northern Hungary (149.7 thousand people, 47.5%), more than one quarter in Transdanubia (85.4 thousand people, 27.1%), and one fourth in the capital and Pest County (80.2 thousand people, 25.4%). **According to KSH data, the largest potential labour reserves are in Budapest (48.8 thousand people), Borsod-Abaúj-Zemplén (32.7 thousand people), Pest (31.4 thousand people) and Szabolcs-Szatmár-Bereg counties (24.0 thousand people).**

**Hungary's unemployment rate and potential labour reserve among the population aged 15–74 broken down by county (Q3 2025, % and thousand people)**




Source: KSH

**In October–December 2025, the number of unemployed aged 15–74 decreased by 3.2 thousand to 213.1 thousand compared to the same period of the previous year.** The unemployment rate stagnated at 4.4%.[23] Based on the data of the National Employment Service (NFSZ) 216,082 jobseekers were registered in December 2025, which means a decrease of 4,757 people (2.2%) compared to the same period of the previous year. Registered jobseekers accounted for 3.5% of the working-age population.[24]

**The tightness of the labour market has eased remarkably compared to the peak in mid-2022.** The number of vacant positions continued to decline on an annual basis in most sectors of the national economy. **In Q3 2025, there were 41,444 vacant positions in the business sector, which is 3,451 (7.7%) lower** than in the same period of the previous year. According to data from the KSH, in one year **the number of vacancies in the business sector decreased most in professional, scientific and technical activities (by 32.9%, 1,083 people), in the construction (by 35.2%, 918 people) and in accommodation and food service activities (by 25.6%, 537 people), but the most vacancies are** still **found in manufacturing (12,783 people). The number of vacancies in the area of administrative and support service activities,** which also includes temporary employment agencies, **increased by 7.4%, or 678 people.** In addition to the decline in employment, labour market activity has decreased, therefore the MNB expects a slight increase in the unemployment rate in 2026.

**According to MNB's forecast, the unemployment rate could be 4.8% in 2026, 4.5% in 2027, and 4.1% in 2028.**[25]

### *Earnings*

Based on KSH data, **in January–November 2025**, the **average monthly gross earnings of full-time employees in the business sector**[26] **amounted to** some **HUF 700,600, which is an 8.7% increase** compared to the same period in 2024. In this sector, **the median value of monthly gross earnings was HUF 545,500, which is 9.1% higher** than the base value. **In January–November 2025, at the level of the national economy** (calculated without public workers), **the average monthly gross earnings were HUF 708,800**, which means an **increase of 9.1%** on an annual basis. **In November 2025, the average gross earnings were highest in the sector of information and communication** (HUF 1,137,000), and **lowest in accommodation and food services** (HUF 470,100).[27]

**From 1 January 2026, the gross amount of the monthly minimum wage increased by 11.0% to HUF 322,800**, and **the guaranteed wage minimum increased by 7.0% to HUF 373,200**. Although the rate of minimum wage increase in 2026 was ultimately lower than the 13% included in the three-year wage agreement, high wage dynamics are still expected in the coming years. **According to MNB's forecast, average earnings in the business sector may increase by 9.0% in**

[23] Source: KSH
[24] Source: NFSZ
[25] Source: MNB
[26] Note: calculated without public workers, for all enterprises with employees
[27] Source: KSH

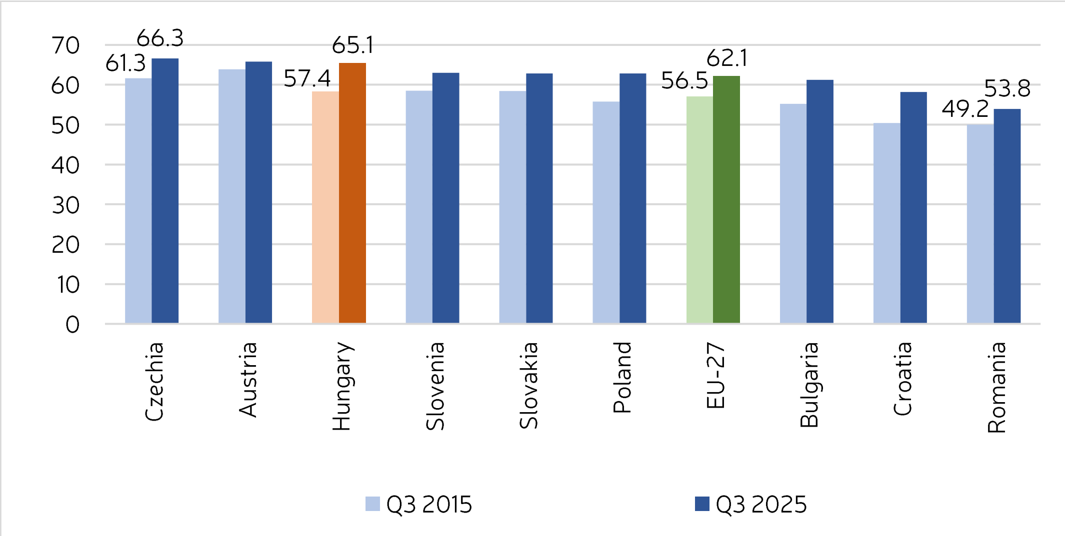
**2026, 9.4% in 2027**, and **7.1% in 2028. Real wages in the business sector may rise by 5.7% this year, 6.0% next year, and 4.0% in 2028.**[28]

### *Employment*

**Based on Eurostat data, the Hungarian employment rate in Q3 2025 (65.4%) exceeded the EU average (62.2%) by 3.2 percentage points. Among Central European member states, Hungary has the third highest employment rate after Czechia and Austria.**

**The Hungarian employment rate expanded by 7.1 percentage points in ten years, which is the 8th largest increase in the EU.**

**Employment rate among the population aged 15–74 of the Central European Union member states (Q3 2015–Q3 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 Q3 2025, nearly 4.7 million people (4,679.1 thousand) were registered as employed.** Compared to Q3 2024, the number of employed people decreased by 29.4 thousand, and the employment rate increased to 65.4%. **In Q3 2025, the employment rate was highest in Budapest (71.5%) and Győr-Moson-Sopron County (69.2%)**, while **the lowest was in Zala (59.8%), Borsod-Abaúj-Zemplén (59.9%) and Baranya County (60.5%).**

**In October–December 2025, the number of employed people dropped by 46.4 thousand people on an annual basis,** and **the employment rate stagnated at 65.0%. Out of 4,642.4 thousand employed, 108.0 thousand working at foreign locations**, and the number of public workers was 77.9 thousand. The number of people working abroad decreased by 2.7 thousand,

[28] Source: MNB

while the number of public workers increased by 14.4 thousand compared to the same period of the previous year.[29]

The **adaptation** to the prolonged **weak economic situation is not only reflected in manufacturing, but also in a wide range of market services, thus the number of employed people has also decreased at level of national economy**. According to the MNB, this trend will continue until mid-2026, after which employment will start to expand again due to the dynamic economic growth. According to MNB's forecast, **the number of people employed in the business sector may fall by 0.7% in 2026, while it may increase by 0.3% in 2027 and by 0.2% in 2028.**[30]

## 6. Foreign Direct Investment (FDI)[31]

**In 2025, UNCTAD estimates that the global value of foreign direct investments (FDI) has increased by 14%, exceeding USD 1,600 billion. Excluding flows through major global financial centres, the growth amounted to around 5%.**

Foreign direct investment flows to developed economies increased by 43% to USD 728 billion, while flows to developing economies decreased by 2% to USD 877 billion, accounting for 55% of global FDI flows. Three-quarters of least developed countries (LDCs) saw stagnant or declining inflows last year.

In Germany, foreign direct investment inflows are estimated to be worth USD 50 billion in 2025, following exceptionally low inflows the previous year. In France, inflows increased by 45% to USD 39 billion, while in Italy they increased by 53% to USD 34 billion. FDI inflows to North America remained roughly stable. The United States registered a 2% increase.

**The number of announced greenfield projects dropped by 16%, including a 23% decline in manufacturing.**

However, the total value of greenfield projects remained high, mostly due to large-scale investments in data centres, artificial intelligence (AI) technologies and semiconductors. Compared to 2024, around 2,500 fewer projects were registered in high-income countries, with the largest declines observed in Germany, the United States, Spain, France and Belgium. Nevertheless, the total value of greenfield investments increased by 22%, largely due to a fourfold increase in France and a 46% increase in the United States.

**Development of foreign direct investment (FDI) between 2023 and 2025 (USD billion)**

| Region | 2023 | 2024 | 2025* | Change (2025/2024, %) |
|---|---|---|---|---|
| **World** | **1 288** | **1 403** | **1 606** | **14** |
| **Developed economies** | **430** | **509** | **728** | **43** |
| Europe | 38 | 72 | 290 | 300 |
| ***European Union*** | ***-27*** | ***153*** | ***239*** | ***56*** |

[29] Source: KSH
[30] Source: MNB
[31] Source: UNCTAD

| | | | | |
|---|---|---|---|---|
| North America | 300 | 340 | 347 | 2 |
| **Developing economies** | **859** | **894** | **877** | **-2** |
| Africa | 56 | 96 | 59 | -38 |
| ***Asia*** | ***626*** | ***630*** | ***614*** | ***-2*** |
| East Asia | 297 | 272 | 227 | -16 |
| South-East Asia | 209 | 230 | 228 | -1 |
| South Asia | 34 | 34 | 54 | 58 |
| West Asia | 78 | 89 | 97 | 9 |
| Latin America and the Caribbean | 175 | 167 | 204 | 22 |

Source: UNCTAD, based on FDI inflows

* 2025 data is estimated based on Q1-Q3 2025.

The expectation for growth in global FDI flows this year is considered realistic, according to UNCTAD, as forecasts for inflation and borrowing costs in major markets suggest a further easing of financing conditions. Rising M&A activity could also support growth. However, geopolitical tensions, regional conflicts, and economic fragmentation trends are likely to depress project activity, with further concentration of capital expenditures in few strategic industries, especially data centers and semiconductors.

## 7. Education [32]

**In the current 2025/2026 academic year, a total of about 1.9 million people are participating in the different levels of initial, vocational and tertiary education in Hungary.**

Of these, nearly 325 thousand are in kindergarten education, 717 thousand in primary school, and 546 thousand in secondary education. Furthermore, 2.7 thousand children with severe and multiple disabilities attend schools for severely disabled children.

421 thousand are participating in full-time education in secondary institutions – 8,400 fewer than the previous year. **Of these, 188 thousand are studying in secondary general schools (45% of students), almost 179 thousand (42%) are studying in technicums and upper secondary vocational schools, and 54 thousand (13%) are studying in vocational training programs that do not lead to a maturity examination.**

Compared to the previous year, 12 thousand more people, i.e. 234 thousand, are studying in full-time tertiary educational institutions. More than 94% of students (221 thousand) attend tertiary undergraduate (BA/BSc), postgraduate (MA/MSc) or undivided training. More than thousand students continue their studies in PhD (DLA) training and nearly 3 thousand students attend tertiary level vocational training.

**The total number of participants in tertiary education is 350,989 for the 2025/2026 academic year,** which is 6.8% higher than the 328,562 registered for the previous academic year.

**Following the trend of previous years, the number of foreign students studying in domestic higher education has continued to increase in the current academic year.** Considering all levels

[32] Source: KSH

of education, their number in this academic year is close to 50 thousand, which corresponds to 14% of the total number of students.

**Preliminary tertiary education statistical data for the 2025/2026 academic year**

| Level of training | Students in full-time and part-time education | Of which: | | Students in full-time education | Of which: | |
|---|---|---|---|---|---|---|
| | | foreign students | women | | foreign students | women |
| Tertiary level vocational training | 5 317 | 71 | 2 813 | 2 869 | 51 | 1 452 |
| BA/BSc training | 226 002 | 25 913 | 120 901 | 156 059 | 24 615 | 77 027 |
| MA/MSc training | 43 592 | 7 281 | 23 963 | 22 113 | 6 699 | 11 371 |
| Undivided training | 48 523 | 12 453 | 29 025 | 42 409 | 12 339 | 25 190 |
| Postgraduate specialisation | 16 303 | 584 | 11 119 | 179 | 91 | 75 |
| PhD, DLA training | 11 252 | 3 156 | 5 547 | 10 220 | 3 018 | 5 075 |
| **Total** | **350 989** | **49 458** | **193 368** | **233 849** | **46 813** | **120 190** |

Source: KSH, Ministry of Culture and Innovation (FIR-OSAP)