



HIPA GUIDE

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

January 2025

**ECONOMIC ANALYSIS
DEPARTMENT**



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Closed on: 17 January 2025

GDP

GDP volume: 0.6% (Q1–Q3 2024)
Prognosis (2025): 2.9% (IMF), 2.1% (OECD), 1.8% (EC)



In Q3 2024, according to raw data, the GDP volume decreased by 0.8% in Hungary compared to the same period of the previous year. In Q3 2024, the GDP only decreased in 5 member states of the European Union on an annual basis.



In the first eleven months of 2024, the total production value of manufacturing amounted to HUF 47,163.2 billion. In terms of industrial production, the counties of Pest and Győr-Ménfőcsanak, as well as Budapest, can be highlighted.

Manufacturing

The key sectors were the Manufacture of transport equipment (26.1% share), the Manufacture of food products (13.0%) and the Manufacture of electrical equipment (10.5%). Share of gross value added in the national economy: 19.9% (2023)

Foreign trade

Goods exports: -3.9%, EUR 121.3 billion (yoy, January–October 2024)
Goods imports: +3.6–5.6% (yoy, MNB prognosis, 2025)



In 5 years (between January–October 2019 and January–October 2024) Hungarian goods exports increased by 31.8% (EUR 29.3 billion). In January–October 2024, road vehicles and electrical machinery, apparatus and appliances were the most important export items, which together accounted for 32.9% of total exports. Medicinal and pharmaceutical products became the 4th most important Hungarian export items, as their exports increased by 70.6% in five years.

Inflation

Consumer price index: 3.7% (yoy, January–December 2024)
Average annual inflation: 3.3–4.1% (yoy, MNB prognosis, 2025)



In December 2024, the Harmonized Index of Consumer Prices (HICP) was the second highest (4.8%) in Hungary after Romania (5.5%) within the EU. In December 2024, consumer prices in Hungary increased by an average of 4.6%. According to the Central Bank (MNB), in Q1 2025 disinflation will start again, so inflation may remain within the MNB's target range (3.0% ± 1%) for most of this year.



Labour market

Unemployment rate: 4.1–4.3% (MNB prognosis, 2025)
Average gross earnings in the business sector: +8.5–9.5% (yoy, MNB prognosis, 2025)

The Hungarian unemployment rate in Q3 2024 (4.6%) was the 10th lowest in the EU and was significantly lower than the EU average (5.8%).

The Hungarian employment rate in Q3 2024 (65.2%) exceeded the EU average (62.0%) and was the 3rd highest among Central European member states.

In January–October 2024, average gross earnings increased by 12.5% (to HUF 640,400) on an annual basis in the business sector



In H1 2024, global FDI flows increased by 1%. The number of greenfield investments decreased by 11% globally, and their value was down by 4% in the first 6 months of 2024. The value of cross-border mergers and acquisitions (M&A) decreased by 5% in H1 2024.

FDI

Value of global FDI flows: USD 809 billion (H1 2024)
Number of greenfield investments worldwide: 8,339

1. Economic growth

In Q3 2024, according to raw data, the GDP volume decreased by 0.8% in Hungary compared to the same period of the previous year.¹ In Q3 2024, the performance of manufacturing was also below the rate registered in the same period of the previous year (this time by 6.2%), which is mainly due to the decline in the manufacture of transport equipment, as well as the manufacture of electrical equipment sectors. In contrast, the manufacture of rubber and plastic products, as well as the manufacture of food products were able to expand. The construction grew in Q1 and Q2 2024, however, its performance declined again in Q3: its value added was 4.0% lower than in the same period of 2023. The production volume of the sector decreased in every month of Q3 2024 (5.7% on average).

As in Q1 and Q2 2024, the gross value added of services increased in Q3 as well (by 1.9%), which is mainly due to the expansion of the arts, entertainment and recreation and other services (5.9%), education (3.8%), and transportation and storage (2.8%). **Behind the volume drop of the gross domestic product in Q3 2024, is the weaker performance of industry (-1.1 percentage points), agriculture (-0.6 percentage points), and construction (-0.2 percentage points). On the other hand, services (0.8 percentage points) and the taxes less subsidies on products (0.3 percentage points) lessened the decline.²**

On the expenditure side, the actual final consumption of households increased by 4.2% compared to Q3 2023. The household consumption expenditure also increased (by 4.5%), supported mainly by the increase in real wages and the improvement of consumer confidence. Here, it is necessary to note that after 12 months of moderation, an increase in volume was registered in the case of retail trade in every month of 2024.³ It is important to mention that the volume of both construction investments and investments in machinery and equipment dropped. Among the branches of the national economy, manufacturing, construction and the transportation and storage sector fell by a larger than average amount; on the other hand, the volume of developments increased in the case of real estate activities and the energy industry, among others.

All in all, gross capital formation **contributed 2.1 percentage points and the balance of foreign trade 0.9 percentage points to the decline of the gross domestic product in Q3 2024, while actual final consumption restrained it by 2.1 percentage points.⁴**

Investments slowed economic growth in the July–September period. They declined both in sectors producing for the domestic and export markets, as well as in the public sector. These processes could only be partially offset by the expansion of residential investments. In parallel with the recovery of the external economy and the improvement of demand, partial replacement of the postponed investments of the corporate sector may take place in 2025. The recovery of economy will be supported by real wage increase, the gradual recovery of consumer confidence, as well as the recently announced capacity-expanding foreign direct

¹ Source: [KSH](#)

² Source: [KSH](#)

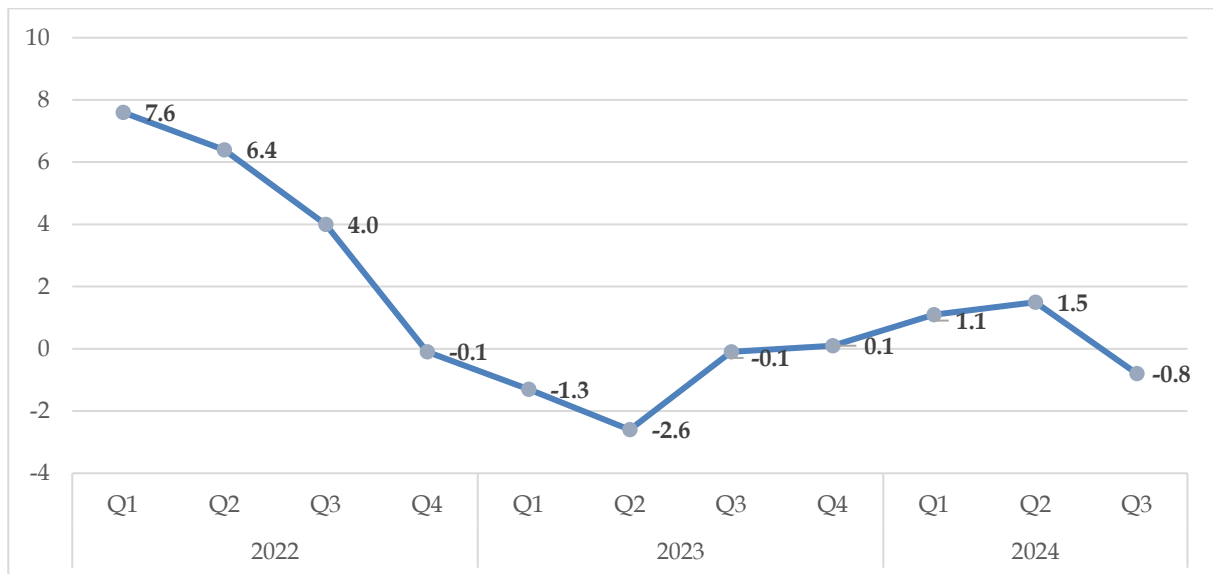
³ Source: [KSH](#)

⁴ Source: [KSH](#)

investments, and, in the long term, the ramp-up in the production of new industrial capacities. It is important to highlight, however, that in the short term, the industry’s performance will remain subdued, as evidenced by low order volumes and corporate confidence indices. Significant positive change is expected in the sector to take a turn in H2 2025. **Almost all analysts’ forecasts consider that the key to the growth of economic performance may be the growth of internal demand: the expansion of consumption can continue in line with the positive real wage dynamics, invigorating lending to household and high employment.** However, it should not be ignored that the precautionary motive dissolves only gradually, which is well illustrated by the high savings rate.

This year’s growth path can be affected by a number of risks: the momentum of the European (and German) economy, the tensions surrounding the (electric) car manufacturing industry, the trade policy measures of US President Trump, moreover, fiscal and monetary policy also have limited room for manoeuvre.

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



Source: KSH⁵

The Hungarian National Bank (MNB) expects an increase of 0.3–0.7% for 2024 and 2.6–3.6% for 2025.⁶ According to MNB’s expectations, market services, the expansion of household consumption, and net exports might have supported the gradual increase of GDP in 2024. Extreme weather in 2024 (the heat experienced in the summer and the significant amount of precipitation in the fall) caused severe damage to agriculture (the amount of crops and the harvested area decreased). Based on the first estimate of the KSH, the total output of

⁵ Source: [KSH](#)

⁶ Source: [MNB](#)

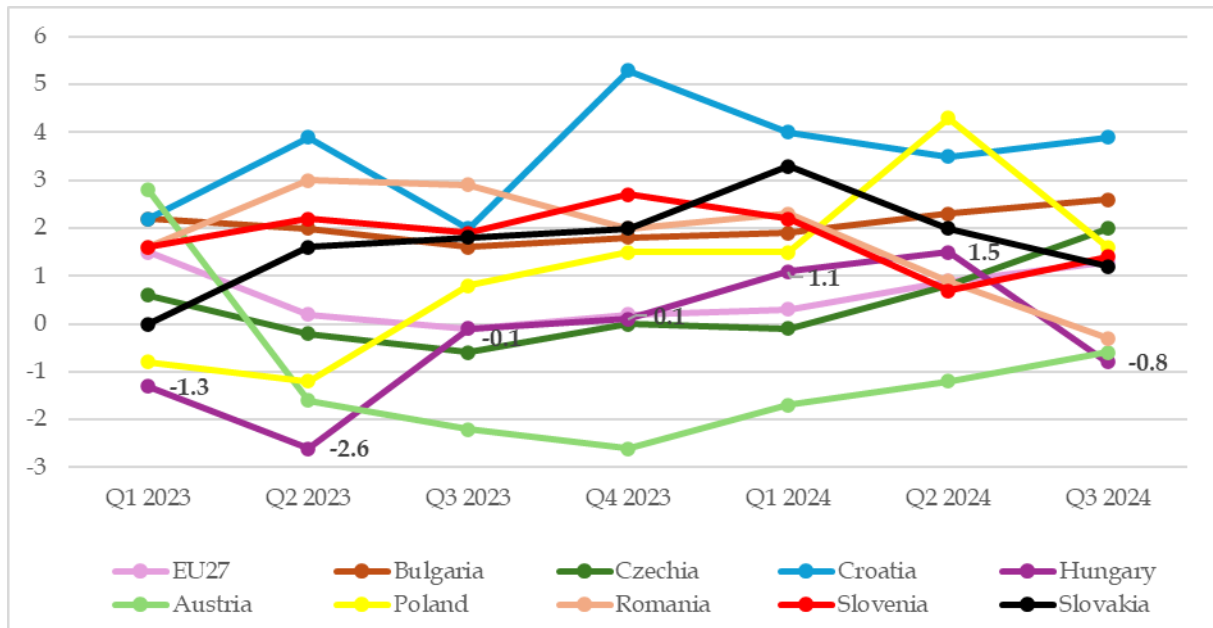
agriculture in 2024 was 8.0% lower than the previous year. The construction industry, along with the investment activities, can be supported this year by individual economic revitalization programs, as well as targeted measures (Rural Home Renovation Subsidy

Programme, dormitory building programme, state-subsidized loans for blue-collar workers, using pension fund savings for housing purposes).

In order to boost household consumption and internal demand, the Government has developed action plans to support small and medium-sized enterprises, extend the age limit for taking out a baby loan, the home renovation subsidy programme, and to increase family tax benefits. It is also worth mentioning that the falling interest rates on government securities and the outflow of income due in connection with maturities can also support the expansion of consumption.

Looking at Q3 2024, economic growth in the majority of European economies was in line with analysts' expectations; however, at the same time, the economic performance of the European Union remained moderate (1.3%). However, it is important to note that year-on-year growth has been increasing from quarter to quarter. The past period has been characterized by a decrease in the volume of industrial output, unfavourable prospects for industrial production, and the geopolitical situation, which poses significant challenges. Disinflation has stalled compared to the previous quarters, the business climate has remained low, and European production prospects are still not encouraging. The entire global value chain has suffered in the recent period, world trade has stagnated, and due to the precautionary motive of households there is no demand for industrial goods, even though stocks are replenished. **Out of the 27 countries of the European Union, GDP decreased in only 5 member states on an annual basis.**

GDP growth of regional countries on an annual basis (% , Q1 2023–Q3 2024)



Source: Eurostat⁷

According to Eurostat data, in Q3 2024, in terms of the Visegrad countries, an expansion of 2.0% was recorded in Czechia, 1.6% in Poland, and 1.2% in Slovakia, while a decline of 0.8% was registered in Hungary. The economic performance of the EU also increased (+1,3%), and overall, it can be stated that the growth in Malta (4.9%), Cyprus and Croatia (3.9–3.9%) stands out in a positive sense, while the decline in Latvia (-1.6%) can be highlighted in a negative context.⁸

⁷ Source: [Eurostat](#)

⁸ Source: [Eurostat](#)

GDP growth of regional countries (% , forecast)

Country	IMF		OECD		European Commission		Anticipated growth*	
	2024	2025	2024	2025	2024	2025	2024	2025
Hungary	1.5	2.9	0.6	2.1	0.6	1.8	0.9	2.3
Eurozone	0.8	1.0	0.8	1.3	0.8	1.3	0.8	1.3
Austria	-0.6	1.1	-0.5	1.1	-0.6	1.0	-0.6	1.1
Bulgaria	2.3	2.5	2.3	2.8	2.4	2.9	2.3	2.7
Czechia	1.1	2.3	1.0	2.4	1.0	2.4	1.0	2.4
Croatia	3.4	2.9	3.7	3.0	3.6	3.3	3.6	3.1
Poland	3.0	3.5	2.8	3.4	3.0	3.6	2.9	3.5
Romania	1.9	3.3	1.2	2.6	1.4	2.5	1.5	2.8
Slovakia	2.2	1.9	2.3	2.4	2.2	2.3	2.2	2.2
Slovenia	1.5	2.6	1.1	2.6	1.4	2.5	1.3	2.6

Source: IMF,⁹ OECD,¹⁰ European Commission,¹¹

* average of forecast of the three organizations

It is a positive development that the international organisations expect growth in almost all the countries of the region for 2024 and 2025 as well; however, they are more cautious than previous forecasts, and estimates have been revised downwards for several states. The biggest growth in 2024 is expected in Croatia, while in 2025 in Poland. **Based on the forecasts of the IMF, the OECD and the European Commission, growth in Hungary is expected to be 0.9% in 2024, and around 2.3% this year.**

2. Manufacturing

In the first eleven months of 2024, the total production value of manufacturing amounted to HUF 47,163.2 billion, which represents a 2.5% decrease compared to the same period of the previous year, and a drop of 4.7% was also registered based on the volume index.¹² The manufacture of transport equipment accounted for 26.1%, the food industry accounted for 13.0%, and the manufacture of electrical equipment accounted for 10.5% of the production output.¹³

⁹ Source: [IMF](#)

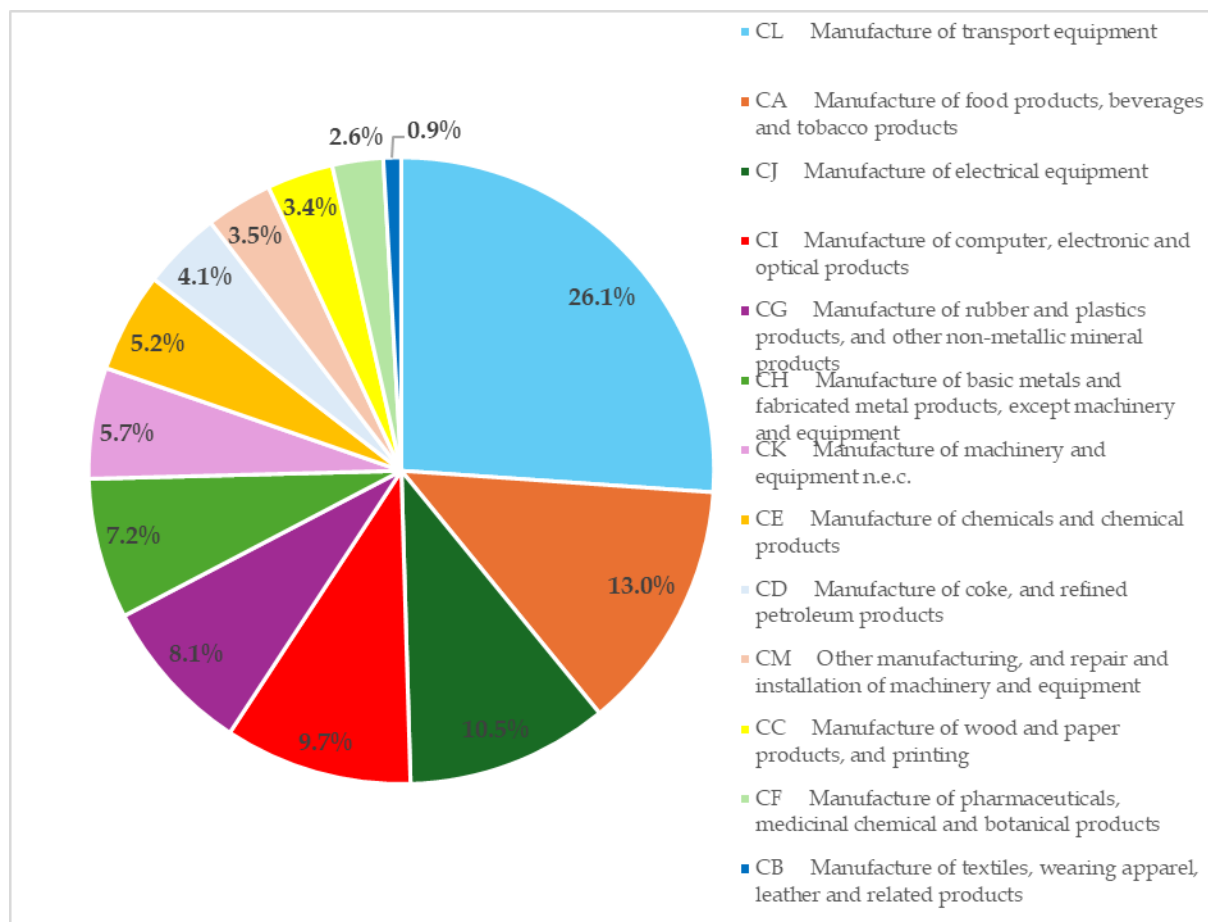
¹⁰ Source: [OECD](#)

¹¹ Source: [European Commission](#)

¹² Source: [KSH](#)

¹³ Source: [KSH](#)

Share of manufacturing output by sub-sector (January–November 2024)



Source: KSH

Examining the volume index of production, in January–November 2024, expansion was registered in only four sub-sectors: manufacture of food products, beverages and tobacco products (+4.0%), manufacture of wood and paper products, and printing (+2.4%), manufacture of chemicals and chemical products (+2.2%), and in the manufacture of rubber and plastics products, and other non-metallic mineral products sub-sector (+0.3%). **However, a decrease was recorded in 9 of the 13 manufacturing sub-sectors.** The largest decline was experienced by the manufacture of electrical equipment (-12.4%), followed by the manufacture of machinery and equipment (-8.3%) and the manufacture of transport equipment by a decrease of 8.0%.¹⁴

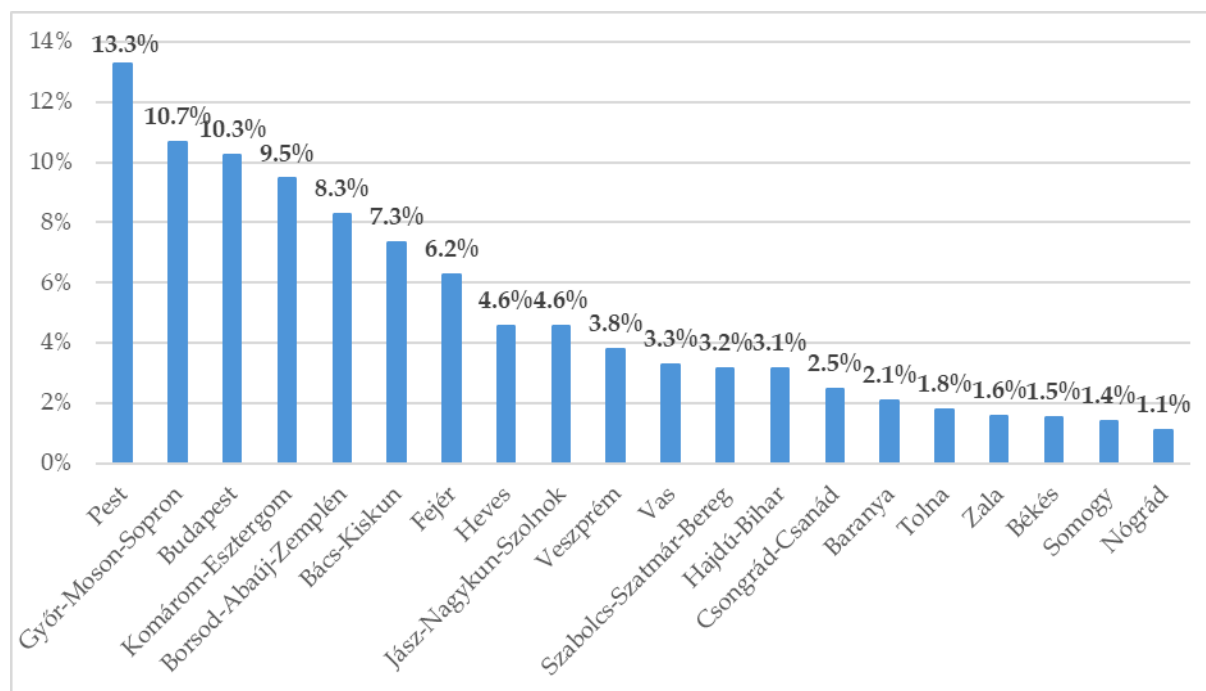
The restrained result of the industry may be primarily due to the slowdown of the export markets. Manufacturing is highly export-oriented; therefore it is largely determined by the development of foreign markets. In Germany, i.e. one of our largest trade and economic partners, the decline in industrial production continued. Although a monthly expansion was registered in November 2024, it continued to decrease year-on-year; moreover, the German

¹⁴ Source: [KSH](#)

economic indices also predict a mixed picture. In addition, it is important to note that the domestic manufacturing sector would have capacity, but at the same time, both the volume of industrial exports and the volume of all new orders of the key manufacturing sectors fell short of the volume registered a year earlier.

Examining the territorial distribution of total industrial production, **based on the data for the period January–November 2024, four counties were able to show growth**, the largest being **Tolna County with 10.7%**, Hajdú-Bihar County with 4.7%, Somogy County with 2.0%, while in Csongrád-Csanád County the **volume of industrial output increased by 1.7%**. **On the contrary, the volume of production decreased by 9.2% in Veszprém County**, while industry performance dropped by 7.5% in Jász-Nagykun-Szolnok County, and by 7.1% in Békés County.¹⁵

Share of industrial output by county (January–November 2024)



Source: KSH¹⁶

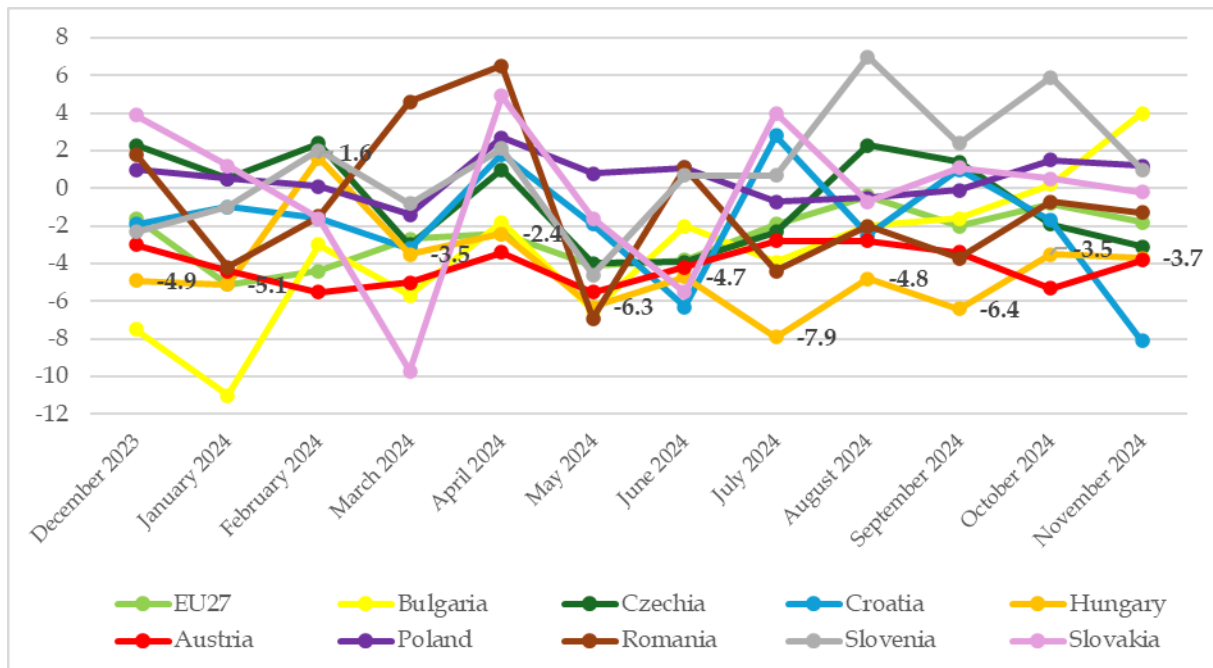
In terms of industrial production in Hungary, the counties of Pest and Győr-Moson-Sopron, as well as Budapest, can be highlighted; the 3 territorial units together accounted for more than one third (34.2%) of the total industrial output in the first eleven months of 2024. The lowest weight was represented by the counties of Nógrád, Somogy and Békés, with shares of 1.1%, 1.4% and 1.5%, respectively.

¹⁵ Source: [KSH](#)

¹⁶ Source: [KSH](#)

When examining the 12-month period from December 2023 to November 2024, it can be concluded that manufacturing production in the region still did not recover and was lagging behind the stable growth it used to have. In the given period, the average monthly growth was positive in only two Central European countries: in Slovenia (1.1%) and Poland (0.5%). **Looking at the above time period, the average monthly decrease of the production volume index of Hungary's manufacturing was 4.3%.**

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



Source: Eurostat¹⁷

3. Foreign trade

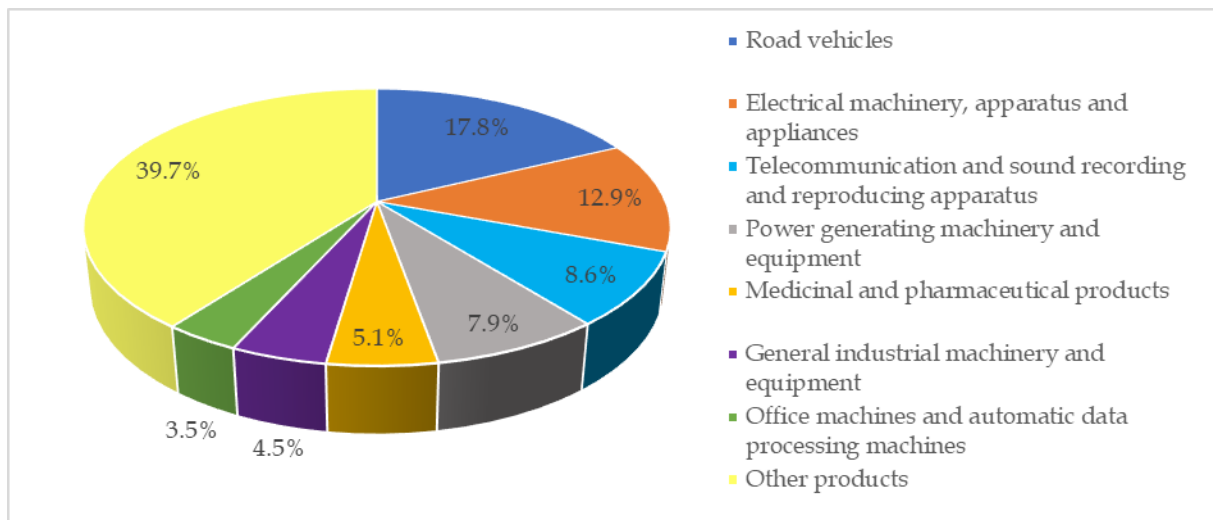
Compared to the base period (January–October 2019) before the coronavirus pandemic and the Russian-Ukrainian war, Hungarian goods exports have expanded significantly, while the order of export items has been significantly rearranged. In January–October 2024, the value of Hungarian goods exports increased by 31.8% (from EUR 92.1 billion to EUR 121.3 billion) compared to the value of the base period five years earlier. In the first eleven months of 2019 and 2024, the same seven product ranges accounted for more than 60% of Hungarian goods exports. While the export of telecommunication apparatus decreased by 0.6% over five years, the export of three product ranges (electrical machinery, apparatus and appliances, medicinal and pharmaceutical products, office machines and automatic data processing

¹⁷ Source: [Eurostat](#)

machines) increased at a rate more than twice as fast (64.6–70.6%) than the entire Hungarian goods exports.

In January–October 2019, 17.8% (EUR 16.4 billion) of Hungarian exports were still accounted for by the export of road vehicles, the export share of electrical machinery, apparatus and appliances in the 2nd place was 12.9% (EUR 11.9 billion). In five years, the export of road vehicles achieved an increase of EUR 4.0 billion at a below-average rate (24.3%), while the export of electrical machinery, apparatus and appliances increased by 64.6%. With its 16.1% export share, this latter product range is barely behind the export of road vehicles (16.8% export share) in the January–October 2024 product export ranking, and together the two most important export product groups account for almost a third of the total Hungarian exports (32.9%). The EUR 7.7 billion increase in the export of electrical machinery, apparatus and appliances over five years is primarily attributable to the EUR 4.5 billion (518.2%) increase in Li-ion battery exports.

Distribution of Hungarian goods exports (EUR 92.1 billion) among the 7 most important export product ranges (January–October 2019, %)



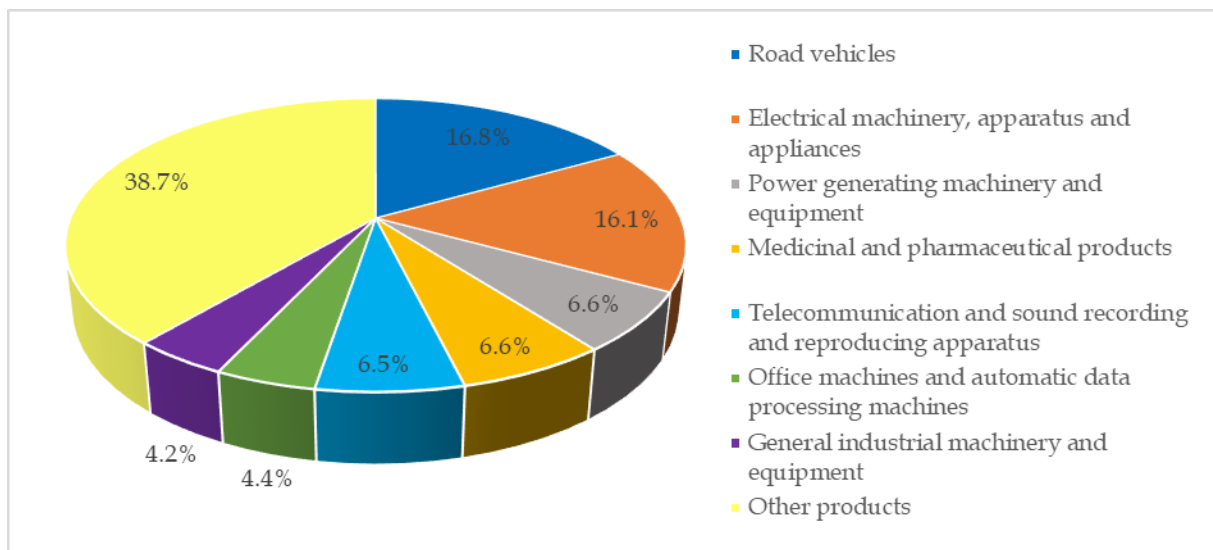
Source: KSH

In the first ten months of 2019, the 5th most important export of medicinal and pharmaceutical products (EUR 4.7 billion) was still behind in the ranking of product exports of telecommunication apparatus (3rd place, EUR 7.9 billion) and power generating machinery and equipment (4th place, EUR 7.3 billion). In the 3rd–5th place of the export ranking in January–October 2024, however, power generating machinery and equipment (EUR 8.0 billion), medicinal and pharmaceutical products (EUR 8.0 billion) and telecommunication apparatus (EUR 7.8 billion) are listed with almost the same export performance. On the one hand, this shifting was caused by the fact that, out of the 7 most important export product ranges, only the value of the export of telecommunication apparatus decreased in five years

(-0.6%), mainly due to a 90–100% drop in the export of products such as video cameras, digital cameras and car radios. Therefore, the telecommunication apparatus, which in January–October 2019 was still in 3rd place with an export share of 8.6%, in the January–October 2024 export ranking was only in 5th place with an export share of 6.5%. On the other hand, the export of medicinal and pharmaceutical products increased by 70.6% (EUR 3.3 billion) in five years, thus increasing its share in Hungarian exports from 5.1% to 6.6%. Medicinal and pharmaceutical products are now considered Hungary’s 4th most important export item. The dynamic expansion of exports of this product range over the past five years is mainly due to the EUR 1.6 billion (252.8%) rise in the export of immunological products.

In five years, the export of office machines and automatic data processing machines rose by 65.6% (from EUR 3.3 billion to EUR 5.4 billion), which is primarily driven by the 229.3% (EUR 2.3 billion) increase in digital data processing unit exports. The share of the product range of office machines and automatic data processing machines in Hungarian exports increased from 3.5% to 4.4% in five years.

Distribution of Hungarian goods exports (EUR 121.3 billion) among the 7 most important export product ranges (January–October 2024, %)



Source: KSH

In January–October 2024, the total value of Hungarian goods exports decreased by 3.9% on an annual basis to EUR 121.3 billion, and the value of goods imports by 6.3% to EUR 111.0 billion. As a result of the large drop in imports, in the first ten months of 2024, the Hungarian foreign trade surplus increased by 32.0% (EUR 2.5 billion), to nearly EUR 10.4 billion, compared to the Hungarian trade surplus of nearly EUR 7.9 billion registered in January–

October 2023.¹⁸ **According to the MNB, Hungarian exports are expected to expand substantially from the second half of 2025**, mainly due to the start of production by the electric car and battery manufacturing investments, as well as the recovery of the European economy. According to the MNB's forecast, after the decrease in exports in 2024, **Hungarian exports may rise by 3.6–5.6% in 2025.**¹⁹

4. Inflation

In December 2024, the Harmonised Index of Consumer Prices (HICP) used by Eurostat in the European Union was 2.7%. Among the member states, **the fastest average price increase was measured in Romania (5.5%), Hungary (4.8%) and Croatia (4.5%).** Ireland (1.0%), Italy (1.4%) and Luxembourg, Finland and Sweden (all 1.6%) had the lowest HICP rates in December.

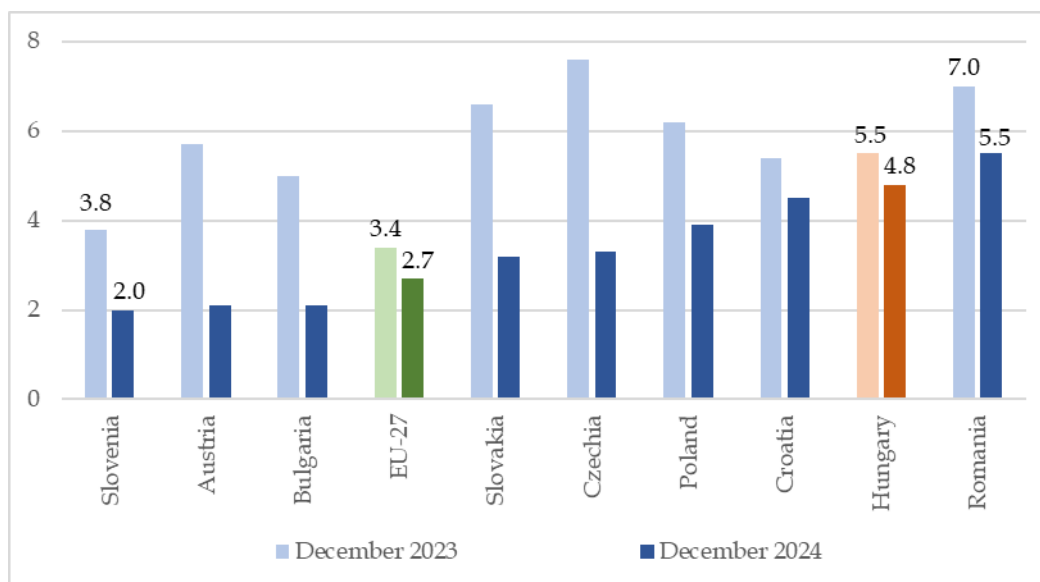
In December 2024, **among the Central European EU member states, inflation fell below the EU average (2.7%) in Slovenia (2.0%), Austria and Bulgaria (2.1–2.1%),** while in the other member states the HICP was typically between 3.2–5.5%. In Hungary, inflation was measured at 4.8% in December. **In one year, among the EU member states, the fastest inflation rate decrease was registered in Czechia (4.3 percentage points), Austria (3.6 percentage points) and Slovakia (3.4 percentage points).** While in Hungary, in line with the EU average, the HICP increase dropped by 0.7 percentage points compared to December 2023.²⁰

¹⁸ Source: [KSH](#)

¹⁹ Source: [MNB](#)

²⁰ Source: [Eurostat](#)

Evolution of the Harmonised Index of Consumer Prices (HICP) in the Central European Union member states (December 2023–December 2024, %)



Source: Eurostat

Based on KSH data²¹, in 2024, the average consumer price index in Hungary was 3.7%, and core inflation²² was 4.6%. Last year, the price of services increased the most (by 8.9%). The price of alcoholic beverages and tobacco (4.4%), as well as clothing and footwear (4.2%) also rose at an above-average rate. Food prices increased by an average of 2.8%, other goods including motor fuels by 1.7%, while the average price level of household energy and consumer durable goods fell by 4.6% and 0.9%, respectively in 2024.

In December 2024, consumer prices were on average 4.6% higher than a year earlier. The price of services increased at the fastest rate (6.8%), including, for example, rents by 12.6%, repair and maintenance of vehicles by 10.5%, motorway tolls, car rental and parking by 10.4%, other public entertainment tickets by 9.4%, repair and maintenance of dwellings by 8.9%, personal care services 8.7%, and recreational services by 7.1%. The price of food (5.4%) increased at an above-average rate, including, for example, flour by 36.2%, eggs by 21.9%, milk by 19.5%, edible oil by 13.7%, chocolate and cocoa by 9.9%, and meals in restaurants by 7.8%. At the same time, the price of pasta products decreased by 7.1%, other meat preparations by 3.4%, margarine by 3.0%, and sugar by 2.6%. The price of alcoholic beverages and tobacco increased by an average 4.3%, and that of clothing and footwear by 2.7% in one year. Among other items, motor fuels cost an average of 8.3% more and pharmaceutical products 3.1% more than in December 2023. The price of consumer durables rose by 0.6%, including new passenger cars by 5.3% and living and dining room furniture by 2.7%, while second-hand

²¹ Source: [KSH](#)

²² Note: Since April 2021, KSH has been applying a new methodology for calculating core inflation, the index no longer includes price changes for alcoholic beverages and tobacco.

passenger cars cost 4.8% less. **The average price of energy, gas and other fuels** decreased by 0.5% in one year.

The devaluation of the exchange rate in recent months, as well as the inflation-linked increase of excise taxes, are expected to slow down disinflation in 2025. According to the MNB's expectations, inflation will continue to rise until January 2025 and may be above 4%. **Disinflation may restart in Q1 2025. In 2025, inflation will be within the Central Bank's tolerance band (3% ± 1 percentage point) for most of the year and will permanently return to the Central Bank's target of 3% at the beginning of 2026.**²³ According to the MNB, **core inflation**, which reflects core processes, will remain around 4.5% in the coming months, then it will start to drop from the spring of 2025 and will be around 3% in the second half of the year. The development of consumer prices is surrounded by considerable uncertainty, so the MNB also provided a banded forecast in its Inflation Report published on 19 December 2024.²⁴

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

	2024 (actual)	2025	2026	2027
Inflation	3.7	3.3–4.1	2.5–3.5	2.5–3.5
Core inflation	4.6	3.2–3.8	2.6–3.2	2.6–3.2

Source: MNB, KSH

5. Labour market

Earnings

Based on KSH data, **in January–October 2024, the average monthly gross earnings of full-time employees in the business sector**²⁵ amounted to **HUF 640,400**, which is a **12.5% increase** compared to the same period in 2023. In this sector, **the median value of monthly gross earnings was HUF 500,000**, which is 13.6% higher than the base value. **In January–October 2024, at the level of the national economy (calculated without fostered workers), the average monthly gross earnings were HUF 644,400**, which means an **increase of 13.6% on an annual level**. The average gross earnings in October 2024 were the **highest in the information and communication sector (HUF 1,007,200)**, and the lowest in the accommodation and food services sector (HUF 418,600).²⁶ According to the MNB's prognosis in December 2024, **average gross earnings in the business sector may increase by 11.6–11.8% in 2024, and by 8.5–9.5% in 2025. Real wages may rise by 7.8–7.9% in 2024, and by 4.6–5.6% in 2025 in the business sector.**²⁷

²³ Source: [MNB](#)

²⁴ Source: [MNB](#)

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

²⁶ Source: [KSH](#)

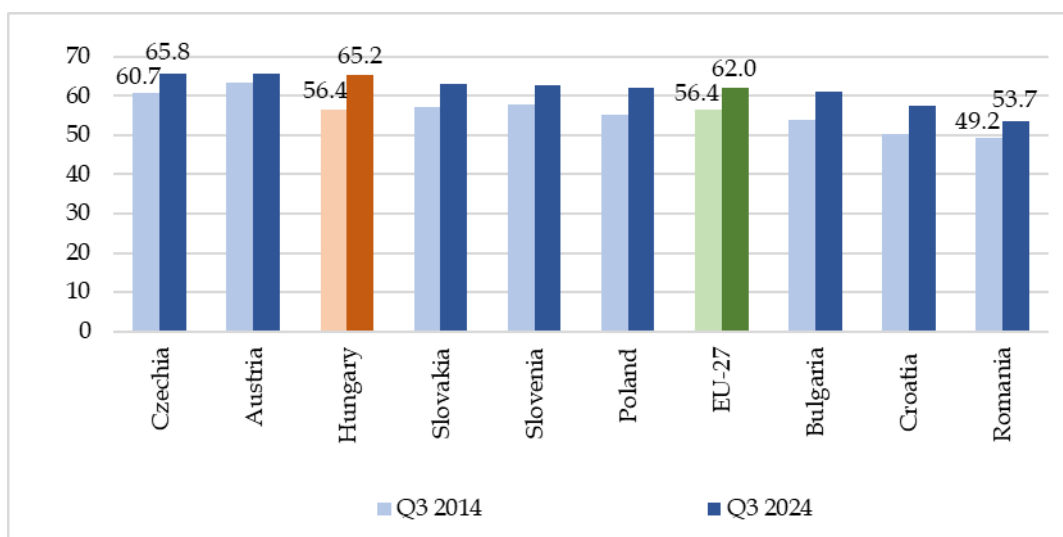
²⁷ Source: [MNB](#)

The wage dynamics of the following years will be affected by the announced minimum wage agreement. **As of 1 January 2025, the gross amount of the monthly minimum wage increased by 9.0% to HUF 290,800, and the guaranteed minimum wage by 7.0% to HUF 348,800** based on the agreement reached at the Permanent Consultation Forum (VKF) of the Business Sector and the Government. Based on the **three-year wage agreement, the gross amount of the monthly minimum wage will increase by 13.0% to HUF 328,600 from 1 January 2026, and by 14.0% to HUF 374,600 from 1 January 2027.** Thus, in 2027, the minimum wage will reach 50% of the expected regular gross average earnings at that time, in accordance with the Directive (EU) 2022/2041 directive on adequate minimum wages in the European Union.²⁸

Employment

Based on Eurostat data, the **Q3 2024 Hungarian employment rate (65.2%) exceeded the EU average (62.0%) by 3.2 percentage points**, and thus **Hungary has the third highest employment rate among Central European member states – after Czechia and Austria. In ten years, the Hungarian employment rate increased by 8.8 percentage points, which is considered the sixth largest increase in the EU.**

Employment rate among the population aged 15–74 of the Central European Union member states (Q3 2014–Q3 2024, %)



Source: Eurostat

It has been the guideline of employment policy in Hungary since 2010, when the Government undertook to create 1 million new jobs while striving to achieve full employment. Based on KSH data, in Q1 2010, the number of employed people among the

²⁸ Source: kormany.hu

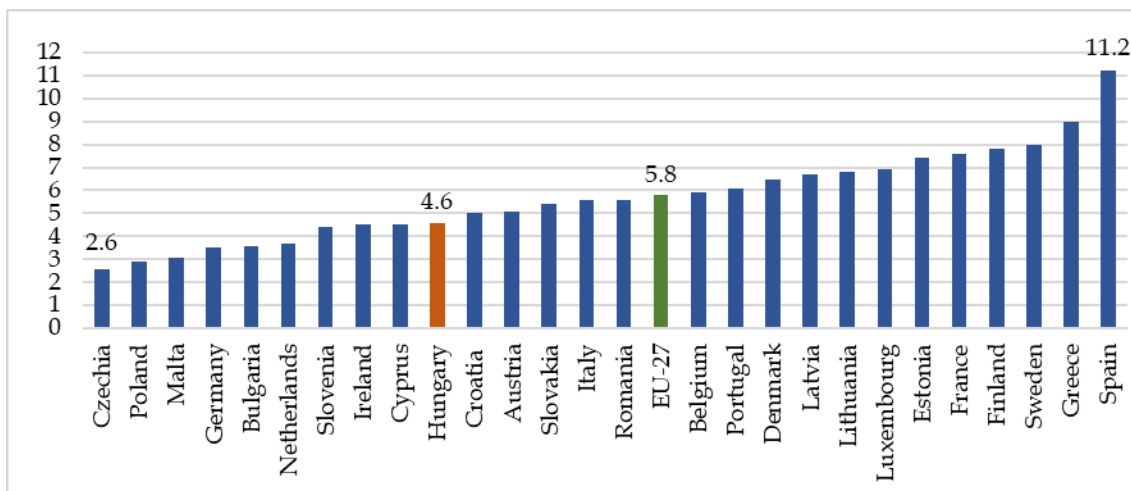
population aged 15–74 was still around 3.8 million (3,821.8 thousand people), and the employment rate was below 50% (49.8%). **In Q3 2024, more than 4.7 million people (4,708.6 thousand) were registered as employed.** Compared to Q3 2023, **the number of employed people decreased by 1.1 thousand, and the employment rate rose from 65.0% to 65.2%.** In July–September 2024, the **employment rate was the highest in Budapest (71.4%) and the county of Győr-Moson-Sopron (70.1%).** Apart from them only the **counties of Central Transdanubia, as well as Pest (67.5%), Csongrád-Csanád (66.1%) and Vas (65.3%)** exceeded the national average. In Hungary, **the employment rate was the lowest in the counties of Tolna (50.7%), Nógrád (58.7%) and Baranya (59.7%).**

In September–November 2024, out of 4,691.2 thousand employees, 111.0 thousand worked in foreign locations, and the number of fostered workers was 63.0 thousand. **The number of people working abroad increased by 3.4 thousand, and the number of fostered workers decreased by 0.3 thousand** compared to the same period of the previous year. The number of people employed in the business sector may have stagnated in 2024. In September and October 2024, employment in the national economy was at a lower level than in the previous months, and the demand for labour also decreased. **In line with the gradual recovery of the economy, the MNB anticipates a slow (up to 0.3%) increase in the number of people employed in the business sector in 2025.**²⁹

Unemployment

Based on Eurostat data, **in Q3 2024, Hungary’s unemployment rate of 4.6% was the 10th lowest in the EU and – after the Czechia, Poland, Bulgaria and Slovenia – the 5th lowest among Central European member states.** The Hungarian **unemployment rate** is less than four fifths of the EU average (5.8%). In Hungary, the **unemployment rate decreased from 7.2% to 4,6% in ten years.**

Unemployment rate among the population aged 15–74 in the EU member states (Q3 2024, %)



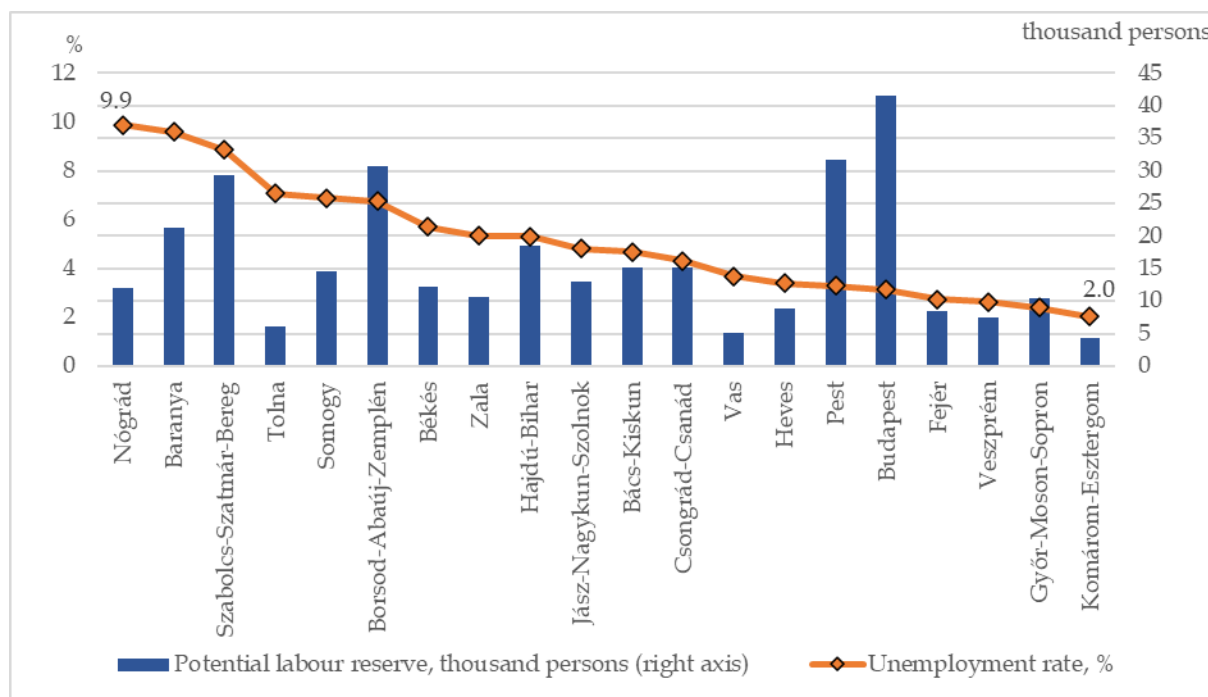
Source: Eurostat

²⁹ Source: [MNB](#)

Based on KSH data, in Q1 2010, 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 2024, the number of unemployed people was 224.6 thousand, and the unemployment rate was 4.6%.** Compared to Q3 2023, **the number of unemployed people increased by about 26.3 thousand, and the unemployment rate rose from 4.0% to 4.6%.** Significant geographical differences can be observed with regard to the unemployment rate. **In July–September 2024, the unemployment rate was the lowest in the counties of Komárom-Esztergom (2.0%) and Győr-Moson-Sopron (2.4%), while it was the highest in Nógrád (9.9%), Baranya (9.6%) and Szabolcs-Szatmár-Bereg county (8.9%).**

Nearly half of the country’s potential labour reserve (316.5 thousand people) is in the Great Plain and Northern Hungary (155.0 thousand people, 49.0%), more than one quarter in Transdanubia (88.3 thousand people, 27.9%), and nearly one quarter is located in the capital and Pest County (73.3 thousand people, 23.2%). According to KSH data, **Budapest (41.6 thousand people), Pest (31.7 thousand people), Borsod-Abaúj-Zemplén (30.7 thousand people), Szabolcs-Szatmár-Bereg (29.3 thousand people) and Baranya County (21.3 thousand people) has the largest potential labour reserve.**

Hungary’s unemployment rate and potential labour reserve among the population aged 15–74 broken down by county (Q3 2024, % and thousand people)



Source: KSH

In September–November 2024, the number of unemployed people aged 15–74 increased by 19.9 thousand to 230.8 thousand compared to the same period of the previous year. In line with this, the unemployment rate increased by 0.4 percentage points to 4.7% in one year.³⁰ Based on the data of the National Employment Service (NFSZ) 220,839 jobseekers were registered in December 2024, which means a decrease of 4,122 people (1.8%) compared to the same period of the previous year. Registered jobseekers accounted for 3.5% of the working-age population.³¹

The tightness of the labour market eases, and labour demand moderates. In Q3 2024, there were 44,895 vacant positions in the business sector, which is 6,763 (13.1%) lower than in the same period of the previous year. According to KSH data, the number of vacant positions decreases on an annual basis in many sectors, primarily in manufacturing (22.0%), in the field of information and communication (22.6%), as well as in transportation and storage (24.6%). According to the expectations of the MNB, the unemployment rate probably peaked in Q4 2024, and it may start to decrease in Q1 2025. According to the MNB's prognosis, the unemployment rate could be 4.5–4.6% in 2024 and 4.1–4.3% in 2025.³²

6. Foreign Direct Investment (FDI)³³

Following the decrease in 2023, based on UNCTAD data for H1 2024, the global value of foreign direct investment (FDI) increased slightly by 1% compared to the average of H1 and H2 2023. If we also take into account the European countries considered to be major financial centres, we can talk about an expansion of 25%.

Partly as a result of higher financing costs and persistent inflationary pressure, the total number and value of transactions involved in international project financing decreased by 30% worldwide in H1 2024, while **the value of cross-border mergers and acquisitions (M&A) was down by 5%.**

A 4% drop in FDI inflows has been recorded in developed economies, excluding the European countries considered to be major financial centres. With regard to Europe, a 15% decline has been recorded, which is mainly due to the performance of Italy, Poland and Sweden. In contrast, in the largest EU economies, Germany and France, the value of FDI inflows has increased by 8% and 16%, respectively. A 9% increase has been registered in North America. A decrease in cross-border M&A activity has been recorded in all developed regions except for North America.

³⁰ Source: [KSH](#)

³¹ Source: [NFSZ](#)

³² Source: [MNB](#)

³³ Source: [UNCTAD](#)

A 6% growth in FDI inflows has been recorded in developing countries, the African continent has achieved outstanding expansion, which is due to a large-scale Egyptian project.

Key figures for global foreign direct investment (FDI) in H1 2024

Region	FDI value (USD billion)	Change (% compared to the average of H1 and H2 2023)	
		FDI	Number of greenfield investments
Worldwide total	809	+25(+1)*	-11
Developed countries	347	+65(-4)*	-11
Europe	139	approx. +1,000(-15)*	-23
North America	167	+9	+17
Other developed countries	42	-4	+10
Developing countries	461	+6	-11
Africa	66	+161	-40
Latin America and the Caribbean	88	-8	-3
Asia	306	-2	-9

Source: UNCTAD, *: not including European countries considered to be major financial centres

The number of announced greenfield investments globally dropped by 11% and their value by 4% in H1 2024 compared to the average of H1 and H2 2023. Due to geopolitical crises and the strengthening of economic fragmentation, multinational companies have become cautious about foreign investments. European economies recorded a total of 800 fewer projects compared to the same period in 2023, with the largest decline recorded in Germany, the United Kingdom, Poland and France. During the same period, the number of announced greenfield investments in developing countries decreased by 11% and their value by 24%.

7. Education³⁴

In the current 2024/2025 school year, a total of about 1.9 million people in Hungary participate in various levels of public education, vocational training and higher education institutions. About 325,000 of them receive kindergarten education, 715,000 primary school education, and 548,000 secondary school education. 2.6 thousand severely and cumulatively disabled children participate in education for severely disabled children. In addition, nearly 329,000 students are studying in tertiary educational institutions.

Compared to the previous school year, the number of children in kindergarten, in secondary schools and at institutes of higher education increased, while the number of primary school pupils decreased. 1,500 more people participate in full-time education at secondary institutions than in the previous year, i.e. 429,000. Among them, 192 thousand study in secondary schools (44.8% of the students), almost 180 thousand (41.9%) in technical and vocational high schools, and 57,000 (13.3%) are studying in vocational training programs that

³⁴ Source: [KSH](#)

do not give a high school diploma. There are 43,000 full-time teachers and trainers working in secondary schools, nearly 800 more than a year before.

221,000 people study in full-time courses at tertiary educational institutions. Over 93% of the students (207,000) participate in higher level bachelor's (BA or BSc), master's (MSc) or undivided education. Nearly 10,000 students study to obtain a PhD or DLA degree, and 4,700 are in tertiary level vocational training. **The total number of participants in higher education is 328,562 for the 2024/2025 academic year,** which is 5.8% higher than the 310,414 registered for the previous academic year. **Following the trend of previous years, the number of foreign students continued to increase in this academic year.** Considering all types of courses in the current academic year, their number amounts to approximately 46,000, which is nearly 14% of the total number of students.

Preliminary higher education statistical data for the 2024/2025 school 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	8,310	98	4,604	4,704	76	2,519
BA/BSc training	205,584	23,309	109,388	145,007	22,109	72,172
MA/MSc training	41,201	6,898	22,702	21,407	6,384	11,168
Undivided training	46,102	11,789	27,565	40,170	11,674	23,890
Postgraduate specialisation	16,348	583	11,074	186	83	93
PhD, DLA training	11,017	3,078	5,509	9,966	2,962	5,012
Total	328,562	45,755	180,842	221,440	43,288	114,854

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