

MINISTRY
FOR NATIONAL ECONOMY

Unemployment and job growth trends continue to improve

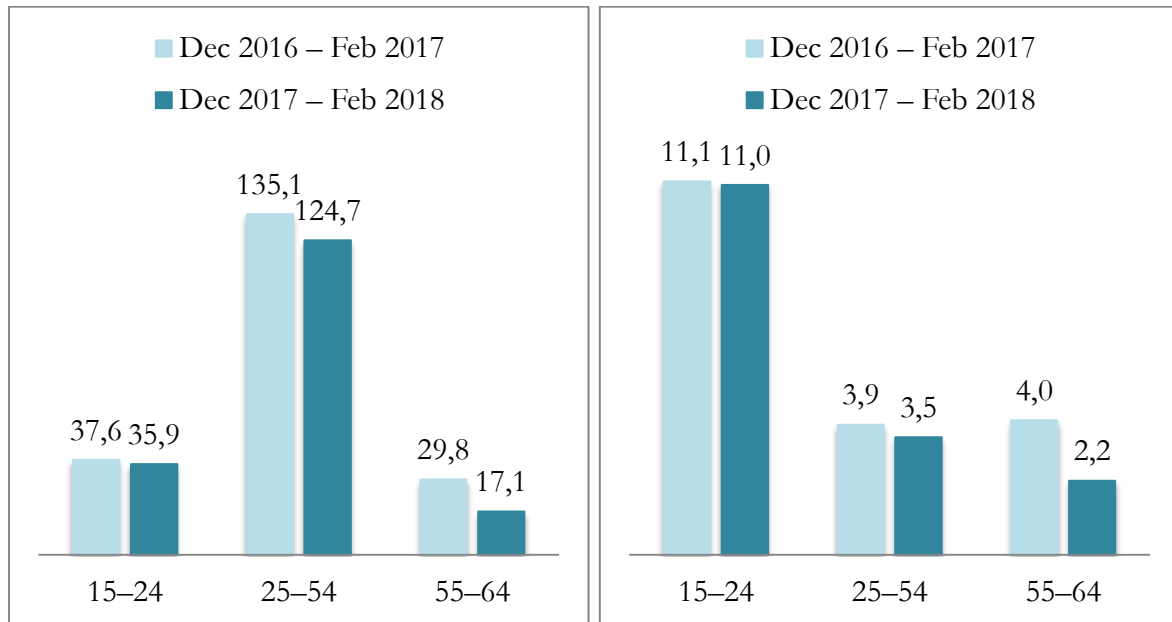
The fact that in the period December 2017-February 2018 the number of people in employment rose by 70 000 year-on-year signals that the Hungarian economy has been growing robustly, Minister for National Economy Mihály Varga said, commenting on the latest job data published by the Hungarian Central Statistical Office (KSH). Data for the observed period show that the unemployment rate continued to decrease and the number of people in employment rose again compared to statistics from the corresponding period of the previous year.

In the period December 2017-February 2018, the average number of jobless people fell to 178 thousand year-on-year, and thus the unemployment rate edged down by 0.6 percentage points, to 3.8 percent. In the same period, the average number of people in employment was 4 million 441 thousand, up by 70 thousand year-on-year. The employment rate of those aged 15-64 years rose to 68.7 percent.

In the aforementioned period, the unemployment rate of men was below that of women, and the year-on-year rate of decrease was also larger than in the case of women. The number of jobless men aged 15-74 years declined to 87 thousand, while that of jobless women fell to 91 thousand. This corresponds to improvement of 1 percent in the unemployment rate, to 3.5 percent, for the former and to 4.3 percent for the latter category.



Fig. 1: Number of jobless people and the unemployment rate by age group, Dec. 2016 – Feb. 2017 and Dec. 2017 – Feb. 2018 (left hand side chart: thousand; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

Fig. 1 shows that the unemployment rate of those aged 15-24 years, which category constitutes one-fifth of the total, declined to 11 percent, corresponding to about 36 thousand people out of job. The unemployment rate of those in the so-called prime working age of 25-54 years edged down by 0.4 percentage points, to 3.5 percent; that of people aged 55-64 years improved by 1.8 percentage points, to 2.2 percent.

According to data by the National Employment Service, by the end of February 2018 the number of registered jobseekers fell by 5.8 percent year-on-year. The NES also reported that the average length of registration fell to 14.9 months; 37.9 percent of jobseekers had been seeking a job for at least one year and therefore they qualified as long-time unemployed.

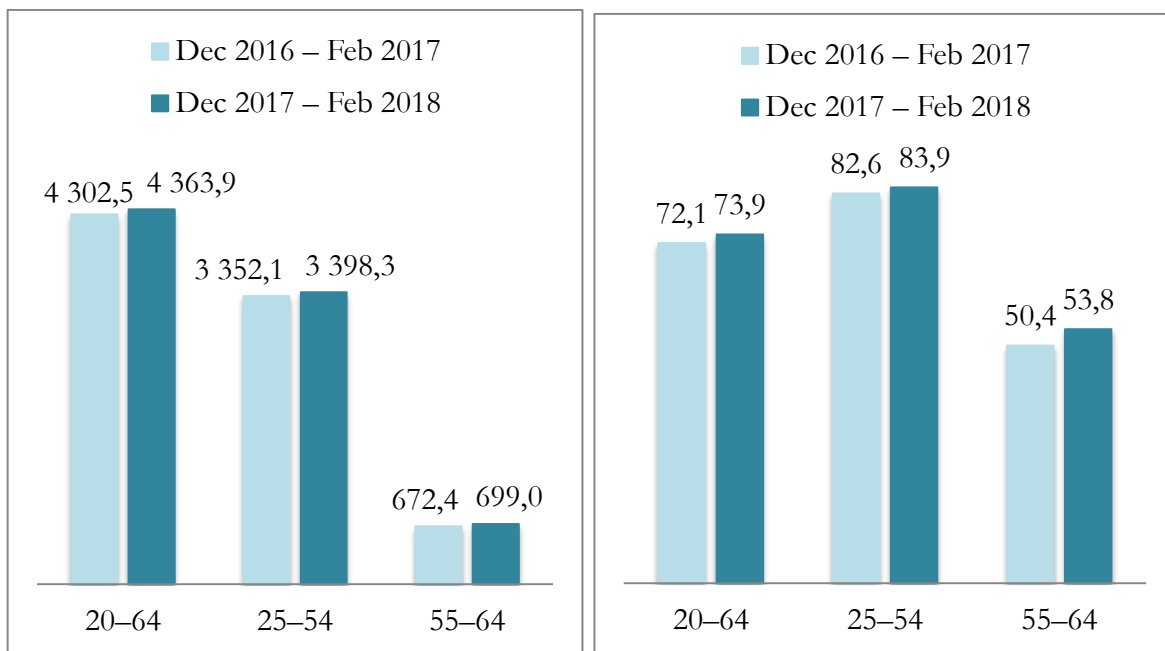
In the period December 2017-February 2018, the number of people in employment rose by 70 thousand year-on-year, to 4 million 441 thousand. The employment rate of men was higher than that of women, and the improvement was also more pronounced in their case. KSH data show that employment growth was entirely attributable to job growth on the primary labour market (3.2 percent), as the number of people working abroad fell by 17.7 percent and those employed in public work schemes was also down by 19.4 percent, compared to the same period of the previous year.



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Fig. 2 displays changes in employment by age groups. Out of the total number of people in employment (4 million 388 thousand), the majority (4 million 364 thousand) belong to the age group of 20-64 years; the employment rate of this category rose to 73.9 percent. Within this, the employment rate of men rose by 2.2 percentage points, to 75.9 percent, while that of women improved by 1.1 percentage point, to 61.7 percent. This corresponds to 2 million 401 thousand men and 1 million 987 thousand women with a job. In the prime working age of 25-54 years, the employment rate increased by 1.3 percentage points, to 83.9 percent, which corresponds to more than 3 million 398 thousand people in employment. The number of elderly people in employment, aged 55-64 years, rose by 3.4 percentage points, to 53.8 percent, or approximately 699 thousand people.

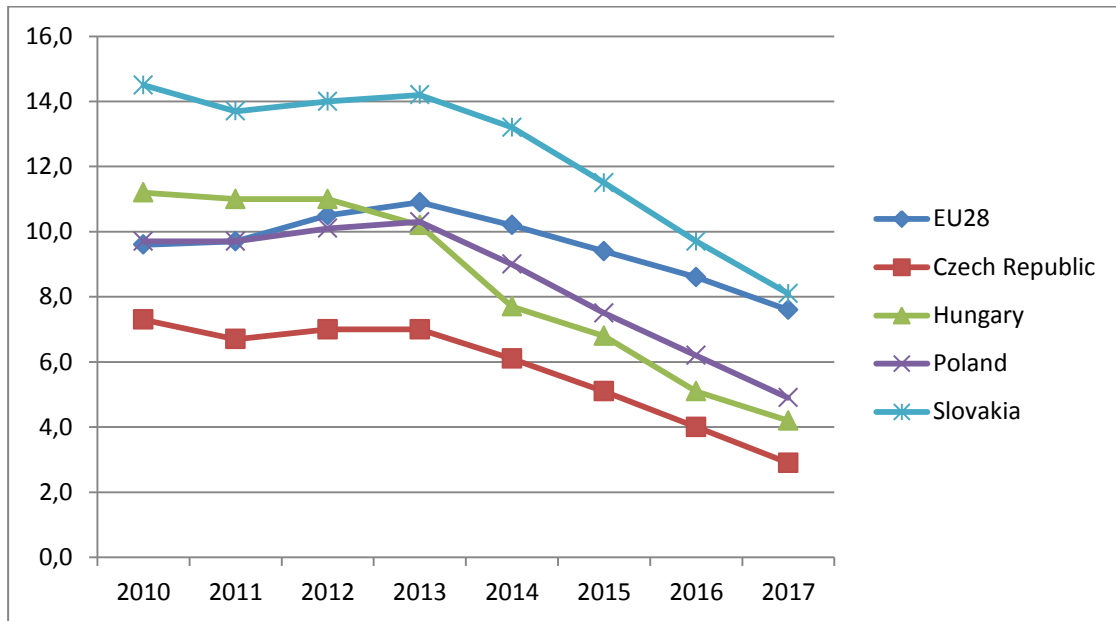
Fig. 2: Number of people in employment by age group, Dec. 2016 – Feb. 2017 and Dec. 2017 – Feb. 2018 (left hand side chart: thousand; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

In light of data published on the Eurostat website, unemployment has been declining steadily in Hungary since 2010, and the country currently has the fourth lowest unemployment rate within the EU. According to available data, Hungary's unemployment rate is half of the EU average, and even within the V4 (Poland, Czech Republic, Slovakia, Hungary), only the Czech Republic is ahead of Hungary in terms of jobs data (Fig. 3).

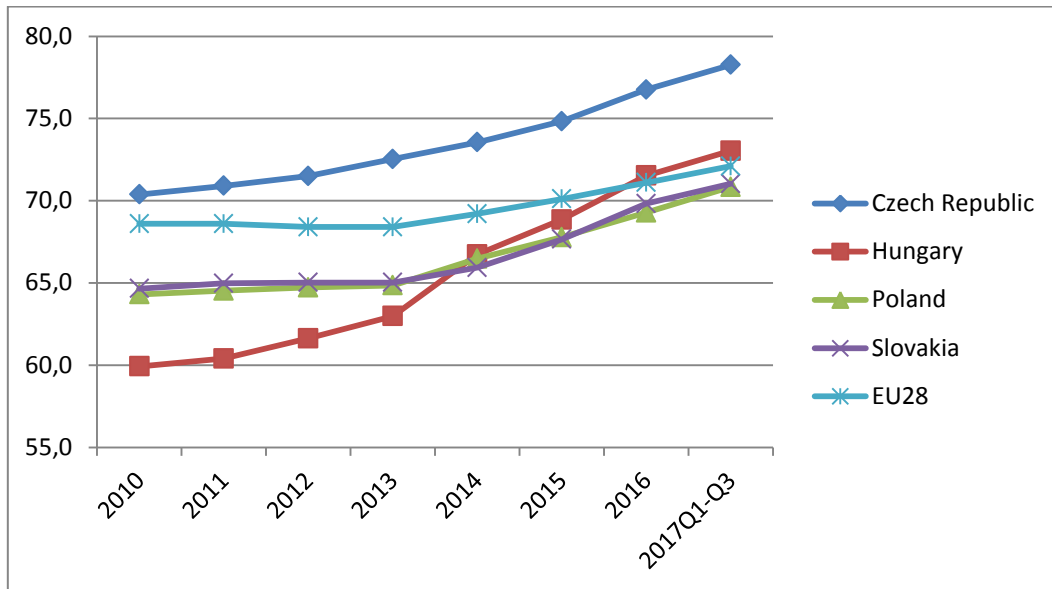
Fig. 3: Unemployment rates in the EU28 and in the V4 countries, 2010–2018, (percent), age group of 20–64 years



Source: Eurostat

Hungary has been on track to meet the employment targets set out in the Europe 2020 strategy. In the blueprint, which observes the age group of 20-64 years, the European Union targets an employment rate of 75 percent by 2020. According to data available until Q3 2017, Hungary's respective employment rate has been above the EU average for two years now concerning the prioritized age group. Over the past four years, within the V4 only the Czech Republic's indicator was better than Hungary's (Fig. 4). In addition, it is also remarkable that Hungary's employment rate has been consistently rising for eight years now.

Fig. 4: Employment rates in the EU28 and in the V4 countries, 2010–2017 (percent), age group of 20-64 years



Source: Eurostat

To sum up: Hungary's labour market has been expanding steadily and dynamically for years. There were 103 thousand people who found a job on the primary labour market over the past one year, and thanks partly to growing wages the number of people working abroad has stopped increasing. Concurrently, the annual average in the unemployment rate has hit a record low of 4.2 percent, and in Q3 2017 Hungary's unemployment rate was the fourth lowest within the European Union. These trends substantiate the words of Minister Varga who stated that favourable indicators were all pointing to further growth of the Hungarian economy.