



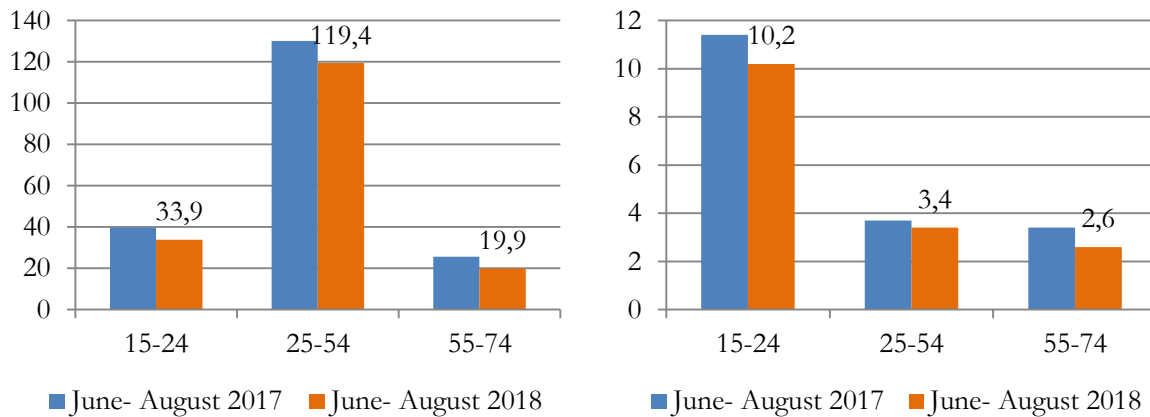
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Positive labour market trends continue unabated in Hungary

The unemployment rate has never been this low this time of the year in Hungary, Minister of Finance Mihály Varga stressed in his comment on the latest labour market report by the Hungarian Central Statistical Office (KSH).

Data compiled by the KSH in the period June-August 2018 show that the unemployment rate edged down by 0.5 percentage points, to 3.7 percent, compared to the corresponding period of the previous year. The number of jobless people decreased by 22 thousand to 173 thousand, in the age group of 15-74 years. The unemployment rate for men and women was 3.4 percent and 4.1 percent, respectively. The rate of decrease was larger, 0.7 percentage points, in the case women. An analysis of data by age groups reveals that the number of young unemployed people aged 15-24 years, who account for some one-fifth of the total number of people out of job, declined by 6 thousand, to 34 thousand. The indicator signalled 3.4 percent for those in prime working age (25-54 years) and 2.6 percent in the age group of 55-74 years.

Number of unemployed people and unemployment rate by age group
(left hand side chart: thousand people; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

According to data by the National Employment Service, the number of registered jobseekers was down by 6.7 percent year-on-year. The average duration of unemployment was 15.9 months in the period June-August 2018. 41 percent of jobless people have been seeking work for at least one year, and thus they qualify as long-time unemployed.

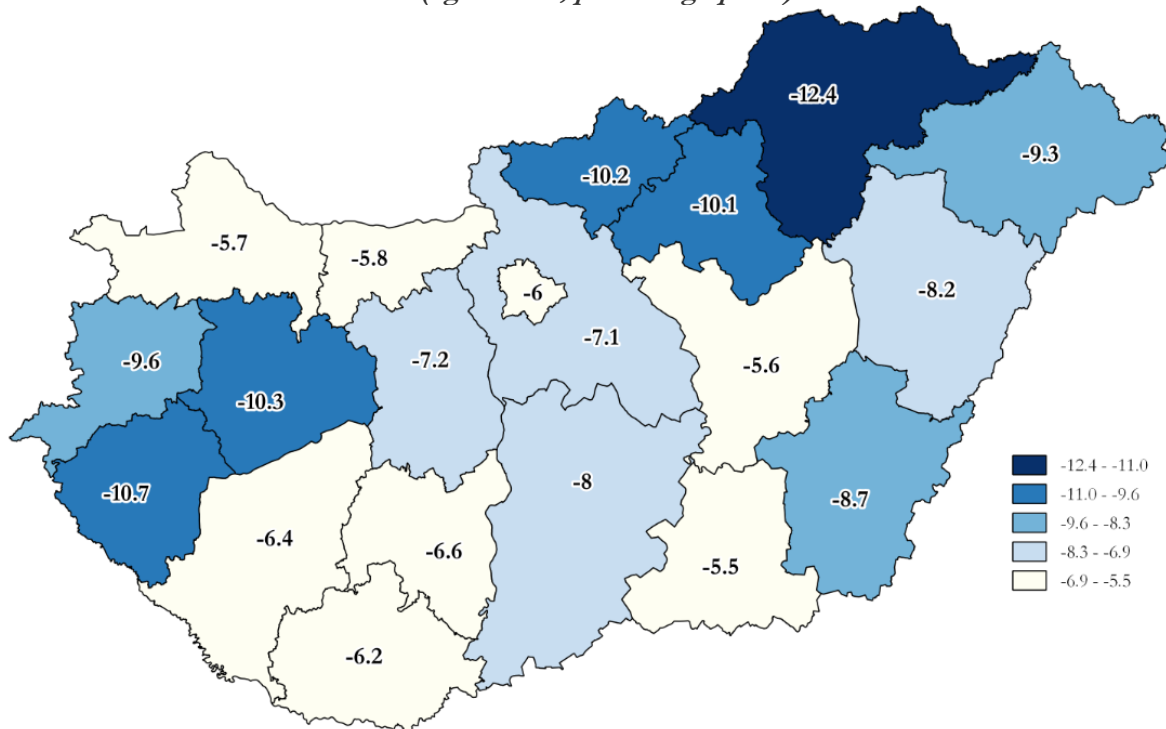
Data on work activity by regions show that in the second quarter of 2018 the largest decreases in the number of unemployed people was registered in the traditionally hardest-hit Northern counties as well as in Zala and Veszprém Counties. The largest decrease in comparison to 2010



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was recorded in Borsod-Abaúj-Zemplén, where the unemployment rate fell by 12.4 percentage points, to 5.3 percent in the observed period, thanks to several large industrial sector investment projects implemented in the county.

*Decrease of unemployment rate in Q2 2010-Q2 2018
(aged 15-74, percentage point)*



Source: Hungarian Central Statistical Office (KSH)

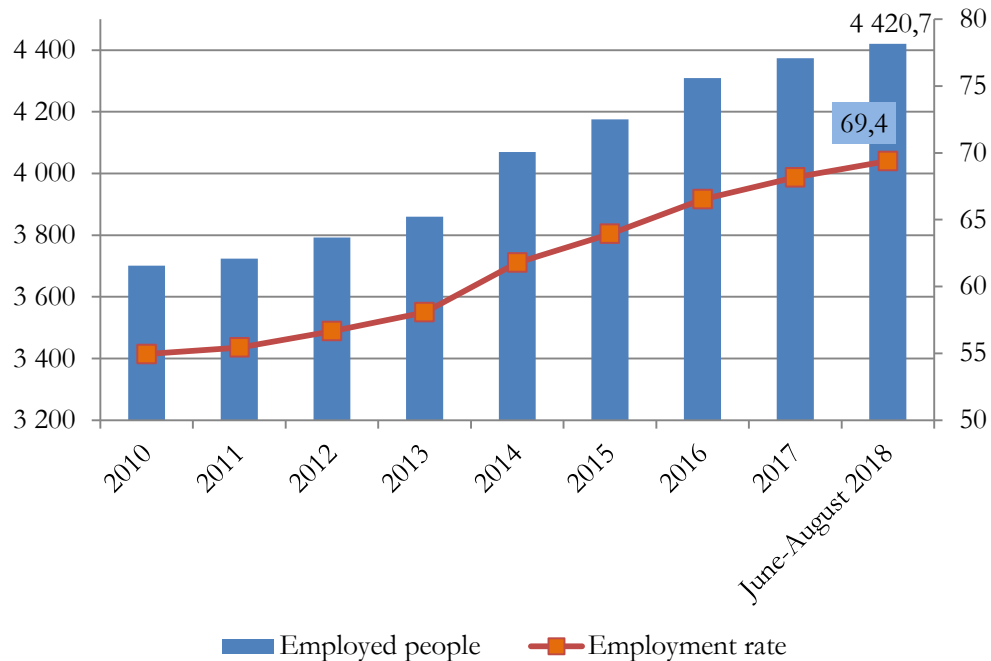
The counties with the lowest unemployment rates in Q2 2018 were Győr-Moson-Sopron (1.2 percent), Heves (1.7 percent) and Zala (1.9 percent). In the summer months of 2018, the number of people in employment has been up by 39 thousand year-on-year. Since 2010, the number of new jobs grew by 774 thousand with the bulk of growth attributable to 640 thousand new jobs in the private sector. Thus, the total number of people in employment has edged close to 4.5 million, while the number of public work employees and those working abroad has declined markedly.

Thanks to measures hitherto implemented – such as the development of childcare institutions -- the employment rate of women has increased to 62.4 percent by now from 50 percent registered in 2010. With this figure, Hungary has reached the EU average.



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*Number of employed people and employment rate
(aged 15-64, left-hand side axis: thousand people, right-hand side axis: percent)*



Source: Hungarian Central Statistical Office (KSH)

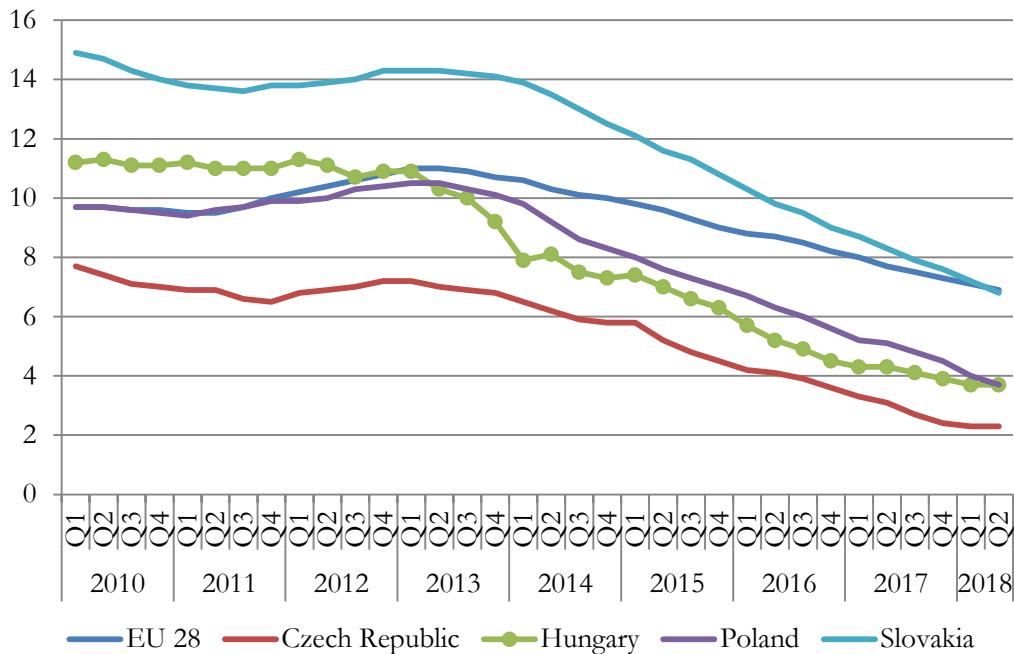
In the observed period, the employment rate of people aged 20-64 years, constituting the main EU benchmark group, was up by 0.9 percentage points to 74.5 percent. In this age group, the employment rate of men and women was 82.3 percent and 66.9 percent, respectively. The largest increase of 1.9 percentage points was recorded in the age group of 55-64 years, hitting 54.2 percent.

In light of the latest data available on the Eurostat website, Hungary has been performing well from the perspective of both the EU and the region. Compared to the same period of 2010, the decrease in unemployment was much larger in Hungary and in the other members of the Visegrad Group than the EU average. The 3.7 percent unemployment rate registered in Q2 2018 is almost half the average rate of the European Union.



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*Change in unemployment rate in V4 countries and the average of EU
(percent)*



Source: Eurostat

Rising household consumption, corporate capacity expansion projects and the accelerated disbursement of EU funds continue to boost the labour market, Minister of Finance Mihály Varga said. Factors such as the higher minimum wage and guaranteed minimum wage stipulated by the Government-initiated six-year wage agreement, tax cuts and targeted employment programmes are all helping Hungary's labour market to bring full employment within reach.