



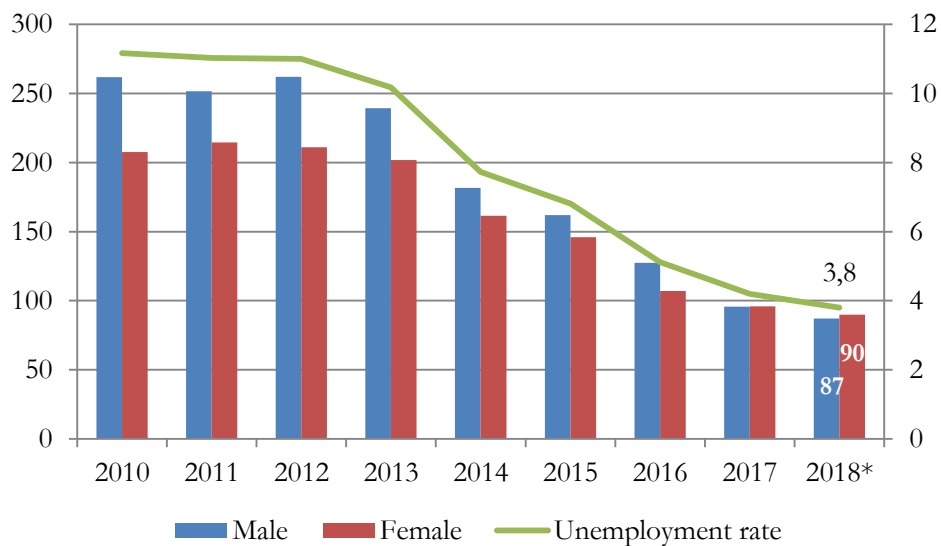
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Positive job growth and unemployment trends still prevail in Hungary

The number of people out of job has fallen to one-third, some 177 thousand, of the figure registered eight years ago, thanks to adequate economic and employment measures, Minister of Finance Mihály Varga said.

The latest jobs data released by the Hungarian Central Statistical Office (KSH) indicate ongoing positive trends. The unemployment rate fell 0.7 percentage points to 3.8 percent in the period February-April 2018, the low point of a downward trend of almost six years. The number of jobless people totalled 177 thousand at the end of April, down by 32 thousand year-on-year. In the age group of 15-74 years, improvement was larger, 20 thousand, in the case of men.

Number of unemployed people and unemployment rate (aged 15-74, men/women, left-hand side axis: thousand people, right-hand side axis: percent)



Source: Hungarian Central Statistical Office (KSH)

*February-April

The largest decrease in the unemployment rate, 1.7 percentage points, was recorded in the age group of 55-74 years. The index showed a decrease of 0.6 percentage points in the age group of 15-24 years and 0.5 percentage points within the category 25-54 years.

In the period February-April 2018, the number of people in employment was up by 1.5 percent year-on-year, totalling 4 million 445 thousand. The number of people who found a job on the primary labour market increased by 128 thousand, while the number of participants in public



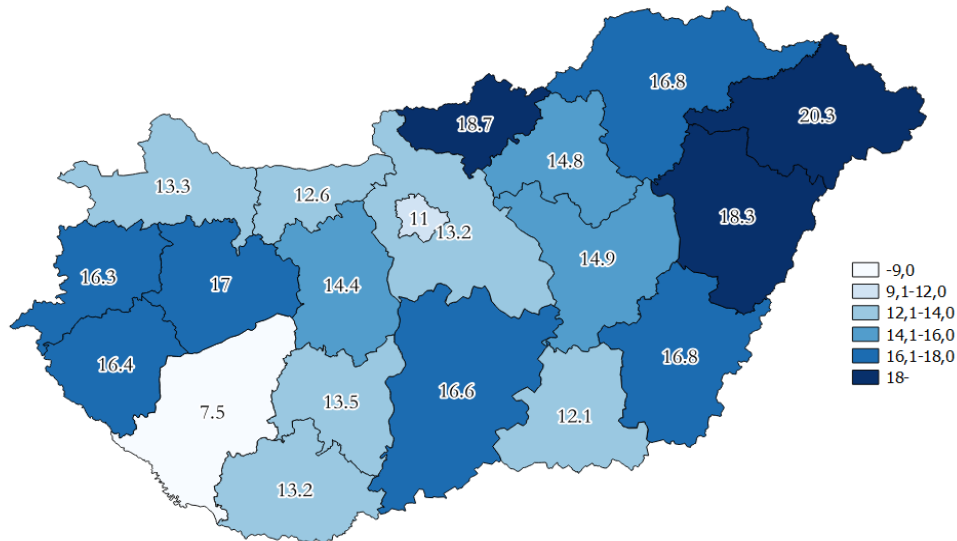
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work schemes and those working abroad fell by 46 thousand and 15 thousand, respectively. These developments are in line with the Government's targets.

In the age group of 20-64 years, the European Union's benchmark, the employment rate rose by 1.6 percentage points, hitting 74 percent, and thus Hungary's national commitment to the Europe 2020 Strategy in terms of job creation has been fulfilled. In this age group, the employment rate of men and women was 81.9 percent and 66.3 percent, respectively.

The employment rate of those aged 15-64 years has risen from 54.1 percent in Q1 2010 to 68.7 percent by the end of the observed period. A closer look on regional trends shows that jobs growth was the most spectacular in the least developed regions which traditionally have the lowest employment rates. The largest increase of 20.3 percent was seen Szabolcs-Szatmár-Bereg County, while the Nógrád and Hajdú-Bihar Counties came in second (18.7 percent) and third (18.3 percent), respectively. Borsod-Abaúj-Zemplén County was also among the regions which posted remarkable job growth.

Growth of employment rate in Q1 2010- Q1 2018 (age 15-64 years), percentage point



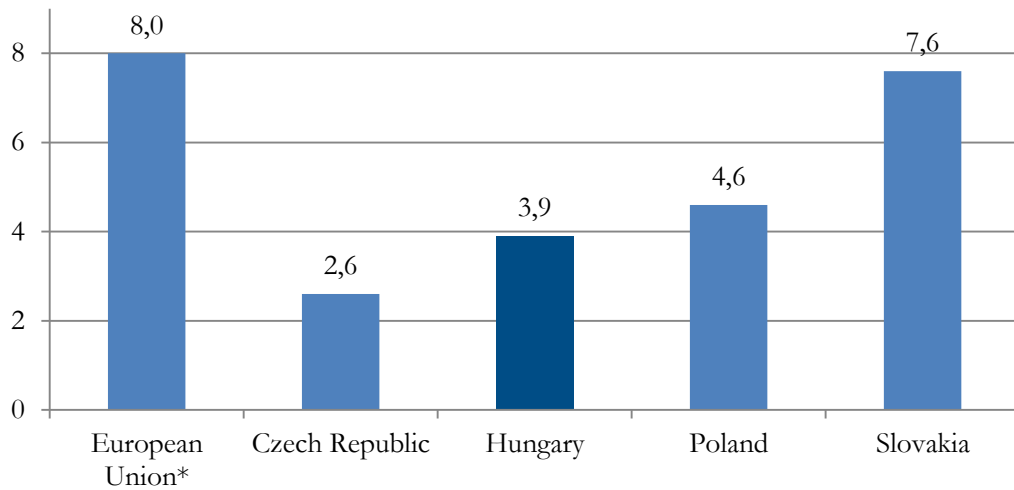
Source: Hungarian Central Statistical Office (KSH)

In light of the latest Eurostat data it can be concluded that Hungary's unemployment rate is less than half the average of the EU (8 percent). Unemployment data from the Visegrad Four show similar declining trends. In this group, only the Czech Republic had an even more favourable indicator than Hungary.



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Unemployment rate in V4 countries and the average of EU, 2018 February (percent)



Source: Eurostat

** excluding the United Kingdom*

Rising labour market demand has created challenges which the Government is working hard to tackle. The Government must do more for the education of public work employees and for assisting women with small children and pensioners to get a job, Minister Varga has recently noted. The new Government is aiming to achieve full employment and reduce payroll taxes, in line with the six-year wage agreement.