



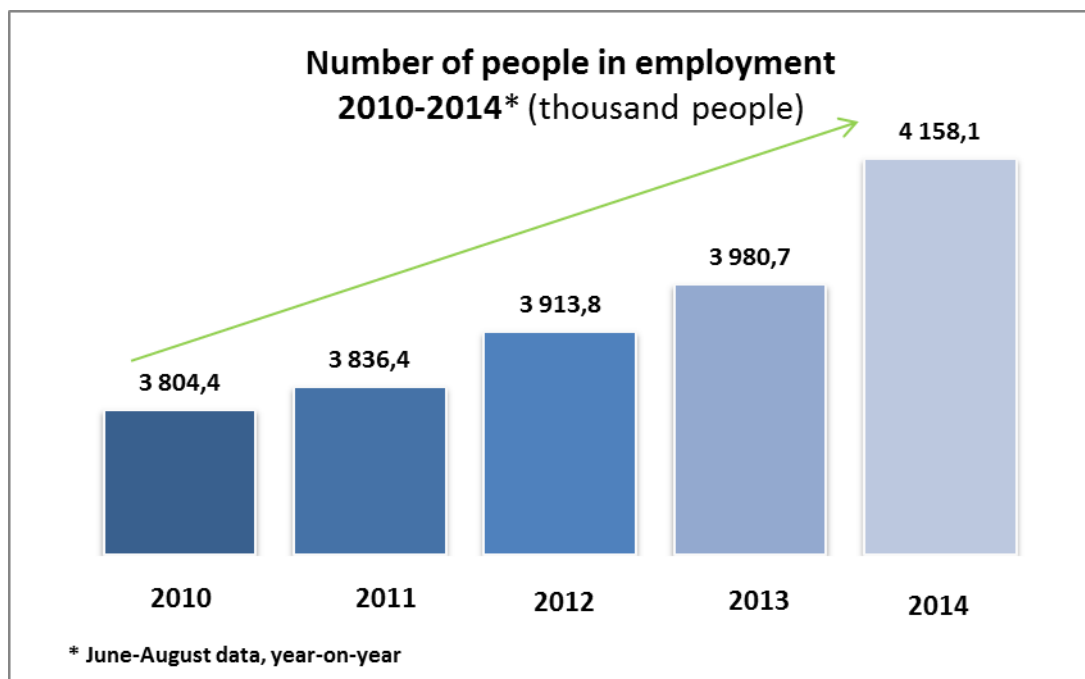
MINISTRY
FOR NATIONAL ECONOMY

Positive labour market trends still in place in Hungary

The number of people in employment has been nearing 4 million 200 thousand

The upward employment growth has been unbroken in Hungary: **in the period June-August 2014, the number of those in employment aged 15-74 years was up by 177 thousand, increasing from 3 million 981 thousand to 4 million 158 thousand year-on-year.**

The number of people aged 15-64 years in employment exceeded even the 4 million 127 thousand mark. Thanks to that, the respective employment rate for this age group increased to 62.4 percent year-on-year, from 60 percent in the corresponding period of the previous year. The employment rate for those aged 15-74 years is naturally below that level with 54.8 percent, which constitutes an increase of 2.6 percentage points, year-on-year.



Source: Hungarian Central Statistical Office (KSH)

As far as the gender aspect of employment is concerned, **indicators have markedly improved for both men and women**. The employment rate of men aged 15-64 years edged up year-on-year by 3.5 percentage points, to 68.8 percent, while that of women increased by 3.3 percentage points to 56.2 percent. In comparison to data of one year ago, the employment rate of people aged 15-24 years is 3.3 percentage points higher, with altogether 262 thousand people in employment. **The employment rate of people in prime working age, 25-54 years, is 79.1 percent after gaining 3 percentage points**. The employment rate among those aged 55-64 years reached 42.5 percent, up by 3.6 percentage points.

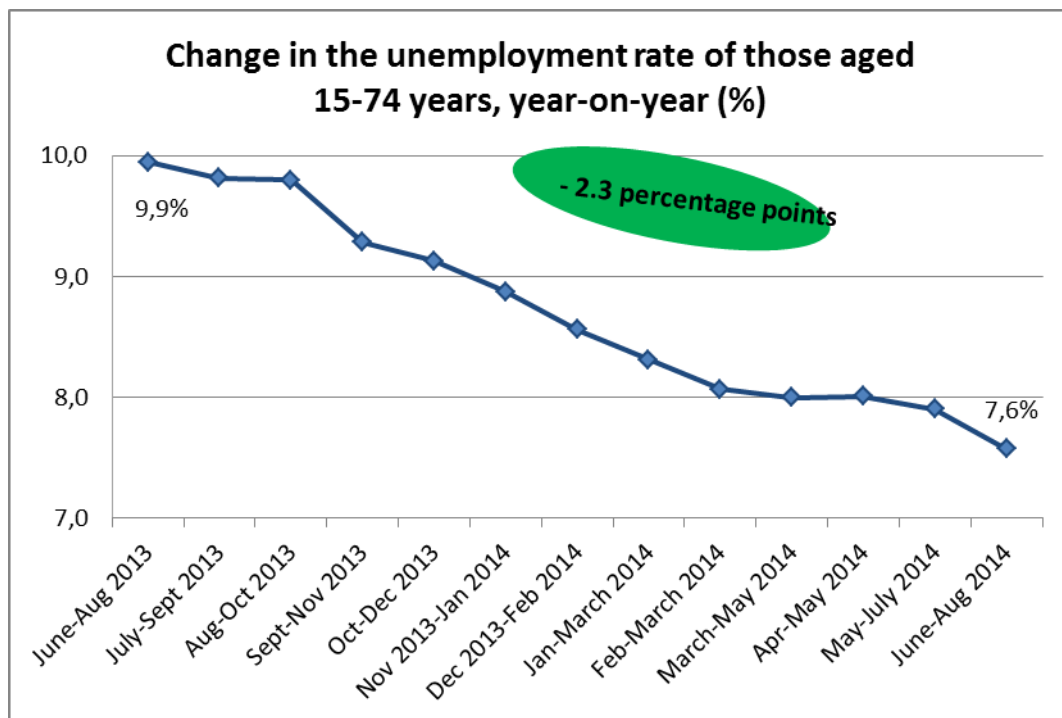
Unemployment rate in Hungary remains below the average of EU member states

In light of the flash report of the Hungarian Central Statistical Office (KSH) published last week, the unemployment rate continued to fall in the period June-August 2014. In the observed period,



MINISTRY
FOR NATIONAL ECONOMY

the number of jobless people in Hungary was down by 99 thousand year-on-year. **This means that the number of unemployed people dropped to 341 thousand and the unemployment rate improved in the age group of 15-74 years by 2.3 percentage points to 7.6 percent.** This is the best figure since April 2008.



Source: Ministry for National Economy (NGM)

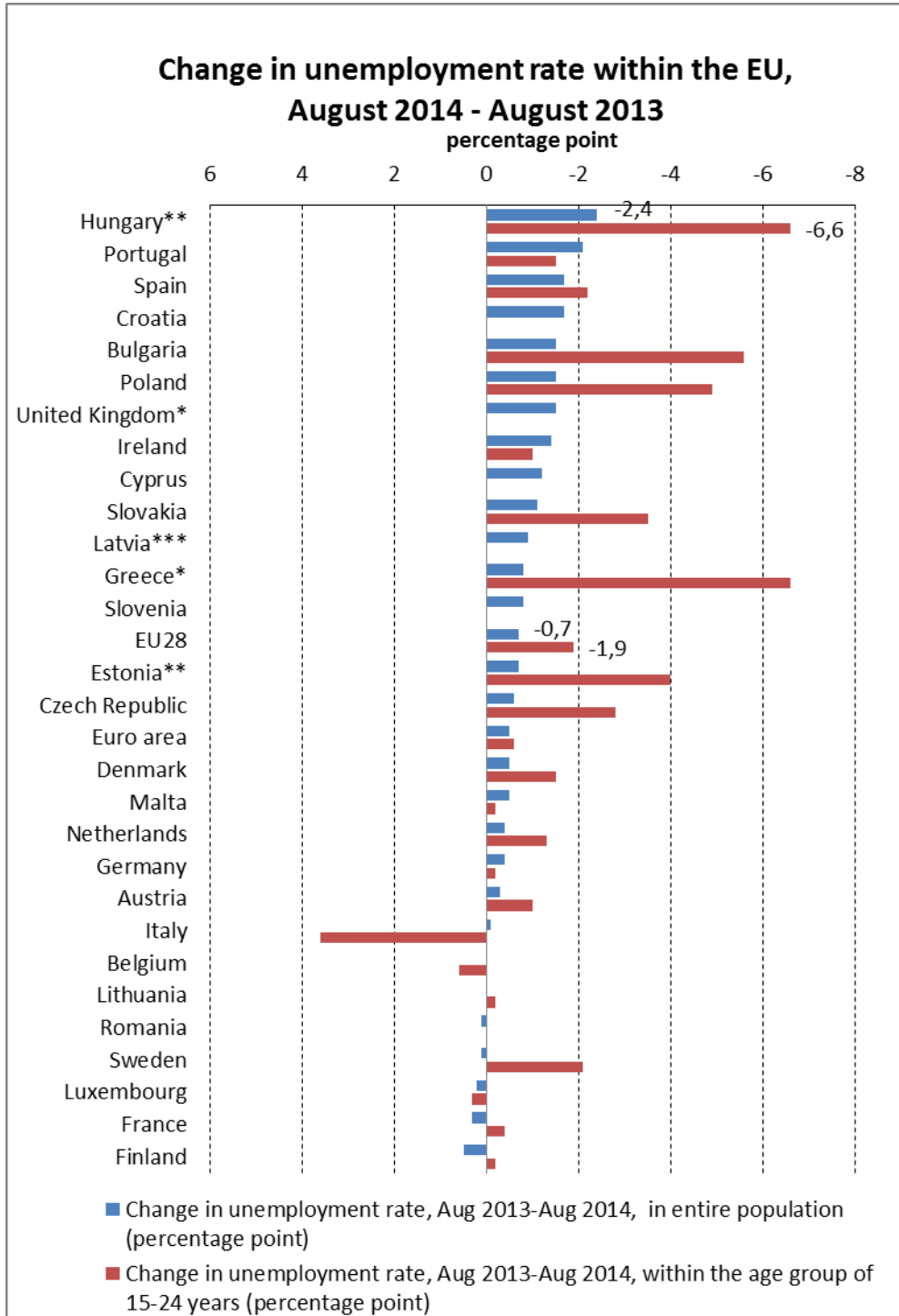
The unemployment rate for people aged 25-54 years eased by 2.2 percentage points, to 6.6 percent. The number of jobless people in the most economically active age group fell by 74 thousand compared to the corresponding period of last year. The number of men and women aged 15-74 years without a job also improved year-on-year, by 2.4 percentage points and 2.3 percentage points, respectively.

According to Eurostat data, **Hungary's drop in unemployment (2.4 percentage points) was the largest among EU member states**, falling from 10.2 percent in July 2013 to 7.8 percent by



MINISTRY
FOR NATIONAL ECONOMY

the seventh month of 2014. Eurostat data published some days ago show that unemployment was down in 22 countries, flat in two of them and up in four member states – in France and Finland, among others -- over the past 12 months. The unemployment rate averaged 11.5 percent in the 18 member states comprising the eurozone and 10.2 percent within the EU28. **Hungary has been successful in lowering youth unemployment, too,** as the unemployment rate of those aged 15-24 years was 20.9 percent in July 2014, which figure is better than the EU average of 21.7 percent. Youth unemployment fell by 6.6 percentage points over the past one year, registering the best improvement figure among member states.





*June 2014, **July 2014, ***Q2 2014

Source: Eurostat, Ministry for National Economy (NGM)

Women's quarterly employment growth figures have also improved above the EU average

Eurostat employment data from the second quarter of 2014 also highlight the above-average improvement which has been realized with regard to women: women's employment growth was the largest and the drop in their unemployment was the biggest in Hungary.

The employment rate of women aged 15-64 years was 55.7 percent in the second quarter, showing an increase of 3.3 percentage points in comparison to the corresponding period of the previous year. Respective indicators have showed that growth was four-times the EU average over the past half a year, and thus Hungary was the top performer within the EU28 in the past two consecutive quarters. With regard to the pace of improvement in unemployment, Hungary retained the number one status achieved in the previous quarter. **Over the past two quarters, the drop in women's unemployment was three-times larger than in the EU.**

The drop in women's rate of inactivity was larger than in the first quarter, which placed Hungary from rank two in the previous quarter to rank one in the current one. Momentarily, 39.3 percent of women aged 15-64 year are inactive in an economic sense, which figure shows a drop of 2.1 percent year-on-year. **The pace of improvement concerning the number of inactive women is thus five-times the EU average.**

Employment growth among young women aged 15-24 years and those in prime working age (25-54 years) was at the top of member states' ranking. Mothers with small children also belong to this category which signals that Government measures implemented over the past two years to improve the labour market prospect of women have been bearing fruits. These include the Job Protection Action Plan, under which employers are entitled to special incentives for



MINISTRY
FOR NATIONAL ECONOMY

employing women and the child care fee extra which, as of January 2014, facilitates work parallel to keeping state benefits.

Only some years ago, in light of employment indicators, Hungary was one of the EU's tail-enders, while **the country has recently become a top performer with regard to employment growth**. Despite encouraging processes, there is still much to do as several other employment measures are needed for maintaining favourable trends.