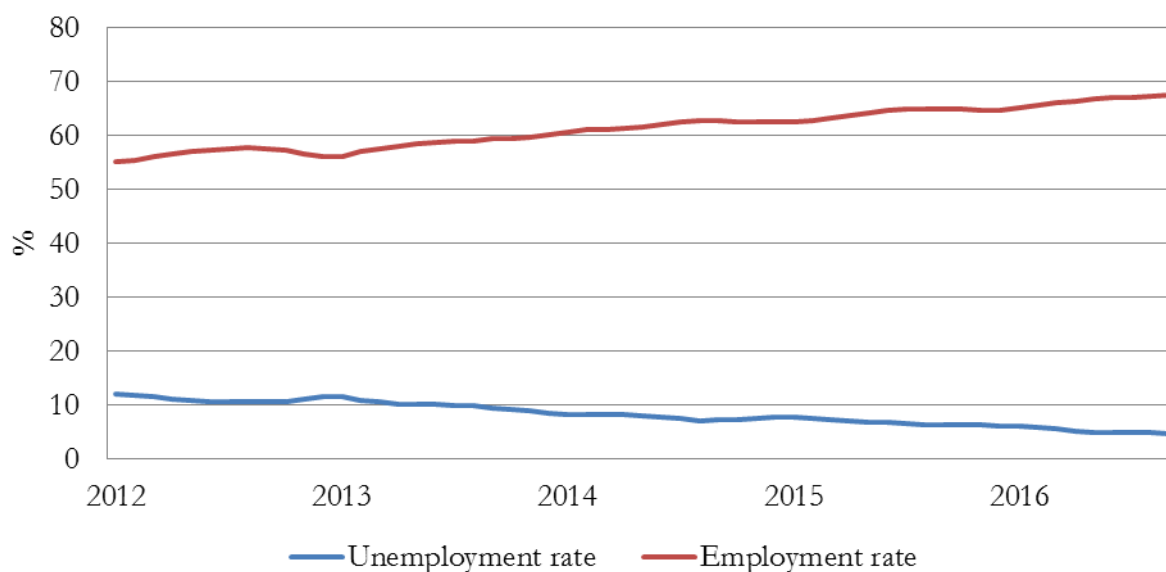


Labour market data show further improvement in Hungary

According to the latest report of the Hungarian Central Statistical Office (KSH), the unemployment rate has fallen and the number of people in employment has concurrently increased in the period September-November 2016.

In this three-month period, the number of jobless people in Hungary was down by 76 thousand, to 208 thousand, year-on-year. Accordingly, the unemployment rate dropped 1.7 percentage points, to 4.5 percent. In the observed period, the employment rate of those aged 15-64 years rose to 67.5 percent, and the number of people in employment was 4 million 414 thousand, up by 142 thousand compared to the corresponding period of the previous year (Fig.1.).

Fig. 1: Unemployment and employment rates



Source: Hungarian Central Statistical Office (KSH)

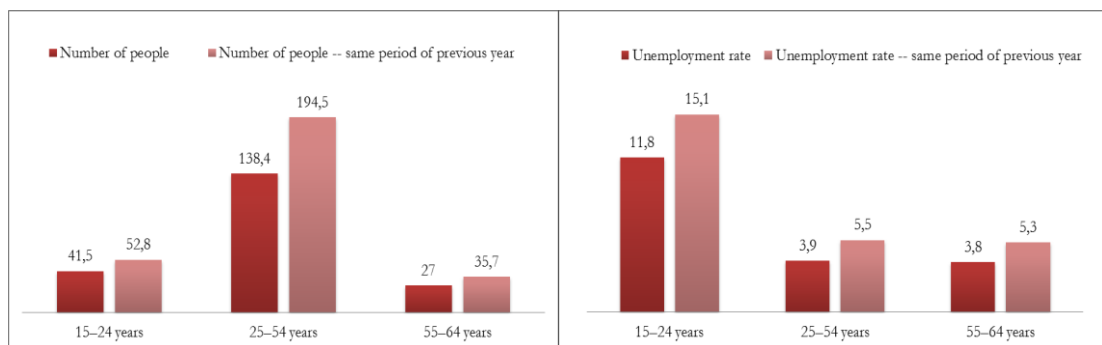
In comparison to the same period of 2015, the unemployment rate improved equally, by 1.7 percentage points, both in case of men and women, although the unemployment rate of men had been lower. In the period September-November 2016, the number of jobless men fell by 42 thousand, to 110 thousand, while that of women was down by 34 thousand, to 98 thousand. Fig. 2 shows that the unemployment rate of people aged 15-24 years, who account for one-fifth of the total number of people out of job, fell by 3.3 percentage points or 11 thousand, to 11.8 percent.



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The unemployment rate of those in the so-called prime working age of 25-64 years declined by 1.6 percentage points, or some 56 thousand, to 3.9 percent. The unemployment rate in the age bracket of 55-64 years fell by 1.5 percentage points, or some 8700, to 3.8 percent. According to data by the National Employment Service, by November 2016 the number of registered jobseekers was down by 22 percent, to 274 thousand, compared to data from the corresponding period of the previous year. It takes on average 18.1 months to find a new job, but about half of jobseekers have been out of work for more than one year, and thus they qualify as long-term unemployed.

Fig. 2: Number of jobless people and the unemployment rate by age group, September-November 2016
(left hand side chart: thousand; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

Compared to the same period of 2015, the employment rates of both men and women have improved substantially. In the period September-November 2016, the number of people in employment rose by 3.3 percent, or 142 thousand, to 4 million 414 thousand. Of that, the number of men and women was 2 million 366 thousand and 1 million 998 thousand, respectively. KSH data signal that almost all the increase was observed on the primary labour market. The number of people working abroad grew by 4.4 percent, while that of self-employed decreased by 6.7 percent year-on-year.

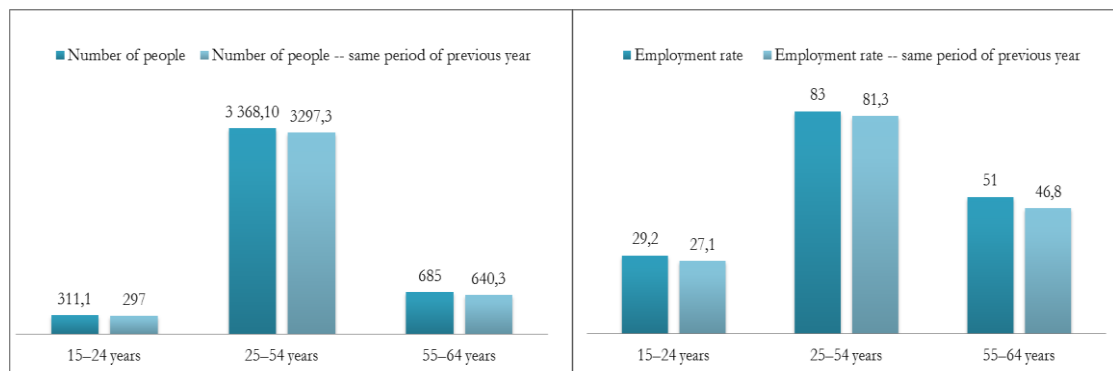
Fig. 3 shows employment indices by age groups. The majority of the 4 million 414 thousand people in employment, altogether 4 million 364 thousand, are aged 15-64 years. The respective employment rates for men and women grew equally, by 2.5 percentage points, to 67.5 percent by the end of November 2016. In comparison to the corresponding period of the previous year, the



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employment rate of those aged 15-24 years was up by 2.1 percentage point, to 29.2 percent, totalling 311 thousand. The employment rate of those in prime working age, 25-54 years, edged up by 1.7 percentage points, to 83 percent, totalling 3 million 368 thousand. The employment rate of people in the highest age bracket of 55-64 years rose by 4.2 percentage points to 51 percent, reaching 685 thousand.

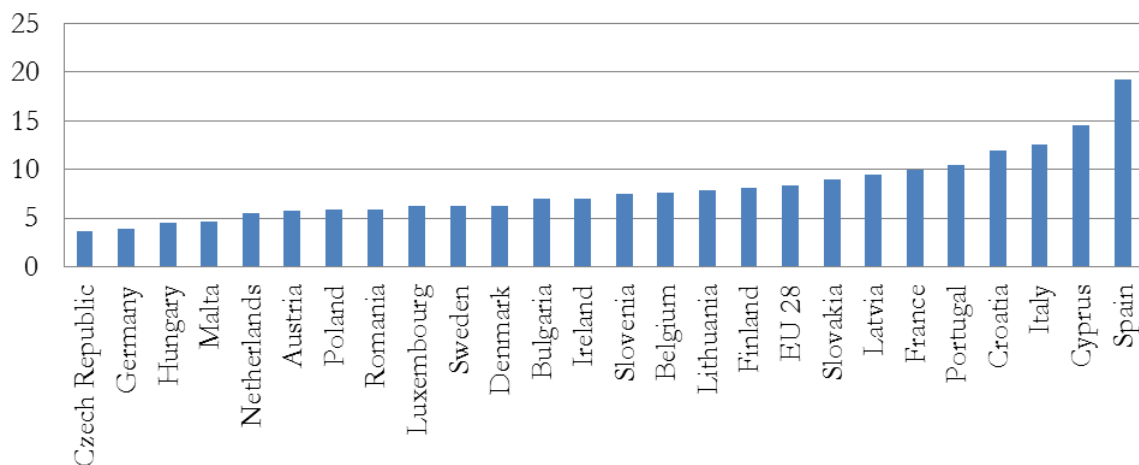
Fig. 3: Number of people in employment by age group, September-November 2016
(left hand side chart: thousand; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

Hungary's data are impressive even from an EU perspective. Statistics published by the Eurostat for November 2016 show that – compared to the EU average of 8.3 percent – Hungary has the third lowest unemployment rate after the Czech Republic and Germany (Fig. 4).

Fig. 4: Unemployment rates in the EU, November 2016



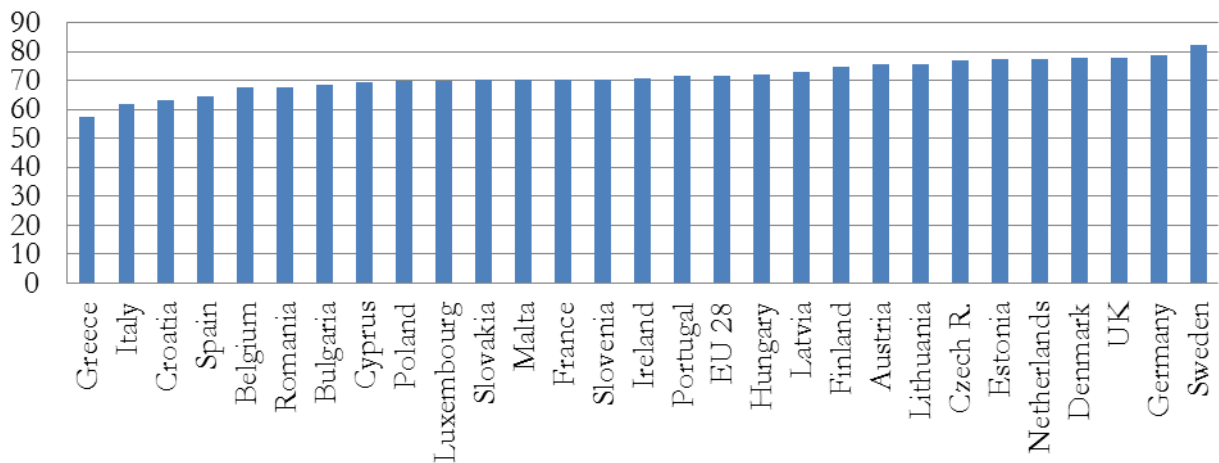


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Source: Eurostat

Hungary has also achieved targets set out by the Europe 2020 strategy. The blueprint's employment rate target for the age group of 20-64 years by 2020 is 75 percent. Comparative data from the entire EU are already available at the Eurostat website for the third quarter of 2016, which place Hungary in the middle: Hungary's employment rate for the observed age group has edged up by 2.7 percentage points, to 72.5 percent (Fig.5).

Fig. 5: Employment rates in the EU, Q3 2016



Source: Eurostat