



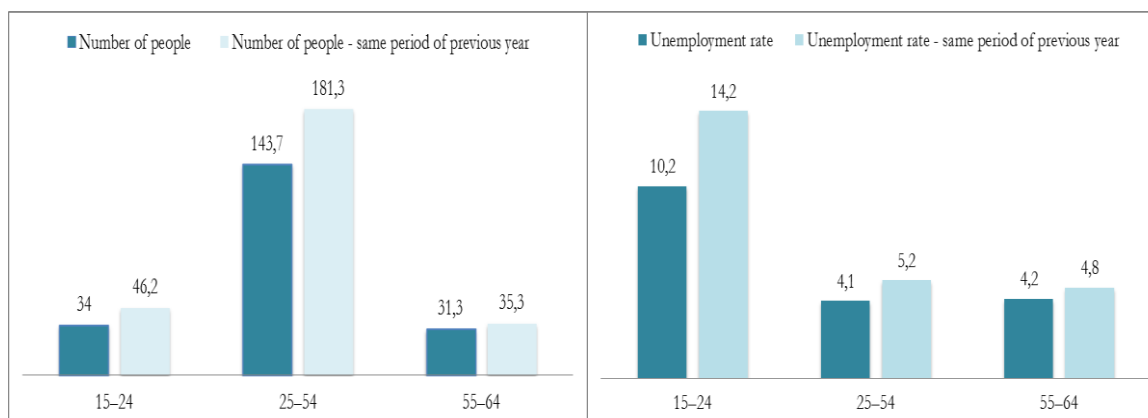
### *Lower unemployment and higher employment rates in Hungary*

**According to the latest report of the Hungarian Central Statistical Office (KSH), in the period February-April 2017, the unemployment rate continued to decline and the number of people in employment increased further in Hungary.**

In this three-month period, the number of unemployed people fell by 56 thousand, to 209 thousand, year-on-year, and the unemployment rate has accordingly declined by 1.3 percentage points, to 4.6 percent. In the observed timeframe, the employment rate of those aged 15-64 years increased to 67.3 percent; the number of people in employment was 4 million 378 thousand, up by 84 thousand year-on-year.

Compared to the corresponding period of 2016, the improvement in percentage terms observed in the **unemployment rate** was almost identical in the case of both men and women, but the unemployment rate of men continued to be lower than that of women. In the period February-April 2017, the number of unemployed men fell by 33 thousand to 107 thousand, while that of women declined by 23 thousand to 102 thousand. These figures correspond to improvements of 1.3 percentage points and 1.1 percentage points, respectively, in the unemployment rate. Fig. 1 displays unemployment rate changes by age groups, and it shows that the unemployment rate in the age group of 15-24 years, which accounts for one-sixth of the total number of jobless people, declined by 4.0 percentage points or more than 14 thousand, to 10.2 percent. In the so-called prime working age group (25-54 years), the unemployment rate edged down by 1.1 percentage points, to 4.1 percent, a decrease of more than 37 thousand. The unemployment rate within the age group of 55-64 years was 0.5 percentage points or 4000 lower, falling to 4.4 percent (Fig.1). According to data compiled by the National Employment Service, by the end of April 2017 the number of registered jobseekers fell by 9.1 percentage points, to 307 thousand, year-on-year. Data show that the average duration of unemployment is 17 months, and almost half of jobless people (44.8 percent) have been seeking a job for more than one year, and thus they qualify as long-term unemployed.

**Fig. 1: Number of jobless people and the unemployment rate by age group, February-April 2017**  
(left hand side chart: thousand; right hand side chart: percent)

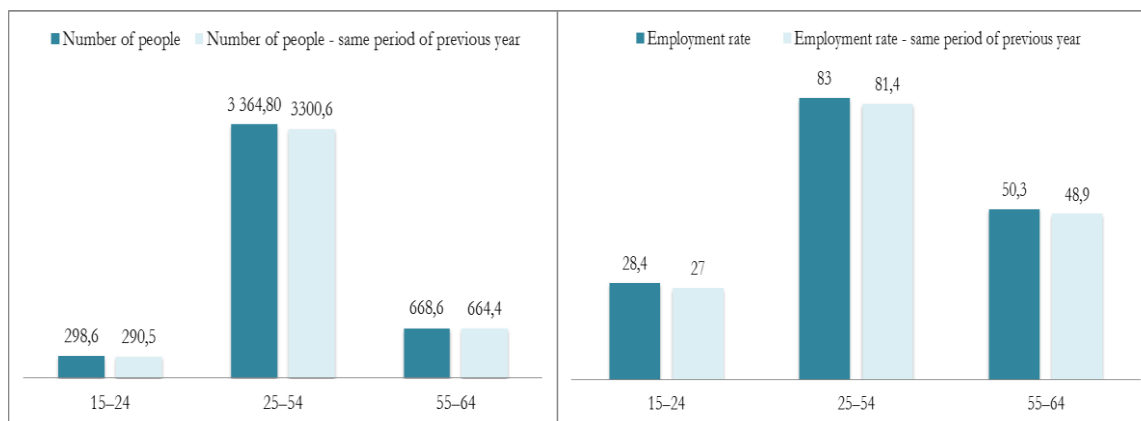


*Source: Hungarian Central Statistical Office (KSH)*

Compared to the same period of 2016, the **employment rate** of both men and women improved similarly, by 1.8 percentage points. In the period February-April 2017, the number of people in employment grew by 2 percent or 105 thousand, to 4 million 378 thousand. In the age group of 15-64 years, this indicator rose by 84 thousand, reaching an employment rate of 67.3 percent. KSH data show that the bulk of growth was realized on the primary labour market; the number of people working or posted abroad fell by 7.8 percent and that of public work employees was down by 5 percent year-on-year.

Fig. 2 demonstrates the changes in **employment by age groups**. The majority of people in employment, 4 million 332 thousand out of a total of 4 million 378 thousand, were aged 15-64 years. In this age group, the employment rate of men and women was up by 1.8 percentage points (to 74 percent) and 1.7 percentage points (to 60.8 percent), respectively. Accordingly, the current number of men and women in employment was 2 million 358 thousand and 1 million 975 thousand, respectively. The youth employment rate, referring to people in the age group of 15-24 years, edged up by 1.4 percentage points to 28.4 percent in comparison to the corresponding period of the previous year, and thus the number of people in employment has reached 299 thousand in this category. The employment rate among those in prime working age grew by 1.6 percentage points, to 83 percent, and thus the corresponding number of people in employment rose to some 3 million 365 thousand. The number of older people, aged 55-64 years, in employment was 668 thousand or 50.3 percent, following an increase of 1.4 percent.

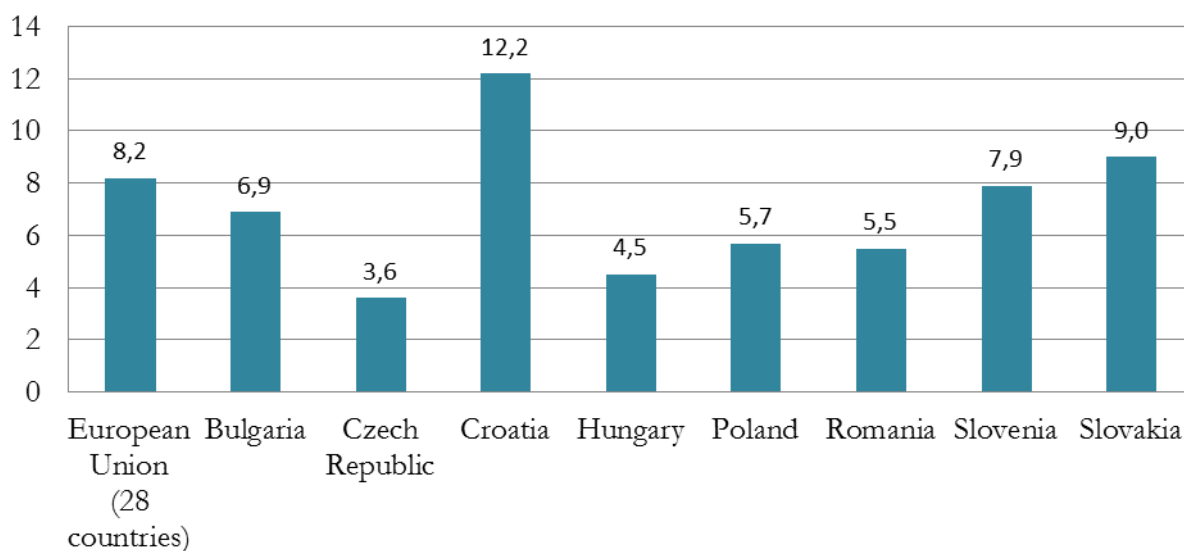
**Fig. 2: Number of people in employment by age group, February-April 2017**  
(left hand side chart: thousand; right hand side chart: percent)



Source: Hungarian Central Statistical Office (KSH)

Hungary's data are also favourable from an EU perspective. Eurostat statistics from Q4 2016 show that Hungary's unemployment rate is almost half of the EU average of 8.2 percent, and among the V4+4 (Poland, Czech Republic, Slovakia, Hungary + Slovenia, Croatia, Romania, Bulgaria) only the Czech Republic scored better than us (Fig.3).

**Fig. 3: Unemployment rates in the EU – 2016Q4 (percent)**



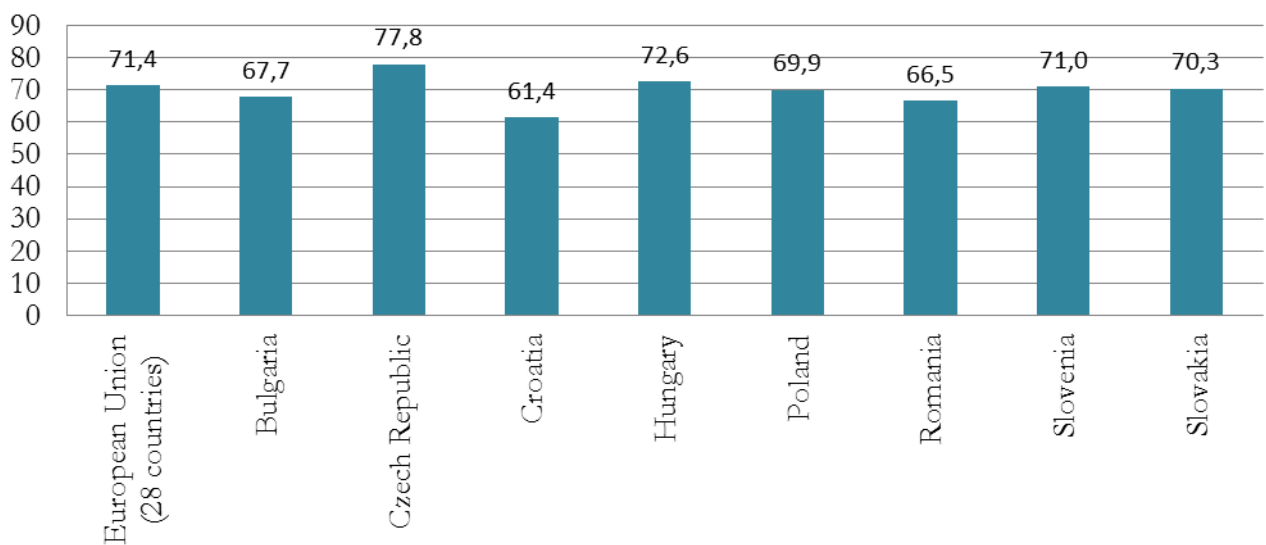
Source: Eurostat



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These data confirm that Hungary has kept up with the realization of employment targets set out in the Europe 2020 Strategy. The Strategy targets an employment rate of 75 percent for the age group of 20-64 years by the year 2020. According to data for the last quarter of 2016, available on the website of the Eurostat, Hungary's respective employment rate of 72.6 percent is above the EU's average, and it is second only to the figure of the Czech Republic within the V4+4 (Fig.4).

**Fig. 4: Employment rates in the EU- 2016Q4 (percent)**



*Source: Eurostat*

Taking into account recent trends and the labour market measures of the Government of Hungary, the employment outlook is even more encouraging. Minister of State for Social Affairs and Inclusion Károly Cibere from the Ministry of Human Resources pointed out that the country has some major labour force potential among those, for example, with reduced capacity to work. The five new economic development schemes, announced in February under the Territorial and Settlement Development Operational Programme, also prioritize employment growth.