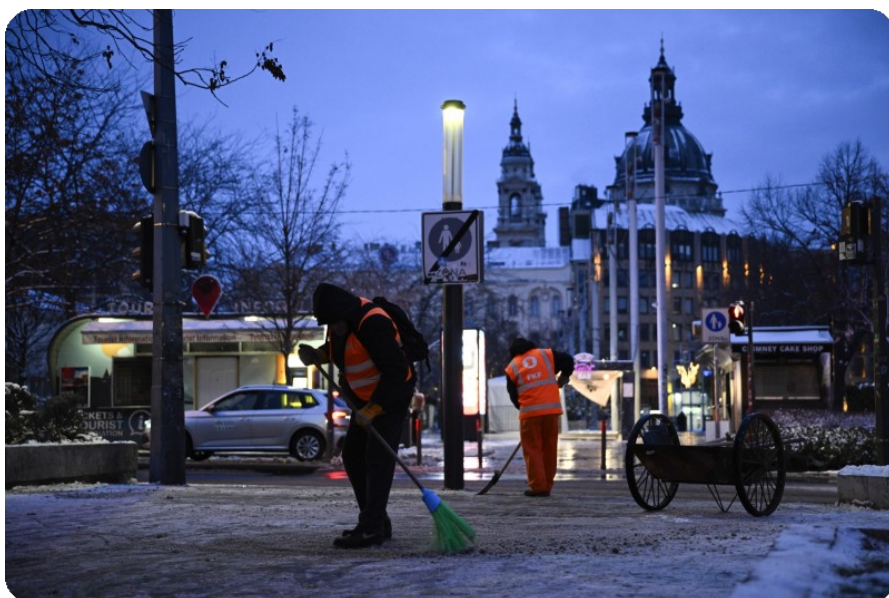


Snap | 27 March 2026

HUNGARY

Unemployment hits 10-year peak in Hungary

Mounting pressures have forced Hungarian firms to make sizeable job cuts. This marks the second consecutive month of unpleasant surprises in the labour market. We have revised our labour market outlook accordingly



Wage-related cost pressures have triggered large-scale job cuts in Hungary

4.9% Unemployment rate (Dec–Feb)

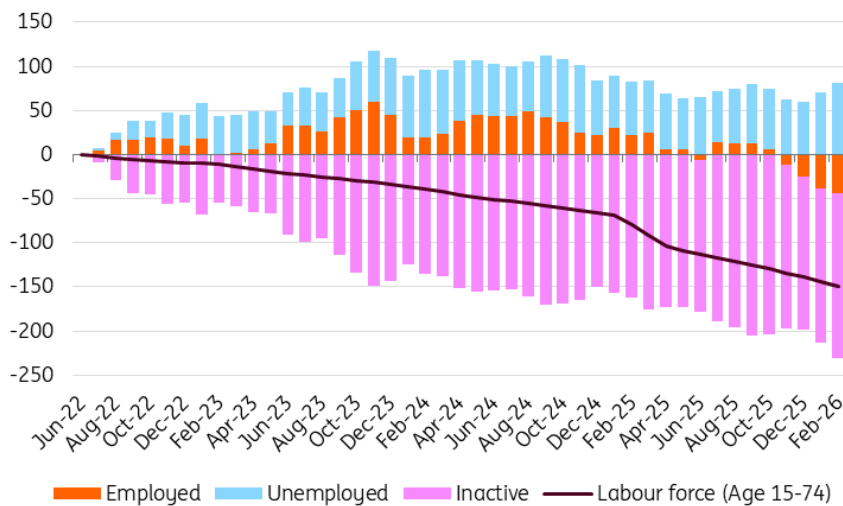
ING estimate 4.7% / Previous 4.6%

According to the latest labour market statistics from the Hungarian Central Statistical Office (HCSO), the unemployment rate increased more than expected. As we stated [last month](#), companies appear to have adapted to wage-related cost pressures much sooner than anticipated. According to the model estimate, the unemployment rate rose to 4.8% in February 2026. Meanwhile, the official three-month moving average survey reports an even higher rate of 4.9%, which is 0.5ppt higher than three months ago. Thus, we can see significant increases and a trend toward deterioration in the labour market situation.

Based on these official indicators, the unemployment rate has hit a 10-year peak. The number of unemployed is now around 230,000–235,000, a figure not seen since the first half of 2016.

Examining the details, we see that although the working-age population continued to decline, the number of economically inactive people fell significantly, by about 20,000 on a monthly basis. This time, however, the decline was accompanied by an increase in labour market participation, as nearly 14,000 people began actively seeking work or working again. Roughly half of this group found employment, while the other half joined the ranks of the unemployed. Based on this, the unemployment rate rose partly due to a technical effect. However, the 10-year high in the number of unemployed individuals is certainly telling.

Changes in the labour market since mid-2022 ('000, 3-m moving avg)



Source: HCSO, ING

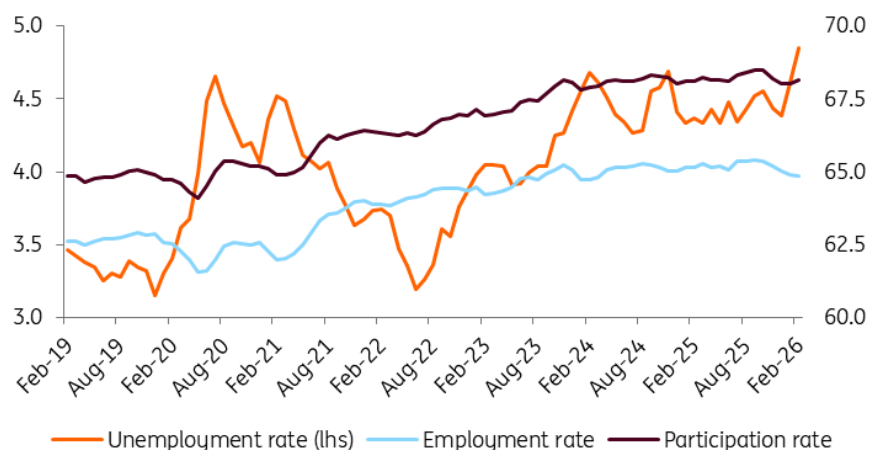
Meanwhile, the number of employed people remains near a four-and-a-half-year low. Compared to the labour market peak in mid-2022, the working-age population has declined by 150,000 due to demographics. Additionally, the number of unemployed has increased by approximately 82,000 during the aforementioned timespan, according to official three-month moving average data.

In general, based on the ratios, the labour market remains fundamentally tight; however, the already visible deteriorating trend is accelerating. The demographic situation is limiting the available labour force while companies try to manage substantially rising wage costs in a stagnant economy. It appears that by early 2026, reserves had been exhausted and significant rationalisation efforts had begun.

The number of job cuts could rise further if the war in the Middle East worsens economic

prospects and business confidence even more through cost shocks arriving via various channels, such as energy and raw material prices and supply chain issues.

Historical trends in the Hungarian labour market (%)



Source: HCSO, ING

Looking ahead, we do not expect any significant changes to the supply side of the labour market. No demographic shift is on the horizon. However, rising labour costs and an increasingly uncertain economic outlook could further dampen demand for labour.

In light of the latest data, we have downgraded our labour market forecast for this year. In our previous outlook, we expected the unemployment rate to hover around 4.6%. However, due to the weak start to the year and the deteriorating economic outlook, there is a greater likelihood that the rate will climb to 5% on average.

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THINK economic and financial analysis

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