

Hungary: Unemployment stabilises

The unemployment rate remained broadly unchanged again in April, suggesting we have probably reached an equilibrium level in the labour market



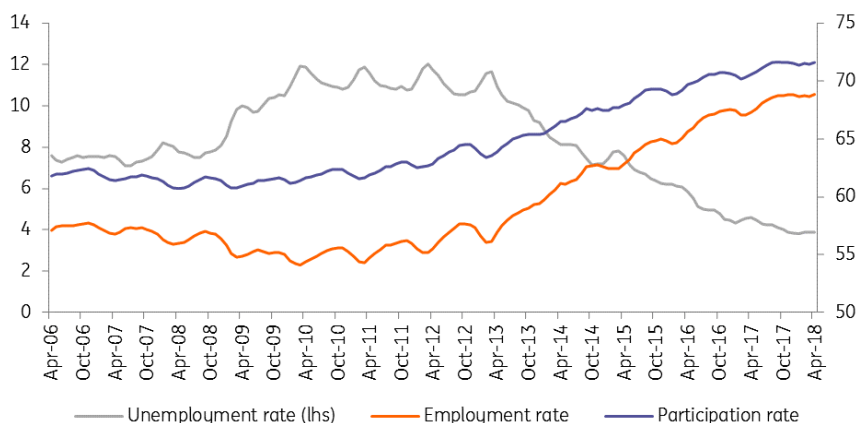
Source: Shutterstock

3.9% Unemployment rate (15-64 age group)
Previous 3.9%

As expected

The unemployment rate of the 15–64 age group came in at 3.9% in April 2018, marking a 0.7ppt fall on a yearly basis. Compared to the previous month, the number of unemployed people dropped by only 1.1k and has remained around 177k since November 2017.

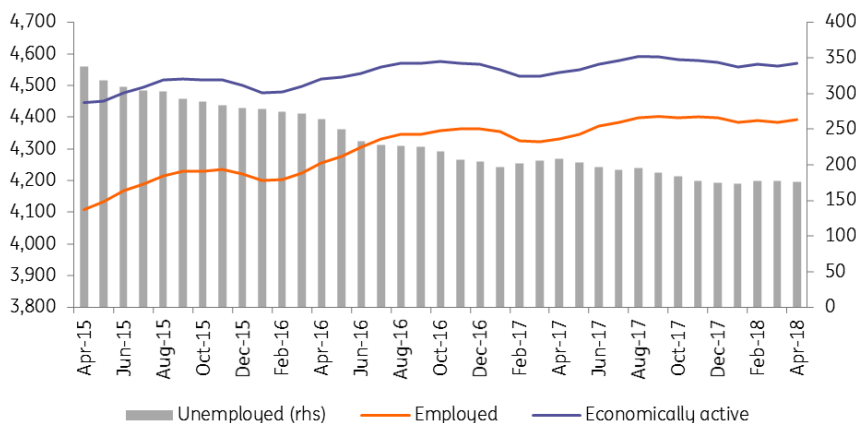
Historical trends in the Hungarian labour market (%)



Source: HCSO

As for employment, the Hungarian Central Statistical Office (HCSO) registered 4.393 million people employed in Hungary, exceeding the figures from a year ago by 61k (1.4%). Meanwhile, the number of economically-inactive people sank to an all-time low of 1.813 million. The structure of change in the labour market has remained favourable; the number of employed people in the primary labour market increased by 128k year-on-year, while the number of fostered workers and those working abroad fell by 61k YoY.

Recent changes in the labour market ('000 people)



Source: HCSO

Still, we think official statistics by the HCSO regarding the number of people working abroad do not necessarily reflect the true number of Hungarians living and working in a foreign country. According to the [latest data of Eurostat](#), the number of Hungarian citizens working abroad reached 339.3k.

Looking forward, we don't expect a significant change in the unemployment rate, meaning it could come in around 3.7% by the end of the year. A major drop in the unemployment rate is only possible if economic policy addresses the existing structural problems (e.g.

regarding skills and the geographical mismatch between the demand and supply side).

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