

## Hungary: Unemployment stabilises

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



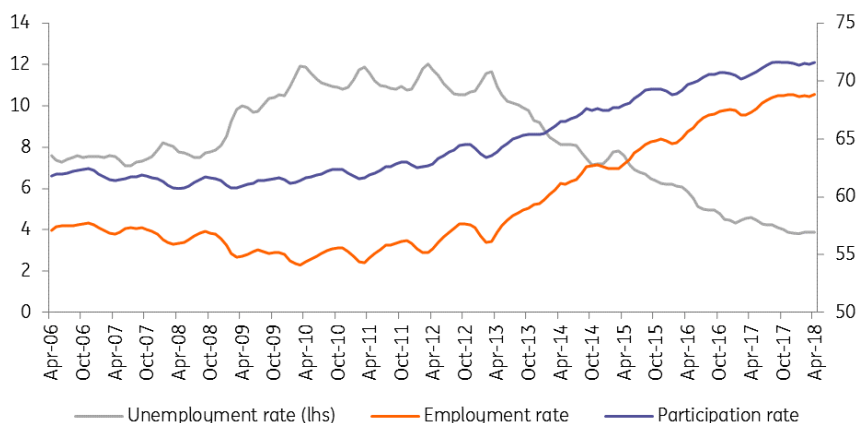
Source: Shutterstock

**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.

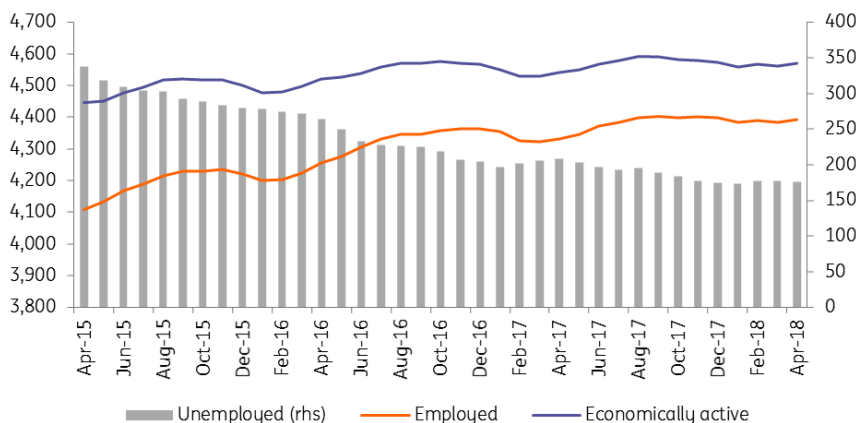
## Historical trends in the Hungarian labour market (%)



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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