

Retail sales in Hungary can't leave bad habits behind

It seems as though Hungarian retail sales either haven't chosen a New Year's resolution or have already discarded it. The data has fluctuated once again, and the overall trend remains uneven. These results don't paint a particularly bright picture of 2025's final quarter



The performance of the Hungarian retail sector once again remained rather mixed in November

2.5% Volume of retail sales (YoY, wda)
Previous: 3.1%

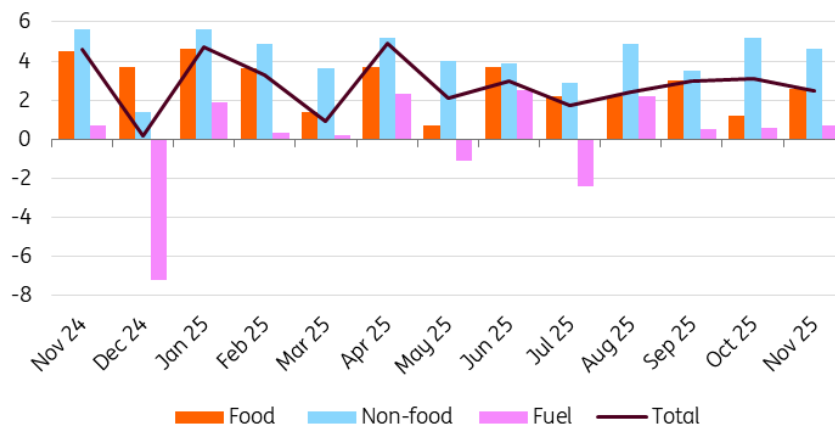
The fluctuating performance of Hungary's domestic retail sector continued in November 2025, according to recent data released by the Hungarian Central Statistical Office (HCSO). Turnover volume grew by only 0.1% on a monthly basis, following moderate growth the previous month. In other words, stagnation and growth continue to alternate from month to month. In terms of the year-on-year index, the growth rate of 2.5% is also lower than the previous month.

Based on the data available so far for the fourth quarter, the economic performance is mixed. A

clearer picture will emerge once the industrial data is released on 12 January. However, if industrial growth falls short of expectations, we may see another negative surprise in the final quarter GDP growth.

Examining longer-term trends, retail sales volume in November 2025 was 3.3% higher than the monthly average for 2021, marking the strongest performance in years. Furthermore, the fluctuating but consistent growth in the sector continues to provide cause for optimism.

Breakdown of retail sales (% YoY, wda)

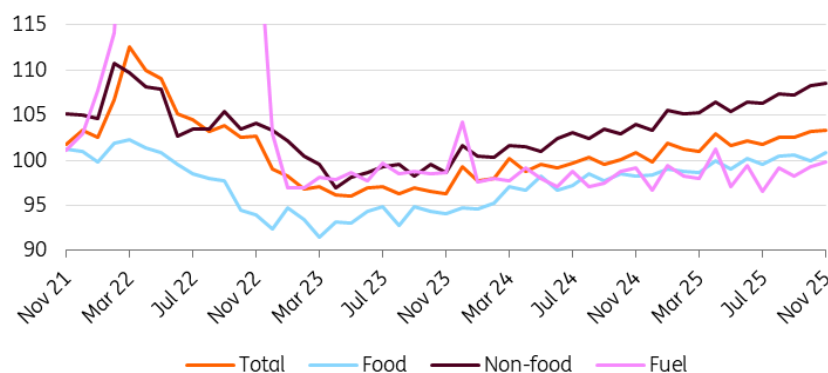


Source: HCSO, ING

When it comes to the details, it can be seen that food store sales recovered on a monthly basis following the unexpected decline in October, demonstrating robust growth in November. It is possible that many pensioners saved the 30,000-forint vouchers handed out by the government until the end of November and used them to bring forward some of their Christmas shopping.

In contrast, sales at non-food stores barely increased. As inflation data had suggested, the lack of significant discounts resulted in a relatively subdued Black Friday for retailers. Nevertheless, demand for furniture, technical goods and cosmetics grew significantly. Sales of second-hand goods jumped strongly, which may indicate that shoppers were trying to make Christmas more affordable in the absence of more moderate Black Friday discounts. Last but not least, falling prices led to an increase in fuel sales in November.

Retail sales volume in detail (2021 = 100%)



Source: HCSO, ING

Overall, the performance of the Hungarian retail sector was rather mixed in November 2025. It seems that the government measures that have already come into effect have not significantly boosted consumption yet. We can only hope that the Christmas season will have given consumption a boost.

On a positive note, however, consumer confidence has recently started to improve significantly, which could lead to a more sustained upturn in consumption and put it on a steeper growth path. However, if this improvement in confidence does not translate into increased demand for goods or services, it could pose a serious problem for the real economy in the short term. Consumption is currently the only thing that can pull the Hungarian economy out of the doldrums, but even that is losing momentum. Without this, achieving the GDP growth of 0.5% and 2.3% forecast for 2025 and 2026, respectively, would be challenging.

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