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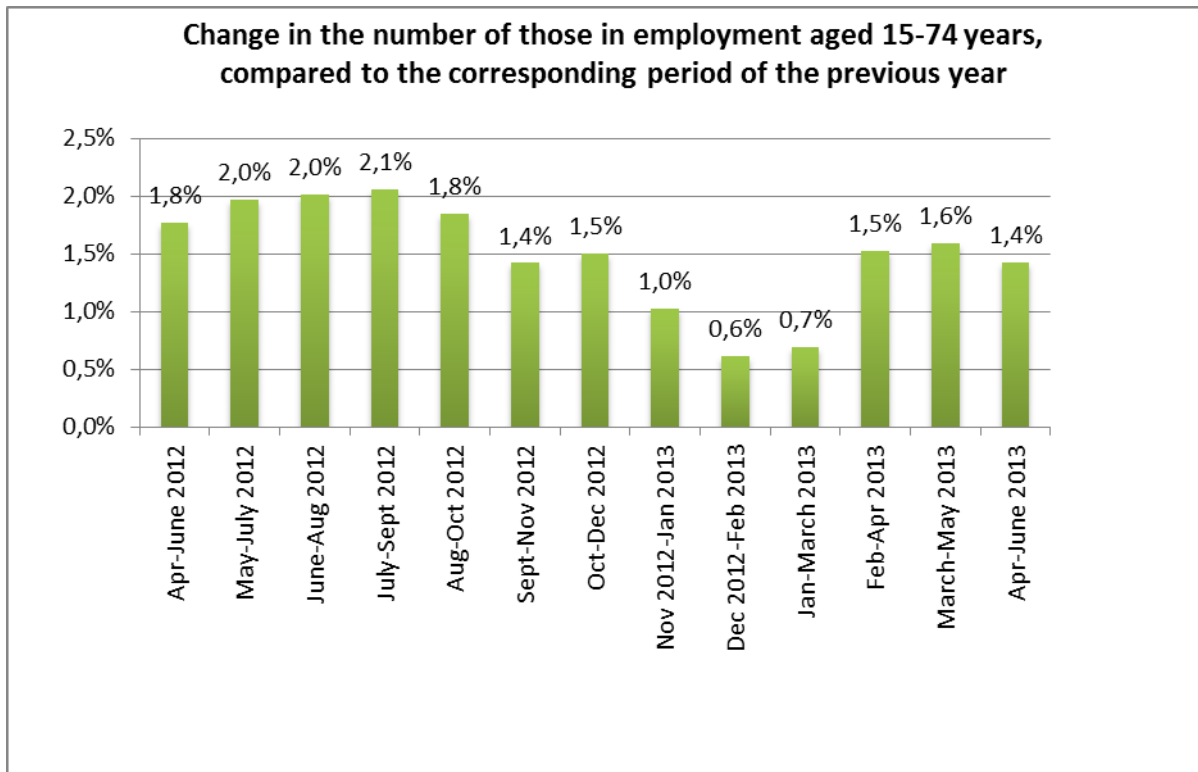
Hungarian labour market trends outstanding even from a European perspective

According to the flash report of the Hungarian Central Statistical Office published last week, the total number of those in employment continued to increase in comparison to the corresponding period of 2012. In the period April-June 2013, the number of those in employment aged 15-74 years was up by 55 thousand, to 3 million 931 thousand, compared to the same period of the previous year which corresponds to an increase of 1.4 percent over the past year. In the age group of 15-64 years, the number of those in employment edged up to 3 million 899 thousand, an increase of 60 thousand or 1.6 percent. The employment rate went up to 51.5 percent, which is higher than the 51.4 percent record of almost six years registered in the third quarter of last year. Hungarian labour market statistics are excellent from a European perspective, and Hungary is ranked among the best in Europe concerning the improvement of both the employment and the unemployment rates.

In light of the latest labour market statistics of the KSH, in Q2 2013 the employment rate among those aged 15-74 years improved by 0.9 percentage points to 51.5 percent compared to the same period of 2012. In the age group of 15-64 years, the employment rate increased from 57.2 percent in the corresponding period of the previous year to 58.3 percent, which corresponds to an improvement of 1.1 percentage points.



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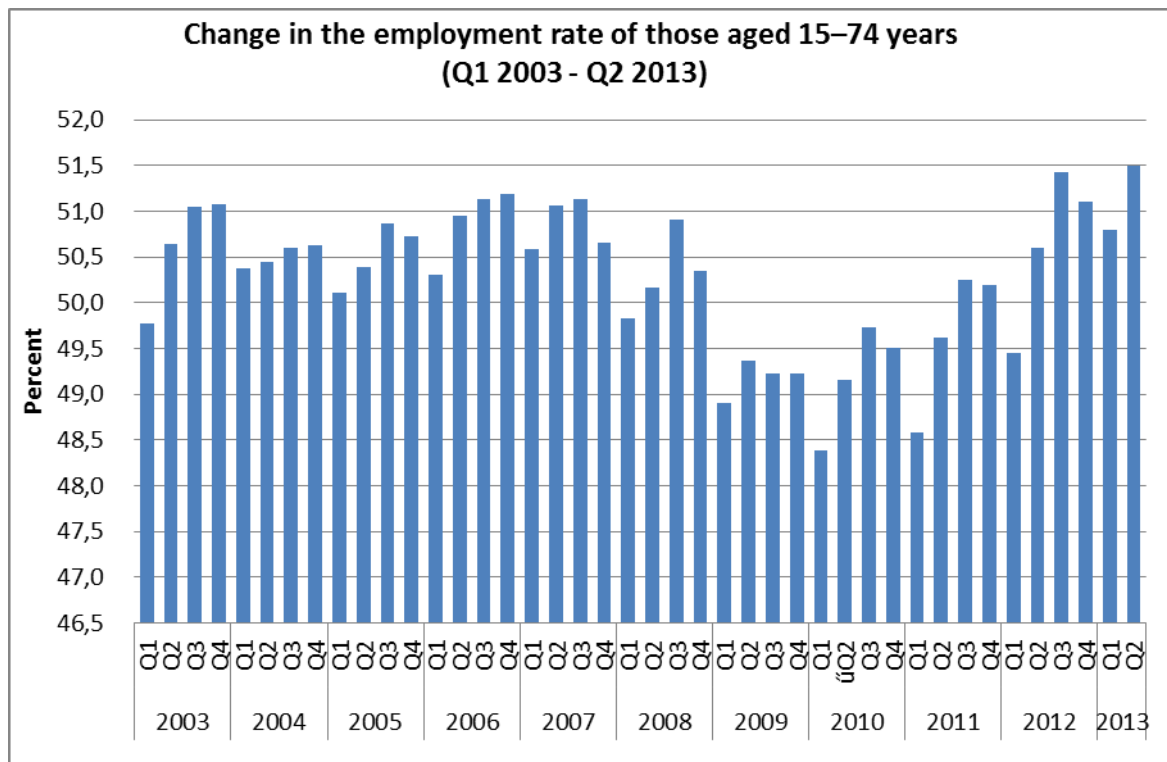
Source: Hungarian Central Statistical Office (KSH), Ministry for National Economy (NGM)

Positive trends can also be observed with regard to the employment indicators of different age groups. In Q2 2013, the number of those in employment was 219 thousand among young people aged 15-24 years, and thus the 19.2 percent employment rate among them was 1.4 percentage points higher than the figure recorded one year ago. The employment rate among those in prime working age (25-54 years) improved by 0.9 percentage points, whereas among older people aged 55-64 years this indicator was up by 1.2 percentage points compared to the level of one year ago.

Analysing long-term employment data it can be concluded that since the end of 2010 a positive employment trend has been in place in Hungary. In the third quarter of 2012, the indicator reached as much as 51.4 percent and **the 2013 second quarter figure was the best in ten years.** In addition, data show that since Q3 2010 the rate has been steadily on the rise compared to the same period of the previous year.



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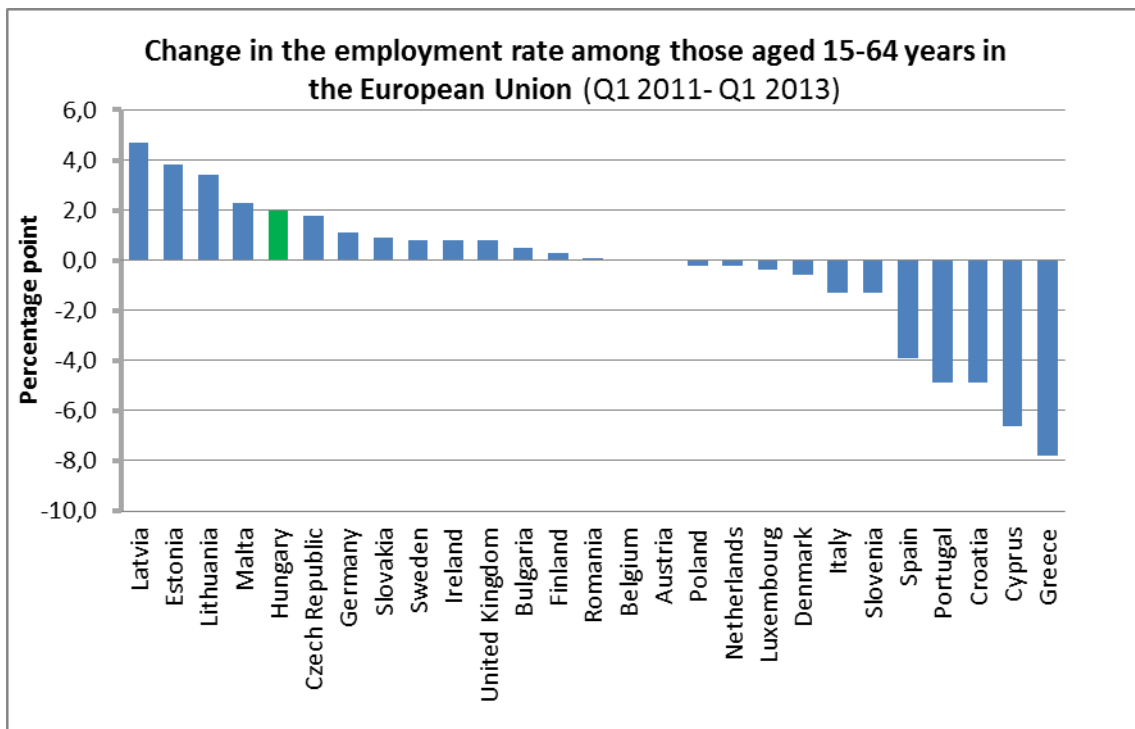


Source: Hungarian Central Statistical Office (KSH), Ministry for National Economy (NGM)

In international comparison (with the latest available data for Q1 2013), **the employment rate for those aged 15-64 years** – based on Eurostat statistics – increased in only half of EU countries over the past two years. (No data are available for the EU27/28, the Euro-zone and France). **In Hungary, this indicator was up from 54.6 percent in the first quarter of 2011 to 56.6 percent in the corresponding period of 2013, an increase of 2 percentage points.** Thus, within the European Union – besides the Baltic states and Malta – **Hungary belongs to those countries in which employment gain was the largest over the past two years.**



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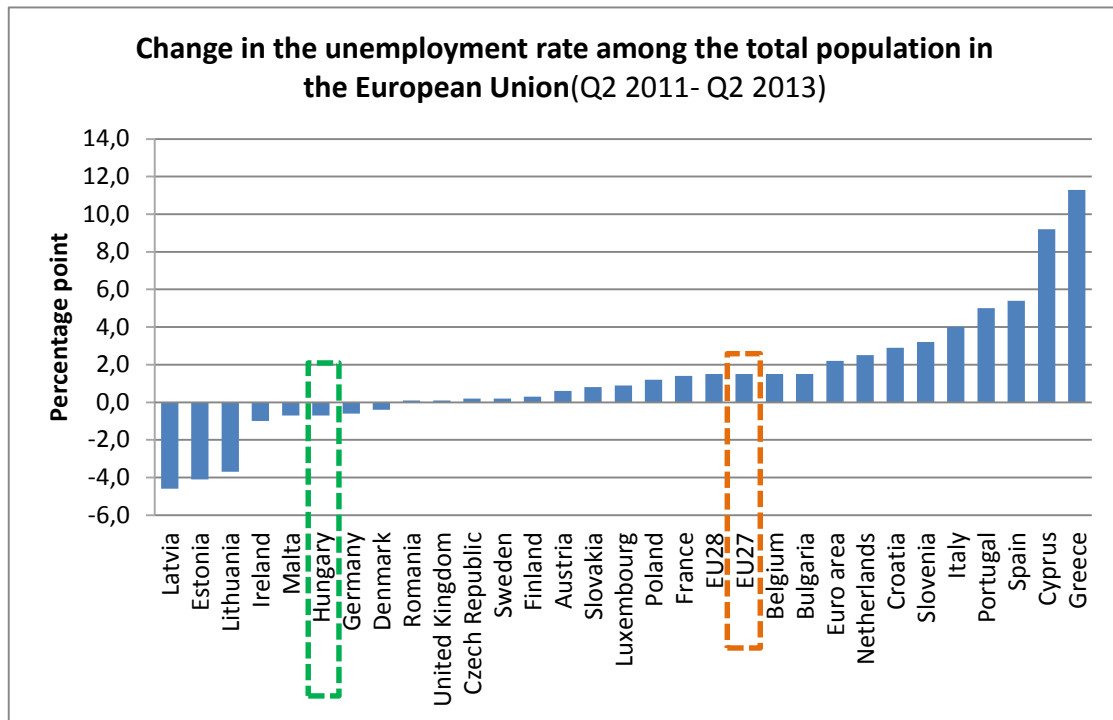
Source: Eurostat, Ministry for National Economy (NGM)

Favourable unemployment trends have also stayed intact in Hungary. According to KSH data, **in the age group of 15-74 years** the number of unemployed in Q2 2013 was down by 23 thousand to 449 thousand, and thus the **unemployment rate improved by 0.6 percentage points to 10.3 percent in comparison to the same period of 2012**. Since the summer of 2009, the unemployment rate has not been this low in Hungary. The unemployment rate for those in prime working age, 25-54 years, fell by 0.7 percentage points to 9.3 percent in April-June 2013.

Hungary's unemployment rate for the total population appears also remarkable in light of international statistics. According to the latest data for Q2 2013, Hungary is among those few EU countries where the unemployment rate decreased over the past two years. (In case of Denmark, Estonia, Latvia, Austria, Italy and the United Kingdom, changes between Q1 2011 and Q1 2013 are shown.) While in Hungary the indicator improved by 0.7 percentage points to 10.3 percent, it increased on average by 1.5 percentage points in the EU 27.



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Source: Eurostat, Ministry for National Economy (NGM)

Positive data aptly demonstrate the success of the Government's measures aimed at stimulating employment. The Cabinet has also recently introduced several more measures to this end, and this field will remain a key priority. **Accordingly the Government has decided to include 200,000 unemployed in its public work scheme during the winter season.** Some 100,000 people will in effect work from November 2013 until April 2014 and **the other 100,000 will participate from December until March in training programmes aimed at helping them find future employment.**