

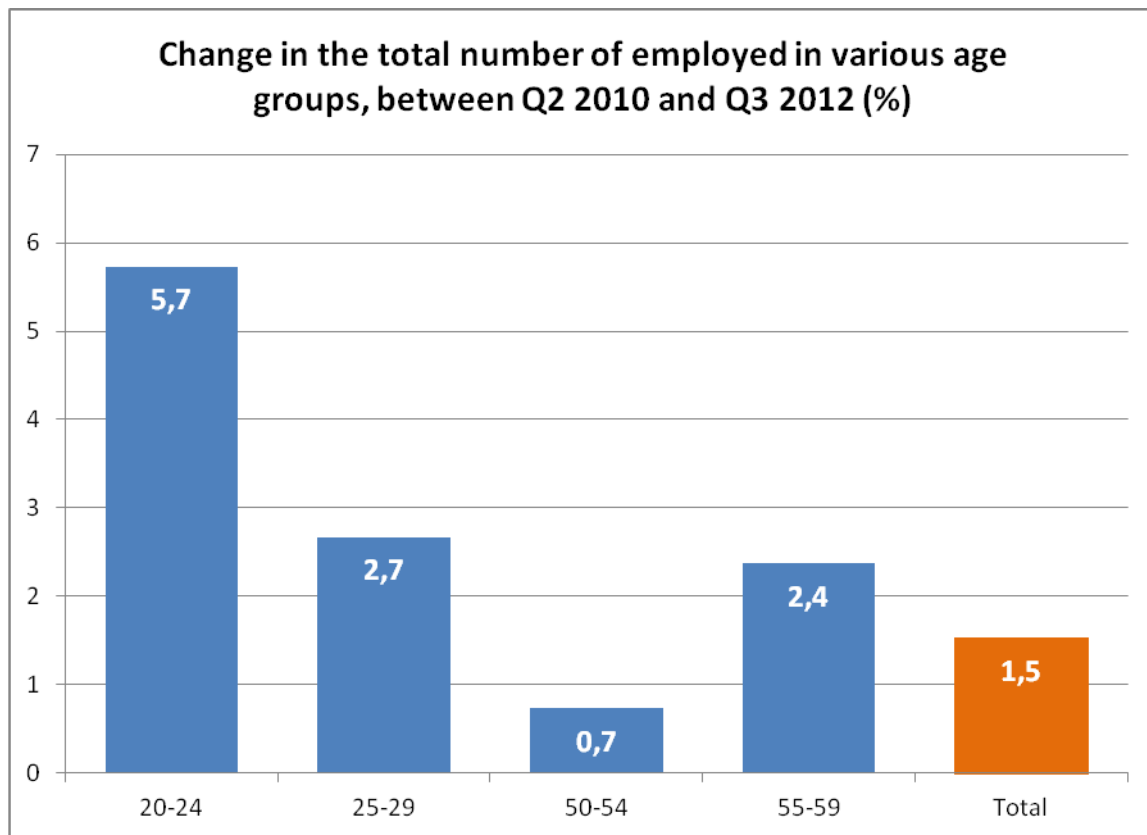


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Employment trends for people formerly at a disadvantage on the labour market turned positive

As of the second half of 2010 several employment statistics signal favourable trends, as in case of young adults, those above the age of 50 and those working part-time the number of employed increased by the third quarter of 2012. In addition, employment trends of women have also turned positive in this period. Yet another favourable development has been that the overall payroll numbers increased in most sectors of the national economy, and within the manufacturing industry – with the exception of the manufacturing of computers, electronic and optical products – statistics indicate improvement in each significant sub sector.

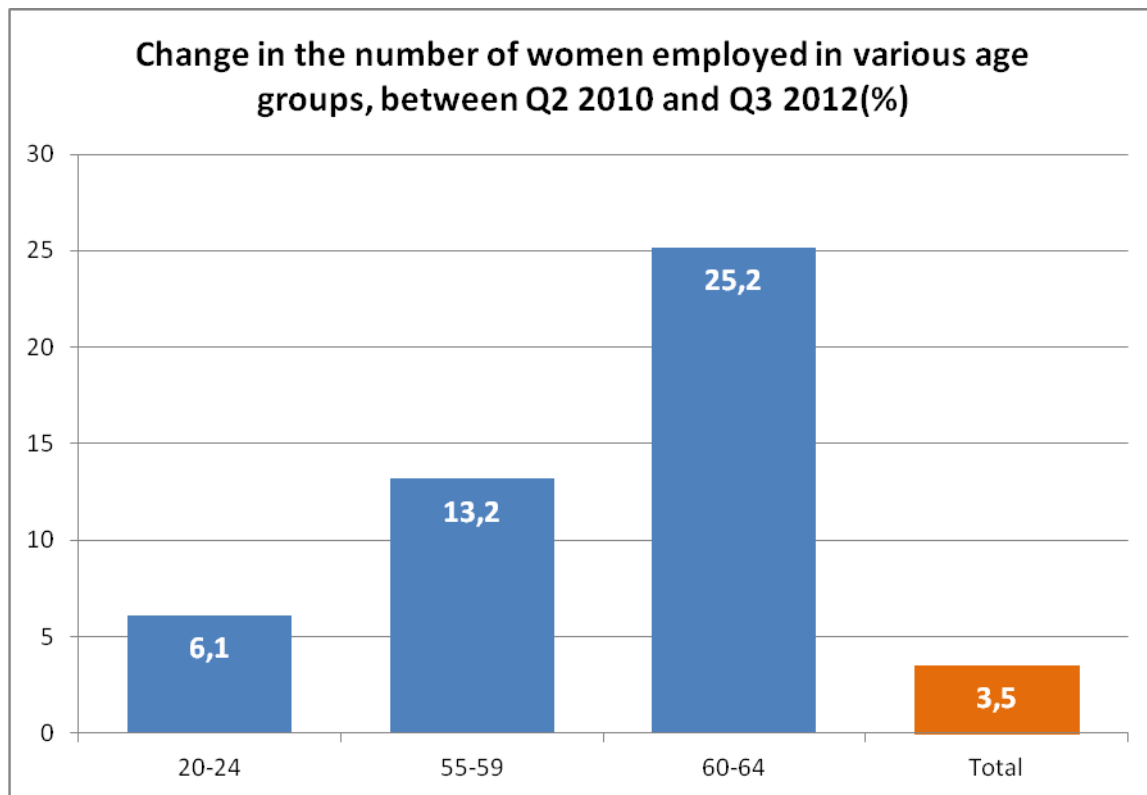
In Q3 2012 the overall number of employed was 1.5 percent higher compared to the level of Q2 2010, and the increase in the number of employed facing relatively tougher challenges on the labour market as jobseekers has played a large role in achieving this figure. The number of employed among those aged 20-24 years was up by 5.7 percent by the third quarter of 2012 in comparison to Q2 2010, but statistics show a significant increase (2.7 percent) also for the age group of 25-29 years.



Source: KSH (Hungarian Central Statistical Office)

With regard to the other observed age group, people above the age of 50 who also encounter relatively tougher conditions on the labour market, the number of employed could still rise (by 0.7 percent among those aged 50-54 years and 2.4 percent among those aged 55-59 years).

The labour market prospects of women have also greatly improved since the second quarter of 2010, as in light of statistics of Q3 2012 the number of employed among them increased by 3.5 percent. Within that, the increase amounted to 6.1 percent, 13.2 percent and 25.2 percent, respectively, in the age bracket of 20-24 years, 55-59 years and 60-64 years.

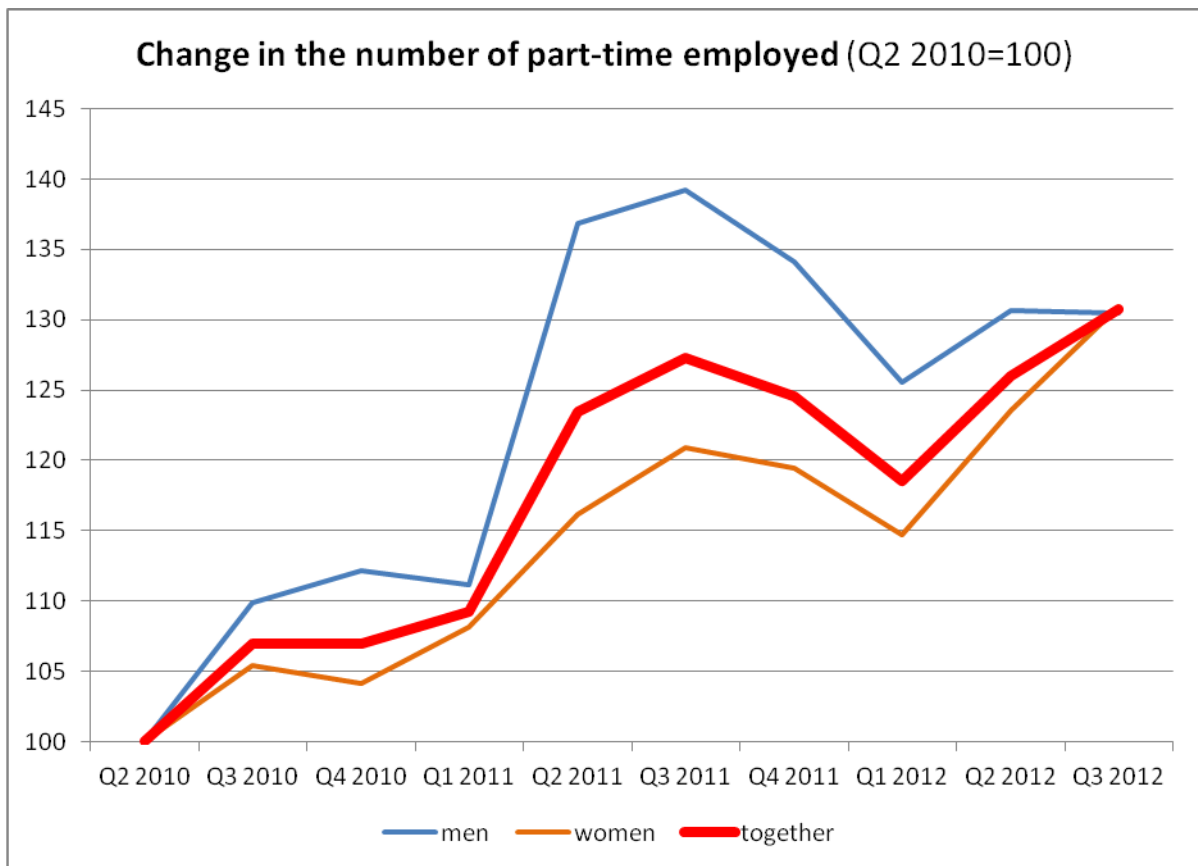


Source: KSH

Having achieved greater labour market flexibility has been another favourable development, as the number of those employed part-time has increased dynamically among women and men alike. The total number of the part-time employed increased by more than 30 percent by the third quarter of 2012 which may have a positive impact on lowering the costs resulting from negative shocks on the economy, as more flexible employment standards can adapt much more efficiently to economic cycles.



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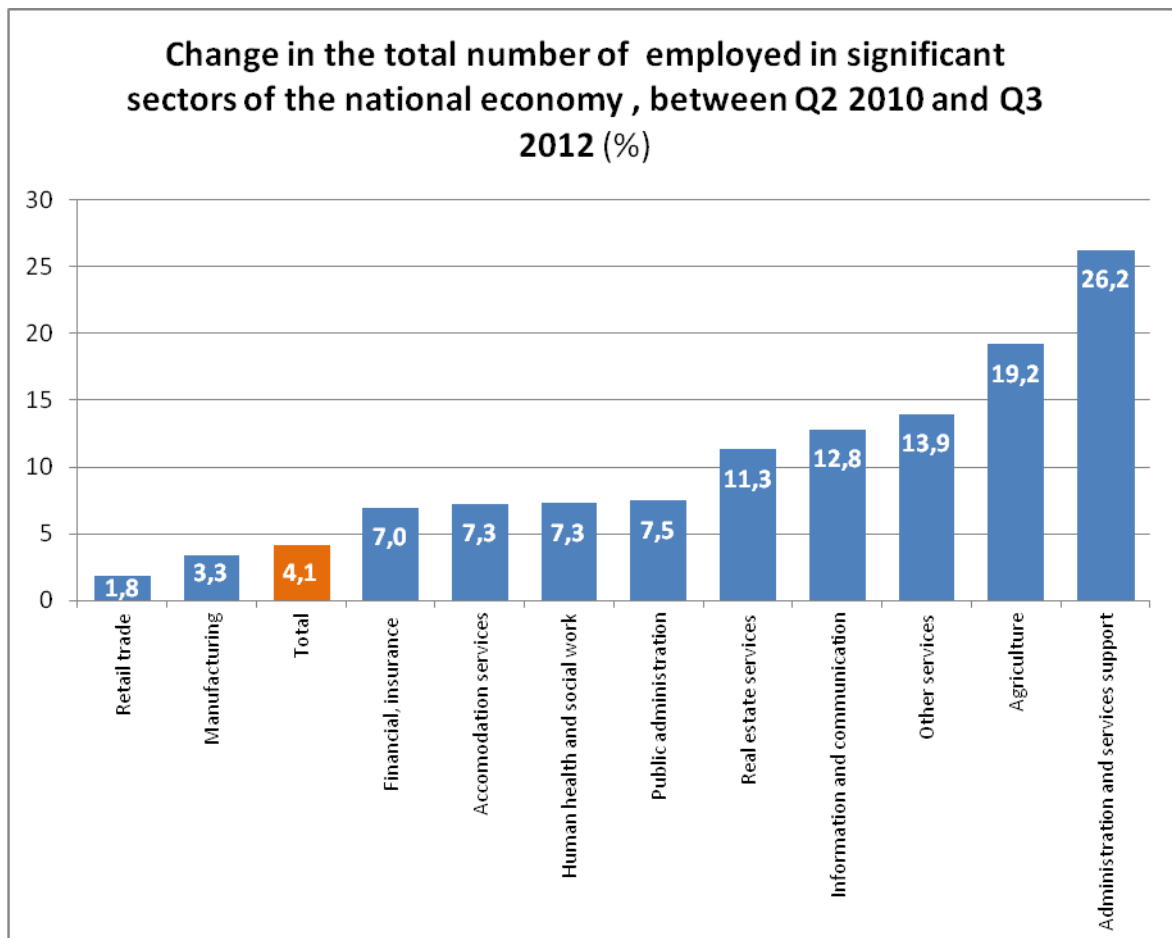


Source: KSH

In Q3 2012 the total number of employed was 4.1 percent higher compared to Q2 2010, to which result most of national economy sectors contributed positively. Concerning manufacturing industry, one of the key growth engines of the economy, the number of employed was up by 3.3 percent, whereas the overall increase in the field of services amounted to 4.5 percent. Within the latter, the number of employed increased by more than 5 percent in most sub sectors.



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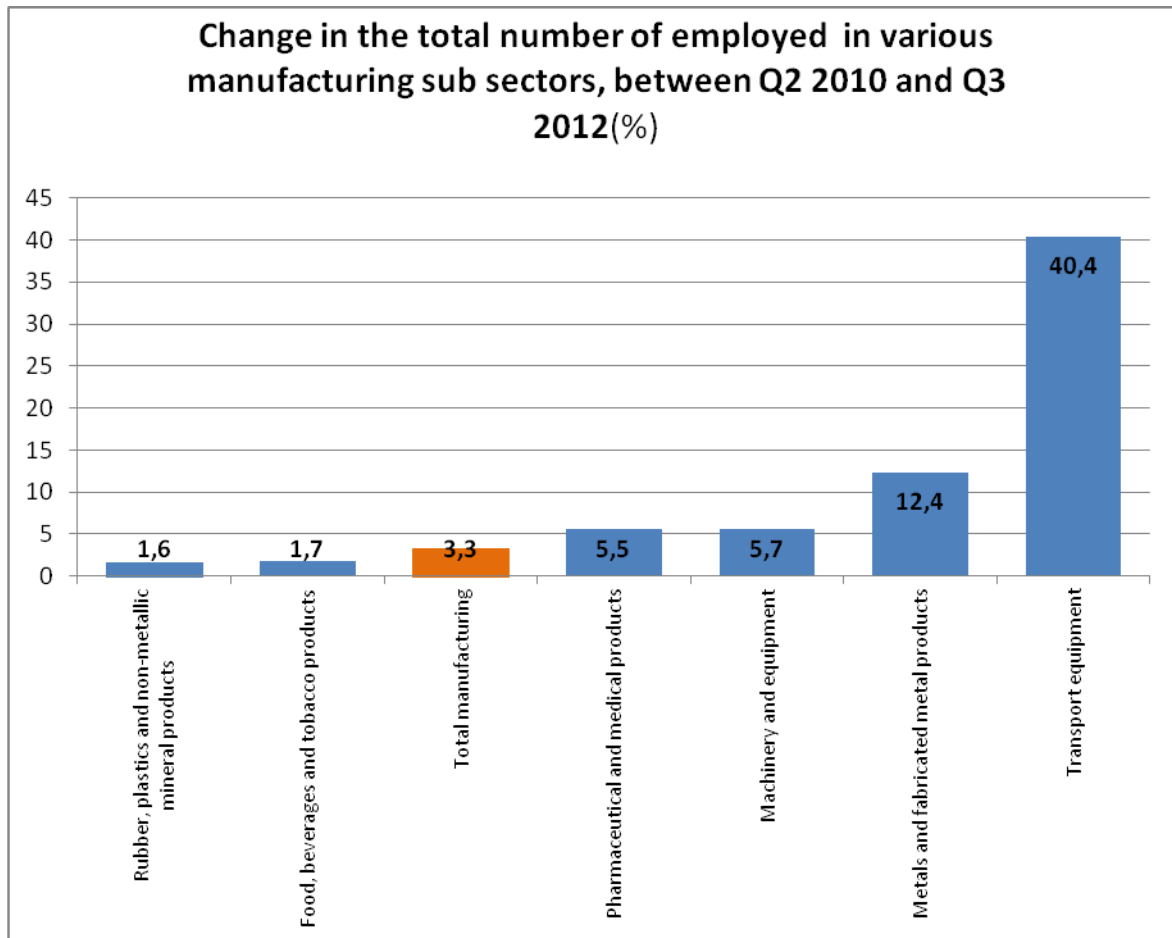


Source: KSH

Within the manufacturing industry, with the exception of the manufacturing of computers, electronic and optical products, the number of employed was higher in every significant sub sector, to the largest extent in the field of transport equipment manufacturing which is one of leading industrial branches. The number of employed in this sub sector was 40.4 percent higher in the third quarter of 2012 in comparison to Q2 2010, but statistics show an impressive increase of 1.7 percent also regarding the field of food, beverages and tobacco products, another sub sector of significant weight.



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Source: KSH

The goal of the Government to improve the payroll statistics for women, young and elderly people appears thus to be getting accomplished. One potent instrument to this end has proven to be part-time employment which was also among Government objectives. The improvement of employment figures was a parallel phenomenon to a significant wage increase in the private sector which may have hampered hiring in the short term. In addition, the Government hopes to further improve already favourable statistics via the Job Protection Action Plan, especially for groups which were formerly at a disadvantage on the labour market (young people, women and elderly people). In these categories achievements are already apparent, but positive trends are expected to further improve this year.



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