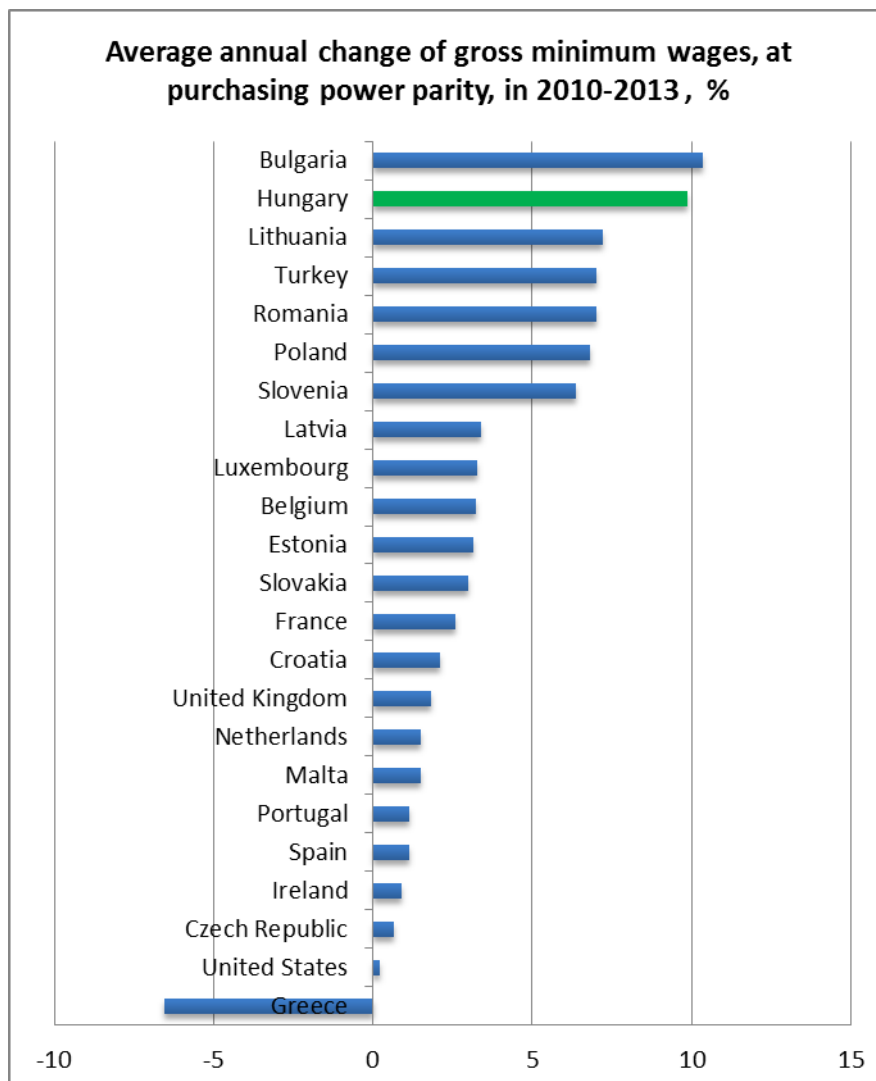




Outstanding growth of minimum wage calculated at purchasing power parity in Hungary

In light of Eurostat data, a positive minimum wage trend has evolved in Hungary. **The average annual growth rate of gross minimum wage calculated at purchasing power parity amounted to 9.89 percent between 2010 and 2013, which is the largest increase among OECD member countries.** Within the European Union, the Hungarian minimum wage increase figure is the second best after that of Bulgaria, where average annual growth constituted 10.36 percent.



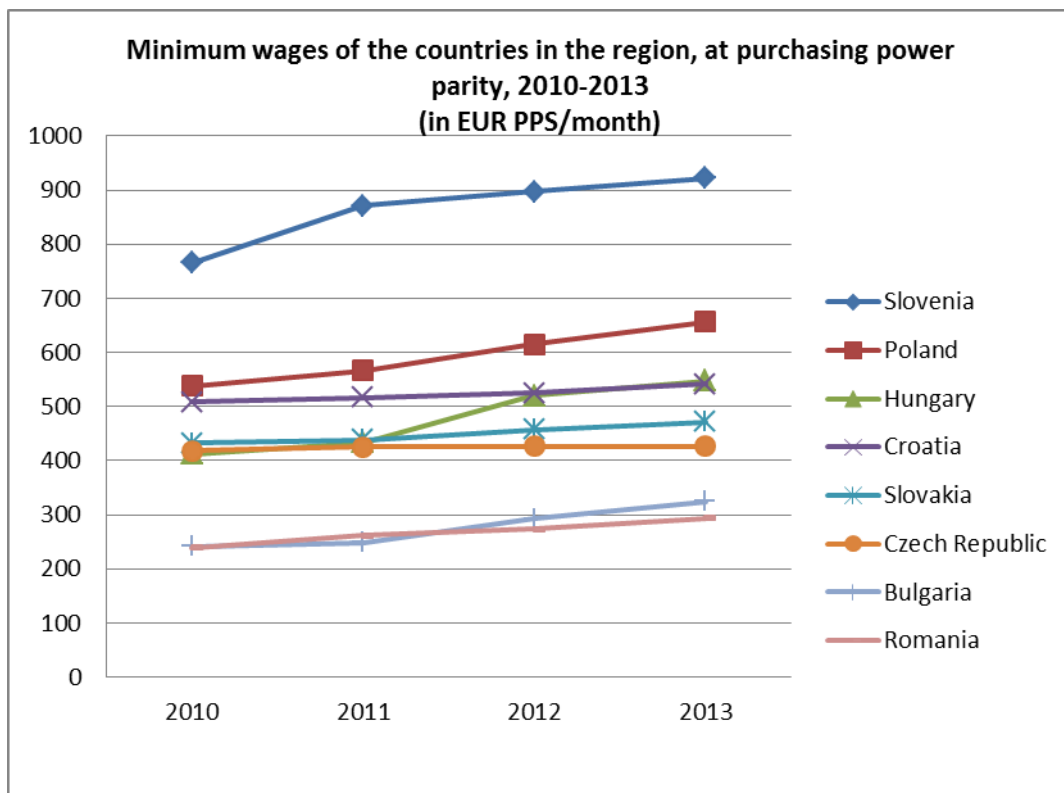
Source: Eurostat, Ministry for National Economy (NGM)



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Hungary's performance is also outstanding in comparison to regional countries: over the past three years, the minimum wage increase at purchasing power parity varied only between 0.66-7.0 percent regarding the Czech Republic, Croatia, Slovakia, Slovenia, Poland and Romania.

Thanks to the excellent pace of growth, Hungary has managed to exceed the minimum wage calculated at purchasing power parity of several countries in the region. In 2010, Hungary was ahead only of Bulgarian and Romania, when the Hungarian minimum wage calculated at purchasing power parity was 413 EUR PPS (Purchasing Power Standards) per month (or HUF 73 500 in the domestic currency). After the change of Government, however, this amount increased by 2013 to 548 EUR PPS/month (or HUF 98 000), **which constitutes an increase of 33 percent since 2010.** As a consequence, with regard to the minimum wage at purchasing power parity Hungary now comes ahead of the **Czech Republic, Slovakia and Croatia.** This result would not have been attainable without significant Government measures.



Source: Eurostat, Ministry for National Economy (NGM)



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Accordingly, there has been a positive shift in minimum wages. On the other hand, Hungary is still in the bottom third of the ranking of EU member states with a gross minimum wage of HUF 98 000 (EUR 332-334). Therefore, the Government is determined to further increase this amount: **in Hungary the minimum wage is expected to be above HUF 100 000 by 2014, following the conclusion of wage negotiations.**

It has been a favourable development that over the past three years the Government has managed to create a balance between minimum wage growth and employment, as despite higher minimum wages there was improvement instead of deterioration regarding employment, including the private sector. In Hungary, altogether 750 thousand people earn the minimum wage or a guaranteed minimum wage for skilled workers, of which 580 thousand people are employed within the private sector and 170 thousand by the public sector. **Several Government measures have also contributed to this result, such as the social contribution tax allowance, the Job Protection Action Plan and the wage compensation scheme.**