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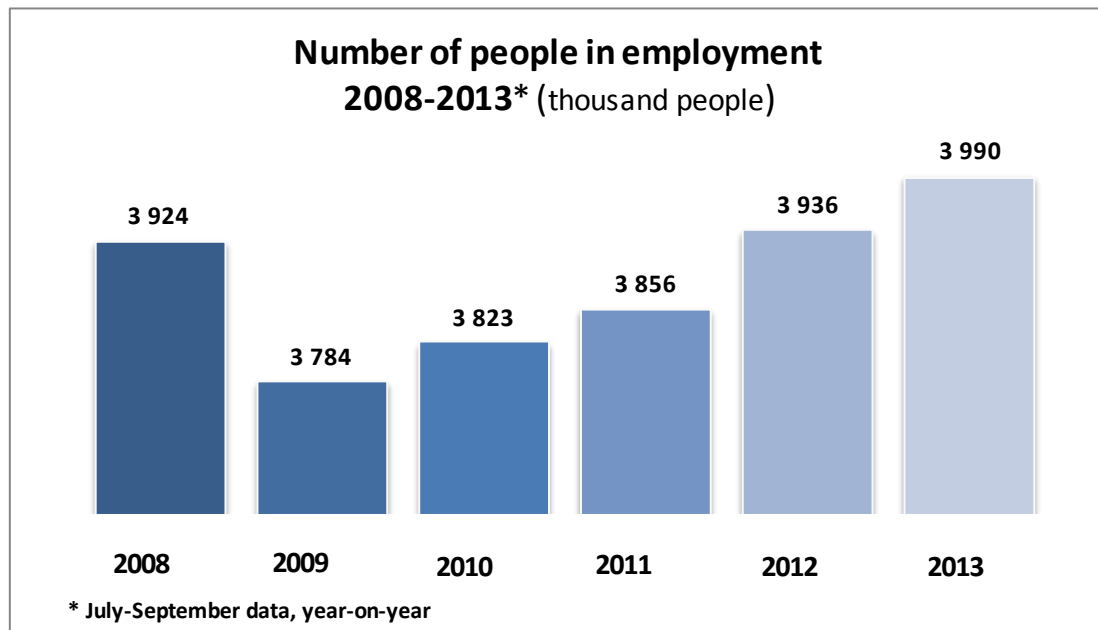
***Upward employment trend continues: number of people in employment
nearing 4 million***

In Hungary, the number of people in employment continued to rise, as 54 thousand more people were in employment in July-September 2013 compared to the corresponding period of the previous year, according to the flash report of the Hungarian Central Statistical Office (KSH) published last week. **The total number of people in employment thus reached a historic peak of 3 million 990 thousand.** This figure is 1.4 percent higher in comparison to the level registered in the same period of 2012, accordingly, the employment rate increased to 52.3 percent among those aged 15-74 years. **A downward employment trend had been reversed as early as the second half of 2010, and since then constant employment growth has been observed. Today 235 thousand more people are in employment compared to the period preceding the change of Government three-and-a-half years ago.**

The employment rate of those aged 15-64 years, an indicator closely observed by the European Union, was up by 1 percentage point to 59.2 percent, an increase of 56 thousand people year-on-year. In the observed period, the number of people in employment was 3 million 957 thousand within this age bracket.



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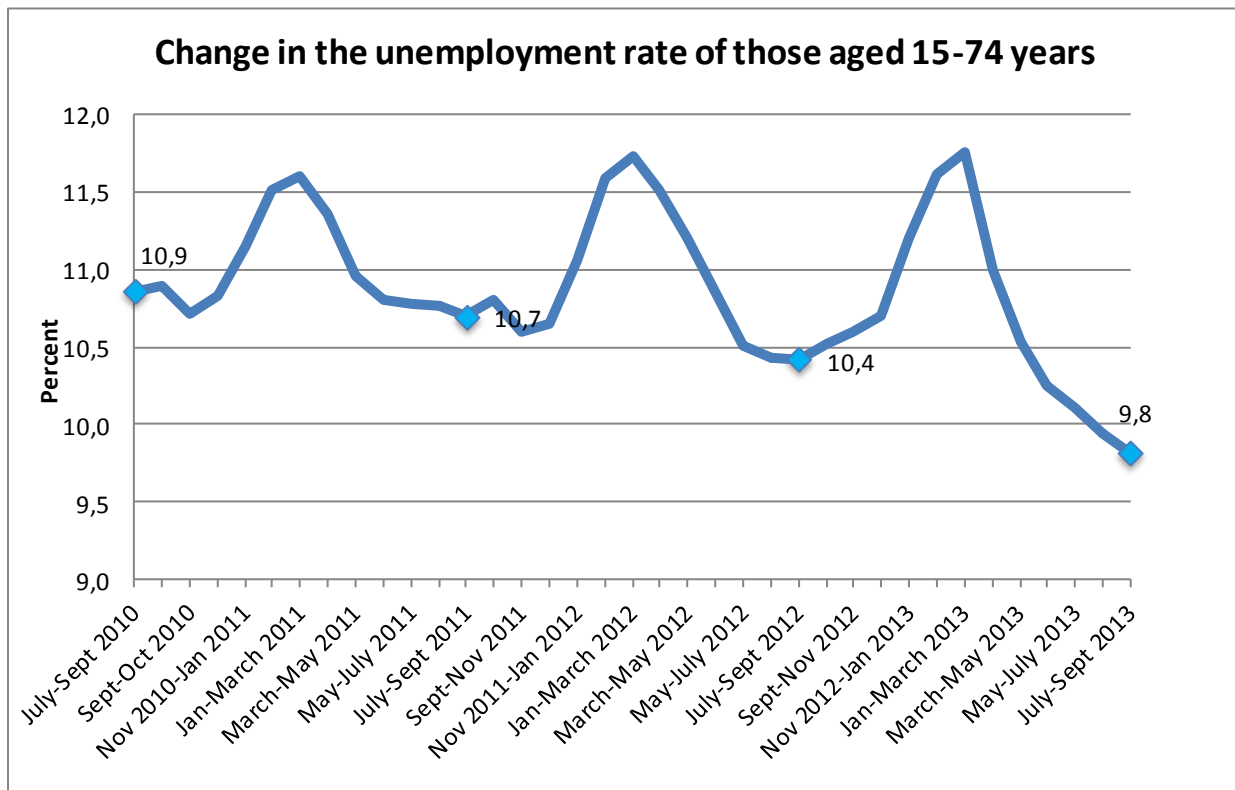


Source: Hungarian Central Statistical Office (KSH)

As far as the gender aspect of employment is concerned, in July-September 2013 the number of men in employment was 2 million 151 thousand among those aged 15-64 years, after the employment rate had gained 1.9 percentage points reaching 65.5 percent. The employment rate of women aged 15-64 years was 53.1 percent with 1 million 807 thousand women in employment, which figure is marginally higher than that of last year.

Within the age group of 15-24 years, 235 thousand people were in employment as the employment rate had edged up by 1.7 percent to 20.7 percent in comparison to the corresponding period of the previous year. The employment rate of those in the prime working age of 25-54 years was up by 0.6 to 76.3 percent, while that for people aged 55-64 years increased by 1.2 percentage points to the current level of 39 percent.

Changes in the unemployment rate also underpin the favourable labour market trends. The indicator is signalling a downward trend on an annual basis: **in the third quarter of 2013, the unemployment rate was 9.8 percent, which constitutes a decrease of 0.6 percentage points compared to the same period of 2012 and it is more than 1 percentage point lower than the figure registered in July-September 2010.** By July-September 2013, the number of unemployed people in Hungary was cut by 24 thousand to 434 thousand over the past one year.



Source: Hungarian Central Statistical Office (KSH)

The unemployment rate of those in the prime working age of 25-54 years improved to 8.6 percent, which is 0.7 percentage points below the level of one year ago. Within this most active age group, the number of unemployed decreased by 24 thousand compared to the corresponding period of the previous year. Although the unemployment rate of women aged 15-74 years declined only slightly (by 0.2 percentage points), but that of men fell by almost 1 percent and thus the number of unemployed men was 232 thousand people in the third quarter of 2013, which constitutes a decrease of 18 thousand year-on-year.

Government measures – such as the Job Protection Action Plan or the First Job Guarantee Programme – **have significantly contributed to employment growth and the decline in unemployment.** Under the Job Protection Action Plan, employers have applied for social contribution tax allowance for more than 700 thousand employees. In addition, tax incentives have been utilized for 20 thousand people who no longer received childcare allowance or childcare fee, for 8 thousand young career-starters and 10 thousand long-term unemployed.



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Within the framework of measures designed for the 2013-2014 winter period, the Cabinet aims to engage 200 thousand jobseekers in public work. Out of them, 100 thousand people are expected to work between November 2013 and April 2014, while under the public work scheme 100 thousand people will attend training courses which are anticipated to improve their job prospects on the labour market.

As a result of Government efforts, the Hungarian economy has been back on a growth path and additional measures bolster expectations that job creation will accelerate and **in the near future employment growth will become more dynamic than before.**