

# SZÁZADVÉG

## MACROECONOMIC MONITOR

NOVEMBER 2025



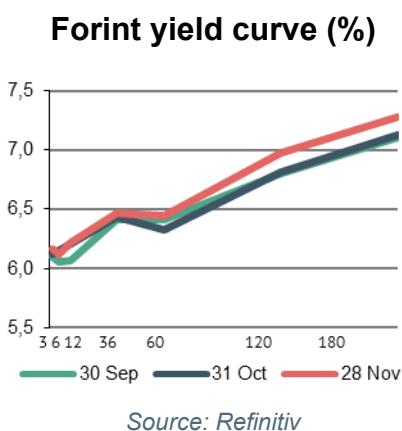
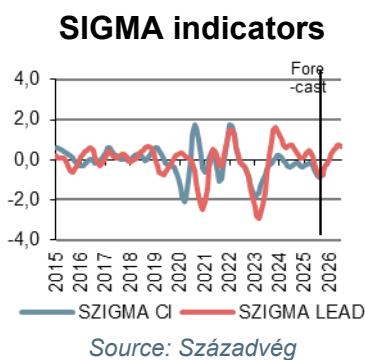
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# 1. SUMMARY

In Q3 2025, the Hungarian economy grew by 0.6% year on year, according to seasonally and calendar-adjusted and balanced data, while it remained flat compared to Q2.



Our forecast* (23.09.2025)	2025
Change in GDP (%)	0.8
Inflation (annual average, %)	4.7

\*Our GDP forecast remains unchanged for the time being, but we will adjust it in line with new data as necessary until the publication of the new estimate (18.12.2025).

At its meeting on 18 November, the Monetary Council of the central bank left the base rate unchanged from the level in effect since September last year, meaning that it remains at 6.5%. The upper end of the interest rate corridor remained at 7.5% and the lower end at 5.5%.

In September, retail sales rose by 3.4% based on raw data and by 3.0% based on calendar-adjusted data compared to the same period last year.

In September 2025, turnover in specialised and non-specialised food shops increased by 3.1%, and the turnover in non-food shops increased by 3.5%. In fuel retailing, sales increased by 0.6% year on year in September.

The monthly value of the SZIGMA CI indicator, which provides feedback on the current state of the Hungarian economy, showed a slight month-on-month improvement in October 2025. The indicator shows that we *have reached the lowest point in terms of growth below the historical trend and that a slow improvement has begun*. This means that the growth rate of the Hungarian economy has slowly started to approach its historical trend rate.

The other indicator, SZIGMA LEAD, a short-term leading indicator for the Hungarian economy, continued to point to a *low point* in growth below the historical trend for autumn 2025, but it occurred a month earlier. The indicator forecasts strong improvement after the low point and projects growth above the historical trend until the end of the forecast period.

In October 2025, consumer prices increased by 4.3% on average—compared to the same period of the previous year. Consumer prices did not change in a month. The seasonally adjusted core inflation rate was 4.2% on the same period last year.

In November, the forint strengthened by 1.5% against the euro, 1.8% against the Swiss franc and 1.9% against the US dollar.



## 2. OVERVIEW OF THE ECONOMY

### 2.1 External environment

**The European Commission forecasts that Poland will see the highest economic growth among the V4 countries.**

According to the European Commission's forecast published in November 2025, Poland has the most positive growth prospects among the Visegrad countries. Real GDP is forecast to grow by 3.2% this year, and economic growth is forecast to reach 3.5% in 2026 and slow to 2.8% in 2027. The Czech Republic is expected to see a stable, moderate growth rate of 2.4% in 2025, 1.9% in 2026, and 2.4% in 2027. By contrast, Slovakia is performing much weaker: GDP growth is expected to be 0.8% this year, 1.0% in 2026 and 1.4% in

2027. A common feature of the V4 countries is their stable labour market. The Czech Republic and Poland have unemployment rates of 3%, among the lowest in the European Union as a whole. Unemployment is expected to be around 4.5% in Hungary and 5.5% in Slovakia.

EU country reports suggest that Malta is among the Member States with the most favourable macroeconomic situation: real GDP growth is expected to be 4.0% in 2025, 3.8% in 2026 and 3.5% in 2027, while inflation is expected to moderate from 2.4% to 2.0% over the same period. (Adding that Ireland's extremely volatile GDP figures are difficult to assess in international comparisons for known reasons.) Unemployment is estimated to be around 3% (3.7% in 2025, 2.9% in 2026 and 2027), similarly to the Czech Republic and Poland, and the general government deficit is projected to decline from 3.2% to 2.6%. In addition, sovereign debt as a share of GDP is stabilising at around 47.3%. By contrast, Romania is currently the country with the worst scores. GDP growth is expected to be only 0.7% this year, with forecasts of 1.1% for 2026 and over 2% for 2027. The harmonised index of consumer prices (HICP inflation) could rise to 6.7% in 2025 before falling below 6% in 2026. Unemployment could exceed 6% in 2025 but remain at 5.6% for the next two years. The budget deficit peaked at 9.3% in 2024, mainly due to a rapid increase in expenditure. Romania's budget deficit is expected to narrow by more than 3 percentage points to 5.9% of GDP by 2027. Sovereign debt is projected to increase from below 55% in 2024 to around 63% in 2027.

After two years of stagnation, Hungary's GDP is expected to grow by 0.4% in 2025, mainly driven by consumption, according to the country report. However, the projected expansion in consumption of around 3.5% will limit the additional growth, as rising imports, falling investment and a decline in exports of manufacturing goods and business services will largely offset its positive impact. Economic growth is expected to reach 2.3% in 2026, partly due to fiscal stimulus, which may decline to 2.1% in 2027. However, after the aforementioned decline in investment, there could be a recovery in 2026, with growth of 2.2%, followed by 4.1% in 2027.



## 2.2 Our SZIGMA indicators

**The Hungarian economy continued to grow at a rate below its historical trend rate in October 2025.**

In November 2025, the value of the **SZIGMA CI indicator reflecting the current state of the Hungarian economy** was -0.75 up to October 2025. This means that the Hungarian economy is still growing at a rate below its historical trend rate. The indicator improved slightly from the previous month, meaning that economic growth rate is close to its historical trend rate. The current and previous month's forecasts continue to show that we had reached *the trough* of the below-trend growth

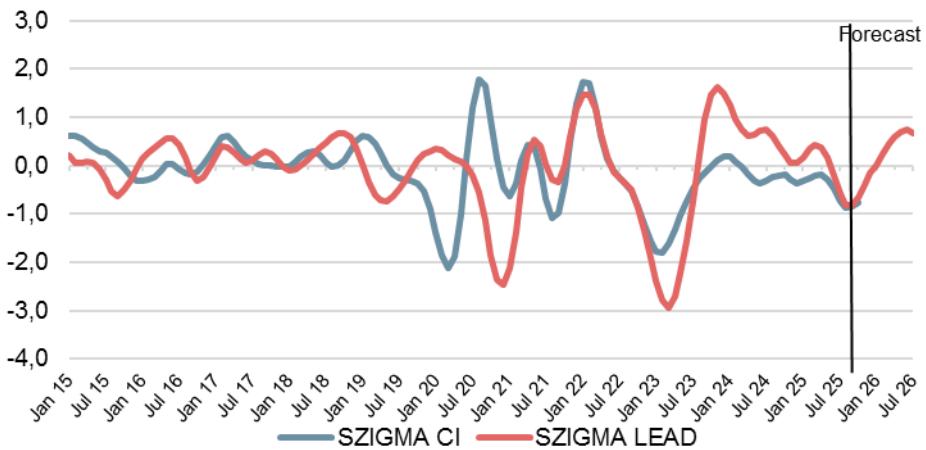
rate by autumn 2025 (August), with the next two months reflecting a slow, improving rate. Among the metrics underlying the indicators, September 2025 **industry** figures showed a slightly improving picture. **Industrial production volume** decreased by 1.5% on an annual basis, but **increased by 1.3% on a monthly basis**. The latter is positive, as it shows an improving trend, although it should be noted that this was not due to manufacture of transport equipment, which has a heavy weight, but to a strengthening in the manufacture of computers, electronic and optical products. Moreover, on a monthly basis, *industrial sales* stagnated in September 2025. Within industrial sales, *domestic sales* weakened by 0.8%, while *export sales* improved by 0.2%. **Construction output increased substantially in September 2025.** According to the latest seasonally and working-day adjusted data for September 2025, construction output volume increased by 16.4% on a *monthly* basis and by 14.7% on an *annual* basis, driven by volume growth in both main groups of construction. On a monthly basis, civil engineering works increased more markedly than buildings. In terms of the *stock of contracts*, the stock of contracts of construction firms, calculated on a fixed basis (monthly average for 2021 = 100.0%) for the end of September 2025, shrank by 2.2% on a monthly basis, while it grew by 41.0% on an annual basis. As for main groups of construction, this growth in the stock of construction contracts was due to the month-on-month and year-on-year increase in the stock of contracts related to the construction of civil engineering works.

In November 2025, **our short-term leading indicator**, the **SZIGMA LEAD indicator**, continued to signal a low point in growth below the historical trend for the autumn of 2025 (September 2025), *which actually occurred in August 2025*. This will be followed by a period of slow strengthening, which will bring economic growth above the historical trend by early 2026. Subsequently, until the end of the forecast period, the growth rate of the Hungarian economy will remain above the historical trend. As regards the outlook for **industry**, the industry continues to face difficulties based on the **stock of industrial orders**, but **improvement can be seen on both a monthly and annual basis**. The stock of new orders in industry grew by 2.6% year on year and 51.5% month on month. The jump in monthly volume growth was driven by increases in both new domestic orders (23.5%) and new export orders (55.4%). This increase in volume is subsequently reflected in industrial production. Whether this will be a trend or a short-term improvement will be seen in the period ahead. The German economy is one of the key drivers of industrial exports, so changes in the Ifo Business Climate Index, which **measures business sentiment in the German economy**, are also an important factor. It improved by 0.7 index points on a monthly basis and by 1.9 index points on an annual basis in October 2025, to stand at 88.4 index points. The improvement in the index came from



positive expectations among German companies. The IFO sub-index for German manufacturing also improved, also on the back of positive expectations. This is mainly due to the fact that the decline in orders has stopped and capacity utilisation has improved. At the same time, capacity utilisation remained below the historical average. The other confidence index underlying the indicator, **Eurostat's consumer confidence index**, strengthened by 1.1 index points on a monthly basis and by 2.1 index points on an annual basis in October 2025. Thus, in October 2025, it stood at -24.4 index points.

**FIGURE 1: CURRENT (CI) AND FORECASTING (LEAD) SZIGMA INDICATORS**



Source: Századvég, *The historical trend value is represented by  $y = 0$ ; so, if the current value is  $>0$ : the growth rate of the Hungarian economy exceeds the previous historical trend value, and if  $<0$ : the Hungarian economy is growing below the previous historical trend value.*

## 2.3 The real economy

### 2.3.1 GDP

In Q3 2025, Hungarian GDP grew by 0.6% compared to Q3 2024, according to seasonally and calendar-adjusted and balanced data.

quarter on quarter. Thus, in the first three quarters of 2025, Hungarian GDP grew by 0.3% compared to the same period of the previous year according to raw data and by 0.2 % according to seasonally and calendar-adjusted and balanced data. Based on preliminary data, in Q3 2025, similarly to the previous quarter, services, and notably the information and communication sector, drove economic growth. However, agricultural and industrial outputs held back growth in the Hungarian economy.

In international comparison, from 2024 onwards, preliminary EU GDP data are published in two releases. The first EU release coincides with the publication of Hungarian GDP data, which includes indicators for nearly half of the Member States. Two weeks later, Eurostat will publish preliminary GDP figures for the rest of the EU, including the other Member States. Eurostat

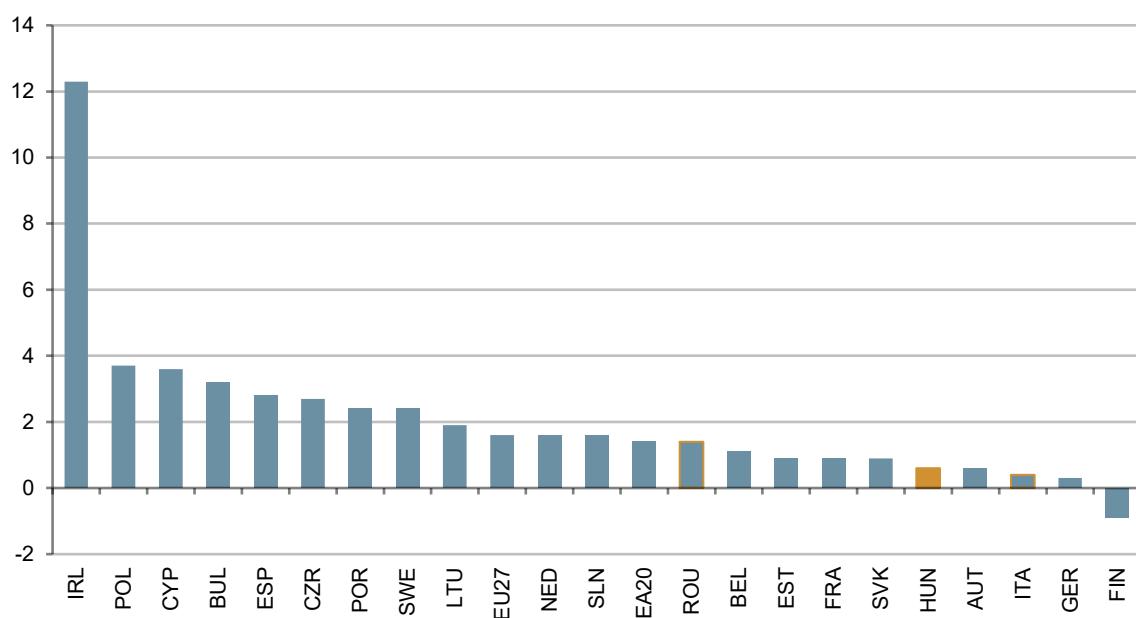
According to the first estimate in the flash report by the Hungarian Central Statistical Office, GDP volume grew by 0.6% in Q3 2025 compared to the same period of the previous year, based on raw, seasonally and calendar-adjusted and balanced data. Meanwhile, the Hungarian economy stagnated



published the first preliminary data set for Q3 2025 on 30 October 2025 (not for all countries). They then published the complete preliminary data set on 14 November 2025.

**Based on the complete dataset**, Hungarian GDP (0.6%) achieved the same dynamics as Austrian GDP on an **annual basis in Q3 2025**. Consequently, Austrian and Hungarian GDP were the fourth weakest performers in Q3 2025. Finland had the weakest annual performance, with a fall of 0.9%. Ireland recorded the highest growth rate, at 12.3% year on year. Poland followed with 3.7% growth and Cyprus with 3.6%. Member States for which Eurostat publishes data did for one country (Finland) record an economic downturn on an annual basis. Therefore, the EU average (EU27) was 1.6% and the euro area (EA20) was 1.4% according to the entire data set.<sup>1</sup>

**FIGURE 2: Q3 2025 GDP GROWTH IN THE EU (Y/Y, %)**



*Remark: Seasonally and calendar adjusted indices. Preliminary (full) estimate. (Not included due to lack of data: Denmark, Greece, Croatia, Latvia, Luxembourg, Malta.)*

*Source: Eurostat, link: <https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w-2-14112025-ap>*

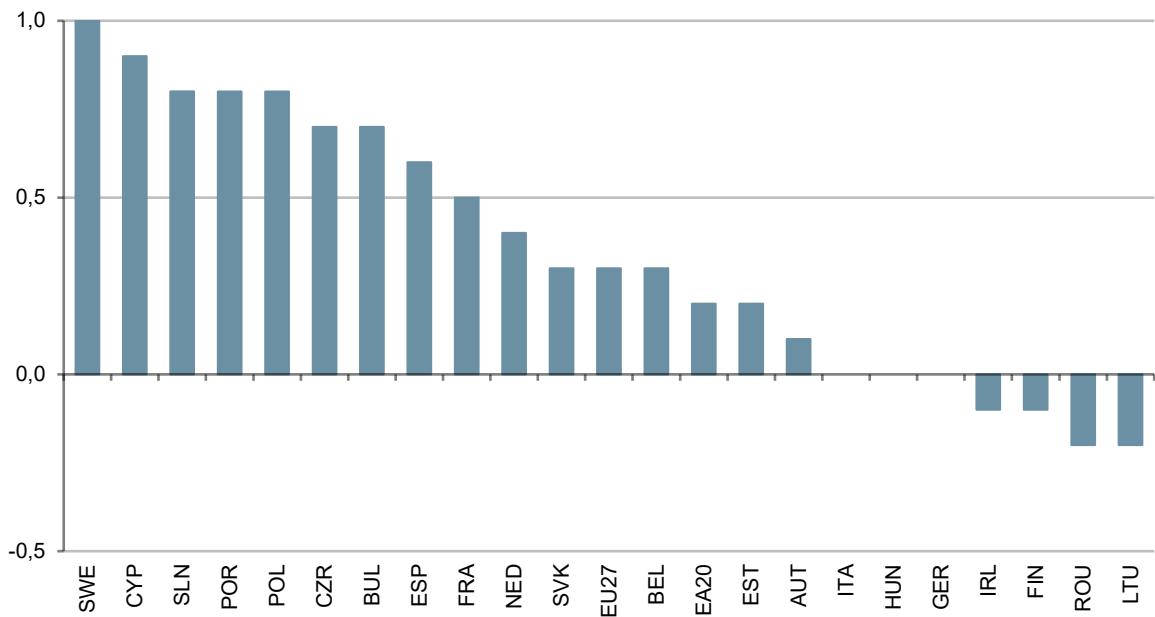
**With the second publication of the first estimate of GDP, the previous 15 Member States were joined by a further six Member States.** Thus, in Q3 2025, compared to the previous quarter, Hungary's GDP stagnation (0.0% growth), together with Italy and Germany, ranked in the bottom third of the 15 Member States for which Eurostat published data. Sweden had the highest economic growth rate (1.1%). This was followed by Cyprus (0.9%) and Portugal (0.8%). Of the 21 Member States, 4 saw their economic outputs fall compared to the previous quarter (Q2 2025). The weakest economic performers were Lithuania (-0.2%) and Romania (-0.2%). This was followed by Ireland and Finland, with a 0.1% decline in economic performance.

<sup>1</sup> 21 Member States, the EU27 and the euro area. 6 Member States are not included due to lack of data: Denmark, Greece, Croatia, Latvia, Luxembourg, Malta.



Overall, on a quarterly basis, the EU average (EU27, 0.3%) and the euro area (EA20, 0.2%) remained unchanged compared with the first publication for Q3 2025.<sup>2</sup>

FIGURE 3: GDP GROWTH IN Q3 2025 IN THE EU (Q/Q, %)



Remark: Seasonally and calendar adjusted indices. Preliminary (full) estimate. (Not included due to lack of data: Denmark, Greece, Croatia, Latvia, Luxembourg, Malta.)

Source: Eurostat, link: <https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w-2-14112025-ap>

### 2.3.2 Industry

**Month on month, the volume of seasonally and working-day adjusted industrial production increased by 1.3% in September 2025.**

Compared with the same period of the previous year, industrial production increased by 1.3% year on year according to raw data and decreased by 1.5% according to working-day adjusted data in September 2025. The cumulative performance for the period January-September 2025 was thus 3.4% lower than for the period January-September 2024.

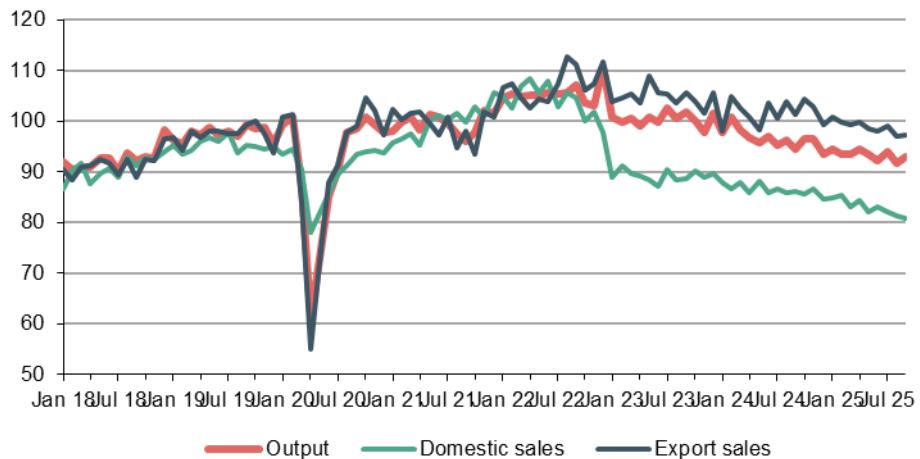
**Industrial sales** weakened by 2.4% on an **annual** basis in September 2025. This was driven by a 5.1% shrinkage in industrial domestic sales and a 0.9% shrinkage in industrial export sales. The decline in **industrial export sales** volumes continued to be driven by a slowdown in the largest manufacturing sector (manufacture of transport equipment). At the same time, the decline in the volume of industrial production was curbed by the expansion of computer manufacturing. Exports in manufacture of transport equipment, which has a weight of 30%, decreased by 3.6%, while *exports in manufacture of computer, electronic and optical products, which has a weight of 17%, increased by 32%*. The annual decline in **domestic** industrial sales was offset by a 0.6% increase in the manufacturing industry.

<sup>2</sup> 21 Member States, the EU27 and the euro area. 6 Member States are not included due to lack of data: Denmark, Greece, Croatia, Latvia, Luxembourg, Malta.



In September 2025, industrial output grew by 1.3% month on month, adjusted for seasonal and working day effects. At the same time, industrial **sales** volumes stagnated on a monthly basis, with domestic sales falling by 0.8% and export sales increasing by 0.2%.

FIGURE 4: INDUSTRIAL PRODUCTION AND SALES TRENDS  
(2021 MONTHLY AVERAGE = 100%)



Source: HCSO, Századvég, remark: seasonally and calendar-adjusted indices.

In September 2025, the **1.5% output growth in the manufacturing sector**, which accounts for the lion's share (96.1%) of annual industrial production, and the **5.2% output growth in the energy industry**, which accounts for a smaller share (3.3%), **played a significant role in the increase in industrial production volume**. However, mining output, which accounts for a small share (0.5%), fell by 5.6%. In terms of manufacturing output, only 3 of the 13 subsections (*wood industry, manufacture of machinery and equipment and manufacture of computers, electronic and optical products*) saw an increase in output, while 10 subsections experienced a decline in production volume. The performance of the three main manufacturing sectors, which accounted for 53.6% of manufacturing output, was mixed. *Manufacture of transport equipment*, the largest contributor with a 25.1% share, decreased by 1.4% year on year. The second largest subsection, *food* (with a weight of 14.3%), decreased by 5.6%. Meanwhile, the **third largest subsection (14.1%), manufacture of computer, electronic and optical products, grew by 41.1% year on year**, the highest volume growth among the 13 manufacturing subsectors.

In September 2025, the **stock of new orders** in the priority manufacturing industries increased by 2.6% year on year on a fixed basis (average monthly price in 2021) and by 51.5% **month on month**. New *domestic* orders contributed 23.5% and new *export* orders 55.4% to the month-on-month volume growth. This means that **the volume of the stock of orders in September 2025 increased by 4.2% on a monthly basis** and decreased by 0.9% on an annual basis. The **month-on-month** volume growth was supported by an increase in both domestic industrial orders (4.3%) and export orders (3.9%). **On an annual basis**, the 0.9% decline in the September 2025 stock of orders was due to a 3.6% decline in exports. **Meanwhile, the September 2025 stock of domestic industrial orders grew by 30.2%**. Therefore, the growing stock of domestic orders was not able to fully offset shrinking exports.



### 2.3.3 Construction

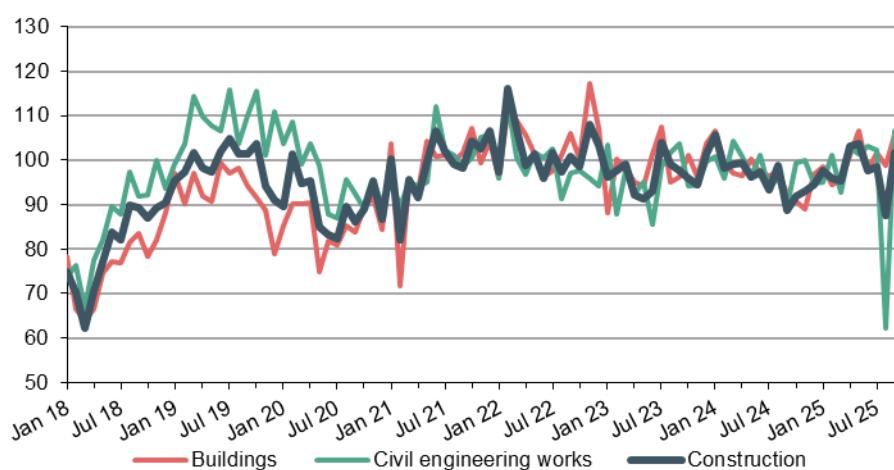
#### Construction output was up by 16.4% month on month in September 2025.

In September 2025, the **annual** volume of construction output increased by 17.6% in terms of raw data. Thus, cumulatively, construction output in January-September 2025 exceeded that of January-

September 2024 by 1.7%. Both main groups of construction contributed to construction output growth in September 2025. The volume in civil engineering works increased by 17.1% and the volume in buildings by 18.3%. Based on cumulative data for January-September 2025, buildings exceeded the January-September 2024 period by 3.2%, while civil engineering works related to state/municipal investments fell short by 0.5%.

Adjusted for seasonal and working day effects, construction output grew by 16.4% **month on month** in September 2025. This was mainly due to the sharp increase in the output in civil engineering works (70.8%). However, the output in buildings also increased (by 7.1%).

**FIGURE 5: CHANGES IN THE CONSTRUCTION INDUSTRY (MONTHLY AVERAGE FOR THE YEAR 2021 = 100%)**



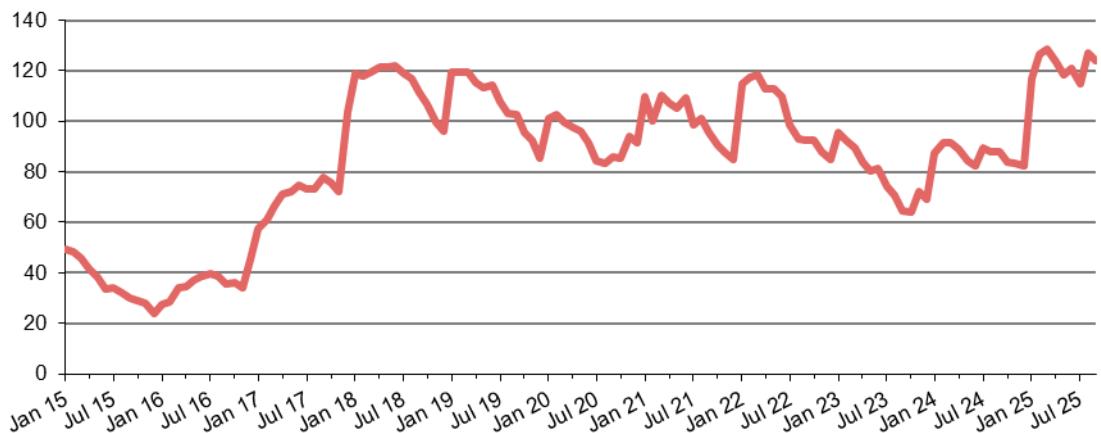
Source: Hungarian Central Statistical Office, Századvég, remark: Seasonally and calendar adjusted indices.

As for the stock of contracts, the **stock of new contracts** concluded in September 2025 decreased by 43.4% month on month and by 4.8% year on year. By main group of construction, apart from the month-on-month increase in the volume of new contracts for buildings (17.1%), new contracts declined in all other dimensions in September 2025. As a result, the **stock of construction contracts at the end of September 2025** decreased month on month (-2.2%) but increased year on year (41.0%). In terms of cumulative stock, the volume of new contracts signed in January-September 2025 was the same as in the cumulative period of January-September 2024. However, the contract volume at the end of January-September 2025 exceeded the cumulative contract volume for January-September 2024 by 40.9%.

The graph below shows the evolution of the stock of construction contracts at the end of the month with a fixed base (monthly average for 2021 = 100.0). The current level (124.2) is the fourth highest value between January 2023 and August 2025.



**FIGURE 6: CHANGES IN MONTH-END CONSTRUCTION CONTRACTS (MONTHLY AVERAGE FOR 2021 = 100%)**



Source: Hungarian Central Statistical Office, Századvég

### 2.3.4 Retail

**In September, retail sales increased by 3.0%.**

In September, retail sales rose by 3.4% based on raw data and by 3.0% based on calendar-adjusted data compared to the same period last year.

In September 2025, turnover in specialised and non-specialised food shops increased by 3.1%, and the turnover in non-food shops increased by 3.5%. In fuel retailing, sales increased by 0.6% year on year in September.

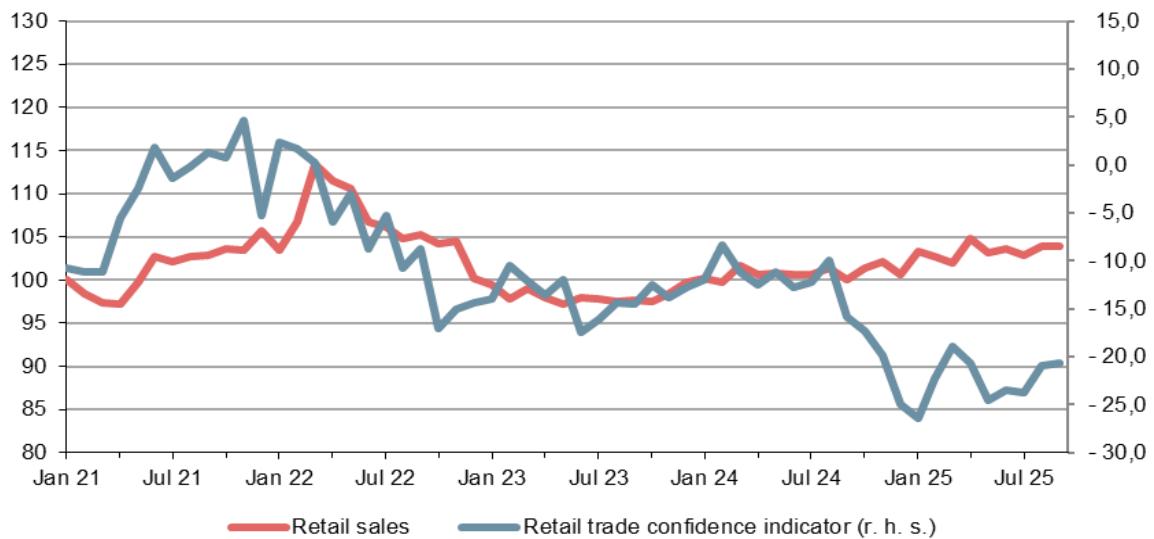
In food retailing, sales volumes increased by 4.3% in non-specialised food and beverages shops, while the volume in specialised food, beverage and tobacco stores was unchanged compared to the same period last year.

In non-food retailing, the volume of mixed range of manufactured goods decreased by 3.3%, and the turnover of textile products, clothing and footwear decreased by 4.4% compared to the same period last year. In non-specialised shops dealing in manufactured goods, turnover in pharmaceutical and medical goods shops increased by 0.7%, and turnover in second-hand goods decreased by 1.5%. The sales volume of computers and other specialised goods fell by 0.4%. Among the other categories, it is worth noting the 9.5% increase in the volume index of mail order and internet retailing, the 6.6% decrease in the turnover of shops selling books, newspapers, and stationery, and the 13.5% increase in the turnover of cosmetics shops.

Overall, the largest growth was observed in non-food retail trade, particularly in cosmetics shops, where volume increased by 13.5%. Other categories showed a more moderate increase.



**FIGURE 7: RETAIL SALES (JANUARY 2021 = 100%) AND EUROSTAT'S RETAIL TRADE CONFIDENCE INDICATOR**



Source: HCSO, Eurostat, Századvég, remark: Seasonally and calendar adjusted indices.

### 2.3.5 Labour market

**In October, the unemployment rate was 4.6%.**

In October 2025<sup>3</sup>, according to the latest data of the Hungarian Central Statistical Office, the seasonally adjusted activity rate of the population aged 15-74 was 68.5% (4,895,100 employees), which is 33,600 less than in the same period of the previous year. The seasonally adjusted number

of employees was 4,672,200, a decrease of 30,900 compared to the same period of the previous year. The number of the unemployed was 223,000, a decrease of 2,600 compared to October 2024. Based on October data, the number of employees fell by 7,000 on a monthly basis, while the number of unemployed fell by 2,600, resulting in an overall decrease in activity of 5,500. Labour market trends still reflect the macroeconomic developments that had a major impact last year, such as the global automotive difficulties and the slowdown in construction, but there are also signs of consolidation.

Looking at the entire population aged 15-74, the demographic trend observed over a longer period of time, whereby the number of the employed and the unemployed is declining simultaneously, with a largely constant employment rate, continued. The decline in the working-age population between August and October was 69,000 from the same period in 2024. The number of employees decreased by 30,900, the number of the inactive decreased by 35,500, and the number of unemployed decreased by 2,600.

The number of people aged 15-64 and the number of those in employment and the number of those unemployed in this age group decreased compared to the same period last year, while both the employment rate and the unemployment rate remained unchanged. Compared to the previous period, the employment rate fell by 0.1 percentage point, with the indicator standing at 75.3% for this age group. This phenomenon can be explained by the fact that the number

<sup>3</sup> Three-month moving average

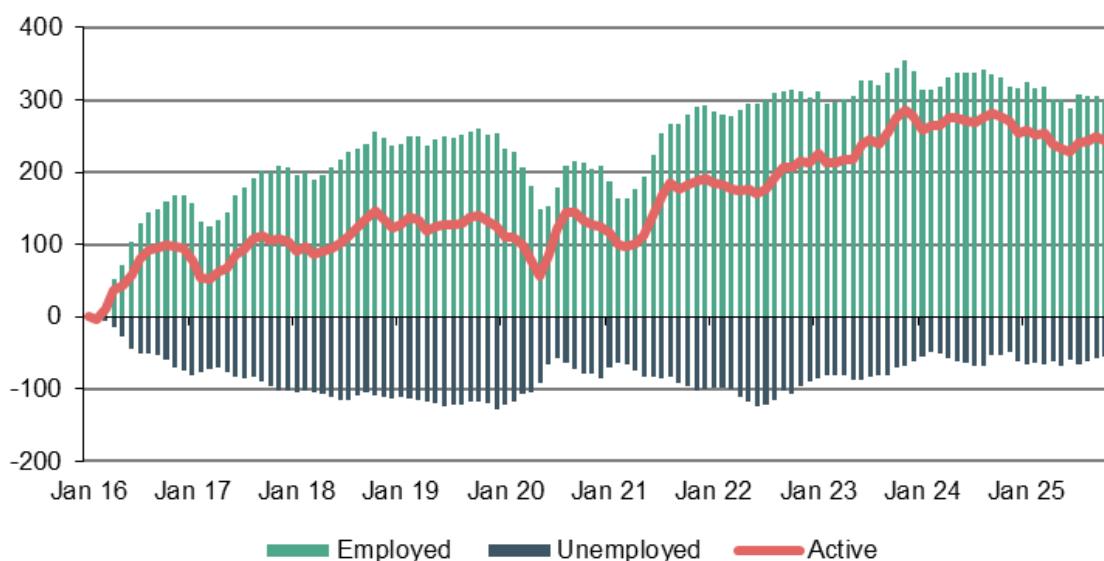


of people aged 15-64 is declining at a faster rate than the number of people employed in this age group, leaving the employment rate essentially unchanged.

In September, the seasonally adjusted number of full-time employees rose by 14,300 compared to the same period last year and by 2,900 compared to August. Compared to August 2024, there were 4,000 fewer employees in the competitive sector and 6,000 more employees in the public sector. The number of people employed in the non-profit sector increased by 8,600 in one year. Compared to July, the number of employees decreased slightly in the competitive sector while it increased slightly in the budgetary and nonprofit sectors.

According to Eurostat's latest data from September, Hungary's unemployment rate of 4.5% was the eighth lowest among the 27 countries of the European Union. The EU average was 6.0% in the ninth month of the year.

FIGURE 8: CHANGES IN THE LABOUR MARKET (JANUARY 2016 = 0, THOUSAND EMPLOYEES)



Source: Hungarian Central Statistical Office, Századvég

## Real earnings rose by 5.5% in September.

In September 2025, average gross earnings in the national economy were HUF 687,100, 9.5% higher than in the same period of the previous year. Average net earnings were 10.0% higher than a year earlier, reaching HUF 475,100. Median gross earnings were HUF 568,700, an increase of 10.4% compared to September last year. Median net earnings rose to HUF 397,400, 11.1% higher than the same month in 2024. In September, real earnings rose by 5.5%, while consumer prices rose by 4.3%.

The dynamic growth in earnings continues to reflect the wage-increasing effect of the January increase in the minimum wage and the guaranteed minimum wage. At the same time, the faster growth of median values indicates that the median continues to converge towards the average value, which shows a reduction in income inequality. As this was more pronounced in net



values, it suggests that the impact of the new family tax relief was greater among those earning below the average income.

In September, the increase in average gross earnings was 8.8% in the business sector, 12.2% in the public sector and 9.9% in the non-profit sector. At the same time, the highest average gross earnings were recorded in the non-profit sector, at HUF 700,300. The same figure was HUF 684,300 in the corporate sector and HUF 691,900 in the public sector.

Looking at the breakdown of average gross earnings of full-time employees by quintiles, it can be seen that both gross nominal earnings and real earnings increased in all five groups compared to the same period last year. The fourth quintile showed the highest increase in earnings: average gross earnings rose by 10.2% between January and September compared with the same period last year. This dynamic is explained mainly by the wage-increasing effect caused by labour shortage in certain occupations. Growth in the second and third quintiles also exceeded that of the fifth quintile, while growth in the first quintile approached that of the fifth quintile.

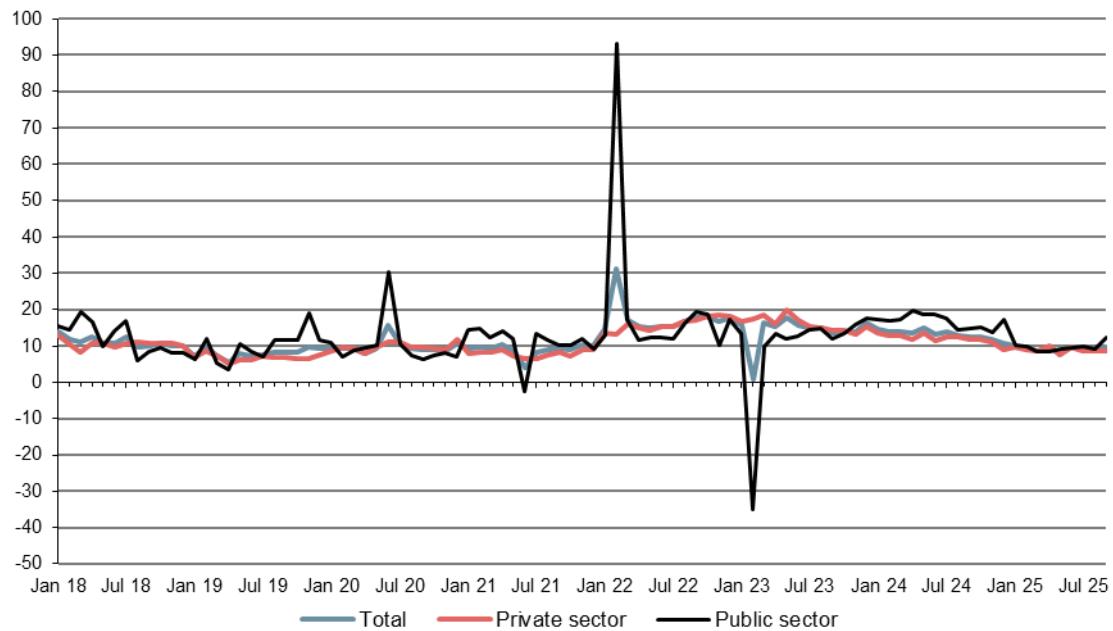
In Q3 2025, the average gross earnings of full-time employees stood at HUF 691,200, an increase of 9.1% compared to the same period of the previous year. Over the same period, median gross earnings rose to HUF 556,100, up 9.3% from a year earlier. Average net earnings increased by 9.2% compared to a year earlier, reaching HUF 476,000.

The breakdown of the average gross earnings of full-time employees by age group for Q3 shows that the youngest age group, those under 20, have the lowest average earnings (HUF 400,800). The highest average gross earnings were achieved by the 40-49 age group, HUF 736,900. Furthermore, average earnings increased in all age groups in comparison with Q3 2024: the largest increase (10.1%) was in the 50-59 age group, while the smallest increase (only 4.0 %) was in the youngest age group.

We expect unemployment to decline over the next two years, to 4.3% in 2025 and 3.4% in 2026. Moreover, we forecast that gross wages will continue to rise by 9.2% in 2025 and 7.1% in 2026.



FIGURE 9: CHANGES IN GROSS WAGES (ANNUAL CHANGE, %)



Source: Hungarian Central Statistical Office, Századvég, remark: Seasonally and calendar-adjusted indices

## 2.4 External balance

In October, the seasonally and working day-adjusted volume of exports was 1.4% lower than in September, while imports were 3.6% lower. Compared to data from a year earlier, export volume decreased by 3.1%, while import volume increased by 1.1%.

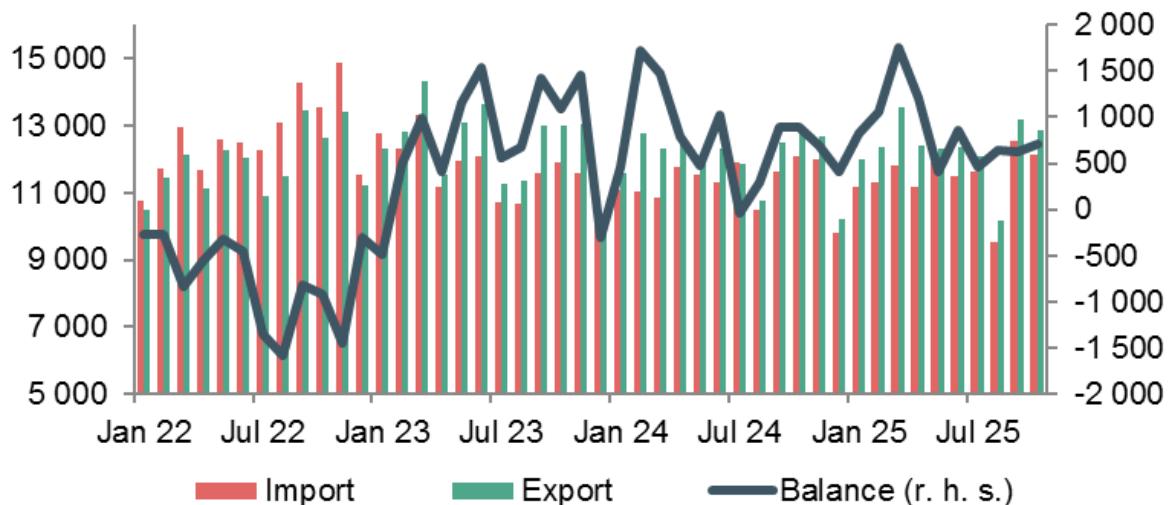
In October, the import volume of food products, beverages and tobacco decreased by 5.4%, and their export volume increased by 5.6% year on year. As for energy carriers, imports were 5.1% higher and exports were 20% higher than last October. As for processed products, imports decreased by 6.2%, and exports by 6.6% year on year. Exports of machinery and transport equipment fell by 2.6%, while imports exceeded last year's figures by 6.4%.

**The foreign trade surplus amounted to EUR 713 million in October.**

According to estimates for October 2025, the value of exports and imports in EUR terms changed by only EUR 111 million and EUR 67 million, respectively, compared with the same period of the previous year. The foreign trade surplus in goods amounted to EUR 713 million, which is EUR 178 million lower than a year earlier.



FIGURE 10: BALANCE OF FOREIGN TRADE IN GOODS (EUR MILLION)



Source: Hungarian Central Statistical Office, Századvég

## 2.5 Fiscal outlook

**Tax revenues rose by 8.0% by the end of October, with consumption tax revenues up by 9%.**

In October 2025, the central subsystem showed a monthly deficit of HUF 339.0 billion. As a result, the month-end deficit of the central budgetary subsystem rose to HUF 3,667.7 billion, which represents 72.6% of the latest HUF 5,055.0 billion cash deficit target, which was raised in November. This was caused by a deficit of HUF 3,616.2 billion in the central budget and

HUF 135.5 billion in social security funds, as well as a surplus of HUF 84.0 billion in extra-budgetary funds.

Cumulative central subsystem revenue in the first ten months of 2025 were 5.6% higher, and central budget revenue were 5.1% higher than in the last year. Tax and contribution revenues of the central subsystem increased by 8.0%, higher than the general revenue level.

Payments by economic units increased by 2.3%, i.e. HUF 68.3 billion, compared to the end of October 2024. At the same time, within payments from economic units, corporate tax receipts, the most significant item, were 4.5% (HUF 39.4 billion) lower than in the same period of the previous year. This represents a significant shortfall compared to the 27.5% increase set out in the budget appropriations. The surtax on energy suppliers also fell by HUF 50.1 billion. Payments by economic units were able to increase overall because, among other things, payments by financial institutions were HUF 46.6 billion higher than in the first ten months of 2024, small-business tax (KIVA) revenues were HUF 25.5 billion, and road tolls also increased by HUF 25.1 billion.

Revenues from taxes on consumption increased by 8.8% (HUF 726.3 billion) compared to a year earlier. VAT receipts, the most significant item, were HUF 692.6 billion (11.2%) higher than at last year. Most of the increase in VAT receipts was due to a 6.1%, HUF 648.7 billion,



increase in VAT payments. The other part of the increase is due to a decrease in VAT refunds. However, the annual growth rate of 11.2% is slightly lower than the 12.2% forecast. Excise tax revenue was HUF 4.2 billion (0.3%) less than in the first ten months of 2024. The now minimal decline is mainly due to the reduction in excise duty on tobacco products, which is still somewhat greater than the increase in excise duty on fuels. Revenue from financial transaction taxes was HUF 163.4 billion higher than in the previous year, thanks to tax rate increases in the second half of 2024 and the taxation of conversion transactions.

Personal income tax receipts increased by 8.6%, i.e. HUF 321.8 billion, compared to the figure at the end of October last year. Receipts from social contribution tax and social security tax increased by 9.5% (HUF 631.7 billion) compared to the same period of the previous year. The rise in revenues from these taxes was driven by an increase in wage bills and earnings.

At the end of October, EU programmes received HUF 510.6 billion in revenue from the EU. The total revenue of EU programmes, supplemented by domestic funds, amounted to HUF 589.1 billion. Revenues from the EU were down by HUF 93.5 billion, but total revenues for EU programmes were HUF 410.7 billion lower than a year earlier. This means that most of the year-on-year shortfall can be attributed to the significantly lower level of domestic funding. Expenditure on EU programmes amounted to HUF 1,636.6 billion, an increase of HUF 337.0 billion compared to the end of October last year.

Thanks to dividend payments from MVM Zrt., Szerencsejáték Zrt. and Corvinus Zrt., payments related to state assets were HUF 361.6 billion higher at the end of September than at the end of October 2024.

In the first ten months of 2025, central subsystem expenditures exceeded the previous year's figure by 6.9%. Within this, central subsystem expenditure increased by 6.7%.

Among significant expenditure items, expenditure on central budgetary institutions and chapter-administered appropriations, expenditure of the Health Security Fund, pensions and interest expenditure were higher than a year earlier, while expenditure on public assets fell significantly.

Subsidies for public utility services, including both the overhead cost reduction policy and subsidies for the water utility system, increased by HUF 161.4 billion compared to the previous year. Road network availability fees increased by HUF 166.4 billion, while subsidies for public transport increased by HUF 44.9 billion.

Family benefits increased by HUF 18.3 billion, housing benefits by HUF 12.9 billion compared with the same period of the previous year.

Expenditure on central budgetary institutions and chapter-administered appropriations was HUF 1,086.2 billion higher than in the first ten month of the previous year. This corresponds to an increase of 10.1%, while the Budget Act foresees a decrease of 6.5%.

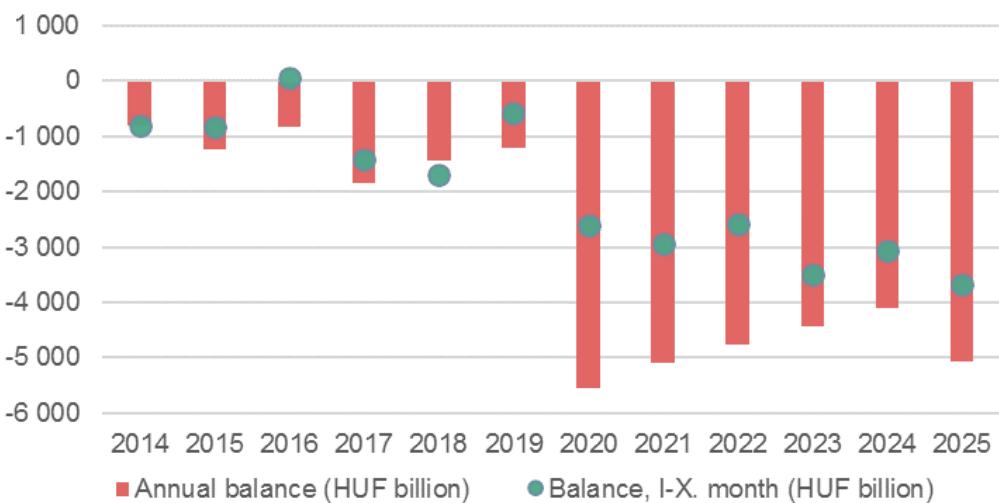
Expenditure on public assets decreased by HUF 222.0 billion compared to the same period of the previous year, as expenditure related to the repurchase of Budapest Liszt Ferenc Airport continued in the first half of 2024.



By the end of October 2025, pensions amounted to HUF 5,511.2 billion, an increase of 5.1% (HUF 267.0 billion) compared to the same period last year, exceeding the official pension increase of 3.2%. During the same period, the Health Insurance Fund spent HUF 4,056.8 billion, an increase of HUF 329.0 billion, i.e. 8.8%, compared to the base period. Within this, expenditure on curative preventive care, which accounts for more than half of the Fund's expenditure, increased by 9.9% (HUF 216.6 billion).

Interest expenditure rose to HUF 3,785.6 billion, and the interest balance was HUF 641.3 billion (22.6%) more negative than at the end of the first ten months of 2024.

**FIGURE 11: CENTRAL SUBSYSTEM BALANCE, 2014–2025 (CUMULATIVE BALANCE FOR OCTOBER, HUF BILLION)**



Source: Hungarian State Treasury

## 2.6 Monetary developments

### 2.6.1 Consumer prices

#### Consumer prices increased by 4.3% in October.

In October 2025, consumer prices increased by 4.3% on average—compared to the same period of the previous year. Over the past year, the prices of electricity, gas and other fuels as well as those of alcoholic beverages and tobacco have increased the most, by 10.7% and 7.5%, respectively. Food prices rose by 3.9% compared to the same period of the previous year, while prices of services increased by 6.7%. Consumer prices did not change in a month. The seasonally adjusted core inflation rate was 4.2% on the same period last year.

A larger share of the 3.9% average increase in food prices was due to a 20.2% rise in egg prices, a 16.3% rise in beef prices, a 16.1% rise in chocolate and cocoa prices and a 15.1% rise in fresh domestic and fruit prices. Prices of coffee at shops increased by 14.8%, those of other confectionery products by 12.8%, all of which exceeded the average food inflation rate for the month. In contrast, deflation was observed for several products, as in the previous months: margarine prices fell by 27.8%, pork fat prices by 23.9% flour prices by 14.8%, potato prices and prices of milk products (without cheese) by 10.2%. The rise in excise duties at the



beginning of the year played a significant role in the average inflation rate of 7.5% for alcoholic beverages and tobacco. Within the product group, tobacco and wine prices saw a significant increase of 8.7% and 7.7%, respectively, and there were no price decreases in this category.

The average annual increase in consumer durable goods of 2.5% in September was followed by an average increase of 2.4% in October. If we look at the main group in more detail, we can see that motorcycle prices increased by 6.3% and jewellery by 22.2%, which is above average. Inflation in consumer durable goods was boosted by a 4.4% rise in the prices of living and dining-room furniture and a 3.8% rise in the prices of second-hand passenger cars. It is also important to note the positive trend in the television market, where prices were 4.4% lower in October compared to the same period last year.

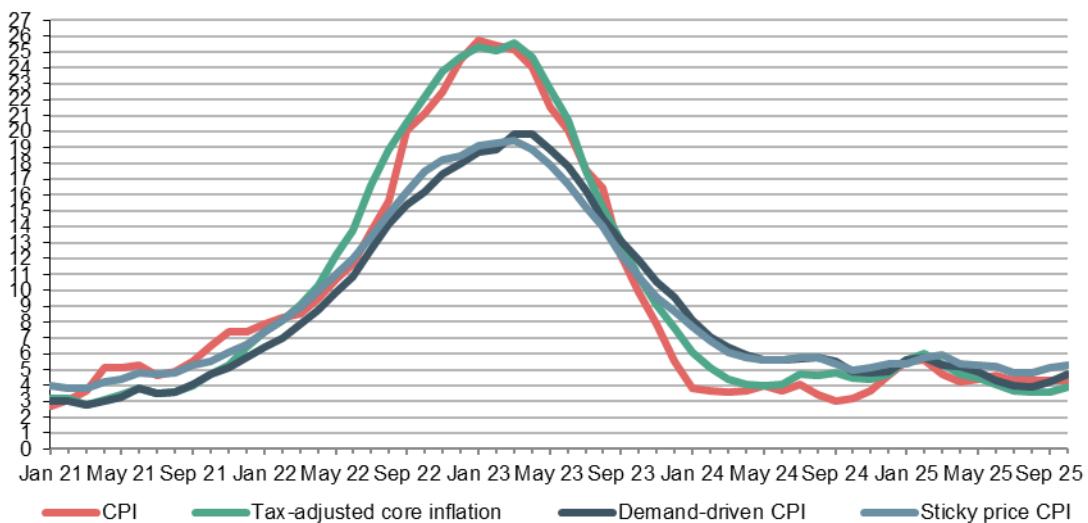
The average increase in electricity, gas and other fuel prices was 10.7% in October, compared to the same period of the previous year. Within electricity, gas and other fuels, only cylinder gas prices fell, by 0.3%. Within the same group, prices rose by 8.6% for coal, 4.9% for firewood and 4.5% for briquettes and coke. In addition, the price of natural and manufactured gas rose by 23.7% and the price of electricity by 2.1%.

In October, prices of services increased by an average of 6.7%, with the biggest contributors being recreation abroad and theatre tickets, both up 20.4%, and recreational services, up 13.2%. The price increase for gambling, which has not been a significant contributor in the recent period, was 0.4%, the same as in previous months. Compared to the previous year, prices of telephone and internet services as well as communication increased by 11.3%. Prices for repair of major household appliances as well as repairs and maintenance of motor vehicles increased by 10.6% and 10.1% respectively compared to the same period last year. By contrast, the average price increase of services was moderated by, among other things, no change in the prices of sanitation, water and sewerage, a 0.5% decrease in TV fees and a 1.3% decrease in the rates for transport of goods. The price of travelling to work and school has also remained unchanged thanks to the country and county passes. Prices for other long-distance trips fell by 0.2%.

Compared to the previous month, consumer prices remained unchanged. Within the overall consumer basket, food prices fell by 0.1% compared with the previous month. Prices of services also fell by 0.1%, while the price of electricity, gas and other fuels did not change compared with the previous month. The price of other products and fuels increased by 0.2% from September.



FIGURE 12: THE EVOLUTION OF INFLATION (ANNUAL CHANGE IN PERCENTAGE)



Source: MNB, Századvég

Among the core inflation indicators published by the MNB, the core inflation rate net of indirect taxes was 3.9%, the core inflation rate excluding processed food was 4.7% and the sticky price inflation rate was 5.3% in the tenth month of the year. The core inflation rate, 0.4 percentage point lower than total inflation, shows that goods with faster-moving prices have again contributed more to Hungary's inflation rate.

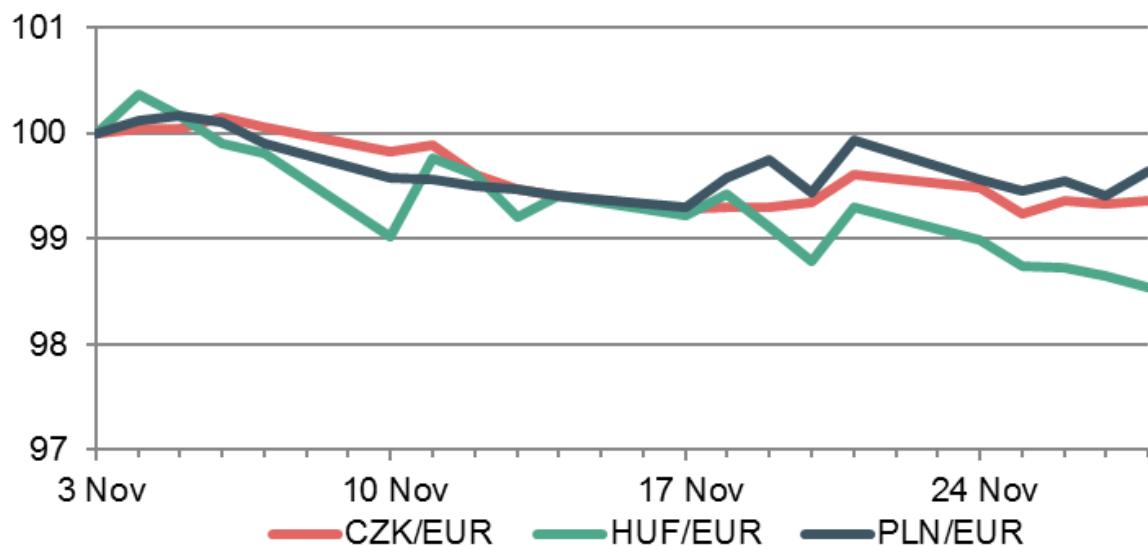
## 2.6.2 Regional currencies

**The currencies of competitors in the region have strengthened against the euro.**

In October, the region's currencies appreciated against the euro: the Czech koruna strengthened by 0.64%, and the Polish zloty by 0.36%. Government bond yields rose to varying degrees during the period under review: the 10-year Czech government bond yield rose by 15 basis points to 4.54%, while the 10-year Polish government bond yield fell by 19 basis points to close at 5.18%.



**FIGURE 13: CHANGES IN EXCHANGE RATES IN THE REGION  
(BASELINE VALUE = 100%)**



Source: Refinitiv, Századvég

**In November, the Hungarian currency strengthened against the euro, the Swiss franc and the dollar.**

by HUF 35 billion to HUF 7,214 billion by the end of November.

Hungarian money and foreign exchange market indicators have strengthened over the past month. The HUF strengthened by 1.5% against the Euro, by 1.8% against the Swiss franc, and by 1.9% against the US dollar. Thus, at the end of November 2025, 1 euro was worth 381.4 forints, 1 US dollar 329.6 forints and 1 Swiss franc 408.8 forints. From the previous month, sovereign debt held by foreigners decreased

### 2.6.3 Base rate

**At its November meeting, the central bank's Monetary Council kept the base rate at 6.5%.**

sustainable manner and to achieve and maintain financial stability. Annual inflation did not increase during the month, the October figure of 4.3% was in line with the MNB's expectations, but still well above the 3% inflation target. In addition, inflation risks remain significant, owing to, among other things, strong price dynamics in market services, rising global food prices, and uncertain developments in commodity prices. International money and commodity markets continue to be dominated by geopolitical uncertainties and trade tensions, which justify a cautious, tight monetary policy. In the view of the Monetary Council, maintaining current

At its meeting on 18 November, the Monetary Council of the central bank left the base rate unchanged from the level in effect since September last year, meaning that it remains at 6.5%. The upper end of the interest rate corridor remained at 7.5% and the lower end at 5.5%. The decision to leave the central bank's interest rate unchanged was primarily motivated by the need to achieve the inflation target in a

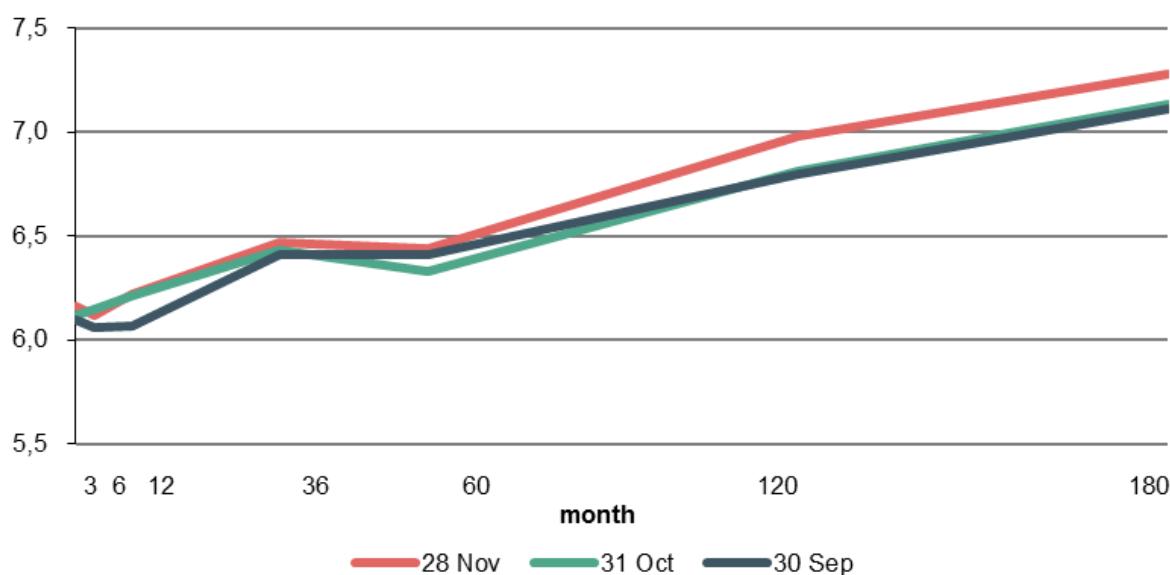


interest rates is essential to anchor inflation expectations, maintain positive real interest rates and thereby sustain price stability and financial market equilibrium over the medium term.

## 2.6.4 Government securities market

In the government bond market, yields for shorter maturities varied between 3 basis points and 17 basis points on the secondary yield curve in October. This means that the 3-month yield was 6.16%, the 6-month yield was 6.12% and the 1-year yield was 6.22% on 28 November. The 3-year yield increased by 4 basis points to 6.43%. Over the past month, a 11 basis point increase could be observed over the 5-year period. Yields are up 17 basis points over the 10-year horizon and 15 basis points over the 15-year horizon compared to the previous month. These three yields changed, therefore, to 6.44%, 6.98%, and 7.28%, respectively.

FIGURE 14: CHANGES IN THE HUF YIELD CURVE (%)



Source: GDMA, Századvég

On 15 November 2025, the total value of “MÁP Plusz” government securities held by retail investors was HUF 974.95 billion after a HUF 65.97 billion increase from the HUF 908.98 billion level in the previous month. In addition, the cumulative value of PMÁP (Prémium Magyar Állampapír, or Premium Hungarian Government Bond) securities was HUF 3,844.79 billion, while the cumulative value of the “Bónusz” Hungarian Government Bonds was HUF 2,070.15 billion. Treasury Savings Bills amounted to HUF 611.33 billion and FixMÁP to HUF 3,391.79 billion. In addition, funds held in “Baby” Bonds amounted to HUF 470.27 billion and funds held in Printed MÁP Plus amounted to HUF 91.74 billion. The retail stock of FixMÁP increased by HUF 226.07 billion, while that of BMÁP increased, by HUF 3.1 billion, compared to the previous month. In addition, PMÁP also showed a significant decline (HUF 136.41 billion).

The total stock of government securities held by retail investors stood at HUF 11,383.04 billion at the end of October 2025, up from HUF 11,309.95 billion at the beginning of 2025, meaning



that people held HUF 73.09 billion more in government securities than in the first month of 2025. Compared to the previous month, government securities held by retail investors increased significantly, by HUF 381.55 billion. The explanation for the sharp change is that the capital payment for the 2025/N series BMÁP at the end of September significantly reduced retail stocks in the previous month (retail investors held HUF 442 billion worth of 2025/N BMÁP in mid-September),<sup>4</sup> but the past month saw large reflows. As a result, government securities held by retail investors approached its end-September level.

## 2.6.5 Sovereign debt

The share of foreign currency debt in the sovereign debt reduced by 0.92 percentage point to 29.99% in October, which is below the range (maximum 30%) specified in the financing plan for 2025 of GDMA. Over the past 12 months, the foreign currency debt ratio averaged 30.5%; the foreign currency ratio in October was slightly lower than this figure.

Hungary's sovereign debt rating has remained stable in the investment grade category of all three major international credit rating agencies, after no rating agency recently changed its assessment. On 28 November 2025, Moody's Investors Service left Hungary's "Baa2" rating unchanged, with a negative outlook. The negative outlook on the rating still points to a downgrade risk. On 6 June 2025, Fitch Ratings affirmed Hungary's sovereign debt rating at "BBB" with a stable outlook.<sup>5</sup> And S&P Global Ratings rates the country as "BBB-", also with a negative outlook.

## 2.6.6 Corporate credits

### Corporate credits increased in Hungary.

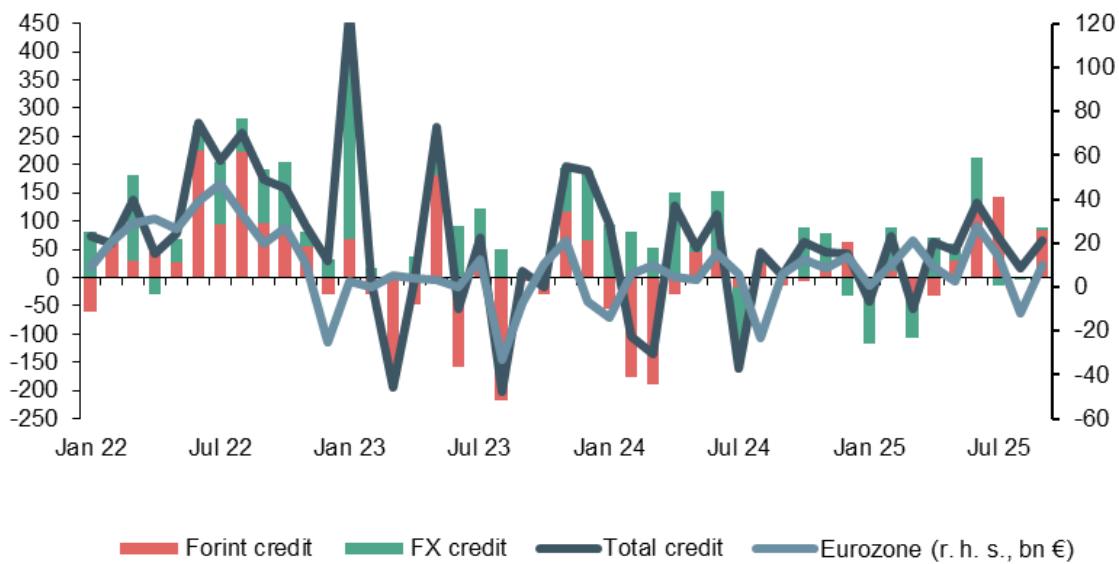
Based on seasonally adjusted data, Hungarian companies took out HUF 84.8 billion in forint loans in September 2025. Foreign currency loans changed to a lesser extent, increasing by HUF 4.2 billion compared to the previous month. During the period under review, total borrowing amounted to HUF 65.8 billion. Loans to companies in the euro area increased significantly in the ninth month of the year, by EUR 10,060 million.

<sup>4</sup> <https://www.portfolio.hu/befektetes/20251013/peldatlan-zuhanas-a-lakossagi-allampapirok-nal-mutatjuk-mi-all-a-hatterben-792800#>

<sup>5</sup> <https://www.fitchratings.com/research/sovereigns/fitch-affirms-hungary-at-bbb-outlook-stable-06-06-2025>



FIGURE 15: CORPORATE BORROWING (HUF BILLION)



Source: MNB, ECB, Századvég



### 3. SZÁZADVÉG'S FORECAST<sup>6</sup>

TABLE 1: Q3 2025 FORECAST

	2024	2025	2026
<b>Gross domestic product (volume index)</b>	0.5	0.8	2.7
<b>Household final consumption expenditure (volume index)</b>	5.1	4.1	4.2
<b>Gross fixed capital formation (volume index)</b>	-6.4	-2.1	6.3
<b>Export volume index (based on national accounts)</b>	-3.0	0.7	5.1
<b>Import volume index (based on national accounts)</b>	-4.0	3.3	6.2
<b>Balance of international trade in goods (EUR billion)</b>	1.4	-0.2	0.0
<b>Consumer price index (%)</b>	3.7	4.7	3.8
<b>Central bank base interest rate at the end of the period (%)</b>	6.5	6.5	5.5
<b>Unemployment rate (%)</b>	4.5	4.3	3.4
<b>Current account balance as a percentage of GDP</b>	2.2	1.1	1.0
<b>Net lending as a percentage of the GDP</b>	2.6	1.5	1.3
<b>ESA balance of public finances as a percentage of GDP</b>	-4.9	-4.6	-4.0
<b>Sovereign debt as a percentage of GDP</b>	73.5	73.7	73.0

Source: MNB, Hungarian Central Statistical Office, Századvég's calculation, Remark: The base rate of the central bank applies to the last quarter of the year.

<sup>6</sup> Date of preparation: 23 September 2025



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changing  
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only make good  
decisions based  
on quality  
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