

## Introduction

Hungary is a landlocked country in Central Europe bordering Austria, Croatia, Romania, Serbia, Slovakia, Slovenia, and Ukraine. Hungary's landscape consists of flat to rolling plains divided in two by its main waterway, the Danube. The government system is a parliamentary democracy; the chief of state is the president, and the head of government is the prime minister.

Hungary has made the transition from a centrally planned economic system to a market economy in which the prices of goods and services are determined in a free price system. Hungary is a member of the European Union (EU).



**Location:** Eastern Europe

**Capital City:** Budapest (+1 GMT)

**Chief of State:** President János Áder

**Head of Govt.:** Prime Minister Viktor Orbán

**Currency:** Forint (HUF)

**Major Languages:** <p>Hungarian (official) 99.6%, English 16%, German 11.2%, Russian 1.6%, Romanian 1.3%, French 1.2%, other 4.2%</p>

**Primary Religions:** <p>Roman Catholic 37.2%, Calvinist 11.6%, Lutheran 2.2%, Greek Catholic 1.8%, other 1.9%, none 18.2%, unspecified 27.2%</p>

**Calling Code:** 36

**Voltage:** 230

## Key Websites

Main Government Page: [kormany.hu](http://kormany.hu).

Export Promotion Agency: [hipa.hu](http://hipa.hu)

Investment Promotion Agency: [hipa.hu](http://hipa.hu)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$281.88 billion (2017)
GDP growth (annual %):	4.14% (2017)
GDP per capita, PPP (current international \$):	\$28,798.64 (2017)
External debt stocks, total (DOD, current US\$):	\$196,739,060,000.00 (2013)
Manufacturing, value added (% of GDP):	19.60% (2017)
Current account balance (BoP, current US\$):	\$4.42 billion (2017)
Inflation, consumer prices (annual %):	2.35% (2017)
Labor force, total:	4,693,184 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.66% (2018)
Imports of goods and services (current US\$):	\$112.77 billion (2017)
Exports of goods and services (current US\$):	\$123.34 billion (2017)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	66 / 178
EY Globalization Index	9 / 60
Global Competitiveness Index	48 / 139
Global Enabling Trade Index	38 / 136
Global Services Location Index	25 / 55
Index of Economic Freedom	64 / 179
International Logistics Performance Index (LPI)	31 / 160
Inward FDI Potential Index	41 / 139
KOF Index of Globalization	10 / 185
Networked Readiness Index (NRI)	50 / 139
Open Budget Index	54 / 115

## Risk Assessment (Provided by Coface)

**Country rating: A3** - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

**Business Climate rating: A3** - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

### Strengths

- Diversified economy
- High quality infrastructures thanks to European funds
- Integrated within the European production chain
- Trained workforce
- Low corporate taxation
- Generally positive payment behavior

### Weaknesses

- Ageing population, low birth rate
- Regional disparities; lack of mobility
- Deficiencies in vocational education
- Poor levels of innovation and R&D
- Limited room for maneuver in terms of budget
- High debt level of companies (although falling)
- Fragility of the banking sector (public and private)

## U.S. Embassy

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