

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 Tamas Sulyok

Head of Govt.: Prime Minister Viktor Orbán

Currency: Forint (HUF)

Major Languages: <p>Hungarian (official) 98.8%, English 25.3%, German 12.6%, Russian 2.1%, French 1.5%, Romanian 1.4%, other 5.1% (2022 est.)</p>

Primary Religions: <p>Catholic 30.1% (Roman Catholic 27.5%, Greek Catholic 1.7%, other Catholic 0.9%), Calvinist 9.8%, Lutheran 1.8%, other Christian (includes Orthodox) 1.6%, other 0.4%, none 16.1%, no answer 40.1% (2022 est.)</p>

Calling Code: 36

Voltage: 230

Key Websites

Main Government Page: kormany.hu

Export Promotion Agency: hipa.hu

Investment Promotion Agency: hipa.hu

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$405.80 billion (2022)
GDP growth (annual %):	4.58% (2022)
GDP per capita, PPP (current international \$):	\$41,906.66 (2022)
External debt stocks, total (DOD, current US\$):	\$196,739,060,000.00 (2013)
Manufacturing, value added (% of GDP):	17.18% (2022)
Current account balance (BoP, current US\$):	-\$14.24 billion (2022)
Inflation, consumer prices (annual %):	14.61% (2022)
Labor force, total:	4,946,680 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.42% (2022)
Imports of goods and services (current US\$):	\$168.90 billion (2022)
Exports of goods and services (current US\$):	\$161.59 billion (2022)

GDP Composition %

Agriculture Services Industry Manufacturing



**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	72 / 178
EY Globalization Index	9 / 60
Global Competitiveness Index	46 / 141
Global Enabling Trade Index	38 / 136
Global Services Location Index	37 / 60
Index of Economic Freedom	54 / 176
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	62 / 114

Risk Assessment (Provided by Coface)

Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still 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 infrastructure thanks to European funds
- Integrated within the European supply chain
- Trained workforce
- Low corporate taxation
- Generally positive payment behavior

Weaknesses

- Ageing population, low birth rate
- Open economy exposed to European economic trends
- Regional disparities; lack of mobility
- Deficiencies in vocational education
- Poor levels of innovation and R&D, high content of imported inputs in exports
- High corporate debt level (although decreasing)

U.S. Embassy

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