



MONTHLY BULLETIN OF ECONOMIC TRENDS

2025

JUNE

ON THE LATEST ANALYSIS FROM THE INSTITUTE OF ECONOMIC AND ENTERPRISE RESEARCH

- » Bankruptcy perception
- » Digitalization of SMEs
- » International trends



Prepared by

Kása Richárd, analyst
Molnár László, analyst
Szenderák János, analyst
Szennay Áron, analyst

Research Manager
Molnár Endre Mihály,
research director

15 July 2025.

CONTENT

02

BANKRUPTCY

61% of businesses do not expect bankruptcy

[LINK](#)

07

DIGITIZATION

60% of domestic companies plan to introduce some form of AI in the next year.

[LINK](#)

10

INTERNATIONAL TRENDS

Manufacturing industry below expansion threshold – economic confidence remained fragile in June.

[LINK](#)



BANKRUPTCY PERCEPTION



2025. JUNE

61%
of businesses
do not expect
bankruptcy

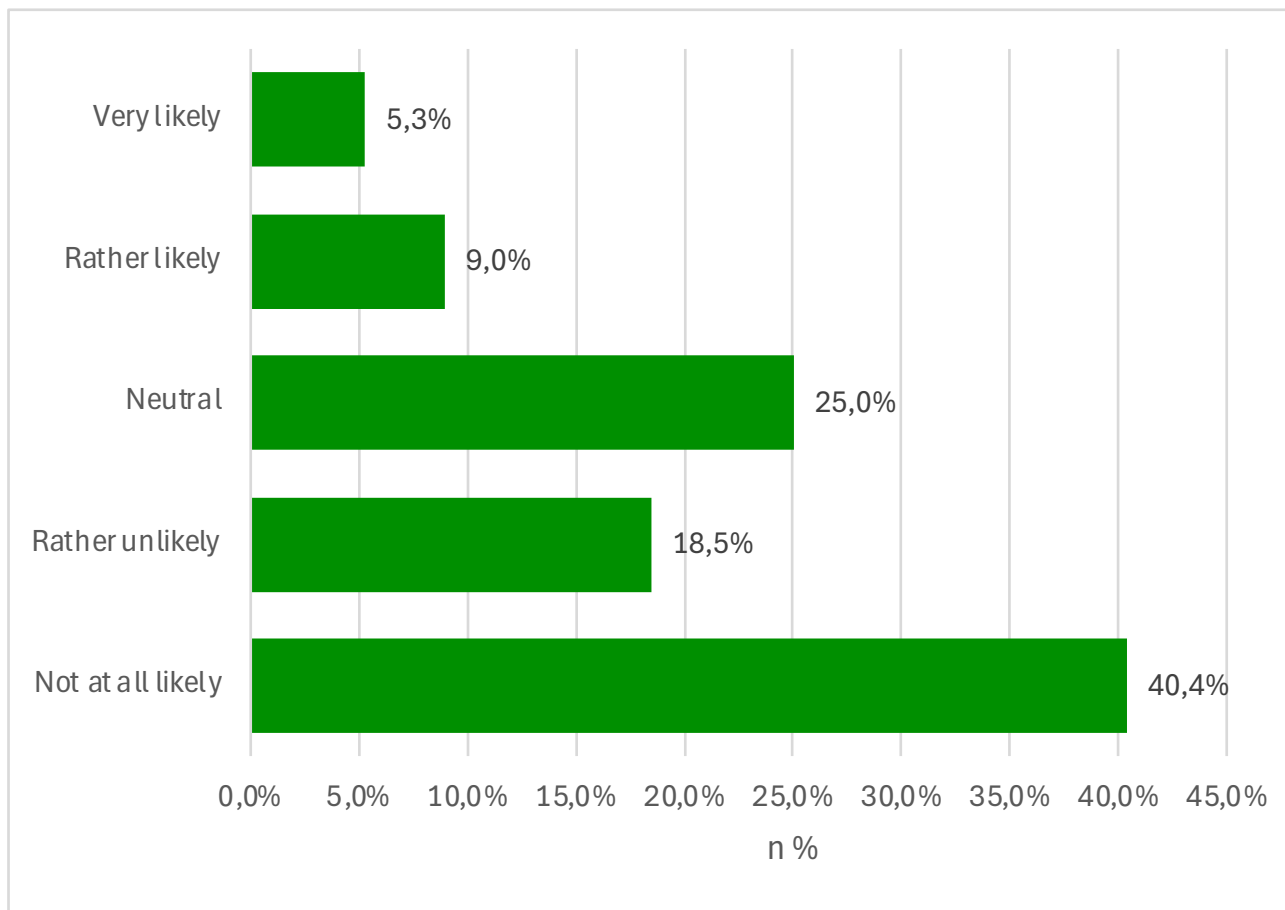
Based on the results of the spring 2025 economic survey, domestic businesses' perception of bankruptcy remains moderate overall, but the responses clearly reflect sectoral and regional differences, as well as uncertainty among smaller companies. A significant proportion of respondents, around 61%, do not expect any of their competitors to go bankrupt in the next six months.

Based on the results of the spring 2025 business survey, domestic companies' perception of bankruptcy remains moderate overall, but the responses clearly reflect sectoral and regional differences as well as the uncertainty of smaller companies. A significant proportion of respondents, around 61%, do not expect any of their competitors to go bankrupt in the next six months. This proportion is essentially unchanged from the previous survey and indicates that the economic outlook is relatively balanced in a stabilizing but volatile environment.

At the same time, however, a significant proportion of businesses are uncertain about the coming months: 25% expressed a neutral view on the risk of bankruptcy, i.e. they were unable to clearly decide whether they expected any significant change. In addition, 14% of respondents expressed explicitly pessimistic expectations, i.e. they saw a realistic chance that at least one competitor would exit the market. This group, representing around one-seventh of companies, consists mainly of smaller and less capital-intensive companies whose business environment is more sensitive to changes in financing and demand.



14% of businesses consider it likely that some of their competitors will exit the market and cease operations.

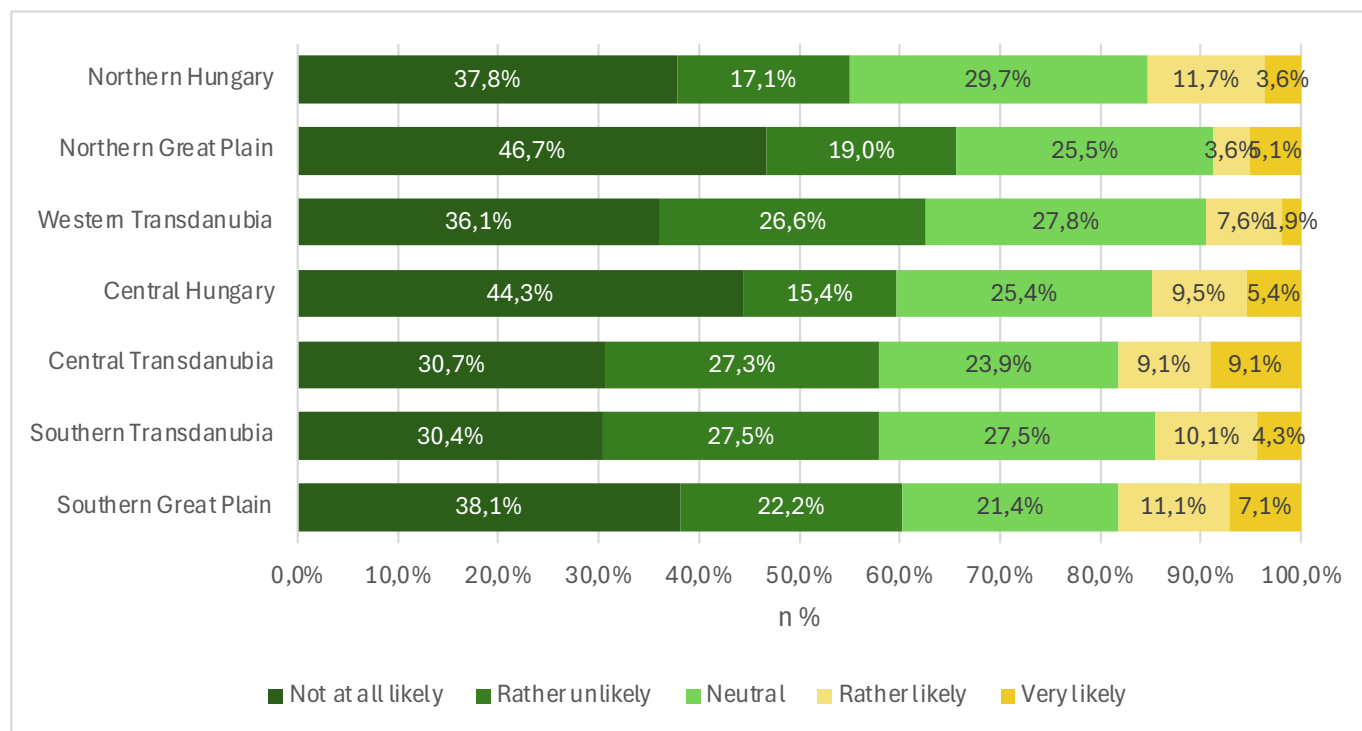


Companies also estimated the exit rate for their own sector. The vast majority of respondents expect the exit rate to remain relatively low. More than half of respondents (55%) believe that the bankruptcy rate will be no higher than 10% in the next six months. A further 24 percent believe that this rate will be between 11 and 20 percent, while only a small number of companies consider an exit rate of over 20 percent to be realistic. Based on the data, the vast majority of companies expect a gradual consolidation of the operating environment, while caution remains palpable among smaller market players.

Fig. 1

Do you expect competitors in the same industry and engaged in similar activities to exit the market or suspend their activities during the next six months?

Source: GVI 2025



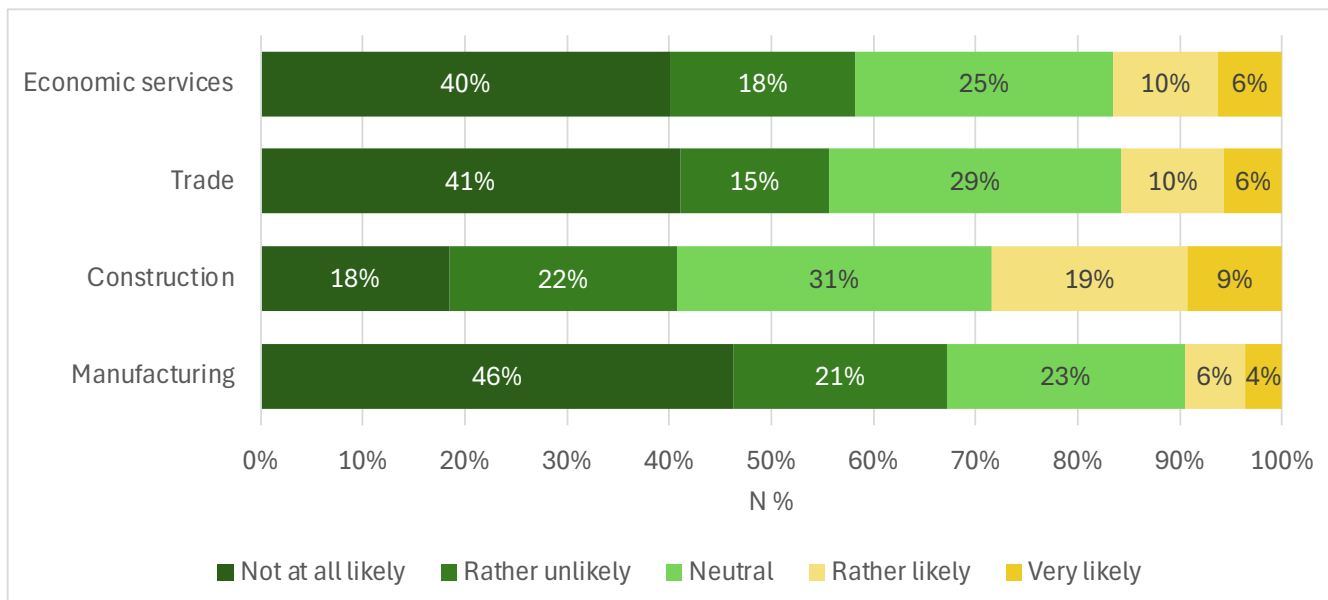
In a regional comparison, most companies considered it unlikely or very unlikely that competitors would exit the market in the next six months, with this share hovering around 60% in all cases. The categories "rather likely" and "very likely" were selected by 14-18% in almost all regions, with only Western Transdanubia and Northern Great Plain recording lower values (9-9%).

From a regional perspective, there were no significant differences in the numerical estimates of respondents. Approximately 15-30% said that no competitors would suspend their activities in the next six months, while 55-75% expected the figure to be less than 20%. In the remaining categories, the Northern Great Plain and Central Hungary stood out, with 14% and 20% of estimates falling between 21% and 60%. The categories above 80% were not relevant for the survey, as they only included the responses of five companies.

Fig. 2

Comparison by region – Do you expect competitors in the same industry and with similar activities to exit the market or suspend their activities in the next six months?

Source: GVI 2025



When examined by company size, the most striking difference can be seen among micro-enterprises. One in five of the smallest companies (22%) consider it a realistic risk that some of their competitors will be forced to close down. This is due to tighter liquidity reserves, greater cost sensitivity, and uncertain financing due to high inflation and interest rates. In contrast, only 8% of large companies expressed similar fears, reflecting the advantages of their size, diversified customer base and more stable capital position.

In a sectoral comparison, optimism is highest among manufacturing and trade companies, with nearly two-thirds of respondents in these sectors not expecting bankruptcy. In the construction industry, however, which is particularly sensitive to the decline in investment activity, the level of uncertainty is much higher, and more respondents expect competitors to drop out of the market. A more cautious, wait-and-see attitude can also be observed in the economic services sector, partly due to shrinking demand.

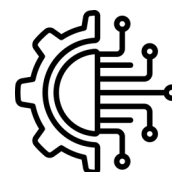
Overall, bankruptcy perception indicators suggest that the majority do not expect a dramatic market shakeout or mass liquidations. At the same time, uncertainty remains high among smaller companies and players in disadvantaged regions, which justifies the need for targeted support and financial education tools.

Fig. 3

Comparison by sector – Do you expect competitors in the same sector and engaged in similar activities to exit the market or suspend their activities in the next six months?

Source: GVI 2025

DIGITIZATION



2025. JUNE

60%
60% of domestic
companies plan to
introduce some form of
AI in the next year

Based on GVI's spring 2025 economic survey, the digital readiness of domestic businesses is generally positive, but there are significant differences depending on company size and sector. Based on the responses, the vast majority of companies have at least a basic digital presence: four-fifths of businesses now have their own website or regularly updated social media page.

Based on the spring 2025 survey, the digital readiness of domestic businesses is generally positive, but there are significant differences depending on company size and sector. According to the responses, the vast majority of companies have at least a basic digital presence: four-fifths of businesses now have their own website or regularly updated social media page. However, there is still a significant gap between micro-enterprises and larger players in terms of active digital presence. While almost all large companies use at least one social media platform and have a regularly updated website, more than a third of the smallest companies lack continuous online activity.

The Digitalization Index, which provides an overall picture of the level of digitalization, averaged around 9 points on a 12-point scale. The scores for large companies were significantly higher, with an average of 10.3 points, while micro-enterprises scored only 6.5 points. Medium-sized companies scored around 8.6 points. The differences are due to financial capacity, the digital competence of human resources, and the varying weight of strategic priorities among managers. In the case of smaller companies, the perception of digitalization also often differs: many see new technologies as a necessity rather than a competitive advantage.

The administrative digitization of operations is already widespread, with the penetration of invoicing and accounting systems hovering around 93 percent and expected to reach near-complete coverage within a year. Electronic payment solutions, such as credit card or online transfer purchases, are already available at nearly four-fifths of companies, while online ordering and booking functions are available at only half of all businesses. However, based on the responses, dynamic development is also expected in this area: the proportion of companies offering online shopping could increase by 9 percentage points over the next year. There are significant differences in the introduction of data-driven operations, digital communication and advanced technologies such as artificial intelligence and automation. Nearly three-quarters of companies already use some form

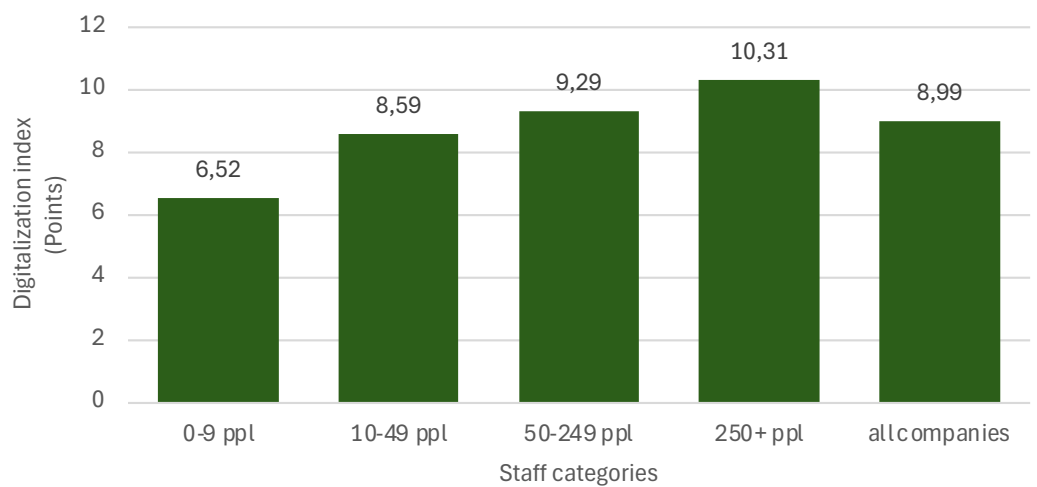
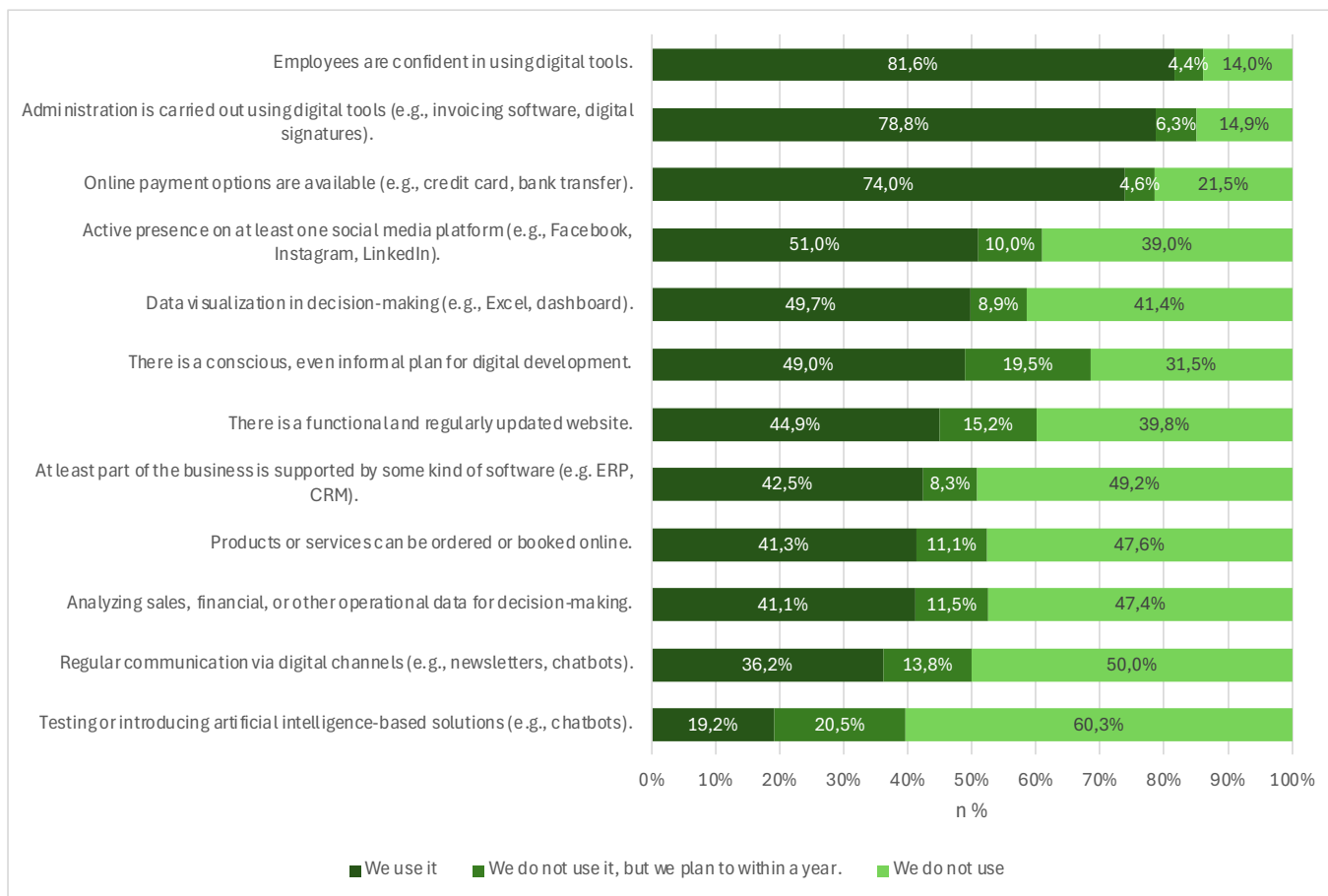


Fig. 5

Digitalization index by size category of enterprises

Source: GVI 2025



of digital channel for customer communication, such as newsletters or social media platforms, and four-fifths use data analysis or visualization in decision-making. However, the penetration of artificial intelligence and automation remains low: currently, only 35.7 percent use some form of AI-based or automated solution. At the same time, plans indicate that the greatest progress in this area is expected over the next year, with around 60 percent of companies planning to use artificial intelligence or automation.

By sector, digitalization is most advanced in manufacturing and trade, while the construction industry and certain traditional service segments continue to lag behind. Some companies continue to expect low returns on digital developments, especially where customer habits are less demanding of digital services.

According to the business survey, digitalization remains a key factor in competitiveness. Although most companies have recognized the importance of new technologies, support for smaller companies, the development of digital skills, and the provision of financial incentives play a key role in accelerating digital convergence. Based on expectations for next year, digitalization indicators are expected to strengthen further, particularly in the areas of automation and data-driven decision-making.

Fig. 6

Digital tools currently used and planned to be introduced within one year in enterprises with 0-9 employees

Source: GVI 2025



INTERNATIONAL TRENDS

2025. JUNE

		Actual data	Expectations	Previous period
Germany	Unemployment Rate	6,2%	6,2%	6,2%
	Manufacturing Purchasing Managers Index	49	50	48,8
	IFO Business Climate Index ¹	88,4	88,4	87,5
France	INSEE Business Climate Index ²	95,6	96	96
EU	Economic Sentiment Indicator (ESI) ³	94		95,2
USA	Unemployment Rate	4,1%	4,3%	4,2%
	CB Consumer Confidence Index	93	87,7	99,4
	Manufacturing Purchasing Managers Index	49	49	48,5
China	Manufacturing Purchasing Managers Index	49,7	49,7	49,5

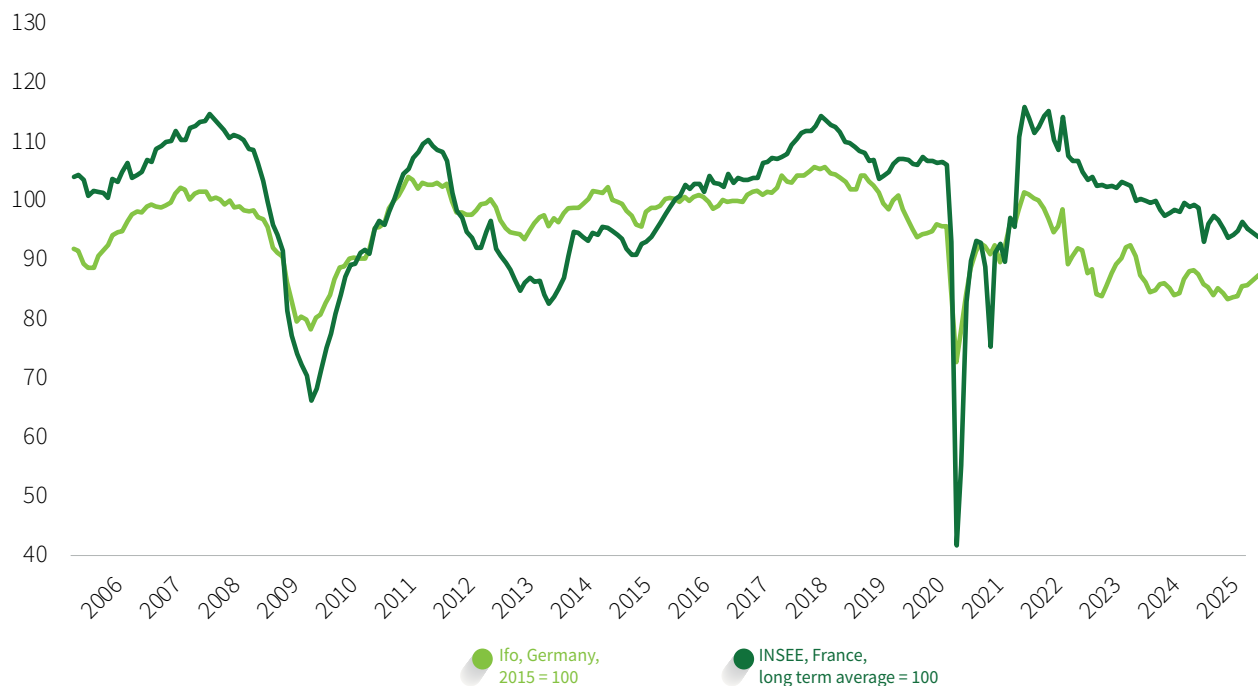
¹ <https://www.ifo.de/en/survey/ifo-business-climate-index-germany>

² <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=23>

³ https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/business-and-consumer-surveys/latest-business-and-consumer-surveys_en

Source of additional data: <https://www.bloomberg.com/markets/economic-calendar>

*Retrospective adjustment



In June 2025, global economic confidence presented a mixed picture. In Germany, the unemployment rate stagnated at 6.2%, while the manufacturing purchasing managers' index (PMI) rose to 49 points, indicating an improvement from the previous month's 48.8 points, but still reflecting contraction. The IFO business confidence index rose to 88.4 points, continuing the gradual improvement in confidence. In France, the INSEE business confidence index stood at 95.6 points, slightly down from 96 points in the previous month, while for the European Union as a whole, the ESI economic sentiment index fell to 94 points, indicating general uncertainty in the region.

In the United States, the unemployment rate fell to 4.1% in June, but is expected to rise to 4.3% in the coming month. The CB consumer confidence index fell significantly to 93 points from 99.4 points previously, and the outlook is for further deterioration. The manufacturing PMI stood at 49 points, a slight improvement from 48.5 points in May, but still in contraction territory. In China, the official (NBS) manufacturing PMI was 49.7 points, a slight improvement from the previous month, and is expected to remain at a similar level in July. Overall, global economic sentiment remains fragile, with signs of moderate improvement, but most key indicators remain below the growth threshold.

Fig. 7

Business confidence in Germany and France, based on the Ifo and INSEE business climate survey, January 2005 – June 2025

Source: www.ifo.de,
www.insee.fr



CONTACT

MKIK GVI
1054 Budapest, Szabadság tér 7.
Tel: 1/235-05-84
e-mail: gvi@gvi.hu
Internet: <http://www.gvi.hu>

In case of publication please cite as follow:
HCCI IEER: *Monthly Bulletin of Economic Trends*,
15 July 2025, Budapest.