



MONTHLY BULLETIN OF ECONOMIC TRENDS

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

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- » International trends



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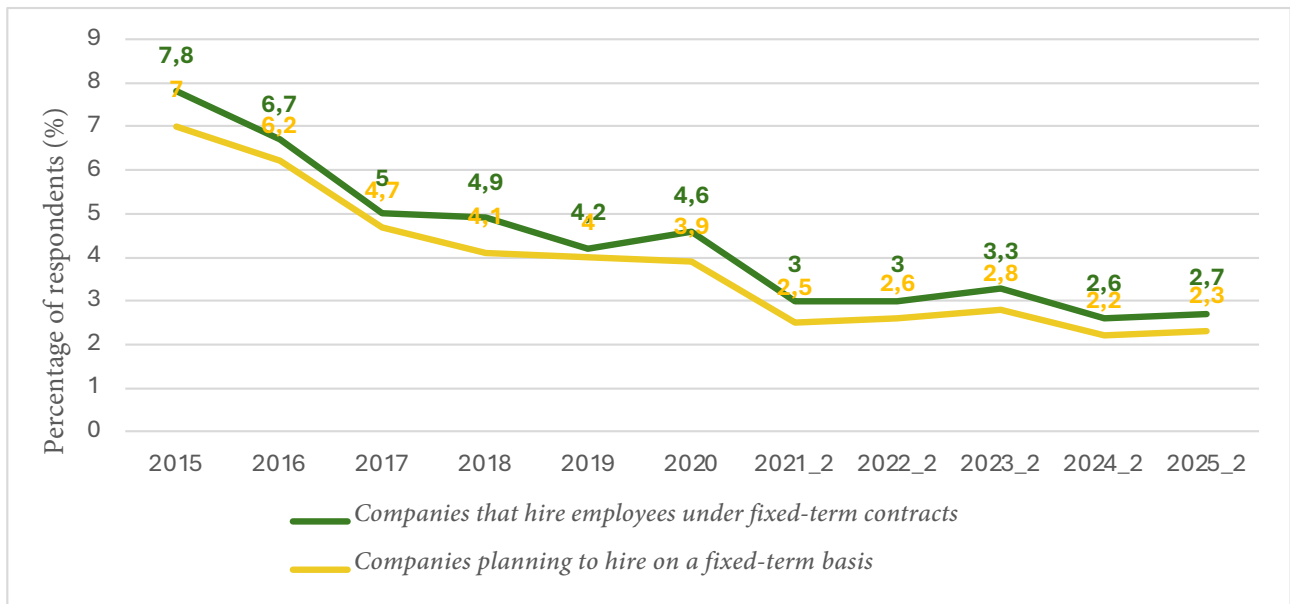
FIXED-TERM EMPLOYMENT



The proportion of companies employing workers on fixed-term contracts fell from 7.8% to 2.7% between 2015 and 2025.

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The use of fixed-term employment contracts has declined significantly in Hungary over the past decade: while 7.8% of companies used such contracts in 2015, this proportion fell to 2.7% by 2025. This was a gradual process, interrupted only by a slight temporary increase during the pandemic year; however, in the long term, companies clearly prefer stable, permanent forms of employment.



The prevalence of fixed-term employment among companies has shown a steady and significant decline over the past ten years. While 7.8% of companies used fixed-term employment contracts in 2015, this proportion had fallen to just 2.7% by 2025. This represents a decline of nearly two-thirds over a decade, pointing to both structural changes in the labor market and shifts in companies' employment practices. The decline did not occur suddenly but rather as a gradual process. By 2016, the proportion had fallen to 6.7%, and by 2017 it stood at just 5%. By 2019 – at the peak of labor market tightness – the proportion of companies using fixed-term contracts had dropped to 4.2%. This suggests that companies increasingly favored stable, long-term forms of employment over more uncertain, short-term contracts, as retaining the workforce became a strategic priority. During the pandemic year of 2020, a slight correction of 4.6% was observed, which can likely be interpreted as a corporate response to the uncertain economic environment: in times of crisis, organizations more frequently turn to flexible forms of employment. In the years following the pandemic, however, fixed-term employment declined again. Between 2021 and 2024, the figures remained consistently between 2.5% and 3.3%, then stabilized at 2.7% by 2025. Employment plans for the coming year also follow a similar pat-

Fig. 1

The proportion of businesses employing workers on fixed-term contracts

Source: GVI

tern: while 7% of companies still planned to enter into fixed-term contracts in 2015, this proportion had fallen to 2.3% by 2025. The difference between planned and actual rates has remained minimal throughout (generally 0.3–0.6 percentage points), suggesting that companies' decisions regarding this form of employment are stable even in the short term, and uncertain or speculative planning is uncommon.

The planned use of fixed-term employment remains at an extremely low level nationwide:

only 2.3% of companies indicated that they intend to use this type of contract in the coming year. This form of employment thus plays a marginal role and is limited from a regional perspective, yet it exhibits a clearly discernible pattern.

The highest figures are observed in Nógrád County, where 9.0% of companies plan to enter into fixed-term contracts. This is well above the national average and may indicate that sectors where labor demand is more volatile, or where companies are less able to offer stable, long-term contracts, play a greater role in the region. In addition, above-average figures are also seen in Békés (6.6%) and Bács-Kiskun (5.0%) counties, which also indicates an economic structure where seasonal, project-based, or temporary employment may be more prevalent.

In most counties, however, the demand for fixed-term employment hovers around 1–4%, reflecting the general decline of this form of employment. In Baranya (3.3%), Hajdú-Bihar (3.4%), Komárom-Esztergom (3.6%), and Heves (3.4%) show moderate but slightly above-average figures. While fixed-term employment does exist in these regions, it does not constitute a defining element of corporate strategies.

In the country's most heavily industrialized regions – such as Fejér (0.8%), Pest (0.9%), Vas (0.9%), and Győr-Moson-Sopron (1.4%) – the proportion of companies planning to use fixed-term contracts is particularly low. This phenomenon is consistent with the stable labor demand in manufacturing sectors, where companies primarily favor full-time, long-term employment to ensure continuous capacity. Furthermore, in an environment of severe labor shortages, companies typically strive to retain employees, which further reduces the likelihood of using fixed-term contracts.

The nearly identical figures for Budapest (2.9%) and Csongrád-Csanád (2.9%) indicate that this form of employment has not become typical in the service sector either, even though flexible work arrangements – such as part-time or project-based work – would, in theory, be easier to implement in these regions. This is partly due to high competition for labor and employee mobility, which leads to a preference for long-term contracts.

County	N	%
Budapest	1330	2,9%
Baranya	130	3,3%
Bács-Kiskun	232	5,0%
Békés	104	6,6%
Borsod-Abaúj-Zemplén	202	4,5%
Csongrád	208	2,9%
Fejér	213	0,8%
Győr-Moson-Sopron	253	1,4%
Hajdú-Bihar	221	3,4%
Heves	110	3,4%
Komárom-Esztergom	174	3,6%
Nógrád	59	9,0%
Pest	1549	0,9%
Somogy	123	1,4%
Szabolcs-Szatmár-Bereg	160	2,3%
Jász-Nagykun-Szolnok	167	3,2%
Tolna	131	2,8%
Vas	144	0,9%
Veszprém	147	2,2%
Zala	104	2,3%
TOTAL	5760	2,3%

Table 1

The percentage of businesses employing workers on fixed-term contracts, by county.

Source: GVI

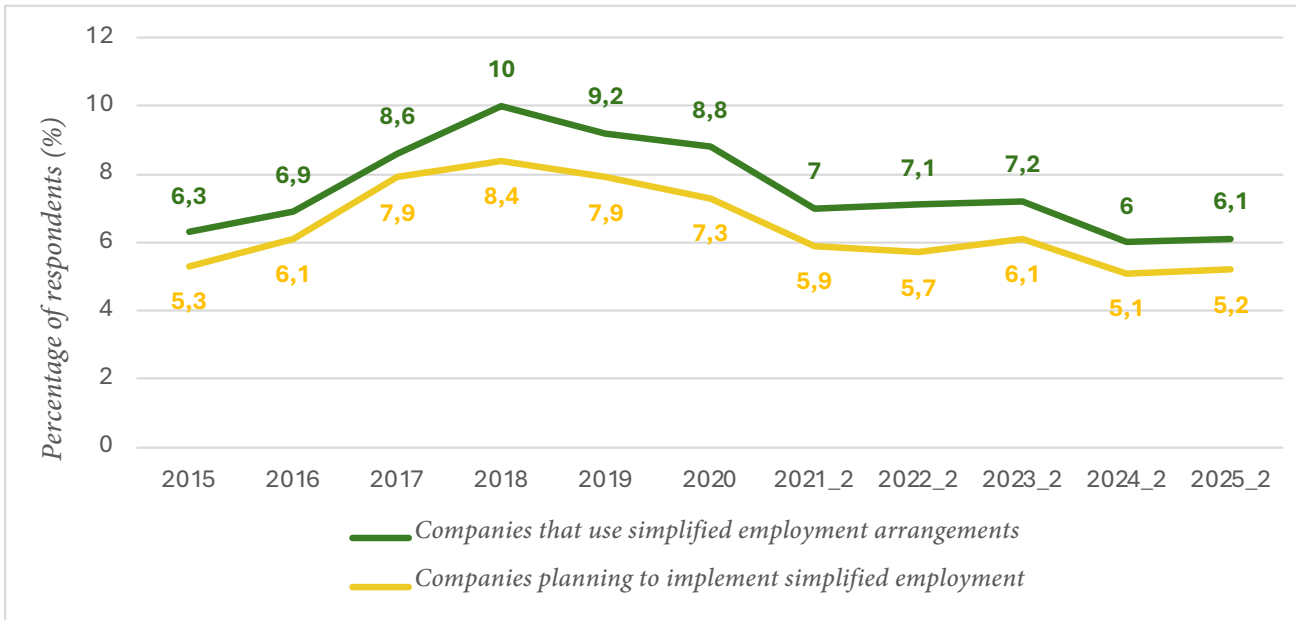
SIMPLIFIED EMPLOYMENT



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The proportion of companies using simplified employment arrangements peaked at 10% in 2018 and then fell to 6.1% by 2025.

Simplified employment remains a stable but relatively minor form of employment among Hungarian companies: after peaking at 10% in 2018, its share declined to 6.1% by 2025, while corporate plans also indicate a similar level of 5.2%. Regionally, it plays a significant role primarily in counties with seasonal labor needs—particularly Zala, Nógrád, Békés, and Bács-Kiskun—while it plays only a marginal role in Budapest and industrialized regions.



Simplified employment is a form of employment that has been a stable, albeit modest, feature of the domestic corporate sector for years, serving primarily to meet seasonal, casual, or periodically fluctuating labor demands. Based on the time series between 2015 and 2025, it is clear that this form responds well to labor market trends: it is capable of growing or slowly declining in line with companies' needs.

In 2015, 6.3% of companies used simplified employment, a figure that rose further in 2016 (6.9%), followed by a dramatic increase between 2017 and 2018. It peaked in 2018, when 10% of companies utilized this flexible form of employment. This significant growth coincided with an extremely tight labor market, when labor shortages prompted companies to seek alternative employment solutions.

However, starting in 2019, a slow but noticeable reversal began: after reaching 9.2%, the proportion of companies using simplified employment dropped to 8.8% in 2020 and then to 7.0% by 2021. Economic uncertainty during the COVID period, as well as sectoral downturns, dampened the demand for casual labor, while the more complex administrative environment may also have played a role.

During the 2022–2024 period, the proportion of companies remained stable at

Fig. 2

The percentage of businesses using simplified employment

Source: GVI

around 6–7%. This suggests that while simplified employment continues to play an important role in providing labor for certain sectors (particularly agriculture, hospitality, and tourism), this form of employment no longer plays the prominent role it did in 2017–2018.

In 2025, the figures remain virtually unchanged: 6.1% of companies use this form of employment, indicating a stabilizing, moderate demand. Planned usage closely tracked actual usage throughout the period: the difference typically ranged from 0.8 to 1.0 percentage points. In 2015, 5.3% of companies planned to use simplified employment; this rose to 7.9–8.4% during the peak period (2017–2019), then gradually

declined to 5.1% by 2024. The 2025 figure (5.2%) indicates that corporate expectations are stable, and the form has returned to the moderate level seen around 2015–2016.

The planned use of simplified employment shows significant regional differences, which clearly indicates that this flexible form of employment plays an important role primarily in regions where labor demand fluctuates seasonally or cyclically. Nationwide, 5.2% of companies plan to use this type of employment, but county-level data varies much more widely. The highest rates are observed in Zala (15.8%), Nógrád (14.2%), Békés (12.7%), and Bács-Kiskun (11.1%) counties. In these regions, a remarkably high proportion of companies rely on simplified employment, suggesting a strong seasonal labor demand—particularly in agriculture, tourism, and hospitality. The dominance of labor-intensive sectors and the high proportion of smaller, flexible businesses tend to lead companies to hire casual or short-term workers more frequently.

High figures are also characteristic of Tolna (10.7%), Csongrád-Csanád (9.4%), Somogy (8.1%), and Baranya (8.7%). These regions also have a similarly strong seasonal structure, where short-term labor demand is common, for example, due to agricultural harvests, the peak tourist season, or seasonal peaks in the hospitality industry. Counties where the proportion of companies planning simplified employment ranges between 4% and 6% fall into the middle range. These include, among others, Borsod-Abaúj-Zemplén (5.4%), Hajdú-Bihar (5.0%), Komárom-Esztergom (5.3%), Pest (5.0%), Vas (4.5%), Veszprém (4.2%), and Szabolcs-Szatmár-Bereg (4.3%). In these regions, simplified employment plays a balancing role: it is not dominant, but it meets a recurring annual need. The lowest figures are found in the counties of Budapest (1.8%), Győr-Moson-Sopron (2.8%), Fejér (2.9%), and Jász-Nagykun-Szolnok (3.0%). In the capital and major industrial centers, the economic structure tends to generate a continuous, predictable demand for labor, so casual employment is less common. Among large companies, stable, full-time employment is dominant, while simplified employment plays only a marginal supplementary role.

COUNTY	N	%
Budapest	1346	1,8%
Baranya	124	8,7%
Bács-Kiskun	217	11,1%
Békés	100	12,7%
Borsod-Abaúj-Zemplén	200	5,4%
Csongrád	194	9,4%
Fejér	208	2,9%
Győr-Moson-Sopron	250	2,8%
Hajdú-Bihar	217	5,0%
Heves	105	7,9%
Komárom-Esztergom	171	5,3%
Nógrád	55	14,2%
Pest	1486	5,0%
Somogy	115	8,1%
Szabolcs-Szatmár-Bereg	156	4,3%
Jász-Nagykun-Szolnok	167	3,0%
Tolna	120	10,7%
Vas	139	4,5%
Veszprém	144	4,2%
Zala	89	15,8%
TOTAL	5603	5,2%

Table 2

The percentage of businesses using simplified employment by county

Source: GVI

03



INTERNATIONAL TRENDS

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		Actual data	Expectations	Previous period*
Germany	Unemployment Rate	6,3	6,3%	6,3
	Manufacturing Purchasing Managers Index	52,2	52,2	50,9
	IFO Business Climate Index ¹	86,4	85,4	88,6
France	INSEE Business Climate Index ²	96,9	97	97
EU	Economic Sentiment Indicator (ESI) ³	96,7	97	98,3
USA	Unemployment Rate	4,3%	4,3	4,1%
	CB Consumer Confidence Index	91,8	92	91,2
	Manufacturing Purchasing Managers Index	52,3	52,4	51,6
China	Manufacturing Purchasing Managers Index	50,4	50,4	49,1

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

Other sources: <https://www.bloomberg.com/markets/economic-calendar>

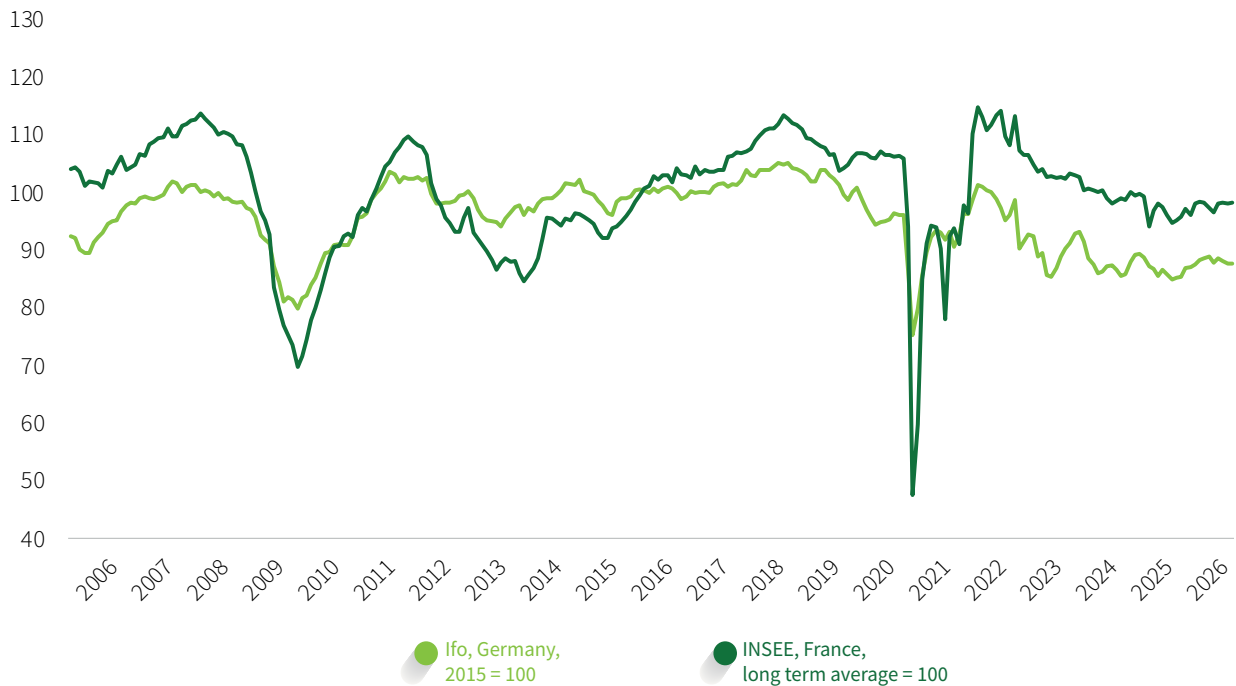


Fig. 3

Business confidence in Germany and France, based on the Ifo and INSEE business climate survey, January 2005 – March 2026

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

In March 2026, the global economic outlook remained mixed, though several indicators point to a pickup in manufacturing activity. In Germany, the unemployment rate remained flat at 6.3%, while the manufacturing Purchasing Managers' Index rose to 52.2 points from 50.9 the previous month, signaling clear expansion. At the same time, the IFO business climate index fell to 86.4 points from 88.6 in February, so corporate sentiment remained weak, although the data was better than the expected 85.4 points. In France, the INSEE business confidence index fell to 96.9 points from 97 in February, slightly missing market expectations. The European Union's Economic Sentiment Index (ESI) fell to 96.7 points from 98.3 the previous month, signaling a further deterioration in European business and consumer sentiment. The index is now clearly below its long-term average, suggesting that the economic outlook for the EU remains subdued.

In the United States, the unemployment rate rose to 4.3% from 4.1% in February, indicating a slight loosening of the labor market. At the same time, the Conference Board's consumer confidence index rose to 91.8 points from 91.2 the previous month, exceeding expectations, suggesting that household sentiment remained relatively stable. The U.S. manufacturing PMI rose to 52.3 points from 51.6 in February, meaning the manufacturing sector remained in expansionary territory.

In China, the manufacturing PMI rose to 50.4 points from 49.1 in February, meaning it once

again crossed the 50-point threshold indicating expansion. The data met expectations exactly and suggests that industrial activity improved slightly following the weakness of the previous month.

Overall, in March 2026, manufacturing activity improved in several regions of the global economy, while business and consumer confidence indicators continued to weaken in Europe. The U.S. economy remains relatively resilient, while in Europe, deteriorating sentiment and weak business confidence continue to dampen the outlook.



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