MONTHLY BULLETIN OF ECONOMIC TRENDS

2026

JUNE

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

» Revenue, Profitability, and Revenue Forecasts
» Labor Market Expectations
» International Trends

Prepared by

Kása Richárd, analyst
Zsibók Zsuzsanna, analyst
Szenderák János, analyst
Szennay Áron, analyst

Research Manager
Molnár Endre Mihály,
research director

15 July 2026.

CONTENTS

01

REVENUE, PROFIT-ABILITY, REVENUE EXPECTATIONS

2026. JUNE

Revenue declined for

55

percent of businesses compared with the same period last year.

According to the MNB–MKIK Business Climate Survey for October 2025, the economic performance of domestic businesses remains subdued. Revenue trends over the past year were generally unfavorable, while expectations for the next three months paint a somewhat more balanced picture. However, the situation of businesses varies significantly by size and sector: the smallest firms are more vulnerable, while positive experiences and expectations are much more common among medium-sized enterprises.

TRENDS IN REVENUE

More than half—55 percent—of the companies participating in the MNB-MKIK Business Survey reported that their revenue had decreased compared to the same period of the previous year. For 11 percent of the companies, there was no significant change, while only 25 percent were able to increase their revenue. Among the companies that achieved growth, the proportions of those with growth between 1 and 9 percent and those with growth of at least 10 percent were nearly equal.

The decline was significant for many businesses. Revenue at 11 percent of companies fell to 90–99 percent of the level recorded a year earlier, while another 44 percent experienced an even greater decline. The results thus indicate not only general stagnation but also a noticeable loss of revenue for a significant portion of businesses.

Expectations for the next three months are somewhat more favorable, but remain cautious. Thirty-one percent of businesses expect a further decline in revenue, 36 percent anticipate that revenue will remain unchanged, and 22 percent expect growth. Eleven percent of companies were unable to assess how their revenue might develop in the near future.

Past performance strongly influences expectations. Businesses that achieved growth last year are more likely than average to anticipate further expansion. About two-thirds of companies with stagnant revenue do not expect any change in the next three months. Half of the businesses that have experienced a minor decline expect conditions to stabilize, while nearly half of those reporting a significant drop in revenue forecast a further decline. At the same time, even within this group facing a less favorable situation, there is hope for a turnaround: 15 percent of them already expect revenue growth.

Differences by company size are striking. Fifty-eight percent of microenterprises employing up to nine people saw a decline in revenue, and only 21 percent reported growth. In contrast, 37 percent of medium-sized enterprises with 50–249 employees were able to increase their revenue. The difference is even greater when it comes to expectations: 19 percent of microenterprises, compared with 39 percent of medium-sized enterprises, expect their revenue to rise in the next quarter.

From a sectoral perspective, declines in revenue were more common than average in agriculture, construction, manufacturing, and trade. Opinions regarding the future were particularly polarized in agriculture and construction: in these sectors, more businesses than average expect growth, yet the proportion forecasting a decline is also higher. Fewer businesses, therefore, anticipate simple stagnation; instead, companies are more likely to expect either positive or negative changes.

ASSESSMENT OF PROFITABILITY

The profitability situation of businesses presents a more balanced picture than the revenue data. Forty-nine percent of companies rated their current profitability as satisfactory, while an additional 11 percent rated it as good. Over the next three months, 57 percent of businesses do not expect any significant change, while 12 percent anticipate an improvement.

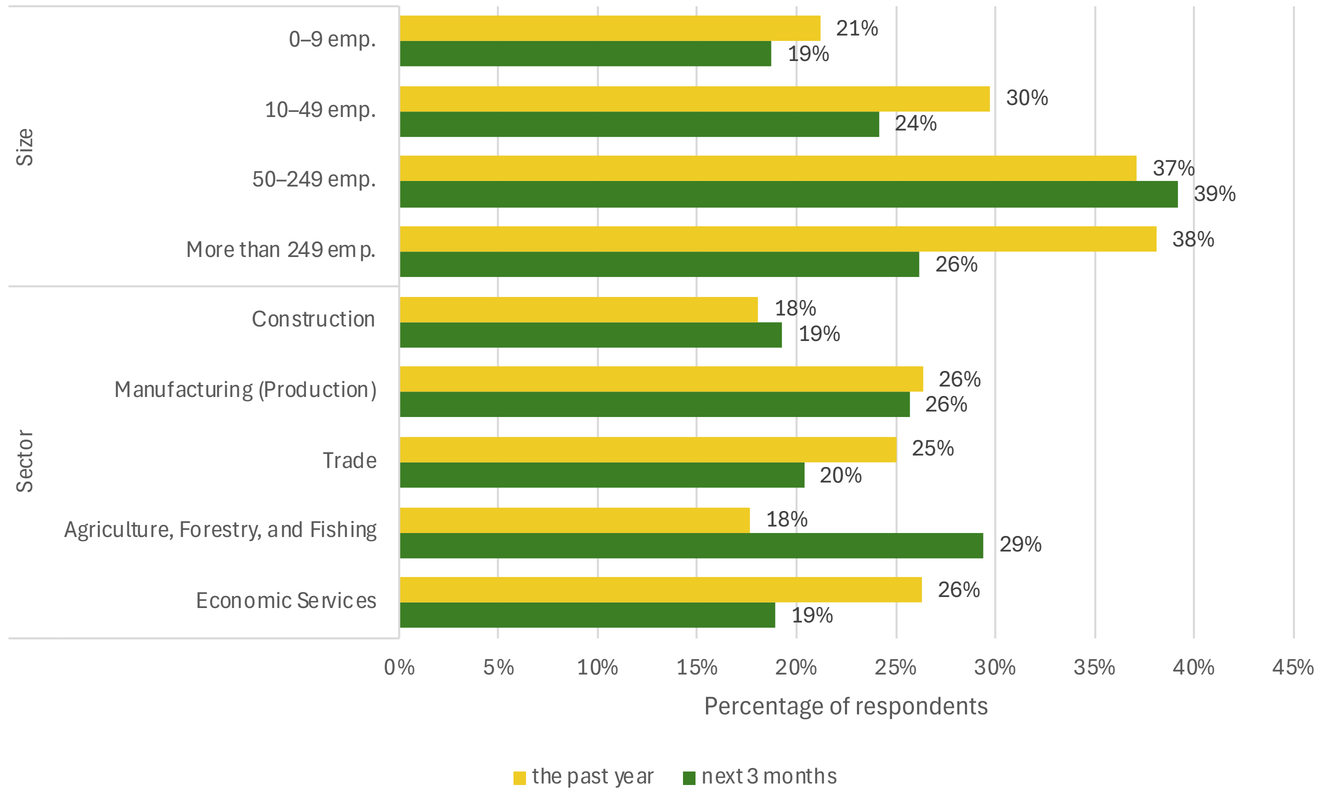
Future expectations are strongly influenced by the current situation in this case as well. Twenty-nine percent of companies with good profitability expect further improvement, while among companies in a satisfactory situation, this proportion is 10 percent. Among businesses with poor profitability, 48 percent expect stagnation, and 33 percent expect further deterioration. Optimism is thus concentrated primarily among businesses that are already operating successfully.

Larger companies generally reported a more favorable situation. Only 8 percent of microenterprises rated their profitability as good, compared with 15 percent of small businesses and 24 percent of medium-sized businesses. As company size increases, the proportion of companies with poor profitability also decreases. By sector, the manufacturing industry has the highest proportion of companies reporting good profitability, while in agriculture and trade, a particularly large number of companies rated their profitability as unfavorable.

ONE IN FOUR BUSINESSES IS PREPARING TO RAISE PRICES

Most businesses do not plan to make significant changes to their pricing in the short term. Sixty percent of respondents expect to maintain current prices, while 25 percent plan to raise prices over the next three months. The results indicate moderate but still noticeable corporate pricing pressure.

The intention to raise prices is primarily char-



acteristic of smaller businesses. Twenty-eight percent of microenterprises are preparing for higher prices, while the rate is 14 percent among medium-sized enterprises and only 10 percent among large companies. Smaller companies are presumably less able to offset rising costs through internal reserves or efficiency improvements, and therefore may be forced to pass them on more frequently.

By sector, the intention to raise prices is strongest in the retail sector: 38 percent of businesses operating in this sector expect their selling prices to rise. In the manufacturing sector, this figure stands at 18 percent, while in the construction sector and the business services sector, the figures are close to the national average.

Overall, the survey results show that a significant portion of domestic businesses continue to face weak demand and declining revenue. At the same time, expectations for the near future point toward stabilization rather than another general downturn. The outlook is particularly more favorable among medium-sized enterprises, while microenterprises remain more vulnerable in terms of both revenue and profitability. The proportion of companies planning to raise prices suggests that cost pressures have not subsided, but for now, most businesses are striving to keep prices stable.

Fig. 1
The percentage of businesses that were able to increase their revenue over the past year or that expect their revenue to grow in the next quarter, by size category and sector.

Source: Based on MNB-MKIK data, GVI

02

LABOR MARKET EXPECTATIONS

2026. JUNE

77

percent of companies do not plan to make any changes to their workforce over the next three months.

According to the MNB–MKIK business climate survey conducted in October 2025, the majority of Hungarian companies do not plan to make any significant changes to either their headcount or the average wage levels of their employees over the next three months. Overall, the results point to a stable yet subdued labor market situation: companies are primarily focused on retaining their existing workforce, while only a relatively small number plan to hire new employees.

Employment and wage decisions are a sensitive reflection of companies' economic situation and short-term outlook. Widespread stability therefore does not necessarily indicate a favorable economic climate. Rather, it suggests that businesses are planning cautiously in an uncertain economic environment and are adopting a wait-and-see strategy instead of making major changes to headcount or wages.

MOST COMPANIES ARE NOT CHANGING THEIR HEADCOUNT

Seventy-seven percent of businesses expect their number of employees to remain unchanged over the next three months. Thirteen percent plan to reduce their workforce, while only 6 percent plan to expand it. The proportion of companies likely to cut staff is thus more than twice that of businesses planning to hire.

Based on these results, no significant labor market recovery is expected in the short term. Amid overall stability in employment, a slight negative balance is observed, suggesting that corporate demand for labor may remain subdued. Most companies are retaining their current employees, but the business confidence and demand conditions necessary for headcount expansion are still limited.

Regional differences are relatively minor. In all regions, the most common expectation is that employment levels will remain unchanged. In Central Hungary, 79 percent of businesses expect headcount to remain flat, while this proportion is lowest in the Northern Great Plain, at 73 percent. The proportion of companies planning to reduce their workforce is highest in the Northern Great Plain, at 16 percent. In most regions, however, the proportion of companies planning to increase their workforce is only around 6 percent.

SIGNIFICANT SECTORAL DIFFERENCES

Employment plans vary more markedly by sector. Stability is strongest in the retail sector: 84 percent of companies operating here do not expect any change in their workforce. In economic services, this proportion is 79 percent, and in agriculture, 81 percent.

In contrast, 19 percent of businesses in both the manufacturing and construction sectors expect to reduce their workforce. These two sectors therefore show employment outlooks that are less favorable than the average. At the same time, the manufacturing sector also has the highest proportion of companies planning to increase their workforce, at 11 percent. This dichotomy within the sector suggests that while some companies are facing demand-side challenges or structural adjustments, other, more competitive or technologically advanced firms may be seeking additional workers.

In the construction industry, 7 percent expect to increase their workforce, while 19 percent anticipate a reduction. In the retail sector, only 3 percent plan to hire new employees, but the proportion of those considering layoffs is also relatively low, at 10 percent. The labor market strategy of retail businesses is therefore primarily characterized by maintaining current staffing levels.

MEDIUM-SIZED COMPANIES ARE MOST LIKELY TO PLAN FOR EXPANSION

Company size also significantly influences employment plans. Eighty-one percent of microenterprises employing up to nine people do not plan any change in headcount, and only 4 percent expect to expand. For these companies, this stability may stem in part from the fact that hiring or laying off even a single employee would represent a significant change.

Among small businesses with 10–49 employees, 71 percent expect headcount to remain unchanged, while 19 percent forecast a reduction and 8 percent anticipate growth. Among large companies with more than 250 employees, 19 percent also plan to reduce their workforce, while 12 percent expect to expand.

Expectations are least clear among medium-sized companies with 50–249 employees. In this group, 21 percent plan to increase their workforce, a figure that far exceeds the rates observed in other size categories. At the same time, 18 percent expect to reduce their workforce. Thus, among medium-sized enterprises, the desire for growth coexists with the need to adapt.

STAGNATION IS ALSO THE DOMINANT TREND WHEN IT COMES TO WAGES

In line with their employment plans, 70 percent of companies expect the average wage level of their employees to remain unchanged. Seventeen percent consider a wage increase likely, while 8 percent expect a wage decrease. The majority of companies, therefore, are not planning any significant wage adjustments; however, the proportion of companies planning wage increases exceeds that of companies expecting to expand their workforce.

A correlation can be observed between expected changes in wages and headcount. Companies planning to expand their workforce are generally more likely to plan wage increases, while among companies considering workforce reductions, expectations of wage stagnation or decreases are more common. This suggests that the two decisions are part of a common corporate strategy, which is primarily determined by the company's specific situation, opportunities, and business outlook.

Regionally, the proportion of companies planning wage increases is highest in Western Transdanubia, at 22 percent. This may be related to the region's strong industrial presence and more intense competition for skilled labor. In Northern Hungary, by contrast, only 15 percent expect wage increases, while 77 percent anticipate that wage levels will remain unchanged. The proportion of companies forecasting a wage decrease is highest in the Southern Great Plain, at 12 percent.

INTENTIONS TO RAISE WAGES ARE STRONGER AMONG MEDIUM-SIZED ENTERPRISES

By sector, expectations of wage increases are most common in the manufacturing industry: 22 percent of companies expect average wages to rise. In construction and business services, this figure is 15 percent each; in agriculture, 18 percent; and in retail, 17 percent. The situation in the construction sector is even less favorable from this perspective, as it has the highest proportion—13 percent—of companies expecting wage decreases.

The differences by company size are even more pronounced. Only 13 percent of microenterprises plan to raise wages, while 26 percent of small businesses with 10–49 employees and 31 percent of medium-sized businesses with 50–249 employees expect wages to rise. Among large companies, 17 percent plan to raise wages.

Medium-sized enterprises thus prove to be the most active group of companies not only in terms of employment but also in terms of wages. In contrast, among microenterprises, the status quo prevails in both areas, which may reflect the more limited financial flexibility and more cautious planning of smaller firms.

Overall, based on the survey, the labor market decisions of domestic companies are primarily characterized by a wait-and-see attitude in the short term. The vast majority of companies do not plan any changes in either headcount or wage levels, while the proportion of those expecting a reduction in employment exceeds that of those planning to expand it. The greatest willingness to expand is seen among medium-sized companies with 50–249 employees, while in the manufacturing sector, intentions to both reduce and expand headcount are observed simultaneously.

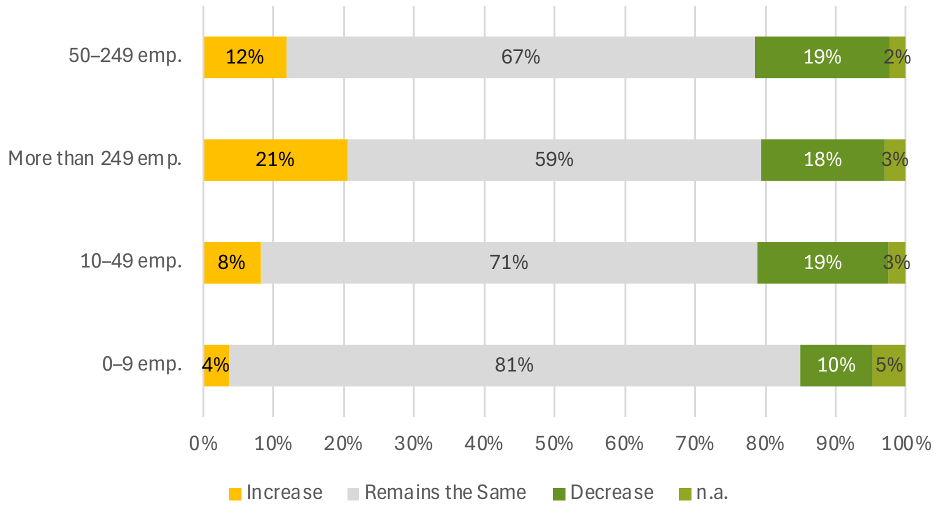


Fig. 2
Trends in the number of employees by company size category (based on a 3-month forecast).

Source: Based on MNB-MKIK data, GVI

03

INTERNATIONAL TRENDS

2026. JUNE

		Actual data	Expectations	Previous period*
Germany	Unemployment Rate	**6,3%**	6,3%	6,3%
	Manufacturing Purchasing Managers Index	**50,3**	50,3	50,1
	IFO Business Climate Index[1]	**85,6**	85,6	84,9
France	INSEE Business Climate Index[2]	**94**	94	94
EU	Economic Sentiment Indicator (ESI)[3]	**95,1**	94,1	93,7
USA	Unemployment Rate	**4,2%**	4,3%	4,3%
	CB Consumer Confidence Index	**91,2**	94,4	93,1
	Manufacturing Purchasing Managers Index	**53,9**	55,7	55,1
China	Manufacturing Purchasing Managers Index	**50,3**	50,1	50

[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

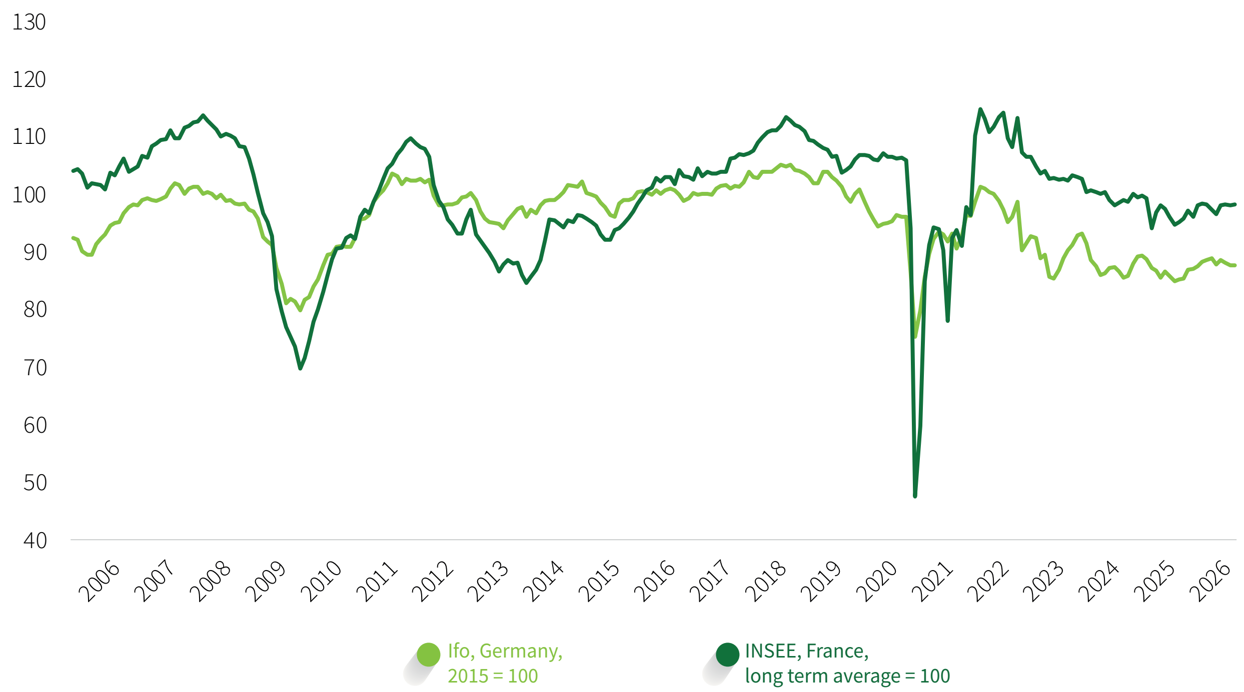


Fig. 3
Business confidence in Germany and France, based on the Ifo and INSEE business climate survey, January 2005 – June 2026

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

In June 2026, the global economic picture remained mixed: the U.S. manufacturing sector remained in expansionary territory, sentiment in Europe showed a slight improvement, and in China, manufacturing activity only marginally exceeded the level indicating stagnation. In Germany, the unemployment rate remained at 6.3%, indicating a stable but still tight labor market. The German manufacturing Purchasing Managers' Index (PMI) rose to 50.3 points from 50.1 in May, returning to expansionary territory. The IFO Business Climate Index also improved, rising to 85.6 points from 85.0 points the previous month, signaling a cautious improvement in sentiment.
In France, the INSEE business confidence index rose to 94 points from 93 in May, but remained below the long-term average of 100 points. The European Union's Economic Sentiment Index (ESI) rose to 95.1 points from 93.8 the previous month. While the improvement is noticeable, the index still indicates below-average economic sentiment.
In the United States, the unemployment rate fell to 4.2% from 4.3% in May, pointing to continued stability in the labor market. The Conference Board's Consumer Confidence Index rose to 91.2 points from 90.6 the previous month, but fell short of the 94.4-point forecast, meaning consumer sentiment remained cautious. The U.S. manufacturing Purchasing Managers' Index (PMI) moderated to 53.9 points from 55.1 the previous month, but continued to signal clear expansion.
In China, the official manufacturing PMI rose to 50.3 points from 50.0 in May. This indicates that China's manufacturing sector has returned to a range of mild expansion, although growth remains subdued and performance is only slightly above the threshold indicating stagnation.
Overall, expectations for July paint a cautious picture. In Germany, the unemployment rate is likely to remain essentially unchanged, while manufacturing activity may hover near the 50-point mark. In France and the European Union as a whole, only a moderate improvement in sentiment is likely. In the United States, the manufacturing sector may remain in expansionary territory but with slowing momentum, while in China, performance is expected to remain near stagnation.

CONTACT

MKIK GVI
1122 Budapest, Pethényi köz 10.
Tel: +36 30 367 4677
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, 2026., Budapest