



MONTHLY BULLETIN OF ECONOMIC TRENDS

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

- » The Q2 Business Climate Index
- » Fewer orders, spare capacity
- » International trends



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THE Q2 BUSINESS CLIMATE INDEX



2026. SEPTEMBER

Of the twenty areas surveyed, the outlook indicator is positive in sixteen, whilst the assessment of the current situation is negative in all of them.

The MNB–MKIK business survey for the second quarter of 2026 indicates a subdued assessment of the business situation, coupled with a more favourable outlook. Expectations are positive in most counties, but the overall business climate index shows significant variations by region, sector and company size. The results point to cautious expectations of improvement, whilst the assessment of the current situation remains unfavourable.

OVERVIEW

An ambivalent picture emerges from the assessment of the situation facing domestic businesses, based on the MNB–MKIK business survey for the second quarter of 2026: whilst the assessment of current business conditions is unfavourable, expectations for the coming period are positive in most regions. The overall business climate index therefore only partially reflects business sentiment on its own. Even behind the more favourable aggregate figures, there lies a cautious assessment of the current situation, which is offset by optimism regarding the future. The April survey comprises responses from 1,280 enterprises. The business climate index was calculated for non-agricultural enterprises employing fewer than 250 people, and the results were weighted to take account of the economic weight of the corporate groups. The index thus provides a picture of the situation and prospects of the domestic small and medium-sized enterprise sector.

SIGNIFICANT DIFFERENCES WITHIN THE COUNTRY

The overall economic indicator moved into positive territory in three regions: it stood at 2.65 in South Transdanubia, 2.15 in the Southern Great Plain, and 0.19 points in West Transdanubia. In other regions, negative values were recorded: –10.33 in the Northern Great Plain, in Central Hungary it stood at –12.64, in Northern Hungary at –15.43, and in Central Transdanubia at –15.52 points. Based on the regional results, therefore, the more favourable business sentiment is concentrated in a few areas, and even there it mostly remains close to neutral.

Broken down by county, the overall index is positive in nine areas. Békés County achieved the highest value at 8.50 points, followed by Győr-Moson-Sopron and Nógrád, with 5.51 and 5.49 points respectively. The indices for Baranya, Somogy, Jász-Nagykun-Szolnok, Bács-Kiskun, Csongrád-Csanád and Heves are also positive. At the other end of the scale is Borsod-Abaúj-Zemplén, with –29.25 points; Fejér County's score of –20.47 points and Budapest's score of –16.98 points also rank among the less favourable results. These regional differences indicate that significantly divergent corporate experiences and outlooks lie behind the overall national picture.

THE CURRENT SITUATION IS UNFAVOURABLE ACROSS ALL REGIONS

The sub-index measuring the current situation is negative in all counties and in Budapest. This index summarises, amongst other things, assessments of order books, capacity utilisation, turnover, investment and the business environment. The negative values suggest that the assessment of current operating conditions is subdued even in regions with a more favourable overall index.

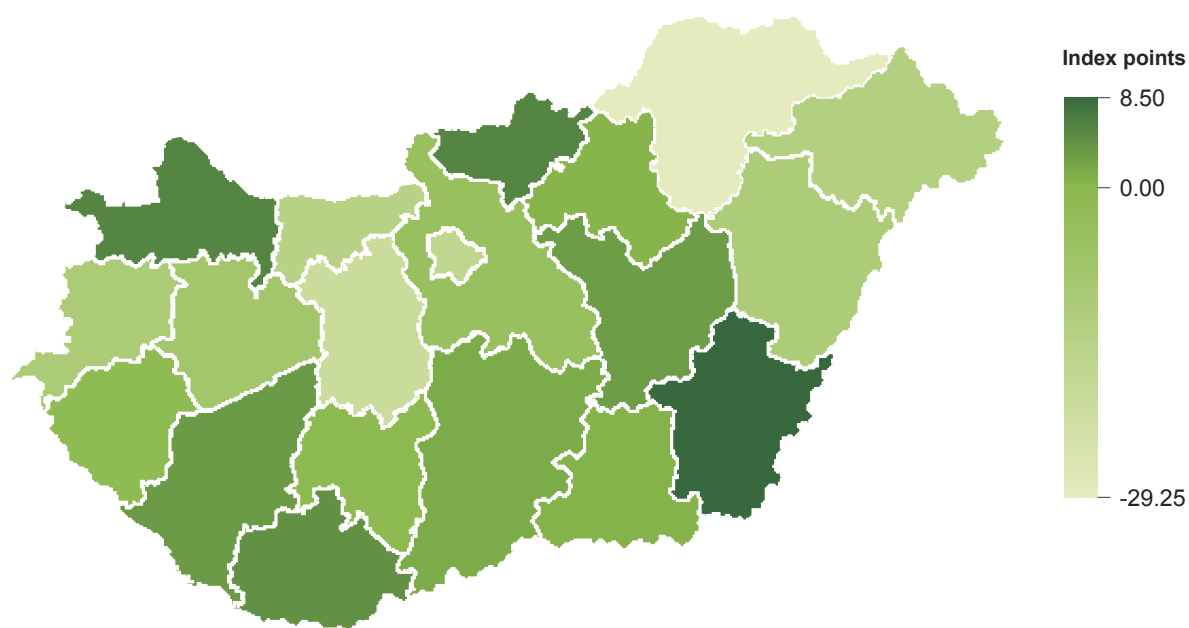
Nógrád and Baranya are closest to the neutral level, at –10.55 and –11.16 points respectively. In these counties too, the assessment of the situation is unfavourable, but to a lesser extent than in the rest of the country. The lowest value is recorded in Fejér, where the sub-index stands at –47.39 points. In Borsod-Abaúj-Zemplén, the figure is –41.63, and in Komárom-Esztergom, –40.23 points. The assessment of the current situation is therefore broadly negative, but the extent of this varies considerably from region to region.

THE OUTLOOK IS MORE POSITIVE

The outlook for the future is significantly more favourable: the expectations sub-index is positive in sixteen of the twenty regions surveyed. The highest value was recorded in Somogy, at 23.63 points, followed by Békés with 23.25 points and Jász-Nagykun-Szolnok with 22.95 points. The expectations indices for Tolna, Baranya, Zala and Győr-Moson-Sopron also exceed 20 points. In these regions, businesses anticipate a more favourable period ahead despite the current difficulties. The discrepancy between the current situation and expectations is particularly evident in Fejér and Komárom-Esztergom. Although their assessment of the current situation is among the most unfavourable, their expectations index is positive, at 7.68 and 13.46 points respectively. However, the favourable outlook is not universal. In Borsod-Abaúj-Zemplén it stands at –15.31, in Heves at –5.40, in Vas at –2.81, and in Budapest the expectations index stands at –0.62 points. The figure for the capital is close to the neutral level, whereas in Borsod-Abaúj-Zemplén the assessment of both the current situation and the outlook is decidedly unfavourable.

MNB–MKIK business confidence by county

Overall index • Q2 2026



THE SITUATION IN THE CONSTRUCTION SECTOR IS THE MOST SUBDUED

Among the sectors, the overall business climate index for economic services is closest to the neutral level, at –5.67 points. The index for trade stands at –8.70, that for manufacturing at –9.85 points, whilst the construction sector recorded a significantly lower figure of –22.67 points. The indicators for all sectors examined are negative; however, the construction sector presents a considerably more unfavourable overall picture than the other sectors.

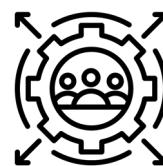
By company size, the situation is most favourable for small enterprises employing 10–49 people: their index stands at –4.62 points. The index for micro-enterprises is –9.70, whilst that for medium-sized enterprises with 50–249 employees is –14.53 points. Larger company size is therefore not associated with a more favourable assessment of economic conditions in this context. Based on the second-quarter results, a significant proportion of businesses perceive the outlook to be more favourable than their current situation. This can be interpreted as cautious expectations of improvement or stabilisation, but does not in itself signify an actual economic upturn. The key message of the survey is the coexistence of subdued current performance and more favourable expectations, alongside significant differences across regions and between corporate groups..

Fig. 1

Trends in the MNB-MKIK economic indicator, broken down by county.

Source: GVI, based on data from the MNB and MKIK

FEWER ORDERS, SPARE CAPACITY



2026. SEPTEMBER

41 per cent of businesses reported a decline in their order books, whilst only 17 per cent reported an increase.

According to the MNB–MKIK business survey for the second quarter of 2026, the proportion of businesses reporting a decline in order books – on both the customer and supplier sides – significantly exceeds the proportion reporting an increase. The situation is more favourable for companies employing at least 250 people; however, a decline in orders is particularly widespread in the construction sector. Capacity utilisation presents a mixed picture: 16 per cent of companies were operating at full capacity, whilst 12 per cent were utilising less than 40 per cent of their capacity.

OVERVIEW

Trends in companies' order books point to subdued demand and procurement activity, according to the MNB-MKIK business survey for the second quarter of 2026. On both the customer and supplier sides, significantly more respondents reported a decline than an increase compared with the same month of the previous year. However, the situation of companies varies considerably depending on their size, sector and location. Order books for large companies showed a more favourable trend, whilst in the construction sector, more than half of businesses experienced a decline on both sides.

A DECLINE IS THE PREVAILING TREND IN THE ORDER BOOK

41 per cent of businesses reported a lower volume of customer orders compared with the same month of the previous year. 37 per cent reported an unchanged volume, whilst 17 per cent reported an increase. The proportion of those experiencing a decline is thus more than double that of those reporting growth, which points to weak demand.

By company size, firms employing at least 250 people stand out from the other groups. Among them, 47 per cent reported an increase in customer order books, whilst 23 per cent reported a decrease. In contrast, among smaller firms, a decline was the most common response. The more favourable results of large firms are therefore not representative of the corporate sector as a whole. Among the sectors, the construction industry faces the most unfavourable situation: 55 per cent of firms reported a decline in their order books. In both the manufacturing sector and the trade sector, this proportion stood at around 44 per cent. In business services, an unchanged order book was the most common response, accounting for 43 per cent. Stability was even more pronounced in agriculture: 57 per cent reported an unchanged order book, whilst 26 per cent reported a decline.

Regionally, the decline in customer orders was most widespread in Central Transdanubia and Northern Hungary, at 47 per cent and 46 per cent respectively. Growth was reported most frequently in Southern Transdanubia, by 21 per cent of businesses; in both the Southern Great Plain and Western Transdanubia, 20 per cent reported an increase.

FEW BUSINESSES ARE ALSO REPORTING GROWTH

As regards suppliers' order books, the frequency of reports of no change and a decline was almost identical: 40 per cent of businesses reported no change, whilst 39 per cent reported a lower volume. Only 15 per cent reported an increase. Although the most common response was that volumes had remained unchanged, the proportion of those experiencing a decline significantly exceeded that of those reporting an increase. Among micro-enterprises, a decline was the most common outcome, at 41 per cent. For companies with 10–49 and 50–249 employees, stability was the dominant trend, at 40 per cent and 47 per cent respectively. Among companies employing at least 250 people, however, growth came to the fore: 39 per cent reported a higher volume of supplier orders, whilst 26 per cent reported a lower volume.

The construction sector again presented the most unfavourable picture in this area: 56 per cent of firms reported a decline. In the retail sector, 45 per cent experienced a decline, whilst in the manufacturing sector the figure was 40 per cent. In business services and agriculture, 'unchanged levels' was the most common response, at 47 per cent and 48 per cent respectively. Regionally, the highest proportion of firms reporting a decline were in Central Transdanubia and Northern Hungary, both at 44 per cent. Growth was most widespread in Western Transdanubia, where 20 per cent of companies reported expansion.

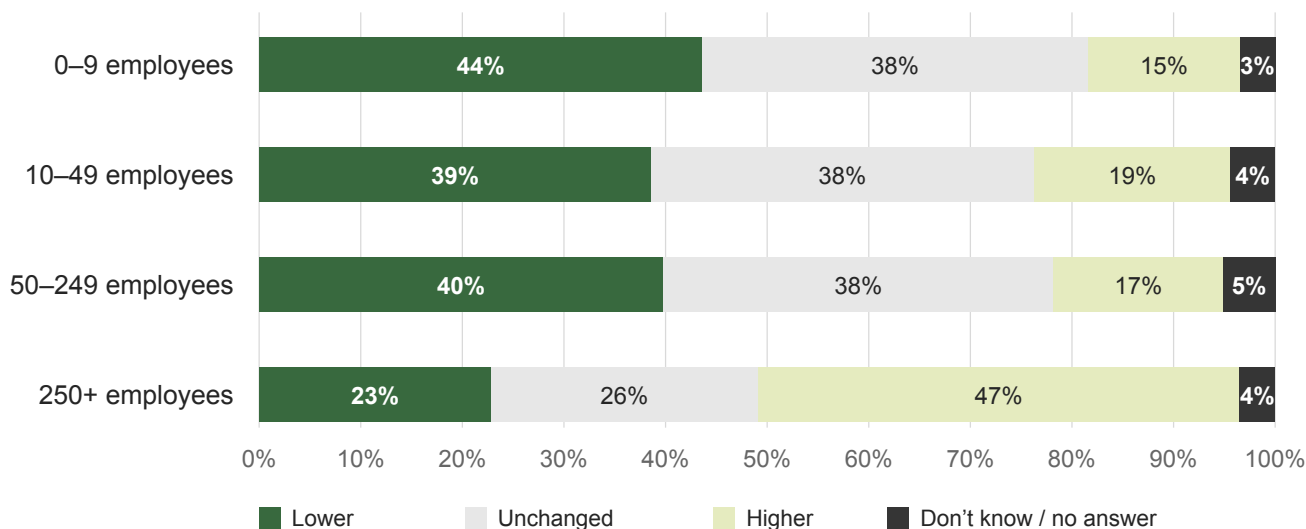
CAPACITY UTILISATION VARIES SIGNIFICANTLY BETWEEN CORPORATE GROUPS

In the month prior to the survey, 17 per cent of businesses were operating at 80–89 per cent capacity, whilst 16 per cent were operating at full capacity. A further 11% fell into the 90–99% category. Based on the reported, rounded figures, therefore, around 44% of firms utilised at least 80% of their capacity. At the same time, 12% reported utilisation below 40%, meaning that some firms still had significant spare capacity.

Capacity utilisation was more favourable among larger firms. One-third of companies with at least 250 employees reported a utilisation rate of 90–99 per cent. Among medium-sized enterprises with 50–249 employees, the 80–89 per cent category was the most common, accounting for 24 per cent of the total.

Changes in customer orders by company size

Compared with the same month of the previous year • Q2 2026



Among smaller enterprises, utilisation rates below 40 per cent were more common. By sector, full capacity utilisation was most prevalent in agriculture, at 22 per cent, although 17 per cent of firms in this sector reported rates below 40 per cent. In economic services, 19 per cent of firms operated at full capacity. In the manufacturing sector, the 70–79 per cent and 80–89 per cent categories each accounted for 18 per cent. In the construction sector, 18 per cent of businesses utilised less than 40 per cent of their capacity, whilst the most common category was 70–79 per cent utilisation, accounting for 19 per cent.

Capacity utilisation of at least 90 per cent was most prevalent in Western Transdanubia, where 38 per cent of enterprises fell into this category. In both the Southern Great Plain and Southern Transdanubia, the proportion was 33 per cent. Capacity utilisation below 40 per cent was most common in Northern Hungary, affecting 18 per cent of firms. The results for order books and capacity utilisation generally indicate differing operational situations. In large enterprises, more favourable order figures are accompanied by higher capacity utilisation, whilst in the construction sector, low utilisation is also significant alongside a widespread decline in orders. The results suggest that weak demand and available spare capacity

Fig. 2

Changes in the order book by company size.

Source: GVI, based on data from the MNB and MKIK

pose a particular challenge for certain groups of companies.

It is important to examine order books and capacity utilisation together because a fall in demand can affect businesses differently depending on the amount of spare capacity they have. For firms operating at low capacity utilisation, an increase in orders could, in theory, enable them to boost production or service volumes without the need for significant investment in capacity. However, the survey shows that growth in order books is currently limited to a relatively small group of businesses; consequently, the potential for better utilisation of existing capacity depends heavily on future trends in demand.



INTERNATIONAL TRENDS

2026. SEPTEMBER

		Actual data	Expectations	Previous period*
Germany	Unemployment Rate	6.4%	6.4%	6.5% ⁺
	Manufacturing Purchasing Managers Index	53.9	53.8	54.3
	IFO Business Climate Index ¹	89.9	89	88.8
France	INSEE Business Climate Index ²	96	98	98
EU	Economic Sentiment Indicator (ESI) ³	97.9	99	98.4
USA	Unemployment Rate	4.2%	4.1%	4.1%
	CB Consumer Confidence Index	81.9	89.2	88.6*
	Manufacturing Purchasing Managers' Index	54.5	55	54.6
China	Manufacturing Purchasing Managers' Index	50.1	50.1	49.8

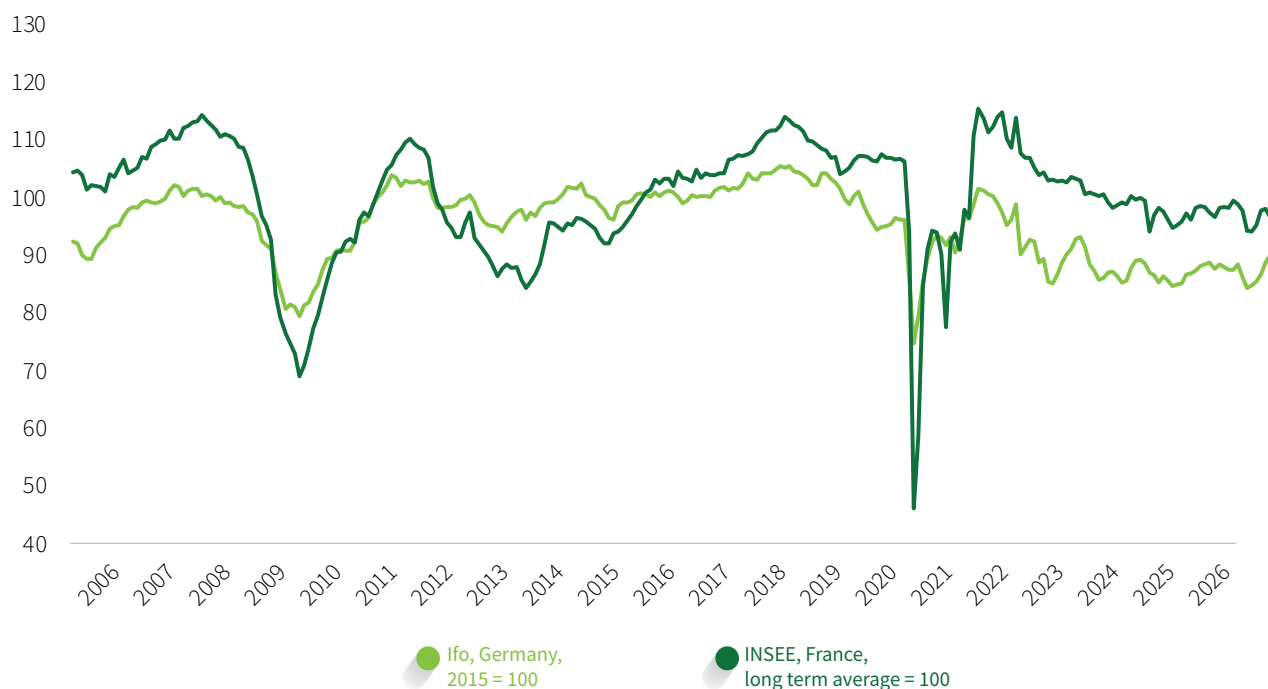
⁺ There is a discrepancy in the German unemployment rate figures for August: the official September release indicates a fall from 6.5 per cent to 6.4 per cent, whilst the Investing.com calendar shows a previous figure of 6.4 per cent. The table shows the previous figure as stated in the official release.

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

*Retrospective adjustment



In September 2026, the international economic picture was mixed: business confidence continued to improve in Germany, whilst economic sentiment deteriorated in France and across the eurozone as a whole. In the United States, consumer confidence weakened significantly, whilst the manufacturing sector continued to show signs of expansion. In China, industrial activity returned to a range indicating modest growth.

In Germany, the unemployment rate stood at 6.4 per cent. The manufacturing Purchasing Managers' Index (PMI) edged down from 54.3 points in August to 53.9 points, but exceeded the preliminary reading of 53.8 points and continued to signal expansion. Meanwhile, the Ifo Business Climate Index rose from 88.8 points to 89.9 points, exceeding the forecast of 89.0 points. Business confidence in the German economy thus continued to strengthen, despite a slight slowdown in the pace of industrial growth.

In France, the INSEE business confidence index fell from 98 points to 96 points, falling short of expectations of no change and the long-term average of 100 points. The eurozone's ESI economic sentiment index also declined, falling from 98.4 points to 97.9 points, whilst analysts had expected 99.0 points. The improvement in sentiment seen in previous months thus came to a halt in September.

In the United States, the unemployment rate rose from 4.1 per cent to 4.2 per cent, contrary to expectations of no change. The Conference Board's consumer confidence index plummeted from a revised 88.6 points in August

Fig. 3

Assessment of business confidence in Germany and France, based on the Ifo and INSEE business climate surveys, January 2005 – September 2026

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

to 81.9 points, falling significantly short of the expected 89.2 points. The ISM manufacturing purchasing managers' index, however, fell only slightly, from 54.6 points to 54.5 points. Although the figure was lower than the expected 55.0 points, it continued to signal expansion in the manufacturing sector. In China, the official manufacturing Purchasing Managers' Index rose from 49.8 points to 50.1 points, in line with expectations. The index once again crossed the 50-point threshold separating growth from contraction. This indicates a slight expansion in industrial activity, although the figure remained close to the neutral level.



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