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## **How Are Wages Expected to Develop in Hungary in 2024?**

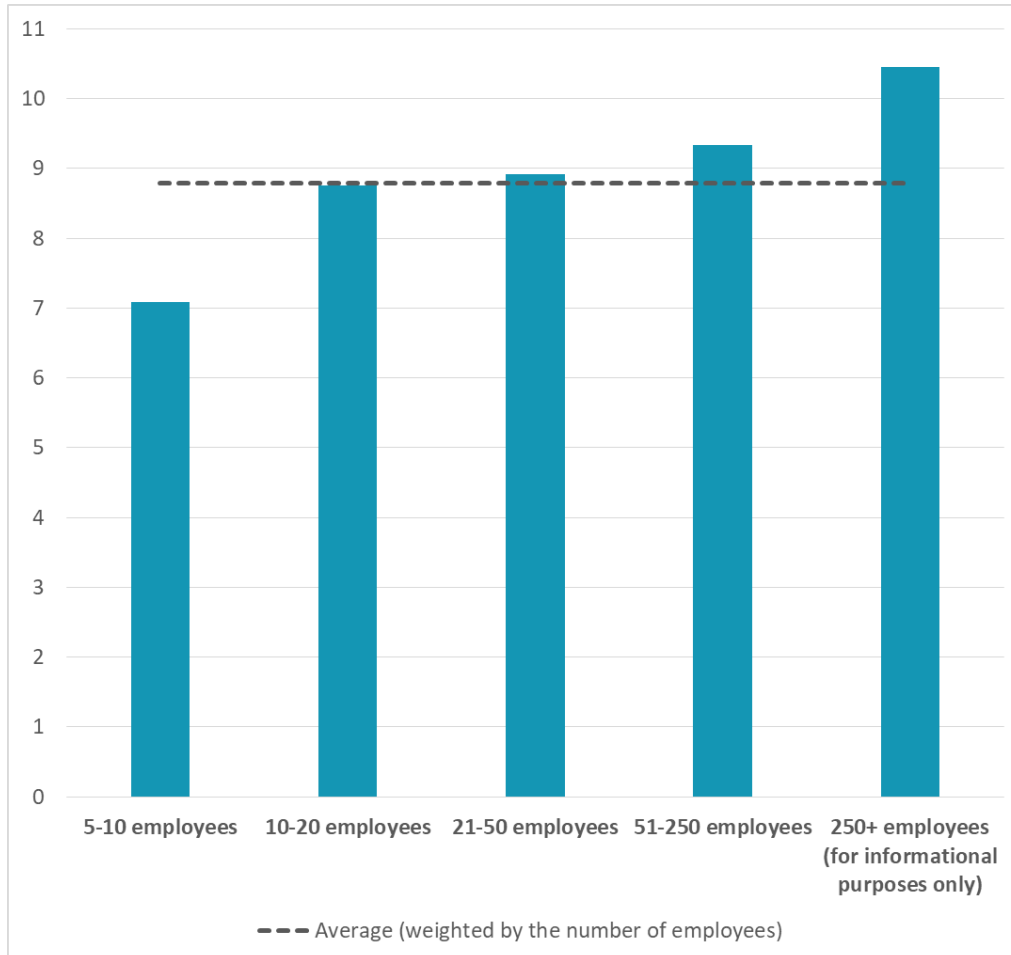
According to data from the Hungarian Central Statistical Office (KSH), the average gross salary in the corporate sector was 664,000 forints in May 2024. This represents a 13% increase compared to the same period in 2023. However, it's important to note that the median salary was significantly lower, around 506,000 forints.

Despite these figures, many employees do not feel that their wages have increased significantly in 2024. This perception is largely because much of the wage growth happened last year, resulting in high year-over-year comparisons. This is illustrated by the fact that, compared to November 2023 (excluding the December bonus effect), wages increased by only 6.2% by May 2024.

### **Can we expect further wage increases this year?**

A recent survey by GKI Economic Research Co. involved 1,033 Hungarian companies with more than five employees, asking about their wage increase intentions for 2024. The survey results suggest that wages in the competitive sector could rise by an average of 8.8% this year, which would result in significant real wage growth, given an inflation rate of around 4.5%. The intentions to raise wages vary significantly depending on the size of the companies. Businesses with 5-10 employees plan to increase wages by just over 7% on average, while companies with 11-50 employees align with the overall average. Meanwhile, mid-sized companies with 51-250 employees anticipate a higher increase of 9.3%. Larger, financially stronger companies are better positioned to afford higher wage increases, giving them a competitive edge in the battle for talent.

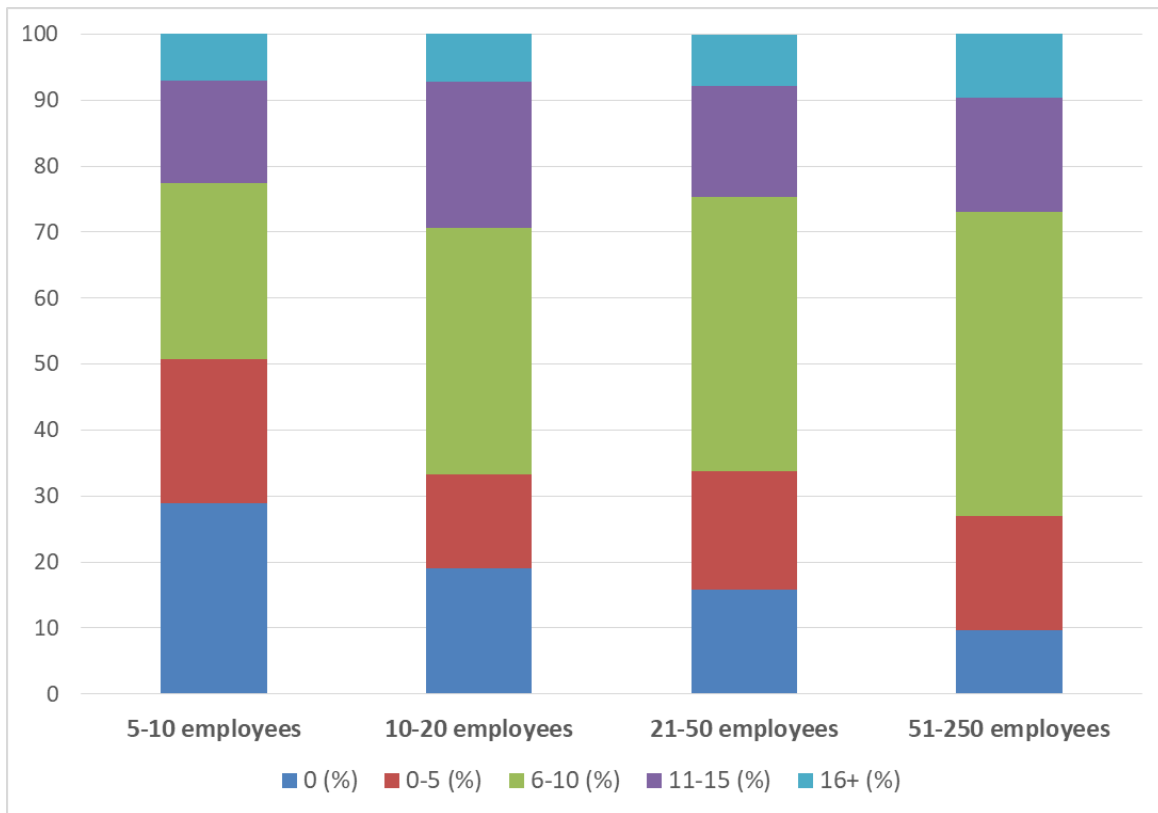
### Percentage of Gross Wage Increase Intentions for 2024 Among Hungarian Companies by Number of Employees



Source: GKI, 2024

Notably, nearly 30% of companies with 5-10 employees do not plan to raise wages at all, whereas 90% of mid-sized companies are certain to increase their employees' pay. Additionally, larger companies typically plan higher wage increases than smaller ones: 19% of companies with 51-250 employees that intend to raise wages plan increases of less than 5%, compared to 30% of companies with 5-10 employees planning a 0-5% increase. While company size influences wage increase intentions, there are also significant differences within the same employee size categories.

### Gross Wage Increase Intentions for 2024 Among Hungarian Companies by Number of Employees (Percentage Breakdown)

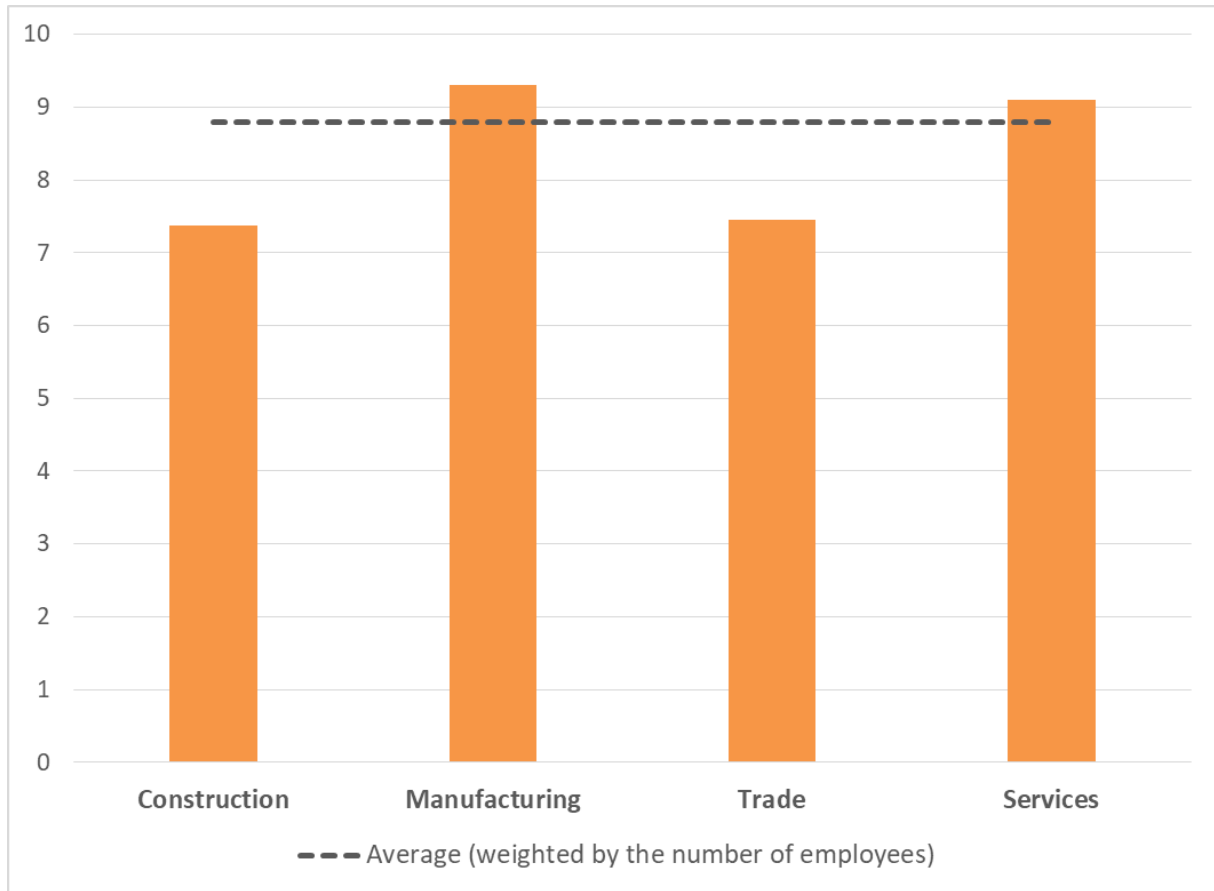


Source: GKI, 2024

Wage increase possibilities also vary by sector, influenced partly by the average company size and partly by differing sectoral economic conditions. The smallest wage increases are expected in the trade and construction sectors, where companies plan only a 7.4% increase. Although the domestic manufacturing sector is struggling, the larger average company size in this sector allows for more significant wage increases, with a 9.3% rise expected. In the currently strong-performing service sector, employees can also anticipate above-average wage increases of 9.1%.



### Sectoral Gross Wage Increase Intentions for 2024 Among Hungarian Companies



Source: GKI, 2024