Snap | 16 October 2026 HUNGARY

Hungarian wage growth shifts back into higher gear

Hungarian wage growth surprised to the upside in August, marking a second consecutive month of acceleration. One-off effects may have played a role. Despite the still-tight labour market, we expect wage growth to slow, especially as next year's minimum wage increase is likely to be more restrained



Hungarian wage growth accelerated for a second consecutive month in August, beating expectations

8.4%

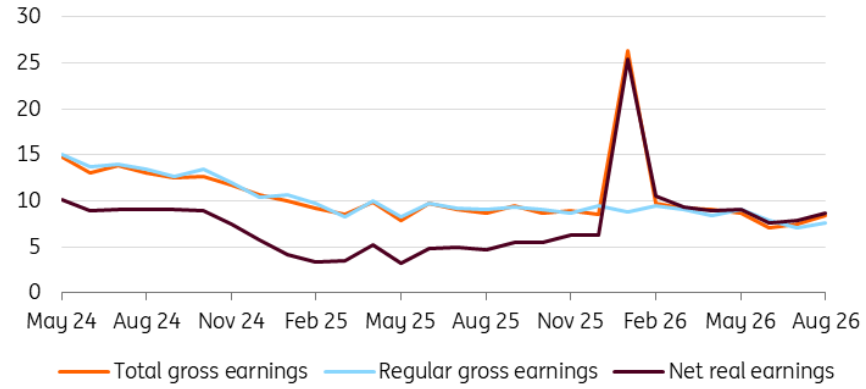
Average wage growth (Aug)

ING Forecast 7.2% / Previous 7.5%

The latest wage statistics from the Hungarian Central Statistical Office (HCSO) delivered a significant positive surprise. Average gross wages rose by 8.4% year-on-year in August 2026, marking a renewed acceleration compared with the previous month. This was the second consecutive month in which wage growth picked up. Net earnings continued to rise at an even faster pace, returning to double-digit growth in August. This was primarily attributable to this year's changes in the family tax allowance and tax benefits available to mothers.

Median earnings increased at a pace close to, but slightly above, the minimum wage increase. This may indicate that wage compression persists, particularly in the bottom three income quintiles, which companies have been trying to address.

Nominal and real wage growth (% YoY)

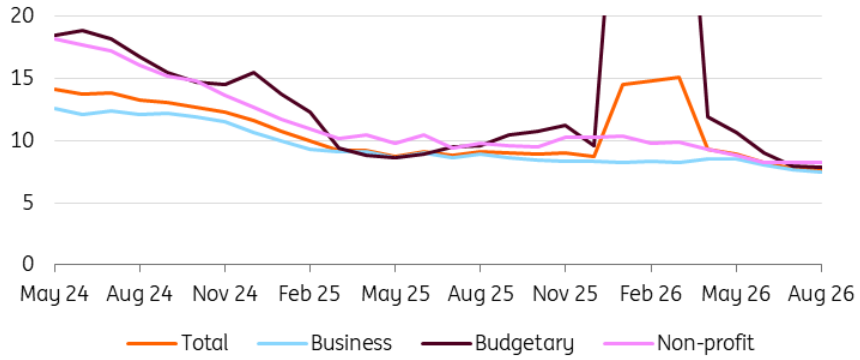


Source: HCSO, ING

Purchasing power continues to expand dynamically. Against the backdrop of low inflation and still-robust wage growth, net real earnings increased by 8.6% YoY in August. In light of this, weak retail sales in August are even more surprising. The latest wage data reinforce the view that retail activity may have been held back partly by one-off factors, such as the heatwave and rising fuel prices. At the same time, households are likely to be shifting their spending towards services or upscaling the quality of purchased goods. Against this backdrop, we expect consumption growth to remain dynamic in the third quarter.

Looking at the major sectors, broadly similar trends can be observed. Wage growth ranged between 8.1% and 9.2% in the business, budgetary and non-profit sectors, representing an acceleration compared with previous months in each case. Wages increased at the fastest pace in the public sector in August, which also recorded the most pronounced acceleration from the previous month. Within the sector, wage adjustments in education and public administration played the most important role. In the private sector, above-average wage growth was recorded in the relatively small mining and energy sectors, as well as in logistics. By contrast, agriculture and the financial sector lagged the average more noticeably.

Wage dynamics (3-month moving average, % YoY)



Source: HCSO, ING

The 11% and 7% increases in the minimum wage and guaranteed minimum wage in January have clearly been key drivers of annual wage dynamics in 2026. The Hungarian labour market also remains tight despite the slight increase in the unemployment rate. Some companies are still hoarding labour, a strategy that may increasingly pay off as the economic outlook improves. Meanwhile, demographic trends are already putting structural pressure on labour supply, pushing wages higher even in the short term.

One possible explanation for the renewed acceleration in wage growth is improving business confidence and expectations of an economic recovery. However, the sectoral breakdown also suggests that one-off factors may have contributed to the stronger August figure. Extra overtime related to the workload caused by the summer heatwaves and the situation at the Paks nuclear power plant could have boosted some wage payments. This interpretation may also be supported by the fact that growth in regular earnings fell well short of overall average wage growth, which also includes one-off payments.

The latest August data did not alter our overall outlook. We therefore continue to expect annual average wage growth of around 9-10% in 2026, with the outcome likely to be closer to the upper end of this range. It is probably only a matter of weeks, or even days, before meaningful information emerges about next year's minimum wage increase. The three-year wage agreement currently in force clearly requires revision. In light of the planned changes to personal income taxation next year, we would not be surprised if the gross minimum wage increased at a much more moderate, low-single-digit pace than in recent years.

Author

Peter Virovacz
Chief Economist, Hungary
peter.virovacz@ing.com

Zoltán Homolya
Economic research trainee
zoltan.homolya@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("**ING**") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.