



HUNGARY

State of Play – Winter 2017



MACROECONOMIC SITUATION

No Imbalances (no In-Depth Review)

- Solid economic performance, external balances strengthen further
- Lending to households shows signs of recovery despite a relatively high share of non-performing loans
- Labour market improving significantly, poverty has declined but remains high, in particular among children and Roma



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Some progress

- in reducing the tax wedge for low-income earners
- in facilitating transition from public works scheme to primary labour market and reinforcing other active labour market policies

Limited progress

- in reducing sector-specific taxes, in public procurement, social and education policies

No progress

- on the regulatory environment



FISCAL SITUATION

- No excessive deficit
- Public debt above the 60% of GDP reference value, but declining



POLICY HIGHLIGHTS

- Mandatory use of the online cash registers in retail reduces grey economy
- State Aid Monitor Office was set up to ensure compliance with state aid rules in public administration; offers a "one voice" channel of communication with European Commission

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>