



MINISTRY OF FINANCE
STATE SECRETARY FOR MACROECONOMICS AND INTERNATIONAL AFFAIRS

Mr Maarten Verwey
Director General
Directorate for Economic and Financial Affairs
European Commission

B-1049 Brussels, Belgium
Rue de la Loi 170/ Wetstraat 170

20 December 2024

Subject: Revised net expenditure path related to the Hungarian medium-term fiscal-structural plan 2025-2028

Dear Mr Verwey,

Hereby I would like to inform you that in light of the technical meetings held with the European Commission services in the course of November and December, and after internal discussions in the Ministry of Finance, Hungary intends to adjust the growth rate of the net primary expenditure as follows.

The updated net expenditure path was calculated, in line with the methodology underlying the European Commission's prior guidance, on the basis of the Autumn 2024 Economic Forecast and was adjusted in line with the most recent information available on budgetary position that projects a deficit of 4.9% of GDP for 2024 and a 4.6% growth of the net expenditure in 2024. Furthermore, the impact of the 3-year wage agreement signed on 25 November 2024 was taken into account, yielding a 3.5% GDP deflator in 2026. We are also sharing the full set of revised assumptions that replace the ones originally submitted.

The adjusted net primary expenditure path averages 4.0% growth for the period 2025-2028 and is included below in an annual breakdown:

	2025	2026	2027	2028
Net nationally financed primary expenditure growth	4.3%	4.0%	3.9%	3.7%

Accordingly, in procedural terms we would like this to be considered as an Addendum to the original medium-term fiscal-structural plan, submitted by Hungary to the European Commission on 4th November 2024.

We remain committed to accomplish the ultimate objective of ensuring fiscal sustainability and prosperity across the EU through a solid and transparent economic governance framework.

Yours sincerely,

Tibor Tóth

