



MONTHLY BULLETIN OF ECONOMIC TRENDS

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

- » Rehabilitation employment in Hungary
- » Shuttles
- » International trends



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REHABILITATION EMPLOYMENT IN HUNGARY



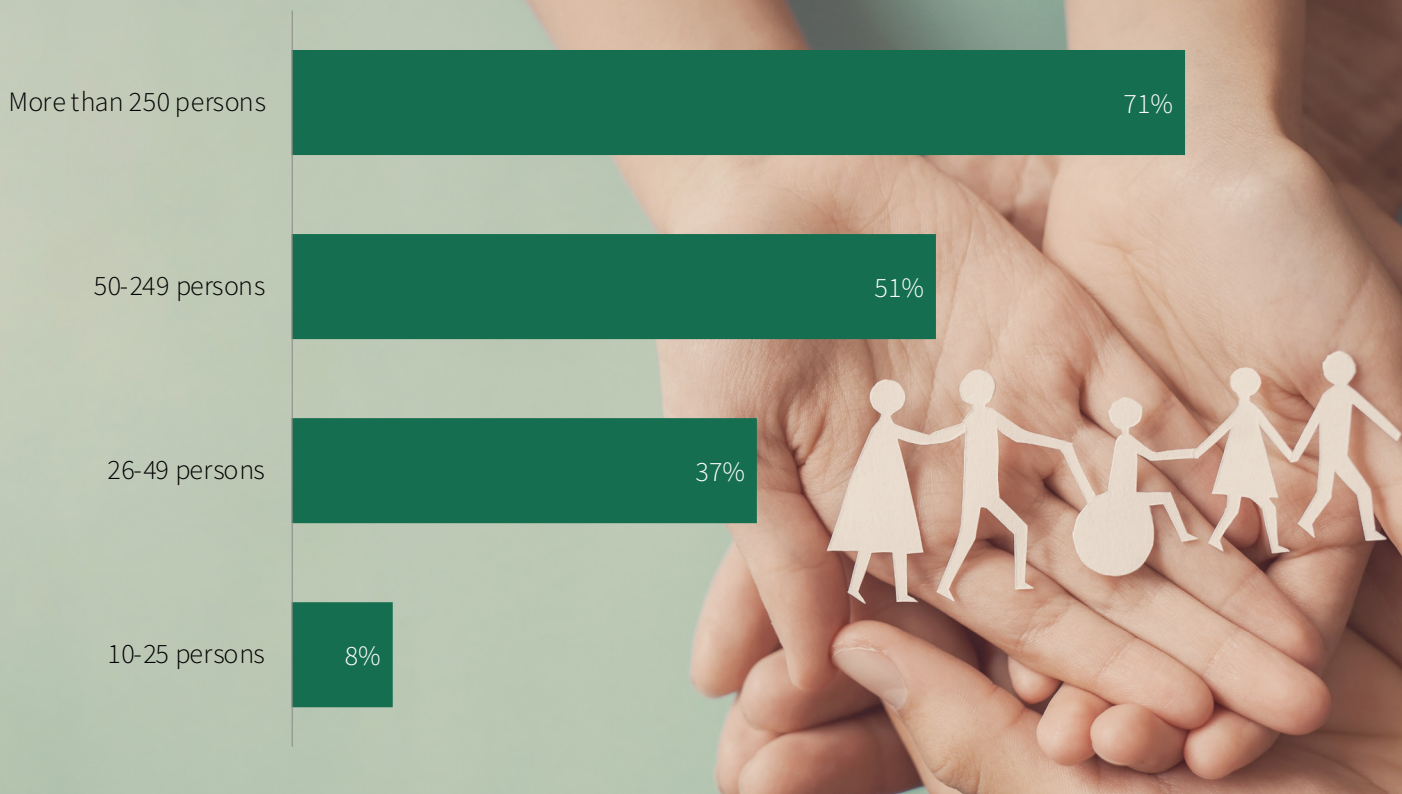
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21%
of companies
employs
at least one
disabled person

The Institute for Economic and Enterprise Research (GVI), as part of its "Short Term Labor Market Forecast" research, a total of 4,661 domestic businesses in autumn 2024 reported on their situation whether they employ reduced capacity workers (RCW), and, if so, what factors support them in doing so, and what incentives would encourage them to employ more reduced capacity workers.

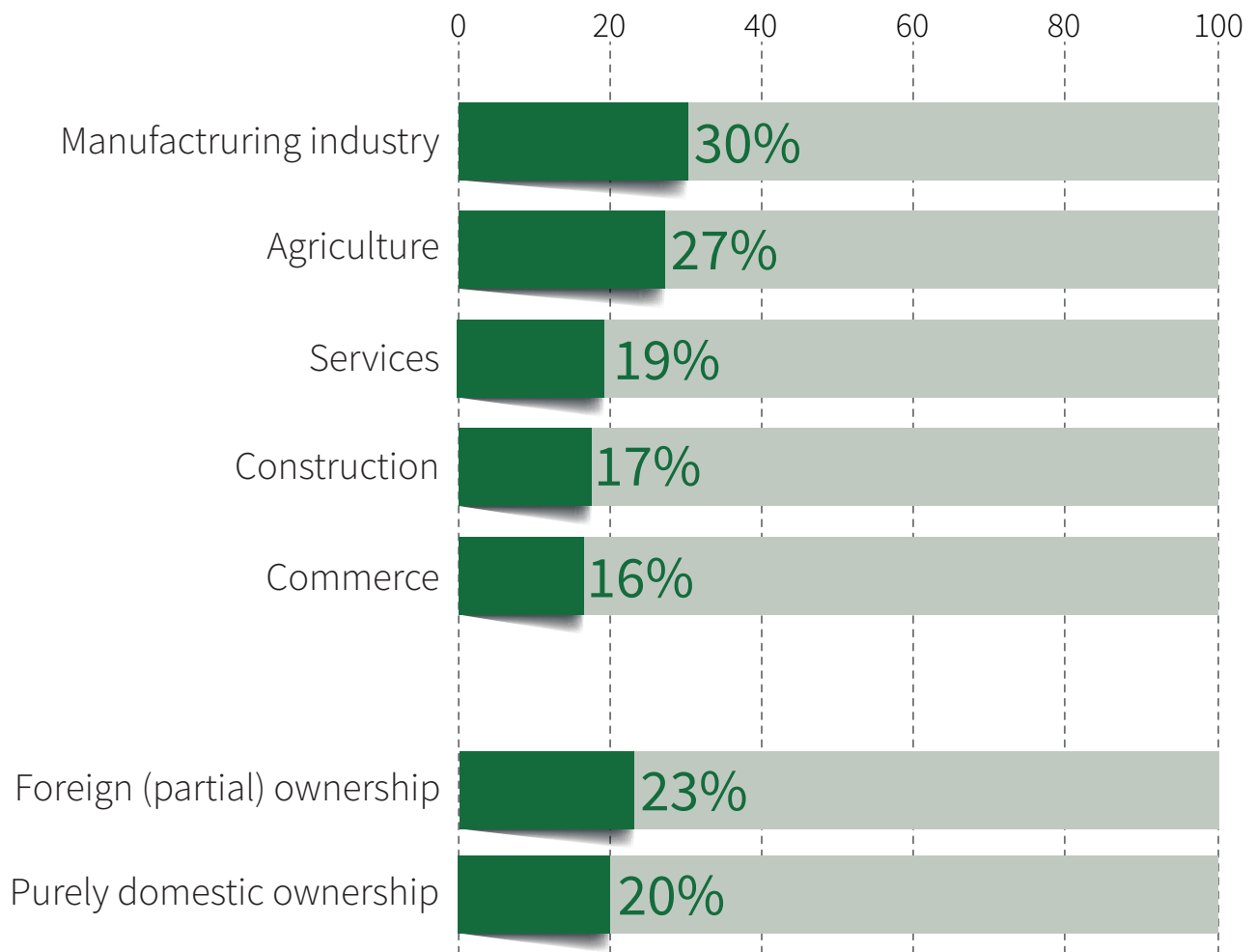
Just under a fifth of firms (21%) employ at least one person with a RCW, and this proportion is highly dependent on the size of the company. While this proportion is only 8% for firms with 10-25 employees, i.e. those that are exempt from paying the rehabilitation contribution, it rises to 37% for firms with 26-49 employees, 51% for firms with 50-249 employees and 71% for large firms with more than 250 employees, i.e. the likelihood of employing persons with MSDs increases with the number of employees. When looking at the data by economic sector, there is also a significant difference. At the enterprise level, rehabilitation employment is most prevalent in manufacturing and agriculture (30 and 27 per cent respectively), followed by services (19 per cent), construction (17 per cent) and trade (16 per cent).

By ownership structure, it is clear that, again at the firm level, foreign (partly) owned firms are slightly more likely to be involved in rehabilitation employment than purely domestic firms, but this can also be explained by structural reasons, as foreign (partly) owned firms tend to have larger.



For firms with 10-25 employees - i.e. firms that are exempt from paying the rehabilitation contribution - the rate is only 8 percent.





We estimate that only 1.2 percent of those employed in competitive (and non-accredited) firms with 10 or more employees have a disability. This is a significantly lower proportion than the number of people with a disability - nearly 500,000 according to the KSH, now almost five years old - but a significant proportion of them are currently economically inactive. The labour market reserve of rehabilitation employment is shown by the fact that in 2023, based on the revenue from the rehabilitation contribution to the central budget (about 164 billion HUF) - in the same year the contribution amounted to 2,088,000 HUF/person/year - 78.5 thousand RCW workers were still missing to reach the mandatory employment level required for enterprises.

Fig. 1
 Employment rate of disabled workers by economic sector and ownership structure at enterprise level,
 %

Source: GVI 2025



Fig. 2

Factors motivating employment of workers with reduced working capacity, %

Source: GVI 2025

Firms that self-declare that they employ RCW workers were asked what factors play an important role in this. Social responsibility was cited as an important motivating factor by 67%, exemption from paying rehabilitation contributions (for firms with more than 25 employees) by 61% and the use of social contribution tax credits by 57%. Improving organisational culture (51%) was cited by around half of firms, while reducing labour shortages (43%) and existing atypical forms of employment (42%) were cited by slightly less than half. The least important factors were participation in information and awareness training on the employment of RCW workers (22 per cent) and personal involvement (e.g. illness of a family member, relevant professional study) (15 per cent).

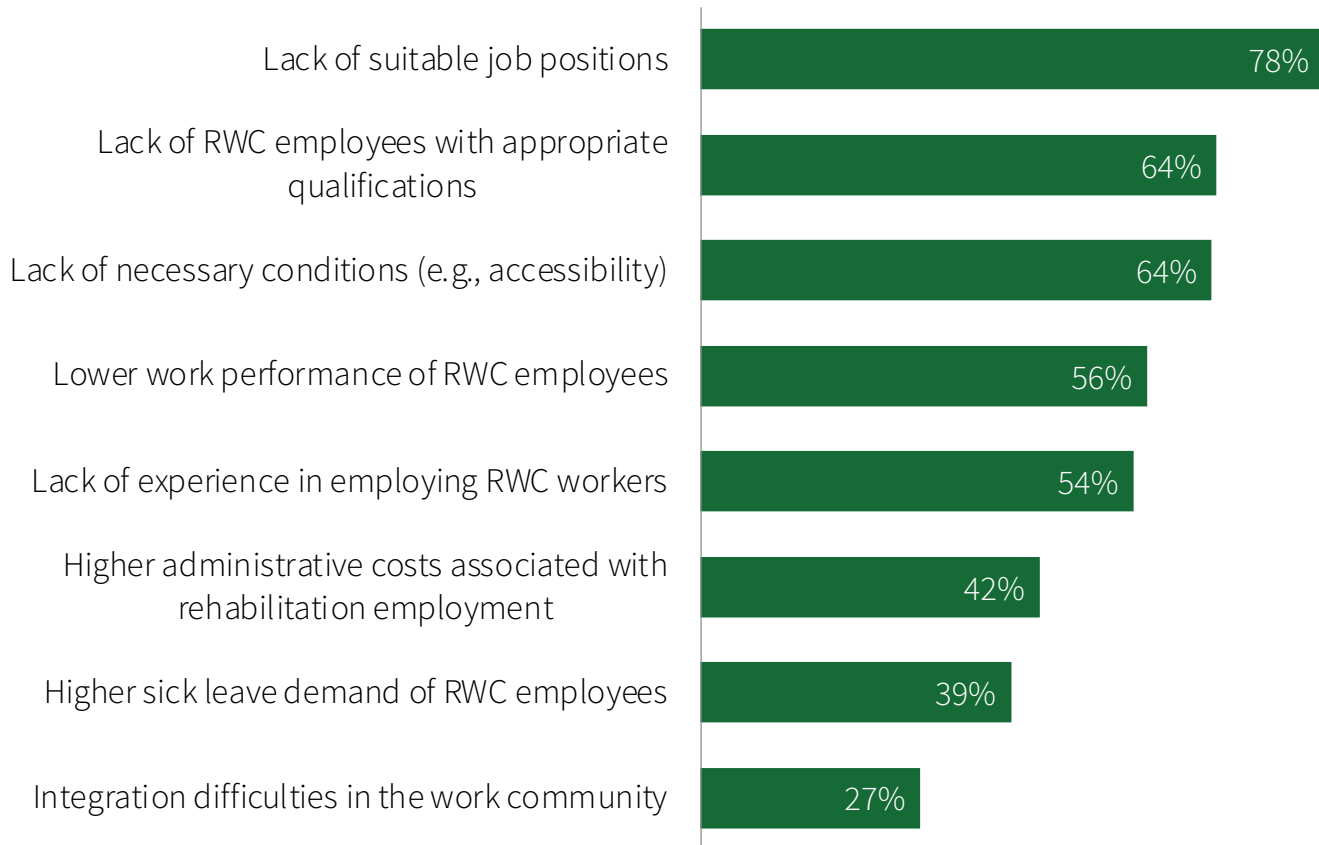


Fig. 3

Barriers to the employment of workers with reduced working capacity, %

Source: GVI 2025

Businesses that do not employ RCW workers were asked in autumn 2022 about the reasons for this. At that time, more than three quarters of firms (78 percent) cited the lack of suitable jobs as a reason, and around two thirds (64-64 percent) believe that the necessary conditions for rehabilitation employment (e.g. accessibility, mentors) and the right skills for RCW workers are lacking. Slightly more than half of firms (56 percent) thought that they had lower work performance of RCW workers, but a similar proportion (54 percent) reported that they lacked experience in rehabilitation employment. It should be noted that agricultural firms were significantly less likely to cite all factors compared to other sectors.

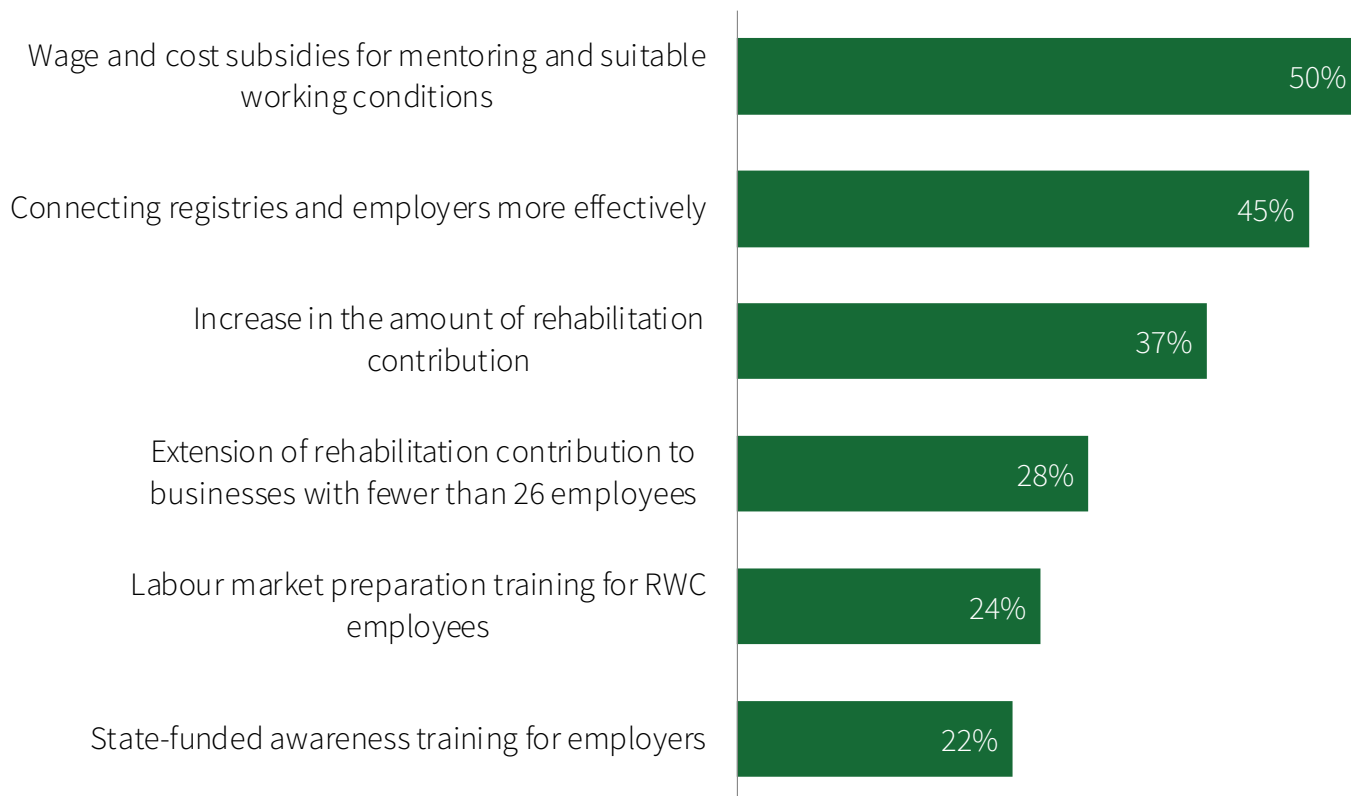


Fig. 4

Factors contributing to the future employment of workers with reduced working capacity, %

Source: GVI 2025

In the autumn 2024 survey, we examined a full sample of businesses to find out which measures they think would help them to employ more RCW workers than they currently do. Increasing the tax benefit for rehabilitation employment was the most frequently mentioned (55%), followed by wage and cost support for mentoring and appropriate working conditions (50%), and thirdly, better linking of organisations registering MMD workers with employers (45%). An increase in the amount of the rehabilitation contribution is seen as an incentive by around 37 per cent of firms (over 25 employees), while an extension of the contribution to firms with fewer than 26 employees is seen as an incentive by 28 per cent of firms (under 26 employees). Labour market preparation training for RCW workers would be considered a significant help by just under a third (30 per cent) of enterprises, while less than a quarter (22 per cent) would consider state-subsidised sensitivity training a significant help.

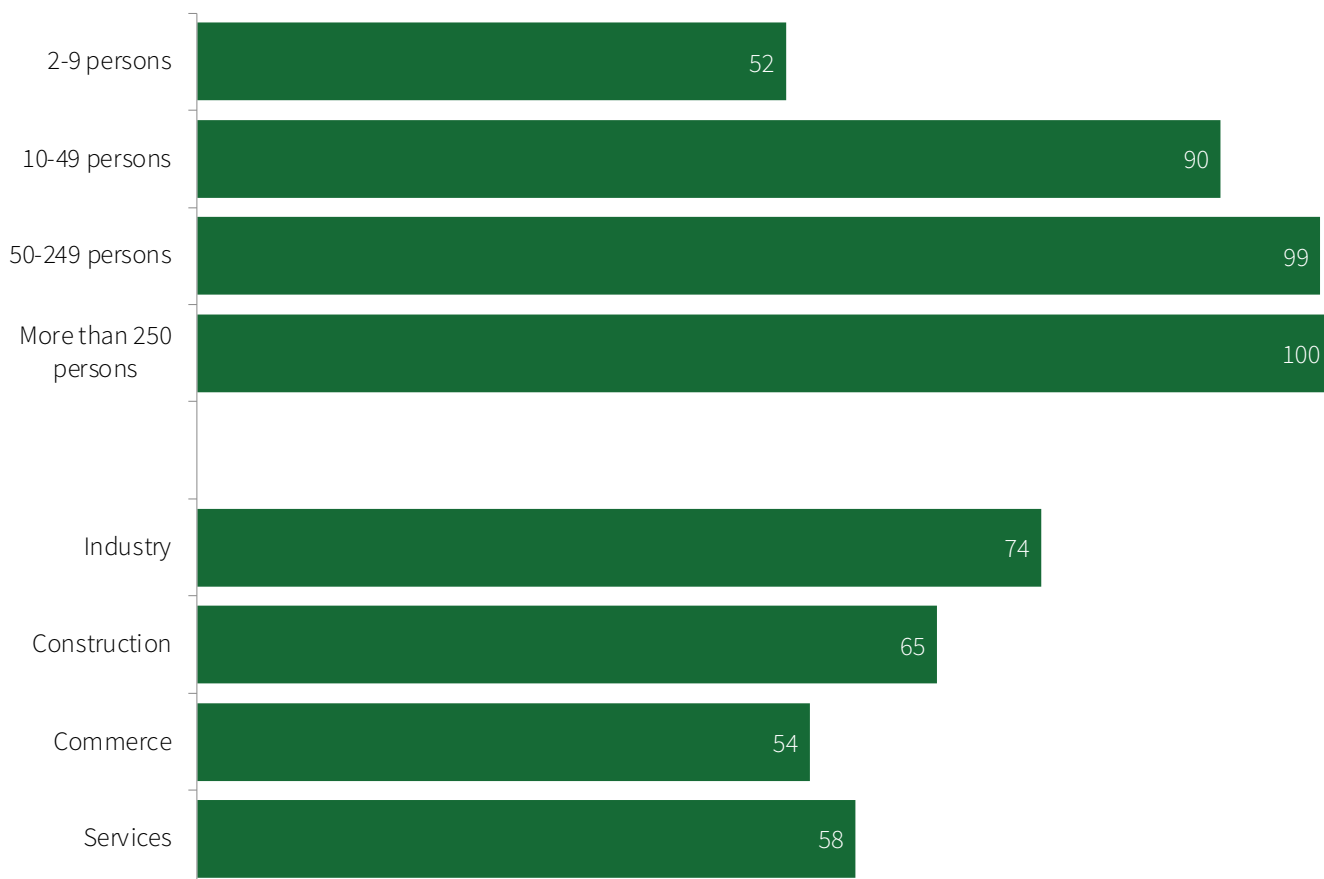
SUPPORT FOR COMMUTERS AND LOCAL WORKFORCE



JANUARY 2025

60%
of companies employ
commuter workers

During its October 2024 Business Climate Survey, the Institute for Economic and Enterprise Research of the Hungarian Chamber of Commerce and Industry investigated how businesses employing at least two people support their employees who live in settlements away from their workplace, along with their local workforce. The research involved 2,102 domestic enterprises, and the results can be considered representative in terms of company distribution across economic sectors and size categories.



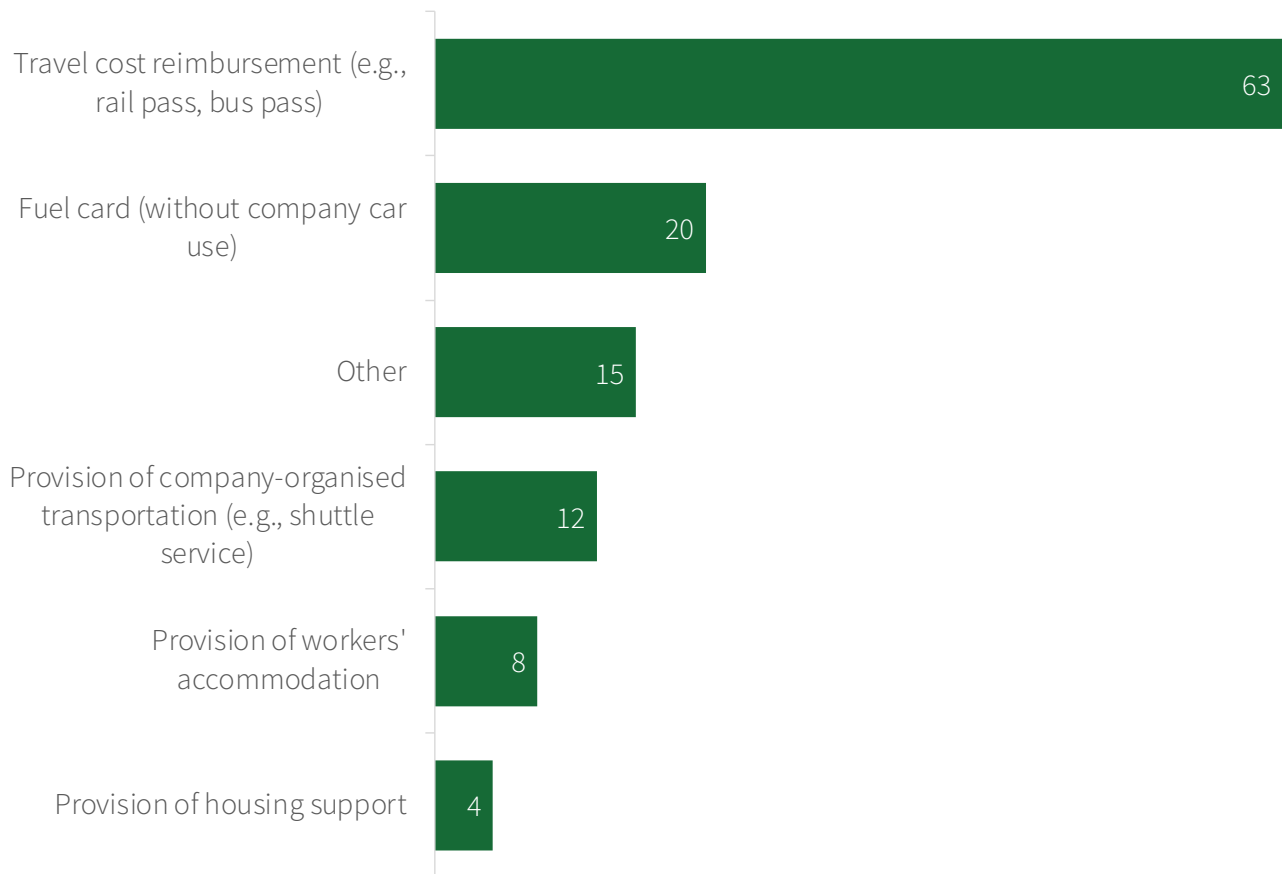
Results indicate that 60% of companies employ commuting workers, while significant differences appear based on company size and sector. At smaller enterprises with 2-9 employees, this proportion is 52 percent, while at companies with 10-49 employees it reaches 90 percent, and at companies with more than 50 employees, the employment of commuters is present almost universally. For industrial businesses, the proportion of those employing commuting workers is 74 percent. In the construction industry this value is 65 percent, in the services sector 58 percent, and in commerce 54 percent.

Among partially or predominantly exporting businesses, the employment of commuters is more common (77-78 percent) than among those producing exclusively for the domestic market (55 percent). Similar differences can be observed based on ownership structure: 100 percent of companies with foreign (partial) ownership employ commuters, while this proportion is 59 percent among purely domestically owned companies.

Fig. 5

Proportion of companies employing commuting workers by category and economic sector
%

Source: GVI 2025



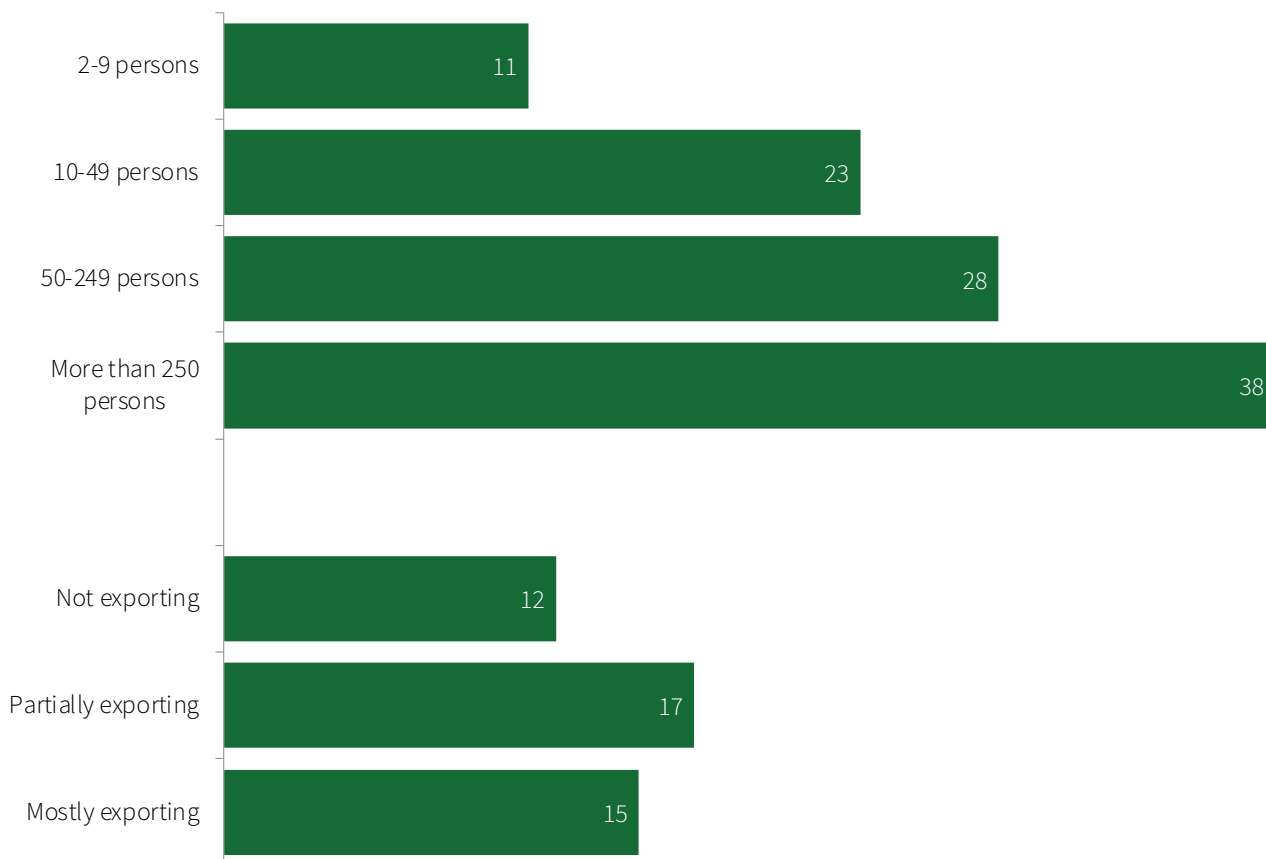
The most commonly used tool for supporting commuters is reimbursement for travel expenses, which is provided by 63 percent of companies. Fuel cards without company car usage are employed by 20 percent, while organised transportation is used by 12 percent. Worker hostels and housing subsidies are much rarer, with the former mentioned by 8 percent and the latter by only 4 percent. Larger companies utilise these forms of support at a significantly higher rate. For example, travel cost reimbursement is characteristic of 94 percent of companies with more than 50 employees, while among the smallest companies this is only 54 percent.

Support for local employees is less common than for commuters. Only 14 percent of companies reimburse local public transportation passes, while 12 percent encourage cycling to work. Other forms of support, such as providing company cars or community car-sharing, also occur at low rates. Larger companies are more active in this area as well: 38 percent of those employing more than 250 people reimburse local transportation, while for the smallest companies this proportion is 11 percent.

Fig. 6

Proportion of companies using support measures for commuting workers
%

Source: GVI 2025



The analysis pinpoints that the distribution of support tools is fundamentally determined by company size, extent of export orientation, and ownership background. Larger, foreign-owned, and export-oriented companies more actively support their employees in both local and long-distance transportation. The data also suggests that these tools are aligned less with employee needs and more with employer capabilities.

Additionally, the sector-specific characteristics of support forms are noteworthy. Industrial companies typically provide travel cost reimbursement, while in the construction industry, the proportion of worker hostels and employee transportation is higher. Among export-oriented companies, the use of fuel cards and housing support is also prominent. In contrast, support for local residents is less sector-specific, but larger companies generally offer more options.

For employees living in the same settlement, the most common form of support is the reimbursement of local public transportation passes, which is most characteristic of large companies. Encouraging cycling to work is also prominent among companies that prefer more environmentally conscious solutions. Industrial companies are also at the forefront in this respect.

Fig. 7

Proportion of companies supporting local workers' commute through local public transport pass reimbursement by size category and export share
%

Source: GVI 2025

Overall, it can be concluded that the system of transportation support fundamentally depends on employer resources, but clear differences can be observed regarding sector-specific characteristics and company size. Support for commuters is much more prominent than for local residents, which also indicates that attracting workers from greater distances plays a more important role in the labour market. The details regarding support for commuters and local residents thereby clearly reflect that large companies are significantly more active than smaller ones, and export-oriented companies also place greater emphasis on these tools. Nevertheless, the differences in local and long-distance transportation support show that companies of different sizes and purposes may have different priorities. This suggests that these differences should be taken into consideration in future measures to ensure support systems are appropriately accessible for all types of businesses.



A SIGNIFICANT PROPORTION OF COMMUTERS

60% of businesses employ commuters and this is almost universal in larger firms.



MAIN FORM OF AID

Travel allowances (63%) are the most common, while other allowances (e.g. fuel cards, package travel) are less common.



LOCALS RECEIVE LESS SUPPORT

Transport subsidies for local workers are less common, mostly in the form of season ticket reimbursement and cycling incentives.



OPPORTUNITIES FOR FIRMS THE DECISIVE

It is not the needs of workers but the size and economic strength of companies that influence transport subsidies.



Larger and exporting firms provide more support - Foreign-owned and export-oriented companies provide more support to commuters.

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INTERNATIONAL TRENDS

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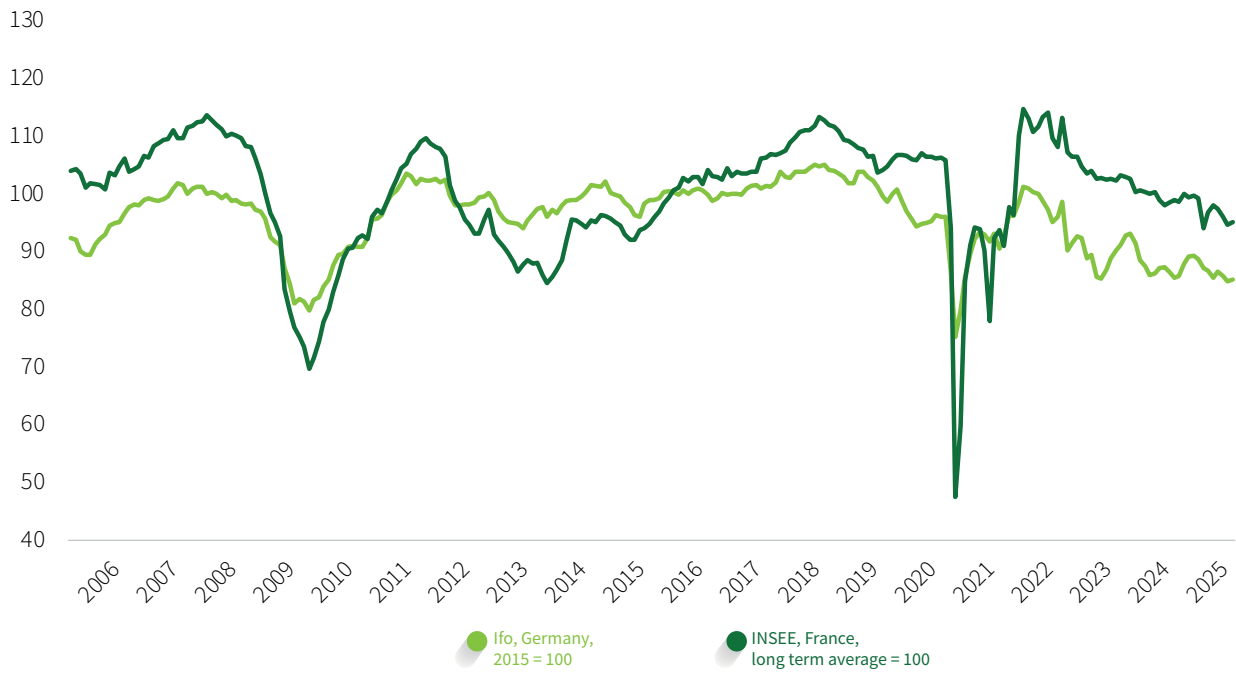
		Actual data	Expectations	Previous period
Germany	Unemployment Rate	6,2%	6,2%	6,1%
	Manufacturing Purchasing Managers Index	45,0	46,0	42,5
	IFO Business Climate Index ¹	85,1	84,2	84,7
France	INSEE Business Climate Index ²	95,0		94,5
EU	Economic Sentiment Indicator (ESI) ³	95,8		94,7
USA	Unemployment Rate	4,0%	4,4%	4,1%
	CB Consumer Confidence Index	104,1	105,7	109,5
	Manufacturing Purchasing Managers Index	50,9	51	49,2
China	Manufacturing Purchasing Managers Index	50,1	50,5	50,5

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

További adatok forrása: <https://www.bloomberg.com/markets/economic-calendar>



In Germany, the IFO Business Confidence Index shows a slight improvement in early 2025 after a slight improvement in the previous month. The indicator shows a slight improvement in perceptions of the current business situation and a slight deterioration in expectations of the future business situation compared with the end of 2024. The INSEE business confidence index for France has improved slightly by the beginning of 2025. Business confidence in manufacturing firms shows a slight decline, while all other sectors show stagnation or a slight improvement. The EU's ESI economic sentiment index (aggregating business and consumer confidence indices of Member States) shows a slight improvement in January. The German manufacturing Purchasing Managers' Index (PMI) rose slightly. The unemployment rate remains essentially stagnant. The US CB consumer confidence index fell slightly in January. The manufacturing PMI declined slightly in both the US and China. The US unemployment rate fell by 0.1 percentage points in January.

Fig. 8
Business confidence in Germany and France, based on the Ifo and INSEE business climate survey, January 2005 – January 2025

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



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