



ADVICE & TIPS – HUNGARY



Hungary has seen one of the highest economic growth rates in Central Europe since joining the EU in 2004.

The modernisation of manufacturing and technological processes, particularly in the IT, telecommunications, car manufacturing, construction and publishing sectors, has increased demand for workers with specialist skills.

Job prospects for international graduates have improved significantly in recent years, mainly because Hungary has attracted so many international companies. Germany is Hungary's largest economic partner.

- *Typical problems encountered:* for certain professions there is often an oversupply of jobseekers - especially marketing and economics graduates. International graduates may face intense competition to enter middle management jobs in Hungary. The enhancements to the Hungarian education system has generated highly skilled local talent. Early 2007, the labour force survey by KSH (Hungarian Central Statistical Office) and the Hungarian Public Employment Service, revealed 18,816 home graduates were registered jobseekers.
- *How to improve your chances:* there is a lack of employees, particularly programmers, in the IT and technology sectors. Project managers, auditors and international certified accountants are sought after. One of the easiest ways to employment in Hungary may be through a transfer with a multinational firm, as the region is a hot spot for global, listed companies.
- *Language requirements:* English and German are widely spoken in Hungary, particularly among the younger population. Hungary's national language is Magyar, quite unique to the region. For many employment sectors, learning to converse in the local language is a definite advantage.

Using personal contacts is the most important way of finding yourself a job in Hungary. You might consider an apprenticeship or a period of study in Hungary before starting your job hunt as this will help you to establish a personal network.

Please note that Hungarian employers consider a good academic background, linguistic and computer skills and commercial awareness as indisputable competencies.

The Application Letter

Often, when personal contacts lead to an application procedure, the first phase of having to write an application letter is skipped and replaced by e-mail and telephone contact. However, in all other cases you have to send an application letter and a CV. The covering letter is usually typed and pretty short, about 15 to 20 lines.

The Curriculum Vitae

CV's are usually typewritten and detailed, emphasising your education and practical experience.

Your CV should be one or two pages at the maximum, and can be in chronological order or reversed chronological order. Functional CVs are becoming more and more common, as many companies like to see a biography to be presented in this format.

The Application Procedure

Interviews are the most crucial part of the selection procedure. No rules can be given regarding how many interviews will be held. Usually there are two interviews, i.e. the first is a one-to-one, and the second is a panel interview. As English is usually required for managerial positions, most interviews with international candidates will take place in English, but at least a part of the interview will be conducted in Hungarian.

Hungarian companies as well as multinational firms use psychological tests and assessment centres. Often multinationals use similar selection procedures for their worldwide recruitment activities.

Where can I work?

- Major industries: Hungary's key industries are a combination of the traditional - mining, metallurgy, textiles, steel and heavy engineering - and chemicals (pharmaceuticals in particular), construction, processed foods and motor vehicle manufacturing. Agriculture still has a strong presence, but not as great as in the past.
- Recent growth areas: Hungary has seen an influx of operational centres and outsourcing partners moving into the region, creating demand for skilled executives and workers, especially in IT and telecommunications.
- Shortage occupations: service-based industries provide labour newcomers with the best opportunities.
- Major companies: SPAR, Tesco, Unilever and Vodafone all have operations in Hungary. Other key international employers include Deutsche Bank, Four Seasons Hotels and Resorts, General Motors, Philips Electronics, T-Mobile Deutschland GmbH, Shell, Motorola, KPMG and Hewlett Packard.
- Major cities: most employers that attract international graduates are located in the capital, Budapest, which has the greatest population, followed by Debrecen and Miskolc (Wikipedia, 2008). There are diverse regional variations in the labour market. Economic growth is strongest and unemployment rates are lower in Central Hungary and Central and Western Transdanubia. Advancement is slower in Northern Hungary, the North and South Great Plain and South Transdanubia.

What's it like working in Hungary?

- Average working hours: working hours and employment conditions generally mirror those in Western Europe. The Hungarian Labour Code defines full-time employment as an 8-hour working day or 40 hours a week. There is an element of flexibility in some employment areas, although rules are in place to ensure working hours do not exceed 12 hours a day or 60 hours a week.
- Holidays: holiday leave in Hungary is determined by age, although employers may offer more than the minimum. Standard annual leave up until the age of 25 is 20 days. This increases to 21 days from the age of 25, and then an additional working day every three years up until the age of 31.
- Average graduate starting salary: salaries for graduates entering the job market in Hungary are dependent on the position and working environment. International corporations often pay comparable European salaries. International workers usually command much better contract benefits, including health insurance and accommodation support. Average gross monthly salary for non-manual workers in the business sector was HUF 271,523 (around £11,280 a year) and HUF 315,280 (£13,120 a year) in budgetary institutions. (Hungarian Central Statistical Office, 2008)
- Tax rates: Hungary has a progressive personal income tax system. The higher your income, the higher your tax rate. The individual Hungarian tax rate is 18% for salaries up to HUF 1,700,000 and 36% for income exceeding HUF 1,700,000. There is an additional 4% solidarity tax if your salary exceeds HUF 7,137,000. There are reduced rates of tax for certain income earners.
- If you are a foreign national living and working in Hungary, you are required to register as a taxpayer there. Permanent residents in Hungary are taxed on any income generated in Hungary or overseas. If you are a foreign resident living and working on a temporary basis in Hungary, you only pay tax on your Hungarian income. The criteria used to define permanent residence for taxation purposes includes property ownership, a permanent family place of residence, and spending more than 183 days a year in Hungary.
- Your employer is obligated to deduct tax from your salary on a monthly basis. If you are self-employed in Hungary you prepay income tax and the calculations are offset against your annual tax returns. Hungary's tax year runs from 1 January to 31 December.
- Working practices and customs: Socialising is vital to business. Hungarians prefer to conduct meetings face-to-face meetings to other forms of communication. Punctuality is valued and cancelling at the last minute is frowned upon. Hungarians avoid confrontational situations and dislike high-pressure sales tactics. Hungarians generally conduct negotiations slowly. Business dress is formal and conservative.