



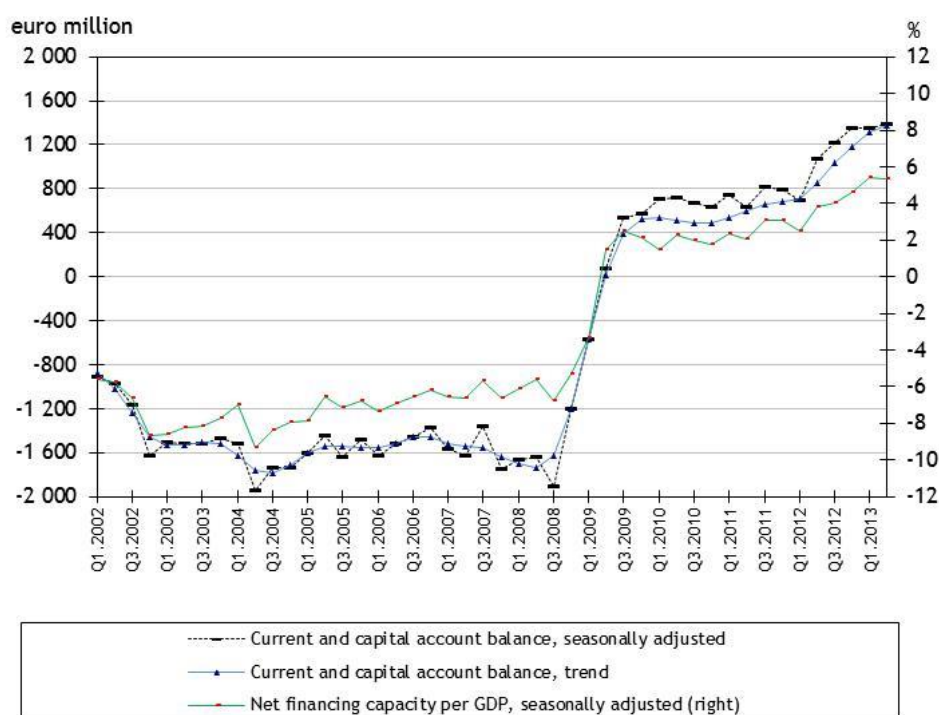
27 September 2013

## PRESS RELEASE

### Hungary's balance of payments: 2013 Q2

In 2013 Q2, Hungary's unadjusted net external financing capacity (i.e. the combined surplus on its current and capital accounts) rose further relative to the previous quarters, amounting to EUR 1,493 million (HUF 443 billion).<sup>1</sup> Adjusted for seasonal effects, the net external financing capacity was EUR 1,385 million or 5.4% of GDP (HUF 394 billion), broadly the same as the revised seasonally adjusted figure for the previous quarter. The data for Q2 partly reflected a higher amount of EU transfers and a higher travel surplus. By contrast, the surpluses on goods and other services were lower than in the previous quarter, and the income account deficit rise slightly.

Chart 1  
Net external financing capacity in EUR millions (left-hand scale)  
and as a percentage of GDP (right-hand scale)



<sup>1</sup> Consistent with its practice of releasing and revising statistical data, on 27 September 2013 the MNB is publishing Hungary's balance of payments statistics for 2013 Q2 for the first time, as well as revised annual data for 2010-2012 and quarterly data for 2013 Q1 (based on revised data reported by data providers). In addition to the revision of data related to the adjustment of foreign trade data for 2010 consistent with the national accounts, the CSO has adjusted data on goods in a normal revision, to account for adjustments due to VAT residents. See details in Box 1.

**Table 1**  
**Current account balance and net external financing capacity**

euro million

	2010	2011	2012				2013			
	Y.	Y.	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q1-Q2
<b>I. Current account</b>	<b>208</b>	<b>446</b>	<b>-196</b>	<b>518</b>	<b>685</b>	<b>10</b>	<b>1 016</b>	<b>666</b>	<b>612</b>	<b>1 279</b>
<b>1. Real economic transaction</b>	<b>5 320</b>	<b>6 284</b>	<b>1 461</b>	<b>2 129</b>	<b>2 187</b>	<b>1 182</b>	<b>6 958</b>	<b>1 904</b>	<b>2 025</b>	<b>3 930</b>
1.1. Export	81 511	90 281	22 175	23 023	23 367	22 956	91 521	22 563	23 507	46 070
1.2. Import	76 190	83 997	20 714	20 894	21 180	21 775	84 563	20 658	21 482	42 140
<b>1.1. Goods</b>	<b>2 445</b>	<b>3 112</b>	<b>784</b>	<b>1 226</b>	<b>1 024</b>	<b>517</b>	<b>3 551</b>	<b>1 092</b>	<b>1 079</b>	<b>2 171</b>
1.1.1. Export	66 926	74 471	18 652	19 103	18 944	18 955	75 654	18 966	19 490	38 456
1.1.2. Import	64 481	71 360	17 868	17 876	17 920	18 438	72 103	17 874	18 412	36 286
<b>1.2. Services</b>	<b>2 875</b>	<b>3 173</b>	<b>677</b>	<b>903</b>	<b>1 163</b>	<b>665</b>	<b>3 407</b>	<b>812</b>	<b>947</b>	<b>1 759</b>
1.2.1. Export	14 585	15 810	3 523	3 921	4 423	4 001	15 867	3 597	4 017	7 614
1.2.2. Import	11 710	12 637	2 845	3 018	3 260	3 337	12 460	2 784	3 070	5 855
<b>2. Income and current transfers</b>	<b>-5 112</b>	<b>-5 839</b>	<b>-1 657</b>	<b>-1 611</b>	<b>-1 502</b>	<b>-1 172</b>	<b>-5 942</b>	<b>-1 238</b>	<b>-1 413</b>	<b>-2 651</b>
<b>2.1.. Income</b>	<b>-5 489</b>	<b>-6 420</b>	<b>-1 392</b>	<b>-1 665</b>	<b>-1 519</b>	<b>-1 786</b>	<b>-6 363</b>	<b>-1 224</b>	<b>-1 631</b>	<b>-2 855</b>
2.1.1. Compensation of employees	775	760	194	198	210	207	808	194	201	396
2.1.2. Direct investment income	-4 309	-4 763	-974	-1 016	-1 115	-1 353	-4 459	-839	-1 004	-1 843
2.1.3. Portfolio investment income	-836	-1 111	-284	-524	-311	-366	-1 484	-354	-623	-977
2.1.4. Other investment income	-1 120	-1 306	-328	-324	-302	-274	-1 228	-225	-205	-431
<b>2.2.. Current transfers</b>	<b>377</b>	<b>581</b>	<b>-266</b>	<b>54</b>	<b>18</b>	<b>614</b>	<b>421</b>	<b>-14</b>	<b>218</b>	<b>204</b>
-of which: EU transfers	1 106	1 305	11	268	235	821	1 334	202	451	653
<b>II. Capital account</b>	<b>1 737</b>	<b>2 328</b>	<b>415</b>	<b>477</b>	<b>578</b>	<b>1 042</b>	<b>2 512</b>	<b>604</b>	<b>881</b>	<b>1 485</b>
-of which: EU transfers	2 193	2 432	418	492	584	1 016	2 511	596	947	1 544
<b>III. Financial account (3+4+5+6)</b>	<b>1 801</b>	<b>2 823</b>	<b>-2 429</b>	<b>-1 451</b>	<b>-2 733</b>	<b>-1 684</b>	<b>-8 297</b>	<b>472</b>	<b>-2 864</b>	<b>-2 392</b>
<b>3. Direct investment</b>	<b>787</b>	<b>663</b>	<b>452</b>	<b>-481</b>	<b>772</b>	<b>1 300</b>	<b>2 044</b>	<b>345</b>	<b>-864</b>	<b>-520</b>
3.1. Abroad	-888	-3 146	-3 479	-1 754	-687	-2 727	-8 646	-339	-155	-494
3.1.1. Equity capital and reinvested earnings	-954	-279	-6 421	-264	-1 121	-4 480	-12 287	-145	-258	-403
3.1.1.1. Equity capital	-871	-343	-6 277	-91	-850	-4 197	-11 415	-130	-172	-303
3.1.1.2. Reinvested earnings	-83	64	-144	-174	-271	-283	-871	-15	-86	-101
3.1.2. Other capital	66	-2 867	2 943	-1 489	434	1 753	3 640	-194	104	-91
3.1.2.1. Assets	121	-2 775	3 056	-1 402	4	1 698	3 356	-142	22	-119
3.1.2.2. Liabilities	-55	-92	-113	-87	430	55	284	-53	81	28
3.2. In Hungary	1 675	3 809	3 931	1 273	1 459	4 027	10 690	684	-709	-25
3.2.1. Equity capital and reinvested earnings	2 968	4 400	1 260	-393	1 145	3 225	5 238	501	-968	-468
3.2.1.1. Equity capital	3 155	3 158	1 016	883	105	1 911	3 915	303	565	868
3.2.1.2. Reinvested earnings	-186	1 241	245	-1 276	1 040	1 314	1 323	198	-1 534	-1 336
3.2.2. Other capital	-1 294	-591	2 670	1 666	314	801	5 452	184	259	443
3.2.2.1. Assets	261	-444	1 970	1 453	2 932	847	7 202	-1 458	-827	-2 285
3.2.2.2. Liabilities	-1 555	-147	700	213	-2 618	-45	-1 750	1 642	1 087	2 728
<b>4. Portfolio investment</b>	<b>-138</b>	<b>6 579</b>	<b>391</b>	<b>-663</b>	<b>1 926</b>	<b>135</b>	<b>1 790</b>	<b>1 507</b>	<b>1 078</b>	<b>2 585</b>
4.1. Assets	-376	1 624	130	228	243	124	725	234	22	256
4.2. Liabilities	238	4 955	261	-890	1 683	11	1 064	1 273	1 056	2 329
<b>5. Financial derivatives</b>	<b>625</b>	<b>-787</b>	<b>-233</b>	<b>-112</b>	<b>160</b>	<b>464</b>	<b>279</b>	<b>228</b>	<b>53</b>	<b>281</b>
5.1. Assets	4 919	5 015	1 326	1 198	1 184	961	4 669	1 202	840	2 042
5.2. Liabilities	-4 294	-5 802	-1 559	-1 310	-1 024	-498	-4 390	-974	-787	-1 761
<b>6. Other investment</b>	<b>527</b>	<b>-3 631</b>	<b>-3 039</b>	<b>-196</b>	<b>-5 592</b>	<b>-3 583</b>	<b>-12 409</b>	<b>-1 608</b>	<b>-3 131</b>	<b>-4 739</b>
6.1. Assets	93	1 742	778	1 761	-1 000	470	2 008	227	-123	104
6.2. Liabilities	434	-5 373	-3 817	-1 956	-4 592	-4 052	-14 417	-1 836	-3 008	-4 844
<b>IV. International reserves</b>	<b>-3 018</b>	<b>-3 874</b>	<b>2 808</b>	<b>-490</b>	<b>889</b>	<b>144</b>	<b>3 351</b>	<b>-1 845</b>	<b>656</b>	<b>-1 189</b>
Memorandum:										
<b>7. Net external financing capacity</b>										
7.1. Net external financing capacity (CA and Capital account)	1 946	2 774	219	995	1 262	1 052	3 528	1 270	1 493	2 764
7.2. Financial account balance (Financial account balance and reserves)	1 217	1 051	-379	1 941	1 844	1 540	4 946	1 373	2 208	3 581
7.3. Difference (Net errors and omissions)	-728	-1 723	-598	946	581	488	1 418	103	715	818

Table 2  
Net external financing capacity  
(seasonally adjusted data)<sup>2</sup>

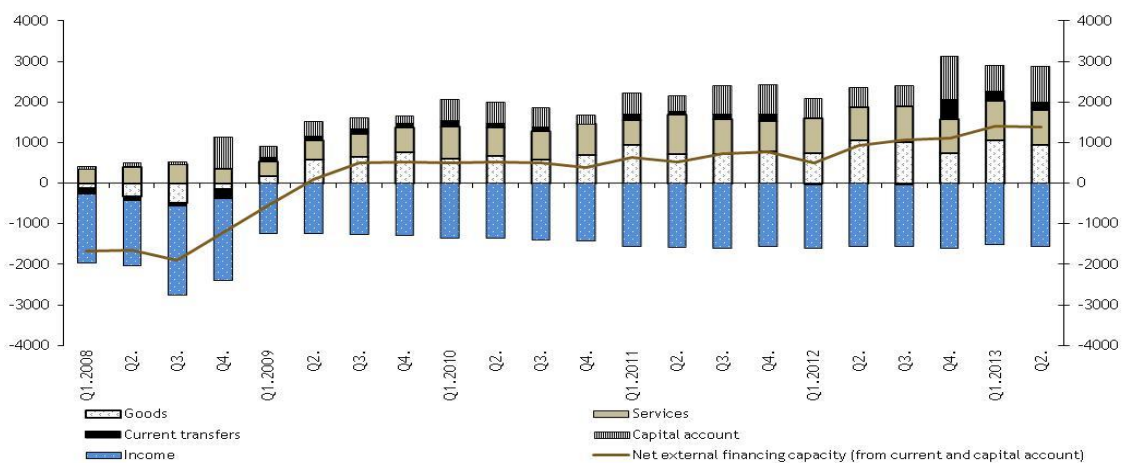
euro million

	2 012				2013	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Real economic transactions, net (Goods and services)</b>	<b>1 531</b>	<b>1 909</b>	<b>2 062</b>	<b>1 552</b>	<b>1 962</b>	<b>1 806</b>
1.1. Export	22 897	22 911	23 066	22 660	23 281	23 387
1.2. Import	21 357	21 135	21 237	21 133	21 401	21 726
<b>1.1. Goods</b>	<b>744</b>	<b>1 048</b>	<b>1 008</b>	<b>745</b>	<b>1 050</b>	<b>947</b>
1.1.1. Export	19 005	18 992	19 101	18 579	19 314	19 372
1.1.2. Import	18 237	17 988	17 970	18 012	18 385	18 523
<b>1.2. Services</b>	<b>860</b>	<b>823</b>	<b>889</b>	<b>834</b>	<b>969</b>	<b>868</b>
1.2.1. Travel, net	542	510	557	581	591	622
export	956	905	937	944	964	1 011
import	419	388	374	363	359	369
1.2.2. Other services, net	268	297	312	268	396	232
export	2 969	3 002	3 061	3 077	2 995	2 990
import	2 662	2 735	2 757	2 777	2 655	2 790
<b>2. Income</b>	<b>-1 568</b>	<b>-1 551</b>	<b>-1 528</b>	<b>-1 595</b>	<b>-1 515</b>	<b>-1 559</b>
<b>3. Current account balance</b>	<b>-168</b>	<b>419</b>	<b>535</b>	<b>217</b>	<b>817</b>	<b>515</b>
<b>4. Capital account</b>	<b>475</b>	<b>475</b>	<b>508</b>	<b>1 048</b>	<b>646</b>	<b>876</b>
<b>5. EU-transfers (current and capital account)</b>	<b>870</b>	<b>875</b>	<b>935</b>	<b>1 222</b>	<b>1 208</b>	<b>1 365</b>
<b>6. Net external financing capacity</b>	<b>503</b>	<b>935</b>	<b>1 061</b>	<b>1 122</b>	<b>1 397</b>	<b>1 385</b>

### 1 Developments in the main Current and Capital account aggregates of net external financing capacity

In 2013 Q2, the pattern of changes in the main aggregates of net external financing capacity, calculated as the balance on the current and capital accounts, was consistent with earlier trends: the combined surplus on goods and services remained within a range of EUR 1.5-2 billion. The income account deficit was also stable, confined to a range of EUR 1.3-1.6 billion. The larger part of this is investment income related to non-resident foreign direct investors. The surplus on current and capital transfers, which is mostly related to EU transfers, rose slightly relative to previous quarters.

Chart 2  
Net external financing capacity  
(seasonally adjusted data; EUR millions)



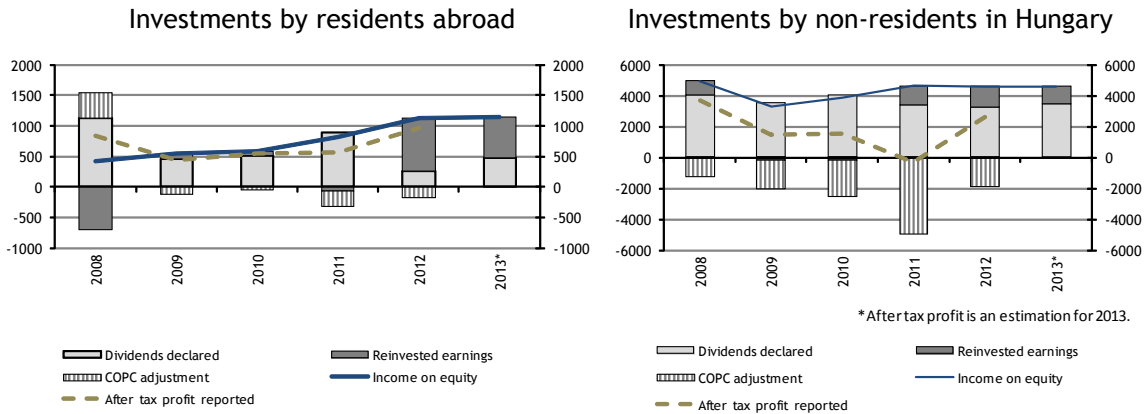
<sup>2</sup> The balances are directly adjusted. This means that the seasonally adjusted balances cannot be reproduced from the seasonally adjusted credits and debits. The same applies to the aggregates. The seasonally adjusted aggregates cannot be reproduced from the seasonally adjusted sub-accounts either (e.g. the seasonally adjusted current account balance does not equal the sum of the seasonally adjusted data of the sub-accounts).

In 2013 Q2, the seasonally adjusted surplus on goods was lower than in the previous quarter, amounting to EUR 947 million on a seasonally adjusted basis. Seasonally adjusted exports and imports both rose slightly relative to the previous quarter, amounting to EUR 19,372 million and EUR 18,523 million respectively.

The seasonally adjusted surplus on services was EUR 868 million in 2013 Q2. Within services, travel revenue and expenditure amounted to EUR 1,011 million and EUR 369 million respectively. Revenue and expenditure both increased relative to the previous quarter. The travel surplus also rose. Other services revenue and expenditure amounted to EUR 2,990 million and EUR 2,790 million respectively in Q2, broadly the same as in the previous quarter.

In the income account, the seasonally adjusted deficit amounted to EUR 1,559 million in 2013 Q2. The deficit rose slightly relative to the previous quarter, but remained at practically same level. For 2012, actual data on of income on equity within direct investment are reported for the first time, based on companies’ annual reports (for 2013, income on equity within direct investment remains an estimate).

Chart 3  
Components of FDI income on equity (EUR millions)<sup>3</sup>



Dividends declared payable on direct investments by non-residents in Hungary have followed a broadly stable trend (although reported data only on the first two quarters are available, dividends at companies where the business year is identical to the calendar year are usually declared in the first half, and therefore a significant change in the data is not expected during the remainder of the year. However, the figure for total after-tax profit for 2013 is an estimate. Consequently, the amount of reinvested earnings, derived on a residual basis, is also an estimate.).

<sup>3</sup> The size of after-tax profit for the individual years reported by data providers as shown in their Profit and Loss Accounts is represented by a dashed line. Of this amount, other extraordinary items excluding recurring earnings are recorded as revaluation (exchange rate or price change) or other volume change in the international investment position statistics, rather than as income in the balance of payments (COPC adjustment). Income on equity recorded in the balance of payments is calculated as the sum of dividends declared payable and reinvested earnings.

Table 3  
Adjustment for recording income on FDI equity according to the current operating performance concept (COPC)<sup>4</sup>

	euro million				
	2008	2009	2010	2011	2012
<b>1 FDI abroad, income on equity</b>					
1.1 After tax profit	841	443	547	569	962
1.1.1. Of which COPC adjustment	426	-113	-43	-252	-171
1.1.2. Adjusted FDI income, Published (1.1-1.2)	415	556	590	821	1132
<b>2 FDI in Hungary, income on equity</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
2.1 After tax profit	3702	1467	1545	-329	2643
2.1.1. Of which COPC adjustment	-1257	-1863	-2330	-4959	-1936
2.1.2. Adjusted FDI income, Published (2.1-2.1.1.)	4960	3330	3875	4630	4579

According to accrual-based data, the seasonally unadjusted surplus on current transfers from the European Union was EUR 451 million, and transactions recorded as capital transfers showed a EUR 947 million surplus in 2013 Q2. Current and capital transfers to and from the EU are adjusted jointly; the seasonally adjusted surplus was EUR 1,365 million in 2013 Q2.

## 2 The financial account<sup>5</sup>

Within direct investment, outward investments by Hungarian residents increased by EUR 155 million and inward investments by non-residents fell by EUR 709 million.

Within direct investments by Hungarian residents abroad, investments in equities rose by EUR 172 million and the value of reinvested earnings by EUR 86 million. FDI other capital net inflows amounted to EUR 104 million.

Within direct investments by non-residents in Hungary, the value of investments in equities rose by EUR 565 million; however, reinvested earnings reduced the value of direct investments by non-residents by EUR 1,534 million, due to the characteristics of statistical recording.<sup>6</sup> FDI other capital net inflows amounted to EUR 259 million. This reflected an increase of EUR 1,087 million in foreign liabilities and one of EUR 827 million in foreign assets.

Portfolio investment transactions showed a net inflow of EUR 1,078 million in 2013 Q2, reflecting a decrease of EUR 22 million in assets and an increase of EUR 1,056 million in liabilities. Within assets, the decline in equity investments representing less than 10% foreign ownership amounted to EUR 20 million, the increase in bond assets amounted to EUR 26 million and the decline in money market instruments amounted to EUR 28 million. Within liabilities, the decrease in equity liabilities representing less than 10% foreign ownership was EUR 58 million. Bond liabilities rose by EUR 165 million and money market instruments increased by EUR 949 million.

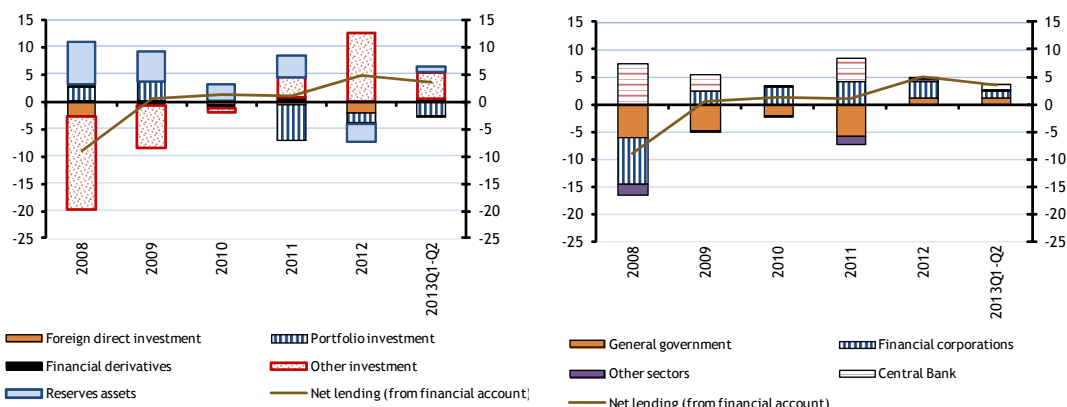
The balance of other investments showed an outflow of EUR 3,131 million in Q2. This reflected an increase of EUR 123 million in assets and a decrease of EUR 3,008 million in liabilities. Within assets, short-term assets rose by EUR 305 million and long-term assets fell by EUR 182 million. Within liabilities, short-term liabilities fell by EUR 999 million and long-term liabilities by 2,009 million. Of this, the repayment of an IMF loan amounted to EUR 1,099 million.

<sup>4</sup> Row 1.1.2. of the Table appears in row 3.2.1. Income on equity of the current account, credit, and row 2.1.2. in the debit row of the same item.

<sup>5</sup> For summary data by investment category, see Table 1. More detailed data are available on the MNB's website by clicking on the following link: [quarterly time series](#).

<sup>6</sup> The reason for this is that at companies where the business year is identical to the calendar year (January-December) dividends are usually declared in Q2, which in this period exceeds estimated income (after-tax profit) distributed evenly over the whole year. Consequently, reinvested earnings, derived on the basis of residuals, has a negative sign, reducing the value of the investment.

Chart 4  
Financial account by functional categories and institutional sectors (EUR billions)<sup>7</sup>



### 3 Stock of international reserves and external debt

Central bank foreign exchange reserves amounted to EUR 34.3 billion at the end of June 2013. Hungary's outstanding stock of net foreign debt, excluding FDI other capital, amounted to EUR 38.6 billion at the end of June 2013 (38.9% as a percentage of GDP). The stock of net short-term liabilities due to the recording of EU transfers on an accrual basis was EUR 134 million. Within this, the value of assets was EUR 1,300 million and that of liabilities was EUR 1,166 million.

Table 4  
Foreign assets and liabilities of Hungary<sup>8</sup>

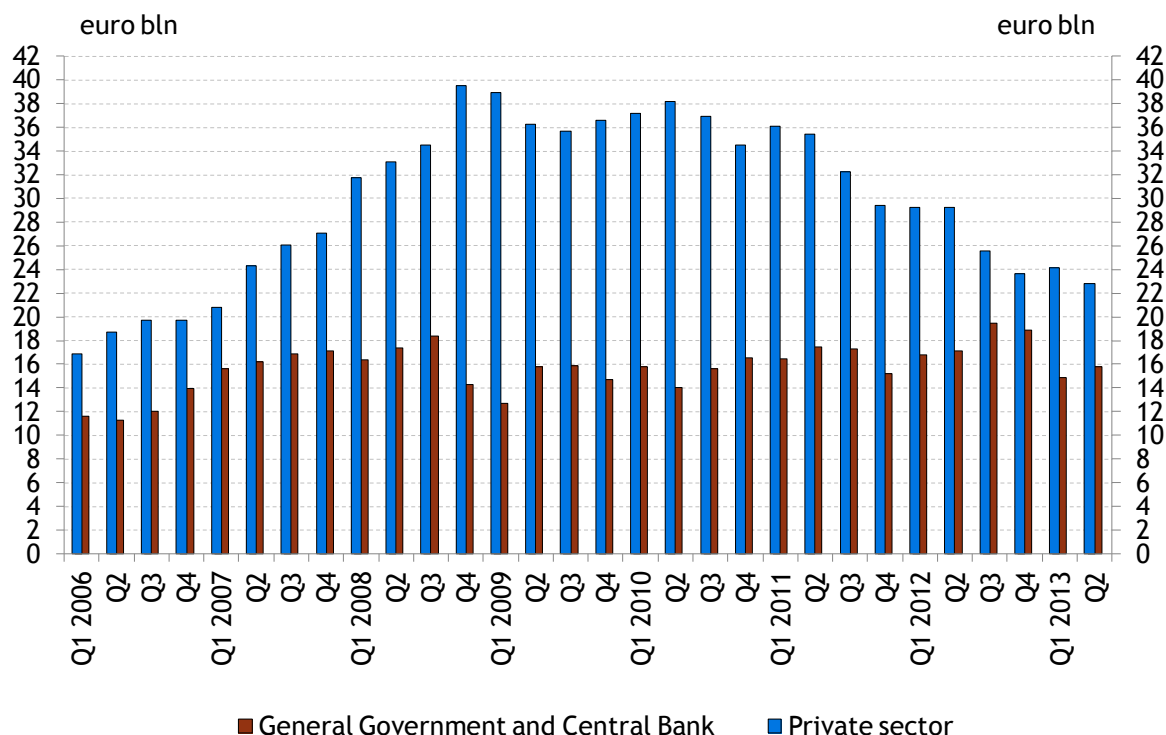
	euro million							
	2010	2011	2012				2013	
	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Assets</b>	<b>104 647</b>	<b>107 901</b>	<b>104 662</b>	<b>105 522</b>	<b>103 019</b>	<b>102 175</b>	<b>105 570</b>	<b>104 492</b>
1.1. International reserves	33 674	37 774	34 697	35 575	34 577	33 881	35 467	34 329
1.2. Direct investment *	37 631	40 771	41 742	42 760	40 404	41 222	43 483	44 448
1.3. Portfolio investment	9 300	6 161	6 472	6 072	6 085	6 065	5 846	5 617
1.4. Financial derivatives	2 865	4 090	3 453	4 305	4 220	3 869	3 848	3 084
1.5. Other foreign assets	21 177	19 105	18 299	16 808	17 733	17 138	16 927	17 014
o/w: due to accrual accounting of EU-transfers	1 339	1 430	686	944	1 227	1 402	782	1 300
<b>2. Liabilities</b>	<b>212 444</b>	<b>202 884</b>	<b>205 316</b>	<b>205 598</b>	<b>204 571</b>	<b>201 446</b>	<b>200 017</b>	<b>200 332</b>
2.1. Direct investment *	90 283	87 711	91 840	92 792	92 066	93 129	94 531	96 213
2.2. Portfolio investment	42 646	41 052	43 854	44 423	48 829	48 859	47 869	49 998
2.3. Financial derivatives	4 370	4 624	3 723	3 640	3 587	3 760	3 987	3 514
2.4. Other foreign liabilities	75 145	69 497	65 899	64 743	60 089	55 699	53 629	50 607
o/w: due to accrual accounting of EU-transfers	1 333	2 213	1 809	2 144	2 115	1 576	1 284	1 166
<b>3. Net foreign liabilities (2-1)</b>	<b>107 797</b>	<b>94 983</b>	<b>100 654</b>	<b>100 076</b>	<b>101 552</b>	<b>99 271</b>	<b>94 446</b>	<b>95 841</b>
o/w: due to accrual accounting of EU-transfers	-7	783	1 122	1 200	888	174	502	-134
<b>Memorandum:</b>								
4. Gross foreign debt (excluding direct investment other capital)	107 202	102 635	100 402	100 098	98 741	94 738	92 594	91 159
4.1. General government and Central bank	52 008	54 267	52 412	53 453	54 834	54 015	51 368	51 555
4.2. Private sector	55 194	48 368	47 990	46 645	43 906	40 723	41 226	39 604
5. Net foreign debt (excluding direct investment other capital)	51 017	44 576	46 115	46 359	45 080	42 492	39 019	38 609
5.1. General government and Central bank	16 523	15 168	16 831	17 120	19 490	18 862	14 849	15 817
5.2. Private sector	34 493	29 408	29 284	29 239	25 590	23 631	24 170	22 792

\* Assets and liabilities are grouped separately within the directional breakdown of investment.

<sup>7</sup> In order to help compare the two measures of net external financing capacity, (i.e. the balance on the financial account and the balance on the current and capital accounts), in Chart 4 the balances by sectors and instruments are the opposites of the balances as they are published in the BoP financial account. Financing capacity includes international reserves and its positive sign in the charts indicates a net outflow and its negative sign indicates a net inflow of funds.

<sup>8</sup> Assets and liabilities vis-à-vis non-residents include all financial assets and liabilities vis-à-vis the rest of the world, while foreign debt, by definition, does not include *shares and other equity and financial derivatives*.

Chart 5  
Net foreign debt of Hungary (excluding FDI other capital), 2006-2013



#### 4 Data revisions during the review period

Tables 5 and 6 summarise all changes to data due to revisions for the review period from 2010 to 2013 Q1.

In addition to corrections by data providers, the significant changes in the review period reflect the following factors.

- A large part of the changes in the current account is the result of data revision by the CSO. In trade in goods, the adjustment for VAT residents was revised backwards (see the Box on the adjustment for VAT residents at the end of the press release). In addition, data on imports have been adjusted by EUR 200 million based on the revision of 2010 data, consistent with the national accounts.
- In connection to the revision by the CSO, data on compensation of employees have been revised back for three years. As a result of the data revision, the surpluses published earlier have been reduced by EUR 14 million in 2010, EUR 153 million in 2011, by EUR 128 million in 2012 and by EUR 6 million in 2013 Q1.
- For 2012, actual data on FDI income on equity are reported for the first time, based on companies' annual reports. These have resulted in revisions by EUR 337 million in data on residents and EUR 355 million in data on non-residents relative to the estimated 2012 data.
- In the financial account, only foreign direct investment data have been revised significantly, the larger part of which is related to the factors discussed under the previous point.

Table 5

Total revisions by BoP components (those beyond normal revisions are separately identified)

	2010	2011	2012	2013Q1
1. Goods	-770	-281	-520	-20
2. Services	-57	0	0	86
3. Incomes	-17	-176	-159	44
4. Current transfers	-13	95	-9	8
<b>I. Current account balance (1+2+3+4)</b>	<b>-857</b>	<b>-362</b>	<b>-688</b>	<b>117</b>
<b>II. Capital account</b>	<b>0</b>	<b>0</b>	<b>-135</b>	<b>42</b>
<b>III. Financial account (5+6+7+8)</b>	<b>25</b>	<b>166</b>	<b>86</b>	<b>-83</b>
5. Foreign direct investment	19	86	100	-21
Foreign direct investment abroad	-9	16	-468	-62
Equity	-10	19	-544	-86
Other capital	0	-3	76	24
Foreign direct investment in Hungary	29	70	568	41
Equity	22	-13	782	-331
Other capital	7	83	-214	372
6. Portfolio investments	0	0	0	0
Assets	0	0	0	0
Liabilities	0	0	0	0
7. Financial derivatives	0	6	4	0
8. Other investments	6	75	-17	-62
Assets	-1	-6	-59	-49
Liabilities	7	80	42	-13
<b>IV. Net errors and omissions</b>	<b>832</b>	<b>196</b>	<b>737</b>	<b>-77</b>

Table 6

Changes in stocks and some indicators vis-a-vis the last publication (excl. SPEs)

	2010	2011	2012	2013Q1
1. Foreign direct investment (net liabilities)	142	202	117	295
Foreign direct investment abroad (net assets)	-42	-144	-491	-370
Equity	-38	-161	-467	-325
Other capital assets	0	14	-4	8
Other capital liabilities	3	-3	20	53
Foreign direct investment in Hungary	100	57	-374	-75
Equity	-8	-109	-288	-361
Other capital assets	-62	-13	-6	-5
Other capital liabilities	46	153	-93	281
2. Portfolio investments (net liabilities)	0	0	0	0
Assets	0	0	0	0
Liabilities	0	0	0	0
3. Financial derivatives (net liabilities)	0	-680	0	0
4. Other investments (net liabilities)	60	146	24	-38
Assets	2	-1	77	126
Liabilities	61	145	101	88
<b>Gross debt*</b>	<b>61</b>	<b>145</b>	<b>101</b>	<b>88</b>
<b>Net debt*</b>	<b>60</b>	<b>146</b>	<b>24</b>	<b>-38</b>
<b>Goods net in the percentage of the GDP</b>	<b>-0,8%</b>	<b>-0,3%</b>	<b>-0,5%</b>	<b>-0,1%</b>
<b>Current account balance in the percentage of the GDP</b>	<b>-0,9%</b>	<b>-0,4%</b>	<b>-0,7%</b>	<b>0,5%</b>
<b>Gross debt in the percentage of the GDP*</b>	<b>0,1%</b>	<b>0,1%</b>	<b>0,1%</b>	<b>0,4%</b>
<b>Net debt in the percentage of the GDP*</b>	<b>0,1%</b>	<b>0,1%</b>	<b>0,0%</b>	<b>-0,2%</b>



### Revision of the VAT resident adjustment

Since September 2008, the MNB and the CSO have been making adjustments to data on foreign trade in goods in the balance of payments and in the national accounts in order to prevent value added accounted for through the VAT registrations registered by non-resident companies in Hungary and resident companies abroad from resulting in statistical errors (see the [statistical press release](#) on 2008 Q2).

Since September 2011, the CSO and the MNB have treated individually the VAT registrations that show behavioural patterns significantly deviating from the macro estimate introduced in 2008 (see the [statistical press release](#) on 2011 Q2). Since September 2012, the range of individual estimates has widened. In addition, those VAT registrations which are not related to the Hungarian economy (i.e. those which do not transact with residents) have been fully excluded from trade in goods (see the [statistical press release](#) on 2012 Q2).

In this publication, the range of VAT registrations, treated individually in accordance with the above, have been widened further consistent with the national accounts, as part of ongoing cooperation with the CSO. In addition, all revisions have been backdated to 2010.

Due to the change in the range of VAT registrations treated individually, the adjustment related to VAT registrations and, as a result, the balance of trade in goods in the balance of payments has been changed as follows:

EUR millions

Year	2010	2011	2012	2013 Q1
Adjustment	-571	-282	-349	-95

Due to the appearance of new VAT registrations, possible changes in their relations with residents and in their transactions as well as backward adjustments by data providers, the adjustment relating to VAT residents will be revised regularly on the basis of the final VAT and corporate balance sheet data.

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In this press release, Hungary's balance of payments is presented excluding data on special purpose entities (SPEs), consistent with past practice. However, Hungary's balance of payments and IIP both excluding and including SPE data are available on the MNB's website.

The MNB will release Hungary's balance of payments and international investment position data for 2013 Q3 as well as revised data for 2013 Q1-Q2 on 23 December 2013.

Detailed tables: [Balance of payments](#)

Notes [Methodological notes](#)

Charts: [Chart pack](#)

**MAGYAR NEMZETI BANK**  
STATISTICS

*The primary statutory duty of the Magyar Nemzeti Bank is to deliver and maintain price stability. The MNB ensures the safe operation of the payment and settlement systems, as well as the uninterrupted flow of payments, safeguards the financial stability of the banking sector, manages the country's foreign currency reserves, collects and publishes statistical data, and issues the forint, Hungary's national legal tender.*

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