



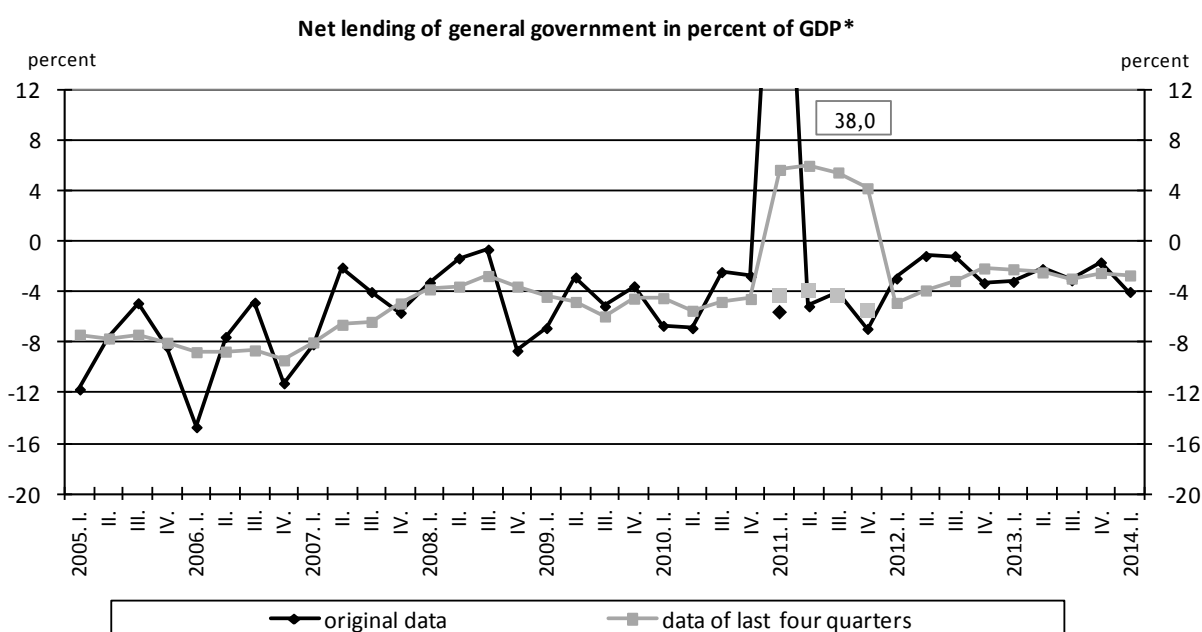
19 May 2014

PRESS RELEASE

Preliminary financial accounts for general government and households 2014 Q1

According to preliminary financial accounts data, general government net lending was equal to -2.7 per cent of Hungary's GDP in the four quarters to 2014 Q1. General government consolidated gross debt at nominal value amounted to 84.6 per cent of GDP at the end of 2014 Q1. Net borrowing and the depreciation of the forint increased the sector's debt by HUF 1,456 billion and HUF 380 billion respectively.

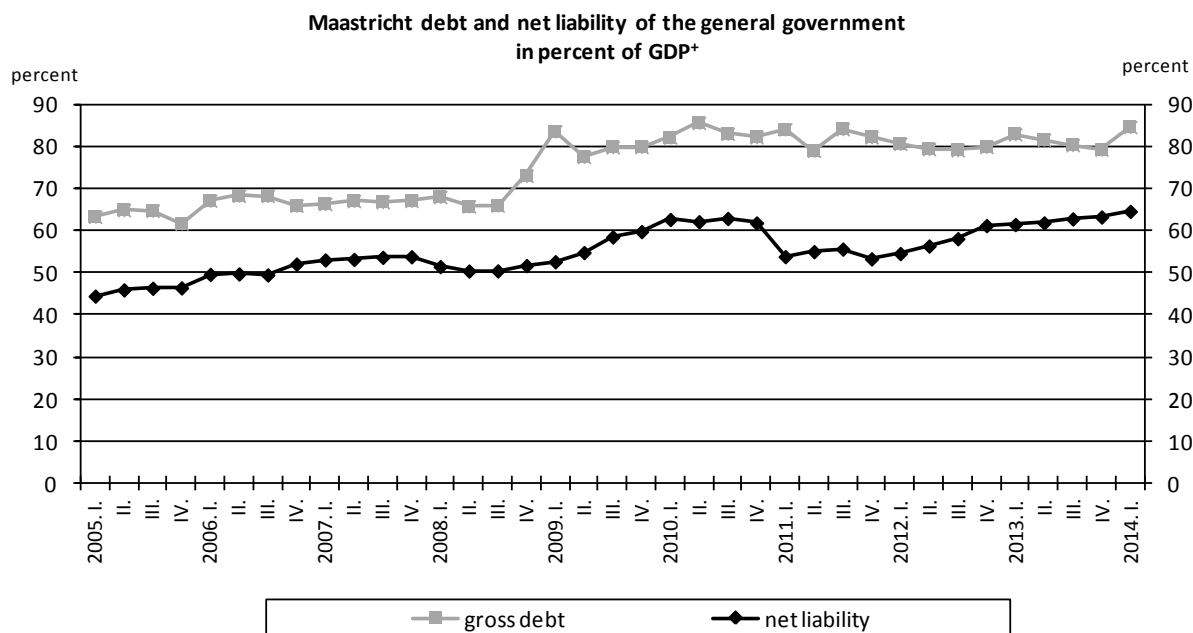
According to preliminary financial accounts data, net lending of households was equivalent to 5.7 per cent of GDP in the four quarters to 2014 Q1.



* For 2011, the quarterly data (shown in black, only for Q1) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds in March 2011, were plotted as separate data points.

According to preliminary data, general government net lending amounted to HUF -791 billion or -2.7 per cent of Hungary's GDP in the four quarters to 2014 Q1. General government net lending (HUF -271 billion) was equal to -4.0 per cent of quarterly GDP in 2014 Q1.

At the end of 2014 Q1, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 24,904 billion, equivalent to 84.6 per cent of GDP. General government debt increased by HUF 1,456 billion due to net borrowing (large issues of government securities at home and abroad) and by HUF 380 billion due to the depreciation of the forint. At the end of 2014 Q1, the sector's net liabilities amounted to HUF 19,018 billion or 64.6 per cent of GDP.

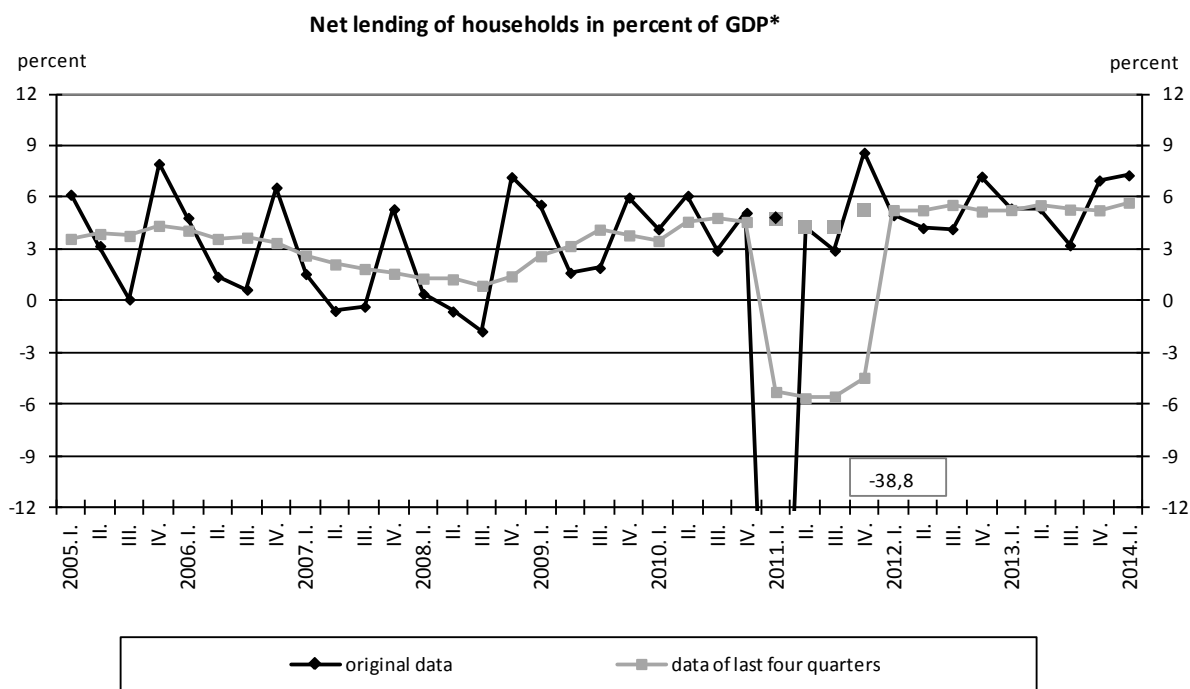


⁺ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.7). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign. 2014 Q1 data are based on the MNB's own GDP estimate.

In 2014 Q1, net borrowing of central government amounted to HUF 864 billion. On the assets side of the sub-sector's balance sheet, deposits with the central bank increased significantly, while its securities holdings and loans fell. On the liabilities side, there were large issues of government paper; short-term securities were purchased mainly by other monetary financial institutions and long-term government bonds were purchased by companies and the non-resident sector. The assumption of local government debt accounted for most of the increase in the stock of loans. This was partly offset by debt repayments.

Net lending of local government authorities was HUF 529 billion in 2014 Q1. On the assets side, local authority deposits with monetary financial institutions increased significantly. On the liabilities side, loans and securities fell sharply, due to the assumption of the sub-sector's debt by central government.

Net borrowing of social security funds was HUF 64 billion in 2014 Q1. On the assets side, deposits with the Treasury rose significantly, while other receivables from households and companies fell markedly. On the liabilities side, trade liabilities declined significantly.



* For 2011, the quarterly data (shown in black) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds in March 2011, were plotted as separate data points. 2014 Q1 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households (HUF 1,682 billion) was equivalent to 5.7 per cent of GDP in the four quarters to 2014 Q1. Net lending of the sector (HUF 495 billion) amounted to 7.3 per cent of quarterly GDP in 2014 Q1.

In 2014 Q1, households increased significantly their holdings of currency, short-term securities and mutual fund shares, similar to previous quarters. Holdings of current account deposits, long-term securities, quoted shares and insurance technical reserves increased slightly. The decline in liabilities mainly reflected repayments of loans and a fall in other liabilities due to transactions.

Detailed preliminary financial accounts data are available on the MNB's website at: [Statistics/Statistical Data and Information/Statistical Time Series/XII. Financial Accounts/Preliminary Financial Accounts of Households and General Government](#). The full set of financial accounts for the institutional sectors of the national economy for 2014 Q1 will be published on 30 June 2014.

Tables

Main data of the general government and the households

	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Net lending, quarterly transactions, billion HUF													
General government (S.13)	2332	-347	-289	-530	-185	-80	-84	-250	-206	-158	-230	-132	-271
Households (S.14)	-2382	287	207	659	314	293	301	549	346	389	242	556	495
Net lending, quarterly transactions, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, billion HUF													
General government (S.13)	-345	-347	-289	-481	-130	-130	-84	-250	-206	-158	-230	-132	-271
Households (S.14)	295	287	207	485	118	344	301	549	346	389	242	556	495
Net lending of last four quarters, billion HUF													
General government (S.13)	1518	1618	1493	1166	-1351	-1083	-878	-599	-620	-698	-844	-726	-791
Households (S.14)	-1410	-1522	-1512	-1229	1468	1474	1568	1457	1489	1585	1526	1533	1682
Net lending of last four quarters, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, billion HUF													
General government (S.13)	-1160	-1059	-1185	-1463	-1248	-1031	-826	-594	-671	-698	-844	-726	-791
Households (S.14)	1267	1156	1165	1275	1098	1154	1249	1312	1540	1585	1526	1533	1682
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	22484	21315	22964	22698	22411	22185	22219	22393	23349	23250	23090	23068	24904
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	701	-1169	1649	-266	-287	-226	34	174	957	-100	-160	-22	1837
of which: transactions	1226	-1193	572	-1041	313	23	149	-106	482	216	-286	16	1456
revaluation	-525	24	1077	776	-601	-249	-115	280	474	-315	126	-38	380
other changes in volume	0	0	0	0	0	0	0	0	0	0	0	0	0
	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	38,0	-5,1	-4,1	-6,9	-2,9	-1,2	-1,2	-3,3	-3,2	-2,2	-3,1	-1,7	-4,0
Households (S.14)	-38,8	4,2	2,9	8,6	5,0	4,2	4,2	7,2	5,4	5,4	3,2	7,0	7,3
Net lending, quarterly transactions, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, percent of GDP													
General government (S.13)	-5,6	-5,1	-4,1	-6,3	-2,1	-1,9	-1,2	-3,3	-3,2	-2,2	-3,1	-1,7	-4,0
Households (S.14)	4,8	4,2	2,9	6,3	1,9	5,0	4,2	7,2	5,4	5,4	3,2	7,0	7,3
Net lending of last four quarters, percent of GDP													
General government (S.13)	5,7	6,0	5,5	4,2	-4,9	-3,9	-3,1	-2,1	-2,2	-2,4	-2,9	-2,5	-2,7
Households (S.14)	-5,3	-5,6	-5,5	-4,4	5,3	5,3	5,6	5,2	5,3	5,6	5,3	5,3	5,7
Net lending of last four quarters, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, percent of GDP													
General government (S.13)	-4,3	-3,9	-4,3	-5,3	-4,5	-3,7	-2,9	-2,1	-2,4	-2,4	-2,9	-2,5	-2,7
Households (S.14)	4,7	4,3	4,3	4,6	3,9	4,1	4,4	4,7	5,5	5,6	5,3	5,3	5,7
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	84,0	78,9	84,1	82,1	80,6	79,3	79,0	79,8	82,8	81,6	80,3	79,2	84,6

Methodological notes

1 Uncertainties related to general government sector data for the end of 2013 and 2014 Q1

Fiscal balance sheets and local authority cash flow reports for 2014 Q1 were not yet available at the time the preliminary financial accounts of general government were compiled. Therefore, estimates have been used to calculate certain assets and liabilities of the general government sector. Data on the following instruments have been calculated using estimates: loans granted, trade credits and advances as well as other assets and other liabilities. These data, and consequently the sector's net lending, may change in later publications. Balance sheet reports of the central government units for 2013 are not yet fully available, which makes it difficult to produce estimates. For this reason, estimates used for certain instruments of central government for the end of 2013 have been maintained.

2 Effect of the assumption of local government debt on the national accounts

Central government assumed HUF 404 billion of local government debt in 2014 Q1, which has been recorded as a transfer to local authorities, i.e. as revenue and expenditure, in the national accounts. As a result, net lending of central government has been reduced by the amount of debt assumed, while that of local authorities has been increased by the same amount, leaving general government debt unaffected. In the financial accounts, the debt assumption was reflected in an increase in liabilities of central government and a decrease in liabilities of local authorities. The debt assumption did not increase general government debt at sector level, as the amount of debt assumed was transferred from one sub-sector of general government to another.

3 Uncertainties related to 2014 Q1 data for households

In compiling preliminary data for 2014 Q1, estimates were used to calculate certain assets (primarily wage claims) and liabilities to general government. Foreign financial assets of households are not fully captured by the statistics, and therefore data on financial savings of the sector contain uncertainties in the financial accounts. The estimates may change in later publications or may be replaced by actual data as they become available.

Changes in the release of financial accounts data due to a methodological changeover

This press release containing Hungary's financial accounts data is the last to have been compiled and published on the basis of the old methodological standards for the national accounts (SNA93 and ESA95). The next release of the full set of financial accounts, to be published on 30 June 2014, will contain data compiled in accordance with the new methodological standards. Detailed information on the planned changes to data releases is available on the page dedicated to the methodological changeover related to the balance of payments and the financial accounts on the MNB's website (<http://english.mnb.hu/Statisztika/methodological-changeover-2014-bpm6-esa2010>).

References

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

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