



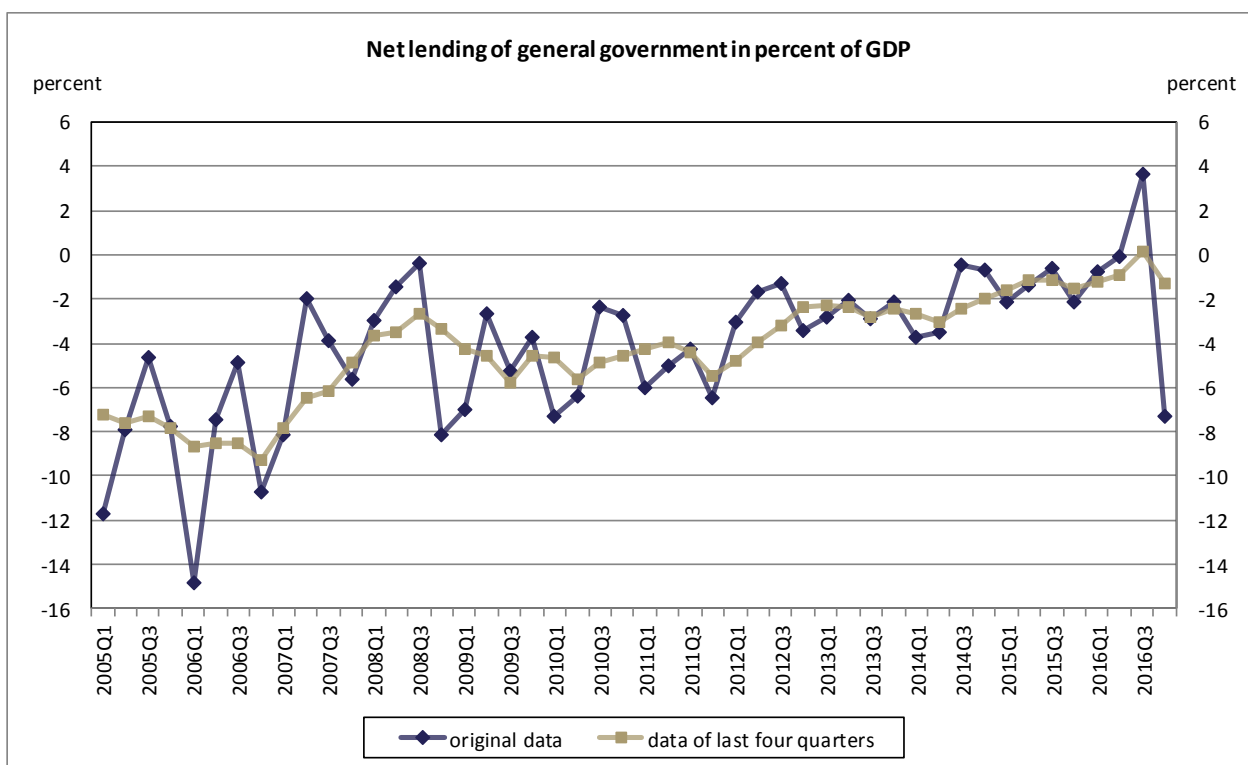
17 February 2017

PRESS RELEASE

Preliminary financial accounts for general government and households

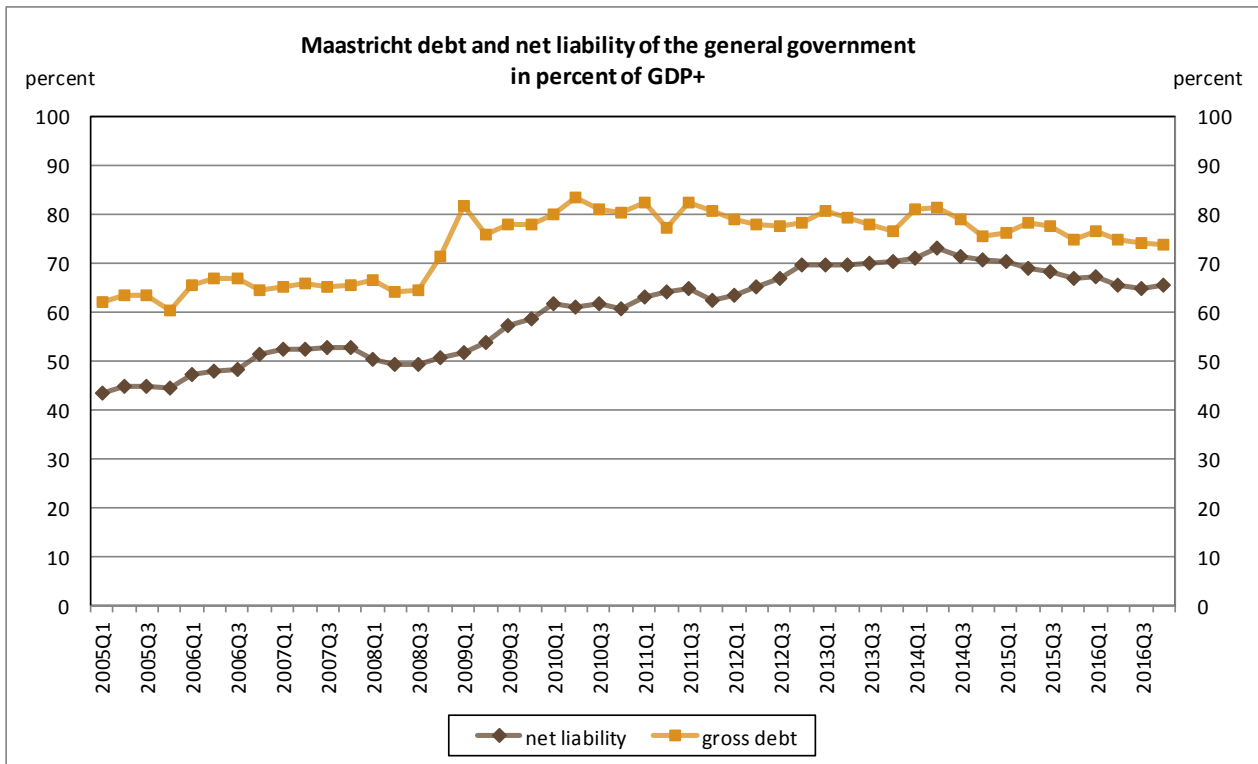
2016 Q4

According to preliminary financial accounts data, general government net lending was equal to -1.3 per cent of Hungary's GDP in 2016. General government consolidated gross debt at nominal value was 73.9 per cent of GDP at the end of 2016. According to preliminary financial accounts data, net lending of households was equivalent to 4.5 per cent of GDP in 2016.



2016 Q4 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -444 billion or -1.3 per cent of GDP in 2016. General government net lending calculated from the financing side (HUF -705 billion) was equal to -7.3 per cent of quarterly GDP in 2016 Q4. At the end of 2016, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 25,922 billion, equivalent to 73.9 per cent of GDP. The upward revaluation of foreign currency debt contributed HUF 53 billion to the increase in government debt calculated at current prices and net repayments reduced it by HUF 14 billion. Net liabilities of general government amounted to HUF 22,940 billion or 65.4 per cent of GDP at the end of 2016.



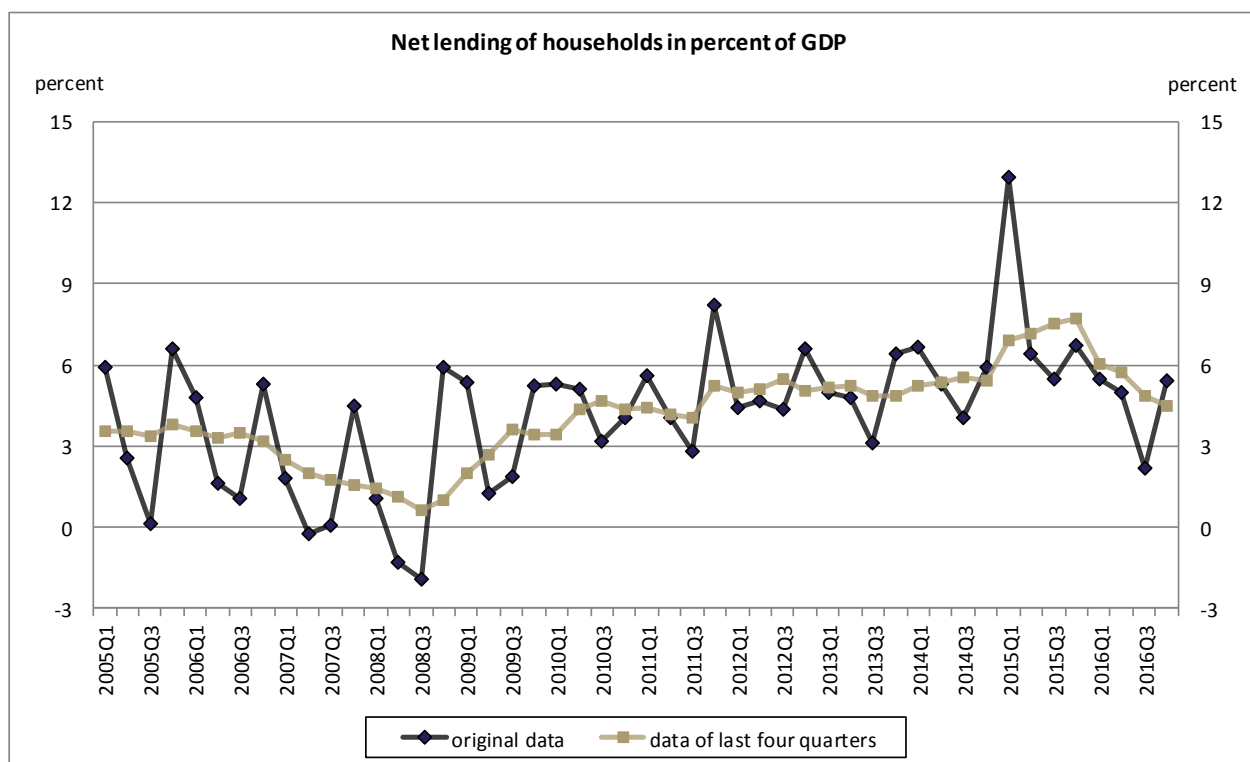
+ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign.

2016 Q4 data are based on the MNB's own GDP estimate.

In 2016 Q4, net borrowing of central government amounted to HUF 594 billion. On the assets side of the sub-sector's balance sheet, there was a significant decline in deposits placed with the central bank and credit institutions. In view of the end of the year, lending to other sub-sectors of general government increased and there was some acquisition of equities. By contrast, other receivables of central government increased significantly, with local governments, households and the rest of the world being the partner sectors involved. On the liabilities side, the stock of long-term securities fell significantly due to transactions, mainly affecting non-resident holders. Parallel with this, there were some net sales of government bonds, mainly to households. Purchases of Treasury bills by the household sector picked up again as well; nevertheless, the stock of short-term securities rose only slightly, as central government made net redemptions to several sectors. The amount of loans outstanding remained broadly unchanged, with the increase in short-term loans offsetting the decline in long-term loans. There was a significant increase in other liabilities of central government. Here, the increase in liabilities related to EU transfers was the main contributing factor.

Net borrowing of local governments was HUF 92 billion in 2016 Q4. Within the sub-sector's financial assets, local government deposits placed with central government and credit institutions rose. There was a slight decline in Treasury bills held by local governments; and their trade receivables also fell. Financial transactions vis-à-vis central government played a major role in the increase in their liabilities. Short-term borrowing by local governments increased due to advance payments of wages at the end of the year; and their other liabilities also rose due to receipts of advance EU funding.

Net borrowing of the social security funds was HUF 19 billion in 2016 Q4. On the assets side of the sub-sector's balance sheet, contribution receivables from households rose. On the liabilities side, the stock of short-term lending by central government increased.



2016 Q4 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 4.5 per cent (HUF 1,574 billion) of GDP in 2016 and to 5.4 per cent (HUF 522 billion) of quarterly GDP in 2016 Q4.

Within households' financial assets, the stock of deposits rose the most strongly. In particular, current account deposits increased and the stock of term deposits fell further in 2016 Q4. In addition, holdings of currency rose. The increase in the stock of cash and deposits was closely related to the higher outflow of wages characterising the end of the year and payments of EU funding. Within investments by households, purchases of government securities continued to be dominant. Demand for short-term paper was greater, but the stock of long-term government bonds also increased steadily due to transactions. Households' portfolio of mutual fund shares was broadly unchanged in the quarter, although the stock of non-money market fund shares increased due to transactions. This was offset by net sales of money market mutual fund shares. Net sales of bonds issued by credit institutions continued to dominate; and the portfolio of quoted shares fell. Within insurance technical reserves, the stocks of pension insurance reserves and life insurance reserves both rose in the quarter.

Outstanding borrowing by the household sector continued to increase in 2016 Q4. In the case of housing loans granted by credit institutions, there were net repayments of loans, but the stocks of consumption loans and other loans increased, mainly reflecting rising borrowing by sole proprietors.

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 2016 Q4 will be published on 31 March 2017.

Tables

Main data of the institutional sectors

	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Net lending, quarterly transactions, billion HUF													
General government (S.13)	-177	-269	-279	-39	-59	-159	-113	-54	-199	-61	-8	330	-705
Households (S.14)	526	479	423	338	524	973	533	482	635	423	433	197	522
Net lending of last four quarters, billion HUF													
General government (S.13)	-740	-824	-951	-764	-646	-536	-370	-385	-524	-427	-322	62	-444
Households (S.14)	1 457	1 604	1 667	1 766	1 764	2 258	2 368	2 512	2 623	2 072	1 972	1 687	1 574
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	23 076	24 915	25 420	25 084	24 514	24 985	25 887	25 920	25 402	26 156	25 908	25 883	25 922
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	-31	1 839	505	-336	-570	471	902	34	-518	754	-248	-25	39
of which: transactions	-31	1 839	505	-336	-570	471	902	34	-518	754	-248	-25	-49
revaluation	0	0	0	0	0	0	0	0	0	0	0	0	88
other changes in volume	0	0	0	0	0	0	0	0	0	0	0	0	0
	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	-2,2	-3,7	-3,5	-0,5	-0,7	-2,1	-1,4	-0,6	-2,1	-0,8	-0,1	3,7	-7,3
Households (S.14)	6,4	6,6	5,3	4,0	5,9	12,9	6,4	5,5	6,8	5,5	5,0	2,2	5,4
Net lending of last four quarters, percent of GDP													
General government (S.13)	-2,5	-2,7	-3,1	-2,4	-2,0	-1,6	-1,1	-1,2	-1,5	-1,2	-0,9	0,2	-1,3
Households (S.14)	4,8	5,2	5,4	5,6	5,4	6,9	7,2	7,5	7,7	6,1	5,7	4,8	4,5
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	76,6	81,2	81,6	78,9	75,7	76,4	78,3	77,5	74,7	76,5	75,0	74,3	73,9

Methodological notes

1 Uncertainties related to the use of general government sector data

Balance sheets of the central government units and the local government sub-sector for 2016 Q4 were not fully available and final at the time of compilation of preliminary financial accounts data. Although the data have been used in the financial accounts, there is the possibility that certain items of the financial accounts, and in particular other assets and liabilities, as well as loans granted (and consequently the sector's net lending) may change in later releases. 2016 data on other assets and other liabilities related to transfers from the European Union also continue to be based on estimates.

2 Uncertainties related to 2016 Q4 data for households

In compiling preliminary household sector data for 2016 Q4, estimates were used to calculate certain assets (primarily wage claims) and the sector's liabilities to the general government sector. Foreign financial assets of households are not fully captured by the statistics; therefore, data on financial savings of the household sector contain uncertainties in the financial accounts. The estimated values may change in later publications or may be replaced by actual data as they become available.

References:

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

MAGYAR NEMZETI BANK

DIRECTORATE STATISTICS

Contact information:

Phone: + 36 (1) 428-2751

Fax: + 36 (1) 429-8000

Email: info@mnbb.hu