



Balance of payments and International Investment Position

Q2 2019



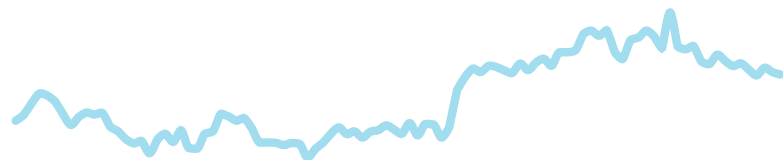
20 September 2019

Summary data	Net external financing capacity (CA+KA)	Net external financing capacity (FA)		External positions	
		by resident sectors	by instruments	by resident sectors	by instruments
External debt positions	FDI flows according to directional principle	EU transfers		Revisions (vs previous publication)	

FDI income and positions (annual)	FDI positions: country breakdown (annual)	FDI positions: activity breakdown (annual)	FDI income: COPC (annual)
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Net external financing capacity/GDP (SA)

1.3%



Net IIP/GDP

-53.6%





Summary data

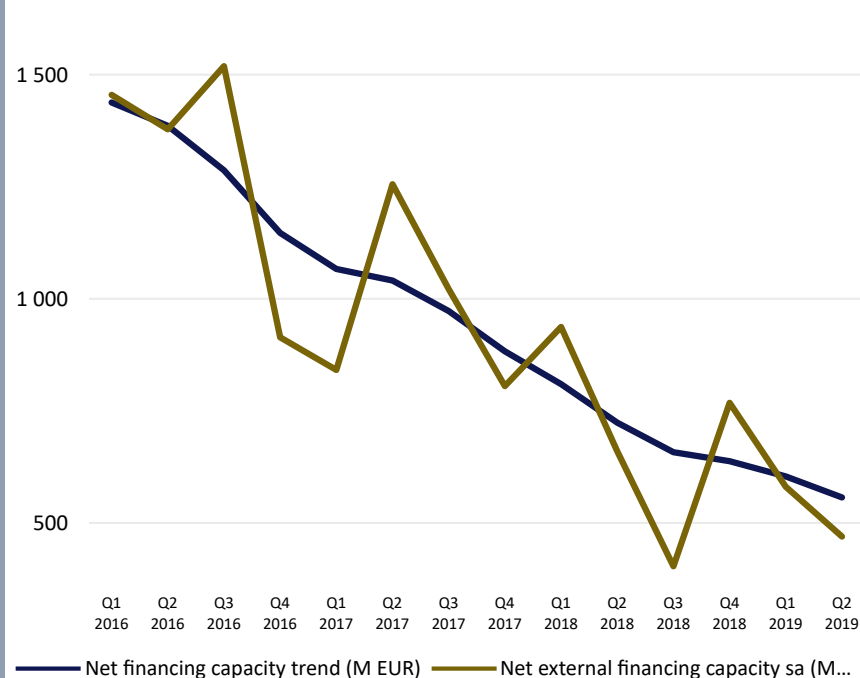
Graphs

Table

FDI debt (filter)

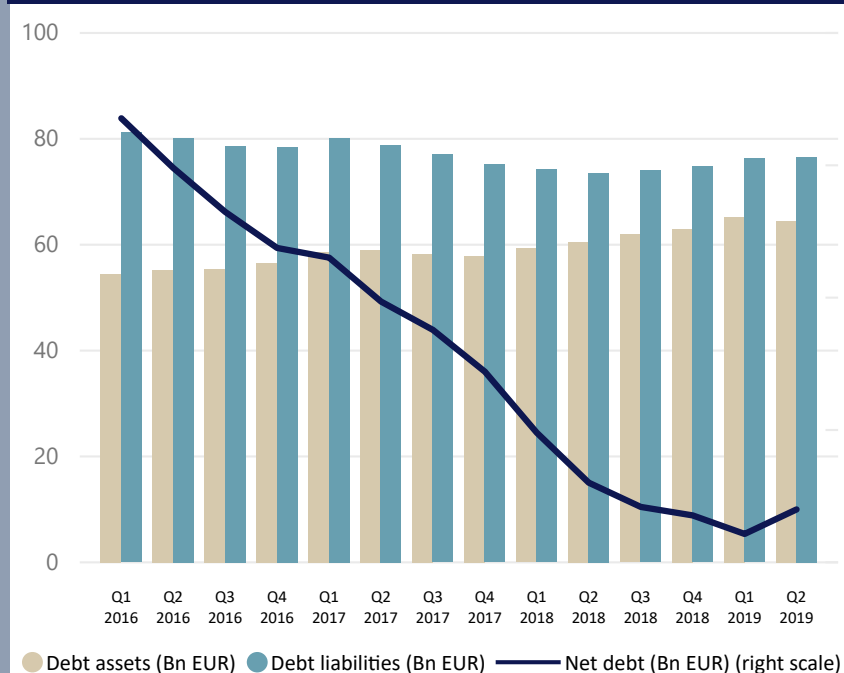
Debt excluding FDI debt

Net external financing capacity (M EUR)



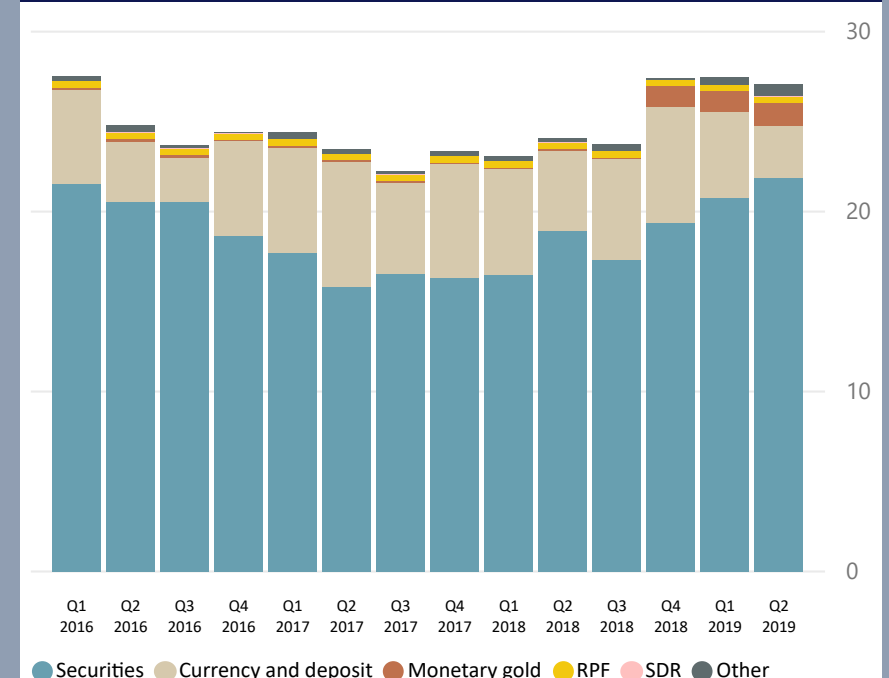
In Q2 2019, Hungary's seasonally adjusted net external financing capacity (i.e. the combined surplus on its current and capital accounts) amounted to EUR 470 million, equal to 1,3 % of quarterly GDP. Compared to the previous quarter, the decline in financing capacity was due to a larger deficit in goods and primary income. The unadjusted value EUR 760 million.

External debt excluding FDI debt instruments (Bn EUR)



Hungary's net foreign debt, excluding FDI debt instruments, amounted to EUR 12.0 billion at the end of June 2019 (8.8 % as a percentage of GDP in the last four quarters). The net external debt increased 0.9 EUR billion compared to the previous quarter.

Reserve assets (Bn EUR)



The Central Bank's reserve assets amounted to EUR 27.1 billion at the end of June 2019. The level of reserves in the second quarter was slightly lower than in the previous quarter.



Summary data

Graphs

The complete table is available in the interactive publication

M EUR	2016	2017	2018	Q1 2019	Q2 2019
▲					
1. Current account, net (1.1.+1.2.+1.3.)	5 209	2 830	-717	56	-122
1.1. Goods and Services, net	10 084	9 153	5 871	1 691	1 742
1.1.1. Goods, net	3 958	1 909	-1 654	79	-385
1.1.1.A Export	78 588	85 555	88 626	23 689	23 509
1.1.1.B Import	74 630	83 646	90 280	23 610	23 894
1.1.2. Services, net	6 126	7 244	7 525	1 611	2 128
1.1.2.A Export	21 878	23 862	24 991	5 700	6 535
1.1.2.B Import	15 753	16 618	17 466	4 088	4 407
1.2. Primary income, net	-3 131	-5 131	-5 293	-1 111	-1 615
1.2.1. Compensation of employees, net	2 823	2 624	2 322	602	644
1.2.2. Investment income, net	-7 057	-8 976	-8 950	-1 992	-2 553
1.2.2.1. Direct investment income, net	-5 299	-7 458	-7 644	-1 772	-1 966
1.2.2.2. Portfolio investment income, net	-1 706	-1 468	-1 306	-229	-602
1.2.2.3. Other investment income, net	-303	-238	-192	-51	-50
1.2.2.4. Reserve assets, net	252	187	192	60	64
1.2.3. Other primary income, net	1 103	1 221	1 335	279	295
1.2.3.1. of which: EU transfers	1 103	1 221	1 335	279	295



Net external financing capacity (CA+KA)

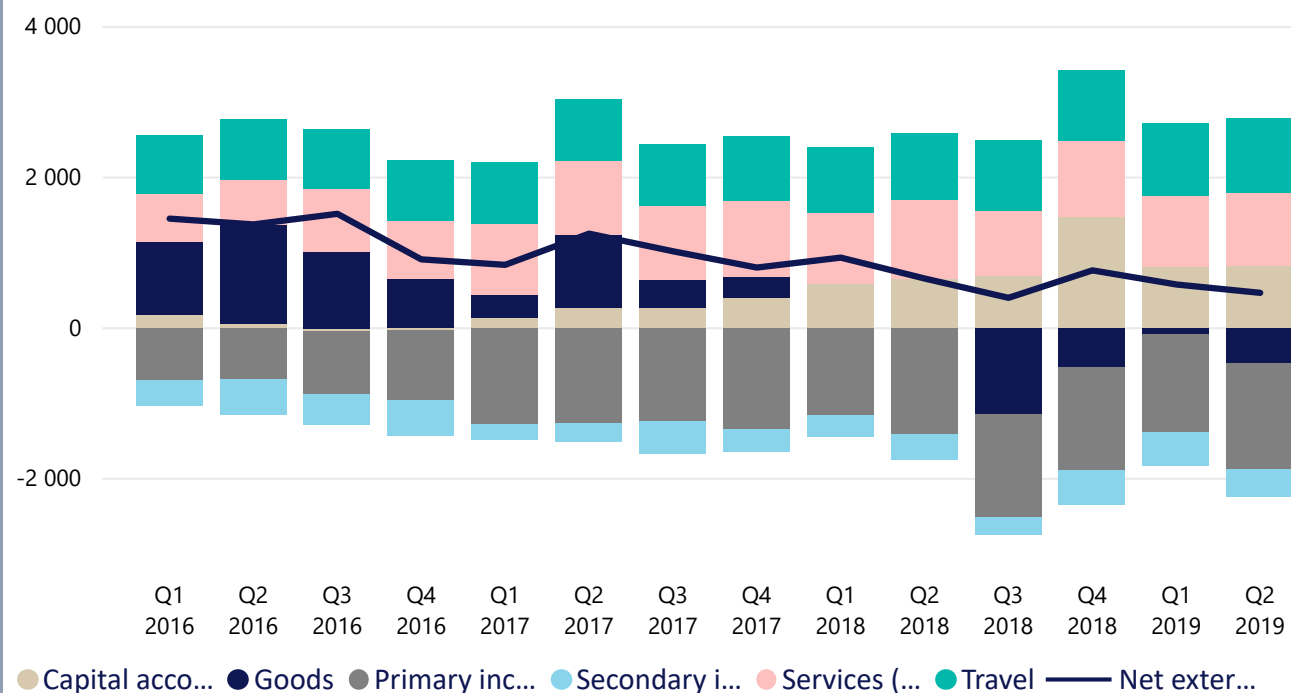


Seasonally adjusted data

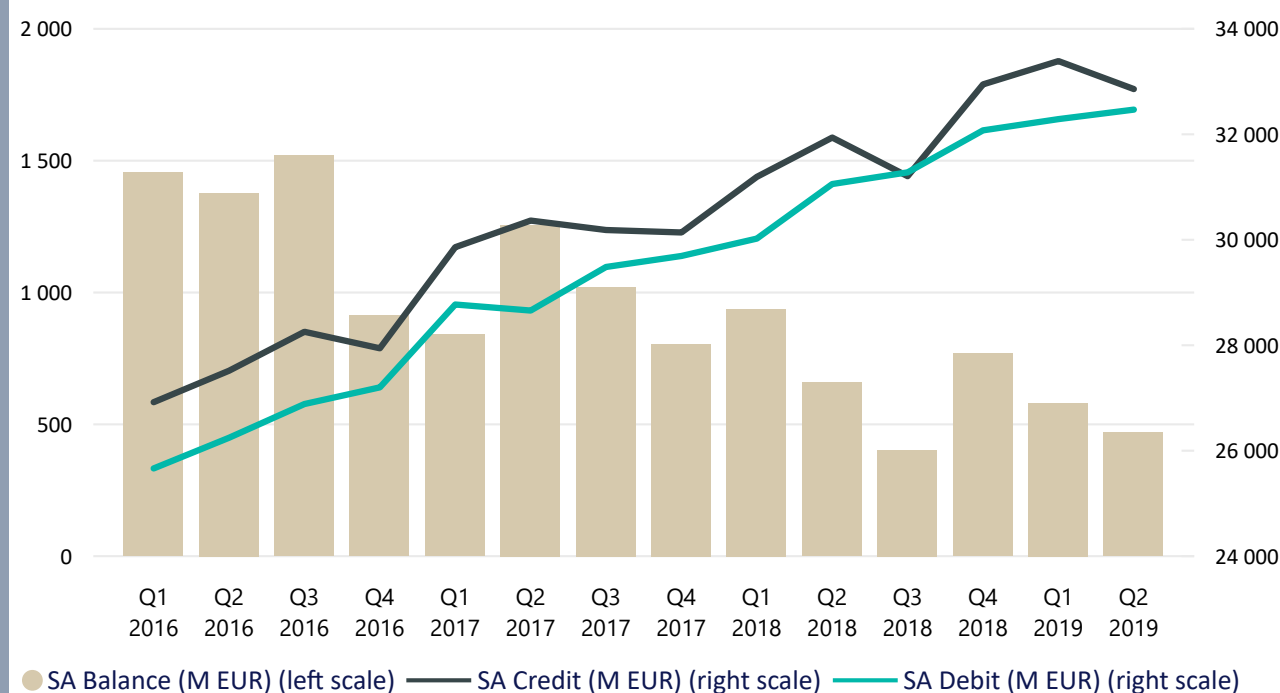
Unadjusted data

Note: The balances and aggregates are directly adjusted. The seasonally adjusted balances cannot be reproduced from the seasonally adjusted credits and debits. The same applies to the aggregates.

Net external financing capacity SA (M EUR)



Selected instruments (credit, debit, balance): Net external financing capacity



Of the components of Hungary's net external financing capacity, the seasonally adjusted deficit on trade in goods amounted to EUR 463 million in Q2 2019. The deficit increased compared to the previous quarter and that contributed to the decrease of net financing capacity. Seasonally adjusted exports (EUR 23,023 million) and imports (EUR 23,635 million) in Q2 2019 was lower than their levels in the previous quarter.

Within services, net travel amounted to EUR 988 million with credits (EUR 1,553 million), and debits (EUR 568 million), they all remained close to the levels of previous quarter.

In Q2 2019, both other services credits (EUR 4,851 million) and debits (EUR 3,886 million) exceeded Q1 2019, and the surplus on other services (EUR 981 million) also slightly surpassed the level of the previous quarter.

In Q2 2019, the seasonally adjusted primary income deficit (EUR 1,409 million) was higher than its level recorded in the previous quarter.

The seasonally adjusted secondary income deficit (EUR 359 million) was lower than its level in the previous quarter.

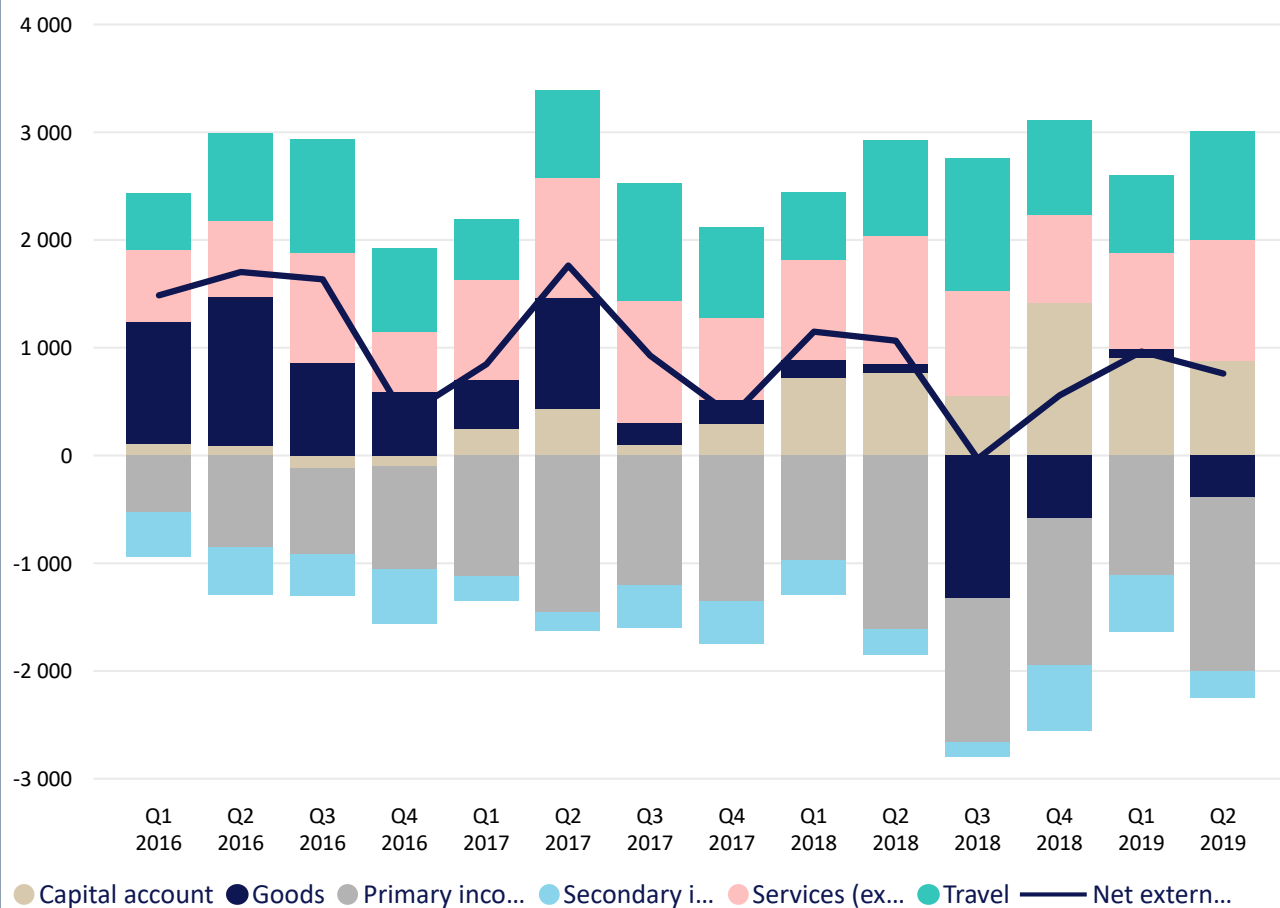


Net external financing capacity (CA+KA)

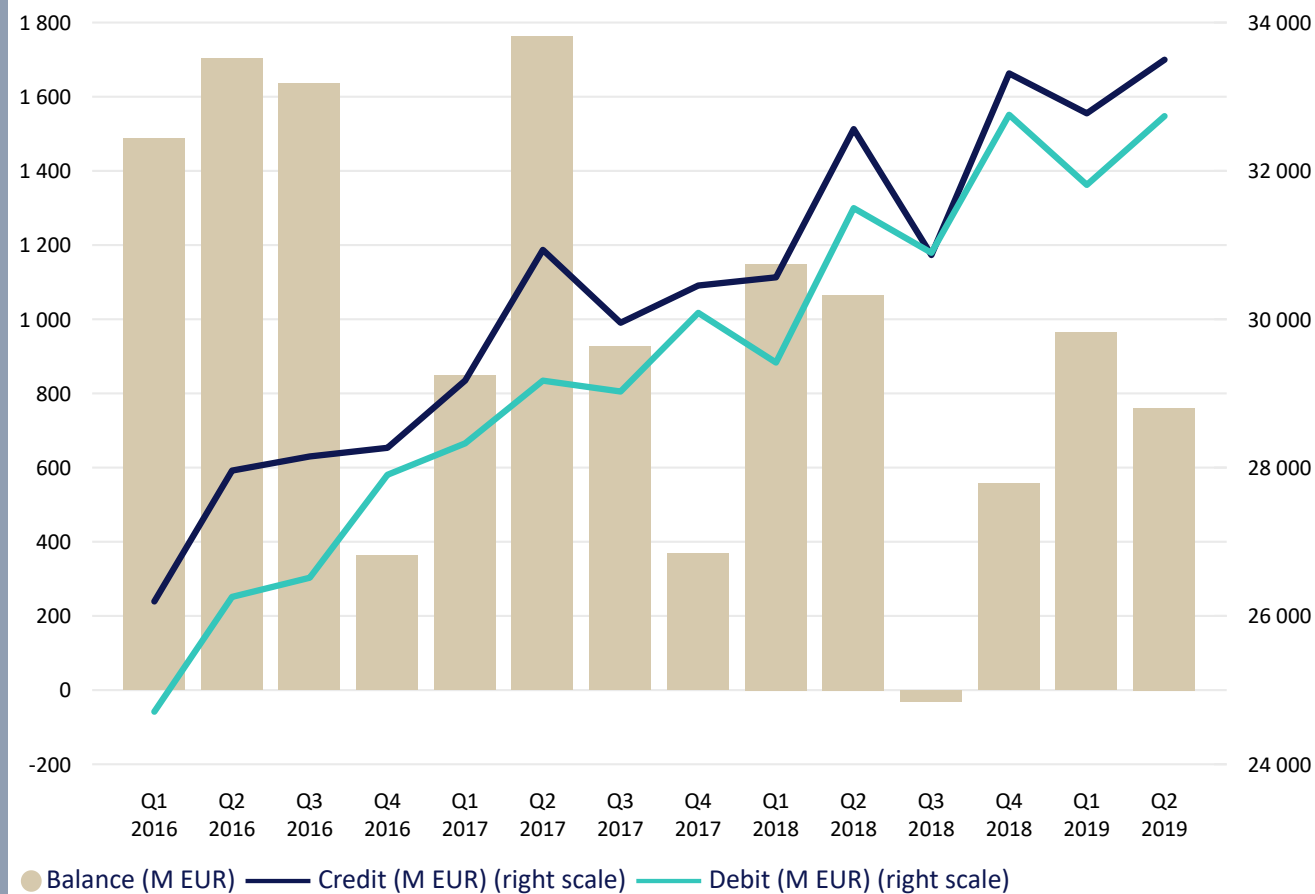
Seasonally adjusted data

Unadjusted data

Net external financing capacity (M EUR)



Selected instruments (credit, debit, balance): All (Net external financing capacity)





Net external financing capacity (financial account) by resident sectors

Period

All

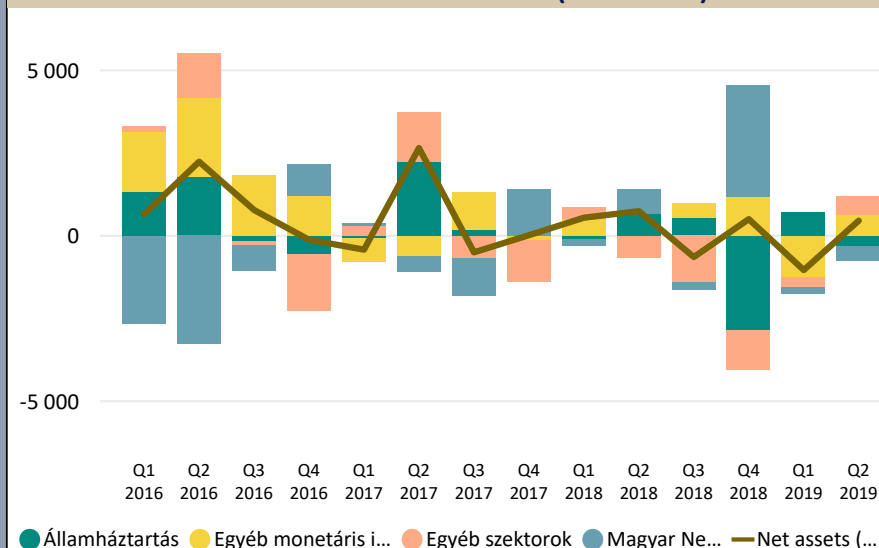
Instrument

All

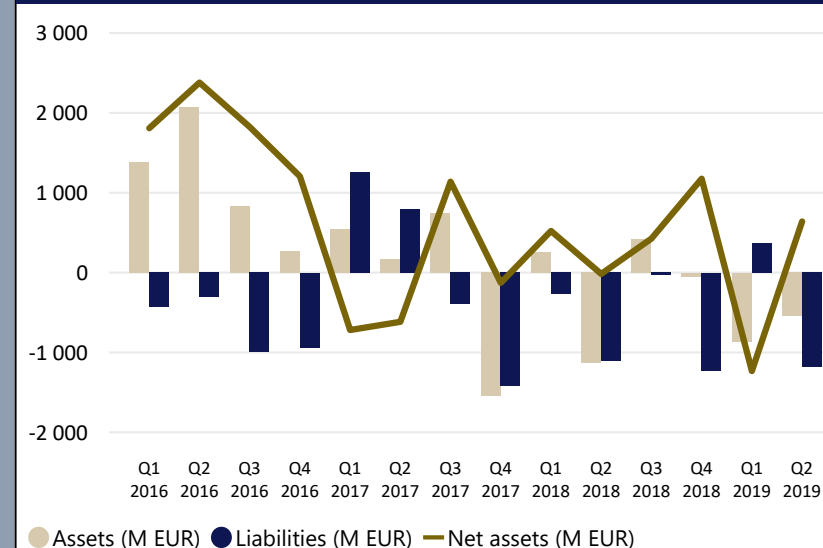
General government (M EUR)



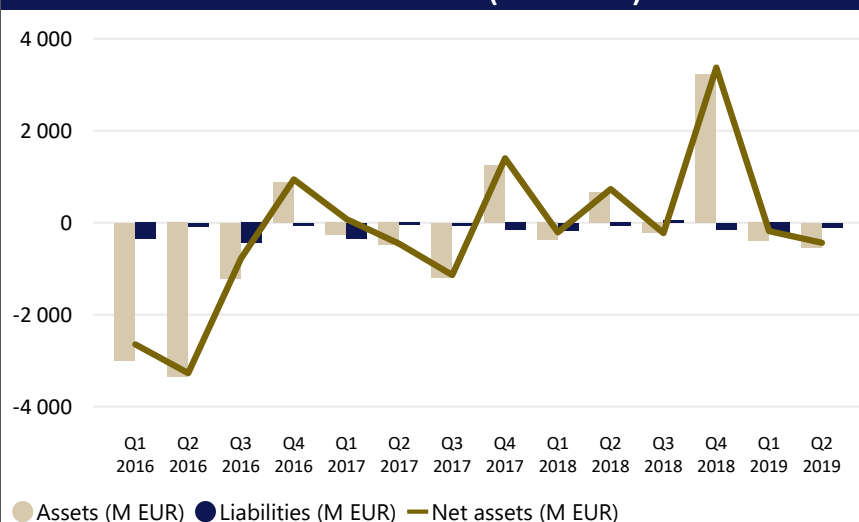
Financial account (M EUR)



Other monetary institutions (M EUR)



Central Bank (M EUR)

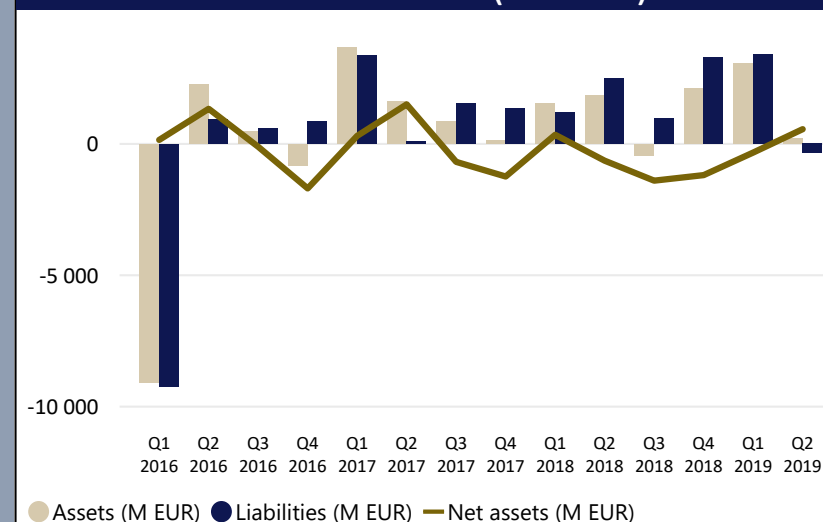


In Q2 2019, financial account balance showed an increase of EUR 457 million in net assets.

Both other monetary institutions (EUR 640 million) and other sectors (EUR 561 million) have increased their net external assets while the general government sector (EUR 308 million increase) and the MNB (EUR 436 million) recorded a decrease in net external assets.

In terms of instruments, net outflow was recorded in FDI EUR 403 million, in portfolio investment EUR 39 million, in other investment EUR 461 million and in financial derivatives EUR 9 million. While reserve assets decreased by EUR 455 million in Q2 2019.

Other sectors (M EUR)





Net external financing capacity (Financial account) by instruments

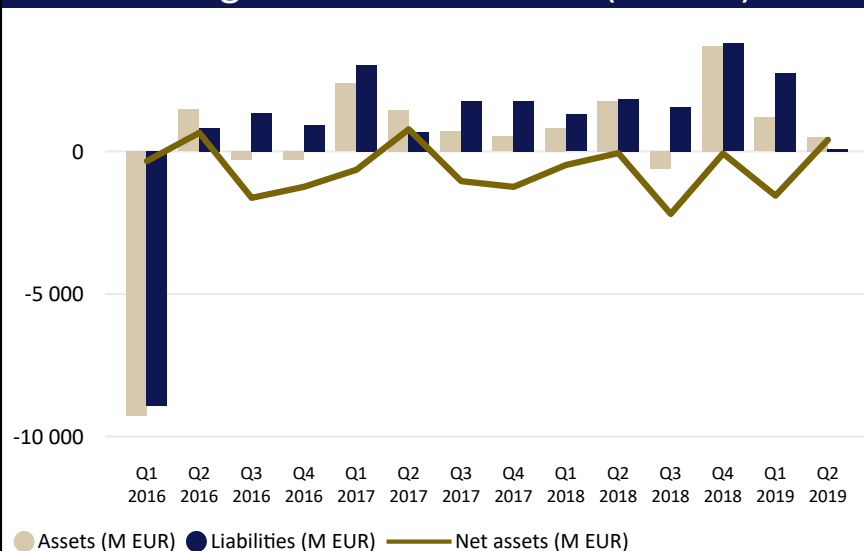
Period

All

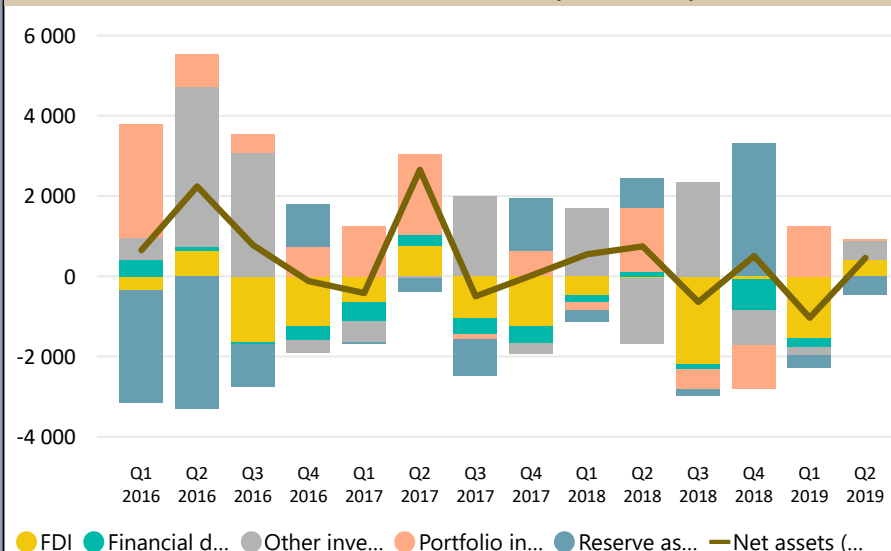
Resident sector

All

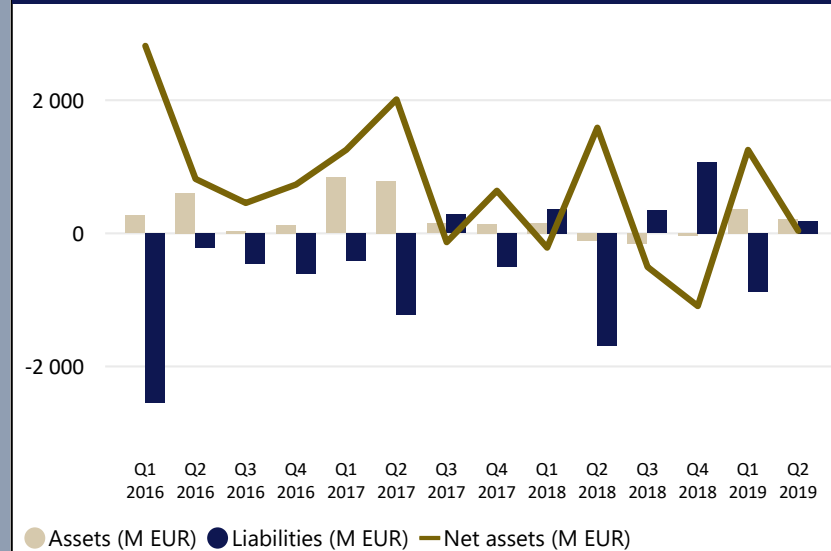
Foreign direct investment (M EUR)



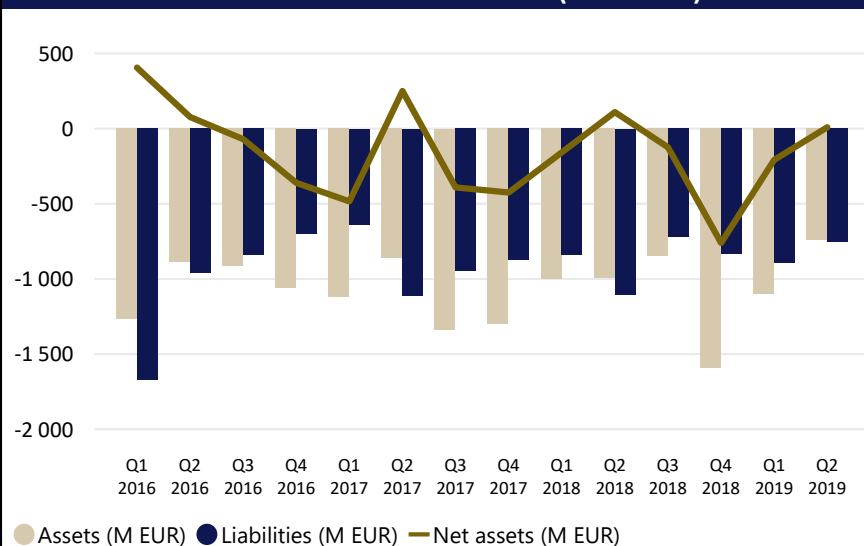
Financial account (M EUR)



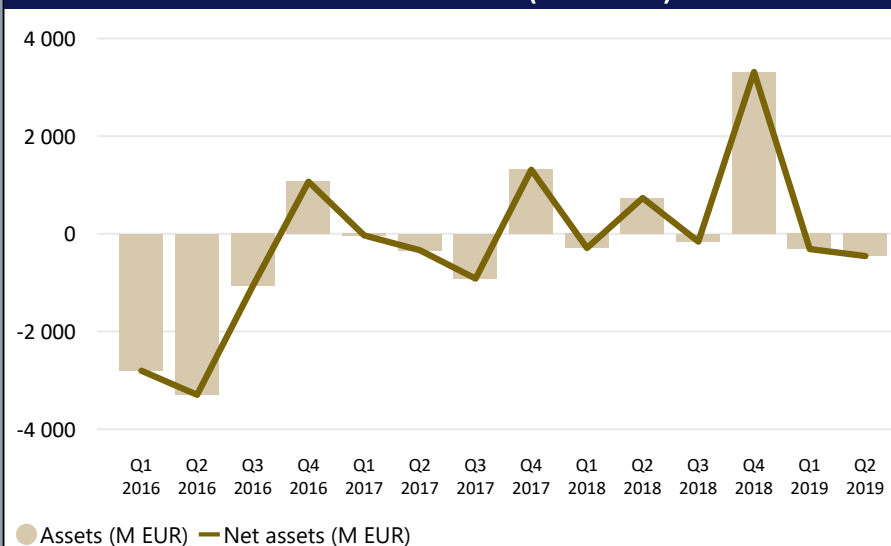
Portfolio investment (M EUR)



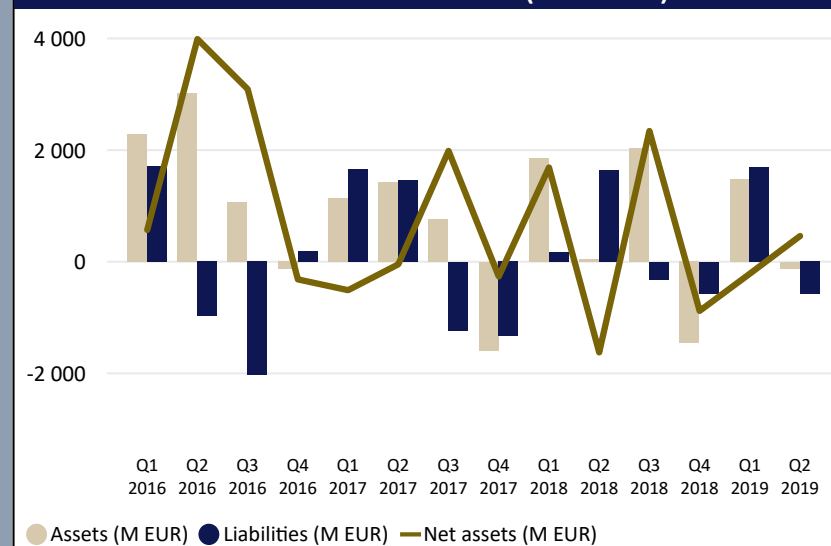
Financial derivatives (M EUR)



Reserve assets (M EUR)



Other investment (M EUR)





International Investment Position by resident sectors

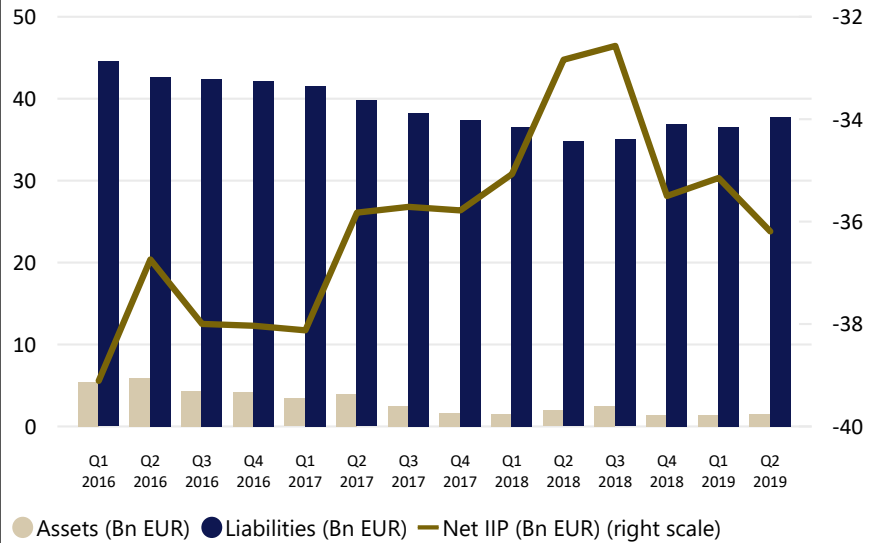
Period

All

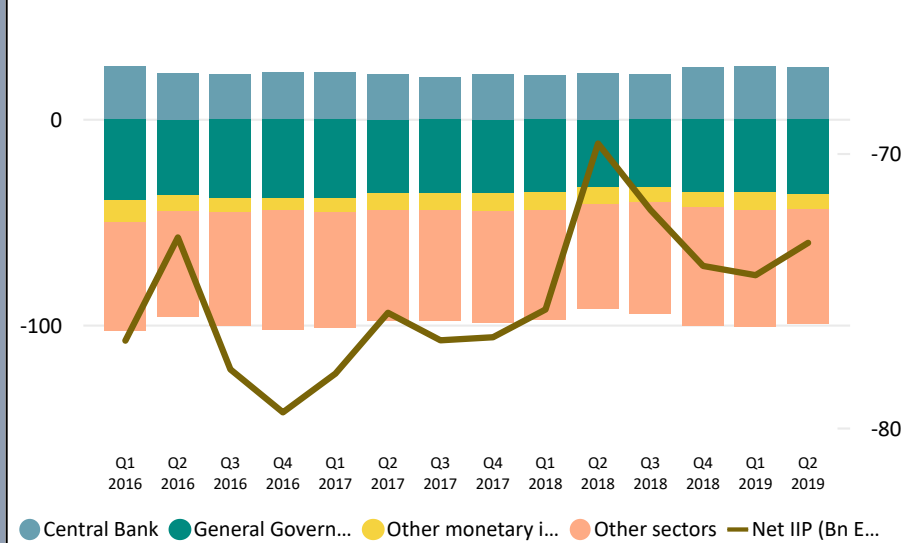
Instrument IIP

All

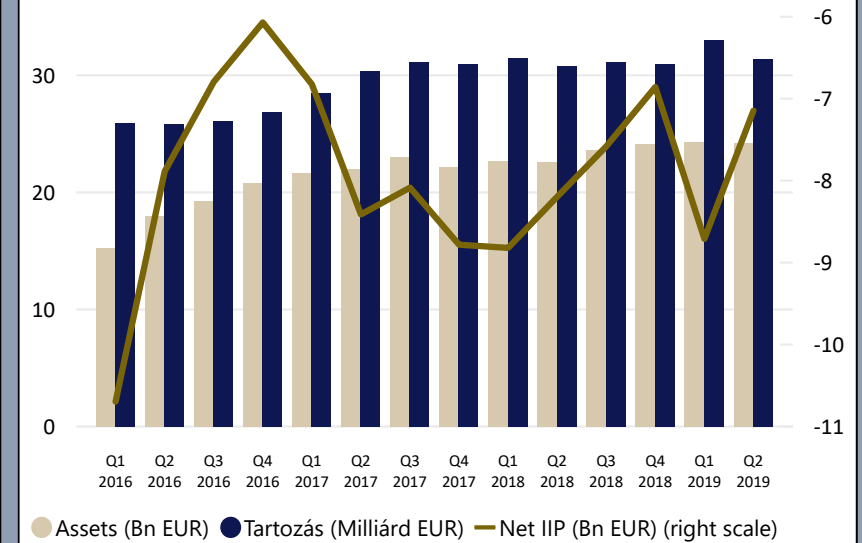
General government (Bn EUR)



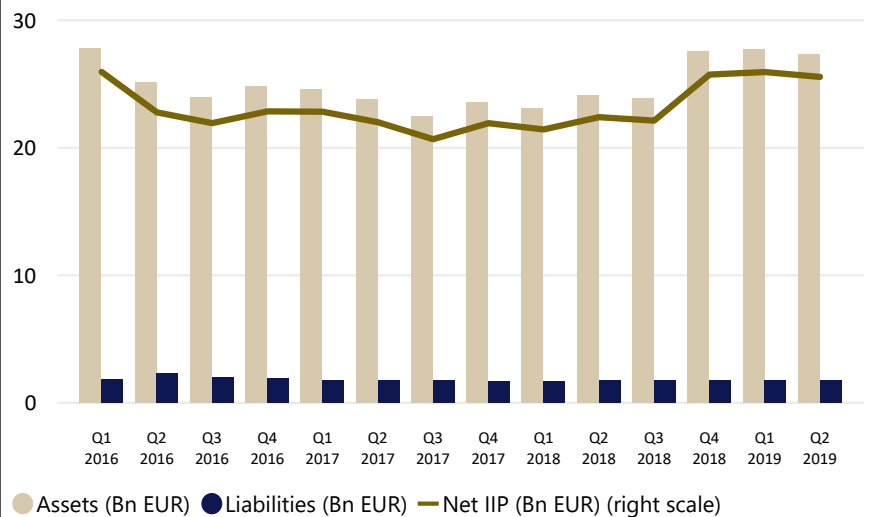
Net IIP (Bn EUR)



Other monetary institutions (Bn EUR)



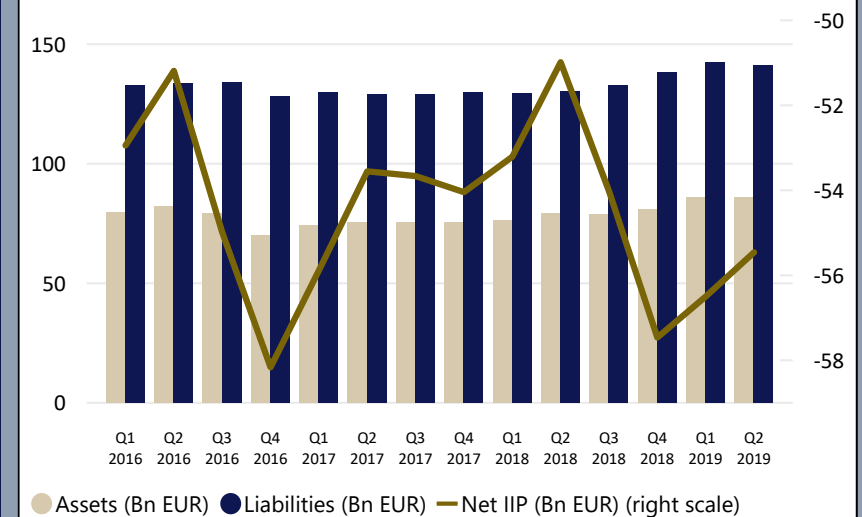
Central Bank (Bn EUR)



In Q2 2019, the net IIP was EUR -73.2 billion: total assets amounted to EUR 139 billion and total liabilities to EUR 212 billion.

Compared to the end of the previous quarter, the level of assets decreased by EUR 0.7 billion and that of liabilities by EUR 1.9 billion.

Other sectors (Bn EUR)





International Investment Position by instruments

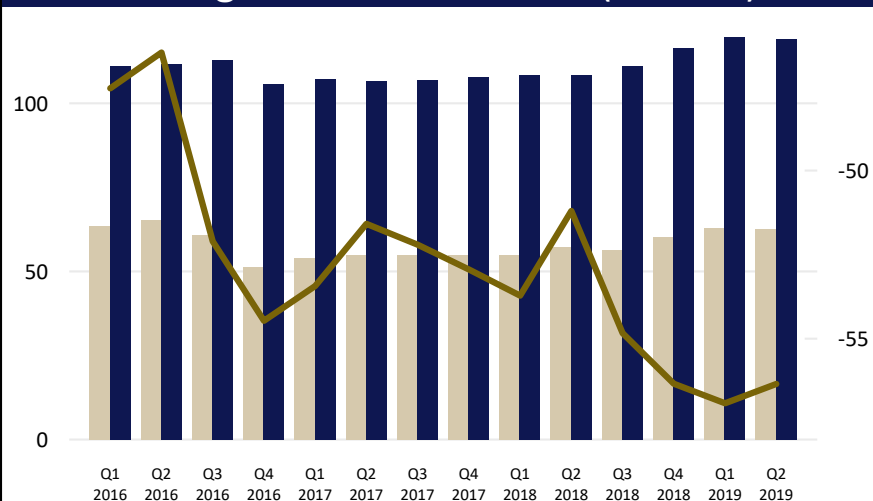
Period

All

Resident sector

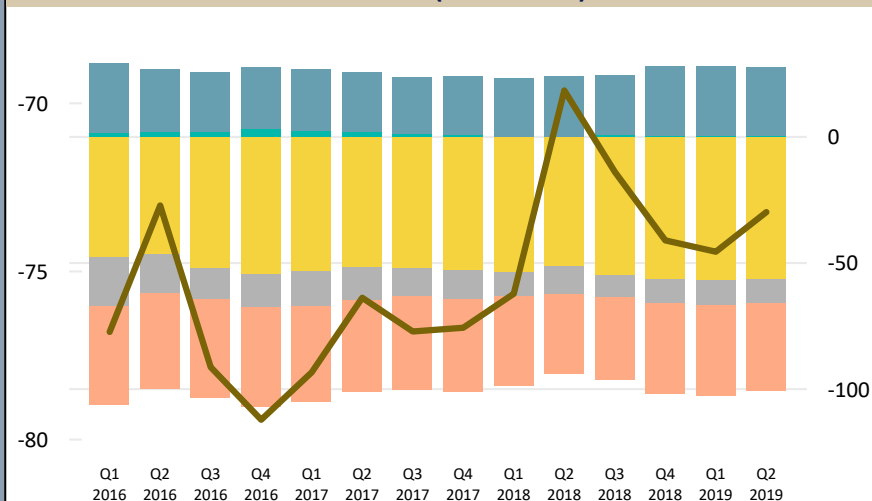
All

Foreign direct investment (Bn EUR)



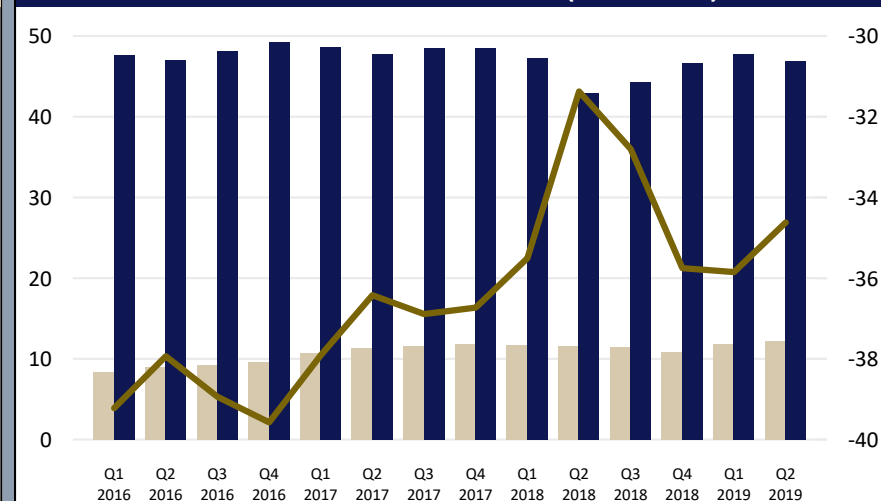
Assets (Bn EUR) Liabilities (Bn EUR) Net IIP (Bn EUR) (right scale)

Net IIP (Bn EUR)



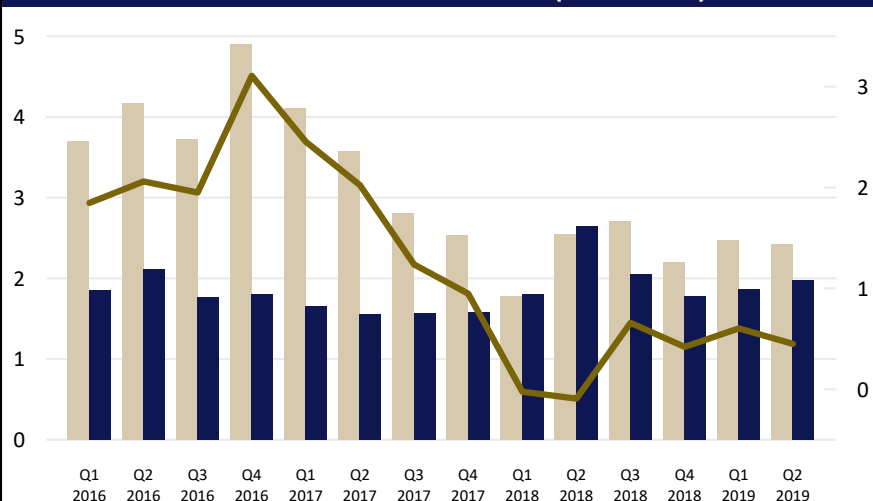
FDI Financial d... Other inve... Portfolio in... Reserve as... Net IIP (Bn...)

Portfolio investment (Bn EUR)



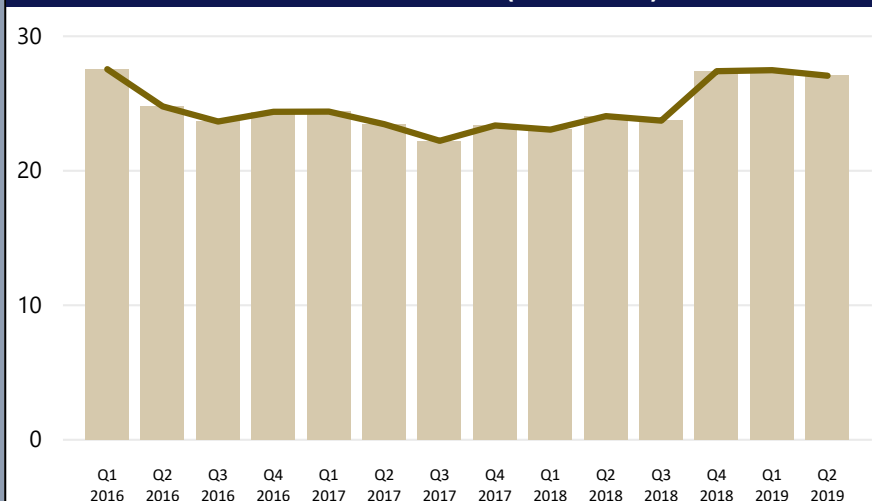
Assets (Bn EUR) Liabilities (Bn EUR) Net IIP (Bn EUR) (right scale)

Financial derivatives (Bn EUR)



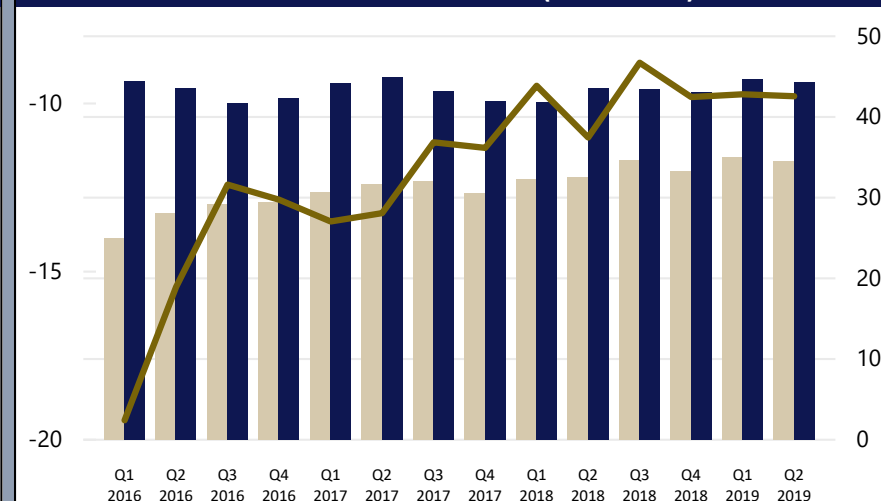
Assets (Bn EUR) Liabilities (Bn EUR) Net IIP (Bn EUR) (right scale)

Reserve assets (Bn EUR)



Assets (Bn EUR) Net IIP (Bn EUR) (right scale)

Other investment (Bn EUR)



Assets (Bn EUR) Tartozás (Milliárd EUR) Net IIP (Bn EUR) (right scale)



Stock of external debt

Period

All

Indicators

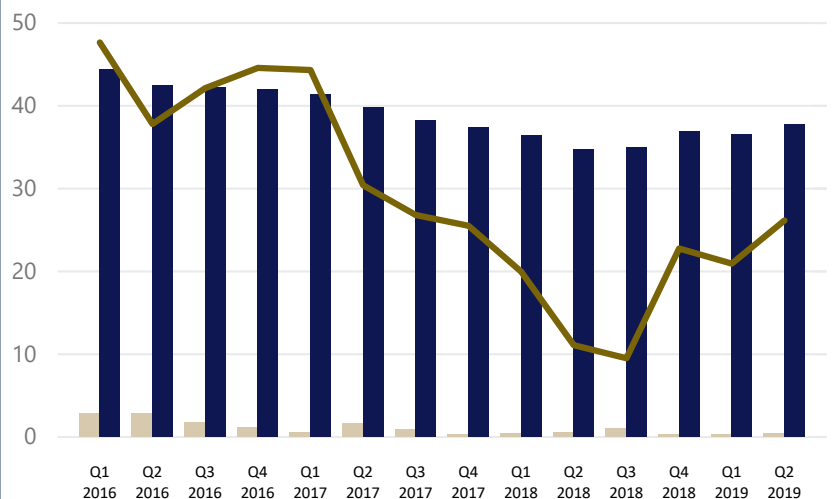
All

FDI debt (filt...

All

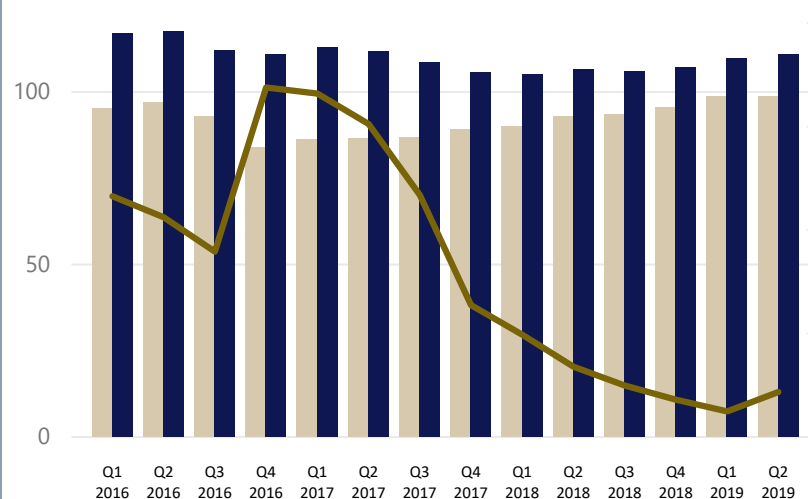
External debt by maturity

General government (Bn EUR)



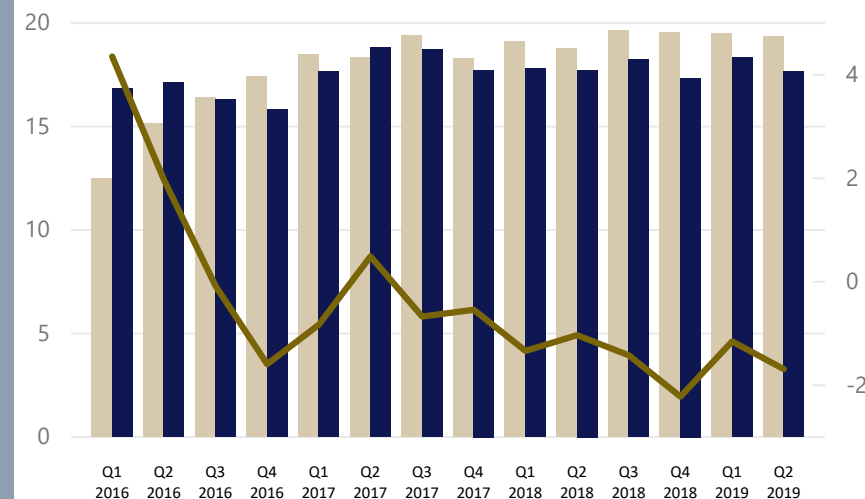
Debt assets Debt liabilities Net debt (right scale)

External debt (Bn EUR)



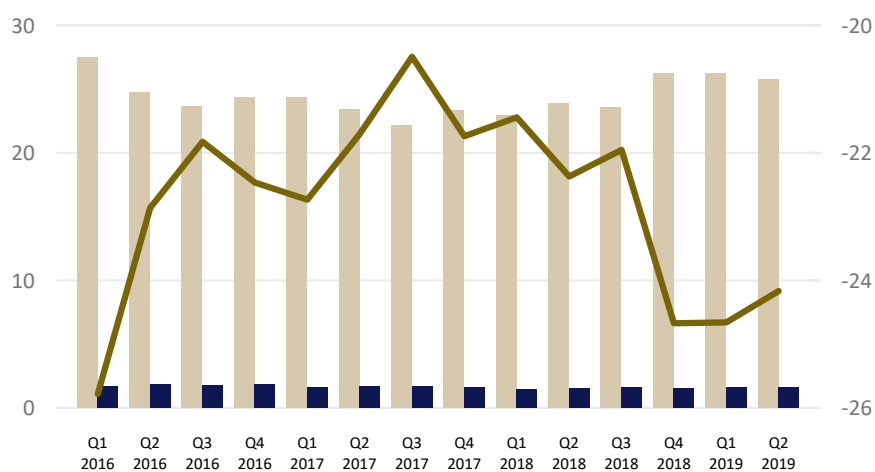
Debt assets Debt liabilities Net debt (right scale)

Other monetary institutions (Bn EUR)



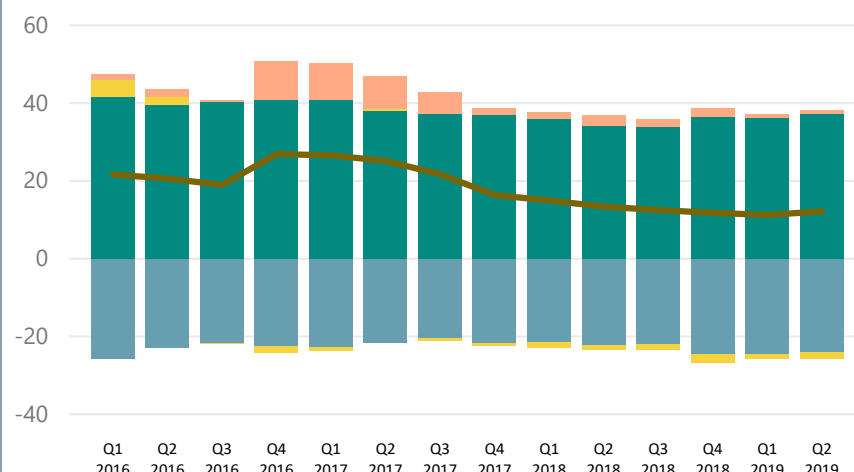
Debt assets Debt liabilities Net debt (right scale)

Central Bank (Bn EUR)



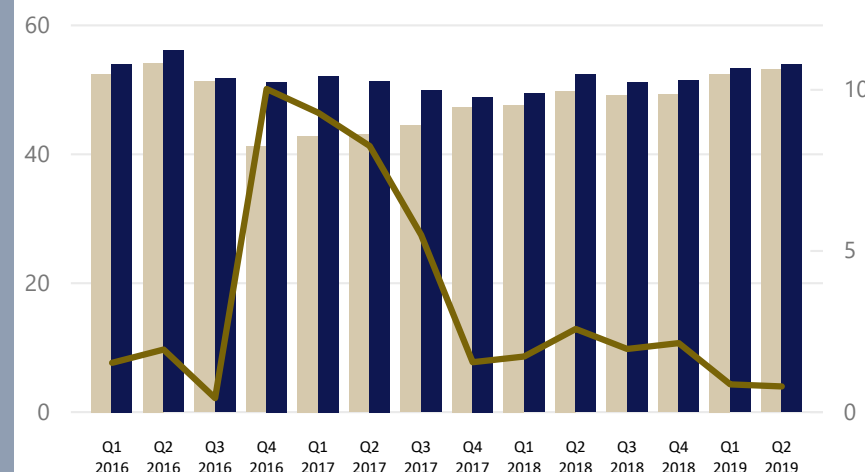
Debt assets Debt liabilities Net debt (right scale)

Net external debt by resident sectors (Bn EUR)



Central Bank General Government Other monetary institutions Other sectors Net debt

Other sectors (Bn EUR)



Debt assets Debt liabilities Net debt (right scale)



Stock of gross external debt by maturity (excl. FDI debt)

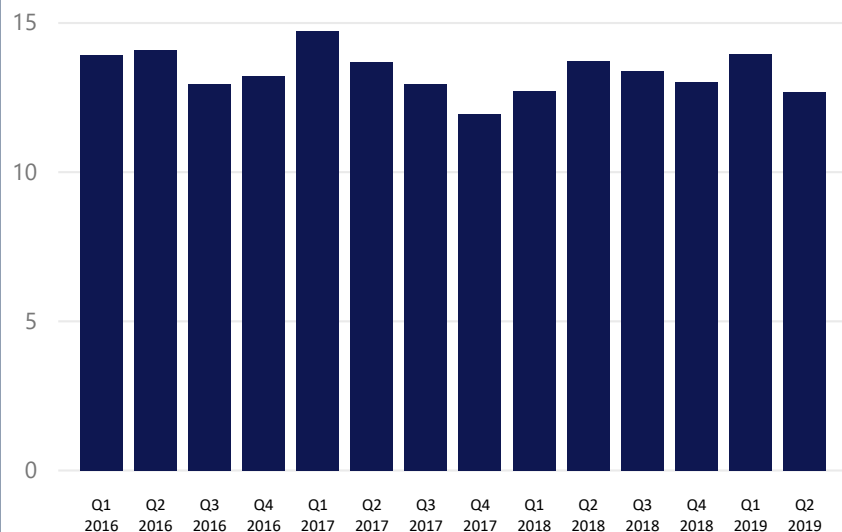
Period

All

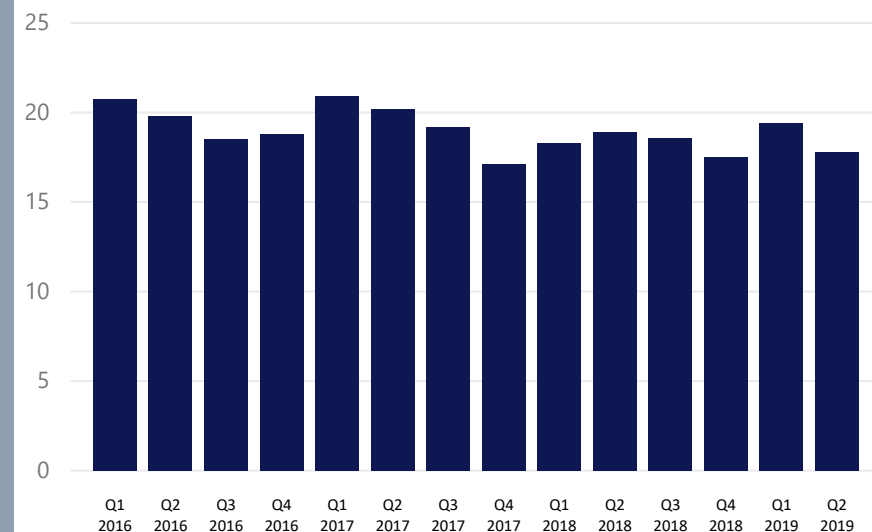
Resident sector

All

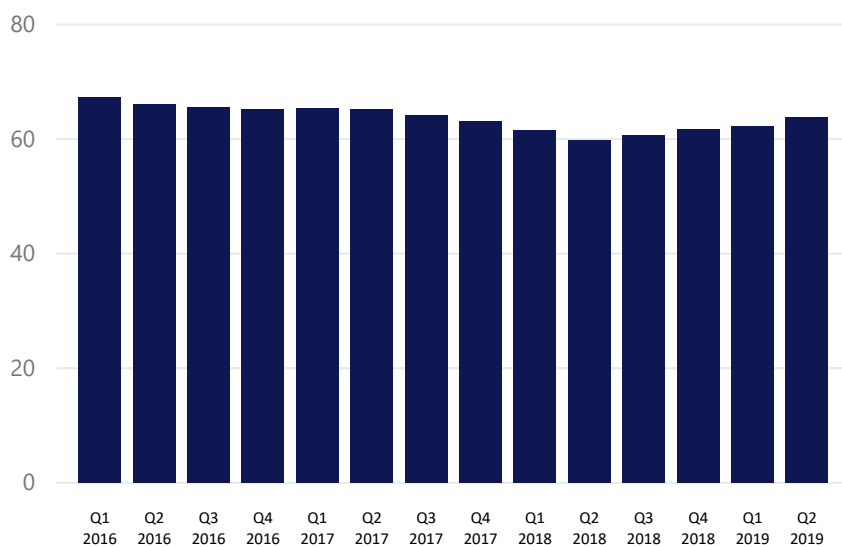
Original maturity: short-term (Bn EUR)



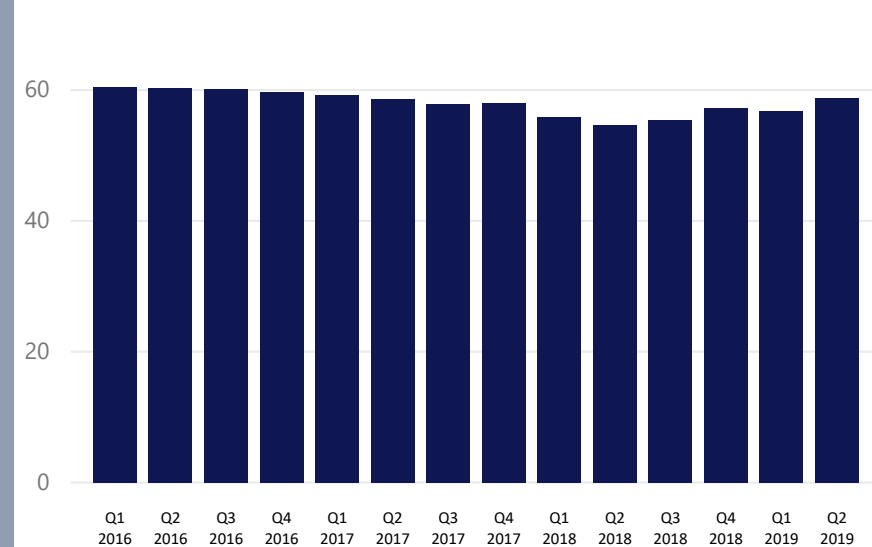
Remaining maturity: short-term (Bn EUR)



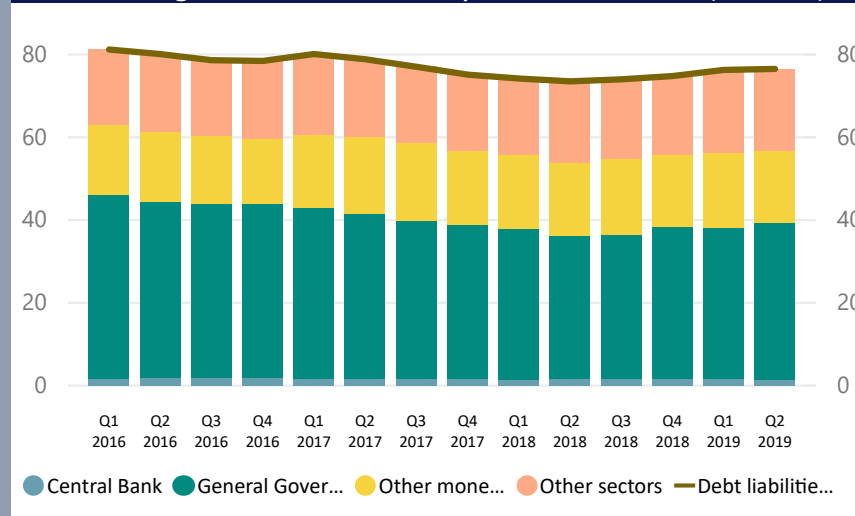
Original maturity: long-term (Bn EUR)



Remaining maturity: long-term (Bn EUR)



Stock of gross external debt by resident sectors (Bn EUR)





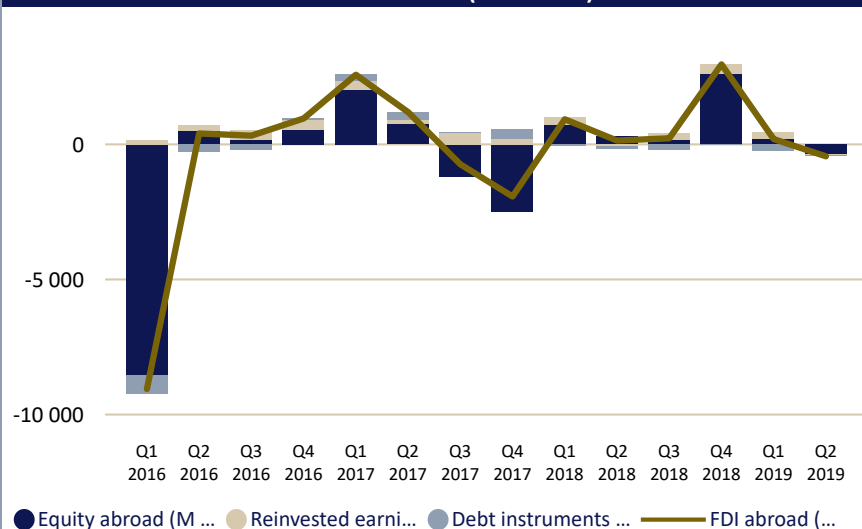
FDI flows according to the directional principle

Period

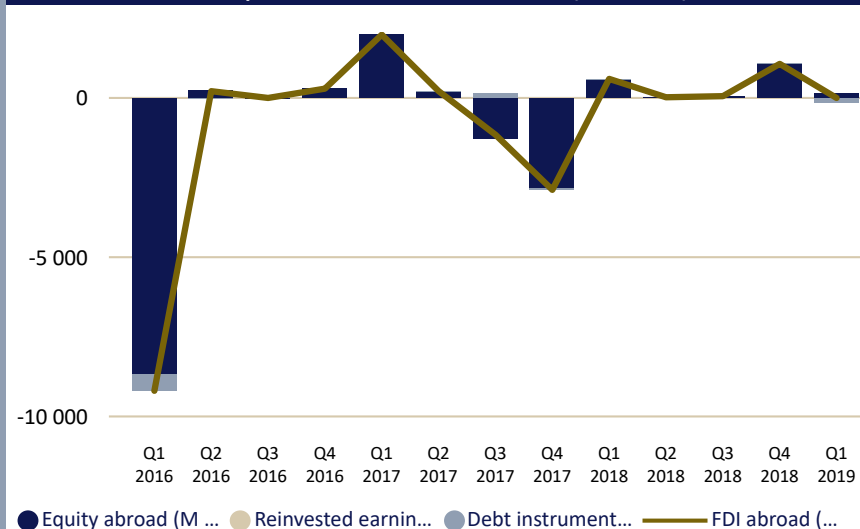
All



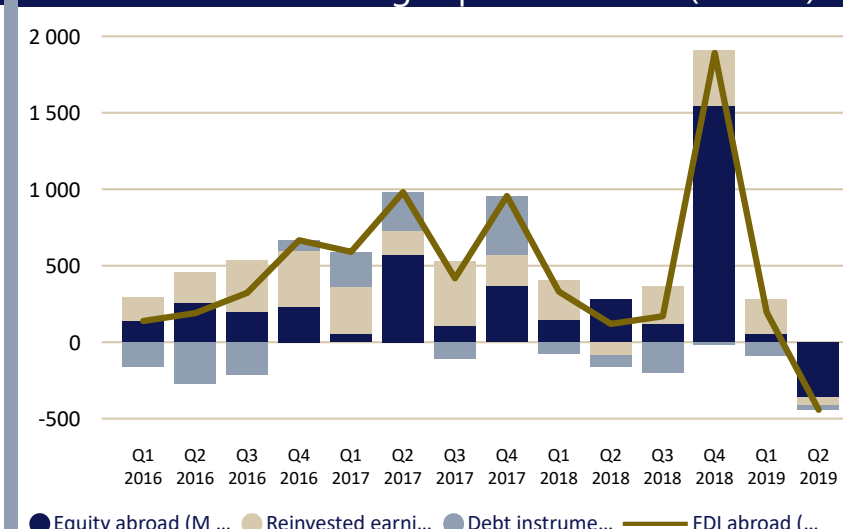
FDI abroad (M EUR)



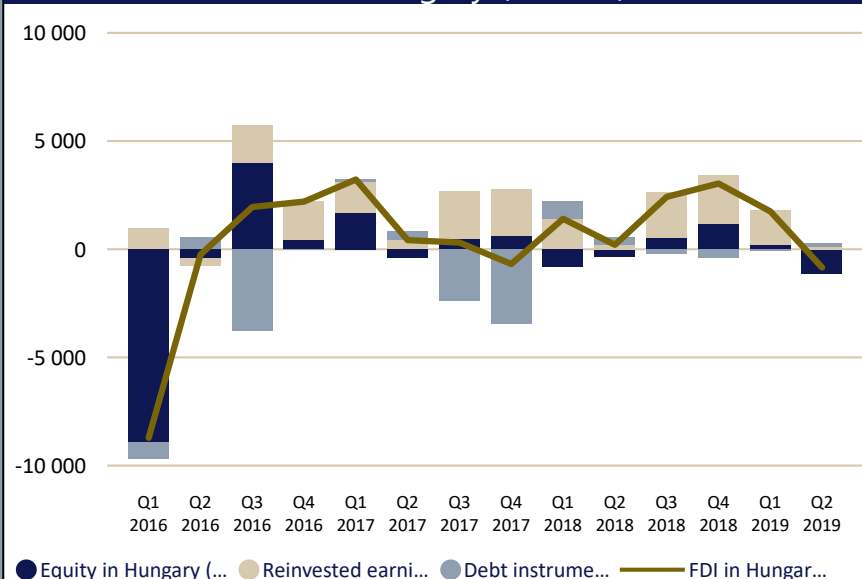
Capital in transit abroad (M EUR)



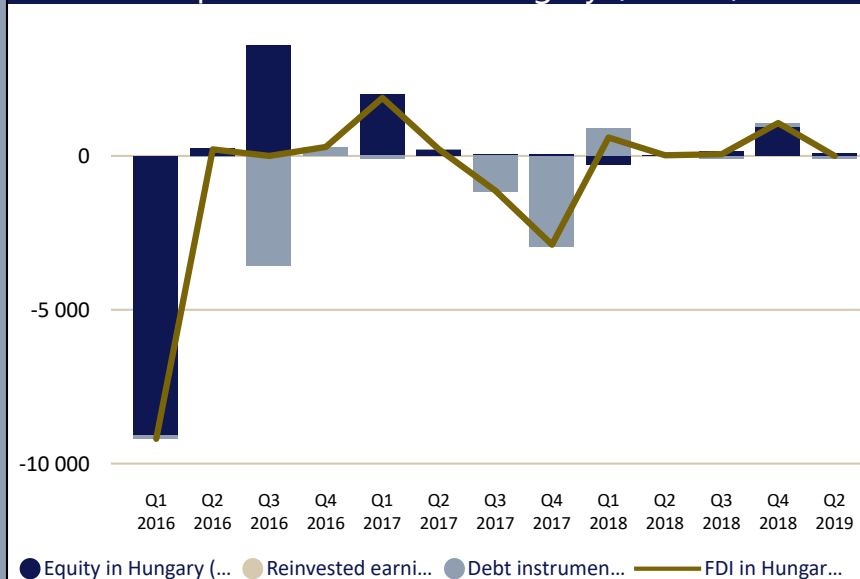
FDI abroad excluding capital in transit (M EUR)



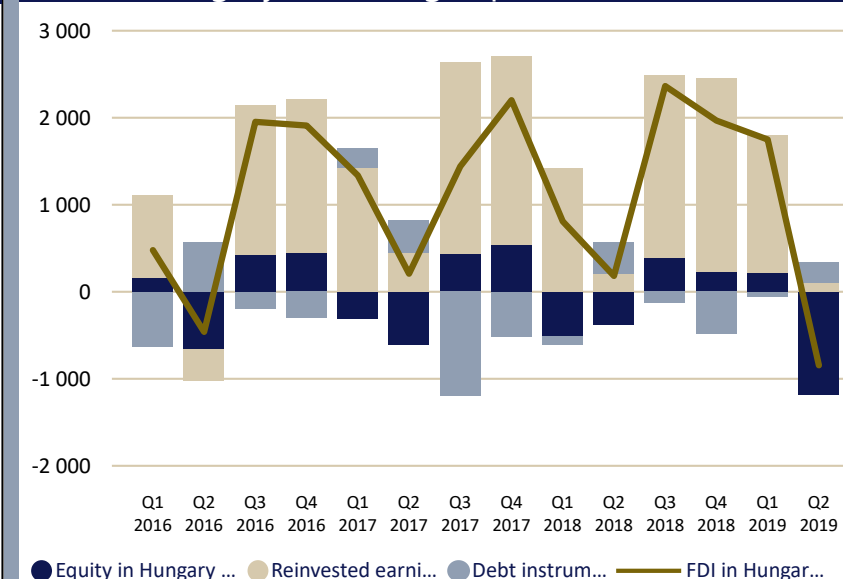
FDI in Hungary (M EUR)



Capital in transit in Hungary (M EUR)



FDI in Hungary excluding capital in transit (M EUR)





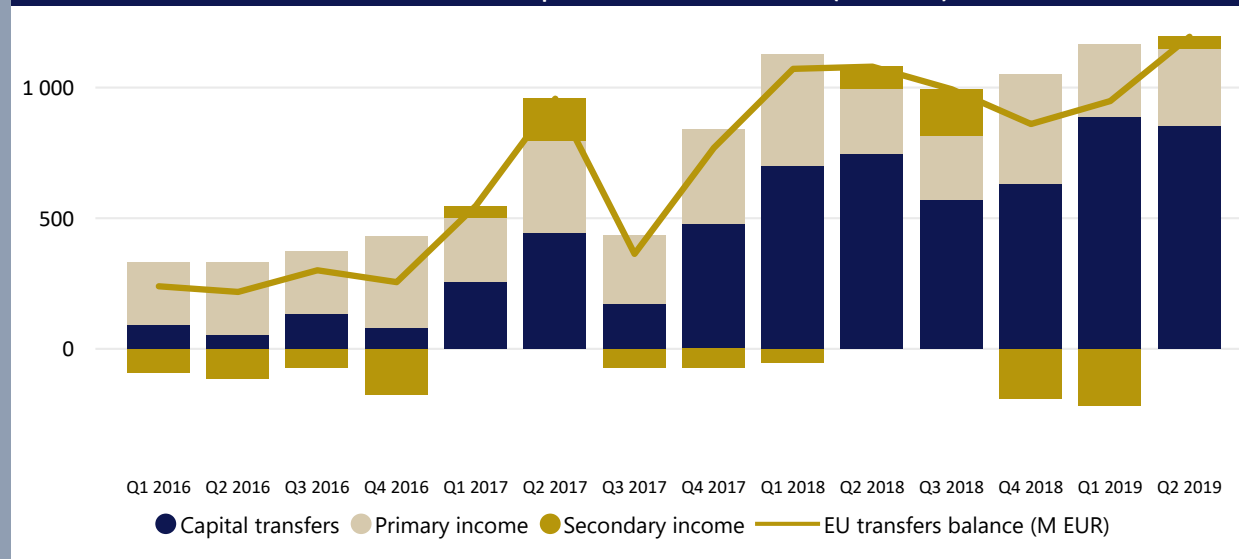
EU transfers

Period

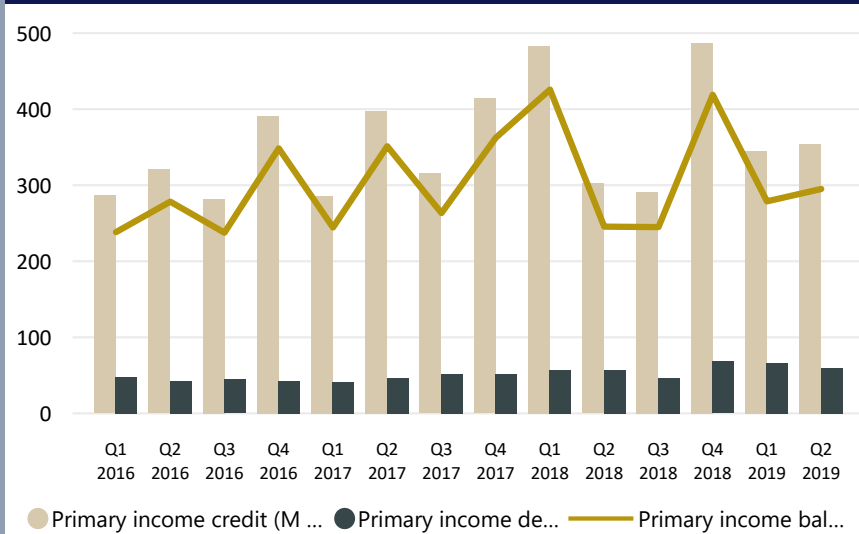
All



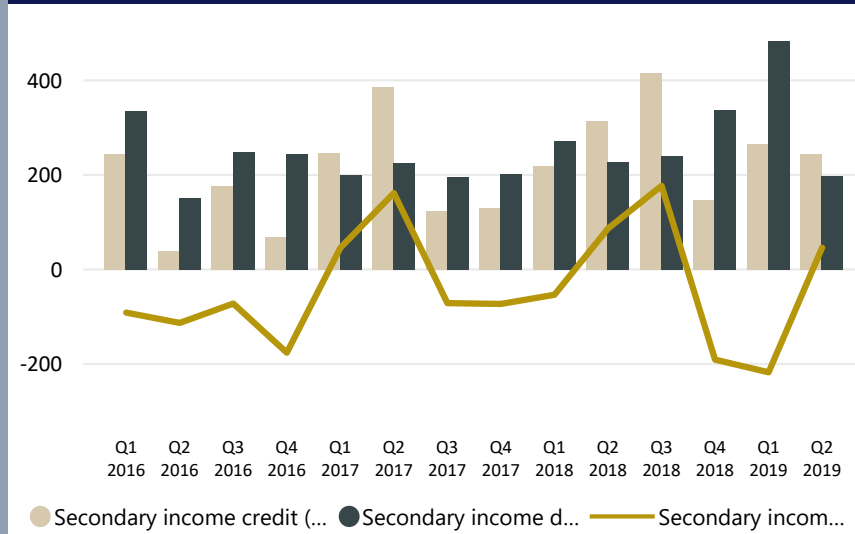
Current and capital account items (M EUR)



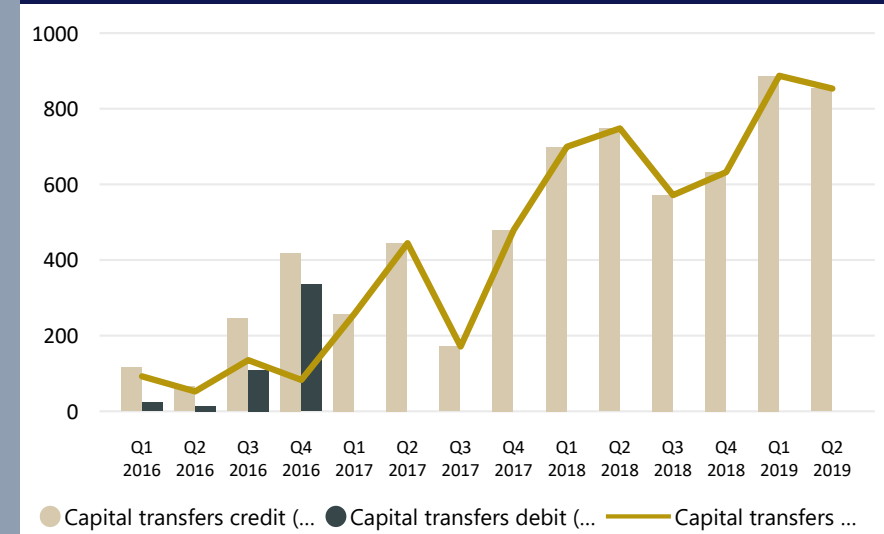
Primary income (M EUR)



Secondary income (M EUR)



Capital transfers (M EUR)





Revisions (vs previous publication)

In the September 2019 publication, the regular revision period for balance of payments statistics goes back to 2016, 2017, 2018 and the first quarter of 2019. The data revision reflects data corrections by respondents, the changes of estimation by reported data (income and stock of foreign direct investments), and the improvement of estimation methods of basic statistics taken over from HCSO (trade in goods and services, compensation of employees and workers' remittances). [Besides the regular revision, simultaneously with other macroeconomic statistics, a benchmark revision also took place, covering the period back to 1995.

See more details on page [Other information](#)]

Balance of payments (revisions, M EUR)

Instruments	2016	2017	2018	Q1 2019
1. Current account balance (1.1+1.2+1.3+1.4)	-1 825	-620	-1 206	-273
1.1 Goods	-635	0	-254	-73
1.2 Services	-650	-83	-92	0
1.3 Primary income	-266	-56	-252	-77
1.4 Secondary income	-274	-481	-608	-122
2. Capital account	-3	-327	992	22
3. Financial account	-279	-606	1 036	-165
3.1 Foreign direct investment (net assets)	-256	-264	871	-85
3.1.1 Foreign direct investment abroad (net assets)	28	96	799	19
3.1.1.1 Equity	28	34	850	85
3.1.1.2 Debt instruments	0	62	-51	-67
3.1.2 Foreign direct investment in Hungary (net liabilities)	284	360	-72	104
3.1.2.1 Equity	280	345	-162	-300
3.1.2.2 Debt instruments	4	15	89	404
3.2 Portfolio investments (net assets)	0	-5	1	-1
3.2.1 Assets	0	-5	-4	9
3.2.2 Liabilities	0	0	-4	11
3.3 Financial derivatives (net assets)	0	-28	0	0
3.4 Other investments (net assets)	-23	-310	163	-78
3.4.1 Assets	-24	-357	585	-18
3.4.2 Liabilities	-1	-47	421	60
4. Net errors and omissions	1 549	342	1 249	86

Positions (revisions, M EUR)

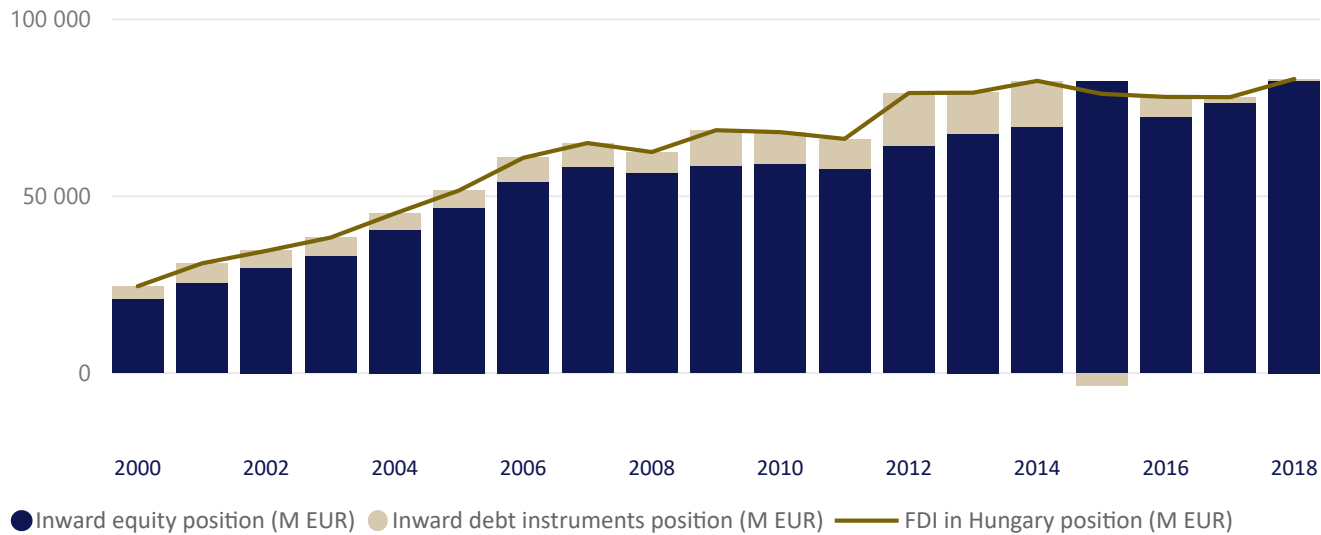
Selected items	2016	2017	2018	Q1 2019
1. Foreign direct investment (net assets)	-1 887	-2 342	-3 907	-4 109
1.1 Foreign direct investment abroad (net assets)	3	39	-334	-294
1.1.1 Equity	3	-21	-365	-259
1.1.2. Debt	-1	61	31	-35
1.1.2.1 Debt assets	-1	-1	13	-38
1.1.2.2 Debt liabilities	0	-62	-18	-3
1.2 Foreign direct investment in Hungary (net liabilities)	1 890	2 381	3 573	3 815
1.2.1 Equity	1 876	2 352	3 398	3 241
1.2.2. Debt	14	29	175	574
1.2.2.1 Debt assets	2	2	-77	-289
1.2.2.2 Debt liabilities	16	31	98	284
2. Portfolio investments (net assets)	0	-12	0	-45
2.1 Assets	0	0	0	10
2.2 Liabilities	0	12	0	55
3. Financial derivatives (net assets)	0	0	0	0
4. Other investments (net assets)	-47	-383	-116	25
4.1 Assets	-24	-384	184	91
4.2 Liabilities	24	-1	300	66
5. Gross external debt (excl. FDI debt)	24	-1	300	66
6. Net external debt (excl. FDI debt)	47	383	116	-26



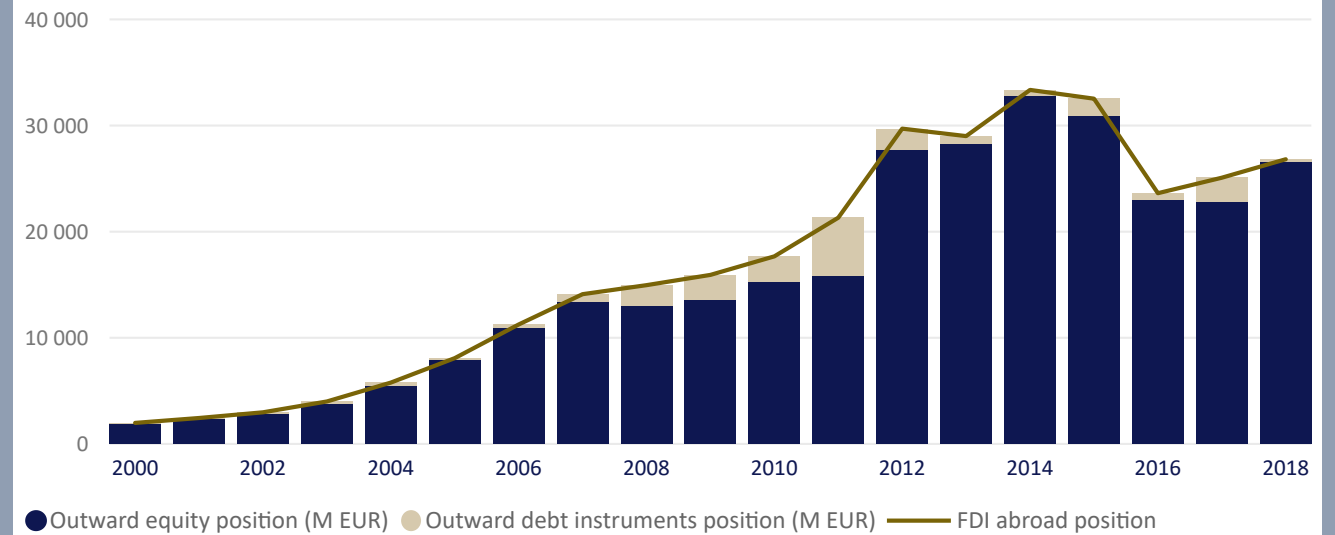
FDI income and positions (annual)

Annual data are first published in September following the reference year

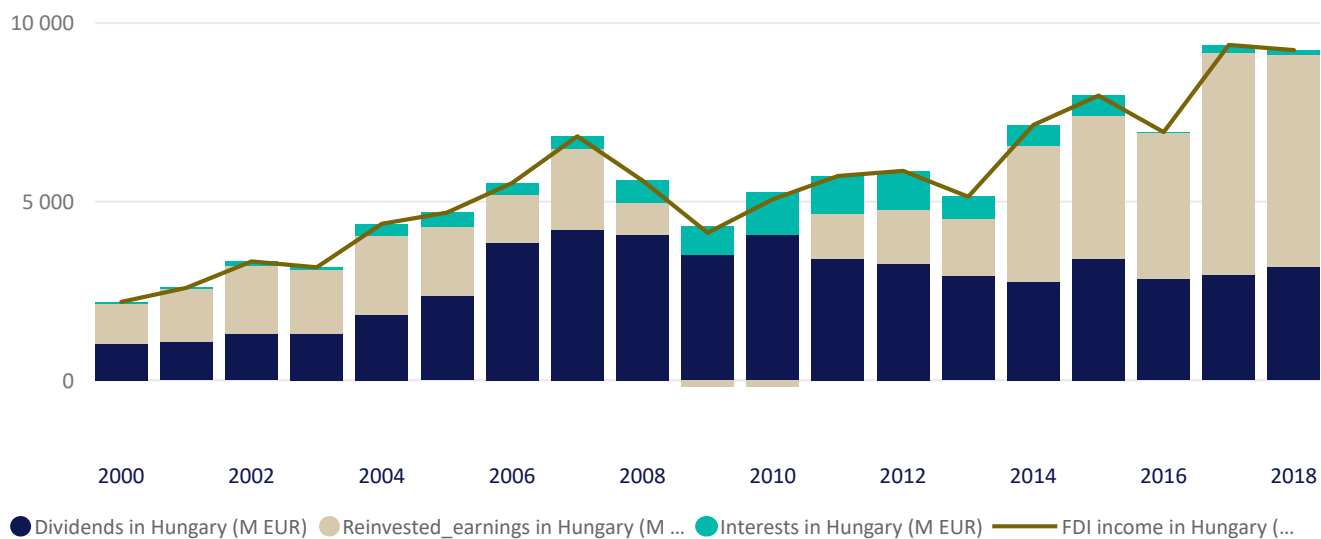
FDI position in Hungary (M EUR)



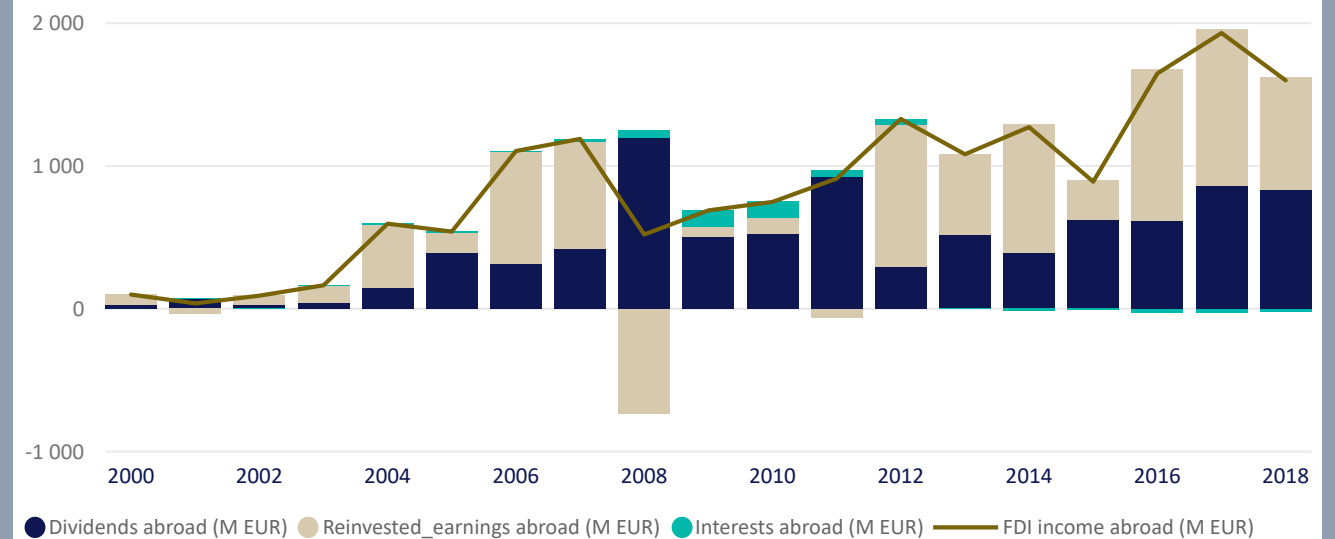
FDI position abroad (M EUR)



FDI income in Hungary (M EUR)



FDI income abroad (M EUR)





FDI positions (top 10; annual data)

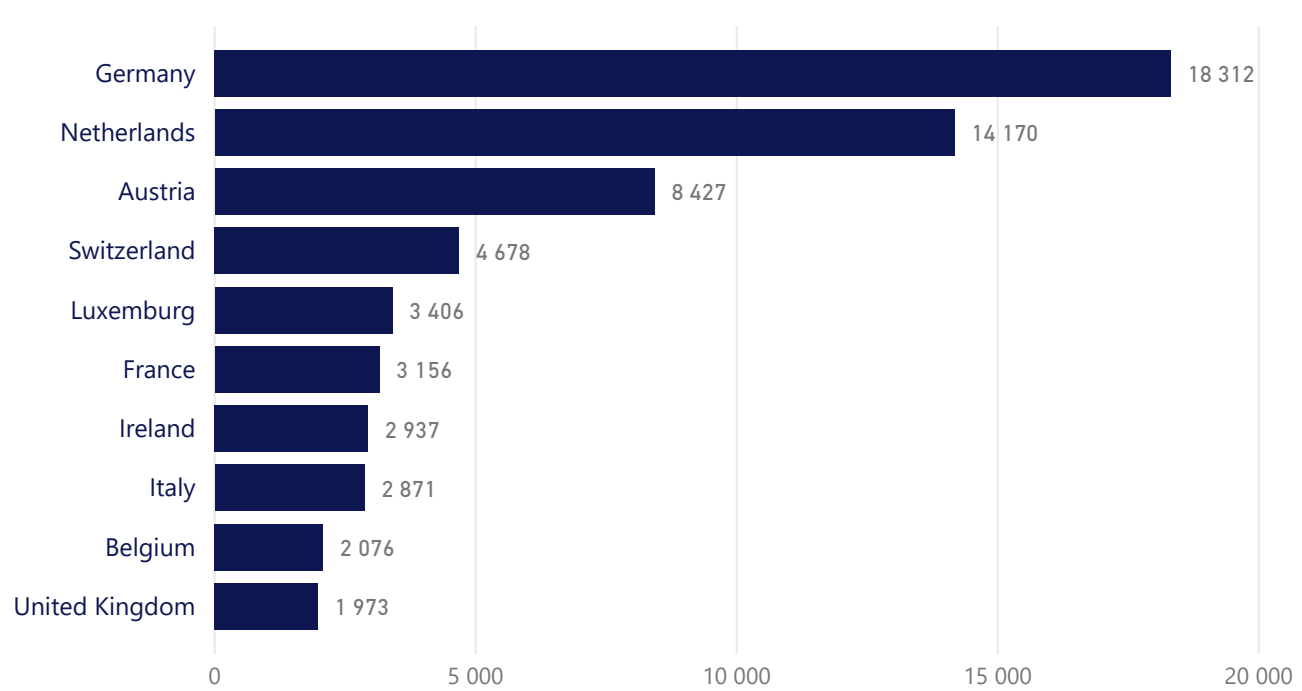
Period

2017

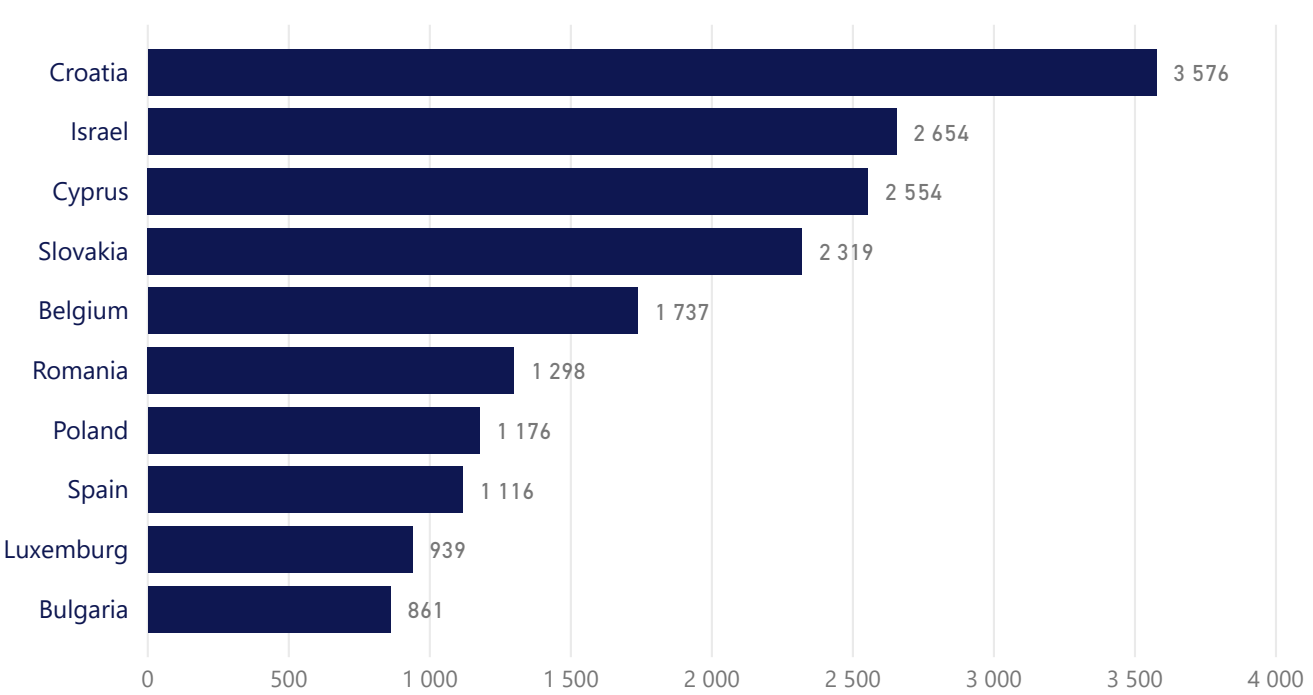
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Annual data are first published in September following the reference year

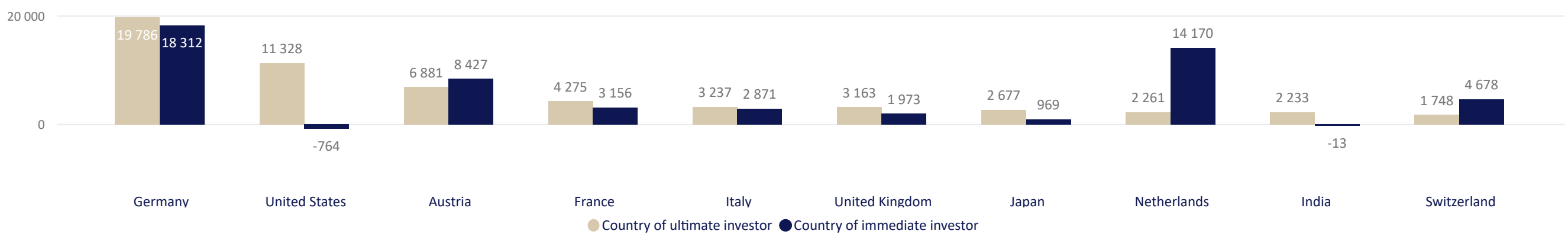
Inward FDI position (M EUR)



Outward FDI position (M EUR)



Inward FDI position by country of ultimate vs immediate investor (breakdown by ultimate investor is available in 2014-2017) (M EUR)





FDI positions: activity breakdown (annual data)

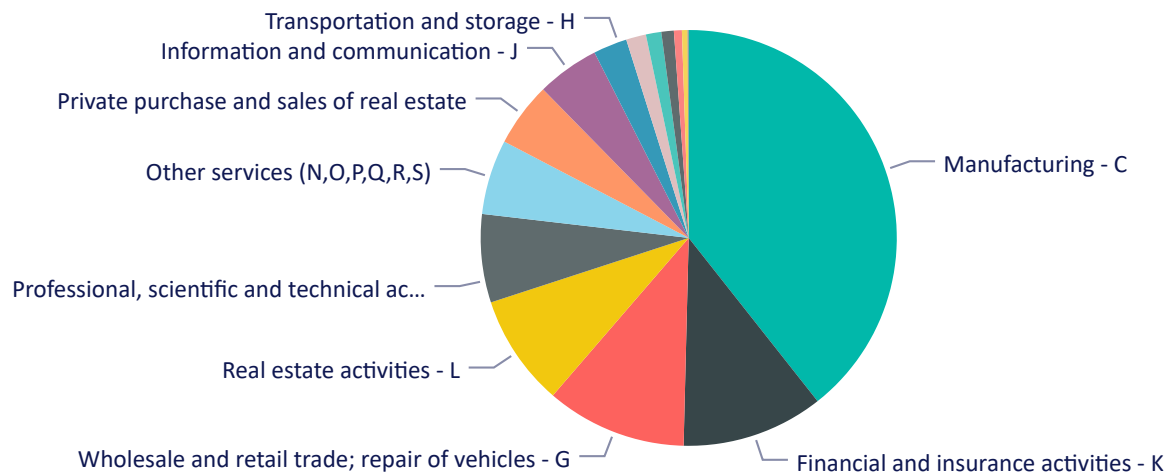
Annual data are first published in September following the reference year

Period

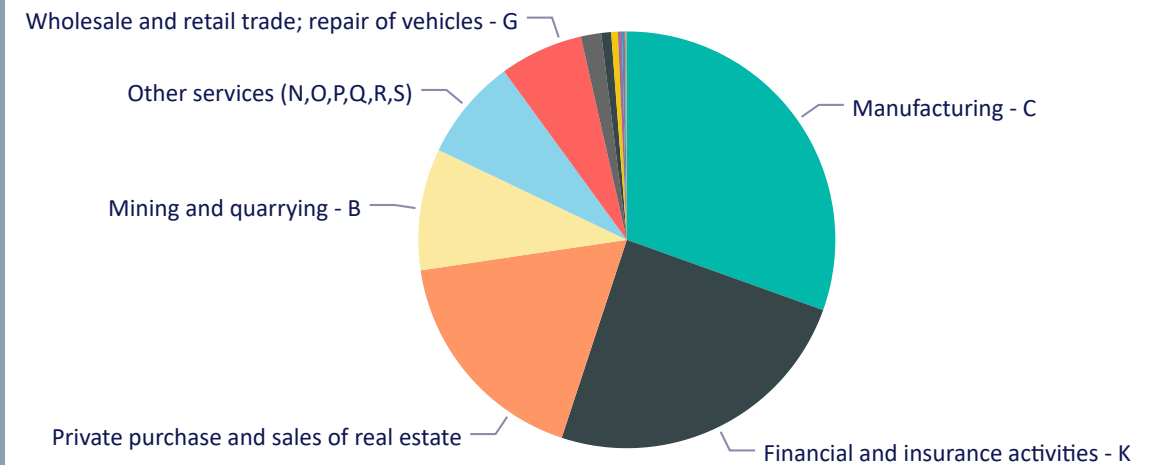
2018



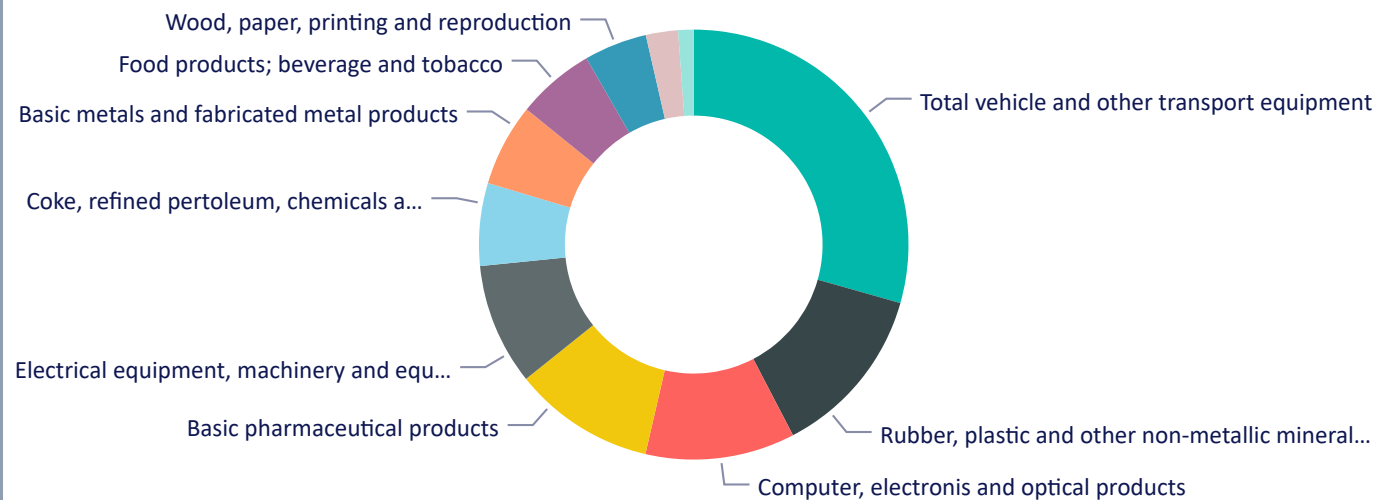
Inward FDI position by the activity of the resident investment... (M EUR)



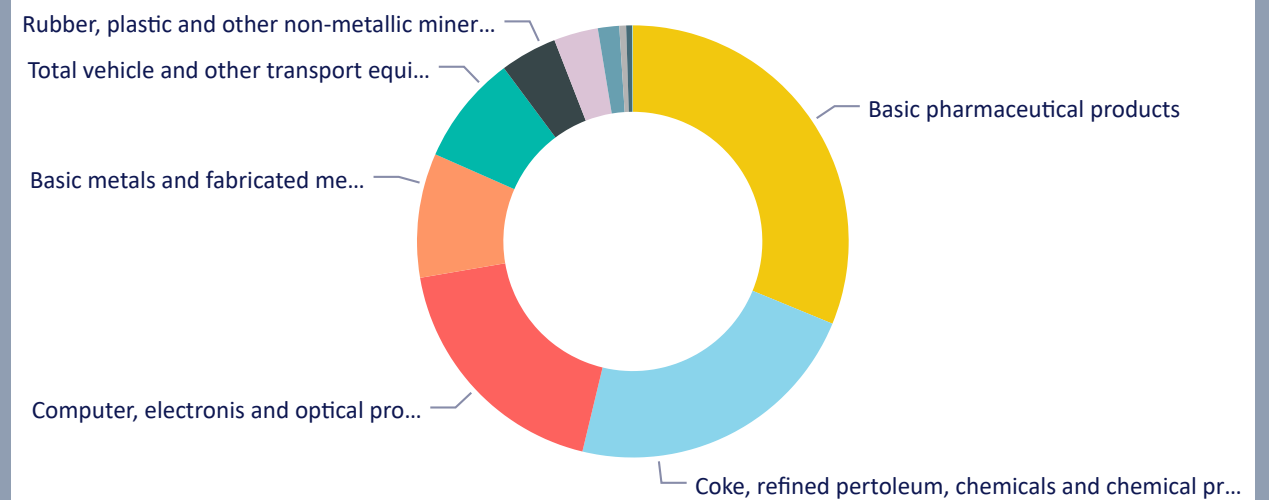
Outward FDI position by the activity of the non-resident investment... (M EUR)



....of which the main activity groups of Manufacturing (M EUR)



... of which the main activity groups of Manufacturing (M EUR)





FDI income: COPC adjustment (annual data)

Annual data are first published in September following the reference year

(EUR million)	FDI in Hungary			FDI abroad		
	2016	2017	2018	2016.	2017.	2018.
1. Total economy - After tax profit	-2 952	6 509	9 613	1 741	1 838	2 300
1.1. Of which COPC adjustment	-9 879	-2 667	500	67	-116	681
1.2. Adjusted FDI income, Published (1.-1.1.)	6 926	9 176	9 112	1 675	1 954	1 619
2. Deposit taking corporations (S122) - After tax profit	645	880	804	398	341	297
2.1. Of which COPC adjustment	367	421	321	158	-7	23
2.2. Adjusted FDI income, Published (2-2.1.)	277	459	483	240	348	274
3. Financial corporations other than MFIs (S12M) - After tax profit	261	285	345	-18	54	9
3.1. Of which COPC adjustment	74	95	95	0	45	0
3.2. Adjusted FDI income, Published (3.-3.1.)	188	190	249	-18	9	9
4. Non financial corporations, households and NPISH (S1V) - After tax profit	-3 859	5 343	8 464	1 362	1 443	1 994
4.1. Of which COPC adjustment	-10 320	-3 183	83	-91	-154	658
4.2. Adjusted FDI income, Published (4.-4.1.)	6 461	8 527	8 380	1 453	1 597	1 336
5. Total economy - COPC adjustment	-9 879	-2 667	500	67	-116	681
5.1 Revaluations	-9 374	-2 208	785	-48	-107	688
5.1.1. Price changes	-9 537	-2 152	632	-42	147	712
5.1.2 Exchange rate changes	163	-56	153	-6	-254	-24
5.2 Other volume changes	-505	-459	-285	115	-9	-7

In the balance of payments, row 1.2. of the Table is shown under Direct investment income, Income on equity, credit (FDI abroad), and debit (FDI in Hungary) under the same item. Data in excel format are available [here](#).



Other information and notes

Useful links

[Statistical tables](#)

[Methodological notes](#)

[Seasonally adjusted graphs](#)

[Interactive graphs](#)

Notes

In these interactive graphs, Hungary's balance of payments and international investment position are presented **excluding data on special purpose entities (SPEs)**, consistent with past practice. However, Hungary's BOP and IIP both excluding and including SPE data are available on the MNB's website.

Regarding the applied tool for seasonal adjustment, the MNB together with the HCSO, has switched from Demetra to **JDemetra+** as the new standard software for seasonal adjustment starting from the first publication of seasonally adjusted data for January 2017 and Q1 2017. JDemetra+ is the officially recommended software for seasonal adjustment of official statistics within the European System of Central Banks and the European Statistical System, in producing seasonally adjusted data. As a member of the European System of Central Banks, one of the key objectives of the MNB is to produce seasonally adjusted data of the best possible quality, which are comparable to those produced and published by other Member States. The software change does not influence the applicability, interpretation and the dissemination of seasonally adjusted data; TRAMO/SEATS will continue to be the seasonal adjustment method used.

Benchmark revision

The European Statistical System (ESS) and the European System of Central Banks (ESCB) have issued joint recommendations for a harmonized revision policy of macroeconomic statistics (BoP, IIP, financial and non-financial accounts). These recommendations are applicable for both the regular quarterly revisions and the benchmark revisions scheduled in every five years. In case of benchmark revisions, the entire time series are subject of revision to have harmonized macroeconomic time series. The benchmark revisions make possible back casting, data revisions, and methodological changes beyond the periods covered by regular quarterly revisions.

In the EU, following the 2014 changeover to the revised statistical standards (BPM6, SNA 2008 and ESA 2010), the first benchmark revision was scheduled for September 2019. Within this framework the MNB revised its BoP and IIP statistics back to 1995. The benchmark revision stretching over the regular revision period resulted in a more consistent time series as improvement of existing and development of new estimation methods, integration of data previously published in financial and non-financial accounts have been undertaken. The possible prevailing inconsistencies remaining despite the intentions, especially in the pre-2008 periods, are mainly due to technical reasons, which will be addressed during the next benchmark revision.

Information about the next publication

The MNB will release Hungary's balance of payments and international investment position data for Q3 2019 and will revise Q1-Q2 2019 on 20 December 2019.

Contacts

MAGYAR NEMZETI BANK

STATISTICS DIRECTORATE

Contact information:

Phone: +36 1 428-2750

E-mail: sajto@mnbb.hu