



# Balance of payments and International Investment Position

2020 Q2

Text information



Summary data



Main balance of payments  
statistical aggregates



Net lending (CA+KA)



Net lending (FA) by resident  
sectors



Net lending (FA) by instruments



External positions by resident  
sectors



External positions by  
instruments



External debt positions



External debt positions by  
maturity



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)

Current account balance

-847,2

Net lending (CA+KA) SA/GDP SA

-0,5%

Net international investment position/GDP

-47,0%



Magyar Nemzeti Bank  
Statistics Portal

Published: 21 September 2020

## Text information

*In this publication, the 2020. II. quarterly balance of payments and related stock statistics are published first with revisions for 2017, 2018, the four quarters of 2019 and Q1 2020. For 2019, we are now publishing the annual data: for the first time, actual data based on the companies' annual financial reports are available for the income on equity in 2019, which have replaced the estimates. (By 2020, the estimate has been updated taking into account new factual data.)*

*Within positions, we publish for the first time the FDI positions based on annual corporate reports with its immediate country and activity breakdown for 2019, and the inward FDI positions by the ultimate investing economy for 2018.*

### Summary data

In Q2 2020, Hungary's seasonally adjusted net borrowing (i.e. the combined deficit on its current and capital accounts) amounted to EUR 146.2 million, equal to 0.5 % of quarterly GDP. The unadjusted value reached EUR 190.1 million. The seasonally adjusted current account deficit is EUR 864.4 million, while the unadjusted value reached EUR 847.2 million. The time series of the capital account does not contain seasonality, its balance is EUR 657.0 million.

Hungary's net foreign debt, excluding FDI debt instruments, amounted to EUR 11.3 billion at the end of June 2020 (8.2 % as a percentage of GDP in the last four quarters). The net external debt increased by 2.1 EUR billion compared to the previous quarter.

The Central Bank's reserve assets amounted to EUR 30.2 billion at the end of June 2020. In the second quarter, the level of the reserves increased by 4.4 EUR billion compared to the previous quarter.

### Net lending (CA+KA)

In Q2 2020 the components of net borrowing were significantly negatively affected by the spread of Covid-19: the level of exports and imports and the surplus of services fell significantly compared to the level of the previous quarter. Exports amounted to EUR 17.8 billion, imports to EUR 18.8 billion, and a trade deficit to 984.6 million in the second quarter, seasonally adjusted. The surplus of services decreased significantly, with travel reaching EUR 137.3 million and non-travel services reaching EUR 440.7 million. The deficit of primary income was 336.5 and that of secondary income was 381.2 million euros, seasonally adjusted.

The time series of the capital account does not contain seasonality, so the seasonally adjusted figure is the same as the unadjusted figure, with a value of EUR 657.0 million in the second quarter. The bulk of the capital account comes from capital transfers from the EU.

### Net lending (FA)

#### By resident sectors

In Q2 2020, financial account balance showed a decrease of EUR 1,018 million in net assets. General government sector (EUR 2,300 million), other monetary institutions (EUR 368 million) and other sectors (EUR 338 million) have recorded a decrease in net external assets while the Central Bank (EUR 1,989 million) has increased its net external assets.

#### By instruments

In terms of instruments, net assets decreased in FDI by EUR 269 million, with the decrease of assets by EUR 916 million and the decrease of liabilities by EUR 646 million. In portfolio investment net assets also decreased by EUR 2,583 million with the increase of assets EUR 304 million and liabilities of EUR 2,887 million. There was an increase in net assets in financial derivatives by EUR 170 million. In other investment net assets decreased by EUR 2,819 million with the decrease of assets by EUR 2,814 million and increase of liabilities by EUR 5 million. Reserve assets increased by EUR 4,483 million in Q2 2020.

## Text information

### FDI flows according to directional principle

Net inflows of direct investments in the second quarter of 2020 increased by 269 million euros: FDI abroad increased by 470 million euros, while FDI in Hungary increased by 739 million euros. Capital in transit and asset portfolio restructuring in the second quarter reduced the value of investments in both investment directions (capital withdrawal) by EUR 209 million.

Within FDI abroad, investments in equity increased the value of foreign investments by EUR 841 million, and reinvested earnings by EUR 129 million. Debt instruments showed a net decrease in claims of EUR 500 million.

In the case of FDI in Hungary, investments in shares and other equity decreased by EUR 1,099 million, reinvested earnings by EUR 367 million, while debt instruments increased the value of foreigners' investments by EUR 2,205 million.

### International investments positions

In Q2 2020, the net IIP was EUR -64.7 billion: total assets amounted to EUR 140.3 billion and total liabilities to EUR 205.1 billion. Compared to the end of the previous quarter, the level of assets increased by EUR 1.1 billion and that of liabilities increased by EUR 2.8 billion.

### Revisions

Data revisions are based on modified reports of companies, furthermore on the replacement of estimates by reported data (income and stock of FDI) and on the data revision in the basic statistics taken over from HCSO (goods and services, compensation of employees and workers' remittances).

For 2019, within primary income, direct investment income on equity in Hungary was EUR 1,190 million lower than previously estimated, while the direct investment income on equity abroad was EUR 169 million higher than estimated. The lower-than-estimated profit appears in the financial account as a lower capital investment due to the reinvestment of earnings beside the lower income on equity in the current account. Based on these new fact data the estimate of income on equity for 2020 has also declined.

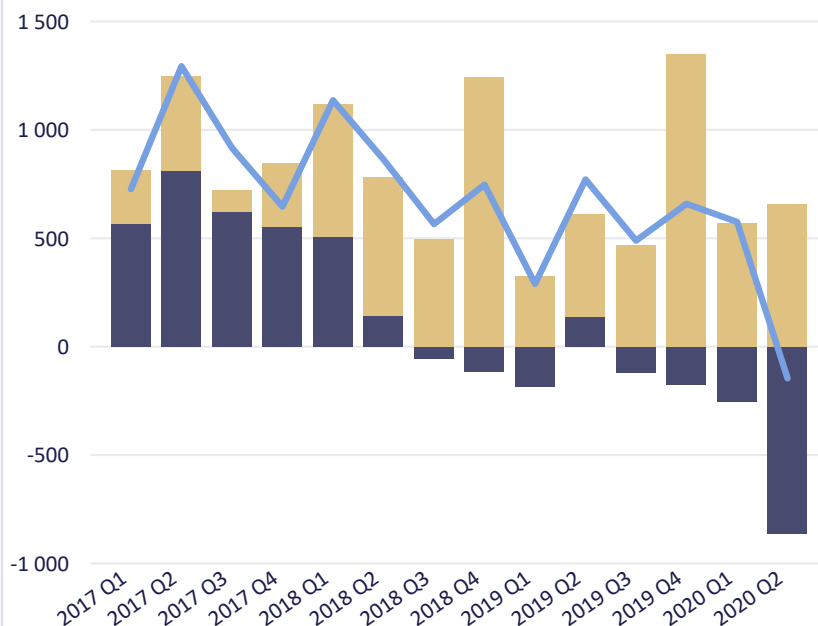
The changes in trade in goods and services in 2017 were mainly due to the integration of input/output tables related to national accounts, diminishing the current account balance by EUR 495 million. For 2018-2019. and for the first quarter of 2020, trade and services data were revised also in accordance with the HCSO's national accounts statistics, for 2019 it is resulted lower balance for goods and services by EUR 730 million.

Net lending (CA+KA) SA/GDP SA

-0,5%

Net lending (CA+KA) (M EUR)

● Current account SA ● Capital account — Net lending - SA



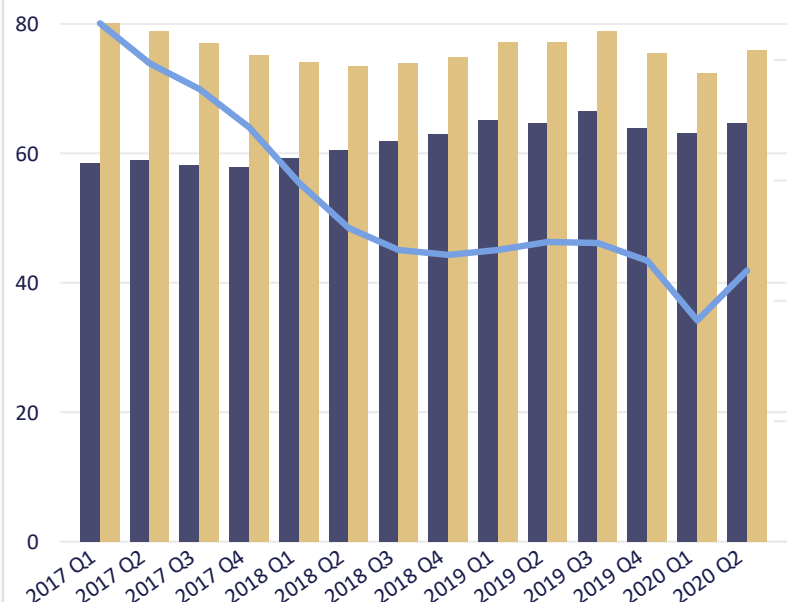
In Q2 2020, Hungary's seasonally adjusted net borrowing (i.e. the combined deficit on its current and capital accounts) amounted to EUR 146.2 million, equal to 0.5 % of quarterly GDP. The unadjusted value reached EUR 190.1 million. The seasonally adjusted current account deficit is EUR 864.4 million, while the unadjusted value reached EUR 847.2 million. The time series of the capital account does not contain seasonality, its balance is EUR 657.0 million.

Net debt excluding FDI debt instruments (Bn EUR)

11,3

External debt excluding FDI debt instruments (Bn EUR)

● Debt assets ● Gross debt — Net debt (right scale)



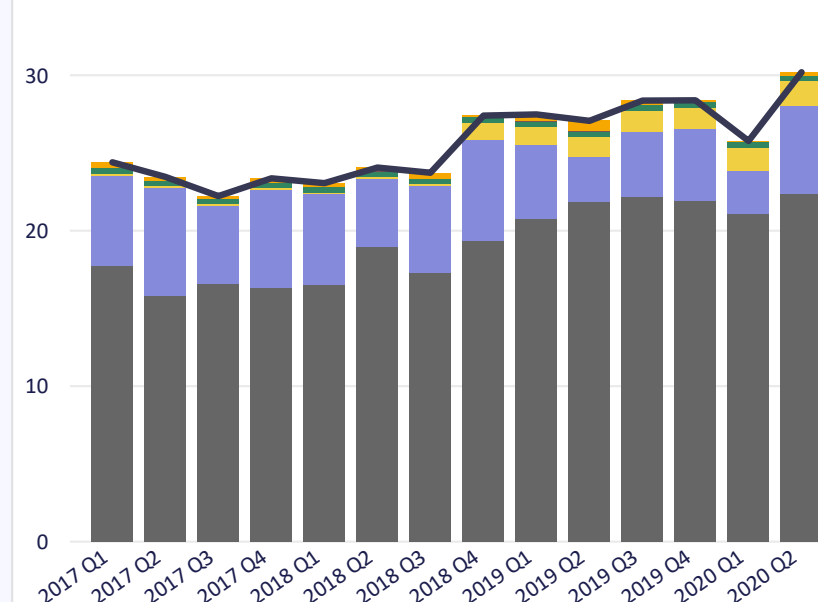
Hungary's net foreign debt, excluding FDI debt instruments, amounted to EUR 11.3 billion at the end of June 2020 (8.2 % as a percentage of GDP in the last four quarters). The net external debt increased by 2.1 EUR billion compared to the previous quarter.

Total reserve assets (Bn EUR)

30,2

Reserve assets (Bn EUR)

● Securities ● Currency and dep... ● Monetary gold ● RPF ● SDR ● Other



The Central Bank's reserve assets amounted to EUR 30.2 billion at the end of June 2020. In the second quarter, the level of the reserves increased by 4.4 EUR billion compared to the previous quarter.

## Main balance of payments aggregates

Main balance of payments aggregates (M EUR)					
	2017	2018	2019	Q1 2020	Q2 2020
▲ -					
1. Current account, net (1.1.+1.2.+1.3.)	2 490	377	-363	317	-847
1.1. Goods and Services, net	8 659	6 003	4 573	1 243	-138
1.1.1. Goods, net	1 712	-1 684	-2 992	-192	-788
1.1.1.A Export	85 285	88 662	93 078	23 346	18 160
1.1.1.B Import	83 573	90 346	96 069	23 538	18 948
1.1.2. Services, net	6 947	7 687	7 565	1 435	650
1.1.2.A Export	23 817	25 359	26 928	5 542	4 087
1.1.2.B Import	16 870	17 671	19 363	4 107	3 437
1.2. Primary income, net	-5 063	-4 978	-3 892	-537	-475
1.2.1. Compensation of employees, net	2 627	2 422	2 572	523	447
1.2.2. Investment income, net	-8 911	-8 600	-7 738	-1 333	-1 251
1.2.2.1. Direct investment income, net	-7 386	-7 274	-6 529	-1 145	-1 044
1.2.2.2. Portfolio investment income, net	-1 469	-1 315	-1 248	-198	-203
1.2.2.3. Other investment income, net	-244	-203	-206	-51	-60
1.2.2.4. Reserve assets, net	187	192	244	61	57
1.2.3. Other primary income, net	1 221	1 200	1 274	274	329
1.2.3.1. of which: EU transfers	1 221	1 200	1 274	274	329



Net lending (CA+KA)

Text information

Filter

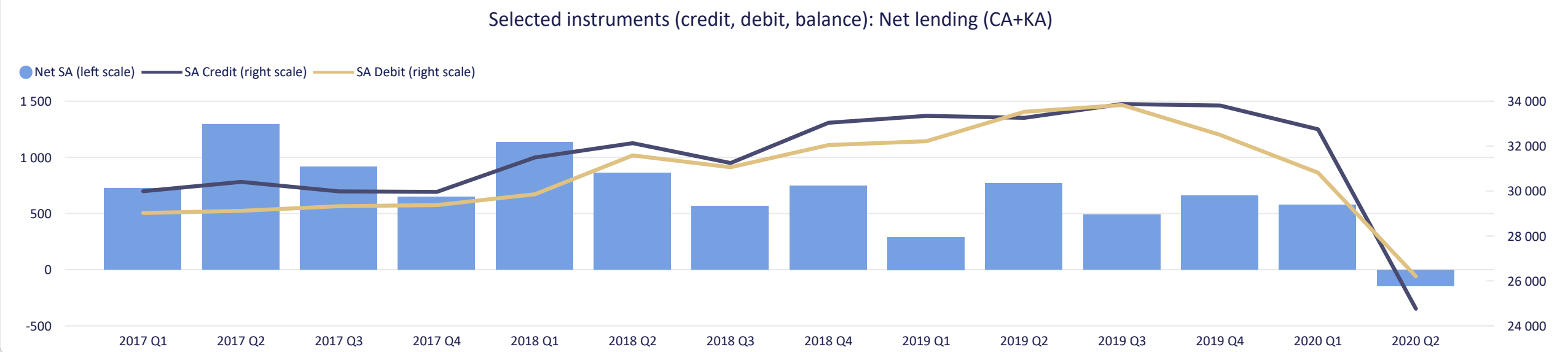
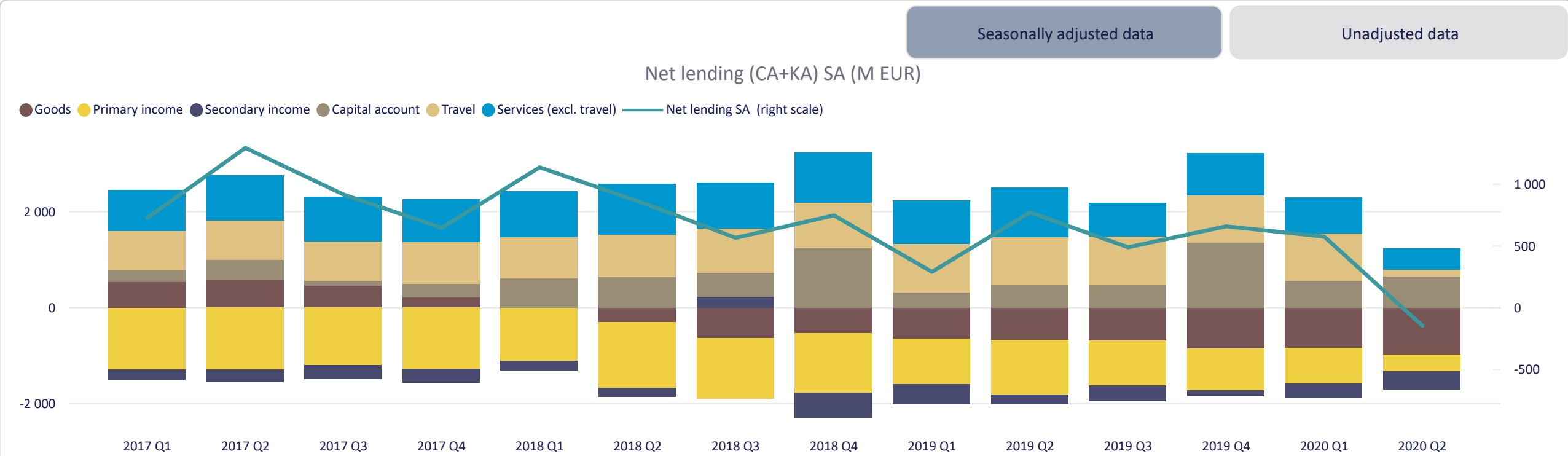
Instruments

All



Seasonally adjusted data

Unadjusted data





Net lending (CA+KA)

Filter

Instruments

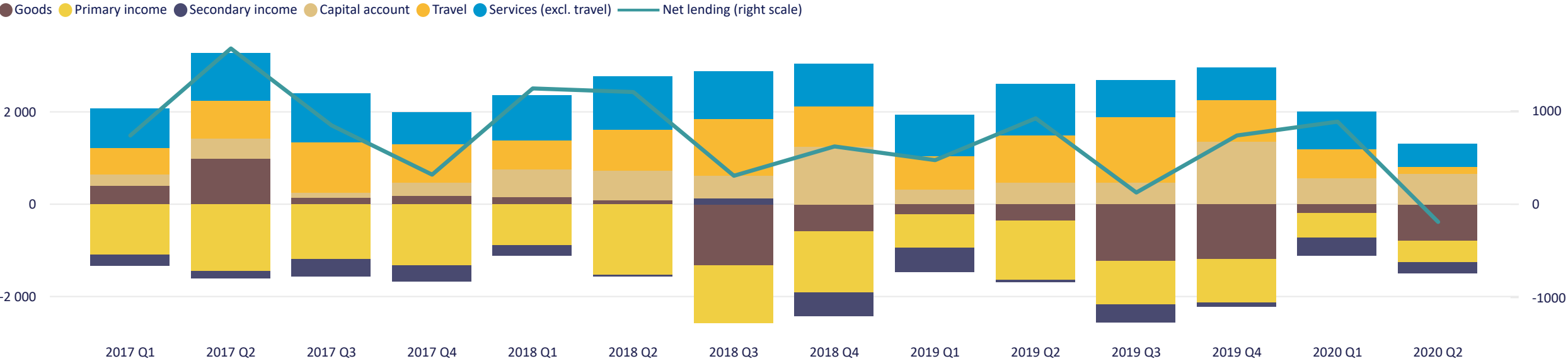
All



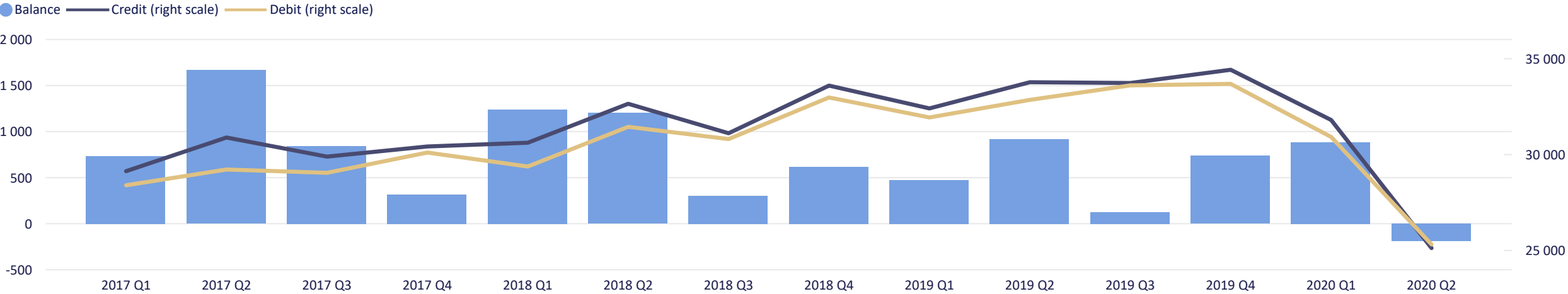
Seasonally adjusted data

Unadjusted data

Net lending (CA+KA) (M EUR)



Selected instruments (credit, debit, balance): All (Net lending (CA+KA))





Net lending (FA) by resident sectors

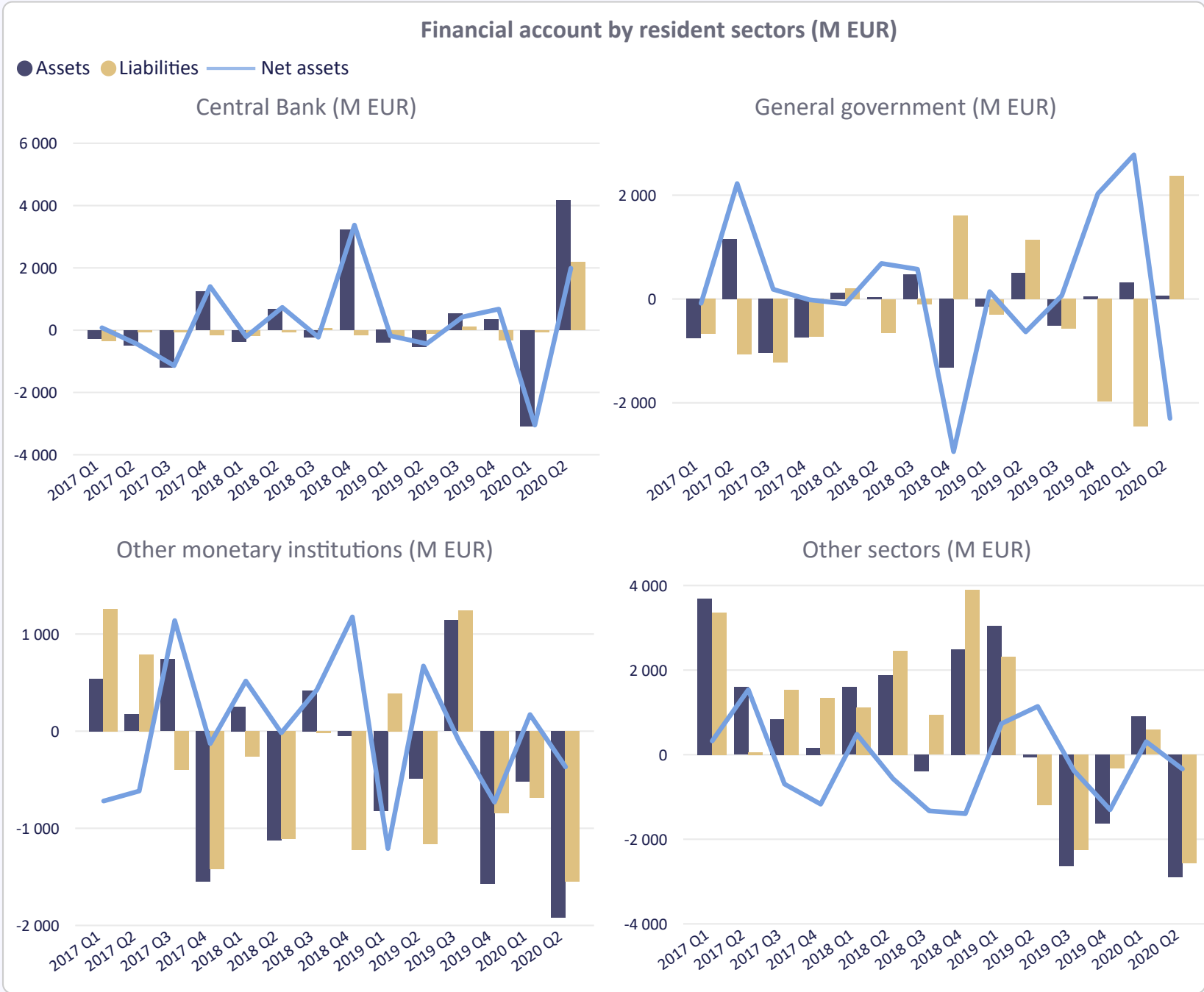
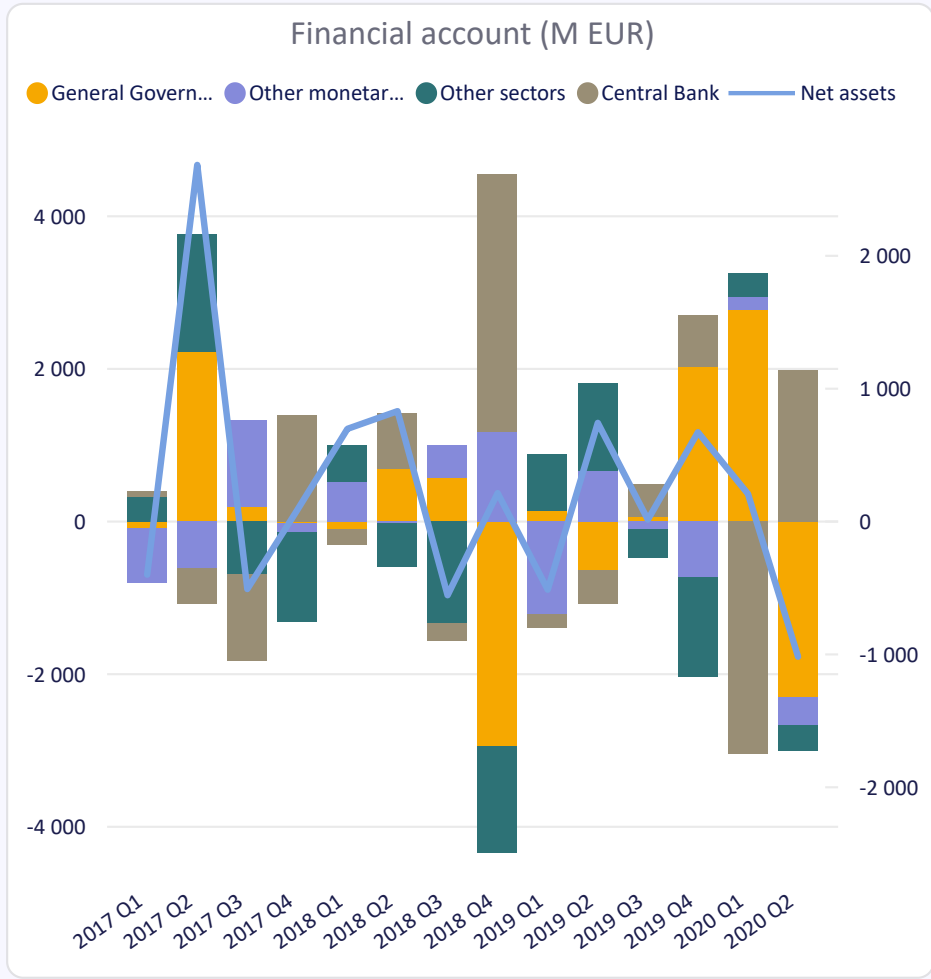
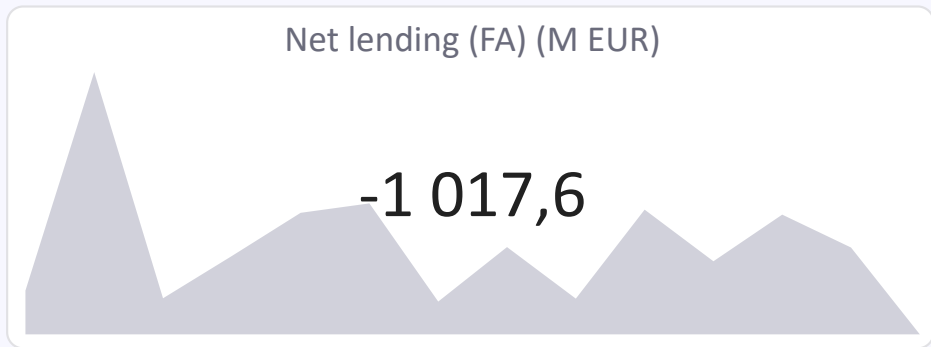
Text information

Filter

2017 Q1 - 2020 Q2

Instrument

All







Net lending (FA) by instruments

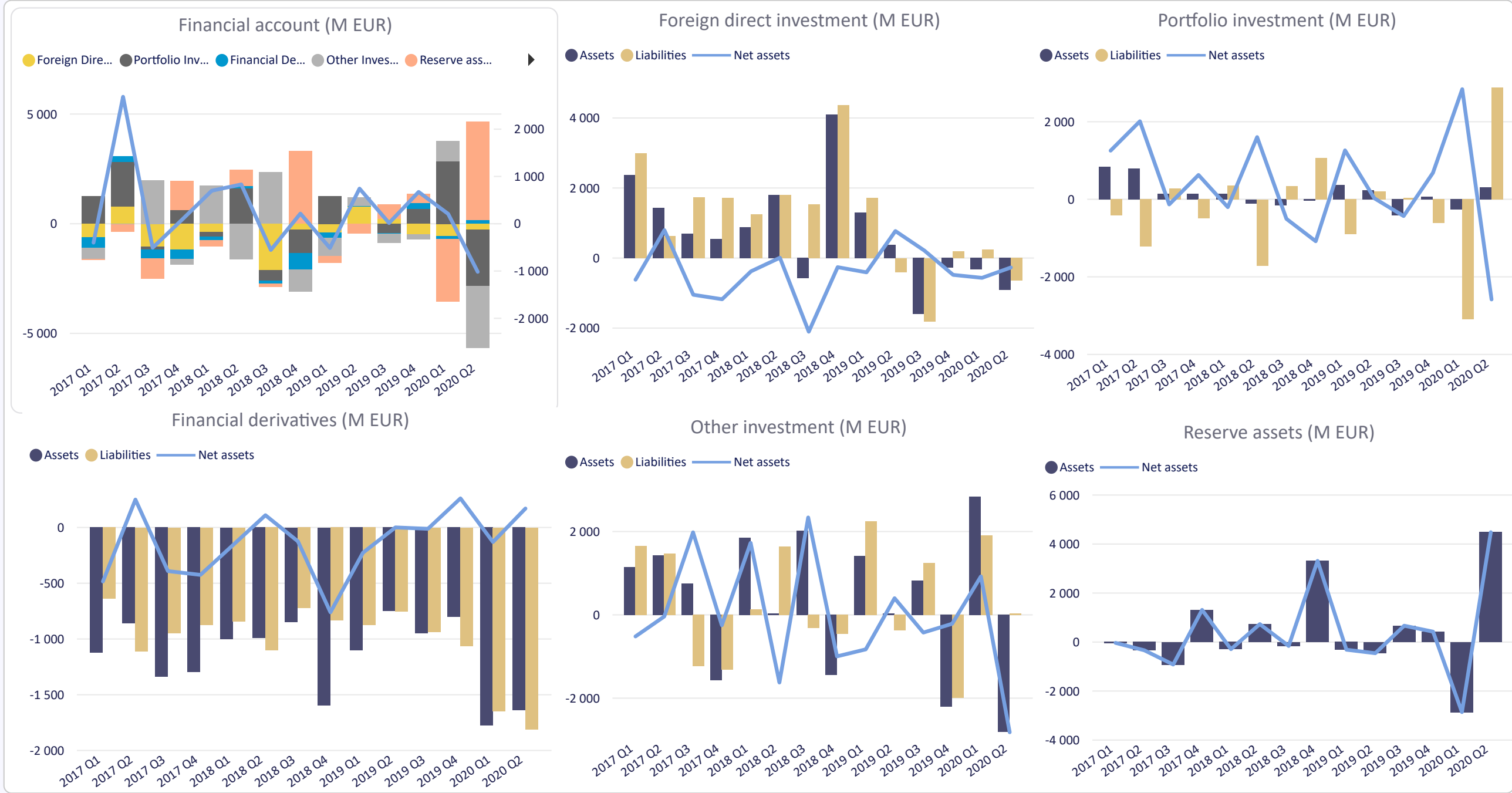
Text information

Filter

2017 Q1 - 2020 Q2

Resident sector

All





International Investment Position by resident sectors

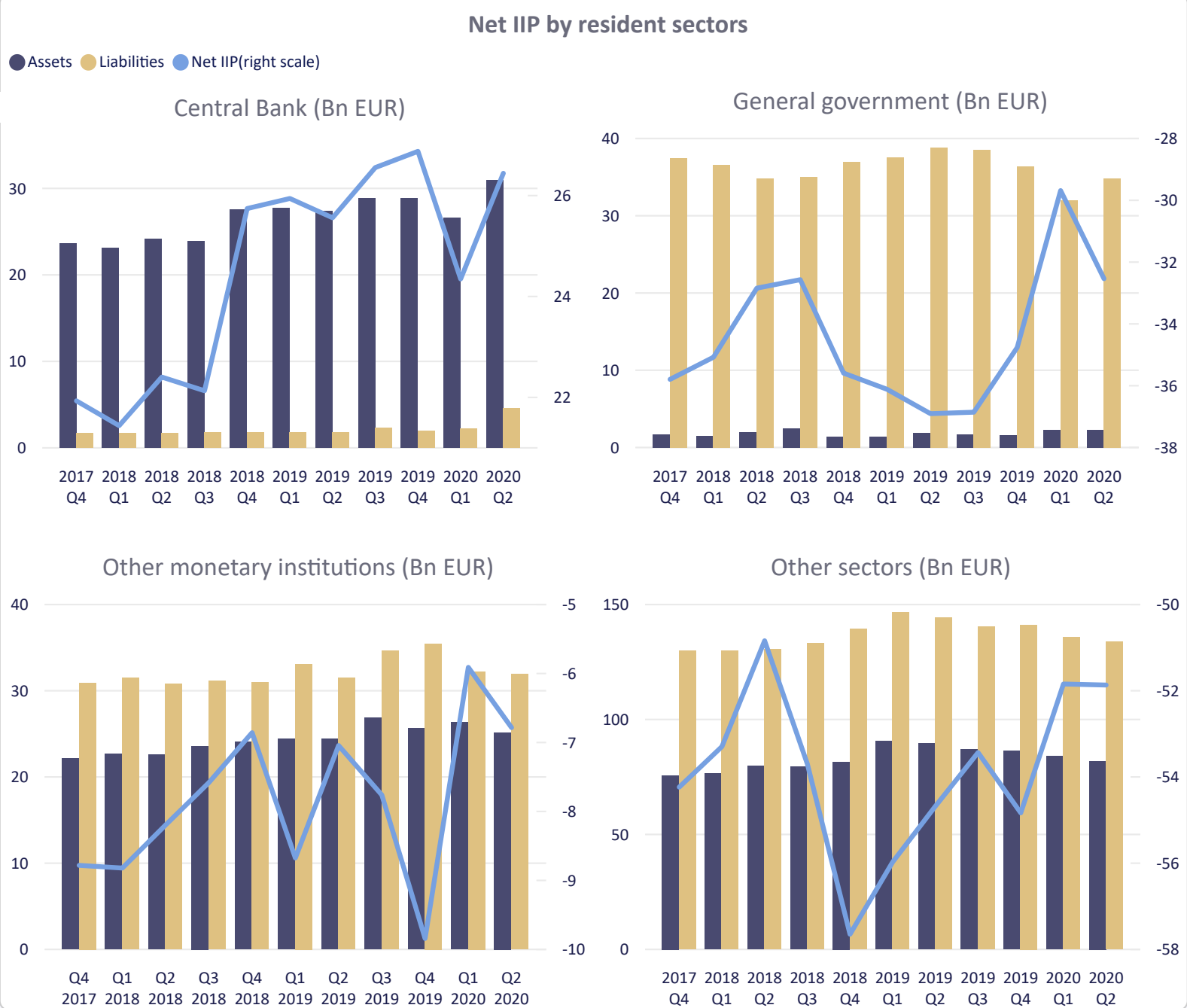
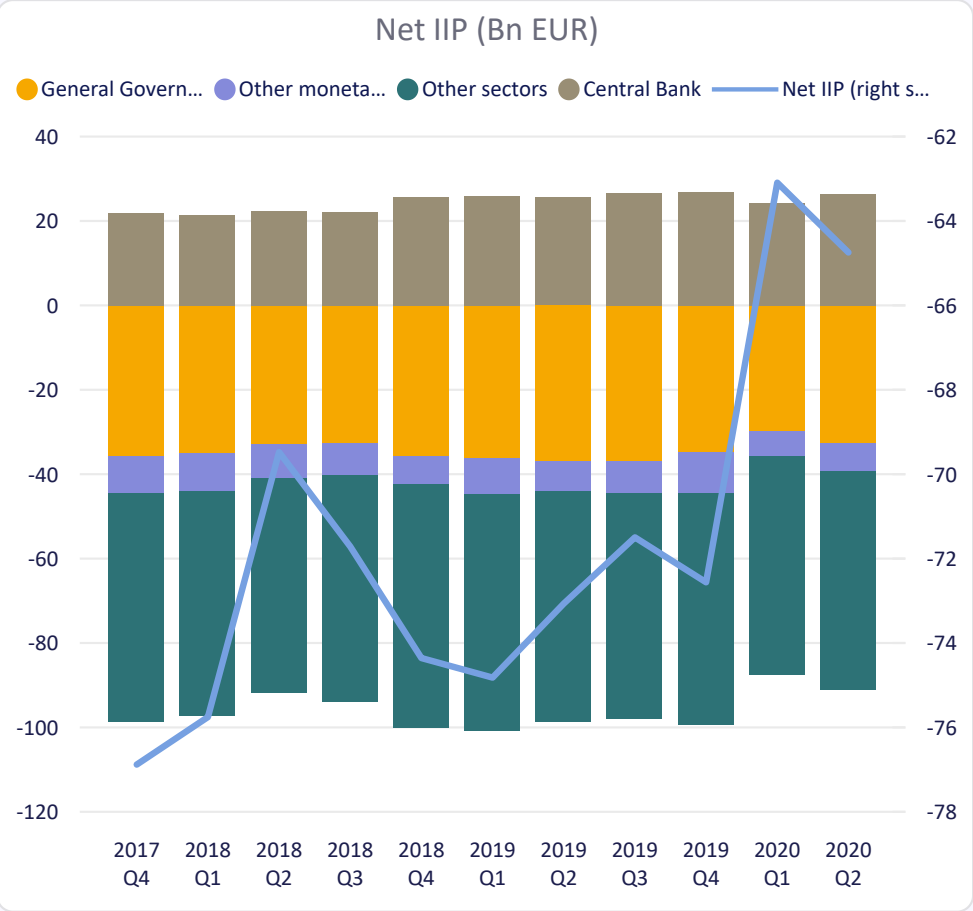
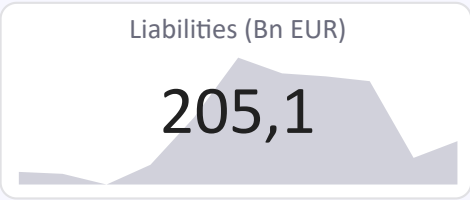
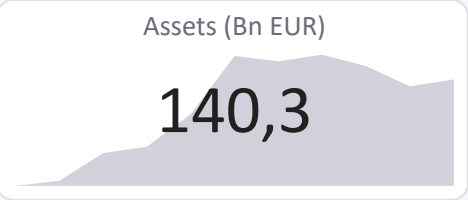
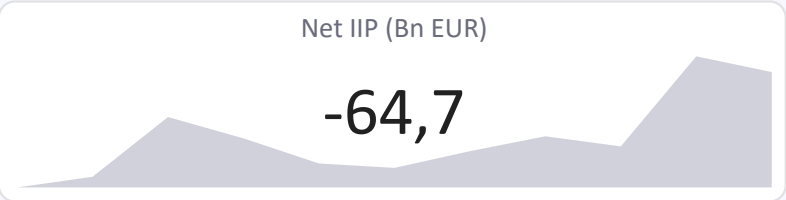
Text information

Filter

2017 Q4 - 2020 Q2

Instrument

All





International Investment Position by instruments

Filter

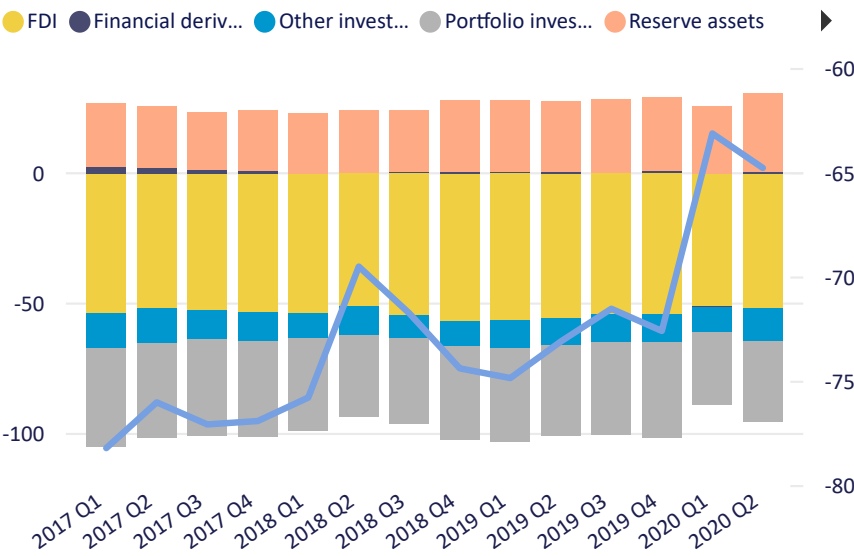
2017 Q1 - 2020 Q2

Resident sector

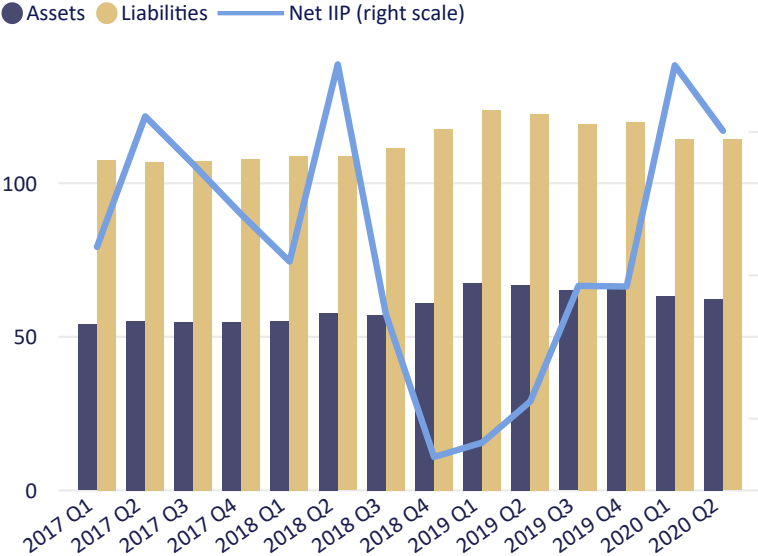


All

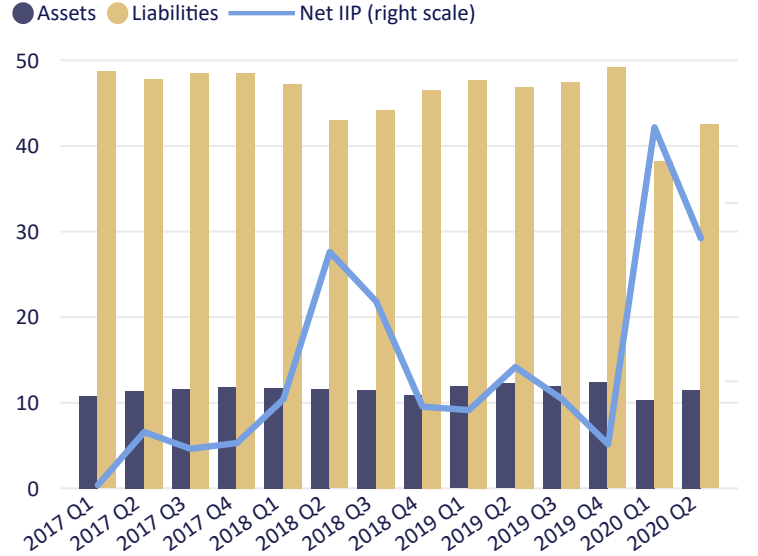
Net IIP (Bn EUR)



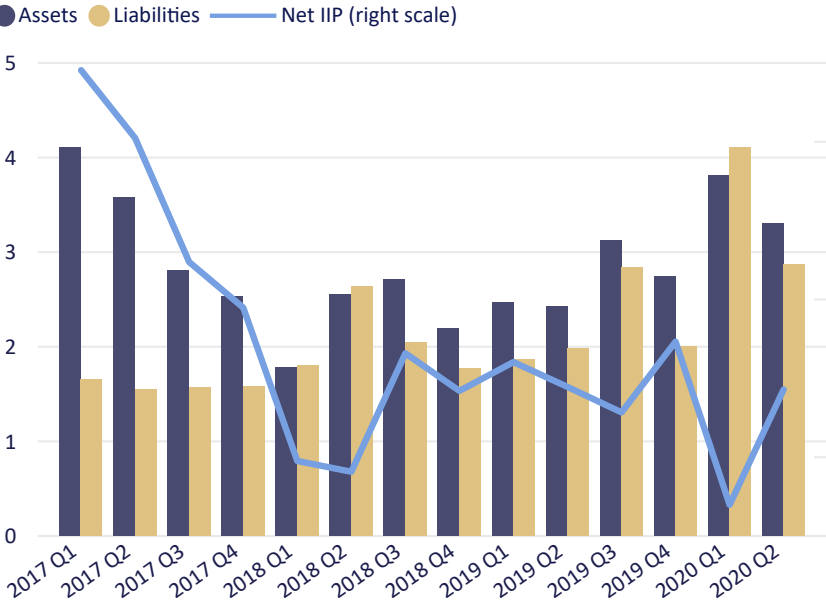
Foreign direct investment (Bn EUR)



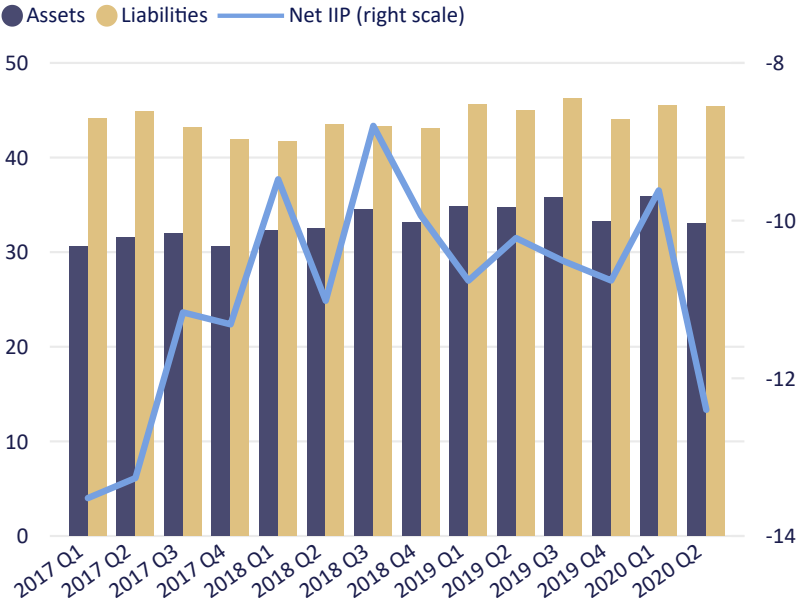
Portfolio investment (Bn EUR)



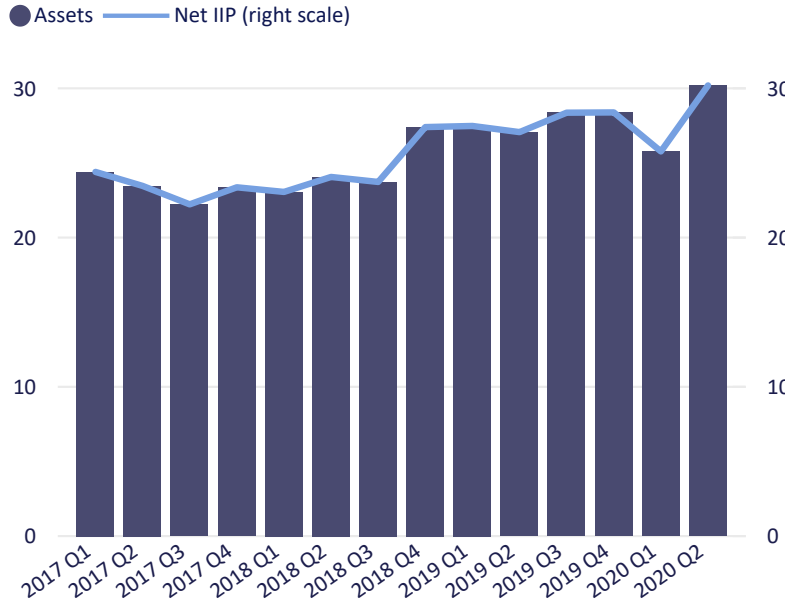
Financial derivatives (Bn EUR)



Other investment (Bn EUR)



Reserve assets (Bn EUR)





Stock of external debt

Filter

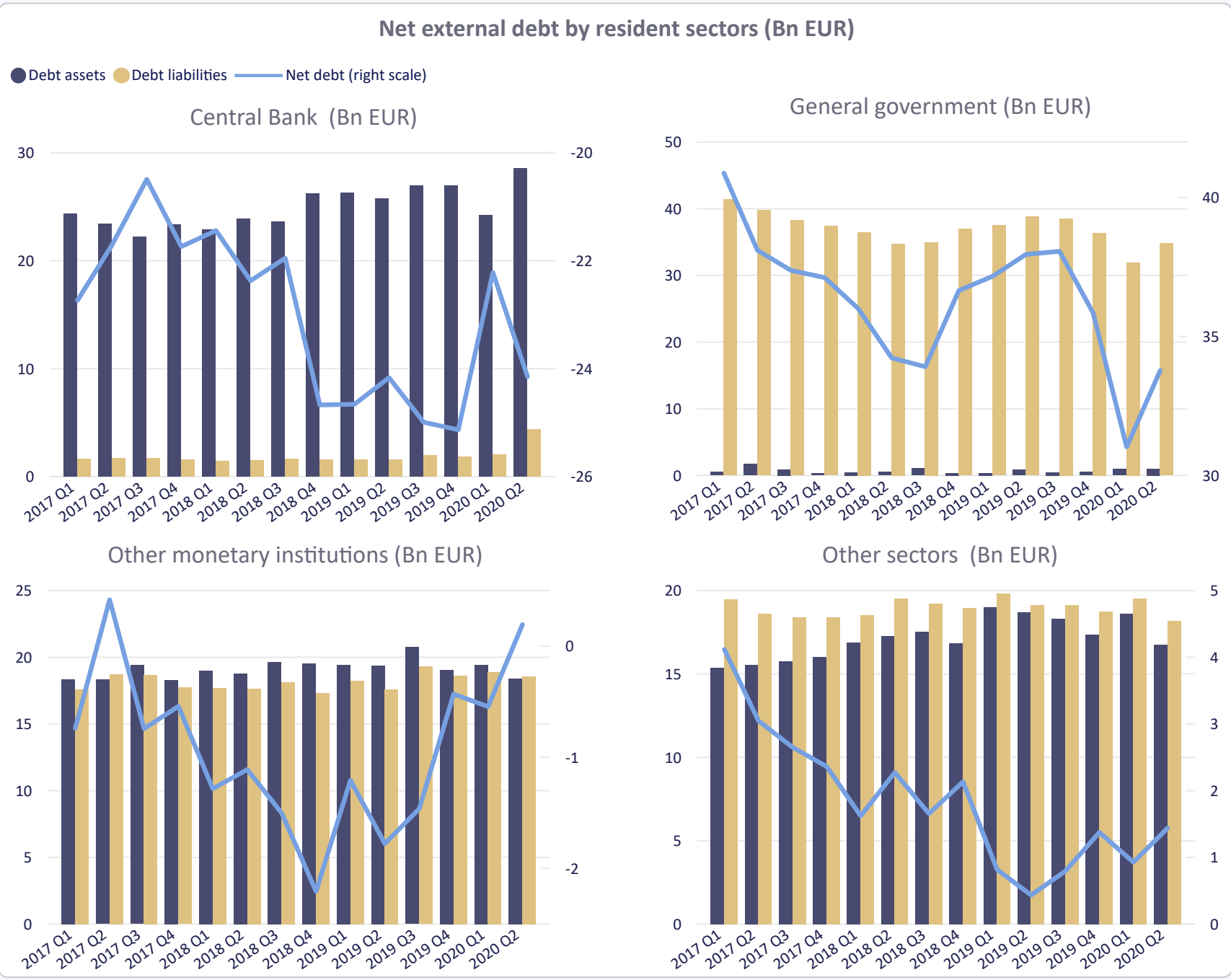
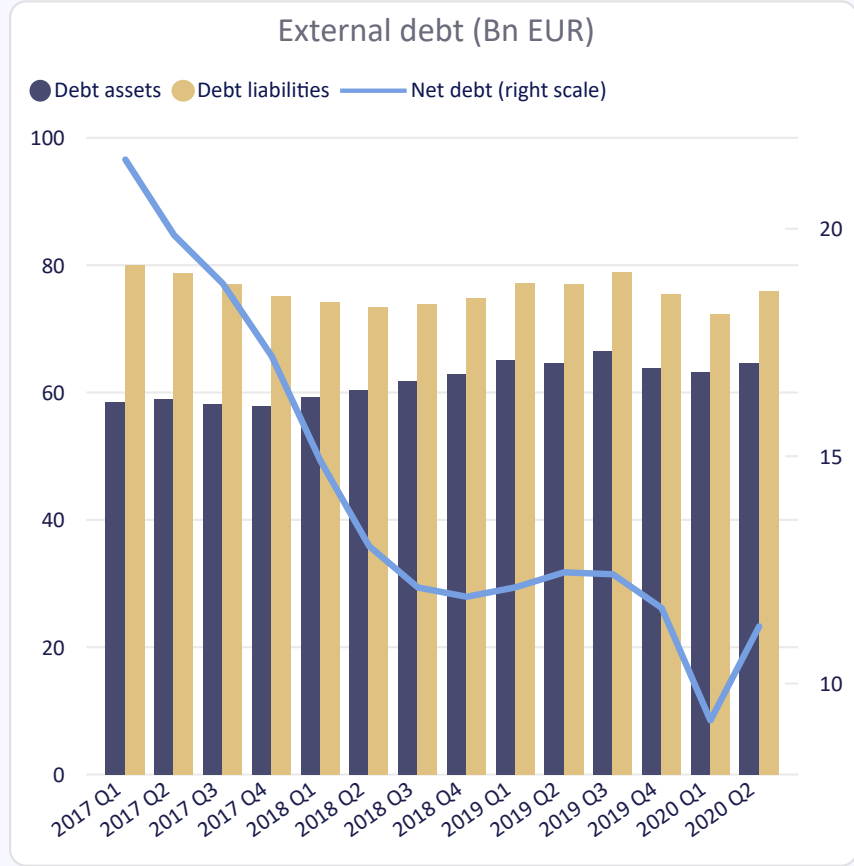
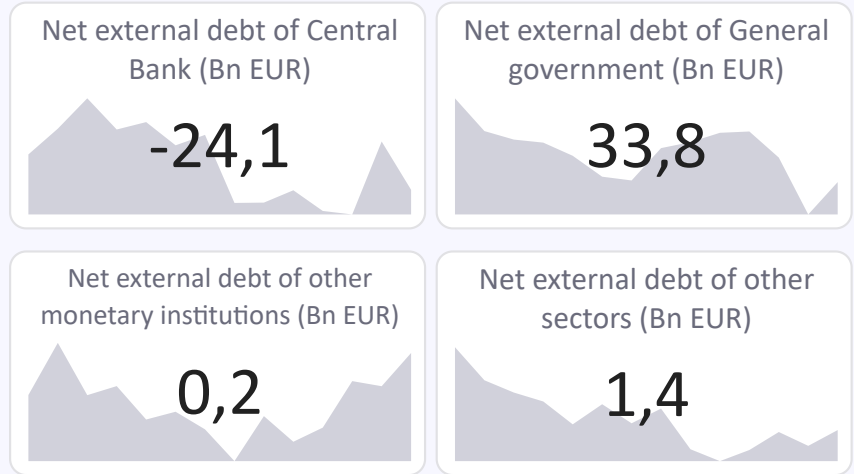
2017 Q1 - 2020 Q2

Indicators

FDI debt

All

Debt excluding FDI...





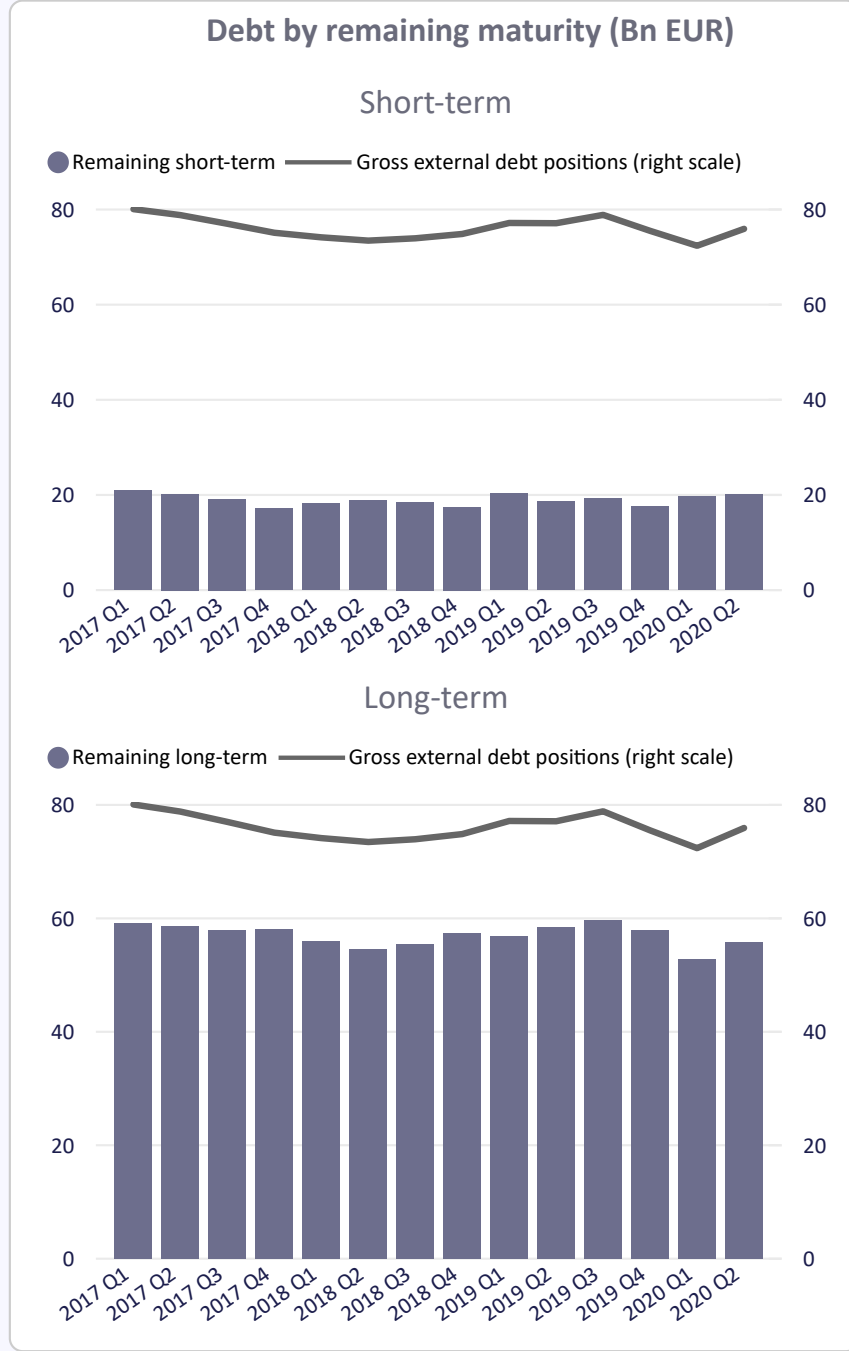
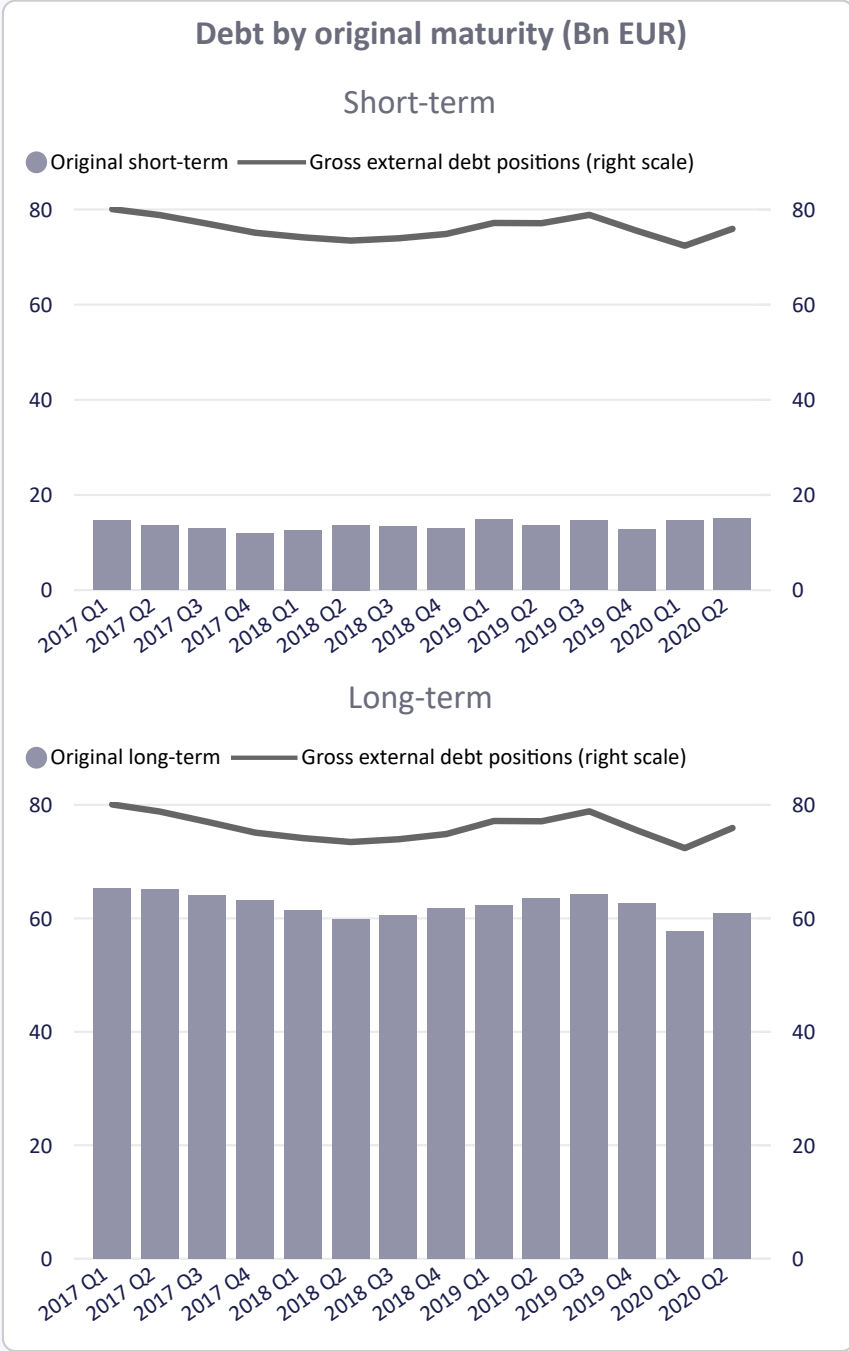
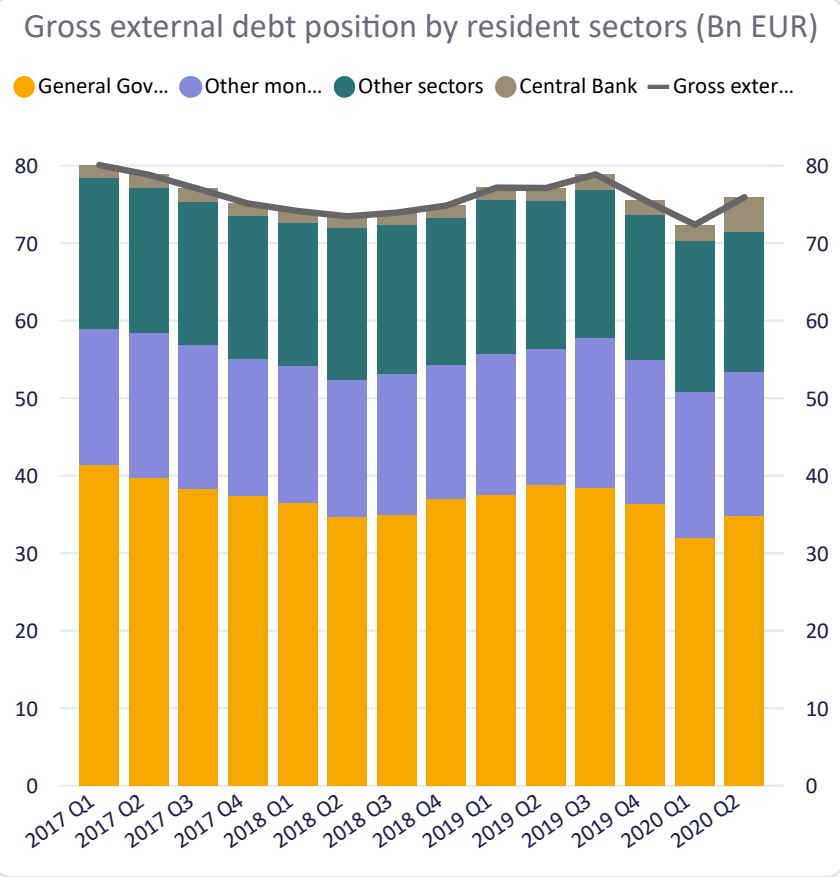
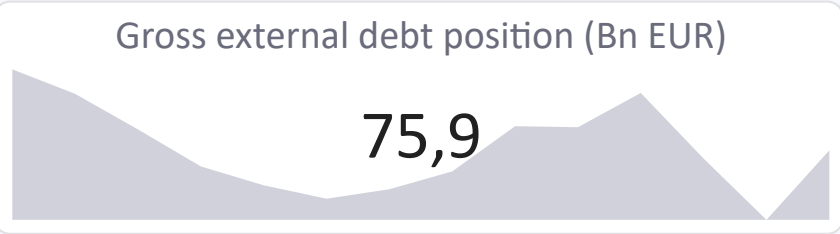
Stock of gross external debt by maturity (excl. FDI debt)

2017 Q1 - 2020 Q2

Resident sector

Filter

All



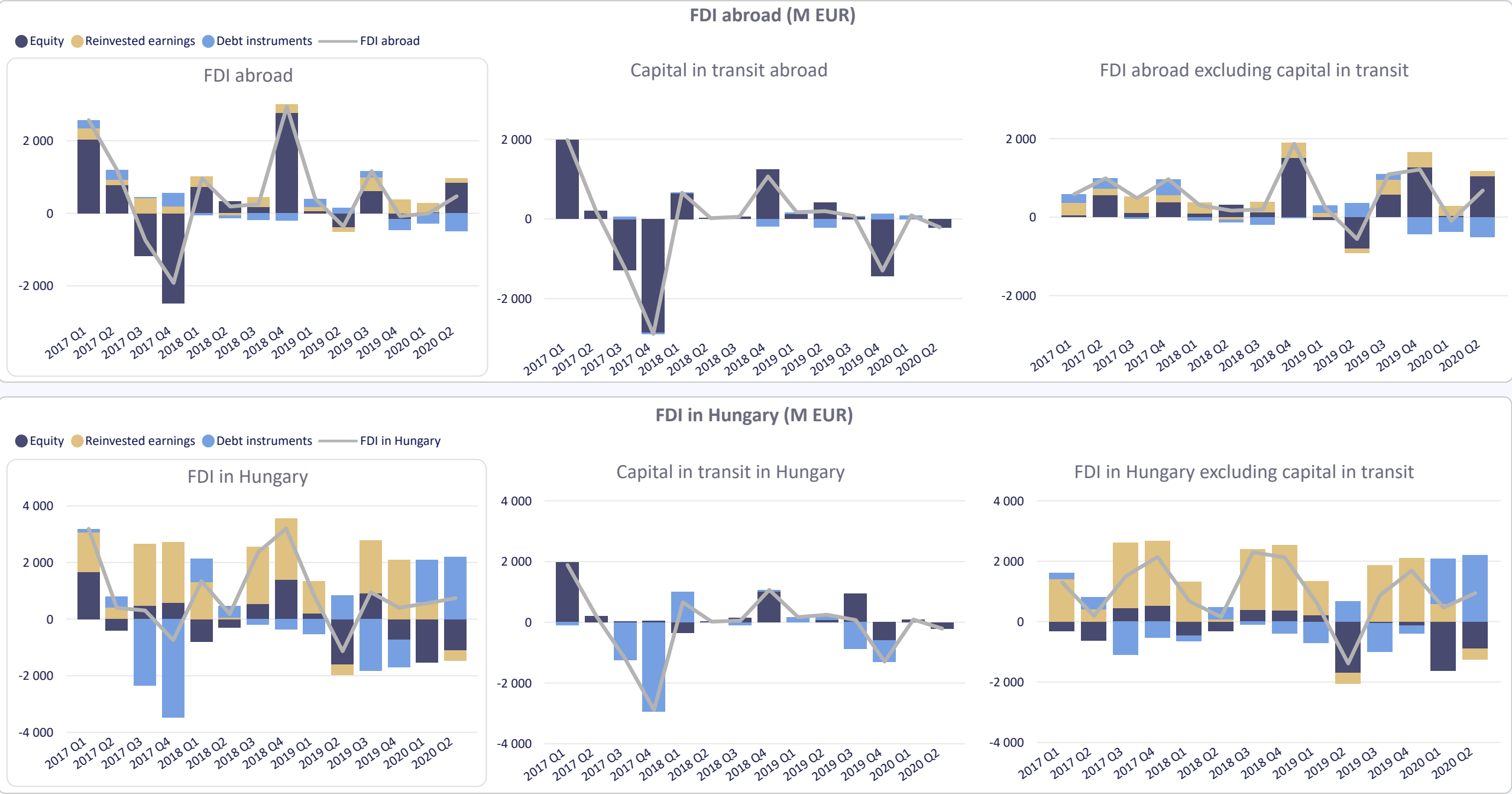


FDI flows according to the directional principle

Text information

Filter

2017 Q1 - 2020 Q2



● Equity ● Reinvested earnings ● Debt instruments — FDI in Hungary

FDI in Hungary

Period	Equity	Reinvested earnings	Debt instruments	FDI in Hungary
2017 Q1	1500	1500	500	3500
2017 Q2	500	500	500	1500
2017 Q3	-500	500	500	500
2017 Q4	-1000	500	500	0
2018 Q1	-3500	500	500	-2500
2018 Q2	1000	500	500	2000
2018 Q3	500	500	500	1500
2018 Q4	2500	500	500	3500
2019 Q1	1000	500	500	2000
2019 Q2	-1000	500	500	0
2019 Q3	1000	500	500	2000
2019 Q4	1500	500	500	2500
2020 Q1	1000	500	500	2000
2020 Q2	1500	500	500	2500

Capital in transit in Hungary

Period	Equity	Reinvested earnings	Debt instruments	Capital in transit in Hungary
2017 Q1	2000	0	0	2000
2017 Q2	500	0	0	500
2017 Q3	-1000	0	0	-1000
2017 Q4	-2500	0	0	-2500
2018 Q1	1000	0	0	1000
2018 Q2	0	0	0	0
2018 Q3	0	0	0	0
2018 Q4	1000	0	0	1000
2019 Q1	500	0	0	500
2019 Q2	0	0	0	0
2019 Q3	0	0	0	0
2019 Q4	-1000	0	0	-1000
2020 Q1	0	0	0	0
2020 Q2	-500	0	0	-500

FDI in Hungary excluding capital in transit

Period	Equity	Reinvested earnings	Debt instruments	FDI in Hungary excluding capital in transit
2017 Q1	1000	1500	500	3000
2017 Q2	500	500	500	1500
2017 Q3	500	500	500	1500
2017 Q4	1000	500	500	2000
2018 Q1	1500	500	500	2500
2018 Q2	1000	500	500	2000
2018 Q3	1000	500	500	2000
2018 Q4	2000	500	500	3000
2019 Q1	1000	500	500	2000
2019 Q2	1000	500	500	2000
2019 Q3	1000	500	500	2000
2019 Q4	1500	500	500	2500
2020 Q1	1000	500	500	2000
2020 Q2	1500	500	500	2500

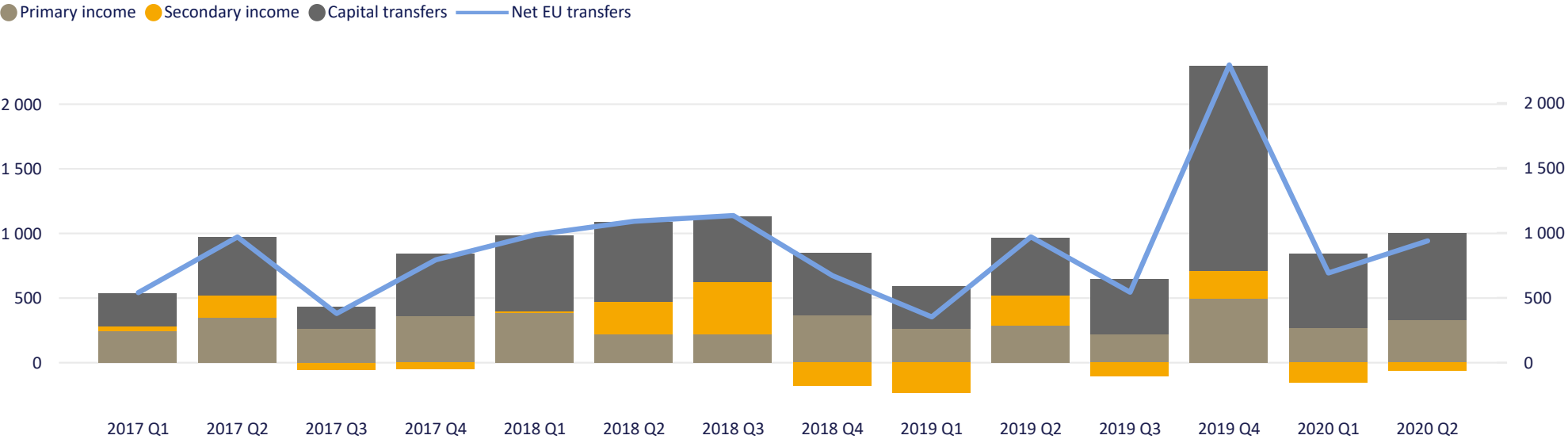




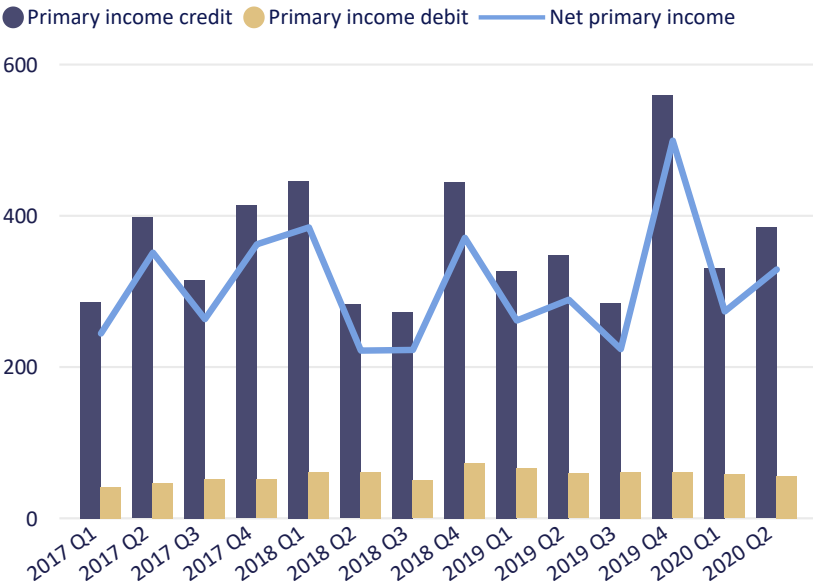
Net EU transfers (M EUR)

937,9

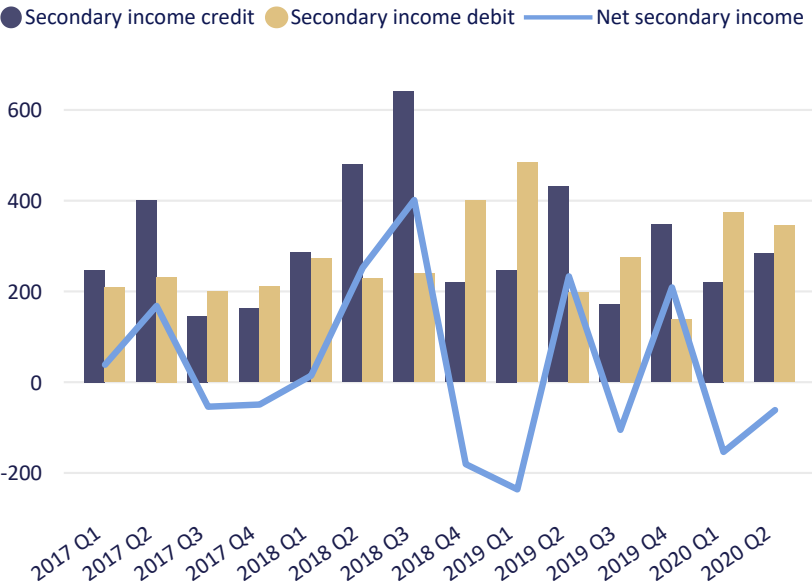
Current and capital account items (M EUR)



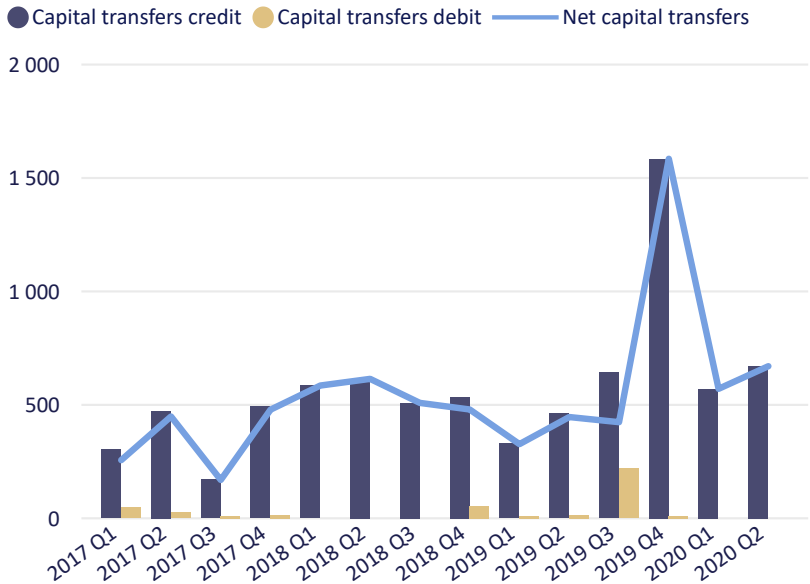
Primary income (M EUR)



Secondary income (M EUR)



Capital transfers (M EUR)



#### Balance of payments (revisions, M EUR)

Main items ▲	2017	2018	2019	Q1 2020
1. Current account balance (1.1+1.2+1.3+1.4)	-447	398	853	314
1.1 Goods	-197	3	-300	-10
1.2 Services	-298	0	-430	-21
1.3 Primary income	3	217	1 409	332
1.4 Secondary income	45	178	175	13
2. Capital account	0	-8	-4	0
3. Financial account	-16	20	1 497	525
3.1 Foreign direct investment (net assets)	-3	46	1 653	687
3.1.1 Foreign direct investment abroad (net assets)	20	73	-159	69
3.1.1.1 Equity	5	53	-170	-9
3.1.1.2 Debt instruments	15	20	11	78
3.1.2 Foreign direct investment in Hungary (net liabilities)	23	27	-1 813	-619
3.1.2.1 Equity	5	-76	-1 895	-450
3.1.2.2 Debt instruments	19	103	83	-169
3.2 Portfolio investments (net assets)	-12	0	0	7
3.2.1 Assets	0	0	0	8
3.2.2 Liabilities	12	0	0	0
3.3 Financial derivatives (net assets)	0	0	-3	0
3.4 Other investments (net assets)	-1	-26	-154	-170
3.4.1 Assets	-2	-1	-5	211
3.4.2 Liabilities	-2	25	148	381
4. Net errors and omissions	431	-370	648	211

#### Positions (revisions, M EUR)

Main items	2017	2018	2019	Q1 2020
1. Foreign direct investment (net assets)	68	191	2 856	3 659
1.1 Foreign direct investment abroad (net assets)	0	200	89	466
1.1.1 Equity	23	185	88	386
1.1.2. Debt	-23	16	1	79
1.1.2.1 Debt assets	19	101	128	210
1.1.2.2 Debt liabilities	42	85	127	131
1.2 Foreign direct investment in Hungary (net liabilities)	-68	9	-2 767	-3 194
1.2.1 Equity	6	-123	-2 907	-3 128
1.2.2. Debt	-74	132	140	-65
1.2.2.1 Debt assets	156	168	44	126
1.2.2.2 Debt liabilities	81	301	183	60
2. Portfolio investments (net assets)	0	0	0	5
2.1 Assets	0	0	0	8
2.2 Liabilities	0	0	0	3
3. Financial derivatives (net assets)	0	0	0	0
4. Other investments (net assets)	-1	-27	50	-106
4.1 Assets	-2	-3	33	263
4.2 Liabilities	-1	23	-17	369
5. Gross external debt (excl. FDI debt)	-1	23	-17	372
6. Net external debt (excl. FDI debt)	4	33	-39	113





FDI income and positions (annual)



New annual data are first published in September following the reference year. Data are revised in March and September.

Filter

2000

2019



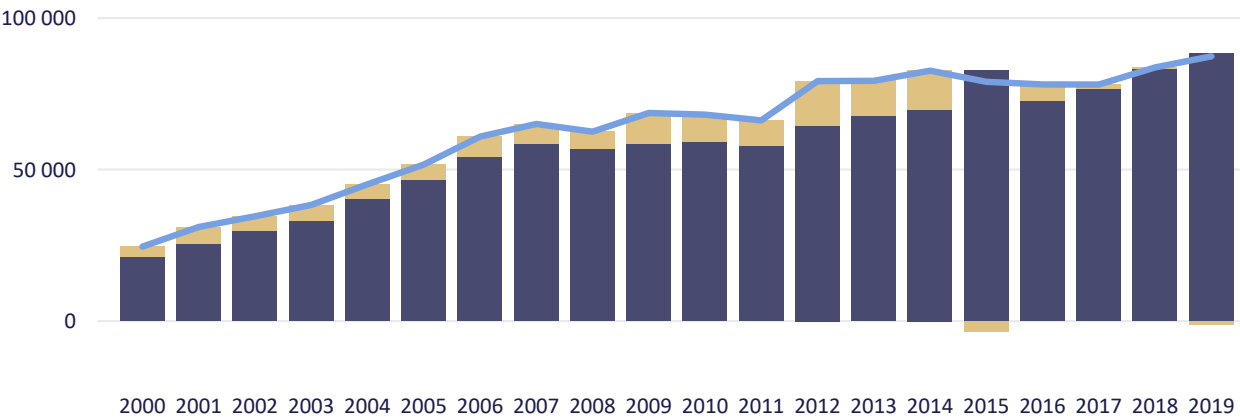
Hungary

FDI position in Hungary (M EUR)

87 372,6

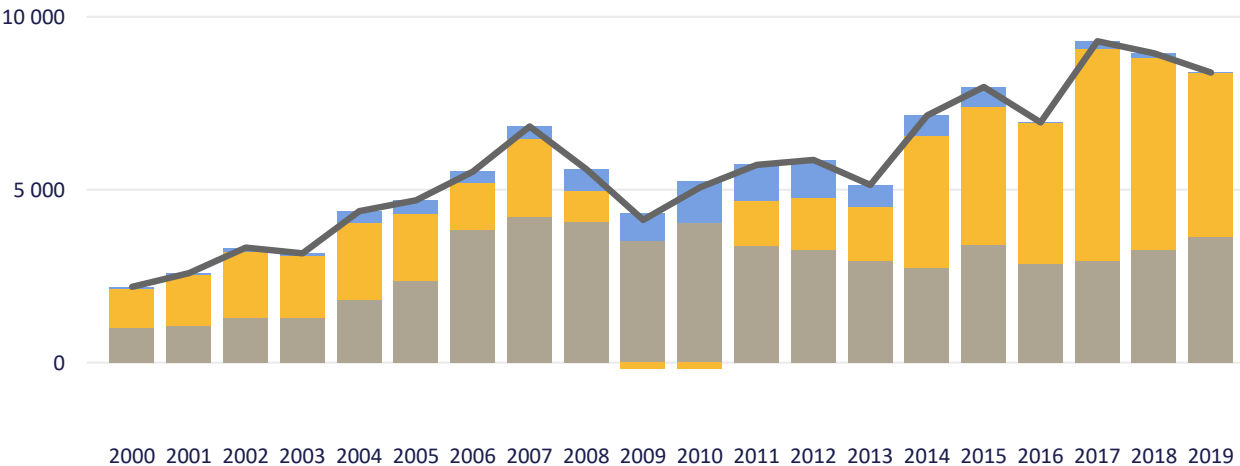
FDI position in Hungary (M EUR)

● Inward equity position ● Inward debt instruments position — FDI in Hungary position



FDI income in Hungary (M EUR)

● Dividends in Hungary ● Reinvested earnings in Hungary ● Interests in Hungary — FDI income in Hungary



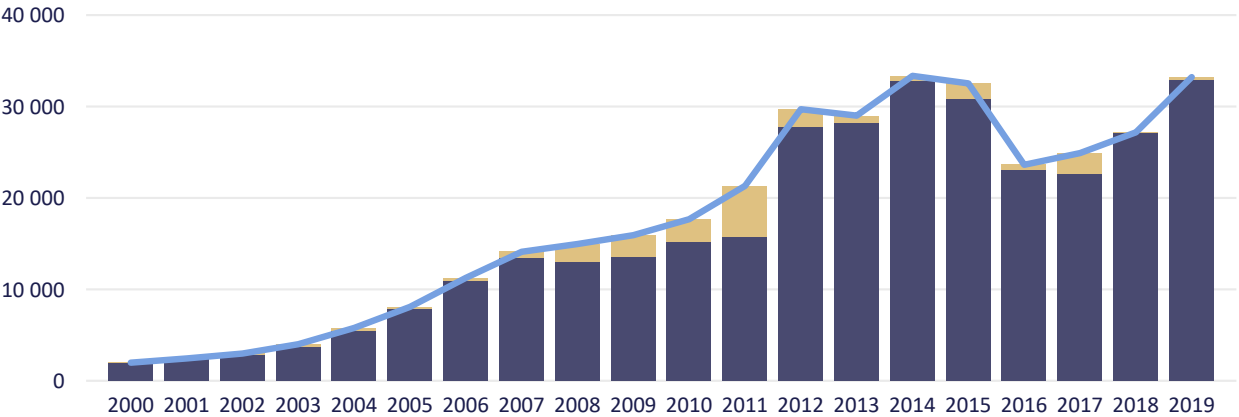
Abroad

FDI position abroad (M EUR)

33 217,5

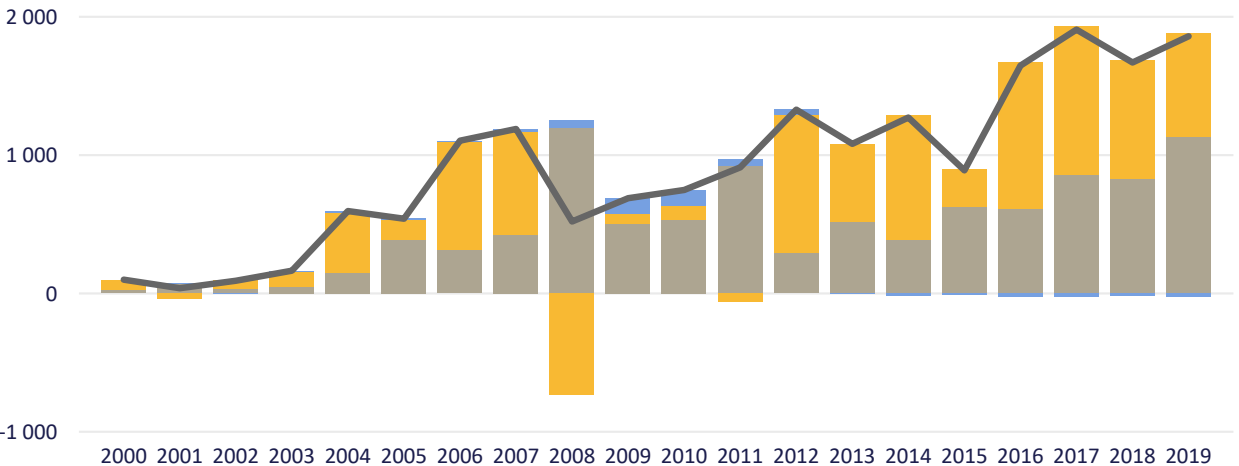
FDI position abroad (M EUR)

● Outward equity position ● Outward debt instruments position — FDI abroad position



FDI income abroad (M EUR)

● Dividends abroad ● Reinvested earnings abroad ● Interests abroad — FDI income abroad





FDI positions: country breakdown (top 10; annual data)

!

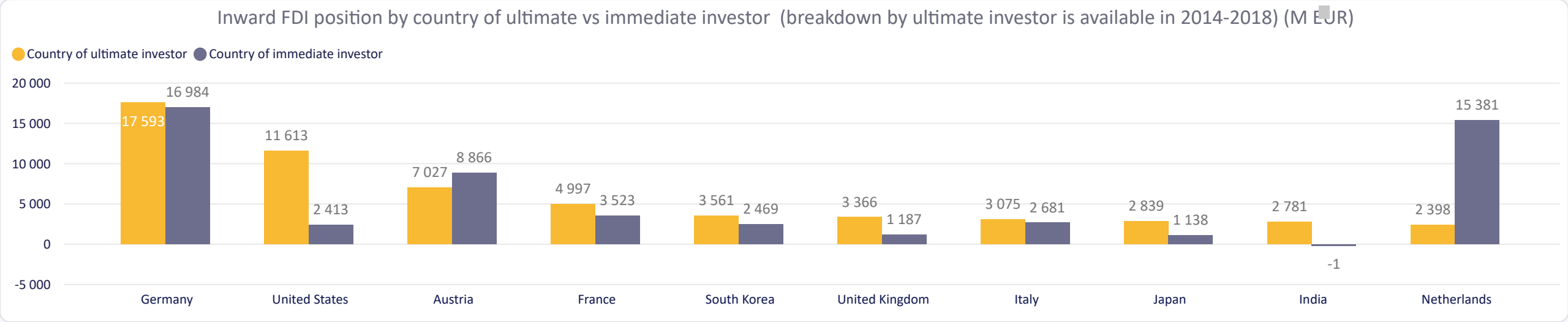
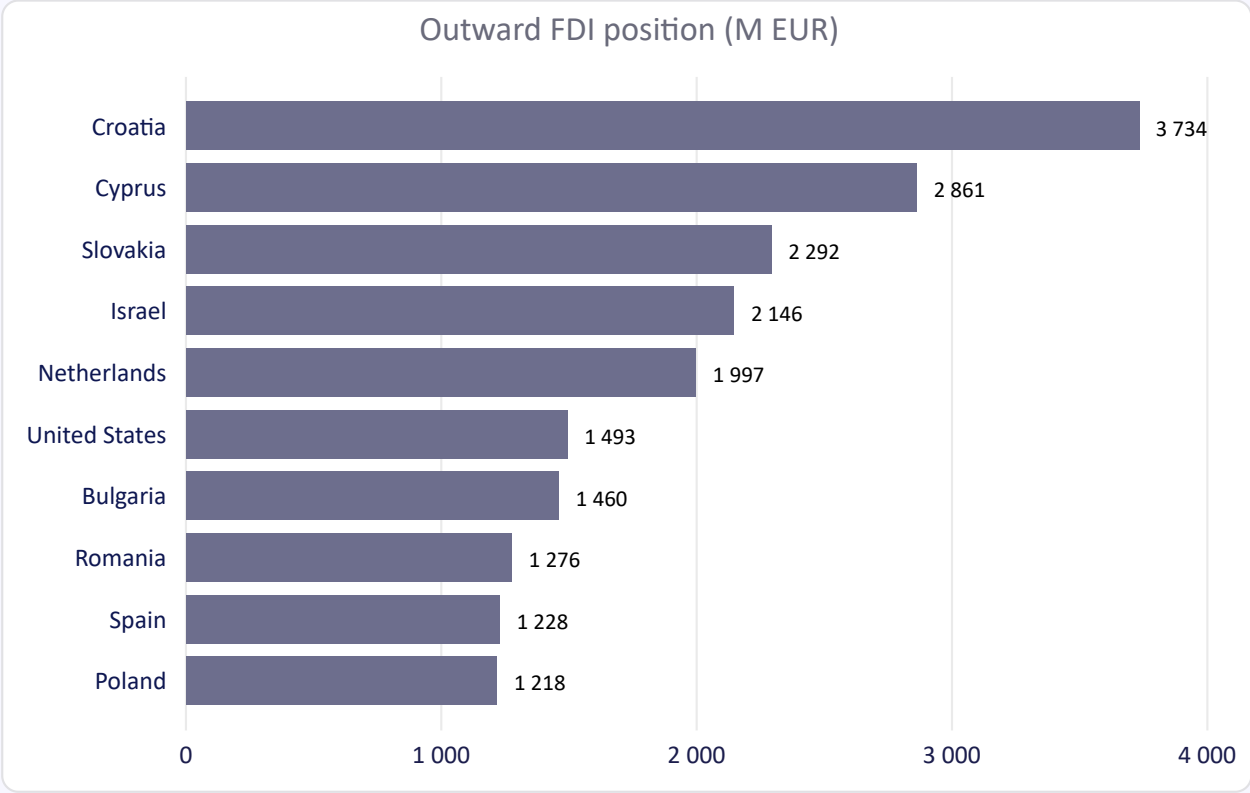
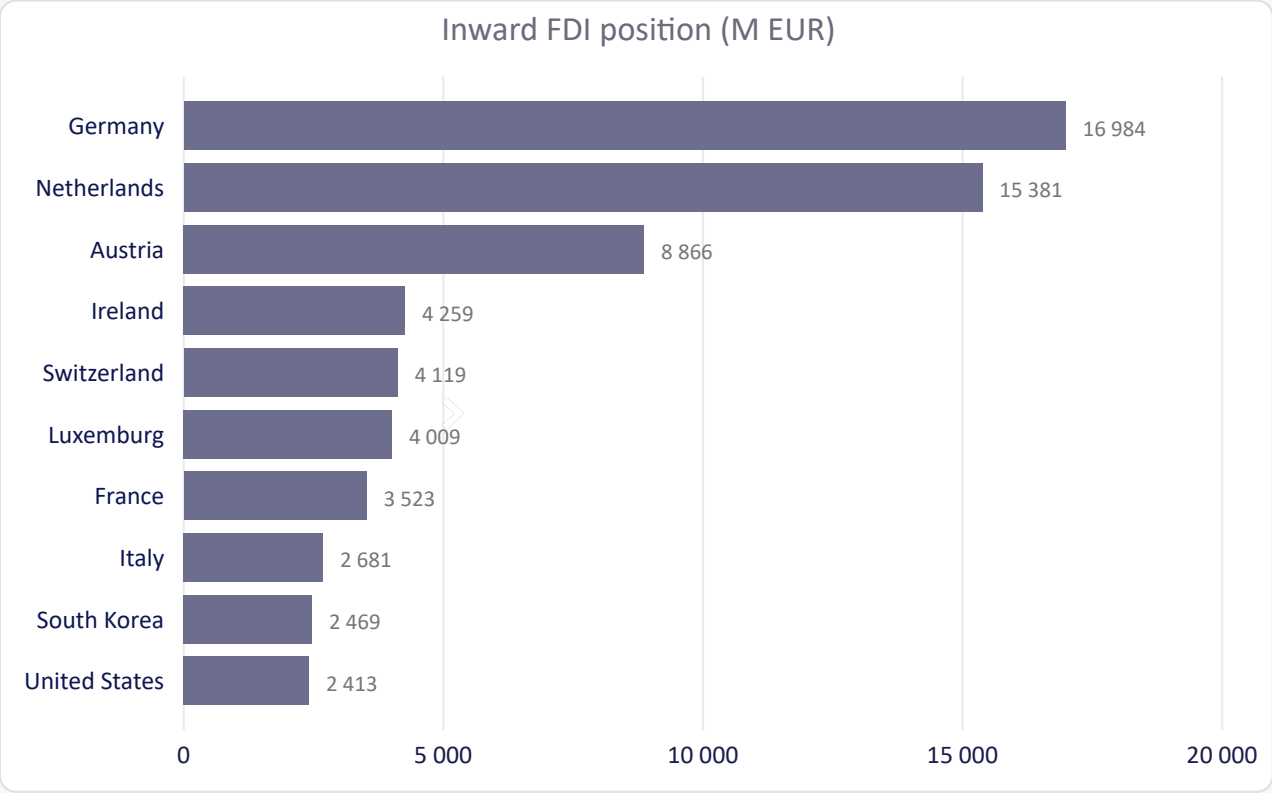
New annual data are first published in September following the reference year. Data are revised in March and September.

Filter

Period

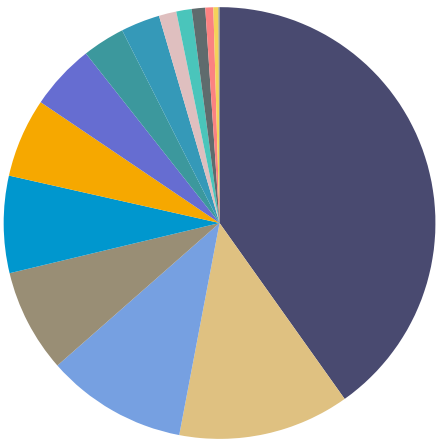
2018

i



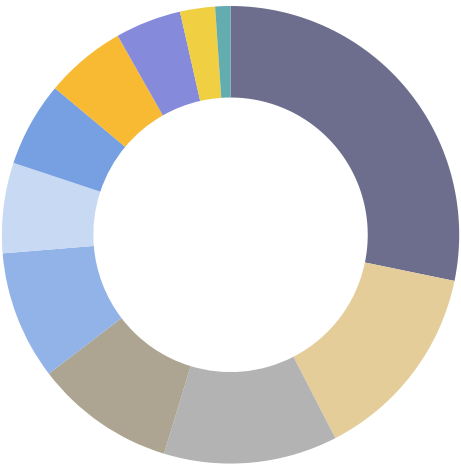
Inward FDI position

By the activity of the resident investment (M EUR)



- Resident activities**
- Manufacturing - C
  - Financial and insurance ac...
  - Wholesale and retail trade...
  - Real estate activities - L
  - Professional, scientific and...
  - Private purchase and sales...
  - Information and communi...
  - Other services (N,O,P,Q,R,S)

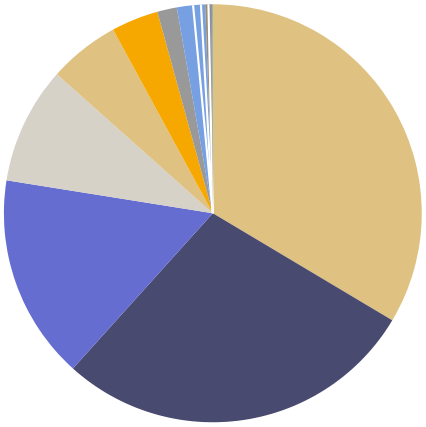
.....of which the main activity groups of manufacturing (M EUR)



- Activity groups of manufactu...**
- Total vehicle and other tra...
  - Computer, electronis and ...
  - Rubber, plastic and other ...
  - Electrical equipment, mac...
  - Basic pharmaceutical prod...
  - Coke, refined pertoleum, ...
  - Basic metals and fabricate...
  - Food products; beverage ...
  - Wood, paper, printing and...

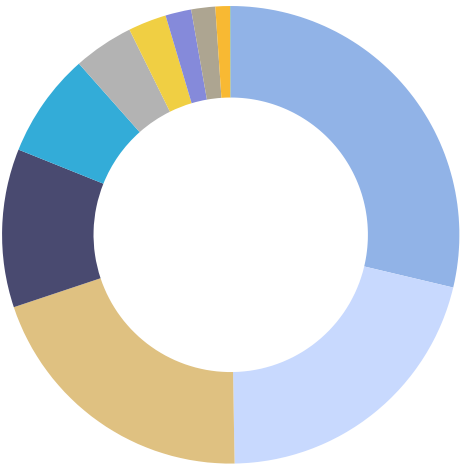
Outward FDI position

By the activity of the non-resident investment (M EUR)



- Non-resident activity**
- Financial and insurance act...
  - Manufacturing - C
  - Private purchase and sales ...
  - Mining and quarrying - B
  - Wholesale and retail trade;...
  - Other services (N,O,P,Q,R,S)
  - Information and communic...
  - Professional, scientific and ...

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



- Activity groups of manufactu...**
- Basic pharmaceutical prod...
  - Coke, refined pertoleum, c...
  - Computer, electronis and o...
  - Total vehicle and other tra...
  - Basic metals and fabricated...
  - Rubber, plastic and other n...
  - Manufacturing not elsewh...
  - Wood, paper, printing and ...
  - Electrical equipment, mach...



FDI income: COPC adjustment (annual data)



New annual data are first published in September following the reference year. Data are revised in March and September.

Filter

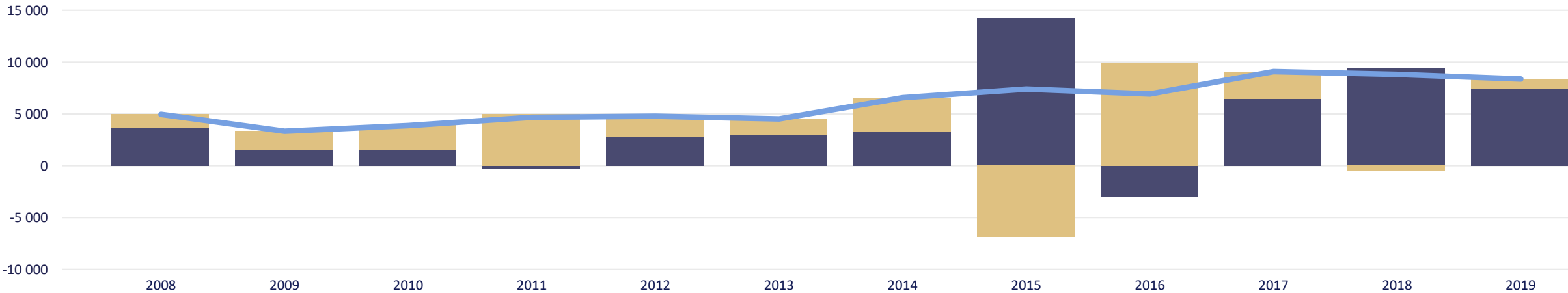
Sector

Total economy



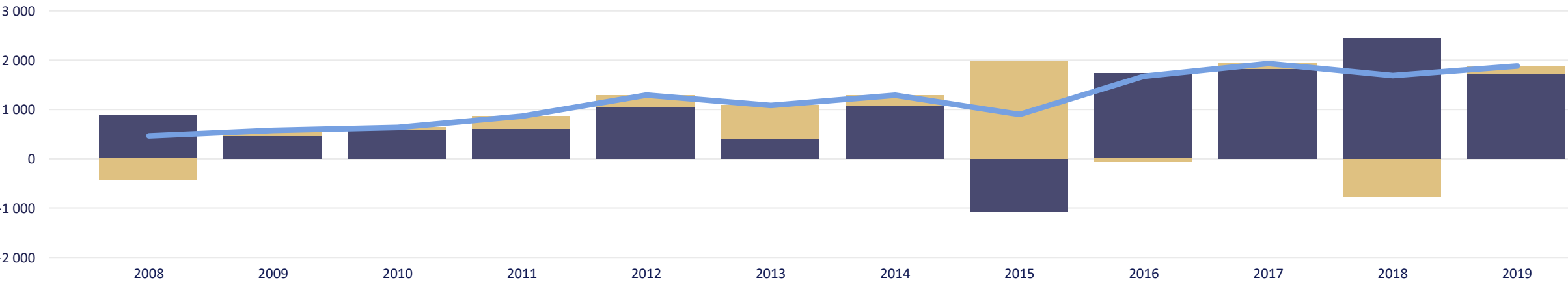
In Hungary (M EUR)

After tax profit COPC adjustment FDI equity income (published in BoP)



Abroad (M EUR)

After tax profit COPC adjustment FDI equity income (published in BoP)



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





Other information and notes

Related links

- Statistical tables >
- Methodological notes >
- Sesonally adjusted graphs >
- Interactive graphs >

Information about the next publication

The MNB will release Hungary’s balance of payments and international investment position data for Q3 2020 and will revise quarterly data for Q1 2019 to Q2 2020 on 21 December 2020.

Publication calendar >

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.

However, due to the many new statistical tests and diagnostics built into the new programme, we can provide higher quality seasonally adjusted data to users.

Seasonally adjusted balance time series are directly adjusted. Thus, 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 subaccounts either (e.g. the seasonally adjusted current account balance does not equal to the sum of the seasonally adjusted data of the subaccounts).

Contact

**Magyar Nemzeti Bank**  
Statistics Directorate

 Tel.: +36 1 428 2600

 Fax: + 36 1 429 8000

 Email: [sajto@mnbb.hu](mailto:sajto@mnbb.hu)