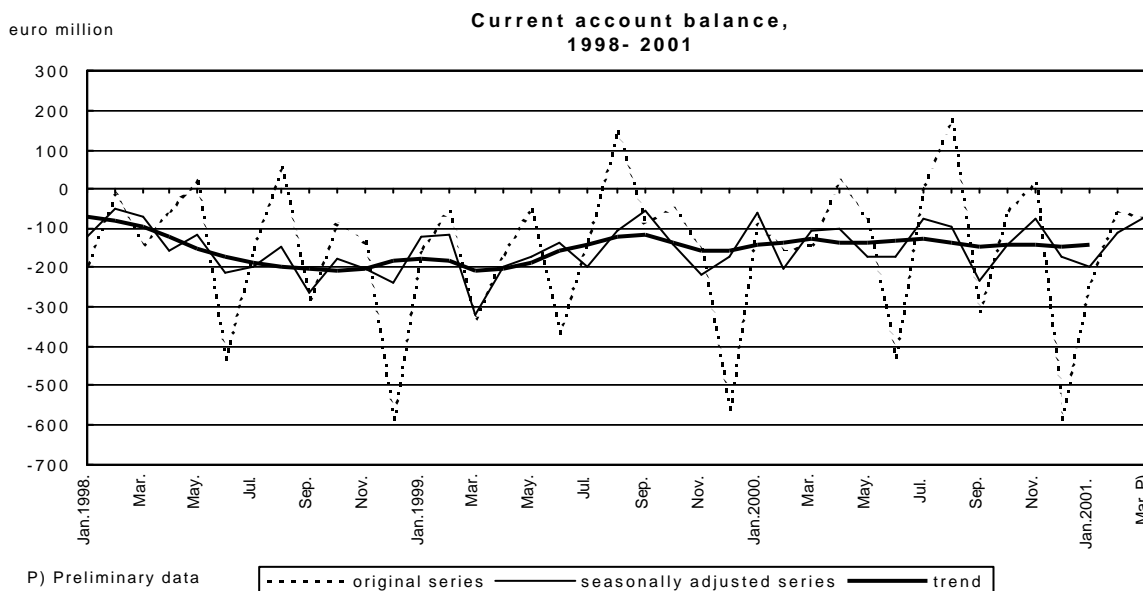


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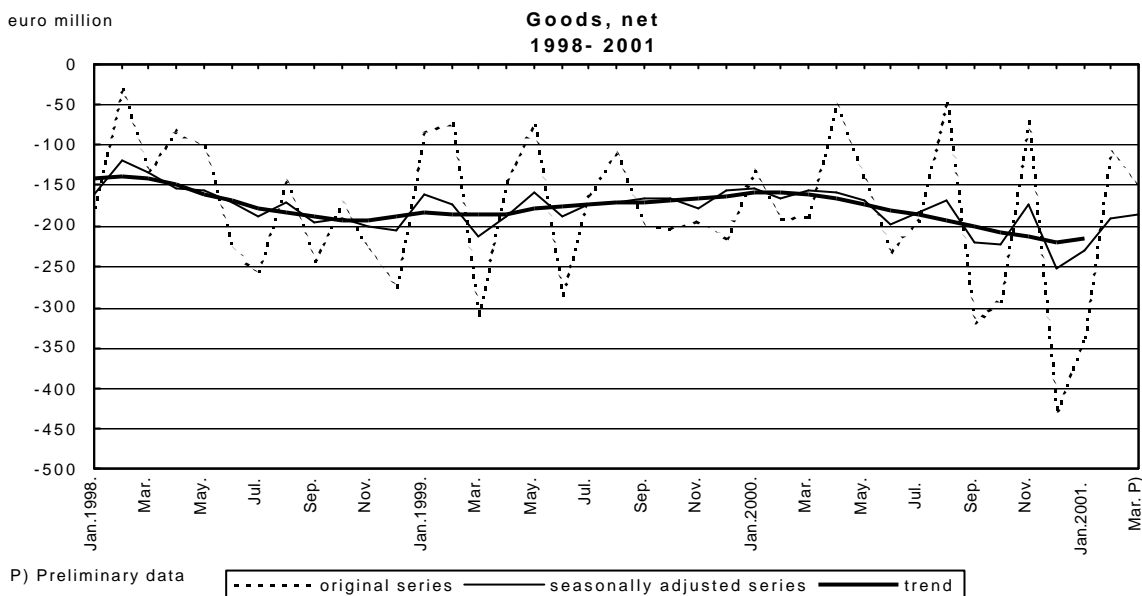
Hungary's preliminary balance of payments March 2001

Provisional data may change when finalised.

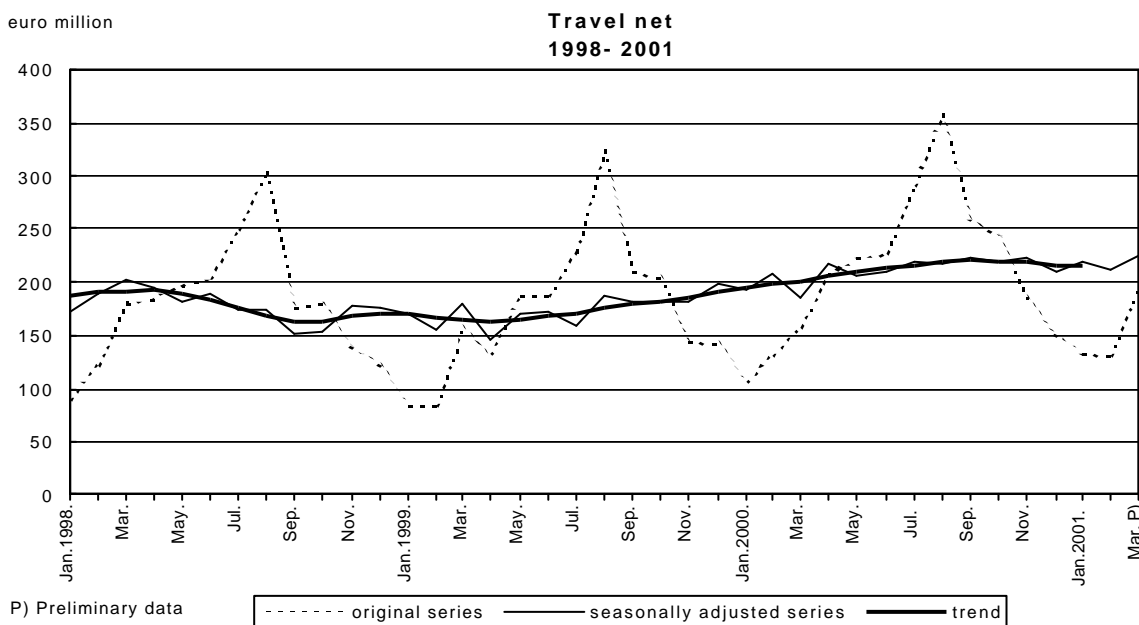
According to the preliminary calculations, Hungary's current account was EUR 73 million in deficit in March 2001. The EUR 72 million improvement in the current account balance relative to March 2000 was attributable to lower net expenditures for trade in goods and a higher surplus on services. The seasonally adjusted current account deficit, too, fell in comparison with a year previously. Net non-debt inflow amounted to EUR 170 million in the month under review.



In March, net expenditures for trade in goods were the balance of EUR 2,565 million exports and EUR 2,714 million imports. The monthly values of exports and imports of goods rose by EUR 344 million and EUR 305 million respectively relative to March 2000.



At EUR 194 million in March, the tourism surplus reflected EUR 301 million revenue and EUR 107 million expenditure. Eliminating the seasonal effects, the monthly tourism surpluses have been stable around EUR 210–220 million since the spring of 2000. Service transactions excluding tourism were EUR 31 million in deficit. That was EUR 25 million higher than the deficit recorded in March 2000.



The investment income deficit amounted to EUR 114 million in the month. Under this heading, the negative balance for investment income on equity was EUR 18 million higher than a year

ago. The net outflow of investment income on debt, in contrast, was EUR 11 million lower relative to March 2000.

At EUR 28 million in March 2001, the surplus on current transfers was EUR 20 million lower than a year ago.

Non-debt capital transactions showed a total inward flow of EUR 170 million in the month. The net inflow via the domestic banking sector of direct investments in equity capital was the net result of direct investment transactions by non-residents in Hungary, at EUR 132 million, and those by Hungarian residents abroad, at EUR 10 million. Portfolio investment transactions in equity securities showed net inflows totalling EUR 28 million.

At the end of March, the value of central bank foreign exchange reserves stood at EUR 12.2 billion.

Balance of payments, Hungary

euro million

	2000				2001			
	Jan.	Feb.	Mar.	Jan.-Mar.	Jan.	Feb.	Mar. ^{P)}	Jan.-Mar. ^{P)}
1. Goods, net	-133	-190	-188	-511	-338	-108	-149	-596
1.1. Exports	2016	1809	2221	6047	2472	2223	2565	7261
1.2. Imports	2150	2000	2409	6559	2811	2332	2714	7857
2. Services and income, net	10	13	-5	17	14	36	48	98
2.1. Services*, net	84	69	100	254	65	68	162	296
2.1.1. Exports	418	394	465	1278	573	507	608	1687
2.1.2. Imports	334	325	365	1024	507	439	446	1392
2.2. Income, net	-74	-57	-105	-236	-51	-33	-114	-198
2.2.1. Income on debt, net	-72	-54	-73	-199	-47	-27	-62	-136
2.2.2. Income on equity, net	-4	-3	-33	-39	-4	-5	-51	-60
2.2.3. Compensation of employees, net	1	0	1	2	-1	0	-1	-2
3. Current transfers	46	21	48	115	87	19	28	134
4. Current account balance	-77	-157	-145	-379	-237	-54	-73	-364
5. Non debt creating financing, net	130	160	-9	281	-158	263	170	275
5.1. Direct investment, equity capital, net	66	121	46	233	-203	264	141	202
5.1.1. Abroad, net	22	-4	-8	10	-313	-3	10	-306
5.1.2. In Hungary, net	44	125	54	223	109	268	132	509
5.2. Portfolio investment, equity securities, net	65	39	-55	48	45	-1	28	73
*- o/w: Travel, net	105	130	157	391	131	131	194	456
credit	185	207	242	634	242	223	301	767
debit	80	77	86	243	111	92	107	311

P) Preliminary data

Balance of payments, Hungary

(averages)

euro million

	2000				2001
	Q. 1.	Q.2.	Q.3.	Q.4.	Q. 1. ^{P)}
1. Goods, net	-170	-142	-188	-265	-199
1.1. Exports	2016	2264	2319	2588	2420
1.2. Imports	2186	2407	2506	2853	2619
2. Services and income, net	6	-65	110	27	33
2.1. Services, net	85	174	250	138	99
2.1.1. Exports	426	539	666	641	562
2.1.2. Imports	341	364	416	504	464
2.2. Income, net	-79	-240	-139	-111	-66
2.2.1. Income on debt, net	-66	-81	-57	-71	-45
2.2.2. Income on equity, net	-13	-158	-83	-40	-20
2.2.3. Compensation of employees, net	1	0	0	0	-1
3. Current transfers	38	45	35	29	45
4. Current account balance	-126	-162	-42	-209	-121
5. Non debt creating financing, net	94	73	32	-141	92
5.1. Direct investment, equity capital, net	78	159	108	-66	67
5.1.1. Abroad, net	3	-13	-66	-131	-102
5.1.2. In Hungary, net	74	172	175	66	170
5.2. Portfolio investment, equity securities, net	16	-86	-76	-75	24
*- o/w: Travel, net	130	218	302	193	152
credit	211	318	407	305	256
debit	81	99	105	112	104

P) Preliminary data

Balance of payments, Hungary (seasonally adjusted data) ^{a)}

euro million

	2001		
	Jan.	Feb.	Mar. ^{P)}
1. Goods, net	-231	-191	-184
1.1. Exports	2506	2519	2596
1.2. Imports	2765	2605	2678
2. Services and income, net			
2.1. Services			
2.1.1. Travel, net	220	212	224
credit	335	324	336
debit	120	119	119
2.1.2. Other services, net	-63	-57	-36
credit	321	297	303
debit	374	366	361
2.2. Income, net			
2.2.1. Income on debt, net	-51	-55	-51
2.2.2. Income on equity, net	-52	-52	-60
2.2.3. Compensation of employees, net	-1	0	-1
3. Current transfers	45	38	34
4. Current account balance	-196	-111	-73

P) Preliminary data

Balance of payments, Hungary (seasonally adjusted data) ^{a)}

euro million

	2000											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Goods, net	-152	-165	-157	-158	-169	-197	-184	-168	-220	-223	-174	-253
1.1. Exports	2029	2059	2148	2217	2271	2303	2324	2406	2396	2471	2496	2548
1.2. Imports	2152	2197	2323	2377	2547	2430	2456	2552	2637	2703	2644	2815
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net												
credit	192	207	185	217	206	211	219	217	224	219	222	210
debit	279	304	272	316	305	297	313	321	320	322	337	332
debit	86	99	95	97	99	82	88	101	92	101	128	131
2.1.2. Other services, net	-18	-54	-60	-58	-37	-43	-31	-84	-52	-13	-51	-92
credit	234	234	214	217	237	236	246	271	280	336	293	317
debit	252	257	265	260	268	271	267	370	359	367	364	377
2.2. Income, net												
2.2.1. Income on debt, net	-65	-78	-52	-74	-70	-73	-49	-64	-71	-54	-82	-74
2.2.2. Income on equity, net	-47	-43	-49	-36	-62	-35	-40	-59	-78	-50	-40	-50
2.2.3. Compensation of employees, net	1	0	1	-1	0	1	0	0	1	1	-1	0
3. Current transfers	38	33	43	40	44	41	34	39	38	38	39	39
4. Current account balance	-61	-202	-107	-101	-171	-174	-75	-96	-233	-141	-77	-173

* * * * *

Average exchange rates of the Hungarian forint in March 2001 were 266.46 per euro and 292.63 per US dollar.

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a) Methodological notes to seasonal adjustment:

The following method is used to seasonally adjust the components of the current account in 2001:

1) Using the SEATS TRAMO software, the model settings which accord best with the characteristics of the times series ending with the final data for December 2000 are fixed at the entire length of the year. The newly published data are adjusted within this model in the course of 2001. Taking account of the data for the latest month, the seasonally adjusted data for earlier periods will change.

2) In the publications, the direct method is used to adjust the accounts; and the individual items of the accounts, derived from the original data, are directly seasonally adjusted. Consequently, a seasonally adjusted sub-balance cannot be reproduced from the seasonally adjusted data that underlie the given sub-balance.

3) A trend value is the five-month moving average of the seasonally smoothed data, with diminishing weights proceeding symmetrically on both sides of the centre ($y_t = 1/9x_{t-2} + 2/9x_{t-1} + 3/9x_t + 2/9x_{t+1} + 1/9x_{t+2}$).

4) Compensation for employees does not reflect seasonal effects, therefore, the Table includes the not seasonally adjusted data.