

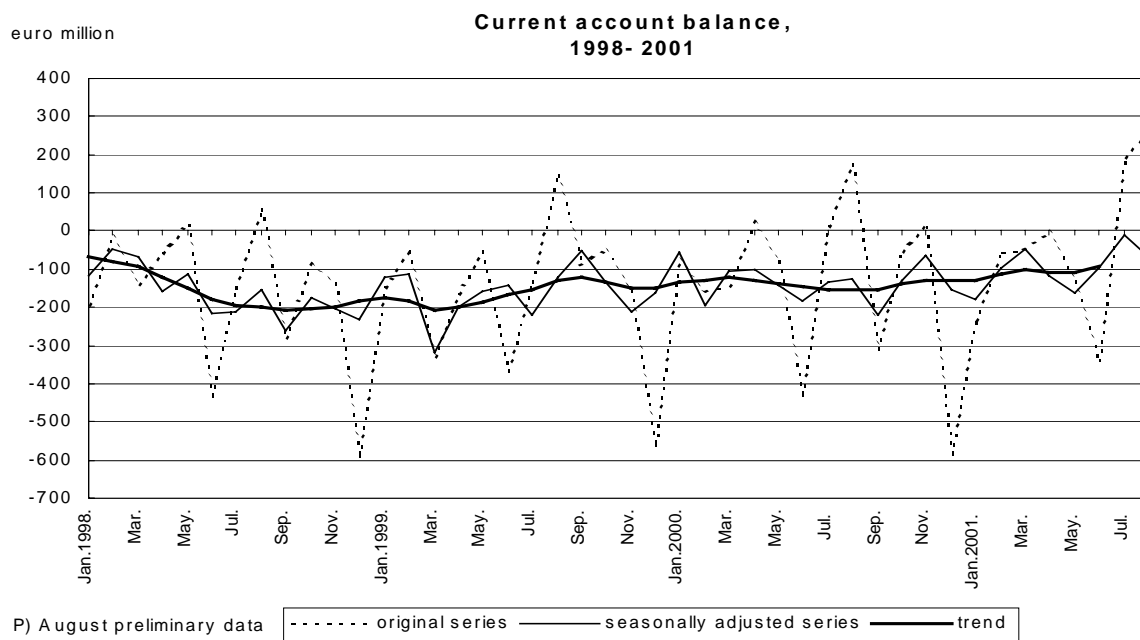
## PRESS RELEASE

### Hungary's preliminary balance of payments

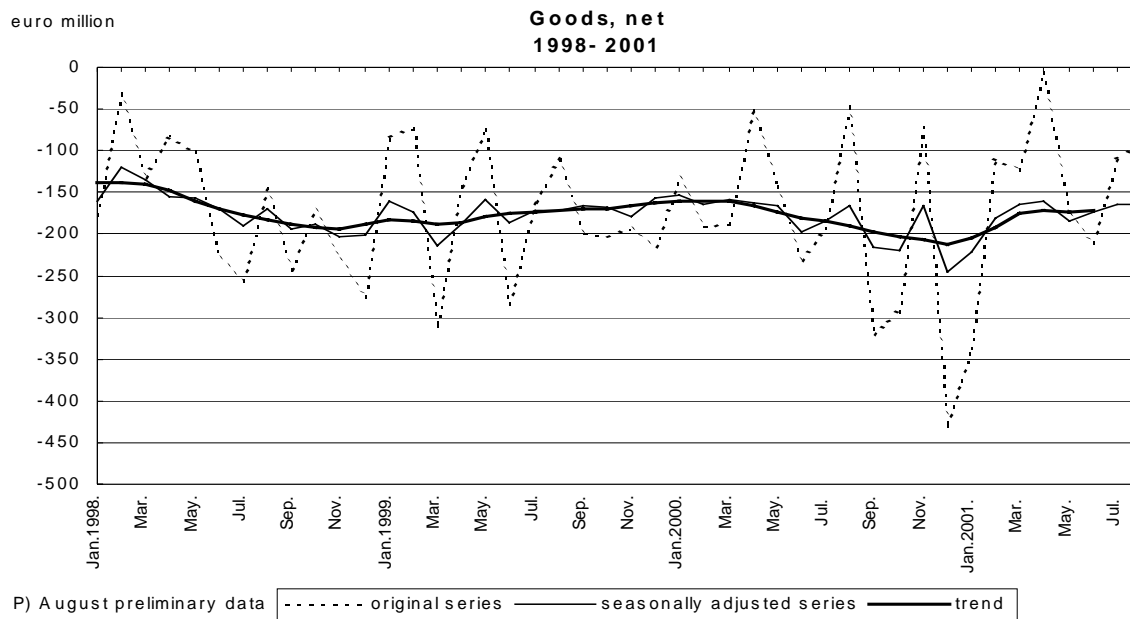
*August 2001*

*Provisional data may change when finalised.*

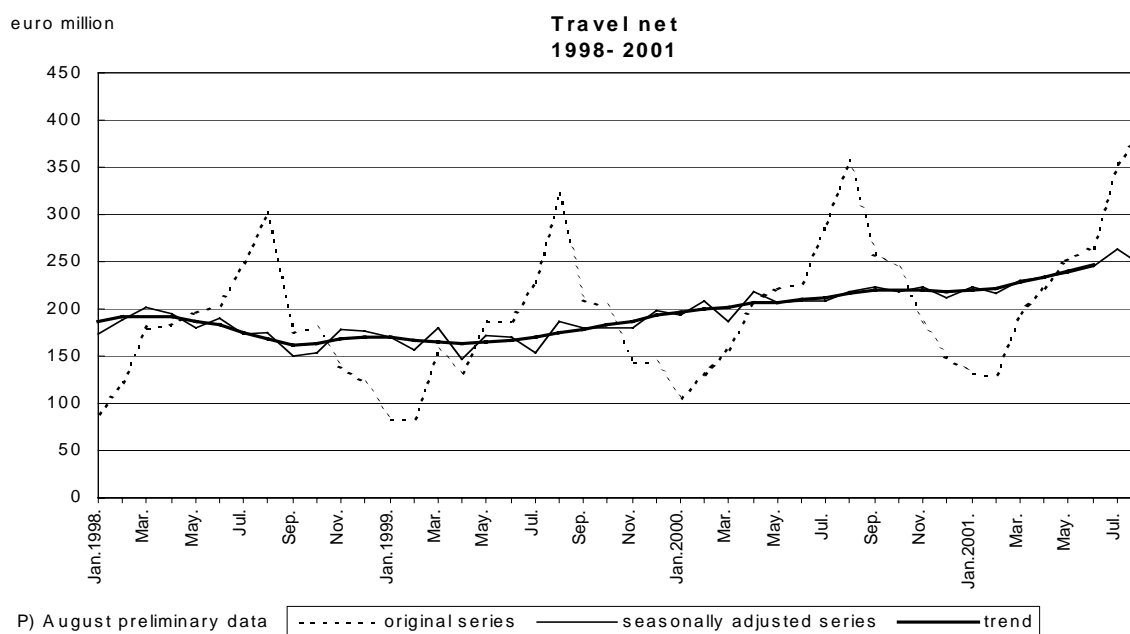
According to the preliminary data, Hungary's current account was EUR 259 million in surplus in August 2001, showing an increase of EUR 85 million relative to a year earlier. The current account deficit, calculated after eliminating the seasonal effects, was EUR 57 million higher than in the preceding month, owing primarily to the effect of the unusually good July data. Net non-debt inflow amounted to EUR 48 million in the month under review.



In August 2001, net expenditures for trade in goods were the balance of EUR 2,506 million exports and EUR 2,602 million imports. The monthly values of exports and imports of goods were EUR 54 million and EUR 102 million higher respectively than in August 2000. The seasonally adjusted goods balance has been in monthly deficits of between EUR 160–170 million since March.



Tourism revenue, at EUR 543 million, rose by EUR 80 million and expenditure, at EUR 156 million, by EUR 50 million in August 2001 relative to a year earlier. According to the time series calculated after eliminating the seasonal effects, the trend of monthly tourism balances shows surpluses fluctuating in an upward channel, between EUR 210–250 million, since the summer of 2000. Net expenditures for service transactions excluding tourism amounted to EUR 30 million in the month under review, showing a EUR 55 million improvement relative to August 2000.



Within the EUR 51 million investment income deficit, the negative balance for investment income on equity and that for investment income on debt fell by EUR 24 million and EUR 31 million respectively in a year-on-year comparison.

The EUR 49 million surplus on current transfers in August 2001 was EUR 6 million lower than a year previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 48 million in the month under review. Net inflows via the domestic banking sector of direct investments in equity capital were the balance of direct investment transactions by non-residents in Hungary, at EUR 72 million, and those by Hungarian residents abroad, at EUR 10 million. Portfolio investment transactions in equity securities showed net outflows of EUR 14 million.

At the end of August 2001, the value of central bank foreign exchange reserves amounted to EUR 13.1 billion.

### Balance of payments, Hungary

euro million

|   | 2000        |             |            |              | 2001        |             |                    |                         |
|---|-------------|-------------|------------|--------------|-------------|-------------|--------------------|-------------------------|
|   | Jun.        | Jul.        | Aug.       | Jan.-Aug.    | Jun.        | Jul.        | Aug. <sup>P)</sup> | Jan.-Aug. <sup>P)</sup> |
| <b>1. Goods, net</b>                              | <b>-232</b> | <b>-194</b> | <b>-48</b> | <b>-1180</b> | <b>-210</b> | <b>-110</b> | <b>-96</b>         | <b>-1170</b>            |
| 1.1. Exports                                      | 2207        | 2223        | 2452       | 17516        | 2598        | 2771        | 2506               | 20424                   |
| 1.2. Imports                                      | 2440        | 2418        | 2500       | 18696        | 2808        | 2880        | 2602               | 21594                   |
| <b>2. Services and income, net</b>                | <b>-251</b> | <b>184</b>  | <b>167</b> | <b>172</b>   | <b>-162</b> | <b>262</b>  | <b>305</b>         | <b>485</b>              |
| 2.1. Services*, net                               | 180         | 258         | 273        | 1308         | 210         | 376         | 356                | 1692                    |
| 2.1.1. Exports                                    | 571         | 634         | 731        | 4258         | 751         | 922         | 910                | 5626                    |
| 2.1.2. Imports                                    | 391         | 376         | 458        | 2951         | 541         | 546         | 554                | 3934                    |
| 2.2. Income, net                                  | -431        | -74         | -106       | -1135        | -372        | -114        | -51                | -1207                   |
| 2.2.1. Income on debt, net                        | -121        | -28         | -46        | -517         | -142        | -41         | -15                | -538                    |
| 2.2.2. Income on equity, net                      | -311        | -46         | -60        | -620         | -231        | -73         | -36                | -670                    |
| 2.2.3. Compensation of employees, net             | 1           | 0           | 0          | 2            | 1           | 0           | 0                  | 1                       |
| <b>3. Current transfers</b>                       | <b>55</b>   | <b>20</b>   | <b>55</b>  | <b>326</b>   | <b>31</b>   | <b>39</b>   | <b>49</b>          | <b>320</b>              |
| <b>4. Current account balance</b>                 | <b>-428</b> | <b>10</b>   | <b>174</b> | <b>-682</b>  | <b>-341</b> | <b>191</b>  | <b>259</b>         | <b>-365</b>             |
| <b>5. Non debt creating financing, net</b>        | <b>78</b>   | <b>-87</b>  | <b>153</b> | <b>565</b>   | <b>90</b>   | <b>18</b>   | <b>48</b>          | <b>623</b>              |
| 5.1. Direct investment, equity capital, net       | 142         | 11          | 229        | 950          | 90          | 12          | 62                 | 536                     |
| 5.1.1. Abroad, net                                | -25         | -31         | -23        | -83          | -21         | -11         | -10                | -375                    |
| 5.1.2. In Hungary, net                            | 168         | 42          | 253        | 1032         | 111         | 23          | 72                 | 911                     |
| 5.2. Portfolio investment, equity securities, net | -65         | -98         | -77        | -384         | 0           | 6           | -14                | 87                      |
| *- o/w: Travel, net                               | 227         | 290         | 357        | 1694         | 265         | 354         | 386                | 1935                    |
| credit  | 329         | 402         | 463        | 2452         | 413         | 504         | 543                | 2926                    |
| debit   | 103         | 112         | 106        | 758          | 148         | 150         | 156                | 991                     |

P) Preliminary data

**Balance of payments, Hungary (seasonally adjusted data) <sup>a)</sup>**

euro million

|                                       | 2001        |             |             |             |             |             |             |             |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                       | Jan.        | Feb.        | Mar.        | Apr.        | May         | Jun.        | Jul.        | Aug.P)      |
| <b>1. Goods, net</b>                  | <b>-222</b> | <b>-180</b> | <b>-165</b> | <b>-161</b> | <b>-185</b> | <b>-174</b> | <b>-164</b> | <b>-165</b> |
| 1.1. Exports                          | 2489        | 2490        | 2537        | 2582        | 2530        | 2597        | 2634        | 2554        |
| 1.2. Imports                          | 2764        | 2615        | 2658        | 2754        | 2765        | 2836        | 2855        | 2738        |
| <b>2. Services and income, net</b>    |             |             |             |             |             |             |             |             |
| 2.1. Services                         |             |             |             |             |             |             |             |             |
| 2.1.1. Travel, net                    | 223         | 216         | 230         | 233         | 238         | 245         | 263         | 247         |
| credit                                | 340         | 331         | 345         | 345         | 364         | 375         | 393         | 390         |
| debit                                 | 109         | 117         | 110         | 112         | 126         | 116         | 125         | 131         |
| 2.1.2. Other services, net            | -63         | -53         | -28         | -13         | -26         | -46         | 12          | -24         |
| credit                                | 320         | 300         | 314         | 341         | 341         | 352         | 421         | 384         |
| debit                                 | 372         | 365         | 360         | 364         | 368         | 375         | 382         | 384         |
| 2.2. Income, net                      |             |             |             |             |             |             |             |             |
| 2.2.1. Income on debt, net            | -55         | -60         | -57         | -85         | -89         | -81         | -68         | -57         |
| 2.2.2. Income on equity, net          | -56         | -56         | -59         | -157        | -56         | -64         | -60         | -53         |
| 2.2.3. Compensation of employees, net | -1          | 0           | -1          | 1           | 1           | 1           | 0           | 0           |
| <b>3. Current transfers</b>           | <b>46</b>   | <b>35</b>   | <b>31</b>   | <b>41</b>   | <b>29</b>   | <b>31</b>   | <b>42</b>   | <b>38</b>   |
| <b>4. Current account balance</b>     | <b>-180</b> | <b>-95</b>  | <b>-47</b>  | <b>-118</b> | <b>-164</b> | <b>-97</b>  | <b>-10</b>  | <b>-67</b>  |

P) Preliminary data

**Balance of payments, Hungary (seasonally adjusted data) <sup>a)</sup>**

euro million

|                                       | 2000        |             |             |             |             |             |             |             |             |             |             |             |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                       | Jan.        | Feb.        | Mar.        | Apr.        | May         | Jun.        | Jul.        | Aug.        | Sep.        | Oct.        | Nov.        | Dec.        |
| <b>1. Goods, net</b>                  | <b>-152</b> | <b>-165</b> | <b>-159</b> | <b>-163</b> | <b>-166</b> | <b>-198</b> | <b>-185</b> | <b>-166</b> | <b>-216</b> | <b>-219</b> | <b>-166</b> | <b>-245</b> |
| 1.1. Exports                          | 2021        | 2054        | 2149        | 2182        | 2284        | 2304        | 2293        | 2438        | 2406        | 2480        | 2499        | 2536        |
| 1.2. Imports                          | 2155        | 2201        | 2338        | 2334        | 2521        | 2434        | 2439        | 2580        | 2650        | 2712        | 2649        | 2826        |
| <b>2. Services and income, net</b>    |             |             |             |             |             |             |             |             |             |             |             |             |
| 2.1. Services                         |             |             |             |             |             |             |             |             |             |             |             |             |
| 2.1.1. Travel, net                    | 194         | 209         | 187         | 218         | 206         | 208         | 209         | 218         | 224         | 219         | 223         | 212         |
| credit                                | 281         | 307         | 276         | 323         | 303         | 292         | 301         | 315         | 318         | 322         | 338         | 336         |
| debit                                 | 96          | 95          | 96          | 97          | 93          | 88          | 93          | 95          | 92          | 103         | 111         | 124         |
| 2.1.2. Other services, net            | -19         | -52         | -55         | -61         | -39         | -39         | -41         | -79         | -52         | -19         | -52         | -86         |
| credit                                | 234         | 234         | 215         | 214         | 236         | 243         | 242         | 270         | 281         | 336         | 293         | 321         |
| debit                                 | 253         | 258         | 266         | 264         | 271         | 273         | 267         | 365         | 357         | 364         | 362         | 375         |
| 2.2. Income, net                      |             |             |             |             |             |             |             |             |             |             |             |             |
| 2.2.1. Income on debt, net            | -67         | -80         | -52         | -65         | -59         | -68         | -51         | -74         | -74         | -57         | -87         | -79         |
| 2.2.2. Income on equity, net          | -54         | -51         | -53         | -47         | -60         | -41         | -45         | -61         | -56         | -55         | -49         | -53         |
| 2.2.3. Compensation of employees, net | 1           | 0           | 1           | -1          | 0           | 1           | 0           | 0           | 1           | 1           | -1          | 0           |
| <b>3. Current transfers</b>           | <b>38</b>   | <b>33</b>   | <b>44</b>   | <b>37</b>   | <b>49</b>   | <b>47</b>   | <b>30</b>   | <b>40</b>   | <b>38</b>   | <b>38</b>   | <b>37</b>   | <b>38</b>   |
| <b>4. Current account balance</b>     | <b>-56</b>  | <b>-194</b> | <b>-106</b> | <b>-99</b>  | <b>-143</b> | <b>-182</b> | <b>-135</b> | <b>-126</b> | <b>-221</b> | <b>-129</b> | <b>-66</b>  | <b>-156</b> |

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Average exchange rates of the Hungarian forint in August 2001 were 251.16 per euro and 279.07 per US dollar.

\* \* \* \* \*

a) Methodological notes to seasonal adjustment:

The following method is used to seasonally adjust the sub-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 in the same 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.