

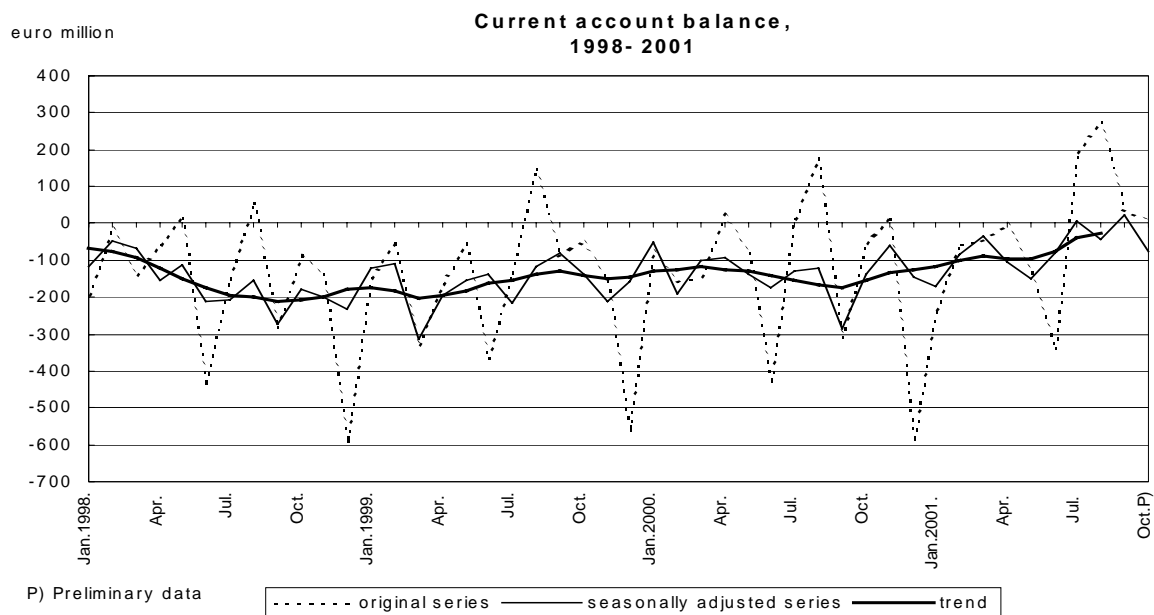
PRESS RELEASE

Hungary's preliminary balance of payments

October 2001

Provisional data may change when finalised.

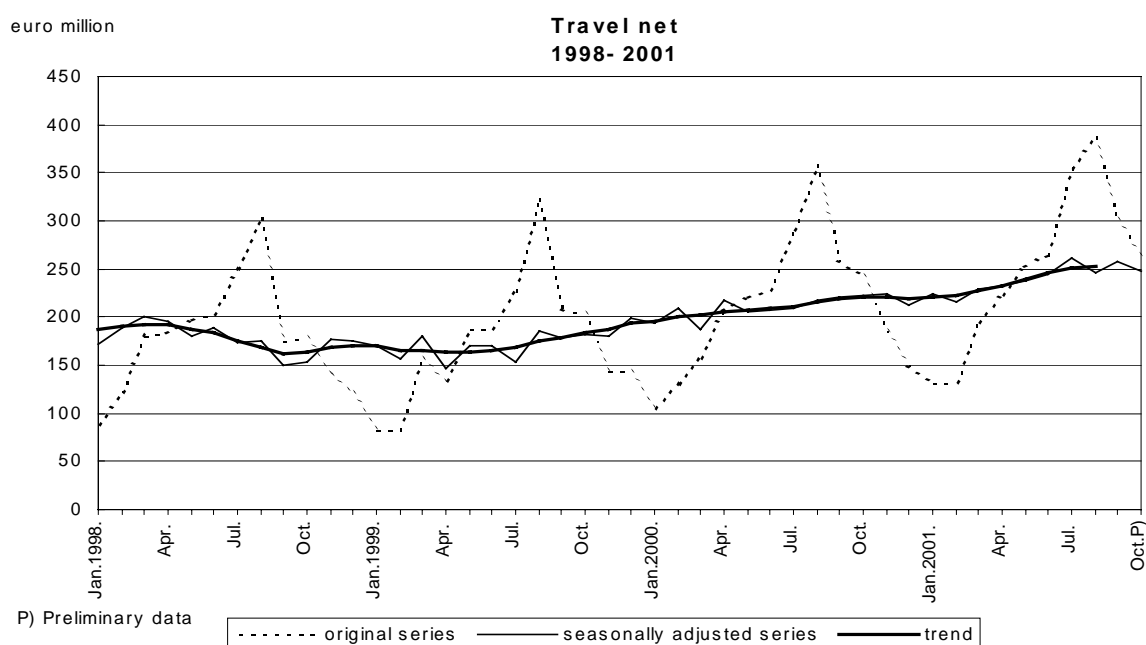
According to the preliminary data, Hungary's current account was EUR 7 million in surplus in October 2001, showing an improvement of EUR 62 million relative to a year earlier. Lower net expenditures for trade in goods explained most of the improvement in the balance. The current account was in a EUR 77 million deficit after eliminating the seasonal effects. Net non-debt inflow amounted to EUR 221 million in the month under review.



In October 2001, net expenditures for trade in goods were the balance of EUR 2,698 million exports and EUR 2,885 million imports. The monthly values of exports and imports were EUR 223 million and EUR 116 million higher respectively than in October 2000. The seasonally adjusted goods deficit, fluctuating around EUR 140–150 million since the summer of 2001, was a little higher in October than in the preceding month.



Tourism revenue, at EUR 383 million, rose by EUR 53 million and expenditure, at EUR 118 million, by EUR 31 million in October 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 210–260 million, since the summer of 2000. Net expenditures for service transactions excluding tourism amounted to EUR 26 million in the month under review, EUR 24 million lower than the outcome recorded a year earlier.



Within the EUR 82 million investment income deficit, the negative balance for investment income on equity and that for investment income on debt rose by EUR 18 million and EUR 26 million respectively in a year-on-year comparison.

The EUR 39 million surplus on current transfers in October 2001 was EUR 2 million higher than a year previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 221 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 306 million, and those by Hungarian residents abroad, at EUR 6 million. Portfolio investment transactions in equity securities showed net outflows of EUR 79 million.

At the end of October 2001, the value of central bank foreign exchange reserves amounted to EUR 13.0 billion.

Balance of payments, Hungary

euro million

	2000				2001			
	Aug.	Sept.	Oct.	Jan.-Oct.	Aug.	Sept.	Oct. ^{P)}	Jan.-Oct. ^{P)}
1. Goods, net	-48	-320	-294	-1795	-74	-108	-188	-1444
1.1. Exports	2452	2280	2475	22271	2514	2436	2698	25565
1.2. Imports	2500	2600	2769	24066	2588	2545	2885	27010
2. Services and income, net	167	-19	202	355	298	74	156	708
2.1. Services*, net	273	218	241	1767	356	262	239	2193
2.1.1. Exports	731	633	680	5571	914	758	791	7178
2.1.2. Imports	458	414	440	3804	558	496	552	4986
2.2. Income, net	-106	-238	-39	-1412	-58	-188	-82	-1485
2.2.1. Income on debt, net	-46	-97	-21	-635	-17	-54	-47	-641
2.2.2. Income on equity, net	-60	-142	-18	-781	-41	-134	-36	-846
2.2.3. Compensation of employees, net	0	1	1	3	0	0	1	3
3. Current transfers	55	29	37	392	49	73	39	431
4. Current account balance	174	-311	-55	-1048	273	39	7	-305
5. Non debt creating financing, net	153	31	-99	497	77	99	221	972
5.1. Direct investment, equity capital, net	229	85	27	1061	91	78	300	943
5.1.1. Abroad, net	-23	-145	-11	-238	-9	-14	-6	-394
5.1.2. In Hungary, net	253	229	37	1299	100	92	306	1337
5.2. Portfolio investment, equity securities, net	-77	-54	-126	-564	-13	20	-79	29
*- o/w: Travel, net	357	259	243	2196	386	301	265	2502
credit	463	355	330	3138	543	426	383	3736
debit	106	96	87	942	157	124	118	1234

P) Preliminary data

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

euro million

	2001									
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct. ^{P)}
1. Goods, net	-218	-174	-158	-153	-176	-163	-151	-145	-135	-145
1.1. Exports	2488	2491	2542	2590	2542	2613	2656	2579	2633	2653
1.2. Imports	2763	2614	2655	2748	2755	2827	2841	2712	2687	2787
2. Services and income, net										
2.1. Services										
2.1.1. Travel, net	224	217	230	233	237	244	262	246	257	247
credit	340	331	345	344	363	373	391	387	386	382
debit	109	117	110	112	125	116	125	131	120	131
2.1.2. Other services, net	-63	-53	-28	-14	-27	-48	10	-27	-46	-41
credit	319	300	314	340	340	351	418	383	354	378
debit	373	367	363	368	373	381	389	393	395	407
2.2. Income, net										
2.2.1. Income on debt, net	-55	-60	-56	-84	-87	-79	-67	-55	-53	-74
2.2.2. Income on equity, net	-55	-56	-59	-159	-59	-68	-64	-60	-62	-66
2.2.3. Compensation of employees, net	-1	0	-1	1	1	1	0	0	0	1
3. Current transfers	49	35	31	43	31	31	46	40	61	43
4. Current account balance	-171	-85	-35	-105	-150	-82	6	-43	20	-77

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	-153	-165	-159	-164	-166	-197	-186	-168	-223	-222	-165	-243
1.1. Exports	2022	2055	2150	2183	2285	2306	2295	2441	2402	2476	2496	2534
1.2. Imports	2156	2200	2335	2333	2514	2427	2432	2570	2683	2714	2663	2833
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net	194	209	187	218	206	208	208	218	220	223	224	213
credit	281	307	275	323	303	291	300	314	318	326	339	336
debit	95	95	96	97	93	88	92	94	94	103	111	126
2.1.2. Other services, net	-19	-52	-55	-62	-40	-41	-43	-81	-48	-17	-51	-85
credit	235	234	215	214	234	242	241	267	285	337	293	323
debit	253	258	267	265	273	275	269	363	354	359	360	374
2.2. Income, net												
2.2.1. Income on debt, net	-67	-80	-52	-64	-59	-68	-50	-73	-83	-52	-87	-78
2.2.2. Income on equity, net	-54	-51	-53	-47	-60	-41	-45	-61	-57	-53	-47	-52
2.2.3. Compensation of employees, net	1	0	1	-1	0	1	0	0	1	1	-1	0
3. Current transfers	38	34	46	34	52	49	28	45	26	40	37	33
4. Current account balance	-52	-190	-101	-93	-137	-175	-128	-121	-284	-139	-60	-147

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Average exchange rates of the Hungarian forint in October 2001 were 255.46 per euro and 281.52 per US dollar.

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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.

Notes to the press release and the tables:

The codes after the names of the sectors and sub-sectors (e.g. S.121) refer to the corresponding groups of the classification generally used in international practice. The definitions of the individual sectors can be found on the Bank's web site at Financial Data...Statistical Releases, 'Sector classification in the NBH's statistical press releases from June 2001'.