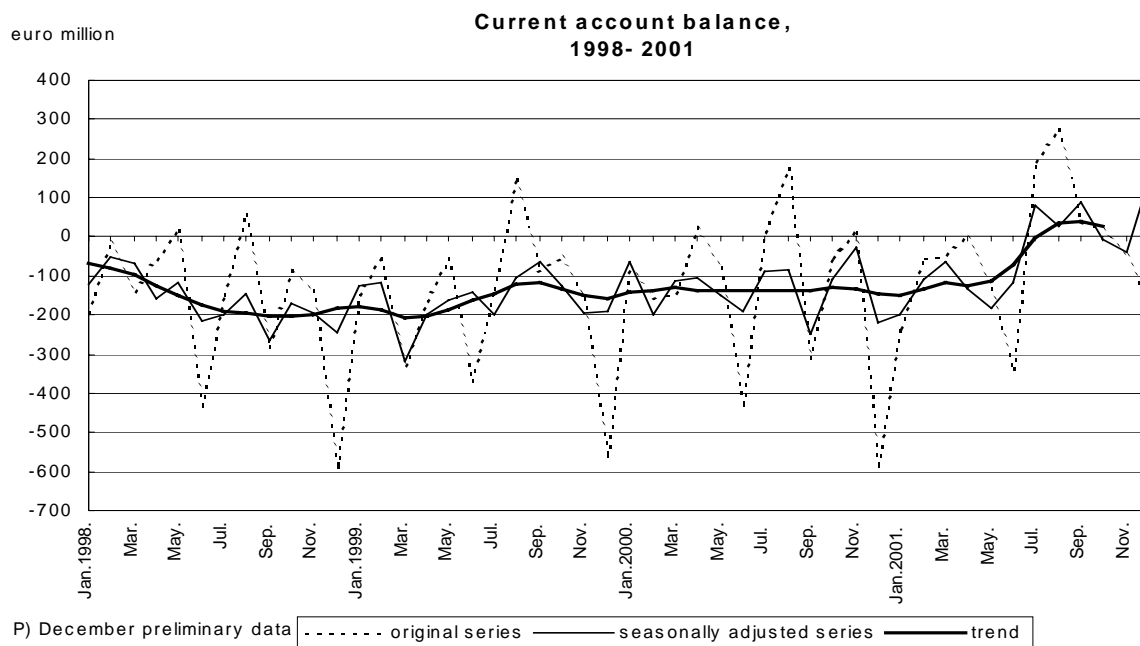


PRESS RELEASE

Hungary's preliminary balance of payments

December 2001

According to the preliminary data, Hungary's current account registered a EUR 518 million deficit in 2001. This compared with a EUR 1,620 million deficit in the previous year. Lower net expenditures for trade in goods and the higher surplus on services played the dominant roles in the change. After eliminating the seasonal effects, the current account has been registering monthly surpluses since July 2001. Net non-debt inflow amounted to EUR 776 million in 2001, EUR 603 million higher than in 2000.



In 2001, net expenditures for trade in goods, at EUR 1,762 million, were the balance of EUR 31,164 million exports and EUR 32,925 million imports. Exports and imports increased by EUR 3,604 million and EUR 3,070 million respectively relative to 2000. The trend of the seasonally adjusted goods deficit was downwards in 2001.



Tourism revenue, at EUR 4,388 million, increased by nearly EUR 666 million in 2001 relative to a year earlier, expenditure, at EUR 1,460 million, increasing by EUR 270 million in the period. According to the time series calculated after eliminating the seasonal effects, the trend of monthly balance outcomes shows continuously increasing surpluses of more than EUR 200 million since the summer of 2000. Net expenditures for service transactions excluding tourism amounted to EUR 529 million in 2001, falling by EUR 65 million relative to a year earlier.

Due to the withdrawal of the national currencies of the euro area, Hungarian households switched a part of their foreign currency holdings into deposits or converted into forints. The estimated values of deposited and converted assets, EUR 30 million and EUR 140 million, derived by analysing the available series for currency turnover, were recorded in the financial account when compiling the balance of payments for November and December respectively. This factor had no effect on the current account outcomes for November and December.

The net outflow of investment income, at EUR 1,663 million, was slightly lower than in the previous year. Here, The negative balance for investment income on equity rose by EUR 22 million, while that of investment income on debt fell by EUR 62 million relative to 2000.

The EUR 507 million surplus on current transfers was EUR 65 million higher than a year previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 776 million in the year under review. Net inflows of direct investments in equity capital were the balance of direct investment transactions by non-residents in Hungary, at EUR 1,049 million, and those by Hungarian residents abroad, at EUR 359 million. Net inflows of direct investments

in December were dominated by two large transactions of opposing directions. Portfolio investment transactions in equity securities showed net inflows of EUR 86 million in 2001.

At the end of December 2001, the value of central bank foreign exchange reserves amounted to EUR 12.2 billion.

Balance of payments, Hungary

euro million

	2000				2001			
	Oct.	Nov.	Dec.	Jan.-Dec.	Oct.	Nov.	Dec. ^{P)}	Jan.-Dec. ^{P)}
1. Goods, net	-294	-72	-429	-2296	-177	-149	-179	-1762
1.1. Exports	2475	2646	2642	27560	2696	2827	2773	31164
1.2. Imports	2769	2718	3071	29855	2873	2976	2952	32925
2. Services and income, net	202	43	-164	234	153	69	-37	736
2.1. Services*, net	241	149	24	1939	238	183	24	2399
2.1.1. Exports	680	630	614	6815	792	753	674	8606
2.1.2. Imports	440	481	590	4875	554	569	651	6207
2.2. Income, net	-39	-106	-187	-1705	-85	-114	-61	-1663
2.2.1. Income on debt, net	-21	-91	-99	-825	-50	-98	-21	-764
2.2.2. Income on equity, net	-18	-14	-88	-883	-36	-17	-41	-905
2.2.3. Compensation of employees, net	1	-1	0	3	1	1	2	6
3. Current transfers	37	40	10	442	41	35	39	507
4. Current account balance	-55	11	-583	-1620	17	-46	-177	-518
5. Non debt creating financing, net	-99	-320	-4	173	235	125	-335	776
5.1. Direct investment, equity capital, net	27	-271	47	837	306	95	-353	690
5.1.1. Abroad, net	-11	-117	-266	-621	-6	-12	47	-359
5.1.2. In Hungary, net	37	-154	314	1458	312	108	-400	1049
5.2. Portfolio investment, equity securities, net	-126	-50	-51	-664	-70	30	19	86
*- o/w: Travel, net	243	186	151	2533	266	233	192	2928
credit	330	305	279	3722	384	352	299	4388
debit	87	120	128	1190	119	120	106	1460

P) Preliminary data

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

euro million

	2001											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec. ⁷⁾
1. Goods, net	-218	-174	-157	-151	-174	-162	-148	-142	-133	-141	-166	-141
1.1. Exports	2486	2489	2540	2589	2541	2614	2657	2582	2637	2658	2685	2710
1.2. Imports	2766	2618	2661	2751	2755	2830	2841	2710	2685	2771	2866	2742
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net												
credit	223	216	230	233	238	245	262	247	259	249	264	259
debit	342	332	345	344	362	372	388	384	382	378	382	371
debit	109	117	110	112	125	116	125	131	119	120	123	124
2.1.2. Other services, net	-62	-53	-29	-14	-28	-49	9	-28	-47	-43	-58	-125
credit	320	301	314	340	339	351	417	382	353	376	364	364
debit	374	369	366	372	378	388	397	402	406	420	427	437
2.2. Income, net												
2.2.1. Income on debt, net	-55	-60	-56	-83	-86	-78	-65	-53	-50	-72	-74	-36
2.2.2. Income on equity, net	-55	-55	-58	-58	-56	-65	-61	-55	-56	-60	-58	-52
2.2.3. Compensation of employees, net	-1	0	-1	1	1	1	0	0	0	1	1	2
3. Current transfers	50	35	30	43	31	30	45	39	59	42	40	45
4. Current account balance	-197	-110	-63	-135	-182	-116	78	28	89	-5	-40	141

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	-155	-165	-159	-165	-167	-196	-189	-168	-222	-223	-164	-247
1.1. Exports	2021	2054	2150	2183	2285	2306	2295	2441	2401	2476	2494	2531
1.2. Imports	2159	2203	2336	2337	2513	2427	2434	2565	2681	2714	2617	2858
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net	194	209	187	218	206	208	208	218	221	224	220	214
credit	281	307	276	323	303	291	299	313	316	324	338	344
debit	95	95	96	97	93	88	92	94	93	103	112	126
2.1.2. Other services, net	-18	-18	-56	-62	-40	-41	-43	-82	-49	-17	-46	-85
credit	235	235	215	214	234	242	241	266	284	335	294	325
debit	254	259	268	266	274	276	271	361	353	358	357	370
2.2. Income, net												
2.2.1. Income on debt, net	-67	-80	-52	-64	-59	-67	-50	-72	-82	-50	-80	-94
2.2.2. Income on equity, net	-54	-51	-53	-46	-60	-41	-45	-61	-57	-53	-49	-60
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	38	41	35
4. Current account balance	-64	-201	-113	-107	-152	-191	-90	-85	-249	-109	-28	-219

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Average exchange rates of the Hungarian forint in December 2001 were 247.65 per euro and 277.01 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'.