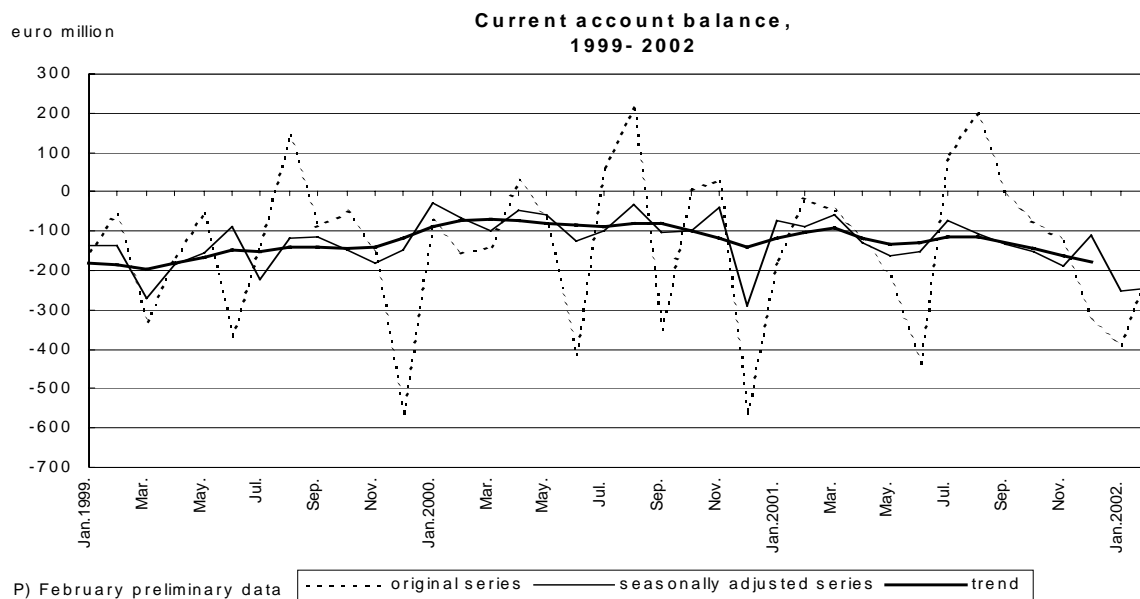


## PRESS RELEASE

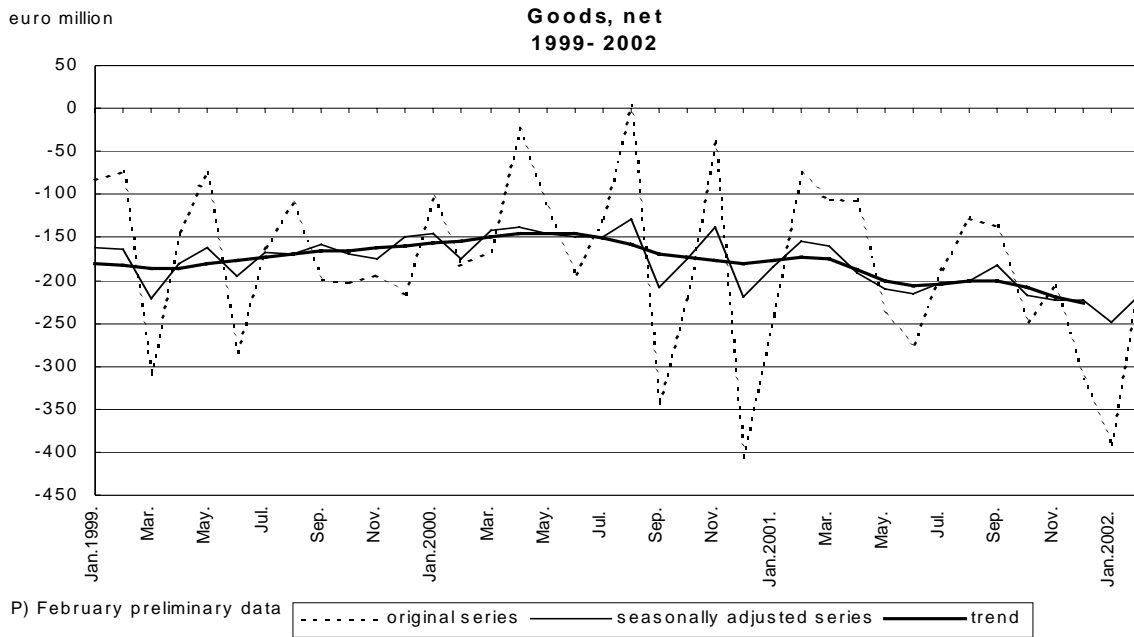
### Hungary's preliminary balance of payments February 2002

*The preliminary data may change when finalised.*

*According to the preliminary data, Hungary's current account registered a EUR 187 million deficit in February 2002. This compared with a year earlier deficit of EUR 14 million. Higher net expenditures for trade in goods and services were dominant in the year-on-year change. After eliminating the seasonal effects, the current account was in a EUR 245 million deficit. Net non-debt inflow amounted to EUR 25 million in the month under review.*



In February 2002, net expenditures for trade in goods were the balance of EUR 2,440 million exports and EUR 2,637 million imports. Exports and imports rose by EUR 119 million and EUR 241 million respectively relative to a year earlier. The seasonally adjusted goods deficit was EUR 63 million higher than in February 2001.



Tourism revenue, at EUR 246 million, was EUR 23 million higher, and expenditure, at EUR 113 million, EUR 21 million higher than a year previously. Net expenditures for service transactions excluding tourism amounted to EUR 108 million in the month under review, rising by EUR 64 million relative to February 2001. According to the time series calculated after eliminating the seasonal effects, the trend of monthly balance outcomes shows continuously rising deficits since the summer of 2001.



Net outflow of investment income was EUR 21 million. Here, the negative balance for investment income on equity rose by EUR 4 million, while that of investment income on debt fell by EUR 18 million relative to February 2001.

The EUR 7 million surplus on current transfers in February was broadly comparable with that recorded a year previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 25 million in the month under review. Net inflows of direct investments in equity capital were the balance of direct investment transactions by non-residents in Hungary, at EUR 33 million, and those by Hungarian residents abroad, at EUR 16 million. Portfolio investment transactions in equity securities showed net inflows of EUR 8 million in the month under review.

Central bank foreign exchange reserves amounted to EUR 11.2 billion at the end of February 2002.

### Balance of payments, Hungary

euro million

	2001			2002		
	Jan.	Feb.	Jan.-Feb.	Jan.	Feb. <sup>P)</sup>	Jan.-Feb. <sup>P)</sup>
<b>1. Goods, net</b>	<b>-239</b>	<b>-75</b>	<b>-313</b>	<b>-391</b>	<b>-197</b>	<b>-588</b>
1.1. Exports	2594	2321	4915	2538	2440	4978
1.2. Imports	2833	2396	5229	2929	2637	5566
<b>2. Services and income, net</b>	<b>17</b>	<b>54</b>	<b>72</b>	<b>-61</b>	<b>2</b>	<b>-59</b>
2.1. Services*, net	65	87	152	-20	24	4
2.1.1. Exports	573	525	1098	582	621	1203
2.1.2. Imports	507	439	946	602	597	1199
2.2. Income, net	-48	-32	-80	-41	-21	-63
2.2.1. Income on debt, net	-43	-27	-70	-27	-9	-35
2.2.2. Income on equity, net	-4	-5	-9	-16	-9	-25
2.2.3. Compensation of employees, net	-1	0	-1	1	-4	-3
<b>3. Current transfers</b>	<b>46</b>	<b>7</b>	<b>53</b>	<b>61</b>	<b>7</b>	<b>69</b>
<b>4. Current account balance</b>	<b>-175</b>	<b>-14</b>	<b>-189</b>	<b>-390</b>	<b>-187</b>	<b>-577</b>
<b>5. Non debt creating financing, net</b>	<b>-162</b>	<b>266</b>	<b>104</b>	<b>223</b>	<b>25</b>	<b>248</b>
5.1. Direct investment, equity capital, net	-207	267	59	135	17	152
5.1.1. Abroad, net	-313	-3	-316	-13	-16	-29
5.1.2. In Hungary, net	105	270	375	148	33	180
5.2. Portfolio investment, equity securities, net	45	-1	44	88	8	96
*- o/w: Travel, net	131	131	262	56	132	189
credit	242	223	466	189	246	434
debit	111	92	204	132	113	245

P) Preliminary data

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

	euro million	
	2002	
	Jan.	Feb. <sup>P)</sup>
<b>1. Goods, net</b>	<b>-250</b>	<b>-218</b>
1.1. Exports	2542	2655
1.2. Imports	2911	2929
<b>2. Services and income, net</b>		
2.1. Services		
2.1.1. Travel, net	156	209
credit	340	379
debit	141	144
2.1.2. Other services, net	-50	-68
credit	391	403
debit	446	472
2.2. Income, net		
2.2.1. Income on debt, net	-52	-53
2.2.2. Income on equity, net	-56	-55
2.2.3. Compensation of employees, net	1	-4
<b>3. Current transfers</b>	<b>29</b>	<b>28</b>
<b>4. Current account balance</b>	<b>-253</b>	<b>-245</b>

P) Preliminary data

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

	euro million											
	2001											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1. Goods, net</b>	<b>-184</b>	<b>-155</b>	<b>-161</b>	<b>-191</b>	<b>-210</b>	<b>-215</b>	<b>-203</b>	<b>-201</b>	<b>-182</b>	<b>-217</b>	<b>-222</b>	<b>-222</b>
1.1. Exports	2582	2524	2535	2631	2583	2732	2730	2607	2589	2584	2679	2591
1.2. Imports	2809	2674	2722	2779	2808	2858	2872	2783	2768	2854	2931	2873
<b>2. Services and income, net</b>												
2.1. Services												
2.1.1. Travel, net	227	210	229	232	237	245	262	248	260	251	266	263
credit	400	339	343	346	356	361	367	363	371	370	384	377
debit	119	117	117	101	128	119	120	145	120	135	127	113
2.1.2. Other services, net	-47	-40	-36	-38	-42	-53	-34	-43	-52	-51	-50	-67
credit	312	317	331	345	345	351	378	371	365	364	380	383
debit	366	354	362	369	379	400	408	399	408	422	435	452
2.2. Income, net												
2.2.1. Income on debt, net	-59	-71	-63	-78	-80	-76	-66	-58	-55	-68	-67	-45
2.2.2. Income on equity, net	-49	-51	-57	42	-50	-45	-55	-50	-53	-55	-52	-46
2.2.3. Compensation of employees, net	-1	0	-1	1	1	1	0	0	0	1	1	2
<b>3. Current transfers</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>23</b>	<b>19</b>	<b>22</b>	<b>24</b>	<b>23</b>	<b>29</b>	<b>25</b>	<b>25</b>	<b>28</b>
<b>4. Current account balance</b>	<b>-71</b>	<b>-87</b>	<b>-58</b>	<b>-131</b>	<b>-162</b>	<b>-153</b>	<b>-73</b>	<b>-105</b>	<b>-134</b>	<b>-151</b>	<b>-187</b>	<b>-111</b>

\* \* \* \* \*

Average exchange rates of the Hungarian forint in February 2002 were 243.54 per euro and 279.91 per US dollar.

\* \* \* \* \*

<sup>a)</sup> Methodological notes to seasonal adjustment:

The method used to seasonally adjust the sub-components of the current account in 2002 is as follows:

- 1 The components of the current account are seasonally adjusted using the SEATS TRAMO software, within the Demetra interface, in line with the recommendations of Eurostat.
- 2 The effects of *holidays* are eliminated using a built-in variable designed for holidays in Hungary; the *working-day effect* is eliminated using two regression variables.

- 3 *Outliers* are identified according to the basic setting, allowing the identification of all three types of outlier.
- 4 In order for the seasonally adjusted time series to be stable and *minimise revisions*, the available times series have been adjusted starting from 1994, and the same model setting is being used for one year. The Bank's publications include a five-month moving average of the seasonally smoothed data, with diminishing weights proceeding symmetrically on both sides of the centre ( $y_t = 1/9x_{t-2}+2/9x_{t-1}+3/9x_t+2/9x_{t+1}+1/9x_{t+2}$ ), instead of the trend calculated by the programme.
- 5 The sub-balance outcomes are directly seasonally adjusted. This means that the sub-accounts, derived from the not adjusted data, are directly seasonally adjusted. Consequently, the seasonally adjusted current account balance outcome cannot be reproduced from the seasonally adjusted data of the sub-accounts.
- 6 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 attached to 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'.