

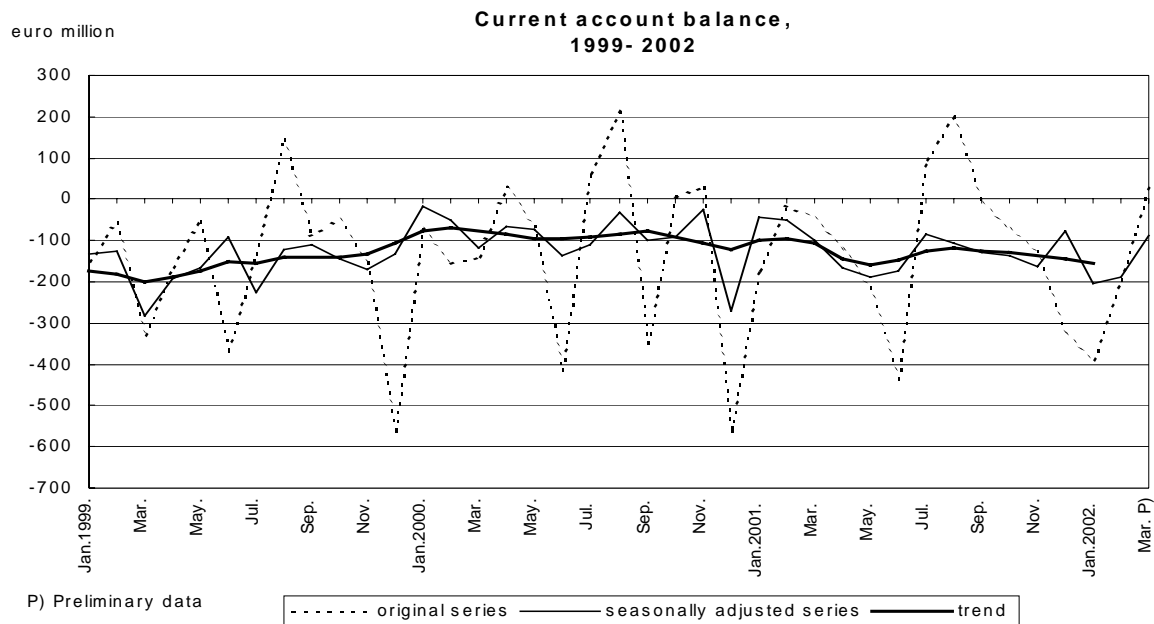
## PRESS RELEASE

### Hungary's preliminary balance of payments

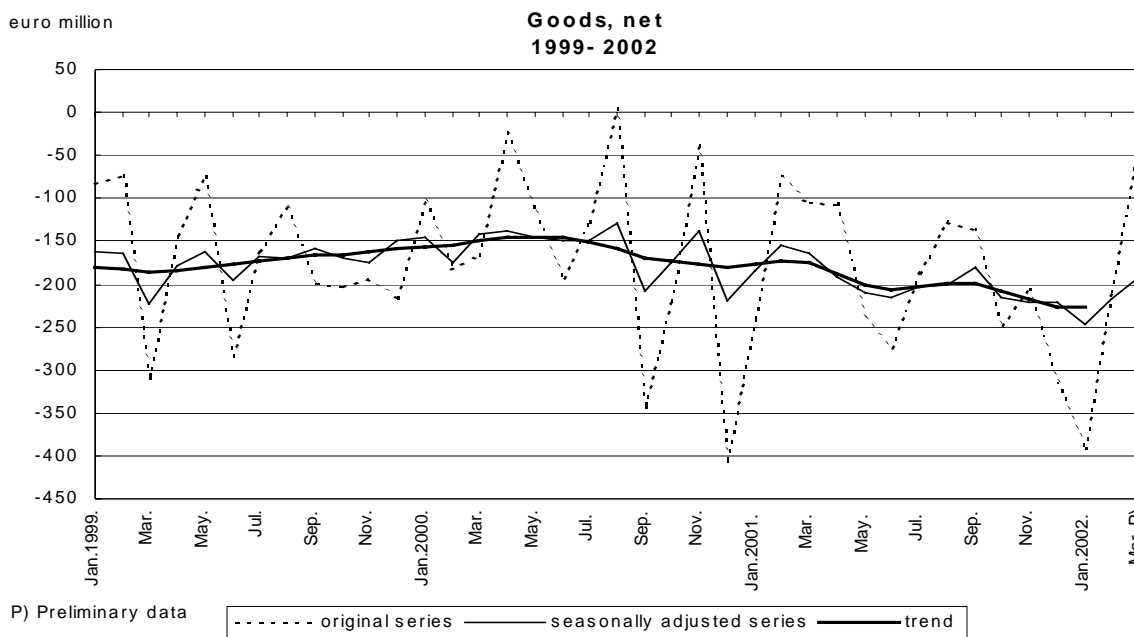
*March 2002*

*The preliminary data may change when finalised.*

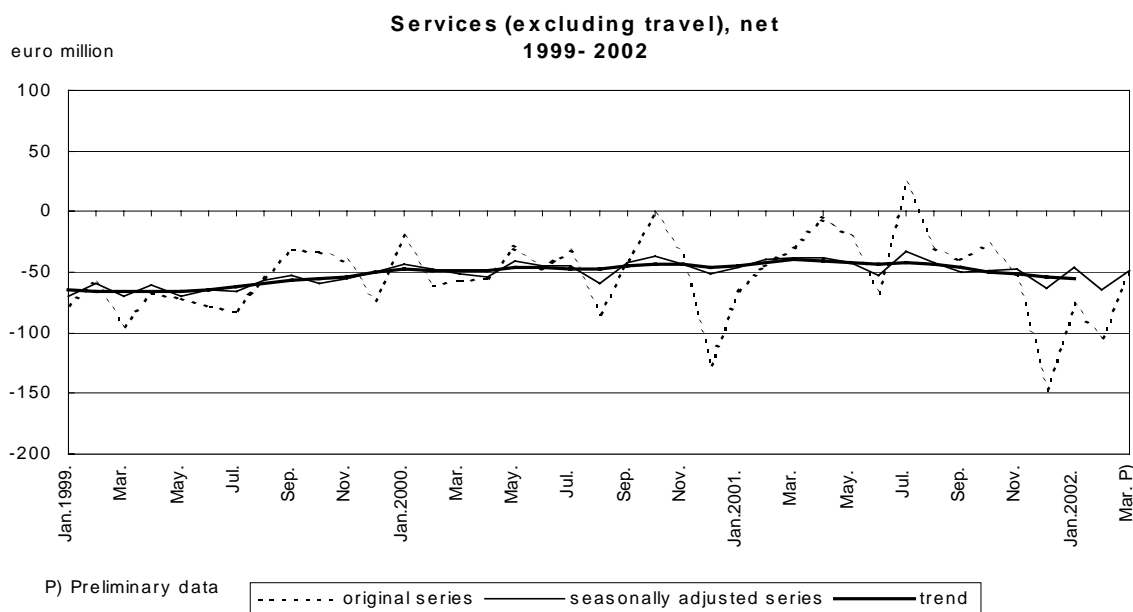
*According to the preliminary data, Hungary's current account registered a EUR 32 million surplus in March 2002. This compared with a EUR 48 million deficit a year earlier. Lower net expenditures for trade in goods and a higher surplus on current transfers were dominant in the year-on-year change. After eliminating the seasonal effects, the current account was in a EUR 87 million deficit. Net non-debt inflow amounted to EUR 56 million in the month under review.*



In March 2002, net expenditures for trade in goods were the balance of EUR 2,728 million exports and EUR 2,760 million imports. Exports and imports rose by EUR 136 million and EUR 63 million respectively relative to a year earlier. The seasonally adjusted goods deficit was EUR 29 million higher than in March 2001.



The EUR 261 million tourism revenue was EUR 40 million lower in March 2002 than a year previously, in contrast with the EUR 121 million expenditure, which was EUR 14 million higher. Net expenditures for service transactions excluding tourism amounted to EUR 47 million, rising by EUR 17 million relative to March 2001. According to the time series calculated after eliminating the seasonal effects, the trend of monthly balance outcomes for service transactions excluding tourism shows continuously rising deficits since the summer of 2001.



Within the EUR 70 million net outflow of investment income, the negative balance for investment income on equity fell by EUR 18 million and that for investment income on debt by EUR 27 million relative to March 2001.

The EUR 41 million surplus on current transfers in March was EUR 31 million higher than a year previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 56 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 56 million, and those by Hungarian residents abroad, at EUR 5 million. Portfolio investment transactions in equity securities showed net inflows of EUR 5 million in the month under review.

Central bank foreign exchange reserves amounted to EUR 11.0 billion at the end of March 2002.

### Balance of payments, Hungary

euro million

	2001				2002			
	Jan.	Feb.	Mar.	Jan.-Mar.	Jan.	Feb.	Mar. <sup>P)</sup>	Jan.-Mar. <sup>P)</sup>
<b>1. Goods, net</b>	<b>-239</b>	<b>-75</b>	<b>-106</b>	<b>-419</b>	<b>-391</b>	<b>-209</b>	<b>-33</b>	<b>-632</b>
1.1. Exports	2594	2321	2592	7507	2538	2453	2728	7719
1.2. Imports	2833	2396	2697	7926	2929	2662	2760	8351
<b>2. Services and income, net</b>	<b>17</b>	<b>54</b>	<b>48</b>	<b>120</b>	<b>-61</b>	<b>4</b>	<b>23</b>	<b>-34</b>
2.1. Services*, net	65	87	164	316	-20	28	93	101
2.1.1. Exports	573	525	613	1711	582	626	618	1827
2.1.2. Imports	507	439	449	1395	602	598	525	1726
2.2. Income, net	-48	-32	-116	-197	-41	-23	-70	-135
2.2.1. Income on debt, net	-43	-27	-65	-135	-27	-11	-38	-75
2.2.2. Income on equity, net	-4	-5	-51	-60	-16	-9	-33	-57
2.2.3. Compensation of employees, net	-1	0	-1	-2	1	-4	0	-2
<b>3. Current transfers</b>	<b>46</b>	<b>7</b>	<b>10</b>	<b>62</b>	<b>61</b>	<b>7</b>	<b>41</b>	<b>110</b>
<b>4. Current account balance</b>	<b>-175</b>	<b>-14</b>	<b>-48</b>	<b>-237</b>	<b>-390</b>	<b>-198</b>	<b>32</b>	<b>-556</b>
<b>5. Non debt creating financing, net</b>	<b>-162</b>	<b>266</b>	<b>186</b>	<b>290</b>	<b>223</b>	<b>33</b>	<b>56</b>	<b>311</b>
5.1. Direct investment, equity capital, net	-207	267	157	216	135	25	51	211
5.1.1. Abroad, net	-313	-3	10	-306	-13	-16	-5	-34
5.1.2. In Hungary, net	105	270	147	523	148	40	56	244
5.2. Portfolio investment, equity securities, net	45	-1	29	73	88	8	5	101
*- o/w: Travel, net	131	131	194	456	56	132	140	329
credit	242	223	301	767	189	246	261	696
debit	111	92	107	311	132	113	121	367

P) Preliminary data

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

	euro million		
	2002		
	Jan.	Feb.	Mar. <sup>P)</sup>
<b>1. Goods, net</b>	<b>-248</b>	<b>-218</b>	<b>-192</b>
1.1. Exports	2593	2650	2691
1.2. Imports	2885	2906	2875
<b>2. Services and income, net</b>			
2.1. Services			
2.1.1. Travel, net	151	203	193
credit	317	350	319
debit	140	143	133
2.1.2. Other services, net	-47	-65	-49
credit	387	399	401
debit	439	465	451
2.2. Income, net			
2.2.1. Income on debt, net	-51	-52	-46
2.2.2. Income on equity, net	-54	-53	-51
2.2.3. Compensation of employees, net	1	-4	0
<b>3. Current transfers</b>	<b>33</b>	<b>34</b>	<b>40</b>
<b>4. Current account balance</b>	<b>-205</b>	<b>-189</b>	<b>-87</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>-154</b>	<b>-163</b>	<b>-192</b>	<b>-210</b>	<b>-215</b>	<b>-203</b>	<b>-200</b>	<b>-181</b>	<b>-216</b>	<b>-221</b>	<b>-221</b>
1.1. Exports	2574	2548	2540	2617	2613	2708	2691	2628	2618	2590	2639	2599
1.2. Imports	2790	2640	2749	2802	2825	2872	2881	2786	2766	2845	2917	2854
<b>2. Services and income, net</b>												
2.1. Services												
2.1.1. Travel, net	225	207	240	234	239	246	263	247	258	248	262	257
credit	389	327	360	360	367	370	372	365	368	362	372	360
debit	118	117	118	101	128	120	120	145	120	135	127	113
2.1.2. Other services, net	-46	-40	-38	-38	-42	-52	-33	-42	-51	-48	-47	-64
credit	311	315	333	347	347	352	379	371	365	363	378	380
debit	367	354	368	371	381	402	409	399	407	419	431	447
2.2. Income, net												
2.2.1. Income on debt, net	-59	-70	-64	-79	-81	-76	-66	-58	-55	-68	-66	-45
2.2.2. Income on equity, net	-48	-50	-60	41	-51	-45	-55	-49	-52	-54	-51	-45
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>17</b>	<b>22</b>	<b>19</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>30</b>	<b>27</b>	<b>28</b>	<b>32</b>
<b>4. Current account balance</b>	<b>-45</b>	<b>-49</b>	<b>-99</b>	<b>-165</b>	<b>-188</b>	<b>-173</b>	<b>-85</b>	<b>-108</b>	<b>-129</b>	<b>-135</b>	<b>-162</b>	<b>-76</b>

\* \* \* \* \*

Average exchange rates of the Hungarian forint in March 2002 were 244.71 per euro and 279.48 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'.