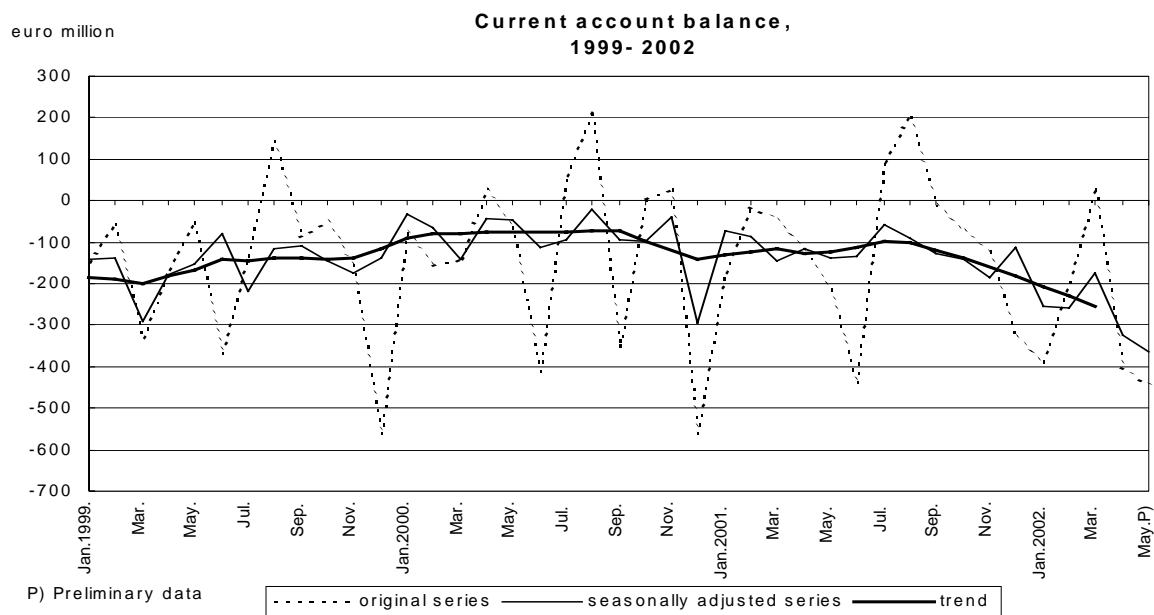


## PRESS RELEASE

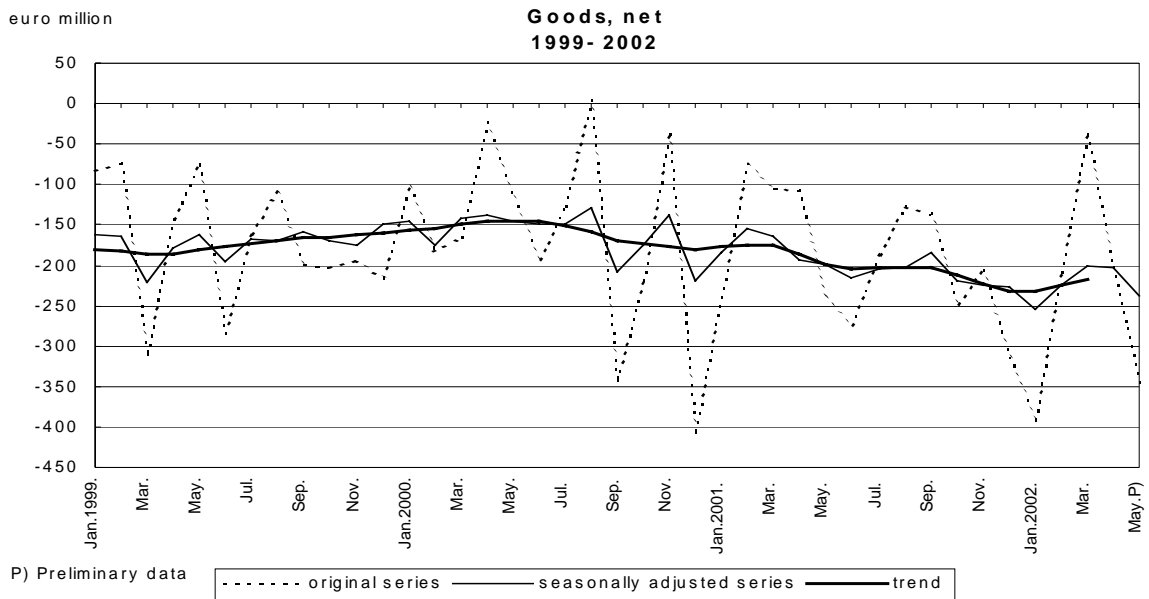
### Hungary's preliminary balance of payments May 2002

*The preliminary data may change when finalised.*

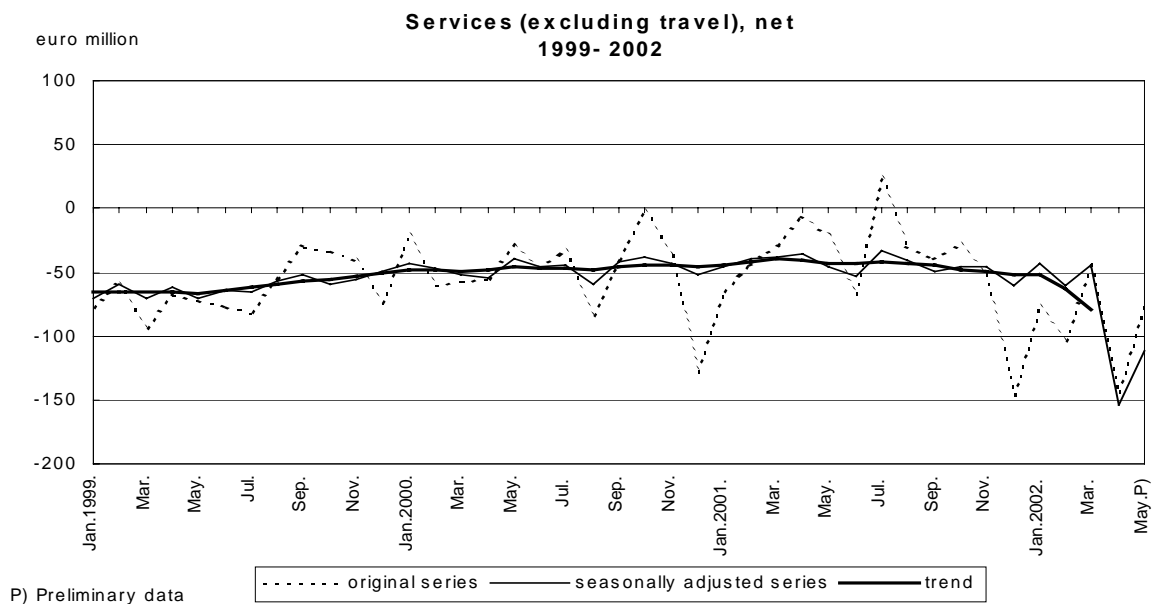
*According to the preliminary data, Hungary's current account registered a EUR 443 million deficit in May 2002. This compared with a EUR 213 million deficit a year earlier. Higher net expenditures for trade in goods and services were dominant in the year-on-year change. After eliminating the seasonal effects, the current account was in a EUR 364 million deficit. Net non-debt outflow amounted to EUR 95 million in the month under review.*



In May 2002, net expenditures for trade in goods were the balance of EUR 2,835 million exports and EUR 3,181 million imports. Exports and imports rose by EUR 186 million and EUR 292 million respectively relative to a year earlier. The seasonally adjusted goods deficit was EUR 39 million higher than in May 2001.



The EUR 319 million tourism revenue was EUR 58 million lower in May 2002 than a year previously, in contrast with the EUR 127 million expenditure, which was EUR 2 million higher. Net expenditures for service transactions excluding tourism amounted to EUR 74 million, rising by EUR 54 million relative to May 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 239 million net outflow of investment income, the negative balance for investment income on equity rose by EUR 12 million and that for investment income on debt by EUR 16 million relative to May 2001.

The EUR 23 million surplus on current transfers in May was EUR 20 million higher than a year previously.

The balance of non-debt capital transactions showed a total outward flow of EUR 95 million in the month under review. While withdrawals amounted to EUR 84 million, the value of direct investments in equity capital was the balance of direct investment transactions by non-residents in Hungary, at EUR 2 million, and those by Hungarian residents abroad, at EUR 21 million. Portfolio investment transactions in equity securities showed net outflows of EUR 76 million in the month under review.

Central bank foreign exchange reserves amounted to EUR 10.5 billion at the end of May 2002.

### Balance of payments, Hungary

euro million

	2001				2002			
	Mar.	Apr.	Máj	Jan.-Máj.	Mar.	Apr.	May <sup>P)</sup>	Jan.-May <sup>P)</sup>
<b>1. Goods, net</b>	<b>-106</b>	<b>-108</b>	<b>-240</b>	<b>-767</b>	<b>-38</b>	<b>-202</b>	<b>-346</b>	<b>-1185</b>
1.1. Exports	2592	2636	2649	12792	2732	2875	2835	13433
1.2. Imports	2697	2744	2889	13559	2769	3077	3181	14618
<b>2. Services and income, net</b>	<b>48</b>	<b>-42</b>	<b>24</b>	<b>102</b>	<b>25</b>	<b>-221</b>	<b>-121</b>	<b>-373</b>
2.1. Services*, net	164	216	232	764	96	2	118	224
2.1.1. Exports	613	648	698	3058	623	627	646	3104
2.1.2. Imports	449	432	467	2293	527	625	528	2880
2.2. Income, net	-116	-258	-208	-662	-71	-223	-239	-597
2.2.1. Income on debt, net	-65	-132	-70	-337	-38	-134	-86	-296
2.2.2. Income on equity, net	-51	-127	-139	-326	-33	-89	-151	-297
2.2.3. Compensation of employees, net	-1	1	1	0	0	0	-1	-4
<b>3. Current transfers</b>	<b>10</b>	<b>28</b>	<b>3</b>	<b>94</b>	<b>41</b>	<b>23</b>	<b>23</b>	<b>156</b>
<b>4. Current account balance</b>	<b>-48</b>	<b>-121</b>	<b>-213</b>	<b>-572</b>	<b>28</b>	<b>-400</b>	<b>-443</b>	<b>-1403</b>
<b>5. Non debt creating financing, net</b>	<b>186</b>	<b>66</b>	<b>127</b>	<b>483</b>	<b>58</b>	<b>147</b>	<b>-95</b>	<b>366</b>
5.1. Direct investment, equity capital, net	157	52	119	387	51	130	-19	321
5.1.1. Abroad, net	10	-15	-12	-333	-5	-27	-21	-82
5.1.2. In Hungary, net	147	67	131	721	56	157	2	403
5.2. Portfolio investment, equity securities, net	29	14	8	95	7	17	-76	44
*- o/w: Travel, net	194	222	252	930	140	146	192	667
credit	301	323	377	1467	263	261	319	1277
debit	107	101	125	537	123	115	127	610

P) Preliminary data

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

euro million

	2002				
	Jan.	Feb.	Mar.	Apr.	May <sup>P)</sup>
<b>1. Goods, net</b>	<b>-254</b>	<b>-226</b>	<b>-201</b>	<b>-203</b>	<b>-239</b>
1.1. Exports	2556	2681	2734	2789	2810
1.2. Imports	2919	2951	2936	3052	3109
<b>2. Services and income, net</b>					
2.1. Services					
2.1.1. Travel, net	159	196	175	167	179
credit	315	348	318	306	312
debit	139	142	133	117	129
2.1.2. Other services, net	-43	-61	-44	-154	-112
credit	378	386	386	380	380
debit	441	467	451	493	462
2.2. Income, net					
2.2.1. Income on debt, net	-58	-62	-59	-70	-77
2.2.2. Income on equity, net	-59	-59	-58	-68	-67
2.2.3. Compensation of employees, net	1	-4	0	0	-1
<b>3. Current transfers</b>	<b>31</b>	<b>31</b>	<b>37</b>	<b>33</b>	<b>39</b>
<b>4. Current account balance</b>	<b>-256</b>	<b>-257</b>	<b>-174</b>	<b>-325</b>	<b>-364</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>-164</b>	<b>-193</b>	<b>-200</b>	<b>-216</b>	<b>-204</b>	<b>-202</b>	<b>-184</b>	<b>-219</b>	<b>-226</b>	<b>-226</b>
1.1. Exports	2591	2531	2539	2613	2571	2730	2723	2602	2594	2589	2684	2603
1.2. Imports	2813	2671	2784	2780	2786	2842	2858	2772	2762	2849	2931	2879
<b>2. Services and income, net</b>												
2.1. Services												
2.1.1. Travel, net	229	202	229	239	238	246	264	248	260	249	265	260
credit	388	326	358	367	368	371	372	365	368	362	371	358
debit	117	116	116	103	127	120	120	145	121	135	127	113
2.1.2. Other services, net	-46	-40	-39	-36	-45	-53	-33	-41	-49	-46	-45	-61
credit	311	313	330	352	352	356	382	372	364	361	374	373
debit	366	353	369	360	388	403	409	400	408	420	432	449
2.2. Income, net												
2.2.1. Income on debt, net	-61	-73	-68	-77	-74	-71	-62	-56	-54	-69	-69	-50
2.2.2. Income on equity, net	-50	-53	-62	58	-51	-45	-56	-51	-54	-56	-54	-49
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>25</b>	<b>17</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>29</b>	<b>26</b>	<b>26</b>	<b>30</b>
<b>4. Current account balance</b>	<b>-72</b>	<b>-88</b>	<b>-144</b>	<b>-118</b>	<b>-139</b>	<b>-136</b>	<b>-57</b>	<b>-92</b>	<b>-127</b>	<b>-143</b>	<b>-184</b>	<b>-114</b>

\* \* \* \* \*

Average exchange rates of the Hungarian forint in May 2002 were 243.71 per euro and 265.80 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'.