

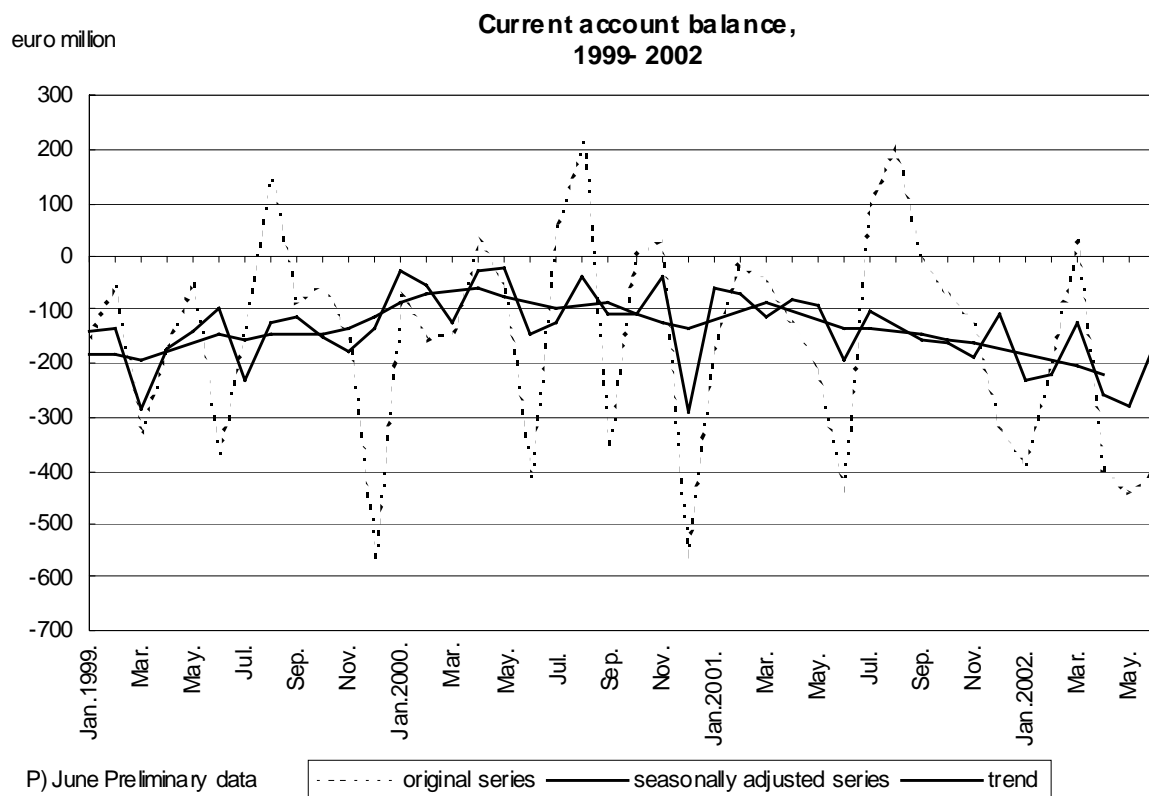
## PRESS RELEASE

### Hungary's preliminary balance of payments

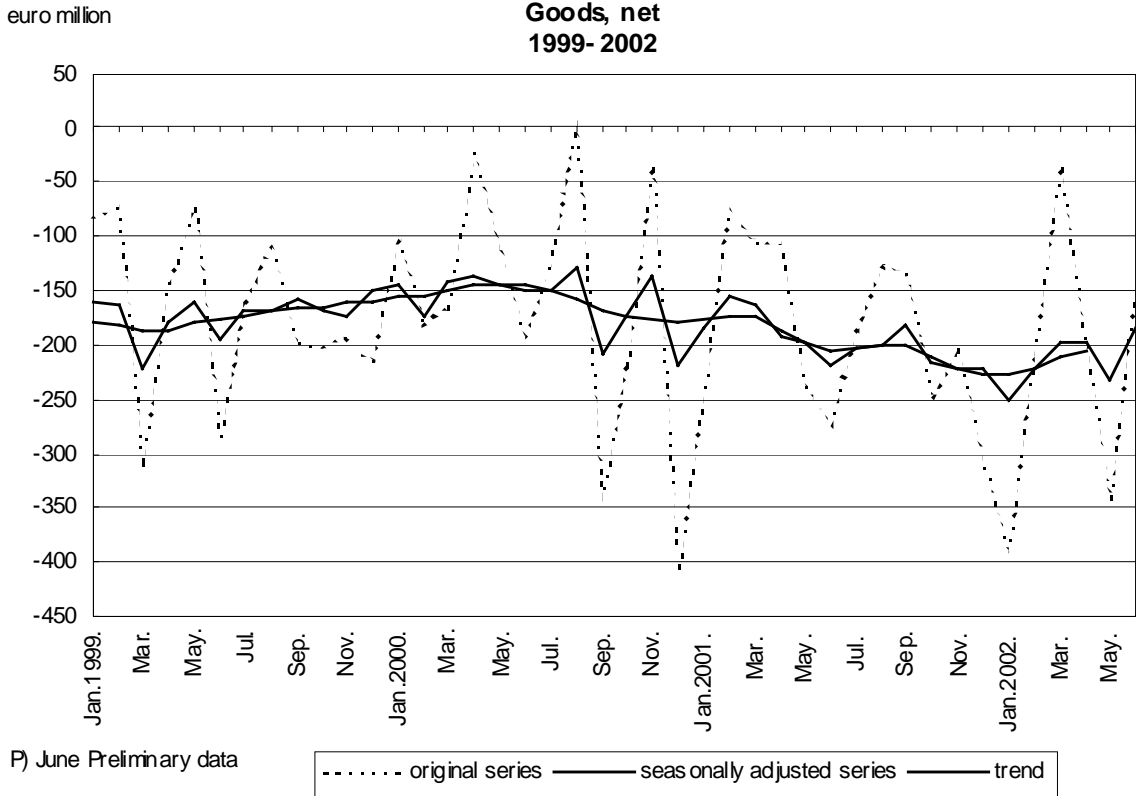
June 2002

*The preliminary data may change when finalised.*

According to the preliminary data, Hungary's current account registered an EUR 403 million deficit in June 2002. This compared with the EUR 436 million deficit a year earlier. Net expenditures for trade in goods and services fell, while those for incomes rose slightly in a year-on-year comparison. After eliminating the seasonal effects, the current account was in a deficit of EUR 163 million. Net non-debt inflow amounted to EUR 37 million in the month under review.

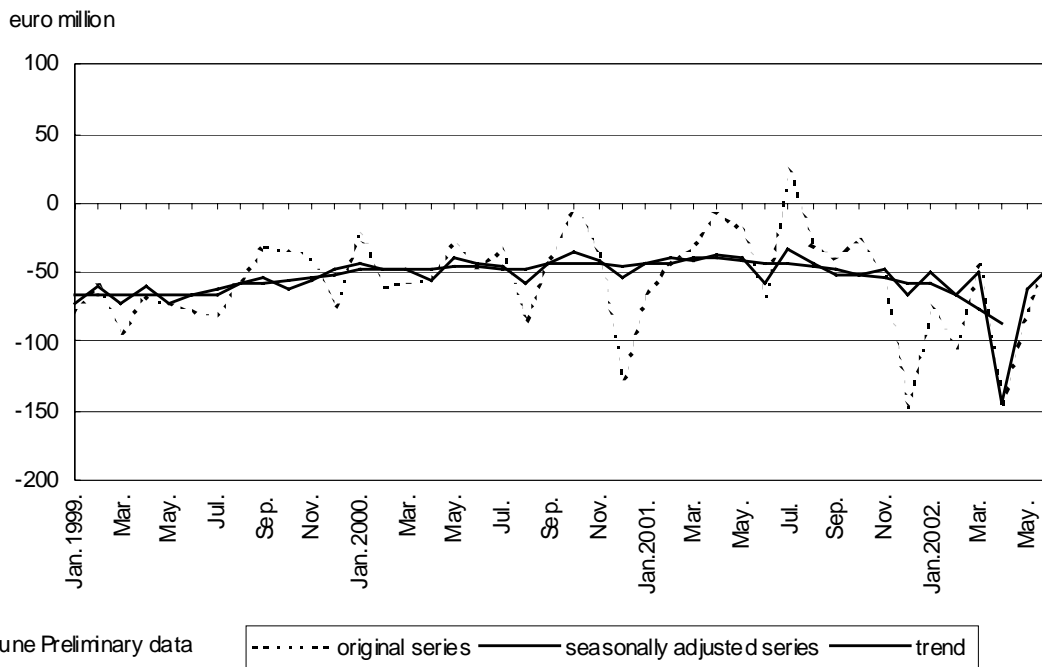


In June 2002, net expenditures for trade in goods were the balance of EUR 2,818 million exports and EUR 2,957 million imports. Exports and imports rose by EUR 220 million and EUR 83 million respectively relative to a year earlier. The seasonally adjusted goods deficit was EUR 36 million lower than in June 2001.



The EUR 301 million tourism revenue was EUR 112 million lower in June 2002 than a year previously, while expenditure was EUR 133 million, down by EUR 15 million on a year earlier. Net expenditures for service transactions excluding tourism amounted to EUR 35 million, falling EUR 32 million relative to June 2001. The effect of this one month does not yet influence the trend of the monthly balance outcomes for service transactions excluding tourism, which has shown continuously rising deficits since the summer of 2001.

**Services (excluding travel), net  
1999- 2002**



Within the EUR 407 million net outflow of investment income, the negative balance for investment income on equity rose by EUR 25 million and that for investment income on debt by EUR 8 million relative to June 2001.

The EUR 10 million surplus on current transfers in May was EUR 7 million lower than a year previously.

The balance of non-debt capital transactions showed a total inflow of EUR 37 million in the month under review. The value of direct investments in equity capital was the balance of direct investment transactions by non-residents in Hungary of EUR 70 million and withdrawals by Hungarian citizens amounting to EUR 22 million. Portfolio investment transactions in equity securities showed net outflows of EUR 56 million in the month under review.

Central bank foreign exchange reserves amounted to EUR 10.3 billion at the end of June 2002.

## Balance of payments, Hungary

euro million

	2001				2002			
	Apr.	May	Jun.	Jan.-Jun.	Apr.	May	Jun. <sup>p)</sup>	Jan.-Jun. <sup>p)</sup>
<b>1. Goods, net</b>	<b>-108</b>	<b>-240</b>	<b>-275</b>	<b>-1042</b>	<b>-202</b>	<b>-341</b>	<b>-139</b>	<b>-1319</b>
1.1. Exports	2636	2649	2598	15390	2875	2843	2818	16259
1.2. Imports	2744	2889	2873	16432	3077	3184	2957	17578
<b>2. Services and income, net</b>	<b>-42</b>	<b>24</b>	<b>-178</b>	<b>-76</b>	<b>-221</b>	<b>-123</b>	<b>-274</b>	<b>-649</b>
2.1. Services*, net	216	232	198	962	2	116	133	355
2.1.1. Exports	648	698	738	3796	627	678	724	3861
2.1.2. Imports	432	467	541	2834	625	562	591	3506
2.2. Income, net	-258	-208	-375	-1038	-223	-239	-407	-1004
2.2.1. Income on debt, net	-132	-70	-144	-481	-134	-86	-152	-447
2.2.2. Income on equity, net	-127	-139	-232	-558	-89	-151	-257	-554
2.2.3. Compensation of employees, net	1	1	1	1	0	-1	1	-3
<b>3. Current transfers</b>	<b>28</b>	<b>3</b>	<b>17</b>	<b>111</b>	<b>23</b>	<b>21</b>	<b>10</b>	<b>163</b>
<b>4. Current account balance</b>	<b>-121</b>	<b>-213</b>	<b>-436</b>	<b>-1007</b>	<b>-400</b>	<b>-443</b>	<b>-403</b>	<b>-1805</b>
<b>5. Non debt creating financing, net</b>	<b>66</b>	<b>127</b>	<b>102</b>	<b>585</b>	<b>147</b>	<b>-95</b>	<b>37</b>	<b>402</b>
5.1. Direct investment, equity capital, net	52	119	103	490	130	-19	92	414
5.1.1. Abroad, net	-15	-12	-13	-346	-27	-21	22	-60
5.1.2. In Hungary, net	67	131	116	836	157	2	70	473
5.2. Portfolio investment, equity securities, net	14	8	0	95	17	-76	-56	-11
*- o/w: Travel, net	222	252	265	1195	146	193	168	836
credit	323	377	413	1880	261	319	301	1578
debit	101	125	148	684	115	125	133	742

<sup>p)</sup> Preliminary data

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

euro million

	2002					
	Jan.	Feb.	Mar.	Apr.	May	Jun. <sup>p)</sup>
<b>1. Goods, net</b>	<b>-251</b>	<b>-222</b>	<b>-197</b>	<b>-198</b>	<b>-232</b>	<b>-184</b>
1.1. Exports	2561	2689	2745	2803	2833	2939
1.2. Imports	2900	2921	2894	2997	3042	2967
<b>2. Services and income, net</b>						
2.1. Services						
2.1.1. Travel, net	158	194	172	164	176	160
credit	281	314	289	281	289	275
debit	139	142	134	117	129	111
2.1.2. Other services, net	-50	-67	-50	-144	-62	-45
credit	391	404	409	406	422	443
debit	442	468	452	493	478	477
2.2. Income, net						
2.2.1. Income on debt, net	-57	-61	-57	-68	-74	-70
2.2.2. Income on equity, net	-80	-75	-76	-73	-85	-85
2.2.3. Compensation of employees, net	1	-4	0	0	-1	1
<b>3. Current transfers</b>	<b>29</b>	<b>29</b>	<b>34</b>	<b>29</b>	<b>34</b>	<b>32</b>
<b>4. Current account balance</b>	<b>-234</b>	<b>-221</b>	<b>-123</b>	<b>-257</b>	<b>-280</b>	<b>-163</b>

<sup>p)</sup> 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>-220</b>	<b>-204</b>	<b>-202</b>	<b>-183</b>	<b>-218</b>	<b>-223</b>	<b>-224</b>
1.1. Exports	2594	2536	2545	2621	2580	2715	2711	2599	2590	2586	2685	2606
1.2. Imports	2801	2651	2755	2742	2738	2895	2902	2806	2787	2863	2936	2872
<b>2. Services and income, net</b>												
2.1. Services												
2.1.1. Travel, net												
credit	229	201	228	237	236	252	265	249	260	250	264	259
debit	362	306	337	349	352	376	380	375	381	378	390	380
2.1.2. Other services, net	117	116	117	103	128	123	119	144	120	134	127	112
credit	-45	-39	-41	-36	-39	-57	-33	-43	-52	-52	-49	-65
debit	313	316	333	357	351	346	375	367	362	362	378	381
2.2. Income, net	366	353	369	360	381	406	409	400	409	421	433	450
2.2.1. Income on debt, net												
2.2.2. Income on equity, net	-61	-72	-67	-76	-73	-73	-64	-57	-55	-69	-69	-49
2.2.3. Compensation of employees, net	-68	-71	-84	-111	-74	-65	-82	-69	-84	-78	-74	-63
3. Current transfers	-1	0	-1	1	1	1	0	0	0	1	1	2
<b>4. Current account balance</b>	<b>23</b>	<b>22</b>	<b>17</b>	<b>25</b>	<b>18</b>	<b>24</b>	<b>25</b>	<b>24</b>	<b>29</b>	<b>25</b>	<b>26</b>	<b>29</b>
	<b>-59</b>	<b>-68</b>	<b>-115</b>	<b>-81</b>	<b>-93</b>	<b>-192</b>	<b>-104</b>	<b>-129</b>	<b>-154</b>	<b>-159</b>	<b>-188</b>	<b>-105</b>

\* \* \* \* \*

Average exchange rates of the Hungarian forint in June 2002 were 242.69 per euro and 254.09 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'.