

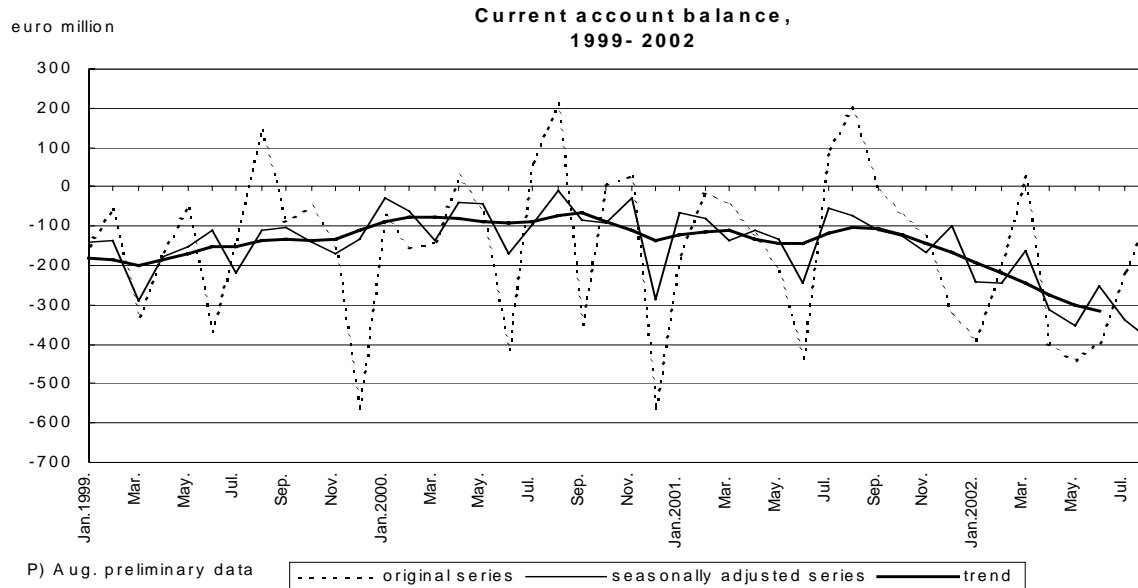
## PRESS RELEASE

### Hungary's preliminary balance of payments

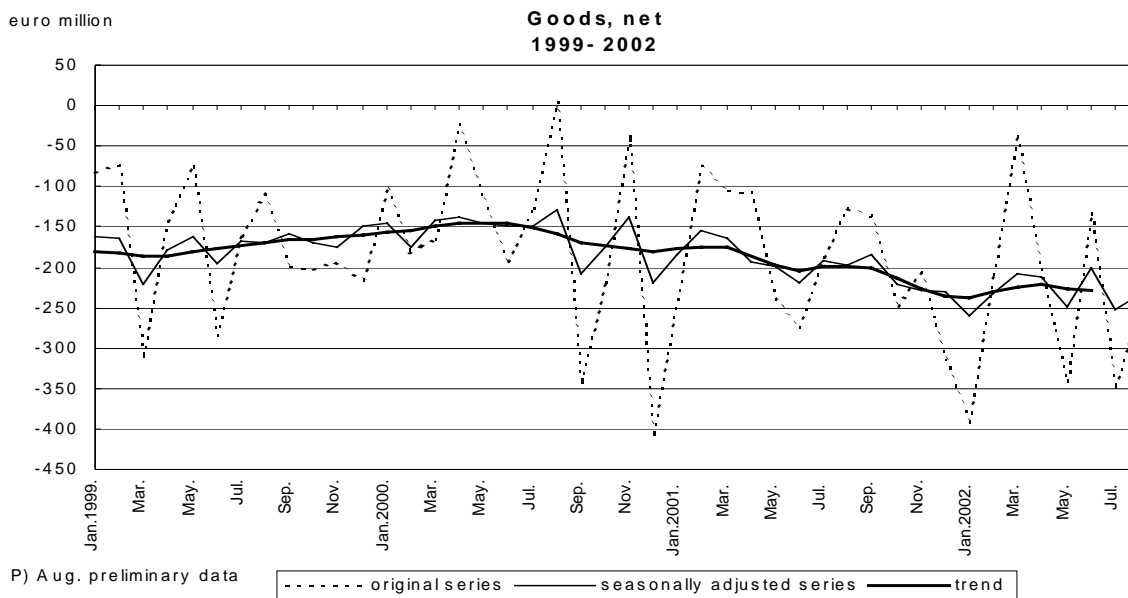
**August 2002**

*The preliminary data may change when finalised.*

According to the preliminary data, Hungary's current account registered a EUR 74 million deficit in August 2002. This compared with a EUR 201 million surplus a year earlier. The year-on-year change was dominated by increases in net expenditures for trade in goods and negative investment income as well as by the fall in net revenues for services, particularly tourism. After eliminating the seasonal effects, the current account was in a deficit of EUR 386 million. Net non-debt inflow amounted to EUR 226 million in the month under review.



In August 2002, net expenditures for trade in goods were the balance of EUR 2,719 million exports and EUR 2,971 million imports. Exports and imports rose by EUR 220 million and EUR 344 million respectively relative to a year earlier. The seasonally adjusted goods deficit was EUR 19 million lower in August than in the preceding month.



The EUR 377 million tourism revenue was EUR 166 million lower in August 2002 than a year previously, expenditure, at 120 EUR million, being EUR 37 lower in a year-on-year comparison. Net revenues for service transactions excluding tourism amounted to EUR 13 million in the month under review. According to the time series calculated after eliminating the seasonal effects, the trend of monthly balance outcomes for service transactions excluding tourism shows continuously falling deficits since the spring of 2002.



Within the EUR 125 million net outflow of investment income, the negative balance for investment income on equity rose by EUR 47 million and that for investment income on debt by EUR 20 million relative to a year earlier.

The EUR 32 million surplus on current transfers in August 2002 was EUR 2 million higher than in August 2001.

The balance of non-debt capital transactions showed a total inflow of EUR 226 million in the month under review. The value of direct investments in equity capital was the balance of direct investment transactions by Hungarian residents abroad and those by non-residents in Hungary, in the amounts of EUR 38 million and EUR 276 million respectively. Portfolio investment transactions in equity securities showed net outflows of EUR 12 million in the month under review.

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

### Balance of payments, Hungary

euro million

	2001				2002			
	Jun.	Jul.	Aug.	Jan.-Aug.	Jun.	Jul.	Aug. <sup>P)</sup>	Jan.-Aug. <sup>P)</sup>
<b>1. Goods, net</b>	<b>-275</b>	<b>-188</b>	<b>-128</b>	<b>-1358</b>	<b>-134</b>	<b>-349</b>	<b>-252</b>	<b>-1915</b>
1.1. Exports	2598	2761	2499	20650	2833	3024	2719	22017
1.2. Imports	2873	2950	2627	22009	2966	3374	2971	23932
<b>2. Services and income, net</b>	<b>-178</b>	<b>262</b>	<b>299</b>	<b>485</b>	<b>-286</b>	<b>97</b>	<b>145</b>	<b>-419</b>
2.1. Services*, net	198	377	357	1696	126	182	270	800
2.1.1. Exports	738	922	914	5632	717	838	822	5512
2.1.2. Imports	541	545	557	3936	591	655	552	4712
2.2. Income, net	-375	-115	-58	-1211	-412	-85	-125	-1219
2.2.1. Income on debt, net	-144	-41	-18	-540	-157	3	-38	-488
2.2.2. Income on equity, net	-232	-74	-40	-672	-257	-88	-87	-729
2.2.3. Compensation of employees, net	1	0	0	1	1	0	0	-3
<b>3. Current transfers</b>	<b>17</b>	<b>20</b>	<b>30</b>	<b>160</b>	<b>23</b>	<b>37</b>	<b>32</b>	<b>245</b>
<b>4. Current account balance</b>	<b>-436</b>	<b>94</b>	<b>201</b>	<b>-713</b>	<b>-397</b>	<b>-215</b>	<b>-74</b>	<b>-2089</b>
<b>5. Non debt creating financing, net</b>	<b>102</b>	<b>22</b>	<b>76</b>	<b>683</b>	<b>37</b>	<b>74</b>	<b>226</b>	<b>703</b>
5.1. Direct investment, equity capital, net	103	16	89	595	93	140	238	791
5.1.1. Abroad, net	-13	-10	-16	-373	22	-17	-38	-115
5.1.2. In Hungary, net	116	26	105	968	71	157	276	906
5.2. Portfolio investment, equity securities, net	0	6	-13	88	-55	-65	-12	-88
*- o/w: Travel, net	265	354	386	1935	165	242	257	1332
credit	413	504	543	2927	298	392	377	2344
debit	148	150	157	991	133	150	120	1012

<sup>P)</sup> Preliminary data

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

euro million

	2002							Jul.	Aug. <sup>P)</sup>
	Jan.	Feb.	Mar.	Apr.	May	Jun.			
<b>1. Goods, net</b>	<b>-260</b>	<b>-233</b>	<b>-209</b>	<b>-212</b>	<b>-249</b>	<b>-202</b>	<b>-253</b>	<b>-234</b>	
1.1. Exports	2590	2671	2712	2815	2835	2920	2919	2932	
1.2. Imports	2908	2943	2931	3046	3107	3052	3189	3157	
<b>2. Services and income, net</b>									
2.1. Services									
2.1.1. Travel, net	156	191	169	159	170	152	153	138	
credit	282	314	289	280	288	272	281	266	
debit	138	141	133	117	128	110	121	113	
2.1.2. Other services, net	-52	-68	-52	-142	-62	-42	-67	-36	
credit	384	396	399	396	410	429	413	441	
debit	441	465	448	487	471	469	483	472	
2.2. Income, net									
2.2.1. Income on debt, net	-55	-59	-56	-67	-74	-72	-56	-73	
2.2.2. Income on equity, net	-82	-77	-78	-75	-87	-87	-87	-100	
2.2.3. Compensation of employees, net	1	-4	0	0	-1	1	0	0	
<b>3. Current transfers</b>	<b>30</b>	<b>30</b>	<b>35</b>	<b>30</b>	<b>36</b>	<b>35</b>	<b>36</b>	<b>37</b>	
<b>4. Current account balance</b>	<b>-242</b>	<b>-244</b>	<b>-162</b>	<b>-314</b>	<b>-354</b>	<b>-253</b>	<b>-337</b>	<b>-386</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>-193</b>	<b>-196</b>	<b>-185</b>	<b>-221</b>	<b>-229</b>	<b>-230</b>
1.1. Exports	2584	2546	2544	2610	2606	2701	2691	2626	2615	2588	2651	2603
1.2. Imports	2805	2666	2778	2777	2779	2947	2850	2755	2748	2833	2919	2869
<b>2. Services and income, net</b>												
2.1. Services												
2.1.1. Travel, net	228	200	226	235	233	250	266	258	263	251	265	259
credit	362	306	337	348	351	376	369	379	384	381	393	383
debit	117	115	116	102	127	122	121	148	119	134	126	112
2.1.2. Other services, net	-44	-40	-41	-37	-40	-60	-25	-51	-54	-54	-50	-68
credit	312	314	332	355	349	344	395	366	360	360	375	377
debit	365	353	369	360	380	405	407	406	410	421	433	450
2.2. Income, net												
2.2.1. Income on debt, net	-61	-72	-67	-76	-74	-72	-78	-53	-51	-66	-66	-47
2.2.2. Income on equity, net	-69	-72	-85	-112	-75	-66	-80	-63	-85	-80	-74	-65
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>18</b>	<b>22</b>	<b>25</b>	<b>24</b>	<b>29</b>	<b>26</b>	<b>26</b>	<b>29</b>
<b>4. Current account balance</b>	<b>-64</b>	<b>-81</b>	<b>-137</b>	<b>-112</b>	<b>-134</b>	<b>-245</b>	<b>-85</b>	<b>-74</b>	<b>-110</b>	<b>-127</b>	<b>-168</b>	<b>-99</b>

\* \* \* \* \*

Average exchange rates of the Hungarian forint in August 2002 were 245.10 per euro and 250.90 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'.