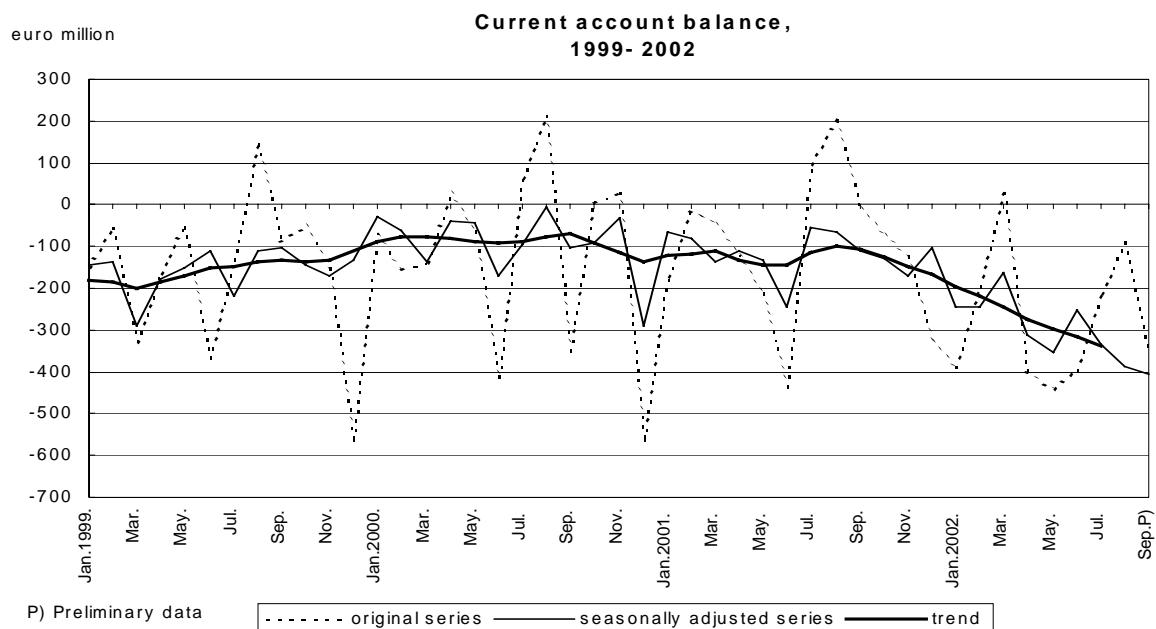


PRESS RELEASE

Hungary's preliminary balance of payments September 2002

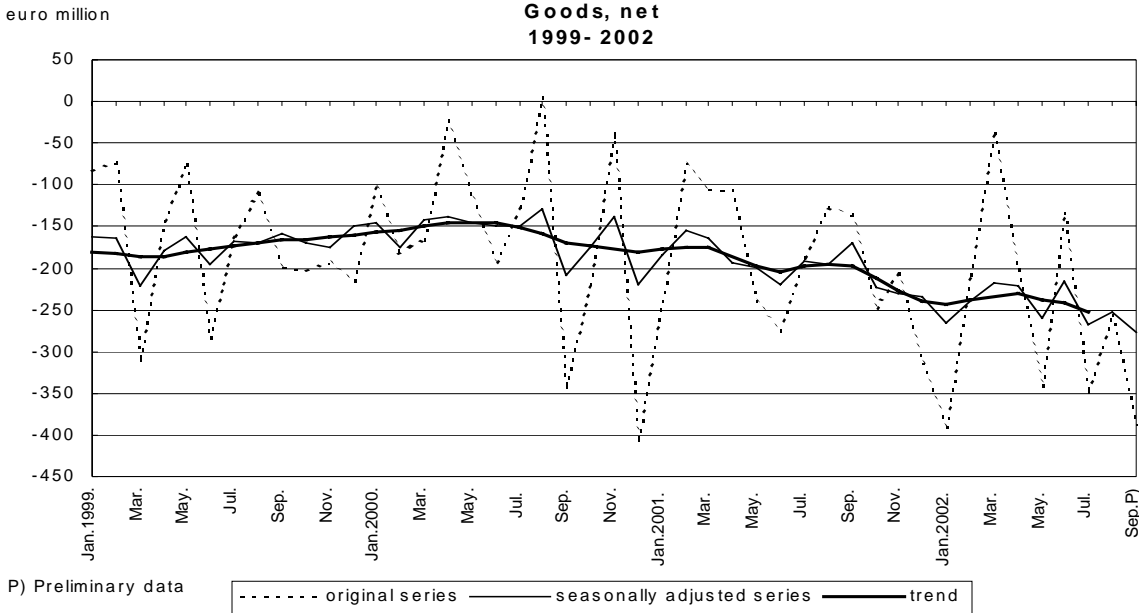
The preliminary data may change when finalised.

According to the preliminary data, Hungary's current account registered a EUR 351 million deficit in September 2002. This compared with a EUR 12 million deficit a year earlier. The year-on-year change was dominated by increases in net expenditures for trade in goods and by the fall in net revenues for services, particularly tourism. After eliminating the seasonal effects, the current account was in a deficit of EUR 406 million. The significant fall in tourism revenue explains the major part of the steady increase in current account deficit, calculated after eliminating the seasonal effect, since the final quarter of 2001. Contributing to this are the slight increases in deficits on goods trade and other services. Net non-debt outflow amounted to EUR 49 million in the month under review.

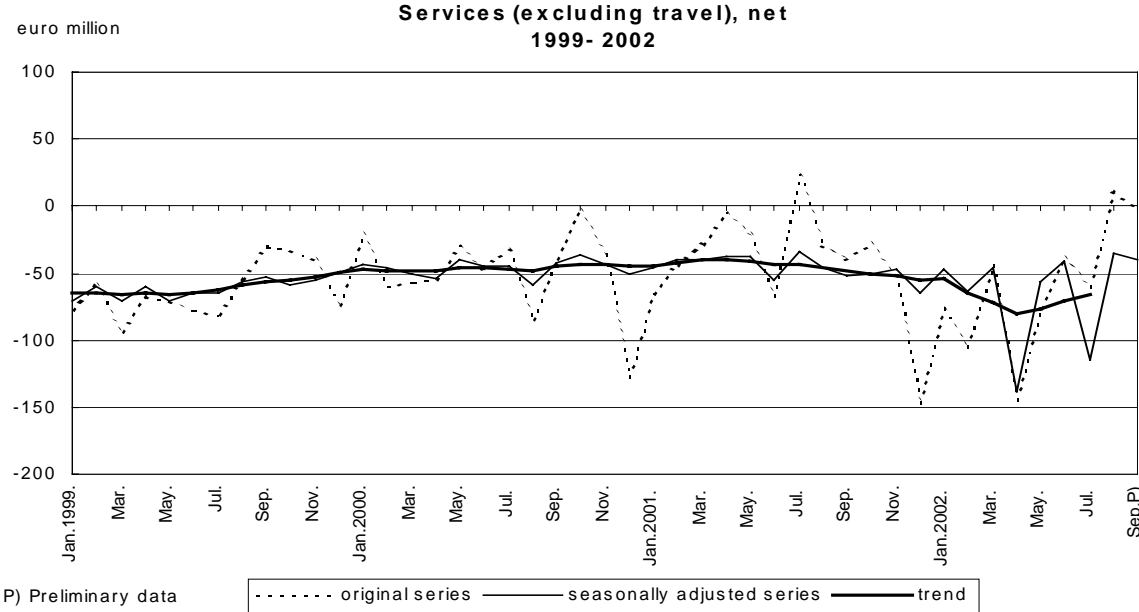


In September 2002, net expenditures for trade in goods were the balance of EUR 2,729 million exports and EUR 3,117 million imports. Exports and imports rose by EUR 299 million and EUR 549 million respectively relative to a year earlier. The

seasonally adjusted goods deficit was EUR 26 million higher in September than in the preceding month.



The EUR 296 million tourism revenue was EUR 130 million lower in September 2002 than a year previously, expenditure, at 135 EUR million, being EUR 11 higher in a year-on-year comparison. Net expenditures for service transactions excluding tourism amounted to EUR 1 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 154 million net outflow of investment income, the negative balance for investment income on equity fell by EUR 72 million and that for investment income on debt rose by EUR 38 million relative to a year earlier.

The EUR 32 million surplus on current transfers in September 2002 was EUR 19 million lower than twelve months previously.

The balance of non-debt capital transactions showed a total outflow of EUR 49 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 30 million and EUR 42 million respectively. Portfolio investment transactions in equity securities showed net outflows of EUR 60 million in the month under review.

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

Balance of payments, Hungary

euro million

	2001				2002			
	Jul.	Aug.	Sept.	Jan.-Sept.	Jul.	Aug.	Sept. ^{P)}	Jan.-Sept. ^{P)}
1. Goods, net	-188	-128	-137	-1495	-349	-257	-388	-2309
1.1. Exports	2761	2499	2430	23081	3024	2684	2729	24711
1.2. Imports	2950	2627	2568	24576	3374	2941	3117	27019
2. Services and income, net	262	299	74	559	97	132	5	-427
2.1. Services*, net	377	357	262	1958	182	269	160	958
2.1.1. Exports	922	914	758	6390	838	825	728	6243
2.1.2. Imports	545	557	496	4432	655	556	568	5285
2.2. Income, net	-115	-58	-188	-1399	-85	-137	-154	-1385
2.2.1. Income on debt, net	-41	-18	-54	-594	3	-38	-92	-579
2.2.2. Income on equity, net	-74	-40	-134	-806	-88	-99	-62	-803
2.2.3. Compensation of employees, net	0	0	0	2	0	0	0	-3
3. Current transfers	20	30	51	212	37	35	32	280
4. Current account balance	94	201	-12	-724	-215	-90	-351	-2456
5. Non debt creating financing, net	22	76	103	786	74	226	-49	654
5.1. Direct investment, equity capital, net	16	89	83	678	140	238	11	803
5.1.1. Abroad, net	-10	-16	-14	-387	-17	-38	-30	-145
5.1.2. In Hungary, net	26	105	97	1065	157	276	42	948
5.2. Portfolio investment, equity securities, net	6	-13	20	108	-65	-12	-60	-149
*- o/w: Travel, net	354	386	301	2237	242	258	161	1494
credit	504	543	426	3353	392	379	296	2642
debit	150	157	124	1116	150	121	135	1148

^{P)} Preliminary data

Balance of payments, Hungary (seasonally adjusted data) ^{a)}

euro million

	2002								
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept. ^{P)}
1. Goods, net	-265	-239	-217	-222	-260	-215	-268	-252	-278
1.1. Exports	2560	2684	2736	2790	2814	2926	2899	2862	2869
1.2. Imports	2902	2940	2932	3051	3116	3065	3207	3167	3232
2. Services and income, net									
2.1. Services									
2.1.1. Travel, net	156	191	168	158	168	150	151	135	133
credit	282	314	289	280	289	273	281	267	268
debit	138	141	133	117	128	110	121	114	130
2.1.2. Other services, net	-46	-64	-46	-138	-57	-42	-115	-35	-40
credit	384	396	399	396	410	429	413	441	447
debit	441	464	447	485	468	465	479	469	472
2.2. Income, net									
2.2.1. Income on debt, net	-55	-59	-56	-69	-76	-75	-59	-77	-81
2.2.2. Income on equity, net	-79	-74	-74	-72	-82	-84	-82	-99	-56
2.2.3. Compensation of employees, net	1	-4	0	0	-1	1	0	0	0
3. Current transfers	29	28	33	28	32	30	30	31	26
4. Current account balance	-244	-245	-162	-313	-353	-251	-334	-387	-406

^{P)} Preliminary data

Balance of payments, Hungary (seasonally adjusted data) ^{a)}

euro million

	2001											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Goods, net	-184	-154	-164	-193	-200	-220	-193	-196	-170	-223	-231	-234
1.1. Exports	2594	2533	2541	2614	2571	2698	2710	2608	2604	2596	2690	2608
1.2. Imports	2801	2664	2779	2781	2785	2956	2862	2782	2729	2817	2906	2860
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net	228	200	226	234	232	249	265	257	268	252	266	259
credit	362	306	337	348	351	377	369	379	384	380	393	383
debit	117	115	116	102	127	122	121	148	120	134	126	112
2.1.2. Other services, net	-46	-40	-39	-37	-38	-55	-34	-46	-52	-50	-47	-65
credit	312	314	332	355	349	344	395	366	360	360	375	377
debit	365	353	368	360	380	405	406	404	413	422	434	450
2.2. Income, net												
2.2.1. Income on debt, net	-60	-72	-67	-77	-74	-72	-79	-55	-50	-64	-65	-46
2.2.2. Income on equity, net	-69	-70	-84	-110	-74	-63	-79	-59	-101	-84	-66	-65
2.2.3. Compensation of employees, net	-1	0	-1	1	1	1	0	0	0	1	1	2
3. Current transfers	23	22	17	26	18	22	25	24	34	26	26	29
4. Current account balance	-65	-82	-137	-112	-133	-244	-53	-66	-111	-130	-171	-102

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Average exchange rates of the Hungarian forint in September 2002 were 243.88 per euro and 248.66 per US dollar.

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^{a)} 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'.