

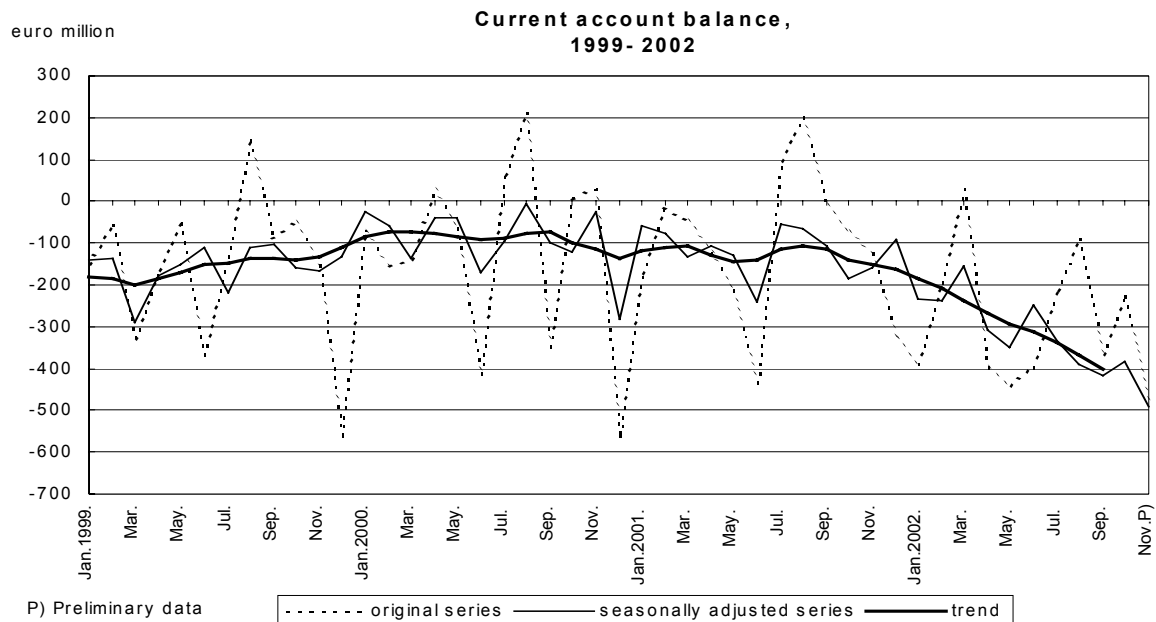
PRESS RELEASE

Hungary's preliminary balance of payments

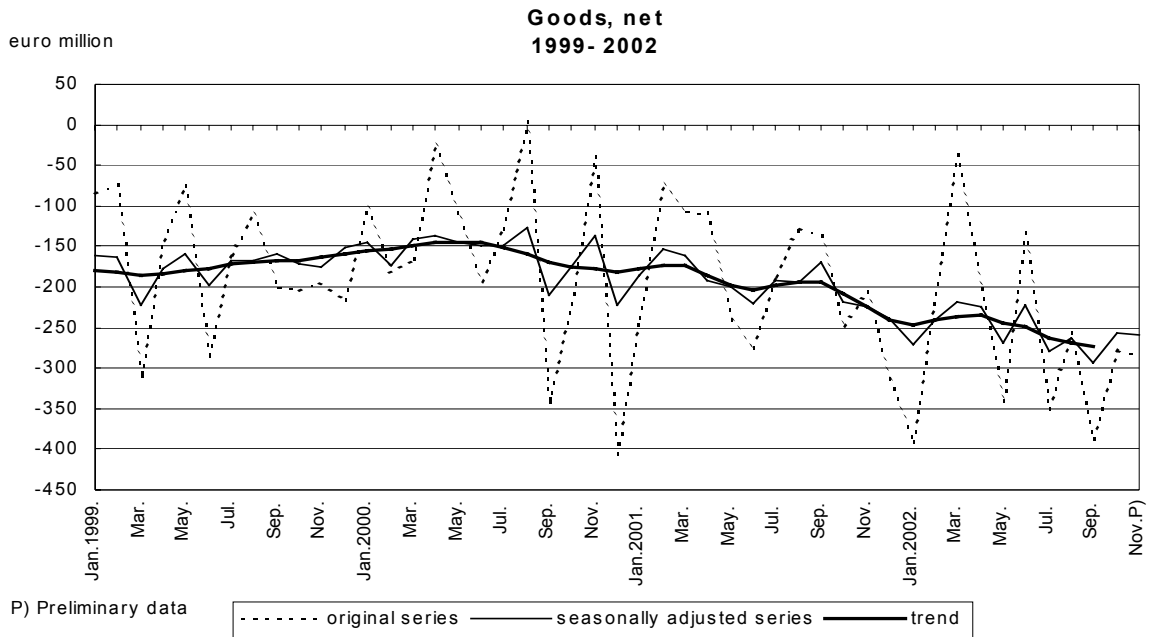
November 2002

The preliminary data may change when finalised.

According to the preliminary data, Hungary's current account registered a EUR 477 million deficit in November 2002. This compared with a EUR 124 million deficit a year earlier. The year-on-year change was dominated by the increases in net expenditures for trade in goods and negative income on equity as well as by the fall in net revenues for services, affecting net tourism revenue in particular. After eliminating the seasonal effects, the current account was in a deficit of EUR 492 million. The significant fall in tourism revenue explains the major part of the steady increase in the seasonally adjusted current account deficit since the final quarter of 2001. Contributing to this are the slight increases in deficits on goods trade and other services. Net non-debt inflow amounted to EUR 54 million in November.



In November 2002, net expenditures for trade in goods were the balance of EUR 3,241 million exports and EUR 3,525 million imports. Exports and imports rose by EUR 417 million and EUR 494 million respectively relative to a year earlier. The seasonally adjusted goods deficit was unchanged in comparison with the preceding month.



In November 2002, the EUR 220 million tourism revenue was EUR 132 million lower than a year previously, expenditure, at 135 EUR million, being EUR 15 million higher. Net expenditures for service transactions excluding tourism amounted to EUR 112 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 187 million net outflow of investment income, the negative balance for investment income on equity rose by EUR 71 million and that for investment income on debt by EUR 3 million in one year.

The EUR 22 million surplus on current transfers in November 2002 was EUR 7 million higher than twelve months previously.

The balance of non-debt capital transactions showed a total inward flow of EUR 54 million in the review month. 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 respective amounts of EUR 5 million and EUR 50 million. Portfolio investment transactions in equity securities showed net inflows of EUR 9 million.

Central bank foreign exchange reserves amounted to EUR 9.8 billion at the end of November 2002.

Balance of payments, Hungary

euro million

	2001				2002			
	Sept.	Oct.	Nov.	Jan.-Nov.	Sept.	Oct.	Nov. ^{P)}	Jan.-Nov. ^{P)}
1. Goods, net	-137	-249	-207	-1951	-388	-278	-284	-2871
1.1. Exports	2430	2687	2824	28592	2732	3238	3241	31193
1.2. Imports	2568	2936	3031	30543	3120	3516	3525	34063
2. Services and income, net	74	153	69	781	-10	16	-214	-640
2.1. Services*, net	262	238	181	2377	148	125	-27	1045
2.1.1. Exports	758	792	750	7932	730	750	575	7571
2.1.2. Imports	496	554	569	5555	582	625	602	6526
2.2. Income, net	-188	-85	-112	-1596	-158	-109	-187	-1685
2.2.1. Income on debt, net	-54	-51	-96	-741	-92	-65	-99	-743
2.2.2. Income on equity, net	-134	-36	-17	-859	-66	-46	-88	-941
2.2.3. Compensation of employees, net	0	1	1	4	0	2	0	-2
3. Current transfers	51	24	15	250	32	30	22	332
4. Current account balance	-12	-72	-124	-920	-366	-231	-477	-3179
5. Non debt creating financing, net	103	239	123	1148	-34	20	54	743
5.1. Direct investment, equity capital, net	83	310	93	1081	12	73	45	921
5.1.1. Abroad, net	-14	-6	-11	-404	-30	-14	-5	-165
5.1.2. In Hungary, net	97	316	104	1484	42	87	50	1086
5.2. Portfolio investment, equity securities, net	20	-70	30	67	-45	-53	9	-178
*- o/w: Travel, net	301	266	233	2735	162	172	85	1751
credit	426	384	352	4089	297	293	220	3155
debit	124	119	120	1354	136	121	135	1404

^{P)} Preliminary data

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

euro million

	2002										
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov. ^{P)}
1. Goods, net	-270	-241	-218	-225	-268	-221	-279	-263	-293	-258	-258
1.1. Exports	2589	2669	2712	2807	2833	2920	2893	2916	2916	3042	3061
1.2. Imports	2906	2944	2937	3054	3119	3068	3209	3170	3235	3343	3382
2. Services and income, net											
2.1. Services											
2.1.1. Travel, net	157	191	169	159	169	150	151	135	133	150	127
credit	288	320	293	283	290	273	280	265	265	270	253
debit	138	141	133	117	128	110	121	114	131	136	142
2.1.2. Other services, net	-42	-59	-43	-147	-111	-79	-90	-51	-58	-54	-61
credit	395	403	402	394	402	414	391	411	408	396	373
debit	442	465	448	486	469	466	479	469	476	489	475
2.2. Income, net											
2.2.1. Income on debt, net	-57	-61	-57	-68	-73	-71	-53	-69	-72	-71	-67
2.2.2. Income on equity, net	-79	-78	-75	-74	-82	-86	-85	-93	-72	-87	-99
2.2.3. Compensation of employees, net	1	-4	0	0	-1	1	0	0	0	2	0
3. Current transfers	29	28	33	28	33	31	32	33	29	33	34
4. Current account balance	-234	-236	-155	-307	-348	-248	-333	-389	-415	-384	-492

^{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	-185	-153	-161	-192	-201	-221	-192	-194	-170	-218	-225	-238
1.1. Exports	2583	2547	2543	2608	2604	2694	2694	2629	2632	2581	2645	2602
1.2. Imports	2804	2667	2782	2784	2787	2958	2864	2783	2729	2785	2911	2865
2. Services and income, net												
2.1. Services												
2.1.1. Travel, net	228	200	226	235	232	249	265	257	268	245	271	260
credit	366	309	339	350	351	376	368	376	380	363	402	391
debit	117	115	116	102	127	122	121	148	120	134	126	112
2.1.2. Other services, net	-44	-40	-38	-36	-44	-58	-25	-48	-51	-46	-38	-61
credit	312	314	331	354	346	341	390	360	352	358	392	390
debit	365	352	368	359	380	405	407	404	411	418	438	451
2.2. Income, net												
2.2.1. Income on debt, net	-61	-72	-67	-76	-74	-71	-78	-52	-47	-66	-69	-49
2.2.2. Income on equity, net	-71	-73	-81	-99	-74	-80	-78	-65	-87	-78	-65	-70
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	25	18	22	25	24	34	26	25	29
4. Current account balance	-60	-77	-133	-108	-131	-243	-53	-67	-107	-186	-159	-90

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In November 2002, the average exchange rates of the Hungarian forint vis-à-vis the euro and the US dollar were HUF 238.13 and HUF 237.63 respectively.

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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 MNB's statistical press releases from June 2001'.