

18 April 2001

## PRESS RELEASE

### Hungary's final balance of payments

**February 2001**

*In a revision to misreported data, the Bank has modified retrospectively the balance of payments for November 2000 and Hungary's international investment position stated for the period November 2000–January 2001. The explanatory notes on the revision can be found at Financial Data/Statistical Releases.*

\* \* \*

*According to the final balance-of-payments numbers, Hungary's current account posted a EUR 54 million deficit in February 2001. The lower merchandise trade deficit explained the year-on-year improvement of EUR 103 million in the current account balance. Net non-debt investment inflow amounted to EUR 263 million in the month under review.*

The value of central bank foreign exchange reserves was EUR 12.1 billion at month-end. Excluding outstanding inter-company loans, whole-economy gross foreign debt was unchanged relative to December 2000, net debt falling by EUR 0.7 billion. The downward effect of transactions and the upward effect of price and exchange rate changes on gross foreign debt, both at EUR 0.2 billion, cancelled each other out. The one-month change in net debt was accounted for by the EUR 0.4 billion downward effect of transactions and the EUR 0.3 billion upward effect of movements in exchange rates, price variations and other volume changes.

#### Foreign debt denominated in foreign currencies <sup>a)</sup>

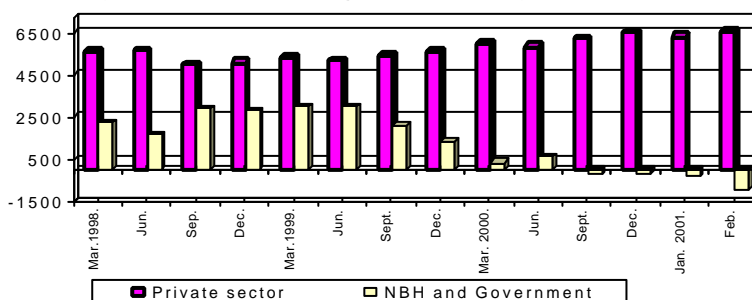
	euro billion	
	2000	2001
	Dec.	Feb.
<b>I. Gross foreign debt denominated in foreign currencies (A+B)</b>	<b>26.9</b>	<b>26.9</b>
A: NBH and Government	13.3	13.0
B: Private sectors	13.6	13.9
<b>II. Net foreign debt denominated in foreign currencies (A+B)</b>	<b>6.3</b>	<b>5.6</b>
A: NBH and Government	-0.2	-0.9
B: Private sectors	6.5	6.5

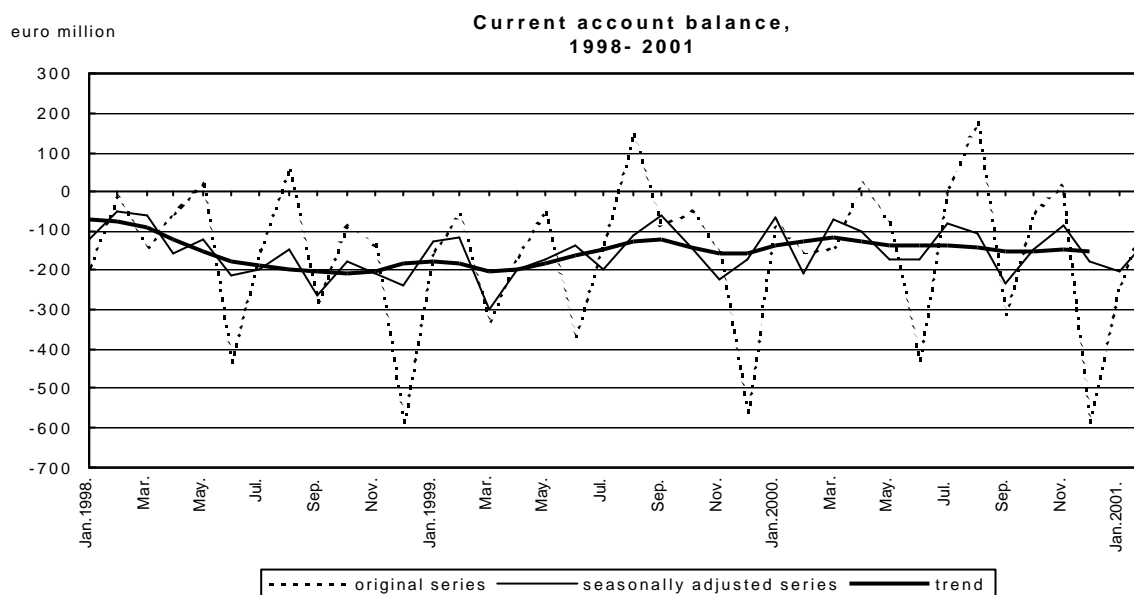
a) excluding intercompany loans

#### Net foreign debt denominated in foreign currencies, Hungary 1998-2001

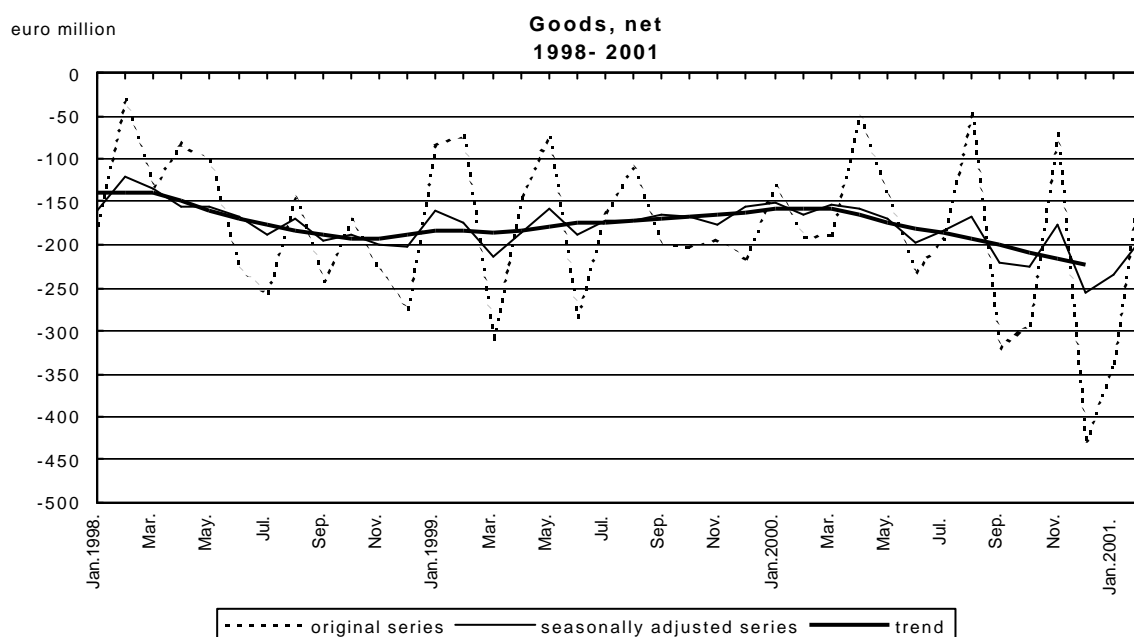
euro million

(by sectors, excluding intercompany loans)

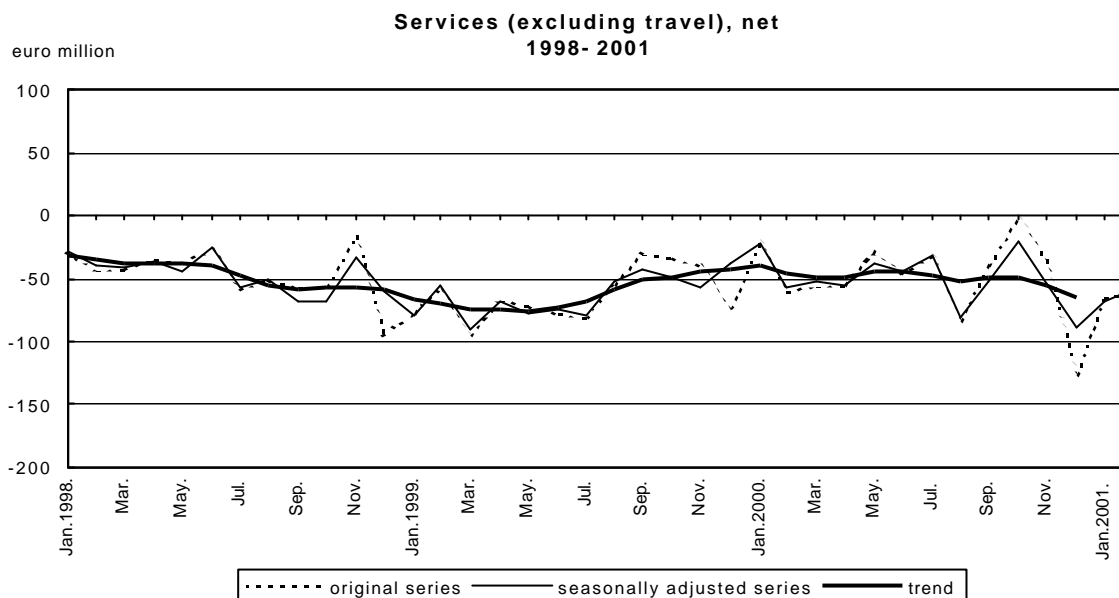




In February, the merchandise trade balance outcome reflected EUR 2,223 million exports and EUR 2,332 million imports. February exports rose by EUR 414 million and imports by EUR 332 million relative to a year ago.



The tourism surplus was EUR 131 million, reflecting EUR 223 million revenue and EUR 92 million expenditure. The recorded deficit on other service transactions excluding tourism amounted to EUR 63 million in the month under review. That was EUR 3 million higher than in February 2000.



Direct and portfolio investment net outflows totalled EUR 33 million in February. Under this heading, the net outflow of investment income was EUR 2 million higher, the balance of investment income on debt showing a EUR 27 million lower net outflow relative to February 2000.

The surplus on current transfers, at EUR 19 million, was EUR 2 million lower than twelve months previously.

Non-debt capital transactions closed with an inward flow of EUR 263 million. The net inflow via the domestic banking sector of direct investments in equity capital was the balance of direct investment transactions by non-residents in Hungary, at EUR 268 million, and those by Hungarian residents abroad, at EUR 3 million. Portfolio investment transactions in equity securities resulted in a net outflow of EUR 1 million.

\* \* \*

Average exchange rates of the Hungarian forint in February 2001: 265.67 per euro and 288.13 per US dollar. The month-end exchange rates were 266.14 per euro and 288.87 per US dollar.

## Balance of payments, Hungary

euro million

	2000			2001		
	Jan.	Feb.	Jan.-Feb.	Jan.	Feb.	Jan.-Feb.
<b>1. Goods, net</b>	<b>-133</b>	<b>-190</b>	<b>-324</b>	<b>-338</b>	<b>-108</b>	<b>-447</b>
1.1. Exports	2016	1809	3825	2472	2223	4696
1.2. Imports	2150	2000	4150	2811	2332	5142
<b>2. Services and income, net</b>	<b>10</b>	<b>13</b>	<b>23</b>	<b>14</b>	<b>36</b>	<b>50</b>
2.1. Services*, net	84	69	154	65	68	134
2.1.1. Exports	418	394	813	573	507	1080
2.1.2. Imports	334	325	659	507	439	946
2.2. Income, net	-74	-57	-131	-51	-33	-84
2.2.1. Income on debt, net	-72	-54	-125	-47	-27	-74
2.2.2. Income on equity, net	-4	-3	-7	-4	-5	-9
2.2.3. Compensation of employees, net	1	0	1	-1	0	-1
<b>3. Current transfers</b>	<b>46</b>	<b>21</b>	<b>67</b>	<b>87</b>	<b>19</b>	<b>106</b>
<b>4. Current account balance</b>	<b>-77</b>	<b>-157</b>	<b>-234</b>	<b>-237</b>	<b>-54</b>	<b>-291</b>
<b>5. Non debt creating financing, net</b>	<b>130</b>	<b>160</b>	<b>290</b>	<b>-158</b>	<b>263</b>	<b>105</b>
5.1. Direct investment, equity capital, net	66	121	187	-203	264	61
5.1.1. Abroad, net	22	-4	18	-313	-3	-316
5.1.2. In Hungary, net	44	125	169	109	268	377
5.2. Portfolio investment, equity securities, net	65	39	103	45	-1	44
*- o/w: Travel, net	105	130	235	131	131	262
credit	185	207	392	242	223	466
debit	80	77	157	111	92	204

## Balance of payments, Hungary

(averages)

euro million

	2000			
	Q.1.	Q.2.	Q.3.	Q.4.
<b>1. Goods, net</b>	<b>-170</b>	<b>-142</b>	<b>-188</b>	<b>-365</b>
1.1. Exports	2016	2264	2319	2588
1.2. Imports	2186	2407	2506	2953
<b>2. Services and income, net</b>	<b>6</b>	<b>-65</b>	<b>110</b>	<b>27</b>
2.1. Services, net	85	174	250	138
2.1.1. Exports	426	539	666	641
2.1.2. Imports	341	364	416	504
2.2. Income, net	-79	-240	-139	-111
2.2.1. Income on debt, net	-66	-81	-57	-71
2.2.2. Income on equity, net	-13	-158	-83	-40
2.2.3. Compensation of employees, net	1	0	0	0
<b>3. Current transfers</b>	<b>38</b>	<b>45</b>	<b>35</b>	<b>29</b>
<b>4. Current account balance</b>	<b>-126</b>	<b>-162</b>	<b>-42</b>	<b>-309</b>
<b>5. Non debt creating financing, net</b>	<b>94</b>	<b>73</b>	<b>32</b>	<b>-41</b>
5.1. Direct investment, equity capital, net	78	159	108	35
5.1.1. Abroad, net	3	-13	-66	-131
5.1.2. In Hungary, net	74	172	175	166
5.2. Portfolio investment, equity securities, net	16	-86	-76	-75
*- o/w: Travel, net	130	218	302	193
credit	211	318	407	305
debit	81	99	105	112