

International trade in services, 1st–4th quarters 2018

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Summary

In the 4th quarter of 2018, service exports and imports amounted to HUF 1,973 billion and HUF 1,345 billion, respectively. The value of revenues rose by 5.0% and that of expenditures by 2.1% at current prices compared to the 4th quarter of 2017. The surplus was HUF 628 billion, which was HUF 66 billion higher than the surplus in the same period of the previous year.

Travel

In the 4th quarter of 2018, travel **revenues** were **HUF 433 billion** and **expenditures** **HUF 150 billion**, 10% and 14% higher, respectively, than in the 4th quarter of 2017. The surplus on the service group was HUF 284 billion, which was HUF 22 billion more than a year earlier.

Foreigners made 12 million trips to Hungary in the 4th quarter of 2018, which was 1.6% more than in the 4th quarter of 2017. The amount of average daily expenditures of foreign visitors was HUF 15 thousand, which was 7.9% higher than in the corresponding period of the previous year. Out of the expenditures of foreign visitors arriving in Hungary, the amount spent

on accommodation and catering services, which increased by 11%, made up 34% of total expenses. Other purchases (e.g. gifts), making up 18% of expenditures, were cut by 1.5%. Foreigners spent 26% more on motor fuels than in the corresponding period of the previous year. Expenses on cultural programmes increased by 47%, those on health maintenance by 22%.

Hungarians travelled abroad on 5.2 million occasions in the 4th quarter of 2018, 9.8% more often than in the 4th quarter of 2017. The amount of average daily expenditures was HUF 12 thousand, which was similar to that observed in the corresponding period of the previous year. 21% of the expenditures abroad of Hungarians travelling abroad was spent on accommodation and catering services, which rose by 21% in the 4th quarter. Other purchases (e.g. gifts), making up 35% of expenditures, increased by 28%. More was spent on cultural programmes (+19%), motor fuels (+2.2%), and food and beverages (+6.5%) than in the 4th quarter of 2017.

Transport services

In the 4th quarter of 2018, transport service **exports** were **HUF 490 billion** and **imports** equalled **HUF 292 billion**, revenues grew by 7.4% and expenditures by 9.5% compared to the same period of the previous year. The surplus on transport services was HUF 198 billion, HUF 8.3 billion more than in the 4th quarter of 2017. The member states of the European Union accounted for a substantial part of trade, which was 80% for exports and 83% for imports. The exports and imports of transport services in relation to EU countries increased by 5.8% and 11%, respectively compared to the same period of the previous year.

Air transport services contributed the most to the improvement in the balance of transport services. The exports of this group of services grew by 16% compared to the 4th quarter of 2017, in conjunction with an 18% increase in the exports of passenger air transport services.

International trade in services by groups of services, at current prices

Figure 1

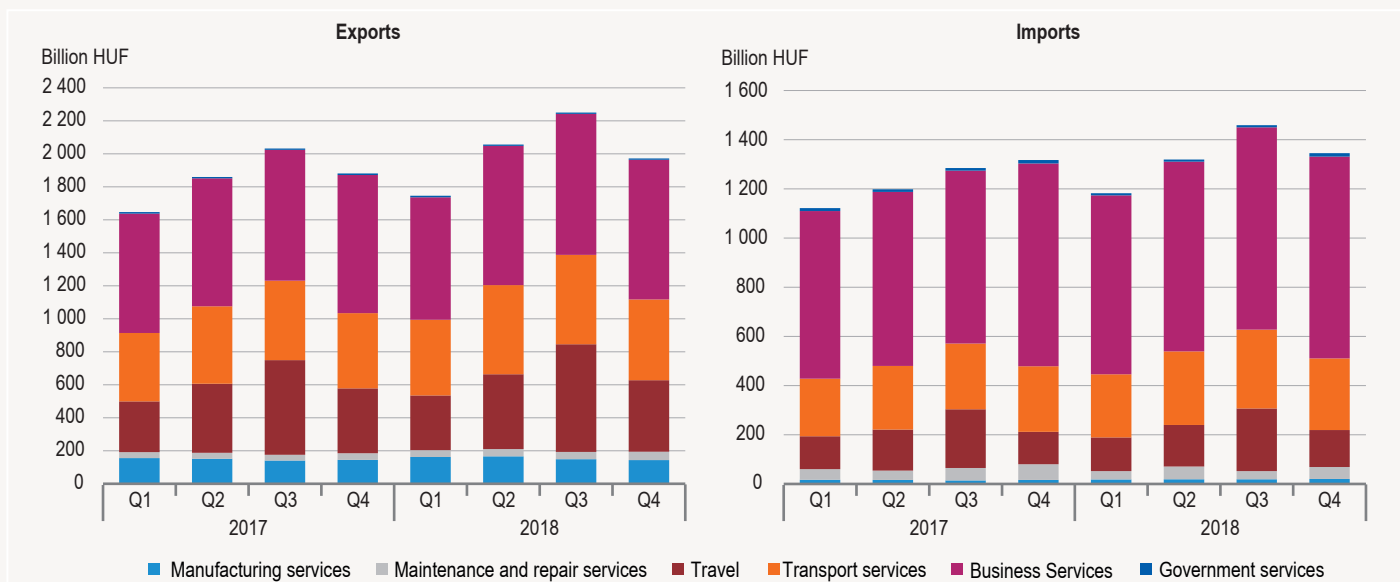
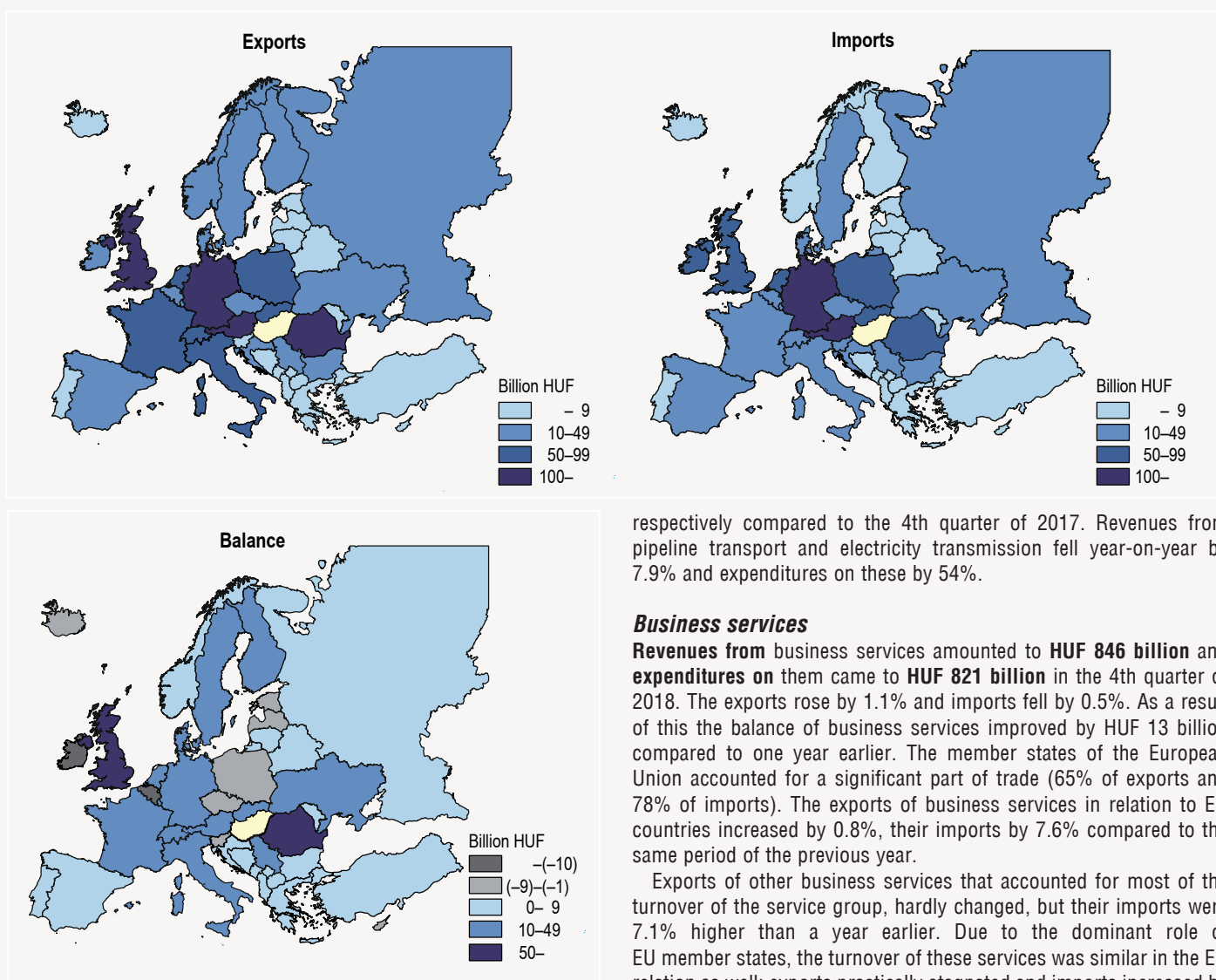


Figure 2

Hungary's international trade in services in relation to European countries, 4th quarter 2018*



* Unlike the previous quarters, all European partner countries are presented with travel data.

Within transport services, the group of **road transport** services had a significant share, its revenues fell by 0.4% and its expenditures grew by 6.5% compared to one year earlier. The exports and imports of freight road transport services decreased by 0.5% and rose by 4.5%, respectively. The exports of supporting and auxiliary road transport services (e.g. forwarding, tolls, cargo handling) were down by 0.3% and their imports up by 13% compared to the 4th quarter of 2017.

Revenues from and expenditures on **other supporting and auxiliary transport services** (multimodal transport, forwarding, warehousing) rose by 17% and 14%, respectively in the 4th quarter of 2018.

In the 4th quarter of 2018, the exports and imports of **rail transport services** increased at similar rates, by 16% and 13% respectively compared to the corresponding period of the previous year.

Out of the relatively small-weight services classified to transport services, the exports of postal and courier services fell by 12%, and their imports practically showed no change (-0.3). The exports and imports of inland waterway transport decreased by 20% and 36%,

respectively compared to the 4th quarter of 2017. Revenues from pipeline transport and electricity transmission fell year-on-year by 7.9% and expenditures on these by 54%.

Business services

Revenues from business services amounted to **HUF 846 billion** and expenditures on them came to **HUF 821 billion** in the 4th quarter of 2018. The exports rose by 1.1% and imports fell by 0.5%. As a result of this the balance of business services improved by HUF 13 billion compared to one year earlier. The member states of the European Union accounted for a significant part of trade (65% of exports and 78% of imports). The exports of business services in relation to EU countries increased by 0.8%, their imports by 7.6% compared to the same period of the previous year.

Exports of other business services that accounted for most of the turnover of the service group, hardly changed, but their imports were 7.1% higher than a year earlier. Due to the dominant role of EU member states, the turnover of these services was similar in the EU relation as well: exports practically stagnated and imports increased by 7.6%. Out of other business services, revenues from business and management consultancy and PR services grew by 5.9% and expenditures on them by 5.6%. However, the turnover of research and development services dropped in both directions: exports were 10% and imports 23% lower than in the same period of the previous year. At the same time, revenues from architectural, engineering, scientific and other technical services rose by 14% and expenditures on them by 7.7%. Revenues from and expenditures on accounting, auditing, bookkeeping and tax consulting services decreased by 6.9% and grew by 20%, respectively. The exports of other business services not included elsewhere, having a significant share, decreased by 0.4%, their imports grew by 8.7% compared to the fourth quarter of 2017.

Revenue from computer and information services increased by 5.9%, and expenses related to these decreased by 3.2%. The amount of fees received for the use of intellectual property increased by 11% and the fees paid for such purposes decreased by 13%.

Revenues and expenditures on personal, cultural, and entertainment services having a lower share fell significantly: the former by 11% and the latter by 14%.

Major partner countries in Hungary's international trade in services¹

In the 4th quarter of 2018, with regard to **exports** Hungary's most important partner remained Germany, 18% of total revenues were realised from the international trade with this country. Exports to Germany increased by 5.4% compared to the 4th quarter of 2017, primarily due to the rise in travel services.

Table 1

Hungary's major partners in international trade in services, 4th quarter 2018

Countries	At current prices, billion HUF	Share in total trade, %	Same period of previous year=100.0%
Exports			
Total	1 973	100.0	105.0
Of which:			
1. Germany	359	18.2	105.4
2. United States	180	9.1	121.5
3. Austria	161	8.2	108.9
4. United Kingdom	149	7.5	97.7
Imports			
Total	1 345	100.0	102.1
Of which:			
1. Germany	307	22.8	111.8
2. Austria	112	8.3	117.3
3. United States	109	8.1	94.8
4. United Kingdom	89	6.6	94.0

Our second most important export partner was the United States and the third one was Austria, their share in the total value of exports was 9.1% and 8.2%, respectively. Exports to the United States grew by 21% mainly due to the rise in the value of travel and transport services. Exports to Austria rose by 8.9%, primarily due to the rise in travel revenues.

In the same period, our fourth most important export partner (with a 7.5% share) was the UK. The related exports decreased by 2.3%, within which the turnover of business and transport services dropped, but the increase in travel revenue was modest.

On the export side, France (+ 23%) showed the highest growth, while the largest decline occurred in case of Switzerland (–18%) among our ten most important partner countries.

¹ Major partner countries are presented with travel data.

In the 4th quarter of 2018, in respect of **imports** Germany continued to be the most important partner of Hungary, 23% of total expenditures were connected to this country. Imports from Germany grew by 12% compared to the 4th quarter of 2017, mainly due to a rise in the turnover of business services and transport services.

Our second most significant import partner was Austria and the third one was the United States, their respective shares in total trade were 8.3% and 8.1%.

The value of services purchased from Austria grew by 17%, basically as a result of the increase in the value of transport services and travel. Imports from the United States fell by 5.2% year-on-year, mainly due to a decline in imports of business services.

With 6.6% of imports, the UK was our fourth most important import partner. Of the 10 largest partner countries, imports from this country fell most, by 6.0%, mainly due to a decline in imports of business services.

Of our 10 most significant import partners – mainly in the context of the growth of imports of business, repair and maintenance services – Ireland saw the largest increase, a more than 1.8 fold rise in turnover.

Changes in the turnover of international trade in services in 2018

In 2018, the HUF value of exports was HUF 8,022 billion and that of imports HUF 5,304 billion. Exports grew by 8.2% and imports by 7.7% compared to the same period of the previous year. Our international trade in services closed with a surplus of HUF 2,718 billion in 2018, which means an improvement of HUF 225 billion compared to the previous year.

Travel revenues amounted to HUF 1,872 billion and expenditures to HUF 711 billion, which means that exports grew by 11% and imports by 5.7%. The exports of transport services, also having a significant surplus in addition to travel, were HUF 2,031 billion and their imports were HUF 1,169 billion, 12% and 14% more, respectively compared to one year earlier.

Revenues from business services – the service group accounting for the largest part of trade – amounted to HUF 3,285 billion and expenditures on them to HUF 3,143 billion, 5.0% and 7.7% more, respectively than in 2017.

Information on the data revision of international trade in services

Data for 2017 and for the 1st–3rd quarters of 2018 (manufacturing services on physical inputs owned by others, travel, maintenance and repair, transport, business and government services) were revised based on data revisions by enterprises. Export and import data for 2017 published after the data revision only slightly exceeded (by less than 1%) previously published data, while in the first three quarters of 2018 the value of exports increased by 2.7% and of imports by 4.9%.

Further information, data (links):

[Tables](#)

[Methodology](#)

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