

# BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-OCTOBER 2002

*Detailed tables related to old and new presentations of Balance of Payments Developments can be found at the internet address: <http://www.tcmb.gov.tr> under the heading: [“Publications/Periodical Publications/Balance of Payments Statistics”](#)*

The main points related to the balance of payments developments in the framework of the old presentation in January-October 2002 are summarized below:

## A-CURRENT ACCOUNT

Foreign trade deficit, which increased by 44,3 percent in comparison with same period of the previous year, realized as US dollars 5.651 million in January-October 2002. The key factors underlying this development are;

- the increase of export revenues by 9,6 percent,
- the increase of shuttle trade by 31,7 percent and
- the increase of import (CIF) expenditures by 14,8 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 14,4 percent, amounting to US dollars 6.245 million.

As a result, the current account balance, which had recorded a surplus of US dollars 3.378 million in January-October 2001, had also shown a surplus of US dollars 594 million in January-October 2002.

## 1-Foreign Trade

**Export (FOB)** revenues, which had realized as US dollars 28.985 million with the inclusion of **shuttle trade** amounting to US dollars 2.547 million in January-October 2001, increased to US dollars 32.422 million, with the contribution of shuttle trade of US dollars 3.354 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 820 million, had realized as US dollars 32.901 million in January-October 2001. As for January-October 2002, the same item increased to US dollars 38.073 million, of which US dollars 1.202 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 5,651 million in January-October 2002, increasing by 44,3 percent compared to a deficit of

US dollars 3.916 million in January-October 2001.

(Million US dollars)	January- October 2001	January- October 2002	% Change
<b>Exports FOB</b>	29.985	32.422	11,9
Shuttle trade	2.547	3.354	30,7
<b>Imports FOB</b>	-32.901	-38.073	15,7
Gold imports	-820	-1.202	46,6
<b>Foreign trade deficit</b>	-3.916	-5.651	44,3

## **2-Other Goods and Services Income, Expenditures and Unrequited Transfers**

In January-October 2002, **tourism revenues** increased by % 4,1 percent, **interest income, other goods and services income** decreased by 13 and 29,2 percent compared to January-October 2001, realizing as US dollars 7.788 million, 2.027 million and 4.358 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 14,4 percent and 8,1 percent respectively while the **tourism expenditures** increased by 5 percent. As a result, the realizations in these items in January-October 2002 were recorded as US dollars 5.048 million, 3.989 million and 1.666 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 28,2 percent to US dollars 1.689 million.

## **B-CAPITAL MOVEMENTS**

The developments under **capital movements (excluding reserves)** for January-October 2002 are as follows:

Regarding **direct investments**, in comparison with the same period last year, non-residents` net direct investments in Turkey decreased by US dollars 2.483 million in January-October 2002, amounting to US dollars 546 million. Residents` net direct investments abroad which had shown an outflow of 382 million US dollars in January-October 2001 resulted in an outflow of US dollars 55 million in January-October 2002. In this period, direct investment had shown an inflow of US dollars 491 million in net terms.

**Borrowings through bond issues** in international capital markets under **portfolio investments** recorded net repayments of US dollars 172 million in January-October 2001 and net borrowings of US dollars 306 million in January-October 2002.

**Residents` security transactions abroad** classified under **security investments** had

shown net purchases of US dollars 181 million in January-October 2001 and of US dollars 1.596 million in January-October 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.717 million in January-October 2001, have resulted in net purchases of US dollars 544 million in January-October 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 4.070 million in January-October 2001 and of US dollars 746 million in January-October 2002, respectively.

**Long-term capital movements** resulted in a net outflow of US dollars 561 million in January-October 2001 and a net inflow of US dollars 1.839 million in January-October 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 11.991 million, from US dollars 10.244 million resulting from an increase of US dollars 1.935 million in borrowings of the other sectors and of US dollars 98 million in borrowings of the banks, and a decrease of US dollars 286 million in borrowings of the General Government.

**Repayments** decreased to US dollars 10.718 million, from US dollars 11.237 million, in January-October 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, had shown an increase of US dollars 432 million in January-October 2001 and US dollars 566 million in January-October 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 644 million in January-October 2001 and US dollars 275 million in January-October 2002. **Banks` foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 2.698 million in January-October 2001, decreased by US dollars 776 million in January-October 2002.

As for the liabilities side of **short-term capital movements**, in January-October 2001, a decrease was observed in the amount of US dollars 10.010 million and also a decrease of US dollars 780 million was recorded in January-October 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 6.222 million in January-October 2001, also recorded a net repayment of US dollars 610 million in January-October 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 1.741 million was realized in January-October 2001 and a net disbursement of US dollars 640 million in January-October 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 338 million in January-October 2001 and a net repayment of US dollars 657 million in January-

October 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 8.543 million and of US dollars 522 million, respectively.

**FX deposit accounts**, which decreased by US dollars 1.467 million in January-October 2001, have also decreased in the amount of US dollars 258 million in January-October 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 696 million in deposit accounts held with Central Bank.

### **C-RESERVE MOVEMENTS**

In line with the above stated developments, the **official reserves**, had decreased by US dollars 3.242 million in January-October 2001 and increased by US dollars 5.751 million in January-October 2002.