

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-AUGUST 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-August 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which increased by 17,5 percent in comparison with same period of the previous year, realized as US dollars 4.161 million in January-August 2002. The key factors underlying this development are;

- the increase of export revenues by 6,7 percent,
- the increase of shuttle trade by 28,1 percent and
- the increase of import (CIF) expenditures by 8,6 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 29,9 percent, amounting to US dollars 3.915 million.

As a result, the current account balance, which had recorded a surplus of US dollars 2.046 million in January-August 2001, had shown a deficit of US dollars 246 million in January-August 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 22.854 million with the inclusion of **shuttle trade** amounting to US dollars 1.972 million in January-August 2001, increased to US dollars 25.042 million, with the contribution of shuttle trade of US dollars 2.526 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 469 million, had realized as US dollars 26.395 million in January-August 2001. As for January-August 2002, the same item increased to US dollars 29.203 million, of which US dollars 856 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 4.161 million in January-August 2002, increasing by 17,5 percent compared to a deficit of US dollars 3.541 million in January-August 2001.

(Million US dollars)	January- August 2001	January- August 2002	% Change
Exports FOB	22.854	25.042	9,6
Shuttle trade	1.972	2.526	28,1
Imports FOB	-26.395	-29.203	10,6
Gold imports	-469	-856	82,5
Foreign trade deficit	-3.541	-4.161	17,5

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

In January-August 2002, **tourism revenues** increased by % 0,5 percent, **interest income, other goods and services income** decreased by 14,5 and 43,2 percent compared to January-August 2001, realizing as US dollars 5.560 million, 1.689 million and 3.006 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 9,6 percent and 20,8 percent respectively while the **tourism expenditures** increased by 0,1 percent. As a result, the realizations in these items in January-August 2002 were recorded as US dollars 4.215 million, 2.952 million and 1.400 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 28,1 percent to US dollars 1.405 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-August 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 1.987 million in January-August 2002, amounting to US dollars 248 million. Residents` net direct investments abroad which had shown an outflow of 354 million US dollars in January-August 2001 resulted in an outflow of US dollars 9 million in January-August 2002. In this period, direct investment had shown an inflow of US dollars 239 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-August 2001 and net borrowings of US dollars 306 million in January-August 2002.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 162 million in January-August 2001 and of US dollars 1.721 million in January-August 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.754 million in January-August 2001, have resulted in net purchases of US dollars 496 million in January-August 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 4.088 million in January-August 2001 and of US dollars 919 million in January-August 2002,

respectively.

Long-term capital movements resulted in a net outflow of US dollars 705 million in January-August 2001 and a net inflow of US dollars 2.024 million in January-August 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 9.558 million, from US dollars 8.063 million resulting from an increase of US dollars 1.617 million in borrowings of the other sectors and of US dollars 405 million in borrowings of the banks, and a decrease of US dollars 527 million in borrowings of the General Government.

Repayments decreased to US dollars 8.031 million, from US dollars 9.036 million, in January-August 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, had shown an increase of US dollars 268 million in January-August 2001 and US dollars 497 million in January-August 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 135 million in January-August 2001 and US dollars 261 million in January-August 2002. **Banks' foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 404 million in January-August 2001, decreased by US dollars 1.556 million in January-August 2002.

As for the liabilities side of **short-term capital movements**, in January-August 2001, a decrease was observed in the amount of US dollars 8.061 million and also a decrease of US dollars 1.402 million was recorded in January-August 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 4.477 million in January-August 2001, also recorded a net repayment of US dollars 945 million in January-August 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 1.551 million was realized in January-August 2001 and a net disbursement of US dollars 504 million in January-August 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 253 million in January-August 2001 and a net repayment of US dollars 447 million in January-August 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 6.711 million and of US dollars 809 million, respectively.

FX deposit accounts, which decreased by US dollars 1.350 million in January-August 2001, have also decreased in the amount of US dollars 593 million in January-August 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 586 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 3.117 million in January-August 2001 and increased by US dollars 5.239 million in January-August 2002.

Under the Stand-by Agreement, US dollars 1.142 million was disbursed from IMF in

August 2002 and net borrowings under this agreement were realized as US dollars 6.365 million in January-August 2002.