

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-OCTOBER 2001

Detailed tables related to 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 January-October 2001 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 77,5 percent in comparison with the same period of the previous year, realized as US dollars 4.163 million in January-October 2001. The key factors underlying this development are;

- the increase of export revenues by 13,1 percent,
- the increase of shuttle trade by 6,4 percent,
- the decrease of import (CIF) expenditures by 24,5 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, decreased by 32,7 percent, amounting to US dollars 7.333 million.

As a result, the current account balance, which had recorded a deficit of US dollars 7.598 million in January-October 2000, resulted in a surplus of US dollars 3.170 million in January-October 2001.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 26.023 million with the inclusion of **shuttle trade** amounting to US dollars 2.395 million in January-October 2000, increased to US dollars 28.905 million, with the contribution of shuttle trade of US dollars 2.548 million in January-October 2001. **Import (FOB)** expenditures, including gold imports of US dollars 1.685 million, had realized as US dollars 44.517 million in January-October 2000. As for January-October 2001, the same item decreased to US dollars 33.068 million, of which US dollars 781 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 4.163 million in January-October 2001, decreasing by 77,5 percent compared to a deficit of US dollars 18.494 million in January-October 2000.

(Million US dollars)	Jan-October 2000	Jan-October 2001	% Change
Exports FOB	26.023	28.905	11,1
Shuttle trade	2.395	2.548	6,4
Imports FOB	-44.517	-33.068	- 25,7
Gold imports	-1.685	-781	- 53,7
Foreign trade deficit	-18.494	-4.163	- 77,5

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

In January-October 2001, **tourism revenues** increased by 8,3 percent compared to January-October 2000, realizing as US dollars 7.437 million. **Interest income** increased by 6 percent compared to January-October 2000, realizing as US dollars 2.329 million, while **other goods and services income** declined by 37,5 percent to US dollars 6.162 million.

As for the expenditure side of the above-mentioned items; it is observed that **interest expenditures** and **tourism** increased by 22,5 percent and 3 percent, while the **other services expenditures** decreased by 26,9 percent respectively. As a result, the realizations in these items in January-October 2001 were recorded as US dollars 5.913, 1.587 and 4.323 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 37,4 percent to US dollars 2.358 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-October 2001 are as follows:

Regarding **direct investments**, in comparison with the same period of the last year, non-residents` net direct investments in Turkey increased by US dollars 2.440 million in January-October 2001, amounting to US dollars 3.029 million, while residents` net direct investments abroad decreased by US dollars 369 million, realizing as US dollars 382 million. As a result, **direct investments** showed a net inflow of US dollars 2.647 million.

Borrowings through bond issues in international capital markets under **portfolio investments** recorded net borrowings of US dollars 5.954 million in January-October 2000 and net repayments of US dollars 172 million in January-October 2001.

On the other hand, **residents` security transactions abroad** classified under **security investments** had shown net purchases of US dollars 730 million in January-October 2000 and US dollars 181 million in January-October 2001.

As for **non-residents` security transactions**, net purchases of US dollars 835 million and net sales of US dollars 3.717 million were recorded in January-October 2000 and January-October 2001, respectively.

Consequently, **portfolio investments** recorded a net inflow of US dollars 6.059 million in January-October 2000 and a net outflow of US dollars 4.070 million in January-October 2001.

Long-term capital movements resulted in a net inflow of US dollars 3.201 million in January-October 2000 and in a net outflow of US dollars 585 million in January-October 2001.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements** decreased to US dollars 10.231 million, from US dollars 13.689 million due to the decrease of US dollars 2.866 and 830 million in borrowings of the other sectors and banks, respectively.

Repayments increased to US dollars 11.248 million, from US dollars 11.032 million, in January-October 2001.

The last principal item under long-term capital movements, **deposits with the Central Bank**, which had increased in the amount of US dollars 544 million in January-October 2000 on net terms, have also increased in the amount of US dollars 432 million in January-October 2001.

As for the assets side of **short-term capital movements**, regarding **loans extended** US dollars 59 million were repaid in January-October 2000 while US dollars 644 million were extended in January-October 2001. **Banks` foreign exchange holdings** with foreign correspondents, which had increased by US dollars 1.009 million in January-October 2000, decreased by US dollars 2.668 million in January-October 2001.

As for the liability side of **short-term capital movements**, in January-October 2000, an increase was observed in the amount of US dollars 4.600 million while a decrease of US dollars 9.843 million was recorded in January-October 2001. One of the principal items in this category, **loans received by banks**, which had shown a net disbursement of US dollars 3.639 million in January-October 2000, recorded a net repayment of US dollars 6.083 million in January-October 2001.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 1.231 million was observed in January-October 2000 while a net repayment US dollars 1.701 million was realized in January-October 2001. As for the **foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 84 million in January-October 2000 and US dollars 341 million in January-October 2001. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net disbursement of US dollars 5.041 million and a net repayment of US dollars 8.361 million, respectively.

FX deposit accounts, which had shown a decrease of US dollars 441 million in January-October 2000, have also decreased in the amount of US dollars 1.482 million in January-October 2001, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, which had increased by US dollars 2.823 million in January-October 2000, decreased by US dollars 3.242 million in January-October 2001.