

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-SEPTEMBER 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-September 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which increased by 28,8 percent in comparison with same period of the previous year, realized as US dollars 4.981 million in January-September 2002. The key factors underlying this development are;

- the increase of export revenues by 8,4 percent,
- the increase of shuttle trade by 30,6 percent and
- the increase of import (CIF) expenditures by 11,8 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 22,1 percent, amounting to US dollars 5.161 million.

As a result, the current account balance, which had recorded a surplus of US dollars 2.758 million in January-September 2001, had also shown a surplus of US dollars 180 million in January-September 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 25.812 million with the inclusion of **shuttle trade** amounting to US dollars 2.252 million in January-September 2001, increased to US dollars 28.637 million, with the contribution of shuttle trade of US dollars 2.942 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 630 million, had realized as US dollars 29.680 million in January-September 2001. As for January-September 2002, the same item increased to US dollars 33.618 million, of which US dollars 1.003 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 4,981 million in January-September 2002, increasing by 28,8 percent compared to a deficit of US dollars 3.868 million in January-September 2001.

(Million US dollars)	January-September 2001	January-September 2002	% Change
Exports FOB	25.812	28.637	10,9
Shuttle trade	2.252	2.942	30,6
Imports FOB	-29.680	-33.618	13,3
Gold imports	-630	-1.003	59,2
Foreign trade deficit	-3.868	-4.981	28,8

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

In January-September 2002, **tourism revenues** increased by % 2,3 percent, **interest income, other goods and services income** decreased by 14,9 and 32,7 percent compared to January-September 2001, realizing as US dollars 6.809 million, 1.799 million and 3.859 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 10,9 percent and 11,1 percent respectively while the **tourism expenditures** increased by 2,2 percent. As a result, the realizations in these items in January-September 2002 were recorded as US dollars 4.633 million, 3.592 million and 1.550 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 27,9 percent to US dollars 1.567 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-September 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 2.188 million in January-September 2002, amounting to US dollars 300 million. Residents` net direct investments abroad which had shown an outflow of 378 million US dollars in January-September 2001 resulted in an outflow of US dollars 49 million in January-September 2002. In this period, direct investment had shown an inflow of US dollars 251 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-September 2001 and net borrowings of US dollars 306 million in January-September 2002.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 68 million in January-September 2001 and of US dollars 1.739 million in January-September 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.717 million in January-September 2001, have resulted in net purchases of US dollars 173 million in January-September 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 3.957 million

in January-September 2001 and of US dollars 1.260 million in January-September 2002, respectively.

Long-term capital movements resulted in a net outflow of US dollars 872 million in January-September 2001 and a net inflow of US dollars 1.979 million in January-September 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 10.825 million, from US dollars 8.928 million resulting from an increase of US dollars 1.865 million in borrowings of the other sectors and of US dollars 412 million in borrowings of the banks, and a decrease of US dollars 380 million in borrowings of the General Government.

Repayments decreased to US dollars 9.397 million, from US dollars 10.154 million, in January-September 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, had shown an increase of US dollars 354 million in January-September 2001 and US dollars 551 million in January-September 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 668 million in January-September 2001 and US dollars 270 million in January-September 2002. **Banks' foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 1.118 million in January-September 2001, decreased by US dollars 1.204 million in January-September 2002.

As for the liabilities side of **short-term capital movements**, in January-September 2001, a decrease was observed in the amount of US dollars 8.025 million and also a decrease of US dollars 1.454 million was recorded in January-September 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 4.948 million in January-September 2001, also recorded a net repayment of US dollars 1.040 million in January-September 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 1.518 million was realized in January-September 2001 and a net disbursement of US dollars 699 million in January-September 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 457 million in January-September 2001 and a net repayment of US dollars 678 million in January-September 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 6.932 million and of US dollars 920 million, respectively.

FX deposit accounts, which decreased by US dollars 1.093 million in January-September 2001, have also decreased in the amount of US dollars 534 million in January-September 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 661 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 3.006 million in January-September 2001 and increased by US dollars 5.204 million in January-September 2002.