

# BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-MAY 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 old presentation in January-May 2002 are summarized below:

## A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 16,2 percent in comparison with same period of the previous year, realized as US dollars 1.867 million in January-May 2002. The key factors underlying this development are;

- the increase of export revenues by 3,5 percent,
- the increase of shuttle trade by 24,1 percent and
- the increase of import (CIF) expenditures by only 1 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 64,5 percent, amounting to US dollars 983 million.

As a result, the current account balance, which had recorded a surplus of US dollars 544 million in January-May 2001, had shown a deficit of US dollars 884 million in January-May 2002.

### 1-Foreign Trade

**Export (FOB)** revenues, which had realized as US dollars 14.251 million with the inclusion of **shuttle trade** amounting to US dollars 1.289 million in January-May 2001, increased to US dollars 15.335 million, with the contribution of shuttle trade of US dollars 1.600 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 236 million, had realized as US dollars 16.479 million in January-May 2001. As for January-May 2002, the same item increased to US dollars 17.202 million, of which US dollars 481 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 1.867 million in January-May 2002, decreasing by 16,2 percent compared to a deficit of US dollars 2.228 million in January-May 2001.

| (Million US dollars)         | January- May<br>2001 | January- May<br>2002 | %<br>Change |
|------------------------------|----------------------|----------------------|-------------|
| <b>Exports FOB</b>           | 14.251               | 15.335               | 7,6         |
| Shuttle trade                | 1.289                | 1.600                | 24,1        |
| <b>Imports FOB</b>           | -16.479              | -17.202              | 4,4         |
| Gold imports                 | -236                 | -481                 | 103,8       |
| <b>Foreign trade deficit</b> | -2.228               | -1.867               | -16,2       |

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

In January-May 2002, **tourism revenues, interest income, other goods and services income** decreased by 0,4, 29,1 and 50,9 percent compared to January-May 2001, realizing as US dollars 2.111 million, 957 million and 1.785 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 11,2 percent and 21,3 percent respectively while the **tourism expenditures** increased by 2,1 percent. As a result, the realizations in these items in January-May 2002 were recorded as US dollars 2.666 million, 1.838 million and 715 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 37,3 percent to US dollars 835 million.

## **B-CAPITAL MOVEMENTS**

The developments under **capital movements (excluding reserves)** for January-May 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 1.777 million in January-May 2002, amounting to US dollars 153 million. Residents` net direct investments abroad which had shown an outflow of 318 million US dollars in January-May 2001 resulted in a net outflow of US dollars 22 million in January-May 2002. In this period, direct investment had shown an inflow of US dollars 131 million in net terms.

**Borrowings through bond issues** in international capital markets under **portfolio investments** recorded net repayments of US dollars 169 million in January-May 2001 and net borrowings of US dollars 871 million in January-May 2002.

**Residents` security transactions abroad** classified under **security investments** had shown net purchases of US dollars 126 million in January-May 2001 and US dollars 1.577 million in January-May 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.267 million in January-May 2001, have resulted in net purchases of US dollars 555 million in January-May 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 3.562 million and a net inflow of US dollars 151 million in January-May 2001 and in January-May 2002, respectively.

**Long-term capital movements** resulted in a net outflow of US dollars 1.333 million in January-May 2001 and a net inflow of US dollars 1.008 million in January-May 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 5.587 million, from US dollars 4.243 million with an increase of US dollars 1.007 million in borrowings of the other sectors and of US dollars 336 million in borrowings of the banks.

**Repayments** decreased to US dollars 4.817 million, from US dollars 5.589 million, in January-May 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, increased by US dollars 13 million in January-May 2001 and US dollars 238

million in January-May 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 128 million in January-May 2001 and US dollars 237 million in January-May 2002. **Banks` foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 737 million in January-May 2001, also decreased by US dollars 1.344 million in January-May 2002.

As for the liability side of **short-term capital movements**, in January-May 2001, a decrease was observed in the amount of US dollars 3.775 million and also a decrease of US dollars 1.029 million was recorded in January-May 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 1.946 million in January-May 2001, also recorded a net repayment of US dollars 64 million in January-May 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 888 million was realized in January-May 2001 and a net disbursement of US dollars 156 million in January-May 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 219 million in January-May 2001 and a net repayment of US dollars 511 million in January-May 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 2.593 million and of US dollars 394 million, respectively.

**FX deposit accounts**, which decreased by US dollars 1.182 million in January-May 2001, have also decreased in the amount of US dollars 635 million in January-May 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 305 million in Central Bank deposit accounts.

## **C-RESERVE MOVEMENTS**

In line with the above stated developments, the **official reserves**, had decreased by US dollars 1.353 in January-May 2001 and increased by US dollars 2.649 million in January-May 2002.