

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-JULY 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-July 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which increased by 10,1 percent in comparison with same period of the previous year, realized as US dollars 3.427 million in January-July 2002. The key factors underlying this development are;

- the increase of export revenues by 6 percent,
- the increase of shuttle trade by 25,5 percent and
- the increase of import (CIF) expenditures by 6,8 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 37,4 percent, amounting to US dollars 2.709 million.

As a result, the current account balance, which had recorded a surplus of US dollars 1.217 million in January-July 2001, had shown a deficit of US dollars 718 million in January-July 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 19.886 million with the inclusion of **shuttle trade** amounting to US dollars 1.695 million in January-July 2001, increased to US dollars 21.751 million, with the contribution of shuttle trade of US dollars 2.128 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 352 million, had realized as US dollars 22.998 million in January-July 2001. As for January-July 2002, the same item increased to US dollars 25.178 million, of which US dollars 692 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 3.427 million in January-July 2002, increasing by 10,1 percent compared to a deficit of US dollars 3.112 million in January-July 2001.

| (Million US dollars) | January- July 2001 | January- July 2002 | % Change |
|------------------------------|-----------------------|-----------------------|-------------|
| Exports FOB | 19.886 | 21.751 | 9,4 |
| Shuttle trade | 1.695 | 2.128 | 25,5 |
| Imports FOB | -22.998 | -25.178 | 9,5 |
| Gold imports | -352 | -692 | 96,6 |
| Foreign trade deficit | -3.112 | -3.427 | 10,1 |

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

In January-July 2002, **tourism revenues, interest income, other goods and services income** decreased by 3,2, 13,3 and 45,4 percent compared to January-July 2001, realizing as US dollars 4.081 million, 1.528 million and 2.612 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 14,2 percent and 22,1 percent respectively while the **tourism expenditures** have not changed. As a result, the realizations in these items in January-July 2002 were recorded as US dollars 3.622 million, 2.590 million and 1.202 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 30,3 percent to US dollars 1.219 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-July 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 1.980 million in January-July 2002, amounting to US dollars 179 million. Residents' net direct investments abroad which had shown an outflow of 366 million US dollars in January-July 2001 resulted in an outflow of US dollars 65 million in January-July 2002. In this period, direct investment had shown an inflow of US dollars 114 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-July 2001 and net borrowings of US dollars 306 million in January-July 2002.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 238 million in January-July 2001 and of US dollars 1.693 million in January-July 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.568 million in January-July 2001, have resulted in net purchases of US dollars 433 million in January-July 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 3.978 million in January-July 2001 and of US dollars 954 million in January-July 2002, respectively.

Long-term capital movements resulted in a net outflow of US dollars 988 million in

January-July 2001 and a net inflow of US dollars 1.343 million in January-July 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 8.015 million, from US dollars 7.053 million resulting from an increase of US dollars 1.569 million in borrowings of the other sectors and of US dollars 389 million in borrowings of the banks, and a decrease of US dollars 996 million in borrowings of the General Government.

Repayments decreased to US dollars 7.019 million, from US dollars 8.147 million, in January-July 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, had shown an increase of US dollars 106 million in January-July 2001 and US dollars 347 million in January-July 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 201 million in January-July 2001 and US dollars 126 million in January-July 2002. **Banks' foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 980 million in January-July 2001, decreased by US dollars 989 million in January-July 2002.

As for the liabilities side of **short-term capital movements**, in January-July 2001, a decrease was observed in the amount of US dollars 7.569 million and also a decrease of US dollars 604 million was recorded in January-July 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 4.422 million in January-July 2001, also recorded a net repayment of US dollars 310 million in January-July 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 1.335 million was realized in January-July 2001 and a net disbursement of US dollars 532 million in January-July 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 212 million in January-July 2001 and a net repayment of US dollars 440 million in January-July 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 6.494 million and of US dollars 157 million, respectively.

FX deposit accounts, which decreased by US dollars 1.075 million in January-July 2001, have also decreased in the amount of US dollars 447 million in January-July 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 460 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 4.327 in January-July 2001 and increased by US dollars 3.417 million in January-July 2002.

Under the Stand-by Agreement, US dollars 1.152 million was disbursed from IMF in July 2002 and net borrowings under this agreement were realized as US dollars 5.223 million in January-July 2002