

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-JUNE 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-June 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 5,3 percent in comparison with same period of the previous year, realized as US dollars 2.432 million in January-June 2002. The key factors underlying this development are;

- the increase of export revenues by 3,3 percent,
- the increase of shuttle trade by 25,1 percent and
- the increase of import (CIF) expenditures by 2,5 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 46,8 percent, amounting to US dollars 1.783 million.

As a result, the current account balance, which had recorded a surplus of US dollars 782 million in January-June 2001, had shown a deficit of US dollars 649 million in January-June 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 17.022 million with the inclusion of **shuttle trade** amounting to US dollars 1.480 million in January-June 2001, increased to US dollars 18.322 million, with the contribution of shuttle trade of US dollars 1.852 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 268 million, had realized as US dollars 19.590 million in January-June 2001. As for January-June 2002, the same item increased to US dollars 20.754 million, of which US dollars 560 million was gold imports

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 2.432 million in January-June 2002, decreasing by 5,3 percent compared to a deficit of US dollars 2.568 million in January-June 2001.

(Million US dollars)	January- June 2001	January- June 2002	% Change
Exports FOB	17.022	18.322	7,6
Shuttle trade	1.480	1.852	25,1
Imports FOB	-19.590	-20.754	5,9
Gold imports	-268	-560	109,0
Foreign trade deficit	-2.568	-2.432	-5,3

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

In January-June 2002, **tourism revenues, interest income, other goods and services income** decreased by 3,9, 15,1 and 47,5 percent compared to January-June 2001, realizing as US dollars 2.981 million, 1.311 million and 2.188 million, respectively.

As for the expenditure side of the above-mentioned items; it is observed that **interest and other services expenditures** decreased by 14,1 percent and 23,7 percent respectively while the **tourism expenditures** increased by 1,5 percent. As a result, the realizations in these items in January-June 2002 were recorded as US dollars 3.169 million, 2.172 million and 954 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 35 percent to US dollars 1.009 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-June 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 1.854 million in January-June 2002, amounting to US dollars 162 million. Residents` net direct investments abroad which had shown an outflow of 333 million US dollars in January-June 2001 resulted in a net outflow of US dollars 26 million in January-June 2002. In this period, direct investment had shown an inflow of US dollars 136 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-June 2001 and net borrowings of US dollars 381 million in January-June 2002.

Residents` security transactions abroad classified under **security investments** had shown net sales of US dollars 67 million in January-June 2001 and net purchases of US dollars 1.680 million in January-June 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.114 million in January-June 2001, have resulted in net purchases of US dollars 322 million in January-June 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 3.216 million in January-June 2001 and of US dollars 977 million in January-June 2002, respectively.

Long-term capital movements resulted in a net outflow of US dollars 1.625 million in January-June 2001 and a net inflow of US dollars 1.022 million in January-June 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 6.824 million, from US dollars 5.094 million with an increase of US dollars 1.061 million in borrowings of the other sectors and of US dollars 519 million in borrowings of the banks.

Repayments decreased to US dollars 6.050 million, from US dollars 6.756 million, in January-June 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, had shown an increase of US dollars 37 million in January-June 2001 and US dollars 248 million in January-June 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 120 million in January-June 2001 and US dollars 211 million in January-June 2002. **Banks` foreign exchange holdings** with foreign correspondents, which had increased by US dollars 513 million in January-June 2001, decreased by US dollars 1.669 million in January-June 2002.

As for the liabilities side of **short-term capital movements**, in January-June 2001, a decrease was observed in the amount of US dollars 5.439 million and also a decrease of US dollars 815 million was recorded in January-June 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 2.794 million in January-June 2001, also recorded a net repayment of US dollars 86 million in January-June 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 1.095 million was realized in January-June 2001 and a net disbursement of US dollars 224 million in January-June 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 182 million in January-June 2001 and a net repayment of US dollars 511 million in January-June 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 4.673 million and of US dollars 333 million, respectively.

FX deposit accounts, which decreased by US dollars 766 million in January-June 2001, have also decreased in the amount of US dollars 482 million in January-June 2002, mostly owing to the decrease in non-resident banks` deposit accounts opened with the resident banks despite an increase of US dollars 351 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 4.694 in January-June 2001 and increased by US dollars 2.389 million in January-June 2002.