

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-MARCH 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-March 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 78,6 percent in comparison with same period of the previous year, realized as US dollars 437 million in January-March 2002. The key factors underlying this development are;

- the increase of export revenues by 5,9 percent,
- the increase of shuttle trade by 20,4 percent,
- the decrease of import (CIF) expenditures by 11,2 percent..

Net revenues from other goods and services, as well as unrequited transfers, decreased by 79,8 percent, amounting to US dollars 317 million.

As a result, the current account balance, which had recorded a deficit of US dollars 473 million in January-March 2001, had shown a deficit of US dollars 120 million in January-March 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 8.174 million with the inclusion of **shuttle trade** amounting to US dollars 766 million in January-March 2001, increased to US dollars 8.888 million, with the contribution of shuttle trade of US dollars 922 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 189 million, had realized as US dollars 10.220 million in January-March 2001. As for January-March 2002, the same item decreased to US dollars 9.325 million, of which US dollars 271 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 437 million in January-March 2002, decreasing by 78,6 percent compared to a deficit of US dollars 2.046 million in January-March 2001.

(Million US dollars)	January- March 2001	January- March 2002	% Change
Exports FOB	8.174	8.888	8,7
Shuttle trade	766	922	20,4
Imports FOB	-10.220	-9.325	-8,8
Gold imports	-189	-271	43,4
Foreign trade deficit	-2.046	-437	- 78,6

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

In January-March 2002, **tourism revenues** increased by 20,2 percent compared to January-March 2001, realizing as US dollars 886 million. **Interest income** decreased by 25 percent compared to January-March 2001, realizing as US dollars 637 million, while **other goods and services income** declined by 58,8 percent to US dollars 1.001 million.

As for the expenditure side of the above-mentioned items; it is observed that **interest** and **other services expenditures** decreased by 11,7 percent and 25,1 percent respectively while the **tourism expenditures** increased by 1,5 percent. As a result, the realizations in these items in January-March 2002 were recorded as US dollars 1.604, 1.041 and 397 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** declined by 46,9 percent to US dollars 493 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-March 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 1.819 million in January-March 2002, amounting to US dollars 55 million. Due to liquidation of residents` direct investments abroad in March 2002, residents` net direct investments abroad resulted in a net inflow of US dollars 2 million in January-March 2002. In this period, direct investment had shown an inflow of US dollars 57 million in net terms.

Borrowings through bond issues in international capital markets under **portfolio investments** recorded net borrowings of US dollars 446 million in January-March 2001 and US dollars 826 million in January-March 2002.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 22 million in January-March 2001 and US dollars 1.230 million in January-March 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 3.292 million in January-March 2001, have resulted in net purchases of US dollars 491 million in January-March 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 2.868 million and a net inflow of US dollars 87 million in January-March 2001 and in January-March 2002, respectively.

Long-term capital movements resulted in a net outflow of US dollars 508 million in January-March 2001 and a net inflow of US dollars 408 million in January-March 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements increased** to US dollars 3.074 million, from US dollars 2.491 million with an increase of US dollars 375 million in borrowings of the other sectors and of US dollars 284 million in borrowings of the banks.

Repayments decreased to US dollars 2.857 million, from US dollars 2.989 million, in January-March 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, which had decreased in the amount of US dollars 10 million in January-March 2001 in net terms, increased by US dollars 191 million in January-March 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 196 million in January-March 2001 and US dollars 207 million in January-March 2002. **Banks' foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 917 million in January-March 2001, also decreased by US dollars 1.778 million in January-March 2002.

As for the liability side of **short-term capital movements**, in January-March 2001, a decrease was observed in the amount of US dollars 1.888 million and also a decrease of US dollars 1.307 million was recorded in January-March 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 898 million in January-March 2001, recorded a net repayment of US dollars 403 million in January-March 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 641 million was realized in January-March 2001 and US dollars 124 million in January-March 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 240 million in January-March 2001 and a net repayment of US dollars 493 million in January-March 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 1.295 million and of US dollars 1.017 million, respectively.

FX deposit accounts, which decreased by US dollars 593 million in January-March 2001, have also decreased in the amount of US dollars 290 million in January-March 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks despite an increase of US dollars 212 million in Central Bank deposit accounts.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, had decreased by US dollars 3.138 in January-March 2001 and increased by US dollars 1.699 million in January-March 2002.