

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-FEBRUARY 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-February 2002 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 84,6 percent in comparison with same period of the previous year, realized as US dollars 302 million in January-February 2002. The key factors underlying this development are;

- the increase of export revenues by 3,1 percent,
- the increase of shuttle trade by 13,9 percent,
- the decrease of import (CIF) expenditures by 20,3 percent..

Net revenues from other goods and services, as well as unrequited transfers, decreased by 73,8 percent, amounting to US dollars 317 million.

As a result, the current account balance, which had recorded a deficit of US dollars 745 million in January-February 2001, resulted in a surplus of US dollars 15 million in January-February 2002.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 5.306 million with the inclusion of **shuttle trade** amounting to US dollars 489 million in January-February 2001, increased to US dollars 5.640 million, with the contribution of shuttle trade of US dollars 557 million in the same period of 2002. **Import (FOB)** expenditures, including gold imports of US dollars 168 million, had realized as US dollars 7.261 million in January-February 2001. As for January-February 2002, the same item decreased to US dollars 5.942 million, of which US dollars 153 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 302 million in January-February 2002, decreasing by 84,6 percent compared to a deficit of US dollars 1.955 million in January-February 2001.

(Million US dollars)	January-February 2001	January-February 2002	% Change
Exports FOB	5.306	5.640	6,3
Shuttle trade	489	557	13,9
Imports FOB	-7.261	-5.942	- 18,2
Gold imports	-168	-153	- 8,9
Foreign trade deficit	-1.955	-302	- 84,6

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

In January-February 2002, **tourism revenues** increased by 8,2 percent compared to January-February 2001, realizing as US dollars 475 million. **Interest income** decreased by 21,2 percent compared to January-February 2001, realizing as US dollars 435 million, while **other goods and services income** declined by 63,2 percent to US dollars 687 million..

As for the expenditure side of the above-mentioned items; it is observed that **tourism expenditures, interest and other services expenditures** decreased by 13,6 percent, 5,5 percent and 31,8 percent respectively. As a result, the realizations in these items in January-February 2002 were recorded as US dollars 222, 1.158 and 694 million, respectively.

During the same month, **workers` remittances** under the heading **unrequited transfers** declined by 52,2 percent to US dollars 346 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for January-February 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 1.801 million in January-February 2002, amounting to US dollars 25 million, while residents` net direct investments abroad decreased by US dollars 199 million, realizing as US dollars 28 million. As a result, **direct investments** showed a net outflow of US dollars 3 million.

Borrowings through bond issues in international capital markets under **portfolio investments** recorded net borrowings of US dollars 446 million in January-February 2001 and US dollars 404 million in January-February 2002.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 28 million in January-February 2001 and US dollars 633 million in January-February 2002.

As for **non-residents` security transactions** that had shown net sales of US dollars 2.816 million in January-February 2001, have resulted in net purchases of US dollars 525 million in January-February 2002.

Consequently, **portfolio investments** recorded a net outflow of US dollars 2.398 million and net inflow of US dollars 296 million in January-February 2001 and in January-

February 2002, respectively.

Long-term capital movements resulted in a net outflow of US dollars 244 million in January-February 2001 and US dollars 7 million in January-February 2002.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements** decreased to US dollars 1.683 million, from US dollars 1.687 million with a decrease of US dollars 225 million in borrowings of the other sectors and an increase of US dollars 240 million in borrowings of the banks.

Repayments decreased to US dollars 1.836 million, from US dollars 1.892 million, in January-February 2002.

The last principal item under long-term capital movements, **deposits with the Central Bank**, which had decreased in the amount of US dollars 39 million in January-February 2001 in net terms, increased by US dollars 146 million in January-February 2002.

As for the assets side of **short-term capital movements, loans extended** realized as US dollars 33 million in January-February 2001 and US dollars 165 million in January-February 2002. **Banks' foreign exchange holdings** with foreign correspondents, which had decreased by US dollars 2.084 million in January-February 2001, also decreased by US dollars 1.661 million in January-February 2002.

As for the liability side of **short-term capital movements**, in January-February 2001, a decrease was observed in the amount of US dollars 1.433 million and also a decrease of US dollars 1.398 million was recorded in January-February 2002. One of the principal items in this category, **loans received by banks**, which had shown a net repayment of US dollars 1.025 million in January-February 2001, recorded a net repayment of US dollars 256 million in January-February 2002.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 482 million was realized in January-February 2001 and US dollars 303 million in January-February 2002. **Foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 249 million in January-February 2001 and a net repayment of US dollars 436 million in January-February 2002. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net repayment of US dollars 1.257 million and of US dollars 994 million, respectively.

FX deposit accounts, which decreased by US dollars 176 million in January-February 2001, have also decreased in the amount of US dollars 404 million in January-February 2002, mostly owing to the decrease in non-resident banks' deposit accounts opened with the resident banks.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, had decreased by US dollars 630 in January-February 2001 and increased by US dollars 1.877 million in January-February 2002.

Under the Stand-by Agreement, US dollars 8.706 million were disbursed and US dollars 6.138 million were repaid to IMF in February 2002.