

BALANCE OF PAYMENTS DEVELOPMENTS

IN 2001

Detailed tables related to 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 2001 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which decreased by 78,7 percent in comparison with the previous year, realized as US dollars 4.775 million in 2001. The key factors underlying this development are;

- the increase of export revenues by 12,3 percent,
- the increase of shuttle trade by 3,2 percent,
- the decrease of import (CIF) expenditures by 25,6 percent.

Net revenues from other goods and services, as well as unrequited transfers, decreased by 35,6 percent, amounting to US dollars 8.089 million.

As a result, the current account balance, which had recorded a deficit of US dollars 9.819 million in 2000, resulted in a surplus of US dollars 3.314 million in 2001.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 31.667 million with the inclusion of **shuttle trade** amounting to US dollars 2.946 million in 2000, increased to US dollars 35.104 million, with the contribution of shuttle trade of US dollars 3.039 million in 2001. **Import (FOB)** expenditures, including gold imports of US dollars 1.900 million, had realized as US dollars 54.042 million in 2000. As for 2001, the same item decreased to US dollars 39.879 million, of which US dollars 971 million was gold imports.

Consequently, the **foreign trade balance** resulted in a deficit of US dollars 4.775 million in 2001, decreasing by 78,7 percent compared to a deficit of US dollars 22.375 million in 2000.

| (Million US dollars) | 2000 | 2001 | % Change |
|------------------------------|---------|---------|-------------|
| Exports FOB | 31.667 | 35.104 | 10,9 |
| Shuttle trade | 2.946 | 3.039 | 3,2 |
| Imports FOB | -54.042 | -39.879 | - 26,2 |
| Gold imports | -1.900 | -971 | - 48,9 |
| Foreign trade deficit | -22.375 | -4.775 | - 78,7 |

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

In 2001, **tourism revenues** increased by 5,9 percent compared to 2000, realizing as US dollars 8.090 million. **Interest income** decreased by 2,9 percent compared to 2000, realizing as US dollars 2.753 million, while **other goods and services income** declined by 40,1 percent to US dollars 7.092 million.

As for the expenditure side of the above-mentioned items; it is observed that **interest** and **tourism expenditures** increased by 13,2 percent and 1,5 percent respectively while the **other services expenditures** decreased by 29 percent. As a result, the realizations in these items in 2001 were recorded as US dollars 7.133, 1.738 and 4.953 million, respectively.

During the same year, **workers` remittances** under the heading **unrequited transfers** declined by 38,4 percent to US dollars 2.835 million.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for 2001 are as follows:

Regarding **direct investments**, in comparison with the previous year, non-residents` net direct investments in Turkey increased by US dollars 2.284 million in 2001, amounting to US dollars 3.266 million, while residents` net direct investments abroad decreased by US dollars 373 million, realizing as US dollars 497 million. As a result, **direct investments** showed a net inflow of US dollars 2.769 million.

Borrowings through bond issues in international capital markets under **portfolio investments** recorded net borrowings of US dollars 6.252 million in 2000 and US dollars 96 million in 2001.

Residents` security transactions abroad classified under **security investments** had shown net purchases of US dollars 593 million in 2000 and US dollars 788 million in 2001.

As for **non-residents` security transactions**, net sales of US dollars 4.637 million and US dollars 3.823 million were recorded in 2000 and in 2001, respectively.

Consequently, **portfolio investments** recorded a net inflow of US dollars 1.022 million in 2000 and a net outflow of US dollars 4.515 million in 2001.

Long-term capital movements resulted in a net inflow of US dollars 4.276 million in 2000 and in a net outflow of US dollars 1.130 million in 2001.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements** decreased to US dollars 12.612 million, from US dollars 17.459 million due to the decrease of US dollars 3.651 and 1.042 million in borrowings of the other sectors and banks, respectively.

Repayments increased to US dollars 14.347 million, from US dollars 13.803 million, in 2001.

The last principal item under long-term capital movements, **deposits with the Central Bank**, which had increased in the amount of US dollars 620 million in 2000 in net terms, have also increased in the amount of US dollars 605 million in 2001.

As for the assets side of **short-term capital movements**, regarding **loans extended** US dollars 116 million were repaid in 2000 while US dollars 734 million were extended in

2001. **Banks` foreign exchange holdings** with foreign correspondents, which had increased by US dollars 1.690 million in 2000, decreased by US dollars 996 million in 2001.

As for the liability side of **short-term capital movements**, in 2000, an increase was observed in the amount of US dollars 6.113 million while a decrease of US dollars 10.919 million was recorded in 2001. One of the principal items in this category, **loans received by banks**, which had shown a net disbursement of US dollars 4.741 million in 2000, recorded a net repayment of US dollars 6.948 million in 2001.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 797 million was observed in 2000 while a net repayment US dollars 1.925 million was realized in 2001. As for the **foreign exchange credits**, which is also under the **other sectors**, recorded a net disbursement of US dollars 128 million in 2000 and US dollars 183 million in 2001. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded a net disbursement of US dollars 6.753 million and a net repayment of US dollars 9.608 million, respectively.

FX deposit accounts, which had shown a decrease of US dollars 640 million in 2000, have also decreased in the amount of US dollars 1.311 million in 2001, 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 increased by US dollars 354 in 2000 and decreased by US dollars 2.694 million in 2001.