

## **BALANCE OF PAYMENTS DEVELOPMENTS BETWEEN JANUARY-AUGUST 1999**

**Detailed tables related to Balance of Payments Developments  
can be found at the internet address:  
“<http://www.tcmb.gov.tr>” under the heading:  
“[Publications/PeriodicPublications/6.Turkish Balance of  
Payments Statistics](#)”.**

The principal points related to the balance of payments developments between January - August 1999 are summarized below:

### **A-CURRENT ACCOUNT**

In comparison with the same period of the previous year, during the January-August period of 1999, as a result of 7,1 percent decrease in export revenues, 57,0 percent decrease in shuttle trade and 20,0 percent decrease in import (CIF) expenditures, the foreign trade deficit narrowed by 33,9 percent. Net revenues from other goods and services as well as unrequited transfers also fell by 26,2 percent and were realized as US dollars 6.655 million. As a result, the current account deficit which was US dollars 962 million in the January-August period of 1998, realized as a surplus of US dollars 58 million in the same period of 1999.

#### **1-Foreign Trade**

Including shuttle trade amounting to US dollars 2.864 million, export (FOB) revenues were realized as US dollars 20.982 million during the first eight months of last year. As for the same period of this year, with the contribution of shuttle trade for US dollars 1.231 million, export (FOB) revenues were realized as US dollars 18.071 million. With the inclusion of gold imports of 1.281 million, the import (FOB) expenditures of US dollars 30.962 million in the mentioned period of 1998 decreased to US dollars 24.668 million of which US dollars 873 million is expenditures related to gold imports in the same period of 1999. In the light of these developments, foreign trade deficit which was US dollars 9.980 million between January-August 1998 decreased by 33,9 percent and was realized as US dollars 6.597 million during the same period of this year.

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

Tourism revenues under the heading other goods and services income decreased by 30.7 percent comparing to the same period of the previous year and were realized as US dollars 3.268 million. Interest income which decreased by 1,5 percent reached US dollars 1.521 million, while other goods and services income were realized as US dollars 7.965 million with a decrease of US dollars 1.469 million comparing to the same period of previous year. As for other goods and services expenditures; tourism expenditures fell by 15,6 percent, interest expenditures increased by 20,4 percent and other service expenditures fell by 12,3 percent and were realized as US dollars 1.145, 3.516 and 5.132 million, respectively.

**Workers remittances under the heading unrequited transfers increased by 3,4 percent and reached US dollars 3.324 million.**

## **B-CAPITAL MOVEMENTS**

**The capital movements (excluding reserves) for the January-August period of 1999 are summarized below:**

- **Direct investments** on a net basis have decreased by 22,5 percent and reached US dollars 245 million.
- As for the **portfolio investments; borrowings through bond issues** in international capital markets have shown an increase in the amount of US dollars 531 million during January-August 1998, and an increase of US dollars 1.166 million in the same period of 1999. On the other hand, under **security investments**, the residents' purchases and sales of securities abroad which showed net purchases of US dollars 1.087 million during January-August 1998 resulted in net sales of US dollars 850 million in the same period of 1999, at the same time the non-residents' purchases and sales of securities in Turkey showed net sales of US dollars 1.785 and net purchases of US dollars 500 million. As a result, the **portfolio investments** which showed on a net basis, an outflow of US dollars 2.341 million during January-August 1998, resulted on a net basis an inflow in the amount of US dollars 2.516 million in the same period of 1999.
- **Long term capital movements** which showed a net inflow of US dollars 3.019 million in the first eight months of 1998, showed a net outflow of US dollars 230 million in the same period of 1999. During this period, **long term foreign exchange credit disbursements** decreased from US dollars 7.946 million to US dollars 6.544 million due to the decrease in the banks', as well as the private sector's, long term borrowings. **Repayments** during the mentioned period increased from US dollars 5.440 million to US dollars 6.766 million. The **deposits with the Central Bank** which showed an increase of US dollars 513 million in the first eight months of 1998, resulted in a decrease of US dollars 8 million in the same period of 1999.
- On the liability side, **short term capital movements** showed an increase of US dollars 3.476 and 2.863 million respectively in the January-August periods of 1998 and 1999. **Credits received by banks** which showed an increase of US dollars 544 million in the first eight months of 1998, once again recorded an increase of US dollars 995 million in the same period of 1999; and as a result of increases of US dollars 1.344 and 2.345 million in the mentioned periods in **trade credits, credits received** under the **short term liabilities** were recorded as increases of US dollars 2.445 and 3.344 million, respectively. The **FX deposit accounts** which showed an increase of US dollars 1.031 million in January-August 1998 has turned to a decrease of US dollars 481 million mainly due to the decrease in foreign exchange deposit accounts held with the banks. Within the assets side of the **short term capital movements**, loans extended showed an increase of US dollars 237 and 361 million respectively and while the **banks' foreign exchange holdings** decreased by US dollars 49 million during the January-August period of 1998, there has been an increase of US dollars 283 million in the same period of 1999.

## **C-RESERVE MOVEMENTS**

In the light of the above mentioned developments, the **official reserves** which increased by US dollars 3.407 million during January-August period of 1998 increased by US dollars 4.860 million in the same period of 1999.