

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-MARCH 2000

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 January-March 2000 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit broadened by 387,6 percent in the January-March period of 2000, in comparison with the same period of the previous year. The key factors underlying this development are;

- the increase of shuttle trade by 43,5 percent

against

- the decrease of export revenues by 1,3 percent,
- the increase of import (CIF) expenditures by 40 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, also fell by 30,5 percent, amounting to US dollars 1.464 million.

As a result, the current account deficit materialized as US dollars 2.588 million in the first three months of 2000, down from a surplus of US dollars 1.276 million at the same period of the last year.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 7.054 million with the inclusion of **shuttle trade** amounting to US dollars 444 million, in the January-March period of 1999, increased to US dollars 7.272 million, with the contribution of shuttle trade of US dollars 637 million in the same period of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 189 million, had realized as US dollars 7.885 million in January-March 1999. As for the same period of 2000, the same item increased to US dollars 11.324 million, of which US dollars 488 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 4.052 million in January-March 2000, increasing by 387,6 percent compared to a deficit of US dollars 831 million in the same period of the last year.

(Million US dollars)	Jan.-March 1999	Jan.-March 2000	% Change
Exports FOB	7.054	7.272	3,1
Shuttle trade	444	637	43,5
Imports FOB	-7.885	-11.324	43,6
Gold imports	-189	-488	158,2
Foreign trade deficit	-831	-4.052	387,6

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

In the January-March period of 2000, **tourism revenues** were US dollars 735 million following an increase of 21,3 percent comparing to the same period of 1999. **Interest income** increased by 24,3 percent compared to the first three months of 1999, realizing as US dollars 722 million, while **other goods and services income** reached US dollars 2.392 million, decreasing by 23,7 percent.

As for the expenditure side of the above mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 82,6 percent and 12,4 percent, respectively, while **other services expenditures** decreased by 12,1 percent. As a result, the realizations in these items in the January-March period of 2000 were recorded as US dollars 451, 1.358 and 1.782 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 1.093 million, decreasing by 7,5 percent.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for the first three months of 2000 are as follows:

Regarding direct investments, in comparison with the same period of the last year, net direct investments of non-residents in Turkey increased by US dollars 294 million in the January-March period of 2000, amounting to US dollars 497 million, while net direct investments of residents abroad also increased by US dollars 415 million, realizing as US dollars 527 million. As a result, **direct investments** showed a net outflow of US dollars 30 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** recorded a bond issue of US dollars 1.017 million in the first three months of 1999, the amount of net borrowing during the same period this year realized as US dollars 2.072 million.

On the other hand, **residents` security transactions abroad** classified under **security investments** that had shown net purchases of US dollars 98 million in January-March 1999, resulted in net sales of US dollars 102 million in January-March 2000.

As for **non-residents` security transactions in Turkey**, net purchases of US dollars 263 million in January-March 1999 and net sales of US dollars 95 million were recorded for the same period of this year.

Consequently, **portfolio investments** recorded an inflow of US dollars 1.182 million and US dollars 2.079 million in the January-March period of 1999 and 2000, respectively.

The net outflow of US dollars 367 million in **long-term capital movements** in the first three months of 1999, resulted in a net inflow of US dollars 286 million in the same period of 2000.

As for the sub-categories of this caption; **long-term foreign exchange credit disbursements** increased to US dollars 3.253 million, from US dollars 1.855 million generally due to the increase of US dollars 320 million in long term borrowings of general government and due to the increase of US dollars 1.083 million in long term borrowings of other sectors. **Repayments** increased to US dollars 3.143 million, from US dollars 2.296 million in the first three months of 2000.

The last principal item under long term capital movements, **deposits with the Central Bank**, which had increased in the amount of US dollars 74 million in January-March 1999, increased by US dollars 176 million in the same period of 2000.

As for the assets side of **short-term capital movements**, while **loans extended** had realized as US dollars 255 million in the January-March period of 1999, this item realized as US dollars 25 million in the same period of 2000. **Banks` foreign exchange holdings** with foreign correspondents which had dropped by US dollars 104 million in January-March 1999, increased by 509 million in the same period of 2000.

As for the liability side of **short-term capital movements**, in January-March 1999, an increase was observed in the amount of US dollars 421 million while US dollars 1.565 million of increase was recorded in January-March 2000. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 827 million in January-March 1999, recorded a net increase in the amount of US dollars 353 million in the same period of 2000.

In addition, in **trade credits**, which is under the **other sectors**, a net repayment of US dollars 193 million was observed in January-March 1999 while US dollars 339 million of net disbursement was realized in January-March 2000. As for the **foreign exchange credits**, which is also under the **other sectors**, a net repayment of US dollars 5 million and US dollars 233 million were recorded in January-March 1999 and 2000, respectively. As a result, in the periods indicated, **loans received** under the **short-term capital movements-liabilities** recorded net inflows of US dollars 629 and 462 million, respectively.

Contrary to the decrease of US dollars 208 million in the January-March period of 1999, an increase was recorded in the amount of US dollars 1.103 million in **FX deposit accounts** in the first three months of 2000, mostly owing to the increase in foreign exchange deposit accounts of non-resident banks opened with the resident banks.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, which had increased by US dollars 2.752 million in the first three months of 1999, increased by US dollars 517 million in the same period of 2000.