

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-JUNE 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-June 2000 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which broadened by 139,2 percent in comparison with the same period of the previous year, realized as US dollars 9.791 million in the January-June period of 2000. The key factors underlying this development are;

- the increase of export revenues by 4,5 percent,
 - the increase of shuttle trade by 45,8 percent,
- against
- the increase of import (CIF) expenditures by 36 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, increased by 5,3 percent, amounting to US dollars 4.203 million.

As a result, the current account deficit materialized as US dollars 5.588 million in the January-June period of 2000, down from a deficit of US dollars 103 million at the same period of the last year.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 13.935 million with the inclusion of **shuttle trade** amounting to US dollars 883 million in the January-June period of 1999, increased to US dollars 15.104 million, with the contribution of shuttle trade of US dollars 1.287 million in the same period of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 479 million, had realized as US dollars 18.029 million in January-June 1999. As for the same period of 2000, the same item increased to US dollars 24.895 million, of which US dollars 926 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 9.791 million in January-June 2000, increasing by 139,2 percent compared to a deficit of US dollars 4.094 million in the same period of the last year.

(Million US dollars)	Jan.-June 1999	Jan.-June 2000	% Change
Exports FOB	13.935	15.104	8,4
Shuttle trade	883	1.287	45,8
Imports FOB	-18.029	-24.895	38,1
Gold imports	-479	-926	93,3
Foreign trade deficit	-4.094	-9.791	139,2

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

In the January-June period of 2000, **tourism revenues** were US dollars 2.566 million following an increase of 43,2 percent comparing to the same period of 1999. **Interest income** increased by 1,8 percent compared to the first six months of 1999, realizing as US dollars 1.220 million, while **other goods and services income** reached US dollars 5.404 million, decreasing by 12,5 percent.

As for the expenditure side of the above-mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 17,6 percent and 6,2 percent, respectively, while **other services expenditures** decreased by 12,8 percent. As a result, the realizations in these items in the January-June period of 2000 were recorded as US dollars 1.020, 2.891 and 3.618 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 2.255 million, decreasing by 5,5 percent.

B-CAPITAL MOVEMENTS

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

Regarding direct investments, in comparison with the same period of the last year, non-residents` net direct investments in Turkey increased by US dollars 353 million in the January-June period of 2000, amounting to US dollars 829 million, while residents` net direct investments abroad also increased by US dollars 456 million, realizing as US dollars 659 million. As a result, **direct investments** showed a net inflow of US dollars 170 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** recorded a net bond issue of US dollars 1.031 million in the first six months of 1999, the amount of net borrowing during the same period of this year realized as US dollars 4.014 million.

On the other hand, **residents` security transactions abroad** classified under **security investments** that had shown net sales of US dollars 388 million in January-June 1999, have resulted in net purchases of US dollars 235 million in January-June 2000.

As for **non-residents` security transactions in Turkey**, net purchases of US dollars 382 million in January-June 1999 and net sales of US dollars 80 million were recorded for the same period of this year.

Consequently, **portfolio investments** recorded an inflow of US dollars 1.801 million and US dollars 3.699 million in the January-June period of 1999 and 2000, respectively.

The net outflow of US dollars 961 million in **long-term capital movements** in the first six months of 1999, resulted in a net inflow of US dollars 2.243 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 8.431 million, from US dollars 4.322 million generally due to the increase of US dollars 935 million in long term borrowings of general government and due to the increase of US dollars 2.934 million in long term borrowings of other sectors.

Repayments increased to US dollars 6.509 million, from US dollars 5.365 million, in the first six 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 82 million in January-June 1999, increased by US dollars 321 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 391 million in the January-June period of 1999, this item realized as US dollars 27 million in the same period of 2000. **Banks' foreign exchange holdings** with foreign correspondents which had dropped by US dollars 106 million in January-June 1999, decreased by 194 million in the same period of 2000.

As for the liability side of **short-term capital movements**, in January-June 1999, an increase was observed in the amount of US dollars 618 million while US dollars 1.792 million of increase was recorded in January-June 2000. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 733 million in January-June 1999, recorded a net increase in the amount of US dollars 1.384 million in the same period of 2000.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 365 million was observed in January-June 1999 while US dollars 921 million of net disbursement was realized in January-June 2000. As for the **foreign exchange credits**, which is also under the **other sectors**, a net disbursement of US dollars 58 million and a net repayment of US dollars 187 million were recorded in January-June 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 1.185 and 2.156 million, respectively.

FX deposit accounts which had shown a decrease of US dollars 567 million in the January-June period of 1999, also recorded a decrease in the amount of US dollars 364 million in the first six months of 2000, mostly owing to the decrease in non-residents' foreign exchange deposit accounts opened with the resident banks.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, which had increased by US dollars 3.538 million in the first six months of 1999, increased by US dollars 2.170 million in the same period of 2000.