

BALANCE OF PAYMENTS DEVELOPMENTS BETWEEN JANUARY-JULY 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 - July 1999 are summarized below:

A-CURRENT ACCOUNT

In comparison with the same period of the previous year, during the January-July period of 1999, as a result of 6 percent decrease in export revenues, 58,3 percent decrease in shuttle trade and 20,6 percent decrease in import (CIF) expenditures, the foreign trade deficit narrowed by 36,7 percent. Net revenues from other goods and services as well as unrequited transfers also fell by 25,8 percent and were realized as US dollars 5.243 million. As a result, the current account deficit which was US dollars 1.750 million in the January-July period of 1998, realized as US dollars 339 million in the same period of 1999.

1-Foreign Trade

Including the **shuttle trade** amounting to US dollars 2.479 million, **export (FOB)** revenues were realized as US dollars 18.313 million during the first seven months of last year. As for the same period of this year, with the contribution equal to US dollars 1.033 million from shuttle trade, **export (FOB)** revenues were realized as US dollars 15.951 million. With the inclusion of **gold imports** of 995 million, the **import (FOB)** expenditures of US dollars 27.129 million in the mentioned period of 1998 decreased to US dollars 21.533 million of which US dollars 719 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 8.816 million between January-July 1998 decreased by 36,7 percent and was realized as US dollars 5.582 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 32 percent comparing to the same period of the previous year and were realized as US dollars 2.409 million. **Interest income** which increased by 3,6 percent reached US dollars 1.310 million, while **other goods and service income** were realized as US dollars 7.178 million with a decrease of US dollars 1.004 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 22,5 percent and **other service expenditures** fell by 8,3 percent and were realized as US dollars 1.053, 3.102 and 4.657 million, respectively.

Workers remittances under the heading **unrequited transfers** increased by 4,5 percent and reached US dollars 2.872 million.

B-CAPITAL MOVEMENTS

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

- **Direct investments** on a net basis have decreased by 13,6 percent and reached US dollars 254 million.

- As for the **portfolio investments; bond issues** in international capital markets registered a net inflow in the amount of US dollars 809 million during January-July 1998, and as a result of a higher increase in repayments compared to the increase in bond issues, there has been a net inflow of US dollars 759 million in the same period of 1999. On the other hand, under **security investments**, the residents' purchases and sales of securities abroad which showed a net outflow of US dollars 983 million during January-July 1998 resulted in a net inflow of US dollars 788 million in the same period of 1999, at the same time the non-residents' purchases and sales of securities in Turkey registered a net inflow of US dollars 879 and 439 million, respectively. As a result, the **portfolio investments** which showed a net inflow of US dollars 705 million during January-July 1998, once again resulted in a net inflow in the amount of US dollars 1.986 million in the same period of 1999.

- **Long term capital movements** which showed a net inflow of US dollars 3.242 million in the first seven months of 1998, showed a net outflow of US dollars 545 million in the same period of 1999. During this period, **long term foreign exchange credit disbursements** decreased from US dollars 7.210 million to US dollars 5.355 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 4.401 million to US dollars 5.972 million. The net inflow in the **deposits with CBRT** which was US dollars 433 million in the first seven months of 1998, registered as US dollars 72 million in the same period of 1999.

- On the liability side, **short term capital movements** showed a net inflow of US dollars 3.012 and 2.355 million respectively in the January-July periods of 1998 and 1999. **Credits received by banks** which registered an inflow of US dollars 452 million in the first seven months of 1998 recorded an inflow of US dollars 883 million in the same period of 1999; and as a result of a net inflow of US dollars 1.444 and 2.050 million

in the mentioned periods in **credits received by the private sector, credits received** under the **short term liabilities** were recorded as US dollars 2.041 and 2.977 million, respectively. The **FX deposit accounts** which registered a net inflow of US dollars 971 million in January-July 1998 showed a net outflow of US dollars 622 million mainly due to the decrease in foreign exchange deposit accounts of the banks. Within the **short term capital movements-assets**, loans extended showed an increase of US dollars 167 and 309 million respectively and the **banks' foreign exchange holdings** decreased by US dollars 11 and 101 million during the January-July periods of 1998 and 1999, respectively.

C-RESERVE MOVEMENTS

In the light of the above mentioned developments, the **official reserves** which increased by US dollars 7.048 million during January-July period of 1998 increased by US dollars 4.887 million in the same period of 1999.