

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-OCTOBER 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-October 2000 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which broadened by 138,4 percent in comparison with the same period of the previous year, realized as US dollars 18.420 million in the January-October period of 2000. The key factors underlying this development are;

- the increase of export revenues by 0,8 percent,
 - the increase of shuttle trade by 36,4 percent,
- against
- the increase of import (CIF) expenditures by 35,4 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, increased by 35,8 percent, amounting to US dollars 10.947 million.

As a result, the current account deficit materialized as US dollars 7.473 million in the January-October period of 2000, down from a surplus of US dollars 336 million at the same period of the last year.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 24.052 million with the inclusion of **shuttle trade** amounting to US dollars 1.756 million in the January-October period of 1999, increased to US dollars 25.316 million, with the contribution of shuttle trade of US dollars 2.395 million in the same period of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 964 million, had realized as US dollars 31.780 million in January-October 1999. As for the same period of 2000, the same item increased to US dollars 43.736 million, of which US dollars 1.685 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 18.420 million in January-October 2000, increasing by 138,4 percent compared to a deficit of US dollars 7.728 million in the same period of the last year.

(Million US dollars)	Jan.-October 1999	Jan.-October 2000	% Change
Exports FOB	24.052	25.316	5,3
Shuttle trade	1.756	2.395	36,4
Imports FOB	-31.780	-43.736	37,6
Gold imports	-964	-1.685	74,8

Foreign trade deficit	-7.728	-18.420	138,4
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2-Other Goods and Services Income, Expenditures and Unrequited Transfers

In the January-October period of 2000, **tourism revenues** were US dollars 6.873 million following an increase of 47,3 percent comparing to the same period of 1999. **Interest income** increased by 13,8 percent compared to the first ten months of 1999, realizing as US dollars 2.197 million, while **other goods and services income** reached US dollars 9.556 million, increasing by 1,3 percent.

As for the expenditure side of the above-mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 18,3 percent and 9,7 percent, respectively, while **other services expenditures** decreased by 16,1 percent. As a result, the realizations in these items in the January-October period of 2000 were recorded as US dollars 1.555, 4.801 and 5.542 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 3.776 million, decreasing by 2,8 percent.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for the first ten 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 decreased by US dollars 80 million in the January-October period of 2000, amounting to US dollars 589 million, while residents' net direct investments abroad increased by US dollars 224 million, realizing as US dollars 751 million. As a result, **direct investments** showed a net outflow of US dollars 162 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** recorded a net borrowing of US dollars 866 million in the first ten months of 1999, the amount of net borrowing during the same period of this year realized as US dollars 5.954 million.

On the other hand, **residents` security transactions abroad** classified under **security investments** that had shown net purchases of US dollars 309 million in January-October 1999, have also resulted in net purchases of US dollars 717 million in January-October 2000.

As for **non-residents` security transactions**, net purchases of US dollars 434 million and US dollars 835 million were recorded in the January-October period of 1999 and 2000, respectively.

Consequently, **portfolio investments** recorded an inflow of US dollars 991 million and US dollars 6.072 million in the January-October period of 1999 and 2000, respectively.

The net outflow of US dollars 283 million in **long-term capital movements** in the first ten months of 1999, resulted in a net inflow of US dollars 3.198 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 13.690 million, from US dollars 8.381 million due to the increase of US dollars 1.262 million in borrowings of general government and the

increase of US dollars 4.414 million in borrowings of other sectors against the decrease of US dollars 367 million in borrowings of the banks.

Repayments increased to US dollars 11.036 million, from US dollars 8.569 million, in the first ten months of 2000.

The last principal item under long term capital movements, **deposits with the Central Bank**, which had decreased in the amount of US dollars 95 million in January-October 1999, increased by US dollars 544 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 535 million in the January-October period of 1999, a repayment of US dollars 59 million realized in the same period of 2000. **Banks` foreign exchange holdings** with foreign correspondents, which had increased by US dollars 43 million in January-October 1999, also increased by 1.012 million in the same period of 2000.

As for the liability side of **short-term capital movements**, in January-October 1999, an increase was observed in the amount of US dollars 2.253 million while US dollars 4.582 million of increase was recorded in January-October 2000. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 1.723 million in January-October 1999, recorded a net increase in the amount of US dollars 3.639 million in the same period of 2000.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 630 million was observed in January-October 1999 while US dollars 1.212 million of net disbursement was realized in January-October 2000. As for the **foreign exchange credits**, which is also under the **other sectors**, a net repayment of US dollars 21 million and a net disbursement of US dollars 85 million were recorded in January-October 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 2.404 and 5.023 million, respectively.

FX deposit accounts which had shown a decrease of US dollars 151 million in the January-October period of 1999, also recorded a decrease in the amount of US dollars 441 million in the first ten months of 2000, mostly owing to the decrease in non-residents' foreign exchange deposit accounts.

C-RESERVE MOVEMENTS

In line with the above stated developments, the **official reserves**, which had increased by US dollars 5.691 million in the first ten months of 1999, increased by US dollars 2.823 million in the same period of 2000.