

BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-SEPTEMBER 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-September 2000 are summarized below:

A-CURRENT ACCOUNT

Foreign trade deficit, which broadened by 122,3 percent in comparison with the same period of the previous year, realized as US dollars 16.041 million in the January-September period of 2000. The key factors underlying this development are;

- the increase of export revenues by 4,0 percent,
 - the increase of shuttle trade by 37,9 percent,
- against
- the increase of import (CIF) expenditures by 35,1 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, increased by 28 percent, amounting to US dollars 9.270 million.

As a result, the current account deficit materialized as US dollars 6.771 million in the January-September period of 2000, down from a surplus of US dollars 25 million at the same period of the last year.

1-Foreign Trade

Export (FOB) revenues, which had realized as US dollars 21.112 million with the inclusion of **shuttle trade** amounting to US dollars 1.502 million in the January-September period of 1999, increased to US dollars 22.800 million, with the contribution of shuttle trade of US dollars 2.071 million in the same period of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 881 million, had realized as US dollars 28.327 million in January-September 1999. As for the same period of 2000, the same item increased to US dollars 38.841 million, of which US dollars 1.516 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 16.041 million in January-September 2000, increasing by 122,3 percent compared to a deficit of US dollars 7.215 million in the same period of the last year.

(Million US dollars)	Jan.-September 1999	Jan.-September 2000	% Change
Exports FOB	21.112	22.800	8,0
Shuttle trade	1.502	2.071	37,9
Imports FOB	-28.327	-38.841	37,1
Gold imports	-881	-1.516	72,1
Foreign trade deficit	-7.215	-16.041	122,3

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

In the January-September period of 2000, **tourism revenues** were US dollars 5.869 million following an increase of 47,9 percent comparing to the same period of 1999. **Interest income** increased by 11,6 percent compared to the first nine months of 1999, realizing as US dollars 1.959 million, while **other goods and services income** reached US dollars 8.482 million, decreasing by 2,9 percent.

As for the expenditure side of the above-mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 19,2 percent and 9 percent, respectively, while **other services expenditures** decreased by 16,6 percent. As a result, the realizations in these items in the January-September period of 2000 were recorded as US dollars 1.452, 4.350 and 5.018 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 3.397 million, decreasing by 5,5 percent.

B-CAPITAL MOVEMENTS

The developments under **capital movements (excluding reserves)** for the first nine 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 111 million in the January-September period of 2000, amounting to US dollars 464 million, while residents` net direct investments abroad increased by US dollars 227 million, realizing as US dollars 721 million. As a result, **direct investments** showed a net outflow of US dollars 257 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** recorded a net bond issue of US dollars 866 million in the first nine 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 sales of US dollars 368 million in January-September 1999, have resulted in net purchases of US dollars 604 million in January-September 2000.

As for **non-residents` security transactions**, net purchases of US dollars 495 million and US dollars 682 million were recorded in the January-September period of 1999 and 2000, respectively.

Consequently, **portfolio investments** recorded an inflow of US dollars 1.729 million and US dollars 6.032 million in the January- September period of 1999 and 2000, respectively.

The net outflow of US dollars 500 million in **long-term capital movements** in the first nine months of 1999, resulted in a net inflow of US dollars 2.981 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 12.393 million, from US dollars 7.493 million generally due to the increase of US dollars 1.211 million in long term borrowings of general government and due to the increase of US dollars 3.734 million in long term borrowings of other sectors.

Repayments increased to US dollars 9.926 million, from US dollars 7.938 million, in the first nine 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 55 million in January-September 1999, increased by US dollars 514 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 500 million in the January-September period of 1999, a repayment of US dollars 32 million realized in the same period of 2000. **Banks` foreign exchange holdings** with foreign correspondents, which had increased by US dollars 435 million in January- September 1999, also increased by 1.670 million in the same period of 2000.

As for the liability side of **short-term capital movements**, in January-September 1999, an increase was observed in the amount of US dollars 1.740 million while US dollars 4.245 million of increase was recorded in January-September 2000. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 1.434 million in January-September 1999, recorded a net increase in the amount of US dollars 3.267 million in the same period of 2000.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 511 million was observed in January- September 1999 while US dollars 834 million of net disbursement was realized in January-September 2000. As for the **foreign exchange credits**, which is also under the **other sectors**, net repayments of US dollars 52 million and 11 million were recorded in January-September 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 1.961 and 4.342 million, respectively.

FX deposit accounts which had shown a decrease of US dollars 221 million in the January-September period of 1999, also recorded a decrease in the amount of US dollars 97 million in the first nine 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 5.075 million in the first nine months of 1999, increased by US dollars 2.896 million in the same period of 2000.