

## BALANCE OF PAYMENTS DEVELOPMENTS IN JANUARY 2000

*Detailed tables related to Balance of Payments Developments can be found at the internet address: “[www.tcmb.gov.tr](http://www.tcmb.gov.tr)” under the heading: “[Publications/ Periodical Publications/4. Balance of Payments Statistics](#)”.*

The main points related to the balance of payments developments in January 2000 are summarized below:

### **A-CURRENT ACCOUNT**

Foreign trade deficit contracted by 673,3 percent in January 2000, in comparison with the same month of the previous year. The key factors underlying this development are;

- the increase of export revenues by 7,7 percent,
- the increase of shuttle trade by 38,2 percent

against

- the increase of import (CIF) expenditures by 44,8 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, also fell by 43,1 percent, amounting to US dollars 563 million.

As a result, the current account deficit materialized as US dollars 365 million in January 2000, down from a surplus of US dollars 870 million at the same time last year.

### **1-Foreign Trade**

**Export (FOB)** revenues which had realized as US dollars 2.043 million, with the inclusion of **shuttle trade** amounting to US dollars 123 million in January 1999, increased to US dollars 2.260 million, with the contribution of shuttle trade of US dollars 170 million in the same month of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 36 million, had realized as US dollars 2.163 million in January 1999. As for

January 2000, the same item increased to US dollars 3.188 million, of which US dollars 98 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 928 million in January 2000, increasing by 673,3 percent compared to a deficit of US dollars 120 million in the same month of last year.

(Million US dollars)

	<b>January 1999</b>	<b>January 2000</b>	<b>% change</b>
<b>Exports FOB</b>	2.043	2.260	10,6
Shuttle trade	123	170	38,2
<b>Imports FOB</b>	2.163	3.188	47,4
Gold imports	36	98	172,2
<b>Foreign trade deficit</b>	-120	-928	673,3

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

In January 2000, **tourism revenues** were US dollars 217 million following an increase of 10,7 percent comparing to the same month of 1999. **Interest income** increased by 17,5 percent compared to January 1999, realizing as US dollars 148 million, while **other goods and services income** reached US dollars 717 million, decreasing by 36,4 percent.

As for the expenditure side of the above mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 42,3 percent and 14,1 percent, respectively, while **other services expenditures** decreased by 3,8 percent. As a result, the realizations in these items in January 2000 were recorded as US dollars 111, 283 and 555 million, respectively.

During the same month, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 379 million, decreasing by 6,4 percent.

## **B-CAPITAL MOVEMENTS**

The developments under **capital movements (excluding reserves)** for January 2000 are as follows:

As for **direct investments**, in comparison with the same month of the last year, net direct investments of non-residents in Turkey increased by US dollars 400 million in January 2000, amounting to US dollars 435 million, while net direct investments of residents abroad also increased by US dollars 419 million, realizing as US dollars 497 million. As a result, in comparison with January 1999, **direct investments** showed a net outflow of US dollars 62 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** had not recorded any issue or repayment in January 1999, a bond issue of US dollars 1.500 million was recorded in January 2000.

On the other hand, **residents` security transactions abroad** classified under **security investments** that had shown net purchases of US dollars 39 million in January 1999, once again resulted in net purchases of US dollars 437 million in January 2000.

As for **non-residents` security transactions in Turkey**, net purchases of US dollars 165 million in January 1999 and net sales of US dollars 89 million were recorded for the same month of this year. Consequently, **portfolio investments** recorded an inflow of US dollars 126 million and US dollars 974 million in January 1999 and 2000 respectively.

The net inflow of US dollars 98 million in **long-term capital movements** in the first month of 1999, once again resulted in a net inflow of US dollars 58 million in the same month of 2000.

As for the sub-categories of this caption; despite the decrease of approximately US dollars 150 million in borrowings of banks, **long-term foreign exchange credit disbursements** increased to US dollars 1.009 million from US dollars 814 million, generally due to the increase of US

dollars 258 million in long term borrowings of general government. **Repayments** increased to US dollars 1.006 million from US dollars 738 million in January 2000.

The last principal item under long term capital movements, **deposits with the Central Bank**, which had increased in the amount of US dollars 22 million in January 1999, increased by US dollars 55 million in the same month of 2000.

As for the assets side of **short-term capital movements**, while **loans extended** had shown an increase of US dollars 116 million in January 1999, the increment of this item stayed at US dollars 7 million in the same month of 2000. In contrast, **banks` foreign exchange holdings** with foreign correspondents **dropped** by US dollars 792 and 566 million in January 1999 and January 2000, respectively.

As for the liability side of **short-term capital movements**, it is observed that decreases in the amount of US dollars 618 and 14 million were recorded in January 1999 and 2000, respectively. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 412 million in January 1999, recorded a net repayment in the amount of US dollars 513 million in the same month of 2000.

In addition, a net repayment in **trade credits** of US dollars 435 million and US dollars 132 million realized in January 1999 and January 2000, respectively. As a result, in the periods indicated, **loans received** under the **short term capital movements-liabilities** showed net repayments of US dollars 12 and 670 million, respectively.

Contrary to the decrease of US dollars 606 million in January 1999, an increase was recorded in the amount of US dollars 656 million in **FX deposit accounts** in the first month 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 928 million in January 1999, decreased by US dollars 68 million in the same month of 2000.