

BALANCE OF PAYMENTS DEVELOPMENTS BETWEEN JANUARY-SEPTEMBER 1999

Detailed tables related to Balance of Payments Developments can be found at the internet address: ["tcmb.gov.tr/"](http://tcmb.gov.tr/) under the heading: ["Publications / Periodic Publications / 6.Turkish Balance of Payments Statistics"](#).

The main points related to the balance of payments developments between January - September 1999, including the revisions in figures related to foreign trade as well as other items, are summarized below:

A-CURRENT ACCOUNT

In comparison with the same period of the previous year, during the January-September period of 1999, the foreign trade deficit has narrowed by 29,0 percent as a result of 6,6 percent decrease in export revenues, 50,9 percent decrease in shuttle trade and 18,1 percent decrease in import (CIF) expenditures. Net revenues from other goods and services as well as unrequited transfers have also fallen by 35,1 percent and have realized as US dollars 7.321 million. Consequently, the current account which had shown a surplus of US dollars 144 million in the January-September period of 1998, has realized as a deficit of US dollars 588 million in the same period of 1999.

1-Foreign Trade

Export (FOB) revenues, including **shuttle trade** amounting to US dollars 3.061 million, had realized as US dollars 23.444 million during the first nine months of the last year. As for the same period of this year, with the contribution of shuttle trade of US dollars 1.502 million, **export (FOB)** revenues have realized as US dollars 20.526 million. With the inclusion of **gold imports** of US dollars 1.408 million, the **import (FOB)** expenditures of US dollars 34.582 million in the mentioned period of 1998 have decreased to US dollars 28.435 million of which US dollars 1.221 million was expenditures related to gold imports in the same period of 1999. In the light of these developments, **foreign trade deficit** which had been US dollars 11.138 million between January-September 1998, has realized as US dollars 7.909 million during the same period of this year, decreasing by 29,0 percent.

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

Tourism revenues under the heading **other goods and services income** have realized as US dollars 3.968 million decreasing by 31,0 percent compared to the same period of the previous year. Remaining almost unchanged, comparing to the same period of the previous year, **interest income** has realized as US dollars 1.756 million, while **other goods and services income** has realized as US dollars 8.500 million with a decrease of US dollars 2.640 million compared to the same period of a year earlier. As for **other goods and services expenditures; tourism expenditures** have decreased by 16,0 percent, **interest expenditures** have increased by 19,2 percent and **other service expenditures** have decreased by 13,1 percent, resulting in US dollars 1.218, 3.988 and 5.750 million, respectively.

Workers' remittances under the heading **unrequited transfers** have decreased by 5,2 percent and have reached US dollars 3.594 million.

B-CAPITAL MOVEMENTS

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

- **Direct investments** on a net basis have decreased by 79,7 percent compared to the same period of 1998 and have realized as US dollars 76 million.
- As for the **portfolio investments; net borrowings through bond issues** in international capital markets have realized as US dollars 530 million during January-September 1998, and US dollars 866 million in the same period of 1999. On the other hand, under **security investments**, the residents' net purchases and sales of securities abroad which had shown net purchases of US dollars 1.316 million during January-September 1998, have resulted in net sales of US dollars 1.069 million in the same period of 1999. During the same periods, the non-residents' purchases and sales of securities in Turkey have shown net sales of US dollars 4.715 and net purchases of US dollars 495 million, respectively. As a result, the direction of **portfolio investments** which had shown a net outflow of US dollars 5.501 million during January-September 1998, has turned to be a net inflow of US dollars 2.430 million in the same period of 1999.

• **Long term capital movements** which had shown a net inflow of US dollars 3.660 million in the first nine months of 1998, have shown a net outflow of US dollars 510 million in the same period of 1999. During this period, **long term foreign exchange credit disbursements** have decreased from US dollars 9.226 million to US dollars 7.475 million, mainly due to a decrease in the long term borrowings of banks and the private sector. On the contrary, **repayments** during the mentioned period have increased from US dollars 6.123 million to US dollars 7.930 million. **Deposits with the Central Bank** which had shown an increase of US dollars 557 million in the first nine months of 1998, have resulted in a decrease of US dollars 55 million in the same period of 1999.

• On the liability side, **short term capital movements** have shown an increase of US dollars 4.016 and 3.945 million in the January-September periods of 1998 and 1999, respectively. **Loans received by banks** which had shown a net increase of US dollars 744 million in the first nine months of 1998, once again have recorded a net increase of US dollars 1.441 million in the same period of 1999. In addition to this, as a result of increases in **trade credits** of US dollars 1.448 and 2.710 million in the mentioned periods, **loans received** classified under the **short term liabilities** have increased by US dollars 2.694 million and by US dollars 4.166 million, respectively. The **FX deposit accounts** which had shown an increase of US dollars 1.322 million in January-September 1998, have turned to a decrease of US dollars 221 million in the same period of 1999, mainly due to the decrease in foreign exchange deposit accounts held with the banks. Within the assets side of the **short term capital movements**, loans extended have shown an increase of US dollars 287 and US dollars 498 million in the first nine months of 1998 and 1999, respectively. As for the **banks' foreign exchange holdings**; there have been increases of US dollars 4.706 and 456 million during the above mentioned periods, respectively.

C-RESERVE MOVEMENTS

In the light of these developments, the **official reserves** which had increased by US dollars 2.104 million during January-September period of 1998, have increased by US dollars 5.075 million in the same period of 1999.