

# BALANCE OF PAYMENTS DEVELOPMENTS

IN JANUARY-APRIL 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-April 2000 are summarized below:

## A-CURRENT ACCOUNT

Foreign trade deficit, which broadened by 196,5 percent in comparison with the same period of the previous year, realized as US dollars 5.761 million in the January-April period of 2000. The key factors underlying this development are;

- the increase of export revenues by 2,5 percent,
- the increase of shuttle trade by 49,3 percent,

against

- the increase of import (CIF) expenditures by 37,2 percent.

On the other hand, net revenues from other goods and services, as well as unrequited transfers, also fell by 11,5 percent, amounting to US dollars 2.217 million.

As a result, the current account deficit materialized as US dollars 3.544 million in the first four months of 2000, down from a surplus of US dollars 562 million at the same period of the last year.

## 1-Foreign Trade

**Export (FOB)** revenues, which had realized as US dollars 9.194 million with the inclusion of **shuttle trade** amounting to US dollars 598 million, in the January-April period of 1999, increased to US dollars 9.880 million, with the contribution of shuttle trade of US dollars 893 million in the same period of 2000. **Import (FOB)** expenditures, including gold imports of US dollars 277 million, had realized as US dollars 11.137 million in January-April 1999. As for the same period of 2000, the same item increased to US dollars 15.641 million, of which US dollars 613 million was gold imports.

Consequently, the **foreign trade balance**, resulted in a deficit of US dollars 5.761 million in January-April 2000, increasing by 196,5 percent compared to a deficit of US dollars 1.943 million in the same period of the last year.

(Million US dollars)	Jan.-April 1999	Jan.-April 2000	% Change
<b>Exports FOB</b>	9.194	9.880	7,5
Shuttle trade	598	893	49,3
<b>Imports FOB</b>	-11.137	-15.641	40,4
Gold imports	-277	-613	121,3
<b>Foreign trade deficit</b>	-1.943	-5.761	196,5

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

In the January-April period of 2000, **tourism revenues** were US dollars 1.157 million following an increase of 34,4 percent comparing to the same period of 1999. **Interest income** increased by 15,1 percent compared to the first four months of 1999, realizing as US dollars 870 million, while **other goods and services income** reached US dollars 3.280 million, decreasing by 20,3 percent.

As for the expenditure side of the above-mentioned items; it is observed that the **tourism** and **interest expenditures** increased by 36,6 percent and 4,7 percent, respectively, while **other services expenditures** decreased by 16,6 percent. As a result, the realizations in these items in the January-April period of 2000 were recorded as US dollars 619, 1.726 and 2.353 million, respectively.

During the same period, **workers` remittances** under the heading **unrequited transfers** materialized as US dollars 1.463 million, decreasing by 5,9 percent.

## **B-CAPITAL MOVEMENTS**

The developments under **capital movements (excluding reserves)** for the first four months of 2000 are as follows:

**Regarding direct investments**, in comparison with the same period of the last year, net direct investments of non-residents in Turkey increased by US dollars 226 million in the January-April period of 2000, amounting to US dollars 509 million, while net direct investments of residents abroad also increased by US dollars 420 million, realizing as US dollars 540 million. As a result, **direct investments** showed a net outflow of US dollars 31 million.

While **borrowings through bond issues** in international capital markets under **portfolio investments** recorded a bond issue of US dollars 1.369 million in the first four months of 1999, the amount of net borrowing during the same period of this year realized as US dollars 2.787 million.

On the other hand, **residents` security transactions abroad** classified under **security investments** that had shown net purchases of US dollars 197 million in January-April 1999, resulted in net sales of US dollars 50 million in January-April 2000.

As for **non-residents` security transactions in Turkey**, net purchases of US dollars 308 million in January-April 1999 and net sales of US dollars 114 million were recorded for the same period of this year.

Consequently, **portfolio investments** recorded an inflow of US dollars 1.480 million and US dollars 2.723 million in the January-April period of 1999 and 2000, respectively.

The net outflow of US dollars 485 million in **long-term capital movements** in the first four months of 1999, resulted in a net inflow of US dollars 508 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 4.423 million, from US dollars 2.575 million generally due to the increase of US dollars 342 million in long term borrowings of general government and due to the increase of US dollars 1.554 million in long term borrowings of other sectors.

**Repayments** increased to US dollars 4.138 million, from US dollars 3.160 million in the first four months of 2000.

The last principal item under long term capital movements, **deposits with the Central Bank**, which had increased in the amount of US dollars 100 million in January-April 1999, increased by US dollars 223 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 272 million in the January-April period of 1999, this item realized as US dollars 25 million in the same period of 2000. **Banks' foreign exchange holdings** with foreign correspondents which had dropped by US dollars 756 million in January-April 1999, decreased by 693 million in the same period of 2000.

As for the liability side of **short-term capital movements**, in January-April 1999, an increase was observed in the amount of US dollars 485 million while US dollars 1.515 million of increase was recorded in January-April 2000. One of the principal items in this category, **loans received by banks**, which had shown a net increase of US dollars 1.019 million in January-April 1999, recorded a net increase in the amount of US dollars 481 million in the same period of 2000.

In addition, in **trade credits**, which is under the **other sectors**, a net disbursement of US dollars 52 million was observed in January-April 1999 while US dollars 576 million of net disbursement was realized in January-April 2000. As for the **foreign exchange credits**, which is also under the **other sectors**, a net repayment of US dollars 39 million and US dollars 266 million were recorded in January-April 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 1.034 and 801 million, respectively.

Contrary to the decrease of US dollars 549 million in the January-April period of 1999, an increase was recorded in the amount of US dollars 714 million in **FX deposit accounts** in the first four months 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 3.448 million in the first four months of 1999, increased by US dollars 427 million in the same period of 2000.