

CENTRAL BANK OF THE REPUBLIC OF TURKEY



Balance of Payments Report 2011- II

CENTRAL BANK OF THE REPUBLIC OF TURKEY

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OVERVIEW

As the decoupling between the paces of recovery between domestic and external demand continued, the growth rate of imports surpassed that of exports in the second quarter of 2011. Consequently, the upward trend in the foreign trade deficit, which started in 2010, continued throughout this quarter as well.

According to the balance of payments definition, in 2011Q2, the foreign trade deficit increased by 112.6 percent and reached USD 25.8 billion. Meanwhile, the year-on-year foreign trade deficit increased by 20 percent compared to the first quarter and reached USD 82.0 billion.

Parallel to the rise in the foreign trade deficit, the current account deficit continued to widen. The current account deficit, which was USD 10.7 billion in 2010Q2, reached USD 23.4 billion in 2011Q2. Meanwhile, the year-on-year current account deficit, which was USD 60.1 in 2011Q1, increased to USD 72.8 by June and the current account deficit, excluding energy, became USD 32.7 billion.

In the second quarter of 2011, net services revenues increased by 29.2 percent year-on-year. This rise was mainly driven by the upward shift in net tourism revenues as well as incoming revenues from the sales of airline tickets for international destinations. Meanwhile, in tandem with the rise in imports, freight expenditures increased in the first quarter of 2011 affecting net services revenues adversely.

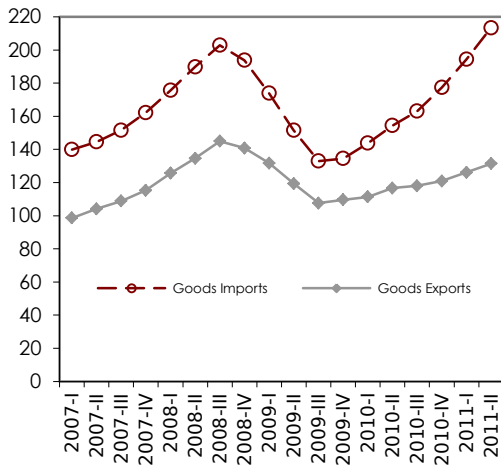
In the second quarter of 2011, capital inflows - excluding changes in reserves (CBT, banks and other sectors) and IMF loans - became USD 19.5 billion. Compared to the same quarter of the last year, other sectors became net borrower in the second quarter of 2011. Portfolio inflows through debt securities (GDDS purchases and bonds issued by the Treasury and banks abroad), banks' long and short-term loans and direct foreign investments were the main drivers of capital inflows in this period. Portfolio investments and short-term capital inflows had weighted shares in financing resources in this period.

As of the second quarter of 2011, external assets became USD 183.0 billion, while external liabilities became USD 557.5 billion. The net International Investment Position, which is defined as the difference between Turkey's external assets and liabilities, declined by USD 6.4 billion compared to the first quarter-end. This decline was mainly driven by the USD 3.5 billion increase in assets and USD 2.9 billion decrease in liabilities.

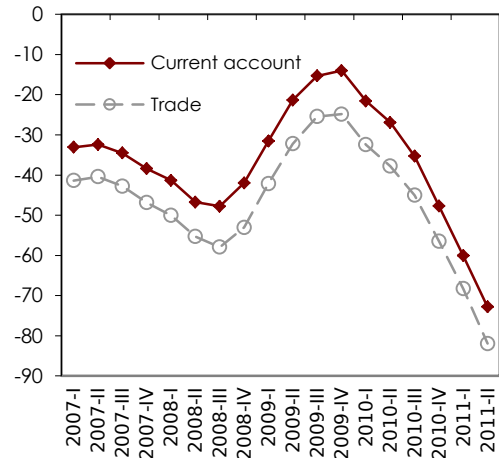
	January-June			June (annualized)		
	2010	2011	% change	2010	2011	% change
Current Account	-20,2	-45,3	124,2	-26,9	-72,8	170,7
Goods	-21,0	-46,5	121,5	-37,8	-82,0	116,9
Exports	58,4	68,9	18,0	116,7	131,4	12,7
Exports (fob)	54,7	65,6		109,1	124,8	
Shuttle Trade	2,7	2,1		5,1	4,3	
Imports	-79,4	-115,4	45,4	-154,4	-213,4	38,2
Imports (cif)	-83,4	-119,6		-162,0	-221,8	
Adjustment: Classification	5,1	6,0		9,6	11,7	
Services	3,7	4,9	31,3	16,1	15,9	-1,1
Travel (net)	4,8	6,0		17,0	17,1	
Credit	7,0	8,5		21,5	22,3	
Debit	-2,2	-2,5		-4,5	-5,2	
Other Services (net)	-1,1	-1,0		-0,9	-1,2	
Income	-3,5	-4,5	26,8	-7,1	-8,3	16,0
Compensation of Employees	-0,1	-0,1		-0,1	-0,1	
Direct Investment (net)	-0,8	-2,0		-1,9	-3,6	
Portfolio Investment (net)	-0,2	-0,5		0,0	-0,8	
Other Investment (net)	-2,4	-1,8		-5,1	-3,7	
Interest Income	0,5	0,6		1,1	1,2	
Interest Expenditure	-2,9	-2,4		-6,2	-4,9	
Current Transfers	0,5	0,7	31,5	1,9	1,5	-21,8
Workers Remittances	0,4	0,4		0,9	0,9	
Capital and Financial Account	21,3	36,2	70,0	29,7	61,5	106,9
Financial Account (excl. reserve assets)	27,4	45,9	67,8	40,4	78,0	93,2
Direct Investment (net)	2,3	5,0	121,5	5,4	10,6	96,9
Abroad	-0,9	-1,3		-1,7	-1,8	
In Turkey	3,2	6,4		7,1	12,4	
Portfolio Investment (net)	7,9	17,3	118,8	8,6	29,1	240,3
Assets	0,2	2,6		-1,5	-1,2	
Liabilities	7,7	14,8		10,0	30,3	
Equity Securities	0,8	-0,8		2,4	1,9	
Debt Securities	7,0	15,6		7,7	28,3	
Non-residents' Purchases of GDDS	4,5	11,6		4,9	17,8	
Eurobond Issues of Treasury	2,4	1,5		2,8	3,2	
Borrowing	5,0	3,3		6,3	5,0	
Repayment	-2,6	-1,8		-3,5	-1,8	
Other Investment (net)	17,2	23,6	37,1	26,5	38,3	44,9
Assets	7,5	13,2		16,8	12,8	
Trade Credits	0,4	-0,4		-1,1	-2,0	
Credits	0,0	-0,6		-0,2	-1,0	
Currency and Deposits	7,1	14,2		18,0	12,8	
Banks	8,1	3,1		14,9	8,6	
Foreign Exchange	7,8	4,8		13,9	10,6	
Turkish Lira	0,3	-1,8		0,9	-2,0	
Other Sectors	-1,0	11,1		3,2	7,3	
Liabilities	9,7	10,4		9,7	25,6	
Trade Credits	0,4	1,2		0,9	2,9	
Credits	-0,4	13,5		-4,1	22,4	
Central Bank	0,0	0,0		0,0	0,0	
General Government	0,9	0,2		2,5	0,7	
IMF	-0,7	-1,1		-0,7	-2,6	
Long-term	1,6	1,3		3,1	3,2	
Banks	3,4	8,7		4,1	18,1	
Long-term	0,2	2,2		0,4	2,9	
Short-term	3,3	6,5		3,7	15,2	
Other sectors	-4,7	4,6		-10,7	3,6	
Long-term	-5,4	3,2		-11,2	1,4	
Short-term	0,6	1,4		0,5	2,2	
Deposits of Non-residents	9,4	-4,6		11,0	-0,2	
Central Bank	-0,1	-0,6		-0,7	-1,0	
Banks	9,5	-4,0		11,6	0,8	
Change in Official Reserves (- increase)	-6,1	-9,8	60,0	-10,6	-16,5	54,8
Net Errors and Omissions	-1,1	9,2		-2,8	14,9	

Source: CBT.

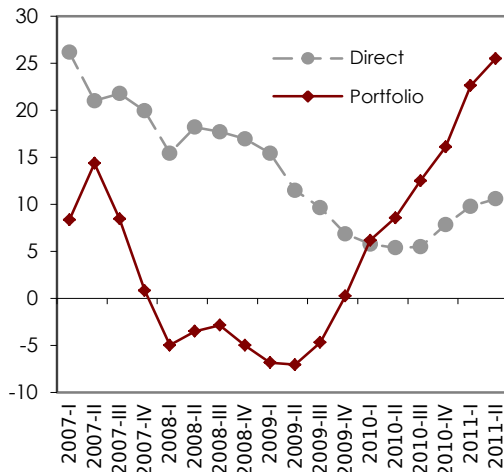
Goods Exports and Imports
(annualized, billion USD)



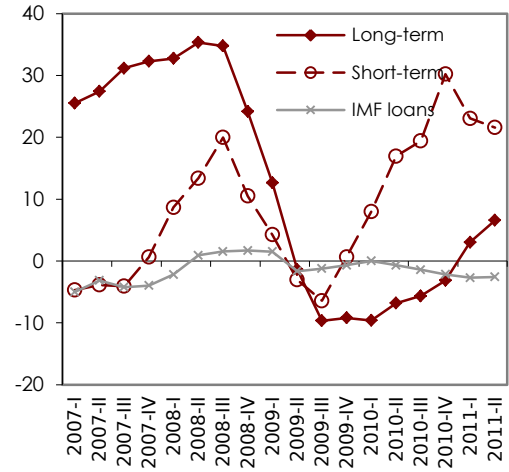
Foreign Trade and Current Account
(annualized, billion USD)



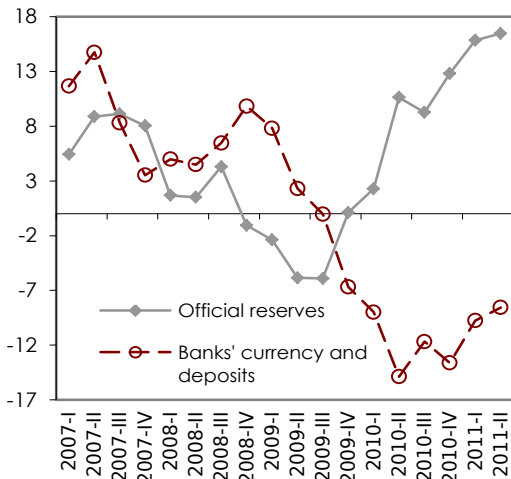
Direct and Portfolio Investment
(annualized, billion USD)



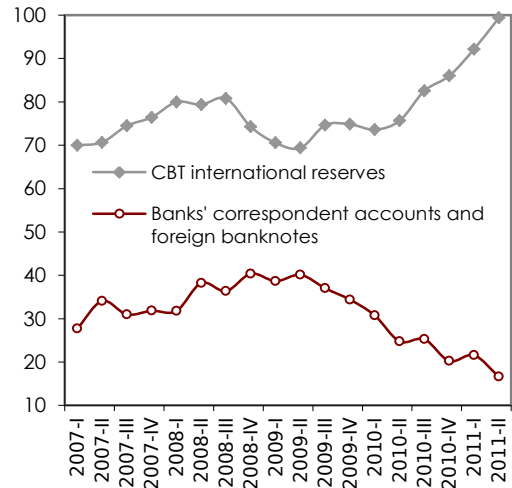
Other Capital Flows
(annualized, billion USD)



Changes in Reserves
(- decrease, + increase)
(annualized, billion USD)



International Reserves
(billion USD)

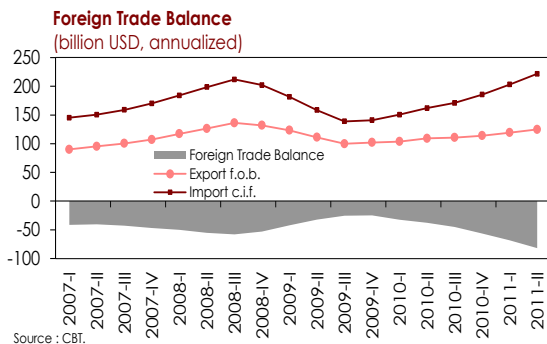




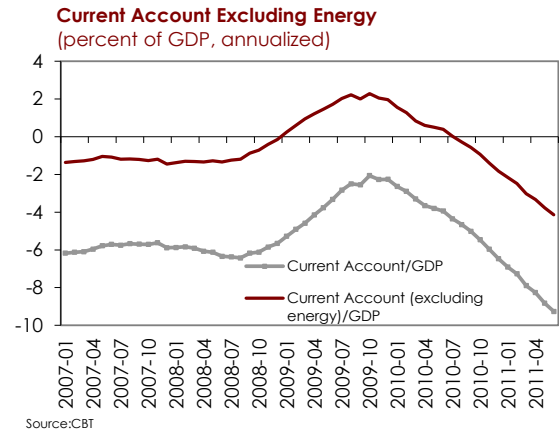
I. Current Account

1. The decoupling between the pace of recovery between domestic and external demand while exiting the crisis became the main factor influencing foreign trade trends. In line with this development, growth in imports surpassed that of imports again in the second quarter of 2011. Consequently, the upward trend in the foreign trade deficit, which started in 2010, continued in this quarter as well.

2. According to the balance of payments definition, in 2011Q2, the foreign trade deficit increased by 112 percent and reached USD 25.7 billion. Meanwhile, the annualized foreign trade deficit increased by 19.9 percent compared to the first quarter and reached USD 81.9 billion.

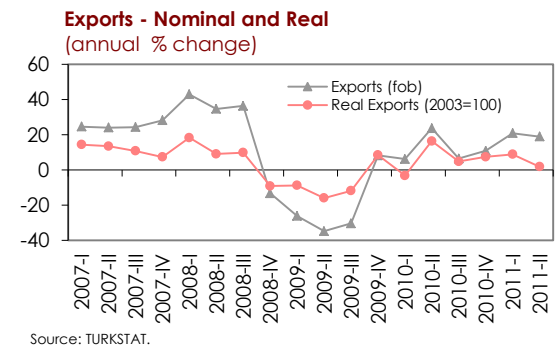


3. In tandem with the rise in foreign trade deficit, the current account deficit continued to widen. Current account deficit, which was USD 10.7 billion in 2010Q2, reached USD 23.4 billion in 2011Q2. Meanwhile, the annualized current account deficit, which was USD 60.1 in 2011Q1, increased to USD 72.8 by June and current account deficit excluding energy became USD 32.7 billion.



1.1 Exports of Goods

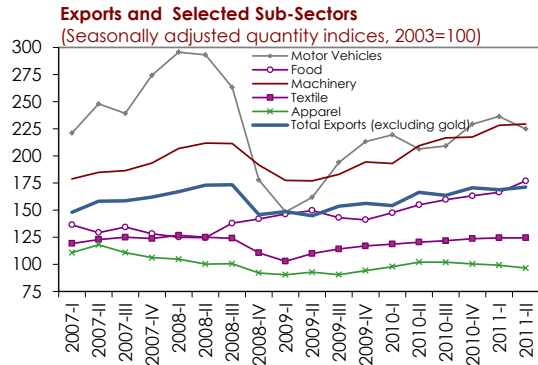
4. According to TURKSTAT data, compared to the first quarter, growth in exports slowed down in the second quarter of 2011. In this period, exports grew by 19.0 percent year-on-year and reached USD 34.2 billion. The slowdown in year-on-year growth in exports becomes clearer when the effect of price movements is extracted. Export quantity and unit value indices were up 16.9 and 1.8 percent, respectively. In the first half of 2011, the year-on-year rise in nominal and real exports became 19.9 and 5.2 percent, respectively.



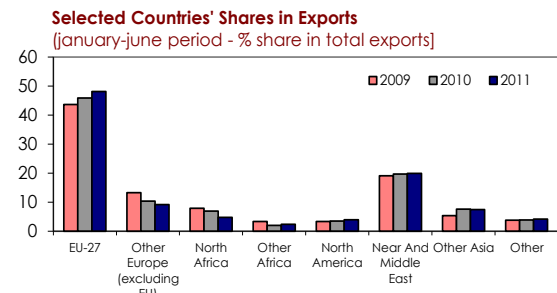
5. The decline observed in the growth of exports in 2011Q2 compared to the first quarter was mainly driven by the base effect of the year-on-year hike in 2010Q2. Actually, an analysis of seasonally adjusted data reveals that compared to the previous quarter, nominal exports grew by 3.6 percent and real exports grew by 1.2 percent in the second quarter of 2011.

6. Exports of food, textile, clothing, machinery- equipment and motor vehicles were the sectors that contributed most to the growth in exports in the second

quarter. According to seasonally adjusted figures, in this period a rapid rise was observed in exports of food, while exports of machinery-equipment and clothing remained flat and exports of textile and motor vehicles declined. Overall exports excluding gold displayed a moderate rise.

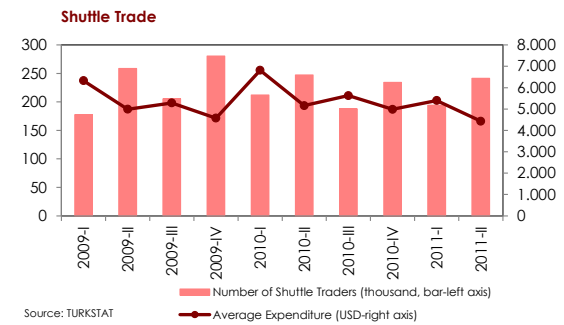


7. The share of exports to European Union countries in total exports, which had dropped significantly during the global financial crisis, has recovered gradually. Meanwhile, the share of exports to European countries other than EU has decreased. The share of exports to North African countries, especially to Egypt and Libya, dropped due to the political unrest in the region while that of the Near and Middle East countries remained at around 20 percent. An analysis by country shows that the share of Germany, which represents the largest market for Turkey's exports, has increased, and those of Iraq, Russia, Italy and the Netherlands have posted significant rises. Whereas, the shares of Switzerland, Libya, Egypt, France and Syria in Turkey's exports have dropped.

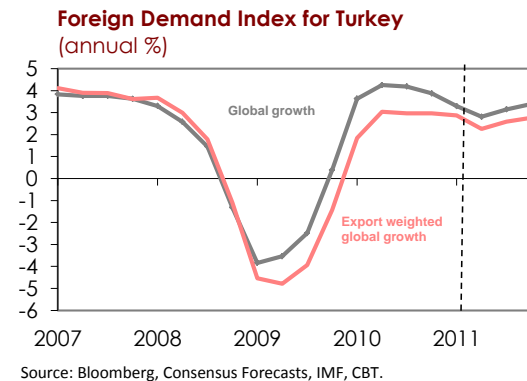


8. According to TURKSTAT data, in the second quarter of 2011, the number of shuttle traders decreased by 2.4 percent year-on-year and the average amount of

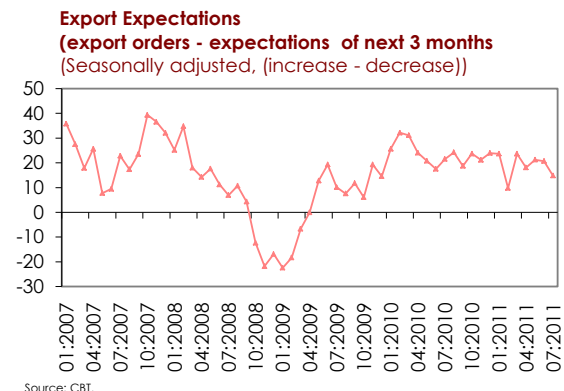
expenditures decreased by 14.2 percent; thus, total revenues from shuttle trade dropped by 16.2 percent and to become USD 1.1 billion.



9. Financial and fiscal troubles in the USA and Europe exert pressure on global growth expectations. The fact that European countries are very important markets for Turkish exports makes Turkey's external demand likely to remain below global growth rates.

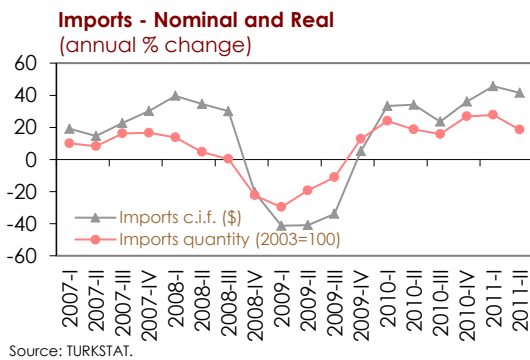


10. In July, exports expectations of manufacturing companies deteriorated parallel to the increased uncertainties pertaining to foreign demand.

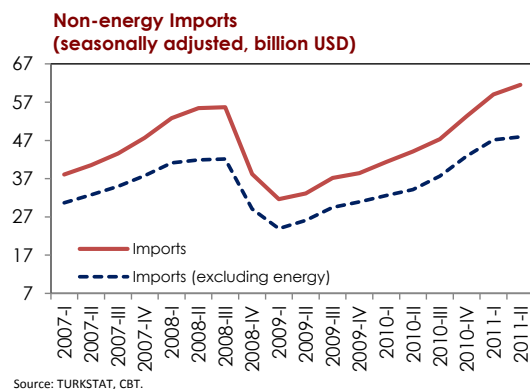


1.2 Imports of Goods

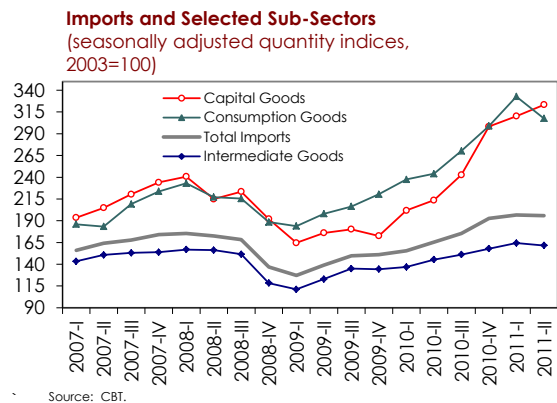
11. According to TURKSTAT data, in 2011Q2, imports increased by 41.5 percent year-on-year and became USD 63.6 billion. In this period, import prices (unit value index) increased by 19.3 percent and the quantity of imports rose by 18.6 percent year-on-year. In the first half of the year, import prices were up 16.5 percent, the volume of imports increased by 22.8 percent while nominal imports grew by 43.4 percent.



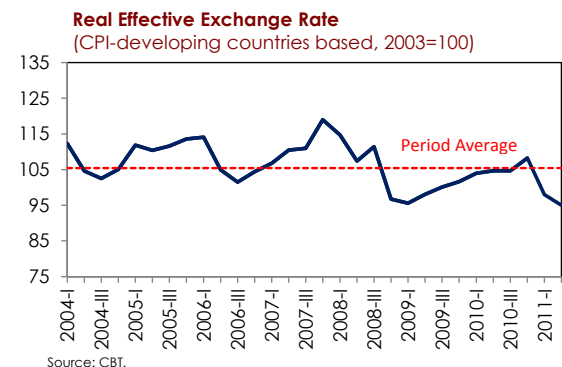
12. Despite the rapid year-on-year rise, seasonally-adjusted data suggest that import growth decelerated slightly in the second quarter. When energy sub-items are excluded, the deceleration in question becomes more apparent. Policy measures implemented since the final quarter of 2010 have started to slow down domestic demand as well as imports as of the second quarter of 2011. Moreover, the lagged effects of the measures taken by the CBRT and the BRSA are expected to become more evident in the second half and thus growth in imports is expected to decelerate.



13. Seasonally adjusted imports data suggest that the slowdown in growth of imports becomes more apparent when the effect of price movements is extracted. Compared to the first quarter, overall imports decreased slightly in the second quarter. The decrease in question was mainly driven by the slump observed in imports of consumption goods. Imports of consumption goods, which started to accelerate rapidly in the second half of 2010, displayed a significant drop in 2011Q2 due to the rapid decline in imports of automobiles. While imports of intermediate goods decreased parallel to the slowdown in economic activity, imports of investment goods continued to increase moderately.



14. The depreciation in real exchange rates, which started in early 2011, continued in the second quarter albeit a slight slowdown. Thus, Real exchange rate against developing countries continues to remain below period average.

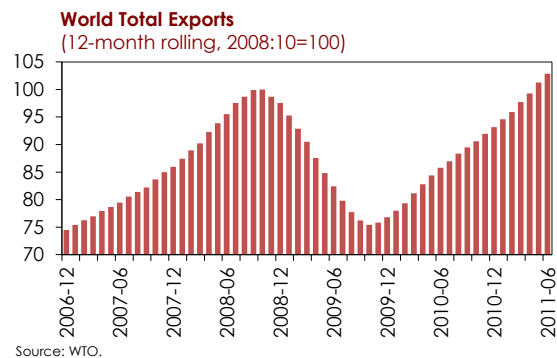


15. In the first half of 2011, there was no significant change in the share of imports from Europe and Asia in imports. While the share of imports from European countries other than EU countries in overall imports

dropped, the share of imports from Near and Middle East continue to increase. While the share of imports from North Africa decreases parallel to the decline in exports, that of North America is rising. It is observed that Germany, which increased its share in overall imports, became the largest exporter to Turkey. Russia, which used to have the largest share in Turkey's imports in the first half of 2010, displayed a significant decline. While Iran, the USA and Switzerland posted significant increases in their shares of exports to Turkey, Algeria saw a decline.

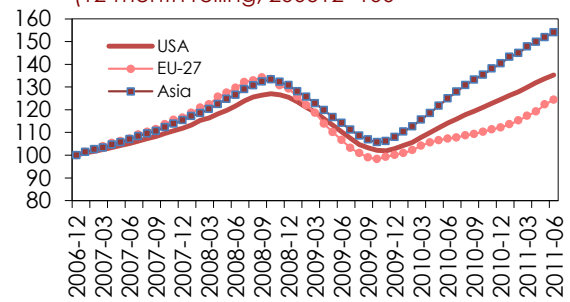
1.3 Global Outlook

16. According to World Trade Organization data, in 2011Q2, world trade expanded by 22.6 percent year-on-year. In annualized terms, it is observed that in May 2011, world trade outpaced pre-crisis levels.

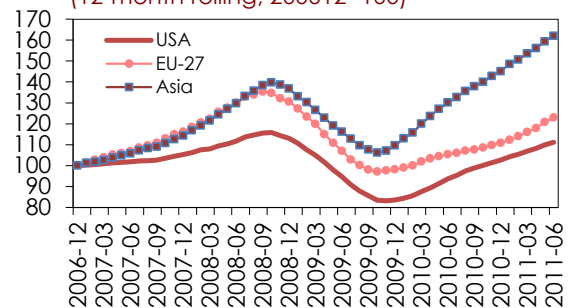


17. Foreign trade data by regions suggest that exports of Asian countries and the USA outpaced their pre-crisis levels by the first half of 2011. While the imports of Asian countries post a trend similar to exports, those of the USA are still below pre-crisis level. Meanwhile, exports of the European Union, which has a large share in Turkey's exports, experienced a more moderate recovery compared to other regions. In other words, by the first half of 2011, the European Union's exports as well as imports are still below their pre-crisis levels.

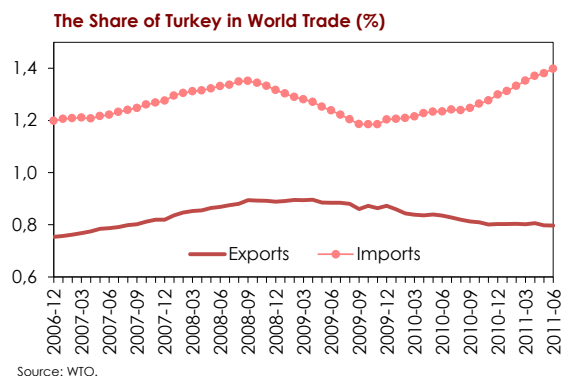
Exports by Region
(12-month rolling, 2006:12=100)



Imports by Region
(12-month rolling, 2006:12=100)



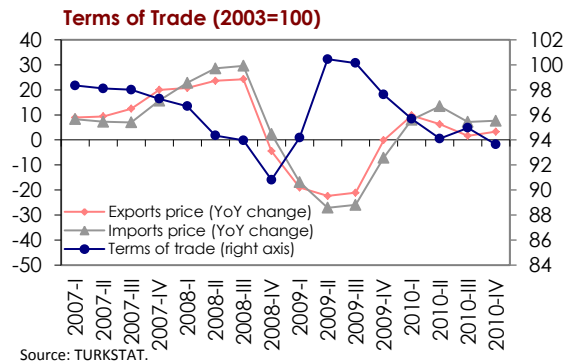
18. Turkey's share in overall world exports, which dropped significantly in 2010, remains stable at around 0.8 percent in 2011. Nevertheless, underpinned by strong domestic demand, the share of Turkey's imports in global imports continued to increase throughout the first half of the year.



1.4 Terms of Trade

19. In the second quarter of 2011, import prices were up 19.3 percent compared to the same period last year. The mentioned rise was mainly driven by import prices of raw material fuelled by the increase in oil prices. In this period, prices of raw material increased by 23.5, while those of consumption goods and investment goods

were up 10.5 and 7.4 percent, respectively (Box 1).

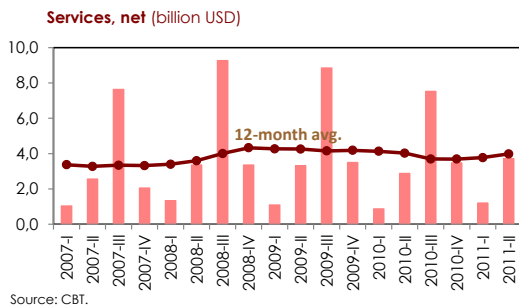


20. In the same period, export prices increased by 16.9 percent. Among items with a high contribution to exports, refined petroleum products became the sector recording the highest price rise to be followed by food, textile and apparel. Radio-TV sector became the only sector that posted a decline in export prices.

21. Compared to the previous quarter, import and export prices increased by 5.8 percent and 4.4 percent, respectively. Accordingly, the deterioration in terms of trade continued.

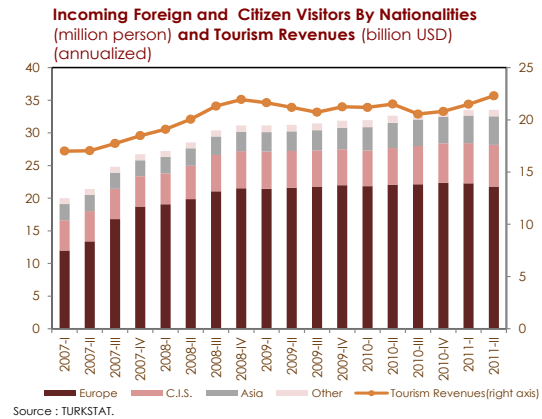
1.5 Services Account

22. In the second quarter of 2011, net services revenues increased by 29.2 percent year-on-year. The rise in question was mainly driven by the upward move of net tourism revenues as well as the sales of airline tickets for international destinations. Meanwhile, in tandem with the rise in imports, freight expenditures increased in the first quarter of 2011 - as was the case in 2010 - and this had an adverse impact on net services revenues.

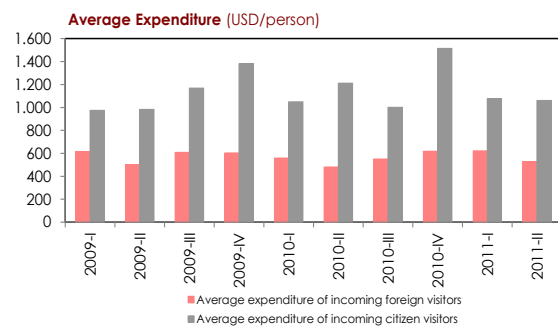


23. An analysis of net tourism revenues that makes the largest contribution to the services account reveals that in the

second quarter of 2011, tourism revenues increased by 17.8 percent (USD 687 million) year-on-year and tourism expenditures rose by 13.4 percent. Consequently, net tourism revenues became USD 4.0 billion in the second quarter of 2011. The mentioned increase in tourism revenues was driven by the 11.5 percent-rise in the number of incoming visitors compared to the same period last year.

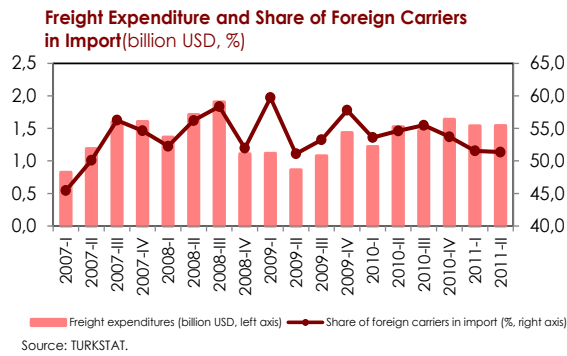


24. In the second quarter of 2011, the average expenditure per foreign visitor increased by 9.9 percent year-on-year and reached USD 528, while the average expenditure per expatriate Turkish citizen visiting Turkey decreased by 12.5 percent and came down to USD 1,061.



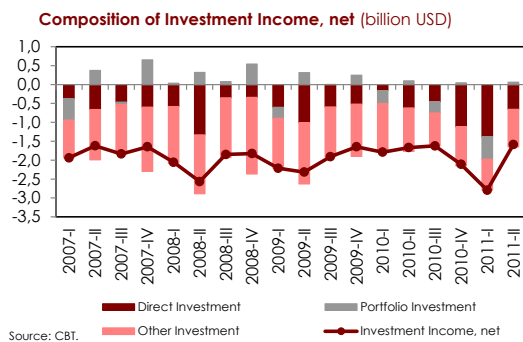
25. In the second quarter of 2011, transportation revenues increased by 6.4 percent year-on-year while transportation expenditures dropped by 2.8 percent, thus net transportation revenues increased by USD 214 million. The rise in question was mainly driven by the USD 33 billion-rise in other transportation revenues composed of services revenues from tickets and food-beverage. While the share of foreign carriers in imports continued to decline in

2011Q2, the surge in imports pushed freight expenditures up by 20.5 percent.



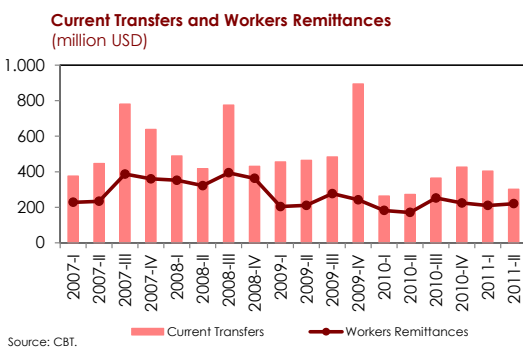
1.6 Income Account

26. In the second quarter of 2011, net outflows from income account dropped by 4.2 percent year-on-year. Thus, the net investment income account deficit decreased by 4.7 percent year-on-year and came down to 1.6 billion.



1.7 Current Transfers

27. Compared to the same period last year, current transfers decreased in the second quarter of 2011. As a result of the 28.7 percent-rise in workers' remittances year-on-year, current transfers were up 10.6 percent year-on-year again.

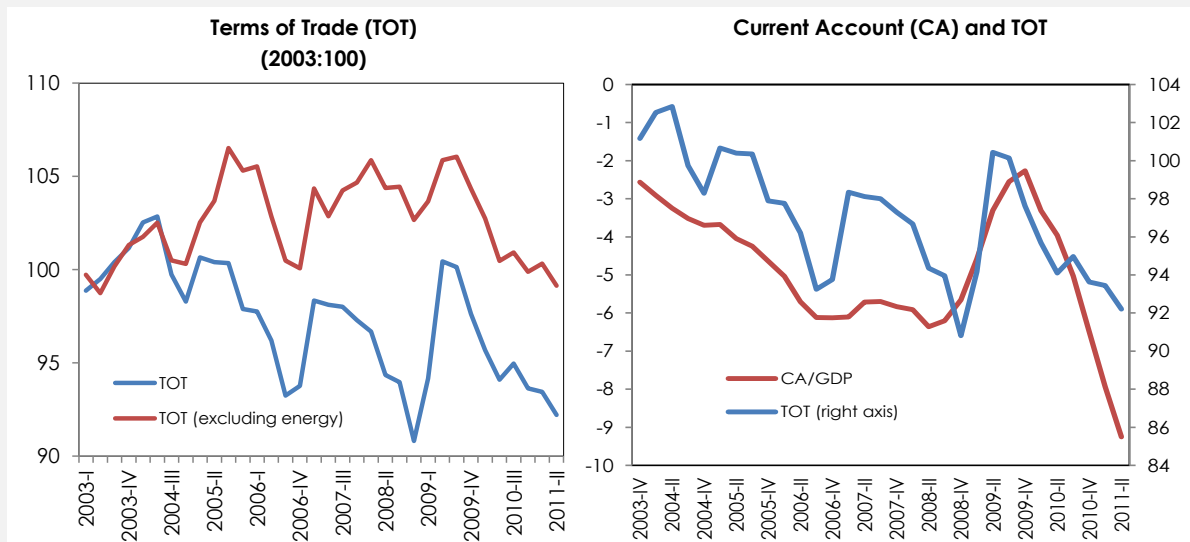


Box 1

THE IMPACT OF TERMS OF TRADE ON THE WIDENING CURRENT ACCOUNT DEFICIT

The expansion of the foreign trade deficit, which is the main driver of the recent climb in the current account deficit, was fuelled not only by the rapid growth propelled by domestic demand and the decoupling between domestic and external demand stemming from relatively weak external demand; but also the deterioration in terms of trade. In this box, the impact of the deterioration in terms of trade on widening current account deficit in 2010 and 2011 will be examined with a quantitative perspective.

Turkey's terms of trade, which were in favor of Turkey during the crisis with the effect of the decline in energy prices, have been steadily deteriorating since the second half of 2009. Even if this deterioration was mainly driven by the rise in energy prices –especially those of crude oil- in the mild recovery process after the crisis, terms of trade excluding energy has been deteriorating since the second half of 2009 as well. Meanwhile, it is noteworthy that the correlation between the deterioration in terms of trade and current account deficit is positive (chart on the right).

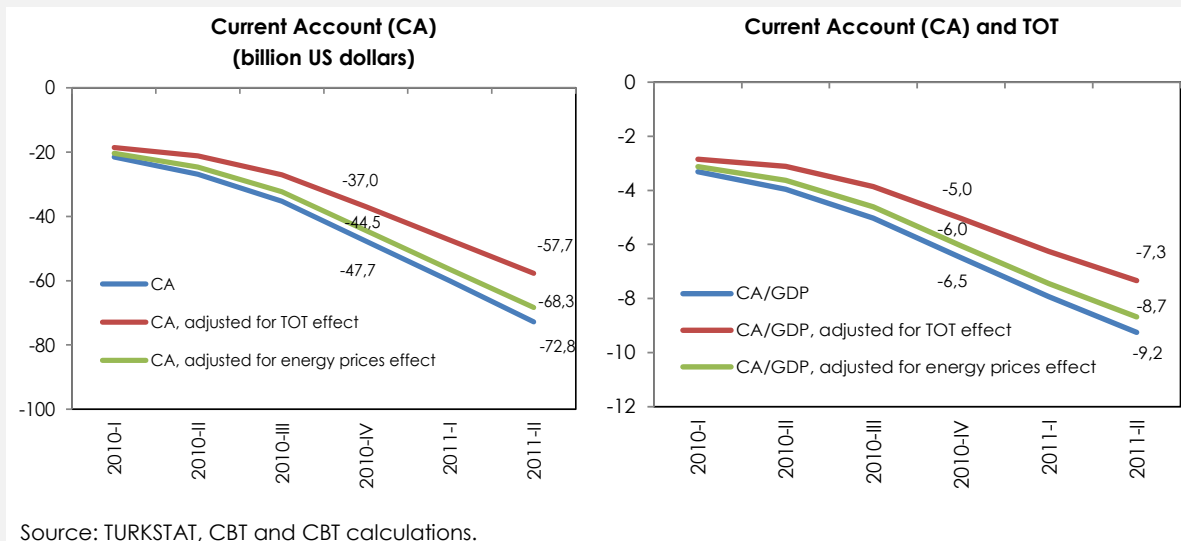


Source: TURKSTAT, CBT and CBT calculations.

With the aim of specifying the quantitative effects of imports prices-driven deterioration in the post-crisis period, it was assumed the terms of trade figures recorded in 2009Q3 have not changed and the level recorded as approximately 100 was maintained throughout 2010 and in the first half of 2011.¹ This partial approach was based on the assumption that the constant level

¹ In the period between 2009Q4 and 2011Q2, imports prices were equaled to actual exports prices and it was assumed that terms of trade were constant at 100.

of terms of trade would have no impact on supply and demand conditions. Within the framework of this approach, the current account deficit, which was USD 47.7 billion in 2010 (6.5 percent of GDP), drops down to USD 37 billion (5 percent of GDP) when the effect of terms of trade is taken out. The current account deficit, which was USD 72.8 billion (9.2 percent of GDP) in the first half of 2011, comes down to USD 57.7 billion (7.3 percent of GDP) when adjusted for terms of trade. Accordingly, for the first half of 2011, the impact of the deterioration in terms of trade on the current account deficit calculated as ratio to GDP is 1.9 percentage points. Approximately 1.5 percentage points of this 1.9 percentage point-deterioration can be attributed to the rise in energy prices as illustrated on the charts below.



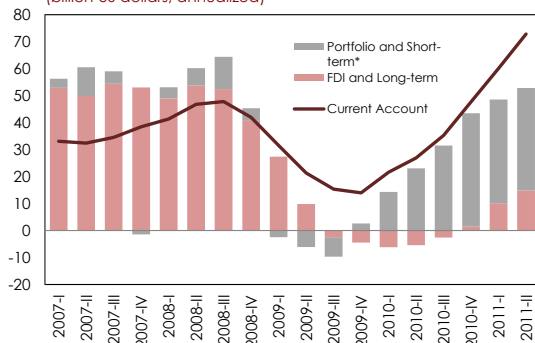
To sum up, the rapid widening in current account deficit observed in the first half of 2011 in Turkey was not only driven by structural effects but also cyclical effects. In this framework, it can be asserted that not only the domestic demand-foreign demand discrepancy fuelled by domestic demand-driven rapid growth and relatively subdued external demand but also the deterioration in terms of trade became the drivers of the widening in the current account deficit. Therefore, the mentioned factors should be taken into account while analyzing the current account deficit in Turkey.



II. Capital and Financial Account

28. In the second quarter of 2011, capital inflows - excluding changes in reserves (CBT, banks and other sectors) and IMF loans - became USD 19.5 billion. Compared to the same quarter last year, other sector became net borrower in the second quarter of 2011. Portfolio inflows through debt securities (GDDS purchases and bonds issued by the Treasury and banks abroad), banks' long and short-term loans and foreign direct investment were the main drivers of capital inflows in this period. Portfolio investments and short-term capital inflows had weighted shares in financing resources in this period.

Current Account and Its Financing
(billion US dollars, annualized)

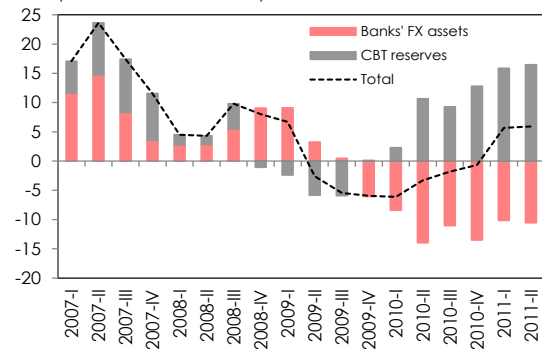


Source: CBT

* Short-term capital flows consist of net loans of banks and other sectors, deposits held within resident banks.

29. The USD 5.8 billion-rise observed in CBT reserves in 2011Q2 mainly stemmed from the rise in required reserves that the banks have to maintain at the CBT and the FX buying auctions held by the Central Bank. In this period, total international reserves posted only minor rise due to the USD 5.3 billion-decline in banks' FX assets.

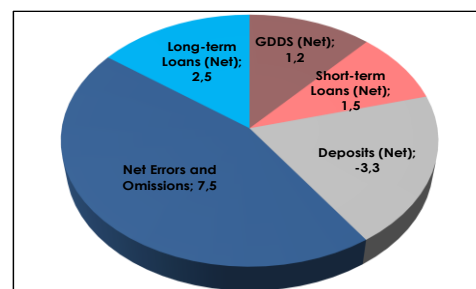
International Reserves
(billion USD, annualized)



Source: CBT.
Note: + increase; - decrease

30. Compared to the same quarter last year, the current account deficit excluding current transfers increased by USD 12.8 billion in the second quarter of 2011.² However, as other sectors' deposits and banks' portfolio assets declined by USD 1.6 billion and USD 0.8 billion, respectively, other assets dropped by USD 1.9 billion while debt securities and credit repayments decreased by USD 1.9 billion. As a result of these developments, in the second quarter of 2011, the financing requirement increased by USD 8.7 billion year-on-year and reached USD 32.9 billion. In terms of financing sources, the rise in net errors and omissions, long term loans of banks and other sectors, net purchases of GDDS (Government Domestic Debt Securities) and long-term commercial loans and the decline in deposit liabilities are all noteworthy.

Changes in Selected Items of Financing Sources* (billion USD)



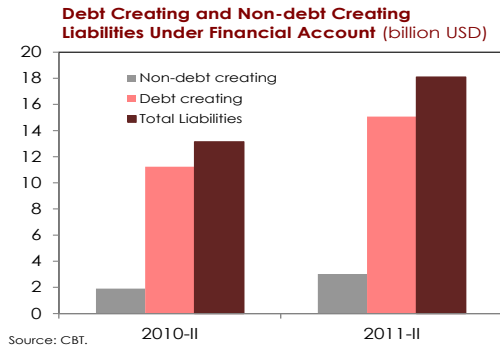
Source: CBT.

* Represents the change in the second quarter of 2011 compared to the same quarter of the previous year.

31. In line with the mentioned developments in financing sources, debt-creating financing sources were up USD 15.0 billion and non-debt creating

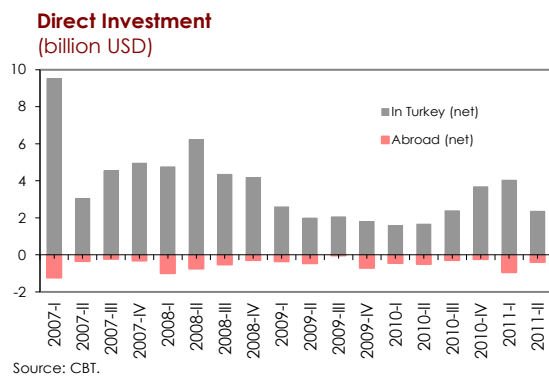
² Please refer to Annex Tables, "Balance of Payments Debt-Creating and Non-Debt Creating Financing Flows".

financing sources increased by USD 3.0 billion in 2011Q2. In the second quarter of 2010, the mentioned sources had increased by USD 11.2 and 1.9 billion, respectively.³



2.1 Direct Investment

32. With the contribution of USD 2.3 billion worth of inward direct investment realized in the second quarter of 2011, net direct investment became USD 1.9 billion. While USD 0.8 billion of the total sum was comprised of real estate investments, USD 31 million came from capital inflows emanating from the loans extended to foreign-capital companies in Turkey by their associates abroad. In this period, residents' investments abroad was recorded as USD 0.4 billion.

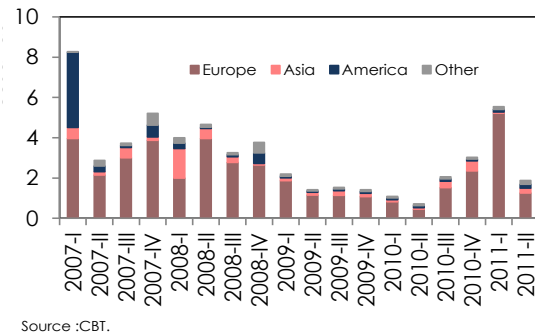


33. An analysis of the "Direct Investment/In Turkey/Equity Capital/ Inflow" item by countries and on a quarterly basis reveals that, except for the first quarter of 2007, the leading investors in Turkey have always been European countries. This trend continued in the second quarter of 2011 as

³ Please refer to Annex Tables: "Balance of Payments Debt-Creating and Non-Debt Creating Financing Flows".

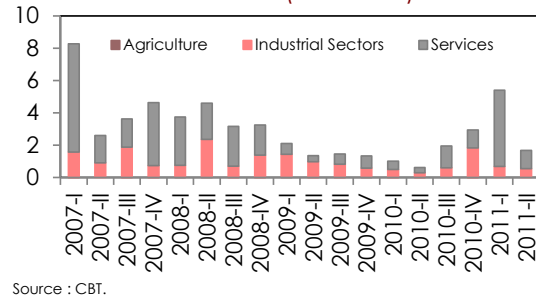
well and the share of European countries became 74.3 percent.

Direct Investment in Turkey - Geographical Distribution (billion USD)



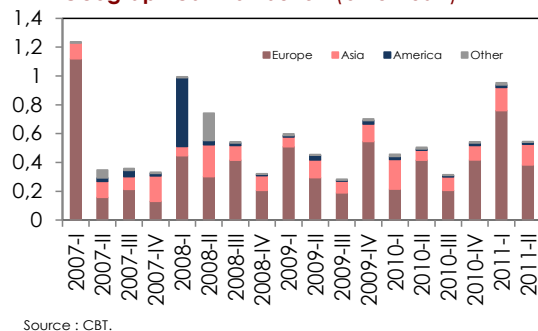
34. An analysis of sectoral shares of direct investments of non-residents in Turkey suggests that investments in the financial intermediation agencies classified under services sector and investments in manufacturing industry sector classified under industrial sector made up the majority of total investments in the second quarter of 2011.

Direct Investment in Turkey - Sectoral Distribution (billion USD)



35. A country-based analysis of the "Direct Investment/Abroad/Outflow" item suggests that although the share of European countries, which was 82 percent in 2010Q2, decreased to 70.1 percent in 2011Q2, they still dominate Turkey's direct investments abroad.

Direct Investments Abroad - Geographical Distribution (billion USD)



Box 2

THE IMPACT OF RESIDENTS ON CAPITAL FLOWS

In the broadest sense, the balance of payments is a statistical statement that systematically records, for a specific time period, all the economic transactions between residents of a country and the nonresidents. In the framework of this definition, the balance of payments statistics are classified under various items and sub-items so that these statistics can serve as a database for analyzing different issues. In this Box, the impact of residents' accounts on capital movements for January 2008-June 2011 are evaluated in the framework of classifications based on the balance of payments financial account and the Net Errors and Omissions Item.

The classification is based on the following fundamental approach: the items of financial accounts of residents that are deemed to reflect their owner's investment tendency are compiled to be used in establishing a definition showing capital movements generated by residents. Accordingly, three alternative definitions have been formed: (i) The narrowest definition (Definition 1) comprises asset items.⁴ (ii) Definition 2 is composed of selected asset items as well as loans used by banks and other sectors from abroad. (iii) Definition 3 is a broader Definition 2, assuming that the entire Net Errors and Omissions item is generated by the transactions of residents.

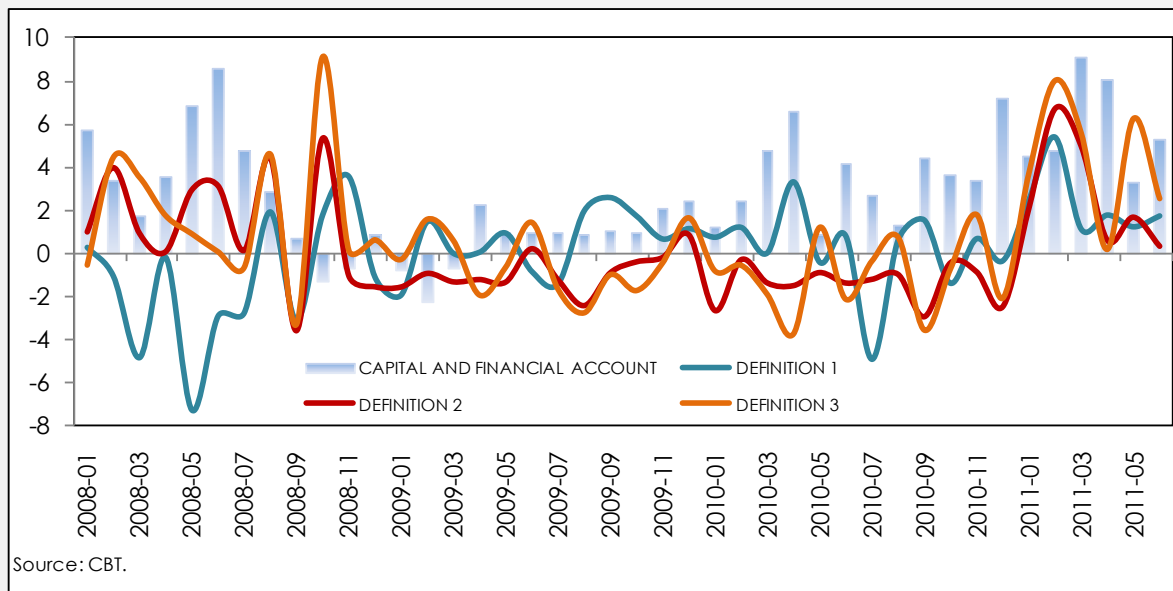
Capital Movements Generated by Residents: Alternative Definitions

DEFINITION 1	Direct Investments Abroad/Outflow Portfolio Investment/Assets/Banks Portfolio Investment/Assets/Other Sectors Other Investment/Assets
DEFINITION 1	Direct Investments Abroad/Outflow Portfolio Investment/Assets/Banks Portfolio Investment/Assets/Other Sectors Other Investment/Assets/Loans/Banks Other Investment/Assets/Currency and Deposits/Other Sectors Other Investment/Liabilities/Banks/Long-term Other Investment/Liabilities/Other Sectors/Long-term
DEFINITION 3	DEFINITION 2 Net Errors and Omissions

⁴ Please refer to: Boratav, K. (2010): "Üç Krizde Dış Kaynak Hareketleri", Bağımsız Sosyal Bilimciler- İktisat Grubu, Studies, May 2010. http://www.bagimsizsosyalbilimciler.org/Yazilar_Uye/BoratavMayis10.pdf

The series generated by different definitions suggest that those definitions with a broader scope (Definition 2 and 3) have displayed a similar trend since 2008. However, the broadest series that comprises the Net Errors and Omissions item (Definition 3) follows a more volatile trend due to the cyclical and high-rated movements. When these series are compared to the general trend of capital and financial accounts, it is observed that capital inflows generated by residents in the pre-crisis period were the main determinants of capital and financial accounts. As illustrated in the chart below, in the aftermath of the crisis, capital inflows decreased and residents' capital movements generally in the form of outflows influenced financial accounts adversely. In other words, parallel to ample global liquidity, capital movements headed towards some developing countries including Turkey and consequently, the share of capital from non-residents in financing current account deficit in Turkey increased.

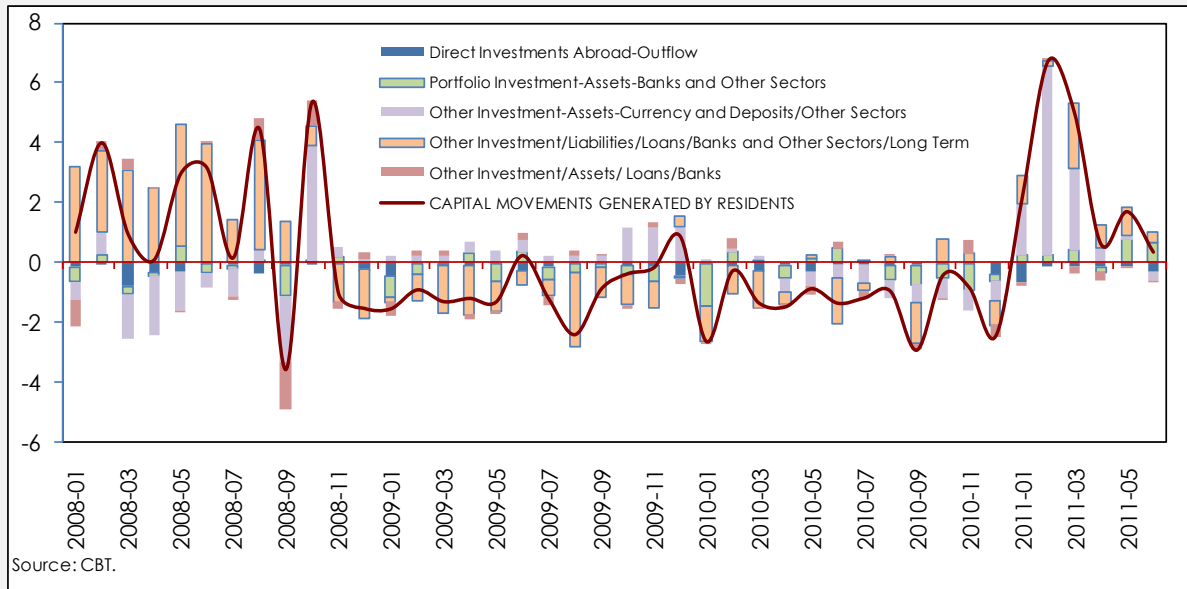
Capital Movements Generated by Residents (January 2008 – June 2011) (billion USD)



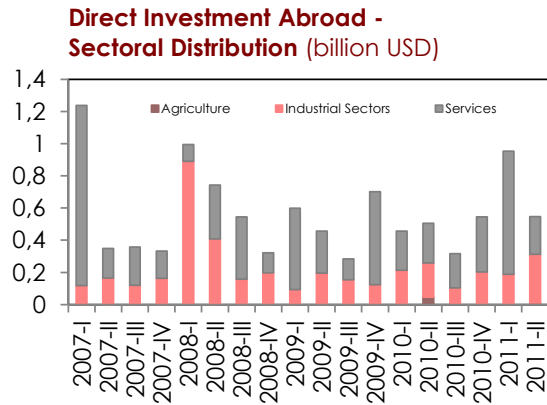
Assessments of the effect of capital movements generated by residents on the total capital inflows can be further detailed by sectors and items, based on the content and development of the related capital items. In this scope, an analysis of the development of sub-items of the classification based on Definition 2, suggests that other sectors mostly borrowed from abroad before September 2008 and that the net inflows received through this channel became the main determinant of capital movements. Other sectors became net payers of external loans once the crisis erupted. Meanwhile, as illustrated in the chart below, capital inflows generated by residents regained impetus parallel to high level of capital inflows due to the decline in assets of other sectors abroad in the first quarter of 2011. This development is attributed to transactions of local banks on the back of the

political unrest in the Gulf Region. During the recovery process after the crisis, financing of current account deficit, which was overwhelmingly met by non-residents' capital inflows, continued to be met through the same channel although banks and other sectors shifted from net payers of credits to net users starting from 2011.

Capital Movements of Residents: Main Components (billion USD)



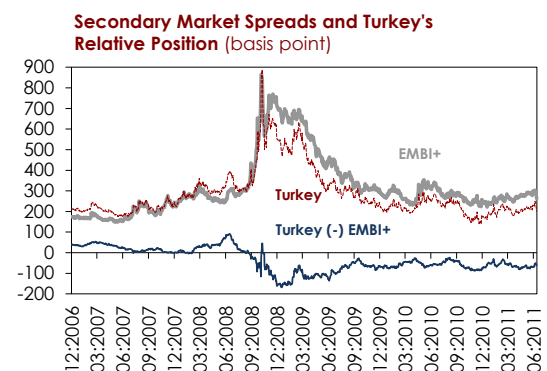
36. In the second quarter of the year, industrial investments gained more weight in investments made abroad compared to other sectors in contrast to the last six months' trend.



Source : CBT.

2.2 Portfolio Investment

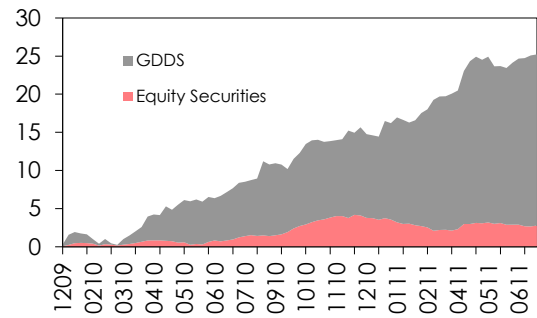
37. Macro-economic data related to both the US and the Euro area, coupled with the deepening debt crisis in Europe, added to concerns over global growth in the second quarter of 2011, and the risk appetite was reduced. This resulted in a parallel increase in both the Emerging Markets Bonds Index (EMBI+) and Turkey's risk premiums in the second quarter of the year.



Source: JP Morgan.

38. Net inflows from GDDS (Government Domestic Debt Securities) continued and reached USD 4.9 billion in the second quarter of 2011. Meanwhile, the stock market, which posted inflows in April and outflows in May and June, posted a net inflow of USD 0.5 billion in the second quarter.

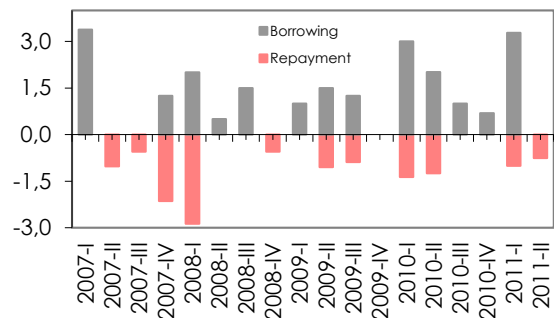
Non-residents' Security Purchases (billion USD, annualized)



Source: CBT.

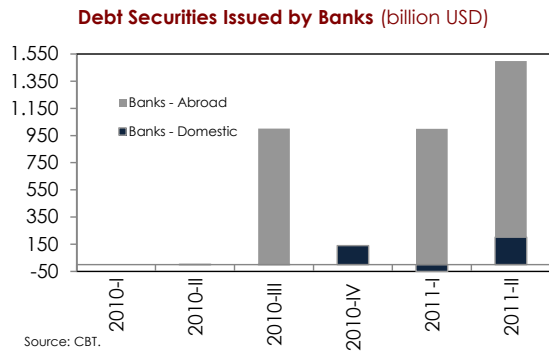
39. In the second quarter, the Treasury repaid USD 0.8 billion for the bonds issued abroad.

Bonds Issued by General Government Abroad (billion USD)



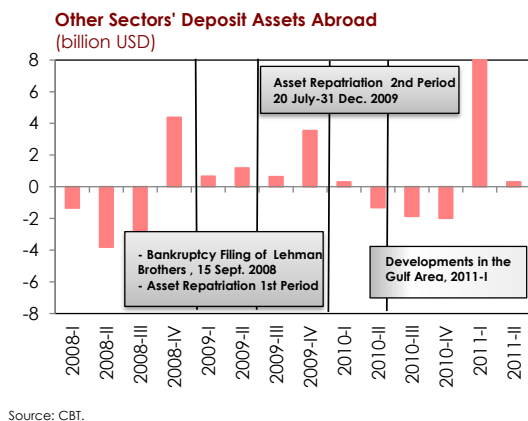
Source: CBT.

40. In the second quarter of 2011, banks borrowed USD 1.3 billion from abroad via bond issues. Upon the Banking Regulation and Supervision Agency's Resolution No: 3875 dated 20 September 2010, allowing deposit banks to issue bonds and bills in the domestic market, issues of bonds and bills by banks have increased since the last quarter of 2010. Of the debt securities issued by the banking sector in the domestic market, the net amount purchased by non-residents and those presented under Portfolio Investment/Liabilities/Banks /Domestic Items points to a sale of USD 0.2 billion in the second quarter of 2011.



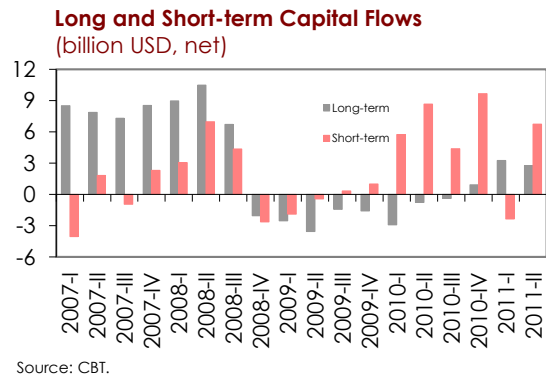
2.3 Credits and Deposits

41. The data source of "Financial Account / Other Investment / Assets / Currency and Deposits / Other Sectors" item, which shows changes in deposits of other sectors at foreign banks (including foreign branches of domestic banks) is the local banking statistics published by the Bank for International Settlements (BIS). BIS releases these data on a quarterly basis with a lag of about 4 months. Starting with data regarding 2011, the data pertaining to banks' foreign branches began to be used as benchmarks until the announcement of the BIS data. In this context, BIS final data for the first quarter of 2011 indicate that while deposits of other sectors kept abroad decreased by USD 10.8 billion, benchmark data for the second quarter of 2011 suggest a decline of USD 0.3 billion.

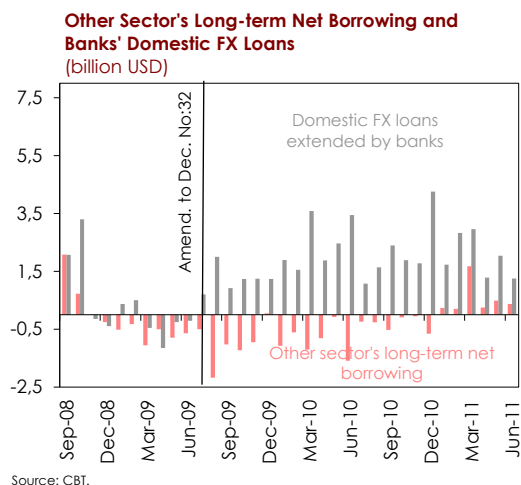


42. An analysis of capital movements excluding direct investment, portfolio investment as well as IMF loans and banks' FX assets and deposits reveals that long-term capital flows, which were outwards starting from the last quarter of 2008 due to the global financial crisis, displayed a limited inward trend in the final quarter of 2010, which continued in the second quarter of 2011, albeit with less pace

compared to the first quarter. Meanwhile, short-term capital flows, which were inwards since the third quarter of 2009 and which posted an outflow of USD 2.3 billion in the first quarter of 2011 on the back of the fall in deposits, experienced an inflow of USD 6.7 billion in the second quarter of 2011 mainly due to the surge in bank loans and trade credits.

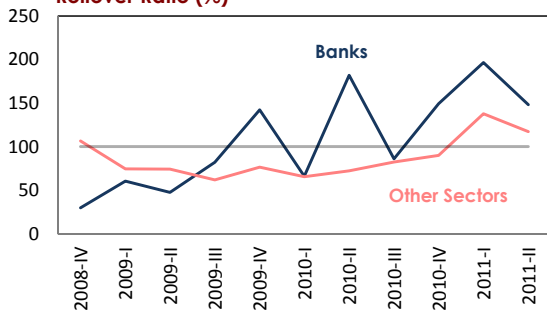


43. Due to the contraction in international credit markets, other sectors continued to be a net repayer of debt also in the first half of 2011, mainly due to the significant rise in long-term external loans. Meanwhile, as for other sectors' borrowing from abroad, the short-term net borrowing materialized at a level close to long-term net borrowing. Moreover, in this period, FX borrowings of other sectors from domestic banks continued, albeit with a declining trend.



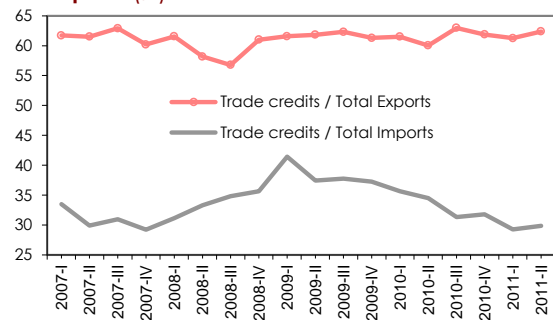
44. In the first and second quarters of 2011, banks were net borrowers of long-term loans.

Banks' and Other Sectors' Long-term Rollover Ratio (%)



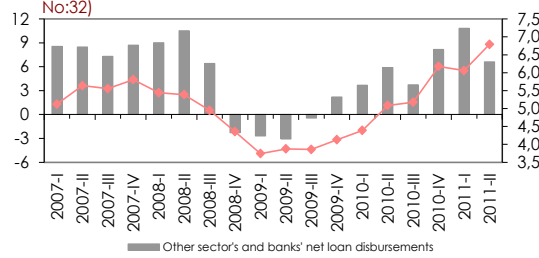
Source: CBT.

Ratio of Trade Credits to Exports and Imports (%)



Source: CBT, TURKSTAT.

Net Long-term Loan Utilization and Investment Expenditures of Other Sectors
(billion TL, 1998=100, covering the effect of Decree No:32)

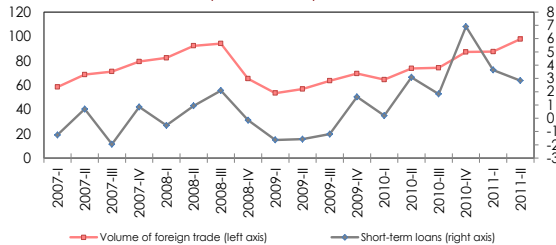


Source: CBT.

47. Outflows from non-resident Turkish workers' long-term FX deposit accounts with letters of credit and super FX accounts at the Central Bank continued at an increased pace in the second quarter of 2011 due to the latest interest rate cut in early October 2010. Outflows from short-term deposit accounts continued during this period as well.

45. In line with the rise in foreign trade volume, short-term borrowings of banks from abroad also continued in the first quarter of 2011.

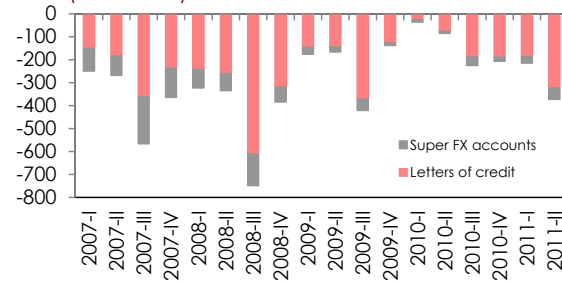
Short-term Bank Loans (net, billion USD)



Source: CBT.

46. The share of trade credits extended for exports, which followed a relatively flat course in the recent period, displayed a slight rise in the second quarter of 2011. Meanwhile, the decline observed in the share of trade credits extended for imports continued in the second quarter.

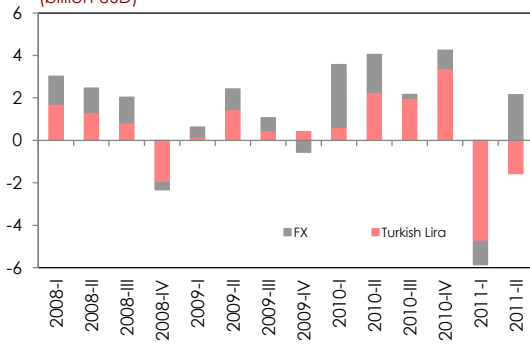
Deposits within the Central Bank
(million USD)



Source: CBT.

48. Non-resident banks' FX deposits in resident banks posted an increase by USD 2.2 billion in the second quarter of 2011. In the meantime, due to the uncertainty arising from political developments in Bahrain, Turkish banks with branches operating in the country switched their operations to the domestic market, as a result of which TL deposits that had displayed a decline in the previous quarter dropped in the second quarter as well, by USD 1.6 billion.

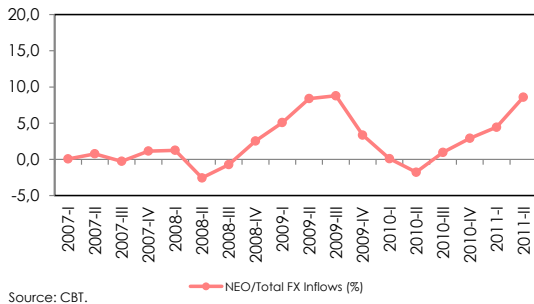
Deposits of Non-resident Banks within the Domestic Banks - Composition of FX and TL
(billion USD)



Source: CBT.

49. The ratio of the net errors and omissions item to total FX inflows calculated as the sum of total exports of goods, services account/credit, income account/credit and current transfers items of the balance of payments became 8.3 percent by the second quarter of 2011.

Net Errors and Omissions (NEO) and Total Foreign Exchange Inflows (annualized)



Source: CBT.

Box 3

ANALYSIS OF THE NET ERRORS AND OMISSIONS ITEM IN THE CONTEXT OF RESIDENTS' DEPOSIT ACCOUNTS AGAINST NET FOREIGN CURRENCY

Recent inflows of large amounts in the Net Errors and Omissions (NEO) item of the balance of payments table drew public attention and generated discussion. In order to contribute to the said discussions, this Box provides methodological explanations related to the NEO and compares the development and level of the each item with that of other countries. In addition, the "Residents' Deposit Accounts Against Net Foreign Currency (NEKAM)" item, which is considered to be closely linked to the NEO is also examined and factors likely to affect the NEO are discussed.

I.NEO: Definition

Balance of payments is an accounting system in which each single transaction is recorded twice with two opposite signs as credit and debit entries. Therefore, while each transaction that falls under the scope of balance of payments system is recorded under the related item in the balance of payments, its opposite entry should also be recorded under another item. In other words, each and every single transaction should be recorded as credit and debit entries with equal values. Thus, "Current Account", and the "Capital and Financial Account" always remain equal in absolute values. Although balance of payments methodology focuses on to ensuring equal values in theory, in practice this theoretical consequence rarely occurs. In fact, the collection of data from different sources leads to differentiation in the valuation, measurement and time of recording; hence differences might occur between credit and debit entries. These differences constitute the NEO item and this item is reflected on balance of payments statistics as a "residual".

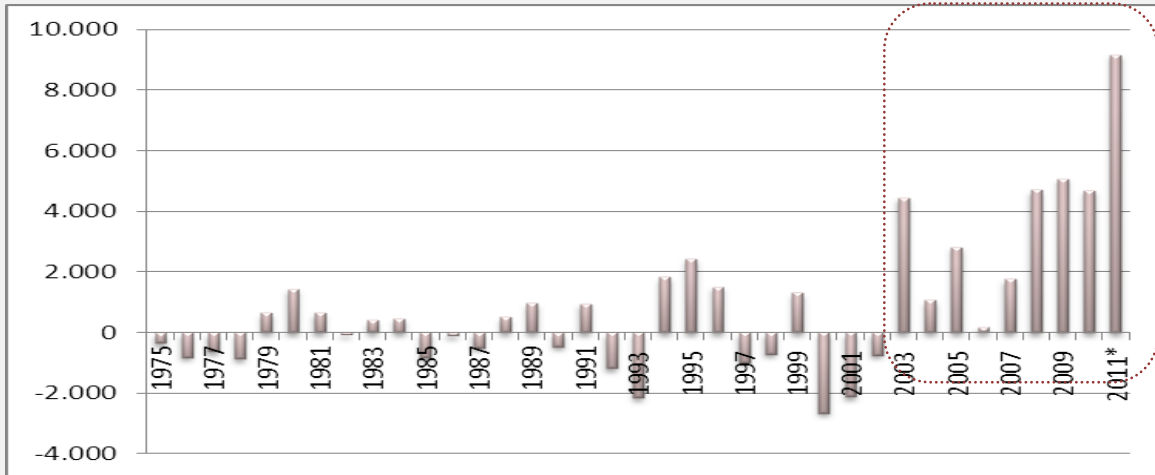
II.NEO: Development and Country Comparisons

Development of the NEO item by years suggests that while this item had hovered around relatively low levels in the form of inflows and outflows between 1975 and 2000, it started to rise again in 2000's and posted inflows on a regular basis starting from 2003. And, as of the first six months of 2011, the NEO reached historic highs (Figure 1).

For the purpose of providing a comparison among countries, the ratio of NEO items to total foreign exchange (FX) credits in current account and the GDP's of selected countries, including Turkey, was calculated. The annual average values of the said ratios for selected countries indicate that 2008 values are higher than values pertaining to other

years. Moreover, a comparison by FX credits and GDP's highlights that the NEO's of developing and developed countries published in their balance of payments statistics are higher than those that of Turkey. However, Turkey is the only country, which posted permanent inflows in its NEO item during the respective reporting period. The said differentiation is considered to arise from 'a unique structural feature of Turkey' in terms of the balance of payments approach (Table 1).

Figure 1. Development of NEO (million USD)



(*) As of January - June.

Source: CBT.

Table 1. Ratio of NEO to Total FX Credits and to GDP in Selected Countries (Percent)

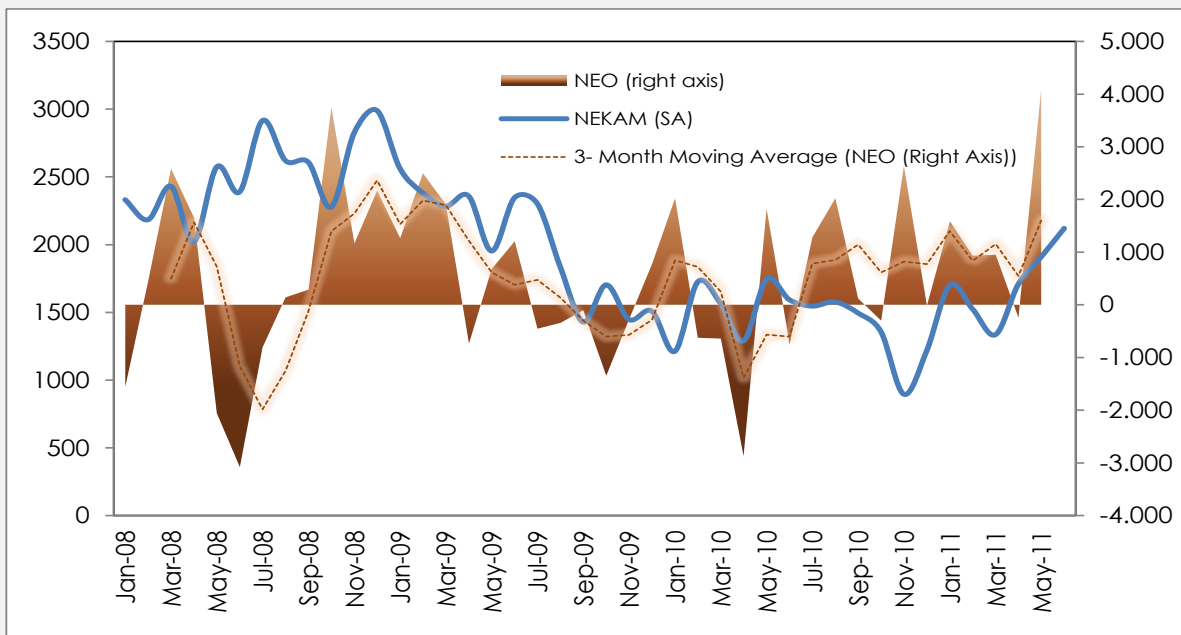
	The Ratio Over Total FX Credits				The Ratio Over GDP			
	2007	2008	2009	2010	2007	2008	2009	2010
Turkey	1.2	2.5	3.4	2.9	0.3	0.6	0.8	0.6
South Korea	0.4	-0.4	0.4	-0.5	0.2	-0.2	0.2	-0.3
Brazil	-1.6	0.7	0.3	-1.3	-0.2	0.1	0.0	-0.2
Argentina	0.1	1.5	-0.6	-1.9	0.0	0.4	-0.1	-0.4
Czech Republic	-0.5	-0.9	-1.1	-1.2	-0.5	-0.8	-0.8	-1.0
India	0.4	5.9	-3.5	-3.8	0.1	1.8	-0.9	-1.0
Thailand	1.6	4.7	2.6	-0.3	1.3	3.8	1.9	-0.2
South Africa	5.1	9.9	-1.0	3.3	1.8	3.8	-0.3	1.0
Portugal	-1.7	-5.1	-5.3	-4.8	0.3	0.0	-0.2	-0.3
Spain	0.0	-0.5	-1.5	-0.7	0.0	-0.2	-0.4	-0.2
Italy	1.7	2.6	-1.0	-6.9	0.6	0.9	-0.3	-2.2
Switzerland	3.2	2.8	-6.3	7.9	3.0	2.4	-5.1	7.0
Greece	1.3	1.1	-1.1	-0.1	0.3	0.3	-0.2	0.0
Norway	-13.9	-0.1	5.4	-2.4	-8.0	-0.1	2.7	-1.2
Germany	2.2	0.4	1.1	-0.7	1.2	0.2	0.6	-0.4
United Kingdom	1.2	-0.7	-3.3	1.4	0.6	-0.3	-1.4	0.6
Japan	1.7	4.7	2.3	-1.6	0.4	1.1	0.4	-0.3
Russian Federation	-3.0	-1.9	-0.4	-1.5	-1.0	-0.7	-0.1	-0.5
China	0.8	1.2	-2.8	-3.1	0.3	0.5	-0.8	-1.0
United States	3.7	-2.2	6.0	8.6	0.7	-0.4	0.9	1.5
Annual Average	0.2	1.3	-0.3	-0.3	0.1	0.7	-0.2	0.1

Source: IMF, International Financial Statistics.

III. NEO and Residents' Deposit Accounts Against Net Foreign Currency (NEKAM)

The CBT compiles data pertaining to transactions that are subject to balance of payments in the respective month in the context of the "Monthly Foreign Exchange Report" of banks. Within this scope, "Residents' Deposit Accounts Against Net Foreign Currency (deposits opened against foreign currency banknotes – deposits closed against foreign currency banknotes (NEKAM))", which shows net foreign exchange amounts that are put into the banking system as deposits in the form of foreign currency by residents in the respective month, is also compiled. This data is essential by its very nature as it contains part of the transactions that lead to the occurrence of the NEO item. In fact, it is notable that seasonally adjusted (SA) data pertaining to the NEKAM series, which exhibit a surge particularly in the summer and permanently post a positive balance, followed a parallel course with the NEO except for during the crisis (Figure 2).

Figure 2. NEO and NEKAM (SA) (million USD)



Source: CBT.

As supported by anecdotal data, the main determinants of the NEKAM series that posted a net balance of inflows in the amount of USD 17 – 30 billion on a yearly basis can be summarized as follows:

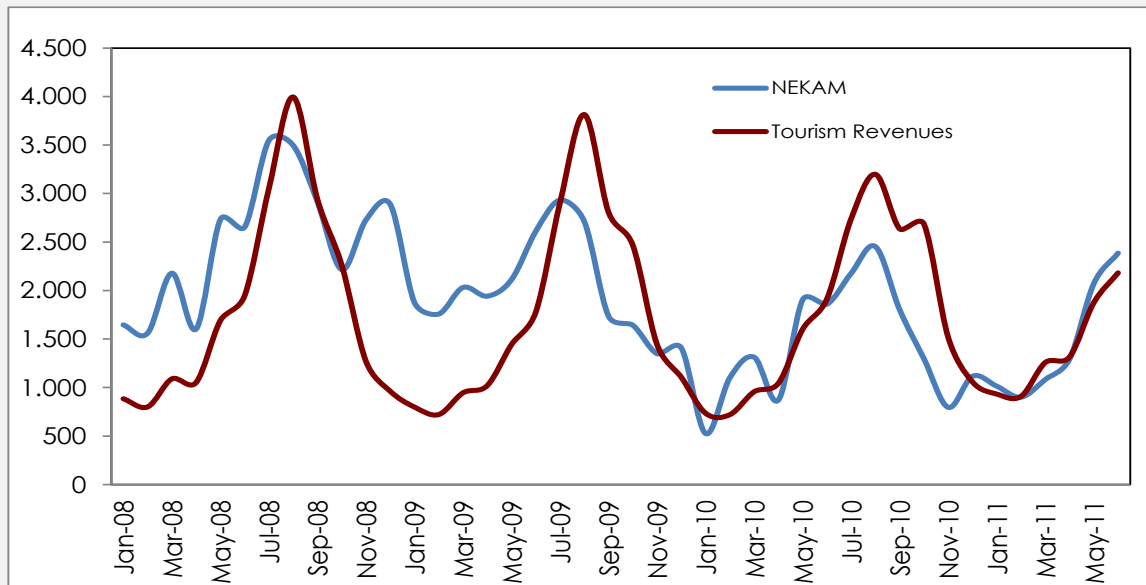
- Expenditures of foreign visitors in Turkey against foreign currency,
- Foreign currency accounts of non-resident Turkish citizens opened during their visits to Turkey,
- Entry of foreign currency banknotes which are kept outside the financial system (under the mattress) into the banking system due to fluctuations in exchange rates or practices such as fiscal amnesty.

In the light of the given information, it can be said that the amounts of NEKAM comprising inflows other than those driven by tourism lead to the emergence of the NEO in the balance of payments. In fact, according to the balance of payments table compiled according to the double-entry system, FX inflows registered via these channels boost banks' reserves, whereas counterpart items of transactions are composed of deposits opened by residents. As the related counterpart items are not a subject of balance of payments reporting, they are indicated as the NEO on the balance of payments table. The following section provides a more detailed analysis of this argument.

NEKAM and Tourism Revenues

Revenues generated from tourism activities are an important determinant of the NEKAM (Figure 3). For instance, foreign currency (foreign banknotes) revenues obtained via the shopping by foreign visitors are put into the banking system as foreign exchange deposits by residents. On the other hand, tourism revenues are estimated by the Turkish Statistical Institute (TURKSTAT) based on a comprehensive survey and reported under the Current Account in the balance of payments table. In other words, as tourism revenues are reported in compliance with the double entry principle, it is considered that their implication on the NEO item is quite limited.

Figure 3. NEKAM and Tourism Revenues (million USD)



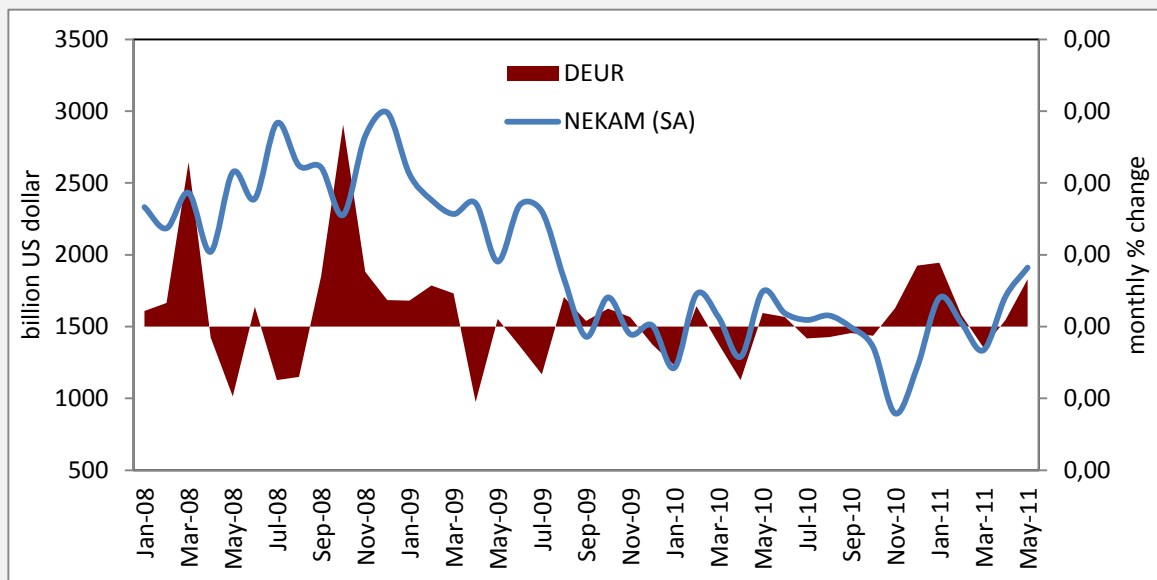
Source: CBT.

NEKAM and Exchange Rates Fluctuations

It is a widely accepted fact that in recent years, at times of high volatility in exchange rates, residents have deposited their foreign currency savings that they held

outside the banking system (under the mattress) into banks and, thus, they have supplied foreign exchange inflow to the banking system. In fact, the development of the monthly percentage change of the foreign exchange basket consisting of USD 0.5 and EUR 0.5 (DEUR) and the development of the seasonally adjusted NEKAM series indicate that inflows through the channel of NEKAM accelerated particularly at times of increased volatility in exchange rates in an upward direction (Figure 4). Foreign exchange inflows towards the banking system through this channel increase the foreign exchange reserves of banks, whereas they lead to the NEO item within balance of payments reporting due to the fact that the reciprocal party is that of the residents.

Figure 4. NEKAM (SA) and Change in Exchange Rates



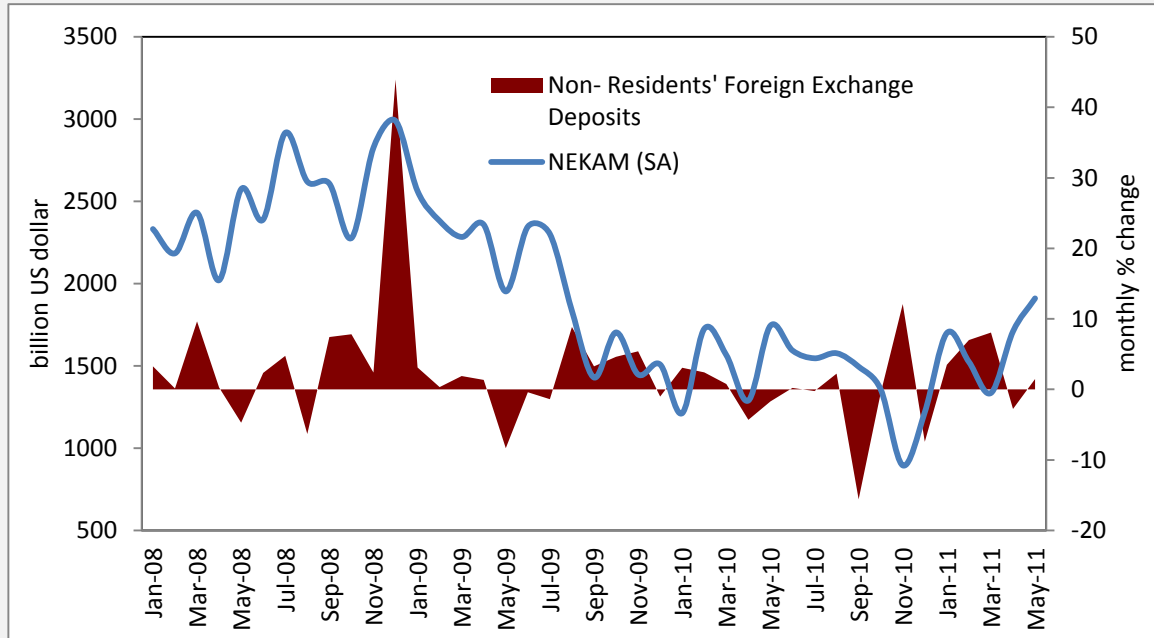
Source: CBT.

NEKAM and Transactions By Non-Resident Turkish Citizens

Inflows as a result of foreign exchange deposits opened by non-resident Turkish citizens during their visits to Turkey using their Turkish Republic identities are considered to constitute an important component of the NEKAM series. Since the said inflows boost the reserves of the banking sector as they increase other sources items mentioned above, they appear in the Capital and Financial Account section in the balance of payments table; however, as the party to the said transactions appears –incorrectly– to be a resident, the counterpart item of the transaction cannot be reported, and this leads to a NEO of an amount equal to the transaction amount. Meanwhile, due to the policies followed, foreign exchange deposits of non-resident Turkish citizens at the Central Bank no longer yield as much income as they used to do. Therefore, these deposits are now mostly directed towards domestic deposit banks and this situation constitutes an important factor in the surge of the said inflows. An analysis of the seasonally adjusted NEKAM series and data

regarding foreign exchange deposit accounts opened by non-residents⁵ suggest that at times of increased inflows due to NEKAM, the other deposit item accelerated as well (Figure 5).

Figure 5. NEKAM (SA) and Foreign Exchange Deposits From Non-Residents



Source: CBT.

In conclusion, balance of payments statistics are compiled in line with international standards, according to credit and debit-based double-entry reporting framework. However, the collection of data from different sources leads to differentiation in valuation, measurement and time of recording and these differences are reflected on the balance of payments table as the NEO item. An analysis of other country examples reveals that the NEO level posted in the balance of payments statistics in Turkey is not high in terms of its ratio to both total foreign exchange credits and the GDP. Nevertheless, the fact that the NEO has constantly posted positive signs in recent years, differentiates Turkey from other countries. This situation is attributed to developments peculiar to Turkey such as the misreporting of foreign currency accounts of non-resident Turkish citizens opened during their visits to Turkey and the entry of “under-the-mattress” foreign currencies into the banking system due to increased volatility in exchange rates or practices such as fiscal amnesty. It is considered that the “Residents’ Deposit Accounts Against Net Foreign Currency” series can be tracked as a useful indicator vis-à-vis the NEO that emerges within the framework of related items, and studies regarding the analysis of the said series are underway at the CBT.

⁵ Some non-resident Turkish citizens open bank accounts in Turkey with their foreign identities, leading to the reporting of such accounts under the item ‘Foreign Currency deposits opened by non-residents’. Therefore, the said series is expected to follow a parallel course with foreign exchange inflows that are misreported, and hence to become a useful indicator.

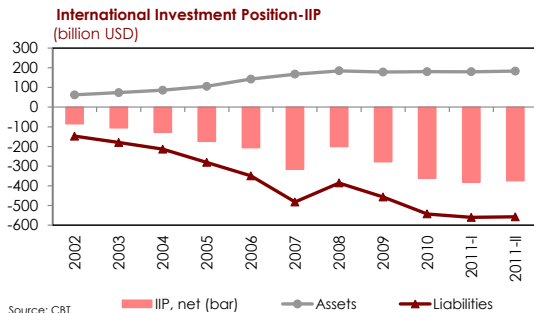


III. International Investment Position

General Evaluation

50. According to the International Investment Position (IIP), which shows the value of financial claims of Turkish residents from non-residents as well as their reserve assets, and that of financial liabilities of Turkish residents to non-residents at a particular point in time, as of the end of the second quarter of 2011, external assets became USD 183.0 billion, while liabilities against non-residents became USD 557.5 billion.

51. Defined as the difference between Turkey's external assets and liabilities, the net IIP, which was USD -380.8 billion in the first quarter of 2011, became USD -374.5 billion at the end of the second quarter of 2011. The determinant of the USD 6.4 billion decrease in net IIP was the USD 3.5 billion increase in assets and the USD 2.9 billion decrease in liabilities.



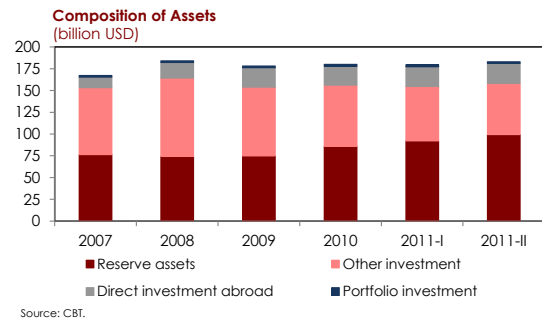
52. By the end of the second quarter of 2011, TL depreciated against USD by 5.3 percent compared to the end of the first quarter. The same period witnessed a net USD 495 million worth of inflow in equities driven by the balance of payments. Despite these developments, equity stock decreased and materialized as USD 55.2 billion on the back of the 1.8 percent decline in the ISE index.

53. Despite the contribution of an inflow of USD 2.3 billion, which stems from the balance of payments, inward direct investment stock decreased to USD 176.9

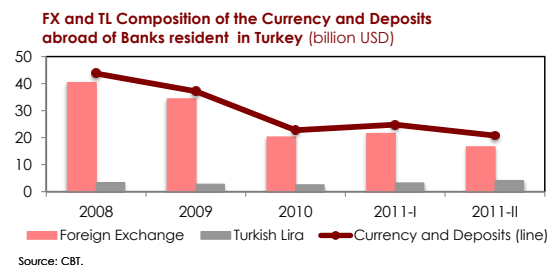
billion due to changes in value and exchange effect.

3.1 Assets

54. In the second quarter of 2011, as a result of the decrease in other assets and the surge in reserve assets, asset stock rose by USD 3.5 billion compared to the end of the first quarter. The composition of the asset stock, which was USD 183.0 billion changed primarily in favor of reserve assets, and consisted of 54 percent of reserve assets, 32 percent of other investment, 13 percent of outward direct investment and 1 percent of portfolio investment. Meanwhile, in the second quarter of 2011, reserve assets went up by USD 7.2 billion to reach a historic high of USD 99.4 billion since the start of compilation of IIP.



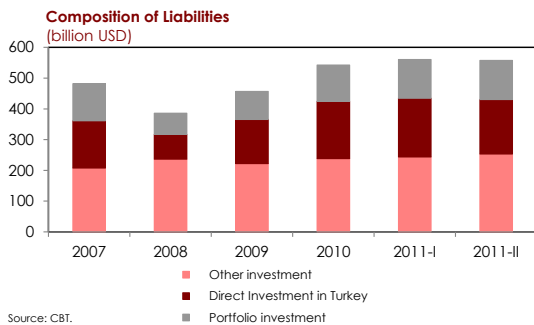
55. Currency and deposits of banks, which are among the sub-items of other investment, decreased to USD 20.7 billion on the back of USD 4.9 billion decline in foreign currency assets compared to the end of 2011 Q1. In the same context, according to provisional data, other sectors' assets abroad did not display a significant change and became USD 21.4 billion in the second quarter of 2011.



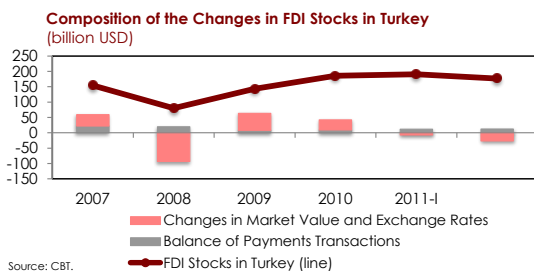
3.2 Liabilities

56. In the second quarter of 2011, liabilities items posted a decrease of USD 2.9 billion quarter-on-quarter. Inward direct investment declined by USD 13.8 billion;

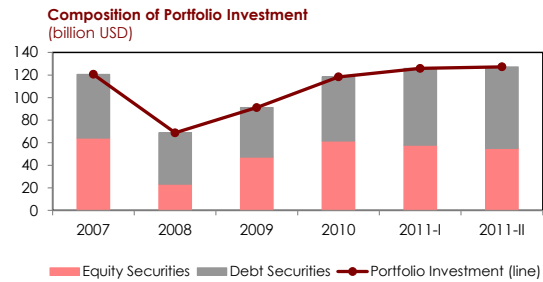
portfolio investment and other investment surged by USD 1.4 billion and USD 9.5 billion, respectively. By the end of the second quarter, liabilities stock, which was USD 557.5 billion, was made up of trade and other credits (sub-items of other investment) constituting 38 percent; inward direct investment 32 percent; portfolio investment 23 percent and deposits (sub-item of other investment) 8 percent.



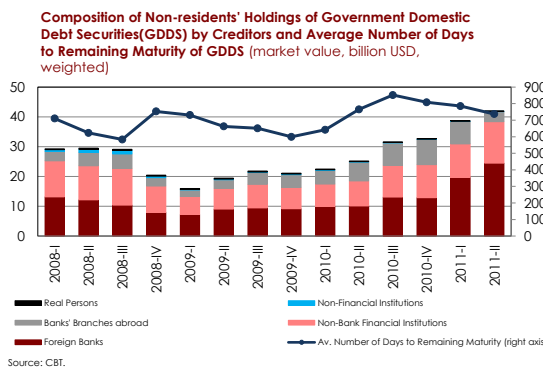
57. By the end of the second quarter of 2011, inward direct investment stock decreased by 7.2 percent (USD 13.8 billion) to USD 176.9 billion. In the same period, although inward direct investment posted an inflow of USD 495 million stemming from the balance of payments, depreciation of the Turkish lira against US dollar by 5.3 percent and the decrease of the ISE National 100 Index by 1.8 percent is observed as the determinant factors in the said decrease.



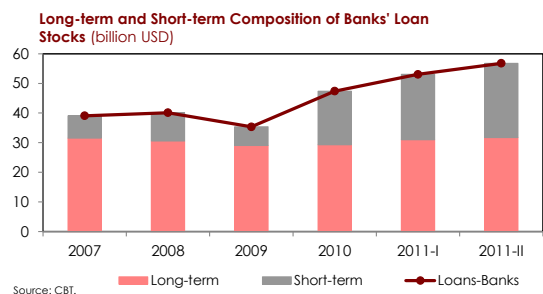
58. By the end of the second quarter of 2011, non-residents' equity holdings, which accounts for 43.4 percent of portfolio stocks, became USD 55.2 billion with a decline of 4.6 percent from the previous quarter-end. Non-residents' holdings of GDDS (Government Domestic Debt Securities), which constitutes a sub-item of debt securities stock, became USD 42.0 billion with an increase of 8.4 percent. Bond stock of the Treasury (minus residents' holdings) became USD 26.3 billion with a decrease of 2.5 percent.



59. An analysis of the breakdown of non-residents' GDDS stock by holder indicates an increase of USD 4.8 billion and USD 2.7 billion for foreign banks and for non-bank financial corporations and a decrease of USD 4.1 billion for foreign branches of domestic banks compared to the end of the first quarter. Furthermore, the average number of days to maturity of GDDS held by non-residents, displayed a modest increase in the second quarter of 2011 compared to the end of the first quarter, to materialize as 737 days.

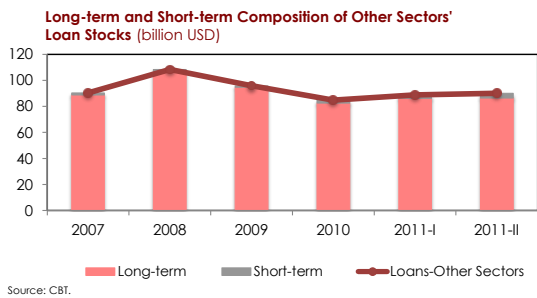


60. Total external loan stock of banks became USD 56.8 billion in the second quarter-end. USD 0.7 billion of the USD 3.7 billion- increase in the loan stock from the end of the first quarter came from the surge in long-term loans, while the remaining USD 3.0 billion was triggered by the rise in short-term loan stock.

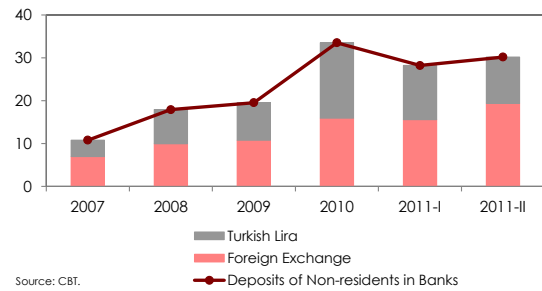


61. Total external loan stock of the other sectors, which has been on a downward track for the last two years, increased by

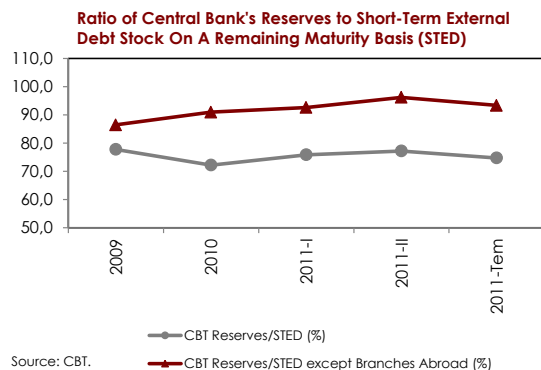
USD 1.2 billion to USD 90.1 billion by the end of the second quarter of 2011. 73 percent of this increase is attributable to the rise in long-term loans.



FX and TL Composition of the Deposits of Non-residents within Turkish Banks (billion USD)



62. By the end of the second quarter of 2011, short-term external debt stock on a remaining maturity basis (STED), calculated based on the external debt maturing within 1 year or less regardless of the original maturity, increased by 8.1 percent compared to end-2010 and became USD 128.7 billion. In the same period, while the ratio of CBT reserves to STED was 77 percent, the said ratio nears 100 percent when branches and affiliates abroad are excluded.



63. Compared to the end of the first quarter, deposits of non-residents in Turkey went up by USD 1.8 billion in the second quarter of 2011. The said decline stemmed from a surge of USD 3.8 billion in the foreign currency deposits as against an outflow of USD 1.9 billion in TL deposits of non-residents at domestic banks. Meanwhile, deposits of Turkish citizens residing abroad held within the Central Bank stood at USD 12.1 billion in the same period.



IV. Annex Tables

CURRENT ACCOUNT (million USD)

	Current Account										
	Net	Foreign Trade			Services		Income		Transfers		
	Net	Exports (FOB)	Shuttle Trade	Imports (CIF)	Net	Travel Revenues	Net	Interest Expenditure	Net	Workers Remittances	
(annual)											
2006	-32.249	-41.056	85.535	6.408	-139.576	13.555	16.853	-6.656	-6.322	1.908	1.111
2007	-38.434	-46.852	107.272	6.002	-170.063	13.283	18.487	-7.108	-7.477	2.243	1.209
2008	-41.959	-53.021	132.028	6.200	-201.964	17.311	21.951	-8.362	-8.677	2.113	1.431
2009	-13.991	-24.850	102.143	4.783	-140.929	16.749	21.250	-8.189	-7.304	2.299	934
2010	-47.693	-56.445	113.883	4.951	-185.544	14.745	20.807	-7.322	-5.431	1.329	829
(quarterly)											
2010 II	-10.687	-12.139	28.739	1.278	-44.902	2.878	4.559	-1.699	-1.391	273	171
III	-10.421	-16.653	26.997	1.058	-47.156	7.525	8.575	-1.658	-1.165	365	252
IV	-17.046	-18.797	32.169	1.169	-54.991	3.472	5.260	-2.148	-1.371	427	224
2011 I	-21.933	-20.705	31.424	1.050	-56.060	1.201	3.100	-2.833	-1.051	404	210
II	-23.410	-25.804	34.173	1.070	-63.567	3.719	5.372	-1.627	-1.320	302	220
(monthly)											
2010 Jul	-3.565	-5.346	9.565	329	-16.078	2.321	2.741	-635	-345	95	79
Aug	-3.023	-5.662	8.523	395	-15.434	2.838	3.198	-332	-373	133	84
Sep	-3.833	-5.645	8.909	334	-15.644	2.366	2.636	-691	-447	137	89
Oct	-3.394	-5.022	10.964	421	-17.297	2.306	2.685	-840	-427	162	77
Nov	-6.027	-6.517	9.382	386	-17.135	867	1.517	-467	-311	90	64
Dec	-7.625	-7.258	11.823	362	-20.559	299	1.058	-841	-633	175	83
2011 Jan	-6.126	-6.147	9.549	323	-16.903	376	933	-578	-308	223	69
Feb	-6.100	-6.197	10.061	319	-17.519	387	909	-373	-330	83	64
Mar	-9.707	-8.361	11.814	408	-21.638	438	1.258	-1.882	-413	98	77
Apr	-7.774	-7.882	11.872	334	-20.952	671	1.315	-625	-440	62	73
May	-7.966	-8.884	10.942	380	-21.030	1.284	1.875	-507	-365	141	85
Jun	-7.670	-9.038	11.359	356	-21.585	1.764	2.182	-495	-515	99	62
(annualized)											
2010 Jul	-29.974	-40.358	109.657	5.098	-165.181	15.753	21.346	-7.242	-6.093	1.873	871
Aug	-32.453	-42.151	110.340	5.047	-167.804	14.872	20.730	-7.016	-5.911	1.842	853
Sep	-35.314	-45.029	110.768	5.065	-170.963	14.770	20.560	-6.851	-5.734	1.796	847
Oct	-39.097	-48.744	111.636	5.011	-175.487	15.007	20.779	-7.190	-5.647	1.830	841
Nov	-43.315	-52.658	112.115	4.993	-180.004	14.929	20.854	-7.182	-5.475	1.596	821
Dec	-47.693	-56.445	113.883	4.951	-185.544	14.745	20.807	-7.322	-5.431	1.329	829
2011 Jan	-50.731	-59.779	115.603	4.868	-190.756	14.869	21.005	-7.283	-5.279	1.462	838
Feb	-54.636	-63.607	117.401	4.730	-196.493	15.042	21.193	-7.532	-5.135	1.461	844
Mar	-60.087	-68.294	119.329	4.555	-203.109	15.076	21.494	-8.338	-4.978	1.469	857
Apr	-63.517	-72.078	121.805	4.491	-209.118	15.483	21.765	-8.378	-4.989	1.456	874
May	-68.544	-77.323	122.947	4.423	-215.422	15.660	22.039	-8.391	-4.913	1.510	901
Jun	-72.810	-81.959	124.763	4.347	-221.774	15.917	22.307	-8.266	-4.907	1.498	906

Source: CBT.

CAPITAL AND FINANCIAL ACCOUNT (million USD)

	Capital and Financial Account														
	Net														
	Foreign Direct Investment	Net	Portfolio Investment				Net	Currency and Deposits	Net	Other Investment					
			Assets	Liabilities		Trade Credits				Credits			Deposits		
				Equity Securities	Debt Securities					Monetary Authority	Banks	Other Sectors	Monetary Authority	Banks	
(annual)															
2006	32.064	19.261	7.415	-3.987	1.939	9.463	11.502	-10.293	24.981	674	-5.223	5.814	18.812	-1.268	5.890
2007	36.677	19.941	833	-1.947	5.138	-2.358	23.943	-3.526	28.912	4.150	-3.901	5.609	26.025	-1.450	-1.873
2008	37.256	16.955	-5.014	-1.244	716	-4.486	24.318	-9.831	36.376	1.590	3.443	3.267	23.258	-1.791	6.190
2009	8.925	6.858	227	-2.711	2.827	111	1.993	6.684	-8.992	-1.095	922	-4.450	-10.375	-901	4.964
2010	43.003	7.816	16.093	-3.524	3.468	16.149	31.959	13.621	24.910	2.131	1.405	12.895	-5.773	-553	14.341
(quarterly)															
2010 II	12.487	1.150	5.127	1.002	173	3.952	11.414	5.493	7.372	638	486	3.688	-2.129	-85	4.569
III	6.997	2.093	5.154	-2.608	1.803	5.959	2.176	762	3.580	-468	438	1.473	-653	-225	2.756
IV	14.729	3.444	3.017	-1.133	914	3.236	12.603	4.741	11.612	2.164	41	7.977	-398	-207	2.044
2011 I	18.466	3.088	9.334	747	-1.281	9.868	9.966	-1.242	822	-489	-346	4.860	2.560	-215	-5.561
II	17.716	1.960	8.003	1.818	495	5.690	13.587	4.293	9.566	1.715	522	3.824	2.064	-373	1.598
(monthly)															
2010 Jul	2.286	1.173	3.531	-441	571	3.401	-1.815	-3.586	3.040	-229	-71	-775	11	-65	4.072
Aug	1.000	559	2.622	-783	14	3.391	1.193	1.360	14	-151	864	914	-41	-105	-1.561
Sep	3.711	361	-999	-1.384	1.218	-833	2.798	2.988	526	-88	-355	1.334	-623	-55	245
Oct	3.697	798	1.972	-480	969	1.483	1.850	1.180	2.717	575	6	2.960	-88	-79	-683
Nov	3.389	734	1.054	-846	730	1.170	3.549	1.459	1.959	576	-429	1.350	7	-66	545
Dec	7.643	1.912	-9	193	-785	583	7.204	2.102	6.936	1.013	464	3.667	-317	-62	2.182
2011 Jan	4.542	-202	2.239	218	-630	2.651	3.368	624	412	-234	46	1.128	431	-68	-894
Feb	5.168	603	2.279	502	-554	2.331	2.245	-1.368	-3.086	-688	-241	6	273	-53	-2.395
Mar	8.756	2.687	4.816	27	-97	4.886	4.353	-498	3.496	433	-151	3.726	1.856	-94	-2.272
Apr	8.021	530	5.333	-285	825	4.793	3.372	2.523	1.262	627	-546	-888	480	-88	1.648
May	3.876	765	464	1.249	-193	-592	5.680	126	5.102	594	-184	3.030	989	-129	722
Jun	5.819	665	2.206	854	-137	1.489	4.535	1.644	3.202	494	1.252	1.682	595	-156	-772
(annualized)															
2010 Jul	31.038	5.846	10.802	-1.488	2.873	9.417	24.591	11.347	11.821	640	1.436	3.520	-10.294	-616	15.169
Aug	31.148	5.527	12.699	-1.991	2.324	12.366	23.754	11.115	12.121	464	1.807	5.010	-8.299	-525	13.067
Sep	33.783	5.471	12.496	-3.281	3.625	12.152	25.125	11.679	13.956	598	1.325	7.150	-7.782	-484	12.672
Oct	36.521	5.669	14.518	-3.487	4.303	13.702	26.542	10.729	18.361	971	1.429	10.244	-6.633	-487	12.363
Nov	37.836	6.045	15.448	-3.812	4.892	14.368	29.018	12.390	20.549	1.295	1.110	11.389	-5.438	-522	12.251
Dec	43.003	7.816	16.093	-3.524	3.468	16.149	31.959	13.621	24.910	2.131	1.405	12.895	-5.773	-553	14.341
2011 Jan	46.480	7.213	16.617	-1.654	2.428	15.843	35.630	13.094	27.853	2.289	1.109	15.066	-4.366	-613	13.898
Feb	48.824	7.375	20.754	-1.840	2.076	20.518	35.351	11.516	23.212	2.042	860	15.027	-3.598	-654	9.058
Mar	52.679	9.775	22.632	-1.992	1.609	23.015	36.159	9.754	23.386	1.845	619	17.998	-620	-732	3.808
Apr	53.480	9.894	22.707	-2.434	2.297	22.844	33.779	7.666	22.757	1.892	-686	15.603	580	-793	5.690
May	56.238	10.478	22.593	-1.594	2.605	21.582	37.327	7.404	25.482	2.617	-856	17.181	1.555	-897	5.393
Jun	57.908	10.585	25.508	-1.176	1.931	24.753	38.332	8.554	25.580	2.922	655	18.134	3.573	-1.020	837

Source: CBT.

EXPORTS INDICES

Unit Value Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011	
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II
Total	9,0	9,4	12,4	20,0	13,1	20,7	23,6	24,3	-4,5	16,0	-19,0	-22,4	-21,1	-0,1	-16,6	9,7	6,2	1,5	3,2	4,7	11,2	17,0
Capital Goods	12,4	10,3	11,3	17,3	13,0	16,0	17,1	12,5	-3,2	10,8	-7,0	-9,1	-5,9	5,2	-5,0	0,1	-7,6	-7,5	-3,5	-3,7	3,3	14,0
Intermediate Goods	14,3	14,0	11,8	16,7	14,3	21,8	27,7	36,6	-1,2	22,0	-20,1	-29,3	-31,6	-6,8	-23,5	8,2	11,7	5,0	6,7	7,2	15,0	18,7
Consumption Goods	3,2	4,1	12,6	23,0	11,4	20,8	21,0	13,3	-8,6	10,4	-14,8	-16,0	-10,1	7,8	-8,4	8,1	2,7	0,7	0,9	2,7	8,2	16,6
Selected Items (ISIC Rev.3):																						
Motor vehicles and trailers	9,7	4,3	7,5	12,6	8,5	13,0	14,3	9,6	-5,1	8,4	-9,2	-8,4	-4,7	5,5	-5,0	3,3	-7,9	-6,1	-4,9	-4,1	0,3	12,6
Manufacture of basic metals	24,1	26,4	13,0	12,2	18,7	27,2	41,4	79,5	8,0	43,0	-29,4	-46,7	-54,8	-20,8	-42,4	9,6	30,9	17,5	18,0	19,3	24,5	16,2
Wearing apparel	0,3	0,9	12,2	17,3	7,4	19,8	19,3	9,1	-9,9	10,0	-15,4	-18,3	-10,3	6,5	-10,5	4,1	1,1	-1,3	0,9	0,7	12,7	23,1
Textiles	7,7	7,8	10,6	14,7	10,3	11,9	12,2	7,9	-7,6	5,7	-11,6	-13,7	-9,8	3,9	-7,9	4,8	4,1	4,9	7,5	5,3	18,2	26,2
Manufacture of mach. and equip.	12,4	13,5	13,3	17,7	14,4	16,5	17,5	13,9	-4,5	10,3	-10,6	-13,8	-9,0	4,0	-7,5	3,2	-2,1	-5,2	-1,3	-1,3	3,4	14,4
Food products and beverages	-1,3	3,5	21,1	39,4	16,5	46,0	44,2	26,7	-3,5	24,6	-19,5	-23,5	-19,1	-3,8	-16,2	2,9	2,5	3,5	9,0	4,9	17,8	24,4
Chemicals and chemical products	8,3	7,5	7,7	12,8	9,0	17,1	18,8	19,9	4,6	15,2	-8,9	-13,5	-11,5	-0,3	-8,6	6,3	8,0	2,6	2,8	4,5	9,9	14,6
Manufac. of fab. metal prod(exc mach.)	17,5	14,0	12,3	13,7	14,8	18,1	21,0	24,4	4,6	16,4	-7,6	-16,2	-21,1	-6,3	-13,3	-2,3	-2,8	0,4	-1,7	-1,6	5,7	14,4
Rubber and plastic products	9,5	8,8	12,8	17,8	11,9	17,8	17,4	15,3	1,3	12,9	-7,5	-9,9	-11,9	-1,3	-7,8	-0,7	-2,6	1,2	0,7	-0,3	10,5	19,8
Electrical machinery and apparatus	19,9	13,9	11,1	13,2	14,0	17,1	18,0	12,5	-2,1	10,9	-12,6	-15,9	-12,2	2,9	-9,8	5,1	0,8	-2,8	-1,6	1,8	10,5	13,5
Petroleum products and nuclear fuel	-5,2	5,2	7,4	49,8	15,6	62,0	60,4	67,8	-24,7	35,5	-44,5	-48,0	-44,2	13,1	-33,8	52,8	32,8	12,5	13,5	20,9	24,3	42,6
Other non-metallic minerals	4,9	5,9	9,1	12,7	8,3	14,5	20,8	12,5	-5,1	10,8	-12,7	-21,6	-16,6	-3,8	-14,6	-0,2	0,2	-1,7	-1,8	-0,9	1,3	6,6
Furniture	64,0	57,8	61,0	74,3	64,9	26,9	26,9	26,0	3,0	19,5	-4,2	-3,3	-1,0	15,0	1,7	18,1	11,7	10,8	14,8	14,2	15,1	22,1
Agriculture and farming of animals	-3,9	3,9	25,2	43,5	20,4	22,6	20,5	-3,5	-18,3	-2,0	-12,4	-16,9	14,5	12,4	2,9	19,2	19,5	-3,5	2,3	3,3	4,8	7,3

Source: TÜRKSTAT.

Quantity Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011	
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II
Total	14,4	13,5	10,8	7,4	11,1	18,3	9,1	9,8	-9,1	6,2	-8,8	-15,9	-11,8	8,5	-7,2	-3,2	16,4	4,8	7,4	7,0	9,0	1,8
Capital Goods	39,1	25,5	34,5	27,8	31,2	23,6	25,2	16,1	-20,6	9,8	-40,8	-38,1	-33,1	-0,5	-30,0	15,5	16,6	10,5	3,7	10,6	12,4	8,4
Intermediate Goods	14,9	15,9	13,9	13,5	14,5	29,4	14,5	15,1	-3,3	12,4	0,7	-14,8	-11,7	10,0	-4,0	-13,5	21,0	7,2	8,7	6,4	9,8	0,1
Consumption Goods	10,6	7,7	3,0	-2,5	4,2	4,7	-2,7	0,4	-11,8	-2,4	-16,2	-9,4	-3,9	8,7	-5,5	14,2	12,1	0,8	7,2	8,5	8,1	1,6
Selected Items (ISIC Rev.3):																						
Motor vehicles and trailers	26,1	24,8	21,0	23,0	23,6	34,9	16,8	12,1	-37,1	4,9	-50,6	-43,1	-27,8	26,4	-29,9	50,1	24,9	5,9	7,4	19,9	7,7	9,3
Manufacture of basic metals	5,9	16,9	6,1	17,2	11,4	77,8	23,0	24,5	12,4	28,0	53,6	-8,9	-15,6	7,1	16,3	-54,1	20,1	-5,2	-2,8	-19,7	3,3	-14,5
Wearing apparel	13,5	18,6	3,0	-2,2	8,0	-2,9	-15,9	-9,5	-15,8	-11,4	-14,6	-5,7	-12,0	7,4	-6,7	8,1	11,0	12,0	7,0	10,1	0,4	-4,5
Textiles	9,0	6,4	6,1	2,3	5,8	7,9	1,1	-0,4	-10,2	-0,9	-21,6	-13,1	-7,8	9,0	-8,3	16,7	10,4	4,6	4,9	8,7	5,1	4,3
Manufacture of mach. and equip.	27,0	20,3	14,8	8,8	16,8	16,6	14,4	13,8	-2,3	10,6	-15,4	-16,5	-13,4	4,9	-10,7	9,1	18,4	16,7	11,4	13,9	17,7	10,5
Food products and beverages	9,7	1,5	7,1	-5,5	2,4	-7,8	-4,0	4,6	8,5	0,7	15,2	21,0	2,2	2,9	9,3	0,5	4,2	10,3	15,0	7,9	12,1	15,3
Chemicals and chemical products	10,4	5,6	5,3	6,8	7,0	12,7	13,6	14,9	-12,0	6,9	-22,2	-11,1	-8,8	23,2	-5,8	42,8	22,8	21,8	24,2	26,9	10,5	12,1
Manufac. of fab. metal prod(exc mach.)	12,8	18,8	8,7	7,2	10,8	20,9	21,4	13,1	-8,4	11,7	-18,8	-19,0	-4,6	19,4	-6,8	16,7	18,0	8,1	10,7	13,1	22,2	12,7
Rubber and plastic products	27,4	22,0	12,5	6,5	16,6	9,3	10,1	14,8	-5,9	7,1	-19,0	-13,5	-9,6	13,7	-7,9	28,1	25,1	14,5	20,3	21,4	21,6	14,3
Electrical machinery and apparatus	37,4	33,9	25,9	18,7	27,8	16,0	12,0	13,8	-3,4	9,2	-12,8	-16,6	-14,5	9,6	-8,6	10,4	29,2	16,8	18,0	17,8	19,2	4,9
Petroleum products and nuclear fuel	23,1	19,1	21,7	34,9	25,2	23,5	8,4	24,3	-9,9	9,8	-48,2	-25,0	-11,4	-15,6	-25,2	17,0	2,1	-31,9	4,4	3,1	36,0	12,0
Other non-metallic minerals	10,6	10,7	12,1	15,9	12,3	13,3	30,9	15,3	-0,1	14,9	-2,1	-7,4	4,6	15,9	2,1	17,3	5,7	0,7	5,8	6,8	-2,0	-2,3
Furniture	-19,6	-14,1	-18,0	-26,2	-20,1	-1,6	-8,0	-1,3	-10,3	-5,3	-25,7	-20,8	-23,3	-17,6	-21,8	5,8	4,1	-2,7	7,2	7,5	9,0	2,0
Agriculture and farming of animals	12,7	-16,8	-18,8	-12,1	-10,6	-14,8	0,8	14,5	17,5	7,7	18,3	17,0	6,6	4,8	7,7	4,6	15,0	14,2	-5,8	10,0	8,2	-15,0

Source: TÜRKSTAT.

IMPORTS INDICES

Unit Value Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011	
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II
Total	8,3	7,2	7,0	15,7	9,8	22,8	28,5	29,6	2,3	20,6	-16,8	-27,1	-25,9	-7,1	-20,1	7,8	13,3	6,9	7,5	9,0	14,1	19,4
Capital Goods	5,8	5,1	5,1	10,4	6,8	9,9	7,4	5,4	-7,3	3,5	-9,3	-14,6	-4,3	5,6	-6,4	2,0	3,8	-8,0	-6,8	-1,5	-1,3	7,7
Intermediate Goods	9,9	8,0	7,8	17,2	10,8	26,8	35,5	37,7	6,6	26,5	-18,5	-31,5	-31,5	-12,2	-24,4	8,8	18,2	12,1	13,0	13,2	19,3	23,6
Consumption Goods	4,3	6,4	4,5	12,7	7,8	16,3	14,6	12,9	-5,8	8,8	-12,3	-11,5	-8,5	7,1	-6,9	6,3	-1,4	-4,1	-2,5	-1,0	2,6	10,5
Selected Items (ISIC Rev.3):																						
Chemicals and chemical products	6,3	7,0	8,1	12,5	8,6	19,0	19,5	21,9	1,8	15,3	-23,1	-25,2	-26,9	-12,1	-22,3	10,9	10,4	7,8	8,3	9,1	12,6	20,0
Crude oil and natural gas	-1,3	-3,3	1,9	27,2	6,1	50,3	66,1	57,5	11,4	45,4	-24,9	-44,7	-42,7	-21,1	-34,6	10,2	31,0	18,7	14,6	18,1	21,8	32,5
Manufacture of basic metals	26,0	16,5	11,5	15,3	16,3	20,3	28,7	38,4	7,3	24,5	-20,3	-33,0	-33,4	-11,9	-25,6	17,4	28,5	19,6	20,5	21,3	22,4	20,2
Manufacture of machinery and equip.	7,5	1,0	2,4	9,8	5,3	10,2	14,1	11,4	-4,4	7,4	-6,6	-11,2	-6,0	6,4	-6,5	-0,8	-5,1	-11,4	-9,4	-5,4	-1,7	9,0
Coke, petro. products and nuclear fuel	-3,9	5,1	6,9	40,4	12,4	58,3	64,0	61,7	-7,0	40,2	-46,6	-52,7	-47,3	-14,9	-41,9	45,3	43,6	17,0	19,1	29,0	30,4	41,1
Motor vehicles and trailers	8,7	6,9	5,1	10,1	8,6	12,8	12,2	7,5	-8,1	5,6	-6,2	-8,0	-0,9	12,1	-1,4	-0,7	-8,0	-8,9	-4,6	-5,6	3,5	15,0
Electrical machinery and apparatus	-4,2	-2,2	6,2	12,4	3,5	10,5	11,0	1,9	-10,3	3,0	-12,8	-13,0	-4,7	7,1	-6,3	4,9	3,4	-7,2	-3,8	-0,3	-2,6	-0,1
Agriculture and farming of animals	6,2	8,8	11,3	24,5	13,0	38,6	45,9	39,3	8,5	32,5	-14,3	-25,8	-20,6	-3,9	-16,5	14,2	24,1	19,9	32,5	20,9	40,3	42,2
Waste and scrap (Wholesale and retail)	31,4	32,4	20,0	25,6	26,2	40,2	64,7	102,4	-0,2	56,2	-34,2	-55,7	-58,9	-13,8	-46,2	20,4	66,1	27,0	30,7	35,8	38,9	11,9
Textiles	5,6	3,5	2,9	5,2	4,2	7,5	8,2	5,5	-0,9	5,0	-2,2	-2,9	-3,9	1,0	-2,3	3,1	3,5	7,1	8,6	6,1	16,1	19,2
Communication and apparatus	5,3	13,7	4,0	12,1	8,7	12,8	1,1	8,6	3,2	5,1	4,6	-8,9	11,8	9,2	9,2	6,0	21,7	-6,9	2,3	3,7	-2,7	10,9
Medical, precision and opt. instr., watch	3,3	7,4	16,0	2,0	7,3	0,4	3,1	-4,0	-14,3	-4,3	-8,4	-14,7	-7,0	3,8	-7,3	2,1	-2,5	-5,9	-6,5	-2,7	3,7	12,2
Rubber and plastic products	9,7	7,1	6,2	14,5	9,6	14,2	15,6	12,7	-2,8	9,7	-5,2	-9,9	-5,3	6,8	-3,6	3,2	0,1	-0,9	2,4	0,6	4,8	16,0
Man. of fab. metal prod(exc mach)	11,1	2,3	1,3	8,7	6,4	13,1	16,4	12,4	-3,3	8,6	-4,1	-5,6	-3,3	10,7	-1,9	-2,4	-7,8	-6,5	-7,3	-4,7	1,0	10,5
Paper and paper products	11,3	8,3	8,4	11,8	9,9	12,2	13,4	11,8	0,8	9,5	-11,5	-21,0	-23,2	-11,8	-17,4	-2,2	9,7	20,2	17,7	11,4	15,3	14,5

Source: TURKSTAT.

Quantity Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011	
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II
Total	10,1	8,3	16,2	16,6	12,8	13,7	4,7	0,4	-22,3	-1,5	-29,4	-18,9	-10,7	13,1	-12,7	23,7	18,3	15,6	26,6	20,5	27,6	18,5
Capital Goods	-0,5	9,0	20,5	25,2	14,2	24,0	4,3	2,0	-19,1	0,1	-30,5	-16,9	-19,4	-5,6	-18,2	21,9	20,4	33,4	71,2	36,3	53,2	52,0
Intermediate Goods	14,6	10,2	15,4	13,5	13,3	10,1	3,4	-0,2	-24,2	-2,9	-30,9	-20,9	-10,1	16,9	-13,4	24,3	17,6	10,4	17,1	16,4	21,1	11,2
Consumption Goods	-4,0	-7,2	17,0	31,3	8,5	25,6	17,7	3,5	-16,5	5,6	-20,7	-8,3	-3,9	20,8	-3,7	29,4	23,1	29,0	35,4	29,4	39,3	26,8
Selected Items (ISIC Rev.3):																						
Chemicals and chemical products	10,4	13,0	12,6	11,9	12,0	9,5	3,6	-0,5	-16,6	-0,9	-16,8	-9,6	9,0	29,5	1,8	27,2	23,3	5,8	11,2	15,8	20,0	9,3
Crude oil and natural gas	19,3	5,7	2,9	1,0	6,9	2,4	1,7	6,9	-15,2	-1,8	-24,7	-23,9	-20,5	-8,4	-19,5	1,3	7,4	7,0	26,6	10,3	25,5	12,3
Manufacture of basic metals	19,4	9,7	29,4	13,2	18,0	11,0	-2,5	-0,4	-42,9	-7,8	-52,1	-40,4	-33,4	23,3	-32,6	36,5	13,2	8,9	11,7	15,5	29,2	13,4
Manufacture of machinery and equip.	7,9	14,0	14,5	22,3	14,8	13,0	-5,1	-8,0	-25,2	-7,4	-32,0	-22,9	-25,0	-8,7	-21,2	16,4	21,3	51,9	42,5	30,8	45,3	53,9
Coke, petro. products and nuclear fuel	9,2	0,0	21,7	29,5	14,7	5,5	21,3	-7,1	-4,1	4,0	18,7	24,7	40,0	39,7	30,0	11,2	1,9	-6,0	6,5	2,2	-5,8	-7,4
Motor vehicles and trailers	-10,8	-11,4	9,9	38,4	5,5	28,0	15,4	0,1	-38,2	-2,7	-56,8	-34,2	-22,5	3,0	-29,6	71,6	36,1	43,8	73,6	54,4	57,8	38,1
Electrical machinery and apparatus	7,0	33,3	28,3	25,8	23,7	45,2	15,8	7,1	-5,9	13,0	-25,7	-7,4	3,5	14,5	-3,9	38,3	20,0	25,5	20,9	23,6	18,1	19,7
Agriculture and farming of animals	48,6	60,1	48,1	35,8	47,4	13,4	8,8	-3,9	6,3	6,7	-23,1	-20,2	-7,1	1,9	-13,4	31,0	20,4	13,3	-1,9	16,3	15,9	9,1
Waste and scrap (Wholesale and retail)	45,9	14,1	0,3	11,9	17,1	2,2	19,7	13,1	-30,7	0,8	-41,3	-25,7	12,4	36,5	-10,5	31,1	19,5	3,7	41,7	22,8	27,0	7,0
Textiles	17,7	27,9	19,9	20,7	21,6	7,4	-7,9	-11,6	-21,4	-8,9	-38,3	-27,4	-5,4	26,1	-12,7	51,1	51,3	24,9	13,3	31,4	21,6	9,6
Communication and apparatus	4,2	7,4	22,2	8,7	10,7	9,7	-4,6	-20,9	-34,0	-13,0	-46,0	-8,5	-14,0	12,1	-20,3	33,1	-11,0	8,4	15,7	11,1	24,3	28,6
Medical, precision and opt. instr., watch	-2,6	5,1	7,8	28,7	10,0	41,4	23,0	23,7	-3,0	19,5	-26,3	-17,0	-16,9	8,7	-12,6	31,0	26,0	29,6	25,4	26,2	22,1	20,1
Rubber and plastic products	6,0	6,6	16,1	16,4	11,1	19,0	7,4	-1,3	-18,4	1,0	-41,2	-26,3	-13,5	12,7	-18,6	52,1	33,9	19,9	15,5	27,6	31,9	22,8
Man. of fab. metal prod(exc mach)	1,5	8,8	9,0	19,4	9,1	30,1	22,3	13,3	-7,5	14,0	-30,2	-25,4	-26,2	-13,8	-23,5	37,0	17,6	28,0	37,5	27,3	22,3	25,5
Paper and paper products	5,3	15,5	15,9	8,3	11,4	10,5	-1,9	-7,3	-10,7	-2,8	-25,5	-0,9	6,8	24,5	0,6	43,9	22,7	13,1	-0,4	17,5	5,0	10,6

Source: TURKSTAT

Exports
(million USD)

As of January-June Period

			Change		Contribution		Export share		Indices (% change)	
	2010	2011	%	%	\$	2010	2011	Price	Quantity	
Total	54717	65598	19,9					14,0	5,2	
Capital Goods	5797	6943	19,8	2,1	1147	10,6	10,6	8,1	10,3	
Intermediate Goods	27318	33283	21,8	10,9	5965	49,9	50,7	16,8	4,5	
Consumption Goods	21401	25138	17,5	6,8	3736	39,1	38,3	12,1	4,7	
Other	201	234	16,3	0,1	33	0,4	0,4	-	-	
Selected Items (ISIC Rev.3):										
Motor vehicles and trailers	7.520	8.629	14,7	2,0	1109	13,7	13,2	5,9	-2,2	
Manufacture of basic metals	7.558	8.384	10,9	1,5	826	13,8	12,8	20,3	-6,6	
Clothing	5.241	6.033	15,1	1,4	793	9,6	9,2	17,6	17,2	
Textiles	4.884	6.245	27,9	2,5	1361	8,9	9,5	22,2	13,7	
Manufacture of machinery and equipment	4.280	5.302	23,9	1,9	1022	7,8	8,1	8,6	0,0	
Food products and beverages	2.925	4.023	37,5	2,0	1098	5,3	6,1	21,0	11,9	
Chemicals and chemical products	2.641	3.299	24,9	1,2	658	4,8	5,0	11,7	0,3	
Man. of fabricated metal prod (exc mach.)	2.318	2.987	28,9	1,2	669	4,2	4,6	9,9	0,0	
Rubber and plastic products	2.262	3.064	35,5	1,5	802	4,1	4,7	14,8	8,5	
Electrical machinery and apparatus	2.250	2.808	24,8	1,0	558	4,1	4,3	11,3	0,0	
Petroleum products and nuclear fuel	1.872	3.073	64,2	2,2	1201	3,4	4,7	34,1	5,3	
Other non-metallic minerals	1.973	2.006	1,7	0,1	33	3,6	3,1	3,9	0,0	
Furniture	1.518	1.895	24,9	0,7	378	2,8	2,9	18,9	-3,2	
Agriculture and Farming of Animals	2.349	2.414	2,8	0,1	65	4,3	3,7	6,3	-3,2	
Other transport	917	1.007	9,7	0,2	89	1,7	1,5	-	0,0	

Source: TURKSTAT.

Exports – Country Decomposition
(million USD)

As of January-June period

	2010		2011		Change	Contribution	
	Value	Share (%)	Value	Share (%)		%	\$
Total	54717		65598		19,9		
EU countries (27)	25119	45,9	31575	48,1	25,7	11,8	6456
Other countries	28602	52,3	32827	50,0	14,8	7,7	4225
Other European	5700	10,4	6008	9,2	5,4	0,6	308
North Africa	3821	7,0	3136	4,8	-17,9	-1,3	-685
Near and Middle East	10798	19,7	13092	20,0	21,2	4,2	2294
Other Asian	4153	7,6	4879	7,4	17,5	1,3	726
Other	4129	7,5	5712	8,7	38,3	2,9	1583
Free Zones in Turkey	996	1,8	1196	1,8	20,0	0,4	199
Selected countries (First 20)							
Germany	5170	9,4	5693	8,7	10,1	1,0	523
Italy	3310	6,0	3605	5,5	8,9	0,5	295
UK	3211	5,9	3143	4,8	-2,1	-0,1	-67
Iraq	2659	4,9	3027	4,6	13,8	0,7	367
France	3117	5,7	2899	4,4	-7,0	-0,4	-218
Russia	1994	3,6	2372	3,6	19,0	0,7	378
USA	1713	3,1	1873	2,9	9,3	0,3	160
Spain	1717	3,1	1661	2,5	-3,3	-0,1	-56
UAE	1604	2,9	1617	2,5	0,8	0,0	13
Netherlands	1179	2,2	1336	2,0	13,4	0,3	158
Iran	1312	2,4	1434	2,2	9,3	0,2	122
Romania	1247	2,3	1180	1,8	-5,3	-0,1	-66
Belgium	981	1,8	1067	1,6	8,7	0,2	86
Egypt	1275	2,3	980	1,5	-23,2	-0,5	-295
Israel	984	1,8	963	1,5	-2,2	0,0	-21
Saudi Arabia	1180	2,2	980	1,5	-17,0	-0,4	-200
China	1096	2,0	863	1,3	-21,3	-0,4	-233
Azerbaijan	714	1,3	730	1,1	2,3	0,0	17
Syria	824	1,5	694	1,1	-15,8	-0,2	-131
Poland	697	1,3	722	1,1	3,5	0,0	25

Source: TURKSTAT.

Imports (million USD)

	As of January-June Period									
	2010	2011	Change			Export share		Indices (% change)		
			%	%	\$	2010	2011	Price	Quantity	
Total	83398	119629	43,4					16,5	22,9	
Capital Goods	11912	18823	58,0	8,3	6911	14,3	15,7	2,5	53,0	
Intermediate Goods	60378	84995	40,8	29,5	24616	72,4	71,0	21,3	15,9	
Consumption Goods	10856	15353	41,4	5,4	4497	13,0	12,8	6,3	32,5	
Other	252	459	82,2	0,2	207	0,3	0,4	-	-	
Selected Items (ISIC Rev.3):										
Chemicals and chemical products	12992	17279	33,0	5,1	4287	15,6	14,4	15,9	14,6	
Crude oil and natural gas	10666	16025	50,2	6,4	5359	12,8	13,4	27,3	18,7	
Manufacture of basic metals	8162	11959	46,5	4,6	3798	9,8	10,0	21,2	21,2	
Manufacture of machinery and equip.	6893	10798	56,7	4,7	3905	8,3	9,0	2,6	50,6	
Coke, petro. products and nuclear fuel	6469	8265	27,8	2,2	1797	7,8	6,9	35,8	-6,7	
Motor vehicles and trailers	6418	10313	60,7	4,7	3895	7,7	8,6	8,4	46,7	
Electrical machinery and apparatus	3790	4449	17,4	0,8	659	4,5	3,7	-1,5	18,9	
Agriculture and Farming of Animals	3220	5110	58,7	2,3	1890	3,9	4,3	41,1	12,5	
Waste and scrap (Wholesale and retail)	3472	4895	41,0	1,7	1423	4,2	4,1	24,4	15,5	
Textiles	2746	3718	35,4	1,2	972	3,3	3,1	17,5	15,3	
Communication and apparatus	2458	3236	31,7	0,9	778	2,9	2,7	3,6	27,0	
Medical, precision and opt. instr., watch.	1784	2334	30,9	0,7	551	2,1	2,0	7,7	20,9	
Rubber and plastic products	1635	2294	40,4	0,8	660	2,0	1,9	10,1	26,8	
Man. of fab. metal prod (exc mach.)	1479	1939	31,1	0,6	460	1,8	1,6	5,6	23,7	
Paper and paper products	1541	1910	23,9	0,4	368	1,8	1,6	15,0	8,1	

Source: TURKSTAT.

Imports – Country Decomposition (million USD)

	As of January-June period							
	2010		2011		%	Contribution		
	Value	Share (%)	Value	Share (%)		Chang	%	\$
Total	83398		119629		43,4			
EU countries (27)	32435	38,9	46706	39,0	44,0	17,1	14271	
Other countries	50527	60,6	72383	60,5	43,3	26,2	21857	
Other European	14230	17,1	16836	14,1	18,3	3,1	2607	
North America	5758	6,9	9270	7,7	61,0	4,2	3512	
Near and Middle East	7037	8,4	12540	10,5	78,2	6,6	5503	
Other Asian	18557	22,3	26815	22,4	44,5	9,9	8258	
Other	4944	5,9	6921	5,8	40,0	2,4	1977	
Free Zones in Turkey	208	0,2	260	0,2	25,0	0,1	52	
Selected countries (First 20)								
Germany	7576	9,1	11902	9,9	57,1	5,2	4326	
China	7713	9,2	10725	9,0	39,1	3,6	3012	
Russia	10405	12,5	10887	9,1	4,6	0,6	481	
USA	5269	6,3	8581	7,2	62,9	4,0	3312	
Italy	4713	5,7	6948	5,8	47,4	2,7	2235	
Iran	3187	3,8	6049	5,1	89,8	3,4	2862	
France	3719	4,5	5022	4,2	35,1	1,6	1304	
Spain	2127	2,6	3179	2,7	49,5	1,3	1052	
India	1577	1,9	3014	2,5	91,1	1,7	1436	
S. Korea	1892	2,3	3003	2,5	58,7	1,3	1111	
UK	2143	2,6	2846	2,4	32,8	0,8	703	
Ukraine	2046	2,5	2762	2,3	35,0	0,9	716	
Netherlands	1362	1,6	2022	1,7	48,4	0,8	660	
Belgium	1463	1,8	2064	1,7	41,2	0,7	602	
Japan	1446	1,7	1957	1,6	35,3	0,6	510	
Switzerland	957	1,1	2070	1,7	116,3	1,3	1113	
Romania	1619	1,9	1973	1,6	21,9	0,4	354	
Poland	1132	1,4	1795	1,5	58,5	0,8	663	
Saudi Arabia	969	1,2	1631	1,4	68,3	0,8	662	
Iraq	576	0,7	1270	1,1	120,3	0,8	693	

Source: TURKSTAT

Services Account (million USD)

	2010				2010	2011	
	I	II	III	IV		I	II
Services	870	2.878	7.525	3.472	14.745	1.201	3.719
Total Income	4.950	7.971	12.448	8.810	34.179	6.094	9.097
Total Expenses	-4.080	-5.093	-4.923	-5.338	-19.434	-4.893	-5.378
Transportation	-8	37	610	95	734	22	251
Credit	1.642	2.323	2.721	2.336	9.022	2.044	2.472
Debit	-1.650	-2.286	-2.111	-2.241	-8.288	-2.022	-2.221
Freight	-453	-581	-694	-722	-2.450	-701	-700
Credit	765	945	772	918	3.400	837	841
Debit	-1.218	-1.526	-1.466	-1.640	-5.850	-1.538	-1.541
Other Transportation	445	618	1.304	817	3.184	723	951
Credit	877	1.378	1.949	1.418	5.622	1.207	1.631
Debit	-432	-760	-645	-601	-2.438	-484	-680
Travel	1.423	3.389	7.269	3.900	15.981	1.904	4.046
Credit	2.413	4.559	8.575	5.260	20.807	3.100	5.372
Debit	-990	-1.170	-1.306	-1.360	-4.826	-1.196	-1.326
Construction serv.	211	209	175	264	859	102	179
Financial serv.	-50	-76	-61	-47	-234	-244	-131
Credit	118	123	98	151	490	108	163
Debit	-168	-199	-159	-198	-724	-352	-294
Insurance Services	-141	-85	-86	-157	-469	-162	-107
Credit	155	184	186	194	719	221	220
Debit	-296	-269	-272	-351	-1.188	-383	-327
Other serv.	-565	-596	-382	-508	-2.051	-509	-544
Credit	411	573	693	680	2.357	431	666
Debit	-976	-1.169	-1.075	-1.188	-4.408	-940	-1.210

Source: CBT.

Tourism Statistics

	2010				2010	2011	
	I	II	III	IV		I	II
Tourism Revenues (million USD)	2.413	4.559	8.575	5.260	20.807	3.100	5.372
Departing foreign visitors (x1000)	3.107	7.638	11.742	6.023	28.511	3.599	8.504
average expenditure (USD)	559	480	550	618	546	622	528
Departing citizen visitors (x1000)	645	736	2.119	1.017	4.517	799	834
average expenditure (USD)	1.048	1.212	1.001	1.514	1.158	1.077	1.061
Tourism Expenditures (million USD)	990	1.169	1.306	1.360	4.826	1.196	1.326
Arriving citizen visitors (x1000)	1.294	1.712	1.837	1.714	6.557	1.647	1.886
average expenditure (USD)	765	683	711	794	736	727	703

Source: TURKSTAT, CBT.

Income Account
(million USD)

	2010				2010	2011	
	I	II	III	IV		I	II
Income (net)	-1.817	-1.699	-1.658	-2.148	-7.322	-2.833	-1.627
Compensation of Employees (net)	-27	-30	-35	-38	-130	-39	-37
Investment Income	-1.790	-1.669	-1.623	-2.110	-7.192	-2.794	-1.590
Total Income	1.810	795	1.066	761	4.432	1.185	982
Total Expenses	-3.600	-2.464	-2.689	-2.871	-11.624	-3.979	-2.572
Direct investment	-163	-621	-458	-1.122	-2.364	-1.377	-656
Credit	616	29	13	22	680	177	29
Debit	-779	-650	-471	-1.144	-3.044	-1.554	-685
Portfolio investment	-341	100	-295	45	-491	-598	61
Credit	976	523	758	401	2.658	776	628
Debit	-1.317	-423	-1.053	-356	-3.149	-1.374	-567
Other investment	-1.286	-1.148	-870	-1.033	-4.337	-819	-995
Interest Income	218	243	295	338	1.094	232	325
Interest Expenses	-1.504	-1.391	-1.165	-1.371	-5.431	-1.051	-1.320
Long-term	-1.439	-1.316	-1.075	-1.281	-5.111	-953	-1.166
Monetary A.	-65	-61	-49	-60	-235	-56	-55
Gen. Gov.	-332	-207	-183	-237	-959	-198	-225
Banks	-203	-169	-169	-282	-823	-121	-165
Other sector	-839	-879	-674	-702	-3.094	-578	-721
Short-term	-65	-75	-90	-90	-320	-98	-154

Source: CBT.

Financing Requirements and Sources (billion USD)

	2010				2010	2011		2011
	I	II	III	IV		I	II	
Financing Requirements	-21,5	-24,1	-25,2	-34,5	-105,3	-20,2	-32,9	-53,1
Current Account Balance (Excluding Current Transfers)	-9,8	-11,0	-10,8	-17,5	-49,0	-22,3	-23,7	-46,0
Debt Security and Credit Repayments	-11,7	-12,7	-9,6	-12,2	-46,2	-9,0	-10,8	-19,7
Debt Securities (Abroad)	-1,4	-1,2	0,0	0,0	-2,6	-1,0	-0,8	-1,8
Long Term Credits	-10,3	-11,5	-9,6	-12,2	-43,6	-8,0	-10,0	-18,0
Trade Credits	-0,1	-0,1	0,0	0,0	-0,2	-0,1	-0,1	-0,2
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	-0,5	-1,7	-1,2	-1,9	-5,3	-1,0	-1,6	-2,6
(IMF)	0,0	-0,7	-0,7	-0,8	-2,2	-0,5	-0,6	-1,1
Banks	-1,3	-0,7	-2,5	-2,2	-6,7	-1,3	-2,0	-3,2
Other Sectors	-8,4	-9,0	-5,9	-8,0	-31,2	-5,6	-6,4	-12,0
Other Assets (- indicates to an increase) 1/	0,0	-0,4	-4,8	-4,9	-10,1	11,1	1,5	12,7
Financing Sources	21,5	24,1	25,2	34,5	105,3	20,2	32,9	53,1
Current Transfers	0,3	0,3	0,4	0,4	1,3	0,4	0,3	0,7
Capital Account	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0
Direct Investment (Net)	1,1	1,2	2,1	3,4	7,8	3,1	2,0	5,0
Equity Securities (Net)	0,6	0,2	1,8	0,9	3,5	-1,3	0,5	-0,8
Debt Securities and Credits	12,1	19,4	16,4	25,2	73,0	25,4	24,6	50,0
Debt Securities	4,4	5,2	6,0	3,2	18,8	10,9	6,4	17,3
In Turkey (Net)	1,4	3,2	4,0	2,4	10,9	6,6	5,1	11,7
Abroad	3,0	2,0	2,0	0,9	7,9	4,3	1,3	5,6
Long Term Credits	7,4	10,1	8,7	12,5	38,7	10,9	12,6	23,4
Trade Credits	0,1	0,1	0,0	0,1	0,3	0,0	0,0	0,1
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	1,0	2,2	1,6	2,0	6,7	0,7	2,1	2,8
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Banks	0,9	1,3	2,2	3,2	7,6	2,5	2,9	5,4
Other Sectors	5,5	6,5	4,8	7,2	24,0	7,7	7,5	15,2
Short Term Credits (Net)	0,3	4,0	1,7	9,4	15,5	3,7	5,6	9,2
Trade Credits	-0,2	0,6	-0,5	2,1	2,0	-0,4	1,7	1,3
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Banks	0,2	3,1	1,8	6,9	12,0	3,6	2,9	6,5
Other Sectors	0,3	0,4	0,4	0,4	1,4	0,5	1,0	1,4
Deposits (Net)	4,9	4,5	2,5	1,8	13,8	-5,8	1,2	-4,6
Other Liabilities	0,0	0,2	0,3	0,0	0,5	0,0	0,2	0,2
Net Errors and Omissions	0,7	-1,8	3,4	2,3	4,7	3,5	5,7	9,2
Banks' Currency and Deposits 2/	2,6	5,5	0,8	4,7	13,6	-1,2	4,3	3,1
Reserve Assets 2/	-0,9	-5,2	-2,4	-4,3	-12,8	-3,9	-5,8	-9,8

Source: CBT.

1/ Excluding Banks' Currency and Deposits

2/- denotes an increase.

Balance of Payments Debt Creating and Non-Debt Creating Flows
(billion USD)

	2010				2010	2011		2011
	I	II	III	IV		I	II	
A) Current Account Balance	-9,5	-10,7	-10,4	-17,0	-47,7	-21,9	-23,4	-45,3
B) Capital and Financial Account	8,8	12,5	7,0	14,7	43,0	18,5	17,7	36,2
Capital Account	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0
Financial Account	8,8	12,5	7,0	14,7	43,1	18,5	17,7	36,2
Assets	2,2	4,5	-4,3	-0,4	2,1	8,9	5,5	14,4
Direct Investment	-0,4	-0,5	-0,3	-0,2	-1,5	-0,9	-0,4	-1,3
Portfolio Investment	-0,8	1,0	-2,6	-1,1	-3,5	0,7	1,8	2,6
Other Investment	3,4	4,0	-1,4	1,0	7,0	9,1	4,0	13,2
Liabilities	7,5	13,1	13,7	19,4	53,8	13,4	18,1	31,5
Non-Debt Creating Flows	2,1	1,9	4,4	4,5	12,9	2,8	3,0	5,9
Direct Investment 1/	1,5	1,5	2,4	3,6	9,0	4,1	2,3	6,4
Portfolio Investment/Equity Securities	0,6	0,2	1,8	0,9	3,5	-1,3	0,5	-0,8
Other Investment/Other Liabilities 2/	0,0	0,2	0,3	0,0	0,5	0,0	0,2	0,2
Debt Creating Flows	5,4	11,2	9,3	15,0	40,9	10,6	15,1	25,7
Portfolio Investment/Debt Securities	3,0	4,0	6,0	3,2	16,1	9,9	5,7	15,6
Trade Credits	-0,2	0,6	-0,5	2,2	2,1	-0,5	1,7	1,2
Loans	-2,3	2,2	1,3	7,7	8,8	7,0	6,4	13,4
Deposits	4,9	4,5	2,5	1,8	13,8	-5,8	1,2	-4,6
Other Investment/Other Liabilities 2/	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reserve Assets	-0,9	-5,2	-2,4	-4,3	-12,8	-3,9	-5,8	-9,8
C) Net Errors and Omissions	0,7	-1,8	3,4	2,3	4,7	3,5	5,7	9,2

Source: CBT.

1/ "Other Capital" item, which is comprised in the Direct Investment, is presented under Debt Creating Flows/Loans.

2/ The International Monetary Fund (IMF) has made an SDR allocation to its members in proportion to their existing quotas in the Fund in August and September 2009. Accordingly, SDR equivalent of USD 1.497 million was allocated to Turkey, and recorded under the following "Financial Account" items in the balance of payments statistics: "Other Investment / Other Liabilities" and "Reserve Assets / Foreign Exchange / Currency and Deposits".

International Investment Position
 (billion USD)

	2007	2008	2009	2010	2011 (*)	
					I	II
International Investment Position, net	-314,9	-201,5	-278,7	-362,6	-380,8	-374,5
Assets	167,4	184,2	178,0	180,0	179,5	183,0
Direct investment abroad	12,2	17,8	22,3	21,6	22,5	22,9
Portfolio investment	2,0	2,0	1,9	2,3	2,3	2,0
Equity securities	0,1	0,1	0,2	0,4	0,4	0,3
Debt securities	1,9	1,9	1,7	1,9	1,9	1,7
Other investment	76,7	90,1	79,0	70,2	62,6	58,8
Trade credits	10,3	8,6	9,3	10,7	10,9	11,0
Loans	1,8	2,4	2,7	2,7	3,1	3,0
Currency and deposits	62,3	76,9	64,6	54,3	46,2	42,2
Banks	31,8	43,7	37,1	22,7	24,8	20,7
Foreign exchange	31,8	40,4	34,4	20,2	21,6	16,6
Turkish Lira	n.a.	3,4	2,7	2,5	3,2	4,1
Other sectors	30,5	33,2	27,5	31,5	21,4	21,4
Other assets	2,3	2,3	2,4	2,5	2,5	2,6
Monetary authorities	1,5	1,5	1,5	1,5	1,5	1,5
General government	0,8	0,8	0,9	1,0	1,0	1,1
Reserve assets	76,4	74,2	74,8	86,0	92,2	99,4
Monetary gold	3,1	3,2	4,1	5,3	5,4	5,6
Special drawing rights	0,1	0,0	1,5	1,5	1,5	1,6
Reserve position in the Fund	0,2	0,2	0,2	0,2	0,2	0,2
Foreign exchange	73,1	70,8	69,0	79,1	85,1	92,0
Currency and deposits	5,4	4,1	5,1	7,8	9,7	7,9
Securities	67,7	66,8	63,9	71,3	75,4	84,1
Liabilities	482,3	385,7	456,7	542,6	560,4	557,5
Direct investment in reporting economy	154,0	80,2	143,6	185,8	190,7	176,9
Portfolio investment	120,6	68,8	91,2	118,4	125,9	127,3
Equity securities	64,2	23,2	47,2	61,5	57,9	55,2
Debt securities	56,4	45,6	43,9	56,9	68,0	72,1
Bonds and notes	56,4	45,6	43,9	56,9	68,0	72,1
General government	56,4	45,6	43,9	55,5	65,7	68,3
In Turkey	32,2	20,4	21,1	32,7	38,7	42,0
Abroad	24,3	25,2	22,9	22,8	27,0	26,3
Banks	0,0	0,0	0,0	1,1	2,1	3,5
Other sectors	0,0	0,0	0,0	0,2	0,2	0,2
Other investment	207,6	236,6	222,0	238,4	243,8	253,4
Trade credits	21,5	22,6	21,6	23,4	23,2	25,1
Other sectors	21,5	22,6	21,6	23,4	23,2	25,1
Long-term	0,4	0,6	0,5	0,6	0,5	0,5
Short-term	21,1	22,0	21,1	22,8	22,7	24,6
Loans	159,5	182,0	166,0	168,2	178,6	184,4
Monetary authorities	0,0	0,0	0,0	0,0	0,0	0,0
Use of Fund credit & loans from the Fund	0,0	0,0	0,0	0,0	0,0	0,0
Other long-term	0,0	0,0	0,0	0,0	0,0	0,0
Short-term	0,0	0,0	0,0	0,0	0,0	0,0
General government	30,1	33,5	34,7	36,0	36,6	37,6
Long-term	30,1	33,5	34,7	36,0	36,6	37,6
Short-term	0,0	0,0	0,0	0,0	0,0	0,0
Banks	39,1	40,1	35,4	47,4	53,1	56,8
Long-term	31,5	30,6	29,1	29,3	31,0	31,7
Short-term	7,5	9,5	6,3	18,1	22,1	25,0
Other sectors	90,4	108,5	95,9	84,9	88,9	90,1
Long-term	88,9	106,7	94,9	82,6	86,2	86,5
Short-term	1,4	1,8	1,0	2,3	2,7	3,6
Currency and deposits	26,6	32,0	32,8	45,3	40,5	42,3
Monetary authorities	15,8	14,1	13,3	11,8	12,3	12,1
Banks	10,8	17,9	19,5	33,5	28,2	30,2
Foreign Exchange	7,0	10,0	10,8	15,9	15,6	19,4
Turkish Lira	3,8	7,9	8,8	17,6	12,6	10,7
Other liabilities (**)	0,0	0,0	1,5	1,5	1,5	1,5

Source: CBT

(*) Monthly inward FDI stocks disseminated as an indicator are calculated by adding inward FDI flow figures to the preceeding year-end stocks and by revaluating the preceeding year-end FDI stocks based on FX rate and market value changes of foreign direct investment enterprises.

(**) Special Drawing Rights (SDR) allocation made by International Monetary Fund (IMF) to Turkey is recorded under this item.