

CENTRAL BANK OF THE REPUBLIC OF TURKEY

**BALANCE OF PAYMENTS
REPORT**



January-February 2004

SUMMARY

BALANCE OF PAYMENTS (USD million)						
	February			January-February		
	2003	2004	% Change	2003	2004	% Change
Current Account Balance	-1194	-2066	..	-1383	-2849	..
Foreign Trade Balance	-1182	-2364	99.9	-2037	-3877	90.3
Exports	2919	3552	21.7	6447	7966	23.6
Imports	-4101	-5916	44.3	-8484	-11843	39.6
Exports/Imports	71.2%	60.0%	..	76.0%	67.3%	..
Capital and Financial Accounts	2187	3003	..	3320	4990	..
Financial Account (Excl. Off. Reserves)	581	2707	..	3723	4886	..
Change in Official Reserves†	1606	296	..	-403	104	..

Source: CBRT.

† (-) sign refers to the increase in official reserves.

In February 2004;

Exports increased by 21.7 percent compared to the same month of previous year and rose to US dollar 3.6 billion from US dollar 2.9 billion. During the same period, imports rose by 44.3 percent from US dollar 4.1 billion to US dollar 5.9 billion. Hence, foreign trade deficit realized as US dollar 2.4 billion and the ratio of exports to imports became 60 percent. Current account yielded a deficit of US dollar 2.1 billion while financial account excluding official reserves produced a surplus of US dollar 2.7 billion.

In January-February 2004;

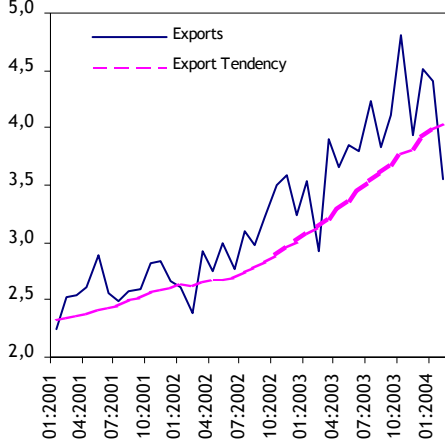
Exports increased by 23.6 percent compared to the same period of previous year and rose to US dollar 8 billion from US dollar 6.4 billion. During the same period, imports rose by 39.6 percent from US dollar 8.5 billion to US dollar 11.8 billion. Hence, foreign trade deficit realized as US dollar 3.9 billion and the ratio of exports to imports dropped compared to the previous year and became 67.3 percent. Current account yielded a deficit of US dollar 2.8 billion, while financial account excluding official reserves provided a surplus of US dollar 4.9 billion.

In 12-month period;

Exports increased by 29.5 percent during the twelve-month period compared to the same period of previous year and rose to US dollar 48.6 billion. During the same period, imports rose by 34.7 percent to reach US dollar 72.2 billion. Hence, foreign trade deficit and the ratio of exports to imports realized as US dollar 23.6 billion and 67.3 percent, respectively. Current account yielded a deficit of US dollar 8.1 billion while financial account excluding official reserves produced a surplus of US dollar 7.1 billion.

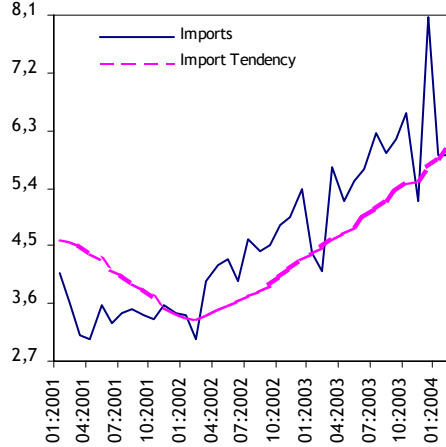
SUMMARY

EXPORTS
(USD billion)



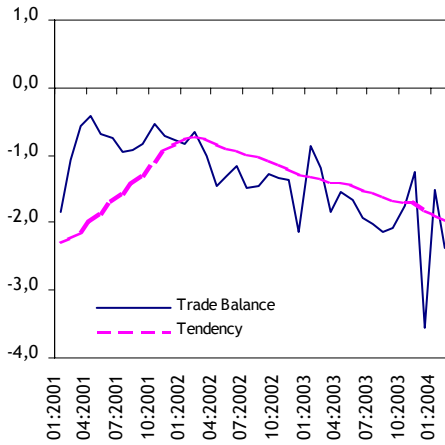
Sour ce: SIS.

IMPORTS
(USD billion)



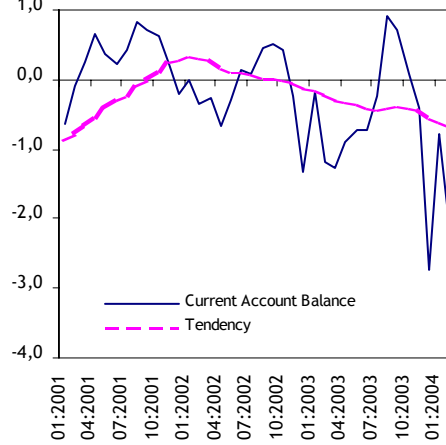
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TRADE BALANCE
(USD billion)



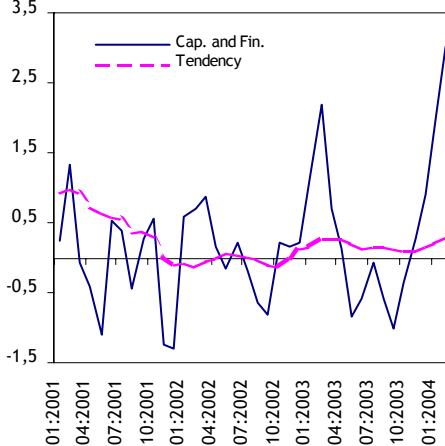
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CURRENT ACCOUNT BALANCE
(USD billion)



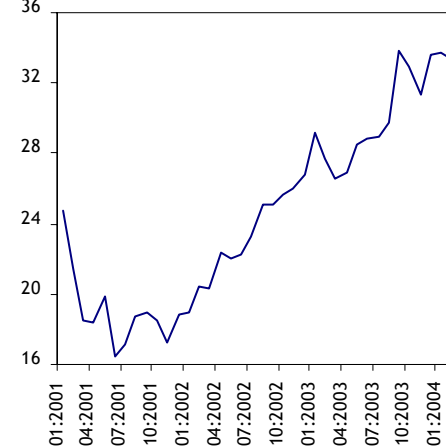
Sour ce: CBRT.

CAPITAL and FINANCIAL ACCOUNT
(USD billion)



Sour ce: CBRT.

CBRT INTERNATIONAL RESERVES
(USD billion)



Sour ce: CBRT.

Trends are calculated with 12-month moving average.

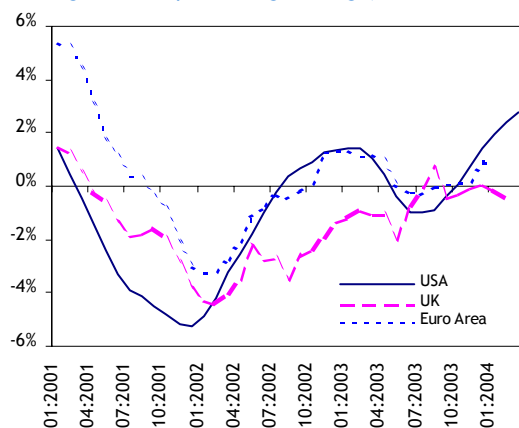
I. FACTORS AFFECTING FOREIGN TRADE

Foreign Demand Developments

1. Global economic growth, which pursued an upward course as of the second half of 2003, maintained its pace in an accelerated manner in the first quarter of 2004. The recovery in the US economy, the continuation of strong growth in the Asian emerging economies, especially in China, the ending of contraction process in the Japanese economy, and the revival in world trade were the driving forces in global growth. Accordingly, international organizations revised their projections for global growth for 2004 and 2005 upward. International Monetary Fund forecasts world economy to grow by 4.6 percent and 4.4 percent for 2004 and 2005, respectively.¹

INDUSTRIAL PRODUCTION

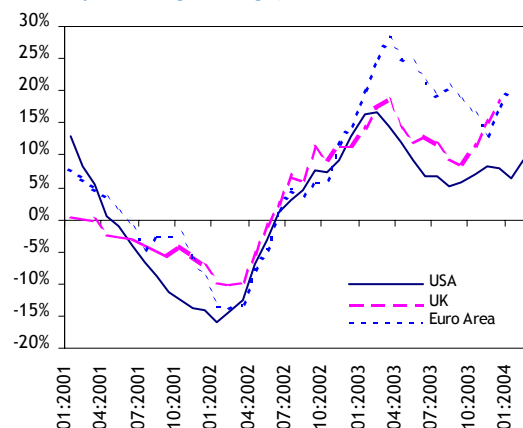
(seasonally adjusted, 3 month-moving average, annual percentage change)



Source: IMF, ECB.

IMPORTS

(US dollars, 3 month-moving average, annual percentage change)



Source: IMF, ECB.

2. The recovery in the US economy, which pursued a sluggish course in the first months of 2003 due to Iraq War and the uncertainties about economic outlook gained pace in the second half of the year owing to the bolstering effect of expansionary monetary and fiscal policies observed in private investment and consumption expenditures. The US GDP increased by 3.1 percent in 2003, while inflation rates remained at a low level (1.9 percent). Tax reductions, low interest rates and the increase in consumption expenditures are the dynamics behind this growth. The first quarter data of 2004 point to an accelerated revival in US economy. However, the potential pressure on inflation to be exerted not only by the cost-increasing effect of rising crude oil prices, but also as a result of warming-up in the economic activity led the Federal Reserve (FED) to make announcements about a likely rise in interest rates. Meanwhile, the US current account deficit, which had increased to US dollar 542 billion in 2003, reached a record level of US dollar 139 billion in the first quarter of the year.

3. The effects of the recovery in global economy were moderate in the euro area. The data on the strong economies of Euro area for the first quarter data of 2004 reveal that the expected economic recovery has not realized yet. On the other hand, real sector surveys give positive signals for the second quarter of the year. High inflation data announced for the euro area arising from the hike in crude oil prices diminish a likely interest rate cut by European Central Bank (ECB) in order to trigger the economy. Moreover, ongoing global growth and the expansion trend in the world trade volume are expected to have a positive impact on the Euro Area exports.

4. The euro area is continuing to yield foreign trade surplus. According to provisional data, foreign trade surplus increased by twofold compared to the previous year and realized

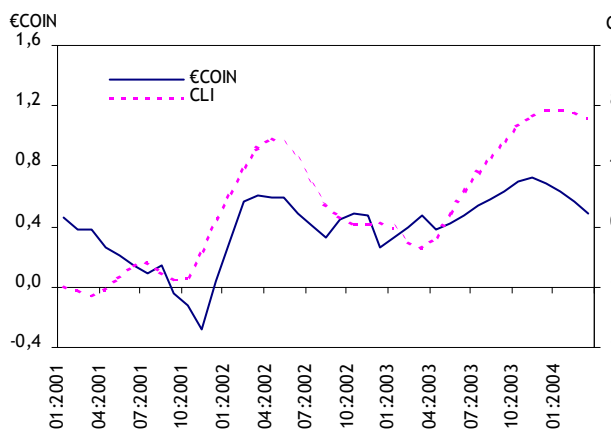
¹ IMF "World Economic Outlook" April 2004.

as 7.3 billion euro in January-February 2004 period. This development stemmed basically from the decline in euro area imports. Appreciation of euro led euro area imports to shift from regional countries to non-regional countries. While the euro area imports from Turkey remained unchanged in January, Euro area exports to Turkey recorded the highest increase among the non-EU countries by a 14 percent increase.

5. May Inflation Report issued by the Bank of England attributes the decline in the economic growth rate in the first quarter of the year to the slowdown in services and manufacturing industry sectors observed in the first quarter of the year. However, the report also states that the upward trend in investments and the business surveys, which points at a strong growth in the coming periods may exert pressure on the 2004 inflation target. In the light of this probability, the Bank of England raised the borrowing interest rates by a quarter point in May 2004 as well, following the February rise. Moreover, increasing domestic demand, the appreciation of Sterling and higher imports prices are expected to exert an upward pressure on the inflation rate in 2004.

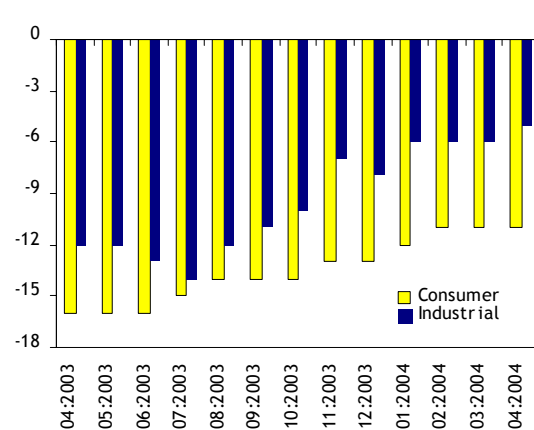
6. Japanese economy maintained its upward trend of 2003 in early 2004 as well. The briskness in exports and investments continue to play a key role in economic growth. Besides, the deflationary process that has been observed in the Japanese economy since 2002 is gradually disappearing. Furthermore, Bank of Japan announced on April 28 that there would be no change in its monetary policy. Economic growth is expected to continue in Japan in 2004 due to increasing exports as well as the expected recovery in fixed capital investments and consumption.

LEADING INDICATORS: €COIN (3-month % change)
OECD CLI (annualized 6-month % change)



Source: CEPR, OECD.

CONSUMER & INDUSTRIAL CONFIDENCE: EU
(seasonally adjusted)



Source: Eurostat.

7. Composite Leading Indicators (CLI) issued by OECD for January reveal that the recovery in the economic performance of OECD countries should continue in the next 6-8 months. Six-month growth rate of leading indicators, which has been increasing since April, declined slightly in February and March.

8. Coincident Indicator (EuroCOIN), which provides monthly GDP growth expectations, points at a limited revival in the economic activity in the Euro area in March.

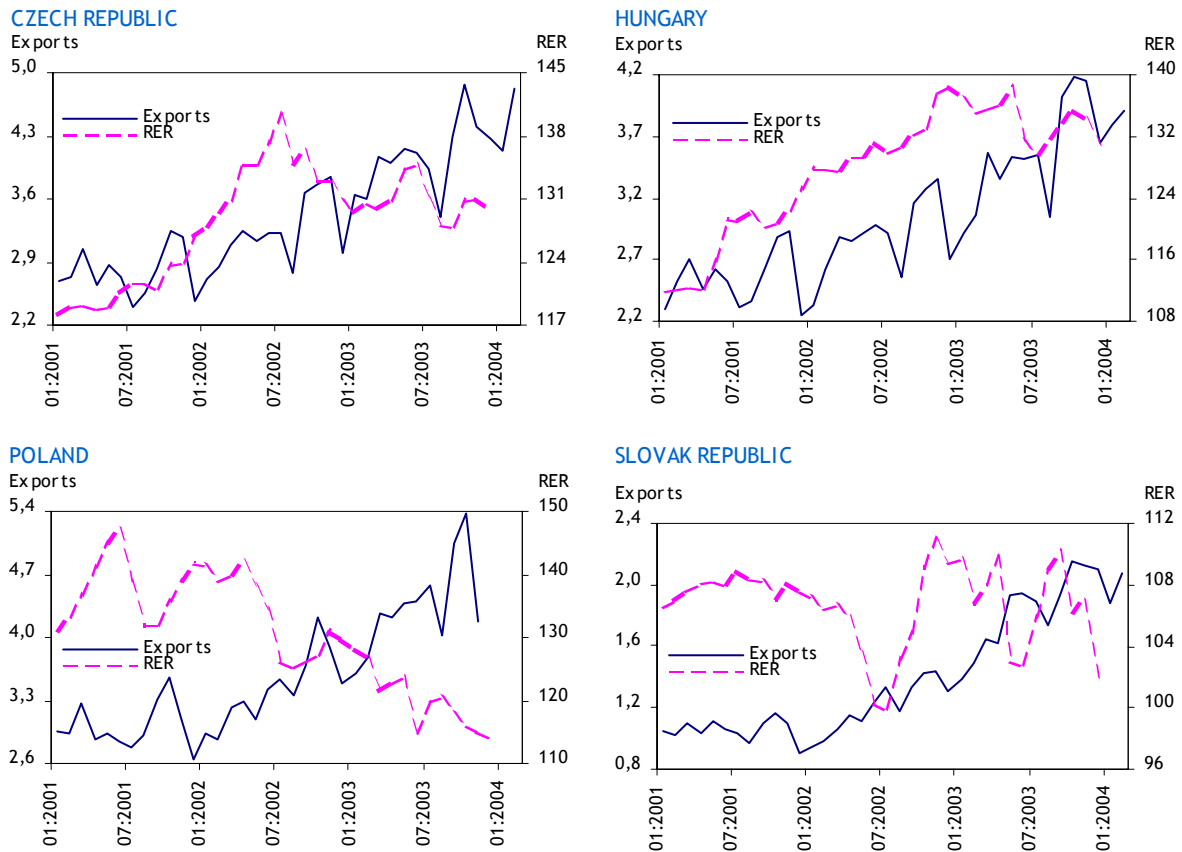
9. GDP of Czech Republic, the largest economy among the new EU members, grew by 2.9 percent in 2003. While final consumption expenditures and fixed capital investments were the determinants of growth, net exports adversely affected economic growth. In line with the upward trend in real exchange rates in recent months, exports slowed down compared to previous months. Economic revival continued in early 2004. In January, industrial production increased by 5.9 percent on an annual basis. However, consumer price increase accelerated in the same month and annual inflation rate reached 2.3 percent.

10. Growth observed in Polish economy in 2003 mainly originated from exports in the manufacturing industry. Poland's GDP grew by 4.7 percent in the last quarter of the year and by 3.7 percent throughout 2003. Ongoing downward trend in real exchange rates since 2002 was the main determinant of the increase in exports. Meanwhile, the 14.3 percent

increase in industrial production in January compared to the previous year shows that the high level of growth continued in early 2004 as well.

11. Hungarian GDP growth rate, which was 3.5 percent in 2002, declined to 2.9 percent in 2003. The underlying factor in growth was the private consumption expenditures supported by expansionary fiscal policies. Industrial production increased by 6.4 percent during this period. Besides, the ratio of current account deficit to GDP displayed a rapid increase and realized as 5.5 percent due to the acceleration in imports and the decline in tourism revenues. The financing of the current account deficit was provided mainly via external borrowing.

EXPORTS IN NEW EU MEMBERS (billions US dollars) AND REAL EXCHANGE RATE (1995=100)†

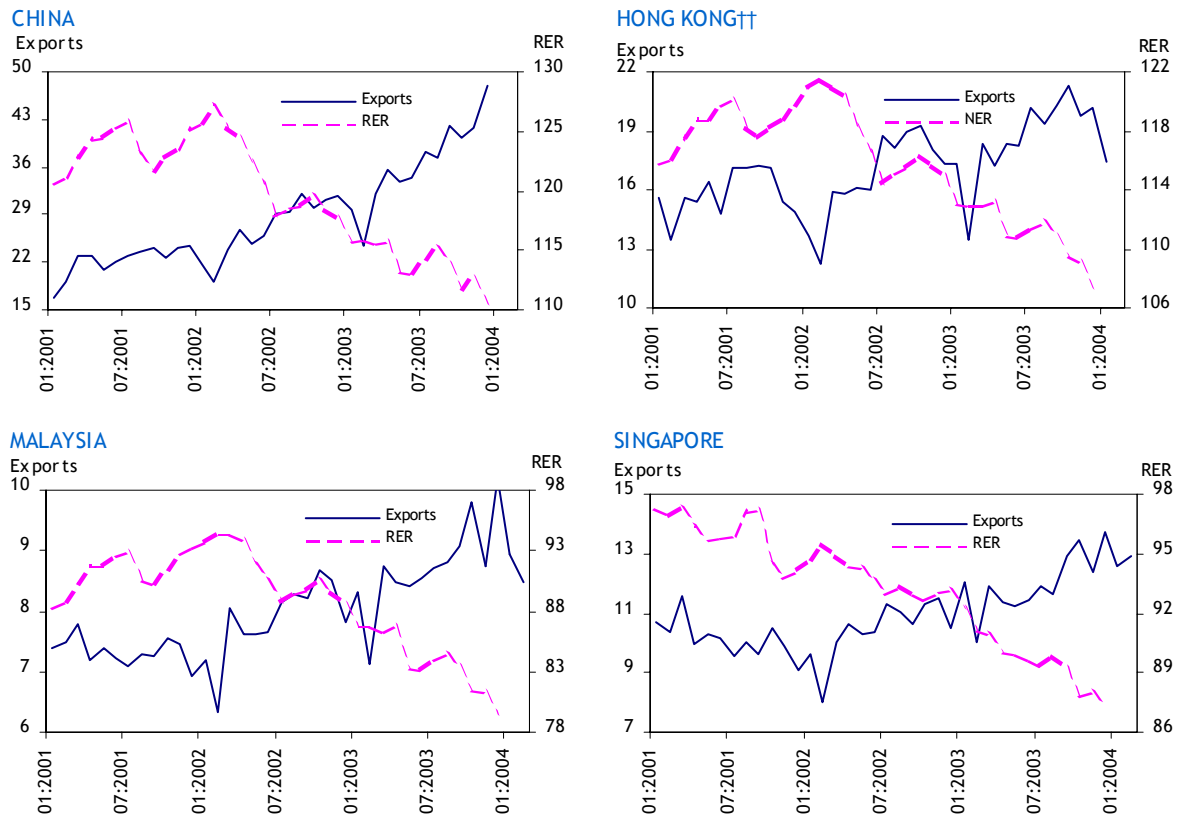


12. Developing Asian economies grew by 7 percent in 2003 and became the driving engine of world economy. The increase in domestic demand and hike in exports stood as the main sources of growth. These economies are expected to maintain their growth performance in 2004 thanks to the revival in global economy.

13. China, one of the East Asian economies, displayed a high growth performance in 2003 as well. According to provisional data, Chinese economy grew by 9.1 percent in 2003. The recovery observed in OECD countries and the shifts of production from high-cost regions to China were the determining factors in economic growth. Economic growth continued in early 2004 as well. Owing to fixed capital investments, China's industrial production increased by 19.1 percent in January.

14. The rapid growth in Chinese economy pioneered the general economic revival in the region. In South Korea, industrial production rose by 11.9 percent in the last quarter of the year. The upsurge in exports stemming from foreign demand and the decline in exchange rates economic revival were the determining factors in the economic revival, whereas stagnation in consumption and investment expenditures is still persisting. Malaysia and Thailand also enjoyed a rapid acceleration in exports in the second half of 2003. In Singapore, a significant recovery in domestic demand accompanied the boost in exports.

EXPORTS IN RIVAL COUNTRIES (billions US dollars) AND REAL EXCHANGE RATE (1995=100)†



† Increase in real exchange rate index specifies the strengthening of domestic currency.
 †† Nominal effective exchange rate has been used since real exchange rate for Hong Kong is not available.
 Source: IMF.

Developments in Domestic Demand and Production

15. GDP increased by 6.1 percent in the last quarter of 2003 compared to the same period of the previous year. Economic growth became 5.8 percent in 2003. High-rated increase in exports and the acceleration in industrial production due to the revival in domestic demand that resulted from private consumption and investment expenditures stood as the underlying factors in growth in the last quarter of 2003. High rates of growth in GNP both in 2002 and 2003 and high level of GNP in 2003 compared to 2000 became outstanding developments on the way towards economic stability and sustainable growth after crises.

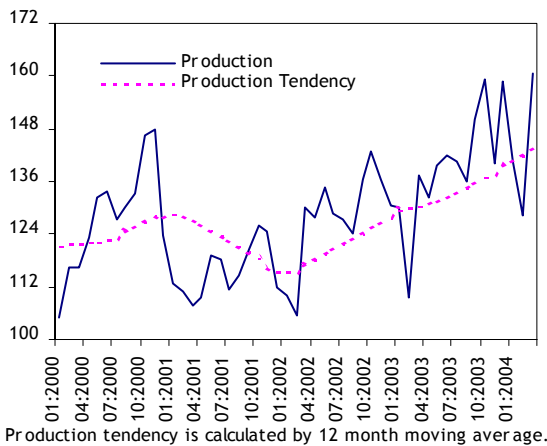
16. Analyzing the economic growth with respect to production, agricultural sector value added displayed a decline in the last quarter of 2003 compared to the same period of the last year, while the developments in the industry sector became the determining factors in GDP growth. During this period, the increase in the construction sector value added compared to the same period of the last year for the first time since end-2002 is considered a favorable development for the sectoral revival that delayed due to the earthquakes and the economic crises. When the economic growth is analyzed as to demand composites, it is observed that private expenditures made the largest contribution to GDP growth in the last quarter of 2003. The recovery in private expenditures mainly derived from durable goods-oriented consumption expenditures and machinery-equipment investments. On the other hand, public expenditures failed to contribute to growth because of tight fiscal policy, while net export composite had an unfavorable effect on growth due to ongoing rise in exports in this period.

17. Production continued upward trend in the first quarter of 2004. According to SIS Monthly Industrial Production Index, total industrial and manufacturing industry productions increased by 14.9 percent and 17 percent, respectively, in March 2004 compared to the same month of the previous year. First quarter averages reveal that growth in the manufacturing industry realized as 13.9 percent. Excluding the oil products, annual rate of increase in total industrial production became 17 percent. Furthermore, excluding seasonal factors, it is noted that industrial production is maintaining its favorable course. In

this context, total industrial and manufacturing industry productions rose by 2.2 and 2.6 percent, respectively, compared to the previous month according to the seasonally adjusted data. The positive developments in the machinery-equipment and office tools sectors indicate that investment expenditures, which are of great importance with respect to the sustainability of the increase in exports and productions, continued to rise. Moreover, high-rated increases in the production of durable goods and transportation vehicles continued in this period.

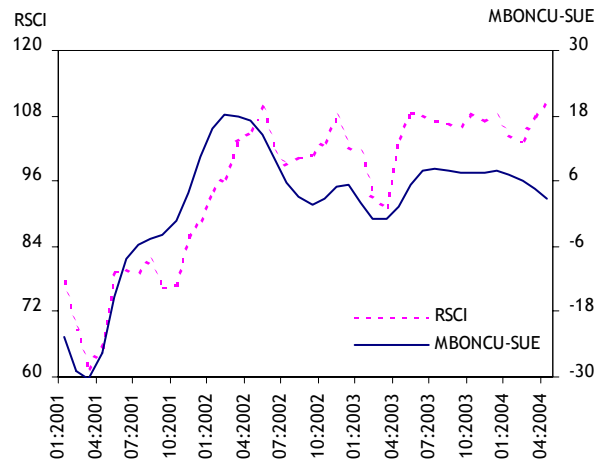
18. Surveys for April 2004 indicate that industrial production will continue to rise. According to SIS Monthly Industrial Production Index, total manufacturing industry production is expected to grow by 18.5 percent in April 2004 compared to the same month of the previous year.

MANUFACTURING INDUSTRY PRODUCTION
(1994=100)



Source: SIS.

LEADING INDICATORS for TURKEY: RSCI, MBONCU-SUE (6-month % change)

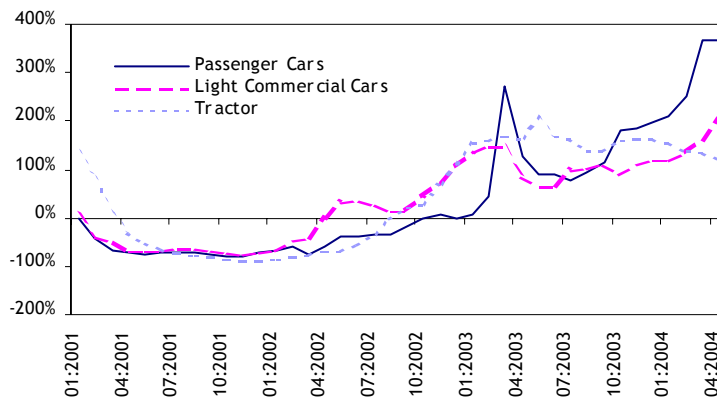


Source: CBRT.

19. Despite a slight decrease, the six-month rate of change in the composite leading indicators index (CBLEADING-IPI) compiled by the Central Bank of the Republic of Turkey preserves its high level in April. The leading indicator reveals that the increase of rate in industrial production will pursue a consistent course with growth forecast for 2004.

20. The real sector confidence index (CBRSCI), which displayed an upward trend in March, maintained its course in April. The index that remained above 100, a critical value, as of the second half of 2003 points at an ongoing rise in the industrial production in the coming period.

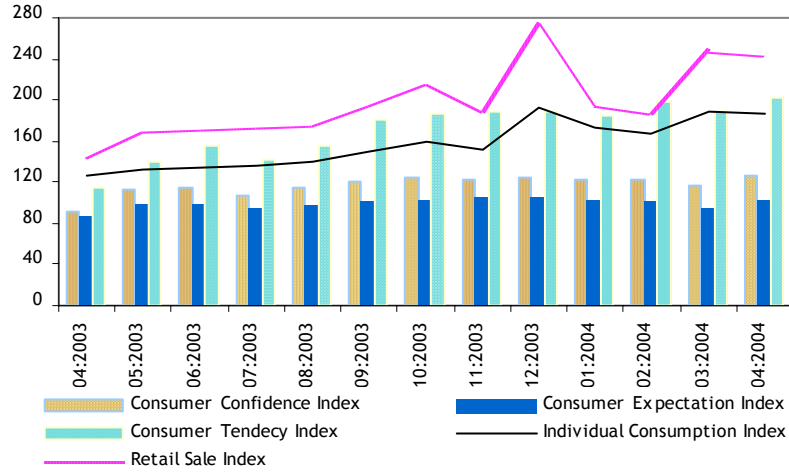
TRANSPORTATION VEHICLES SALES: GROWTH RATE
(3-month moving average, annual % change)



Source: Automobile Industry Association.

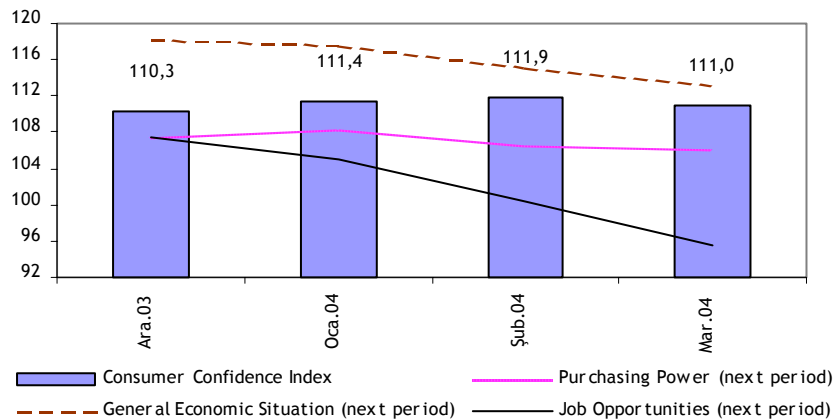
21. A rapid upsurge in consumer credit utilization was one of the determining factors that led the automobile sales recorded in the first four months of 2004 to reach its highest level in history. Moreover, an obvious hike in the sales of light commercial vehicles since the beginning of 2004 that had used to pursue a rather modest course compared to automobile sales is remarkable. Sales of light commercial vehicles are considered to be significant indicators of the revival observed in services and manufacturing industry sectors.

CNBC-e INDICES (January 2002=100)



Source: NTVMSNBC.

CONSUMER TENDENCY SURVEY



Kaynak: TCMB, DİE.

22. Leading indicators of consumption demand such as Consumer Confidence Index and Consumption Tendency Index compiled by CNBC-e maintain their upward trend, although they have generally pursued rather a sluggish course in March and April.

23. Consumer Tendency Survey results for March, which are compiled by the Central Bank and SIS, confirm ongoing favorable atmosphere with respect to the general economic condition in the coming period. Furthermore, consumer confidence index also reflects this optimistic atmosphere. Nevertheless, the index involving the expectations for employment opportunities in the coming period fail to indicate similar expectations.²

² According to the methodology, the index remaining above 100 is regarded as a favorable condition whereas in case it remains below 100, this situation is considered to be an unfavorable development. For detailed information see: <http://www.tcmb.gov.tr/tuketanket/tuketicimain.html>

REAL EFFECTIVE EXCHANGE RATE (monthly percentage change)†

	2003												2004			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Turkey																
CPI based	-4,9	2,9	0,7	3,6	6,2	3,5	3,2	1,4	2,9	-5,7	-1,7	0,1	4,6	1,4	3,4	-1,0
WPI based	-2,8	3,6	0,6	4,0	4,1	1,6	3,1	1,1	1,1	-6,5	-1,6	-0,2	6,3	2,3	4,7	1,8
Czech Republic	-1,1	1,0	-0,7	0,7	2,8	0,4	-2,8	-2,2	-0,2	2,2	0,3	-0,9				
Slovakia	0,2	-2,5	1,0	1,7	-6,1	-0,3	2,9	3,0	1,1	-3,7	0,8	-4,8				
Hungary	-1,0	-1,4	0,4	0,4	1,7	-5,1	-1,4	1,5	1,7	1,2	-0,8	-2,4				
Poland	-1,1	-1,1	-4,2	1,2	0,7	-7,2	4,3	0,6	-2,0	-1,6	-0,8	-1,0				
Hong Kong ††	-1,6	-0,1	0,0	0,2	-2,0	-0,2	0,6	0,5	-0,9	-1,2	-0,3	-1,6				
Malezia	-2,1	-0,1	-0,5	0,6	-4,1	-0,2	1,1	0,6	-1,1	-2,5	-0,2	-2,2				
Singapore	-1,0	-1,1	-0,3	-0,9	-0,2	-0,3	-0,4	0,6	-0,7	-1,6	0,2	-0,9				
China	-1,8	0,2	-0,3	0,2	-2,2	-0,2	1,1	0,8	-1,2	-1,9	0,8	-1,9				

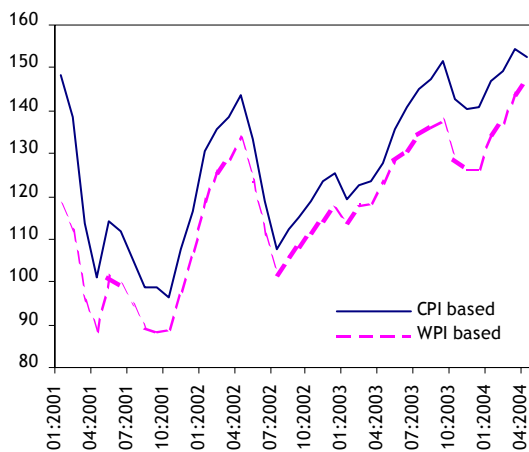
Source: CBRT, OECD, IMF.

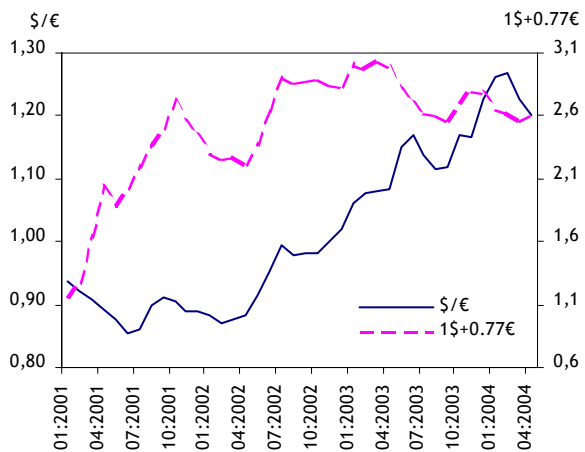
† Increase implies real appreciation of the currency.

†† Due to data limitations, nominal effective exchange rate is used for Hong Kong.

Prices

24. Turkish Lira, which appreciated against nominal foreign exchange rate basket composed of USD 1 + 0.77 Euro in the first quarter of 2004, depreciated by 1.6 percent in April compared to the previous month. CPI-based real foreign exchange index that appreciated significantly in March declined by 1 percent compared to the previous month, due to the limited increase in consumer prices in April. However, WPI-based real foreign exchange index displayed an upward trend in April.

**REAL EFFECTIVE EXCHANGE RATE
(1995=100)†**

 † Increase in real exchange rate index indicates strengthening of Turkish lira.
 Source: CBRT.

**USD/EURO PARITY and
NOMINAL EXCHANGE RATE BASKET**


25. Euro, which has been displaying an upward trend against US dollar in general since 2002, started to depreciate as of March. Euro depreciated by 3.1 and 2.1 percent, respectively, against US Dollar in March and April. Accordingly, monthly euro/US dollar parity rolled back to 1.2014 in April from 1.267 of February.

26. Recovery trend in terms of trade, which has continuing since 2003, maintained its modest course in the first two months of 2004. In February, terms of trade recovered by 2.6 percent compared to end-2003 and by 0.9 percent compared to the previous month.

27. In February, export prices dropped by 0.1 percent compared to previous month. The downward trend in export prices, which is calculated according to quarterly averages, turned upward in August. The prices of main textile products, clothing and electrical

machinery and equipment, leading export items of manufacturing industry, displayed an increase in February, compared to the previous month.

28. In February, imports prices dropped by 1.1 percent compared to the previous month. Textile products and machinery-equipment production were the significant determinants in the decline observed in import price index.

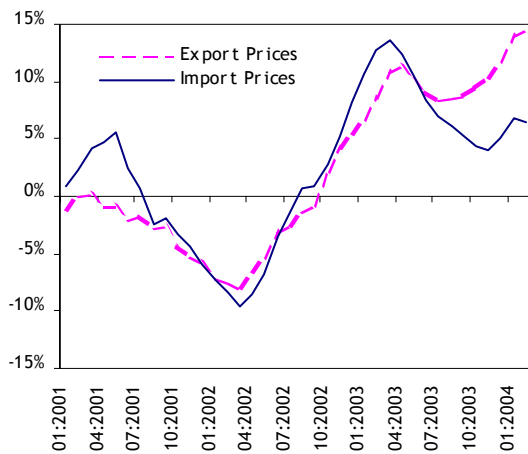
29. According to the terms of trade based on productivity, the increases in productivity in manufacturing industry in 2003 contributed to the realization of single-factor terms of trade in favor of Turkey. Single-factor terms of trade, which realized against Turkey until the third quarter of 2002 especially in the motor vehicles sub-sector, rose by 27 percent in 2003 compared to the previous year (See Box 1).

EXPORT and IMPORT PRICE INDICES (1994=100)

	2003											2004	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Export Price Index	92,3	91,1	89,7	91,4	92,2	90,9	91,6	93,1	95,0	99,2	105,0	104,8	
Manufacturing	93,1	91,7	89,9	91,8	93,0	91,4	92,0	93,2	94,8	99,0	105,2	105,1	
Textiles	87,5	86,7	87,3	88,8	90,1	85,9	86,3	88,7	91,6	97,4	102,5	100,7	
Wearing Apparel	97,5	94,4	91,4	97,3	101,8	97,0	95,6	95,0	98,9	107,8	116,8	123,9	
Chemicals & Products	92,9	92,2	88,3	89,9	88,1	87,7	90,2	91,9	87,5	91,9	95,6	95,2	
Manufacture of Basic Metals	104,8	107,7	102,5	100,5	101,3	103,1	105,5	108,3	107,1	108,3	119,2	121,6	
Manufacture of Mach. & Equ.	83,0	83,2	83,9	85,9	84,8	85,0	85,1	86,5	91,7	93,4	101,8	99,5	
Electrical Mach. & Apparatus	72,1	69,0	68,4	70,2	68,4	69,6	70,3	67,0	68,3	73,3	79,3	76,0	
Motor Vehicles & Trailers	96,3	96,6	94,8	98,6	101,6	98,6	102,3	106,3	107,8	109,1	114,1	110,6	
Import Price Index	101,2	100,1	100,4	98,6	99,4	100,6	99,6	100,2	102,0	104,8	109,1	107,9	
Mining & Quarrying	169,6	160,0	151,7	158,0	159,5	168,0	169,1	169,3	164,3	168,5	177,1	172,0	
Crude Oil & Natural Gas	181,3	169,1	162,5	169,8	172,2	179,0	182,1	181,2	176,5	181,8	188,3	182,7	
Manufacturing	93,6	94,3	95,1	93,2	93,6	93,4	92,3	93,0	94,4	98,2	100,3	100,3	
Textiles	87,9	91,6	90,3	91,3	89,4	88,2	82,3	84,2	84,0	90,7	91,8	89,9	
Chemicals & Products	100,7	104,1	104,7	101,5	100,0	99,2	98,8	101,2	101,9	103,3	109,5	109,0	
Manufacture of Basic Metals	94,9	97,4	95,9	94,7	97,1	98,8	94,4	101,4	102,0	107,2	115,7	123,0	
Manufacture of Mach. & Equ.	91,5	93,1	94,2	93,5	97,2	94,6	94,6	94,6	96,5	98,9	98,4	90,9	
Electrical Mach. & Apparatus	66,8	67,6	68,0	68,6	67,3	65,6	65,4	65,9	66,9	70,0	71,7	73,0	
Motor Vehicles & Trailers	88,4	89,1	93,0	91,6	91,4	91,4	89,2	92,0	94,6	103,5	100,6	106,3	

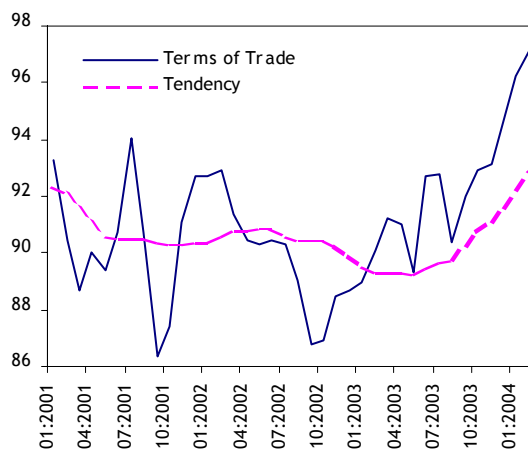
Source: SIS.

EXPORT and IMPORT PRICES
(3-month moving average, annual % change)



Source: SIS.

TERMS OF TRADE (Export Prices/Import Prices) (1994=100)

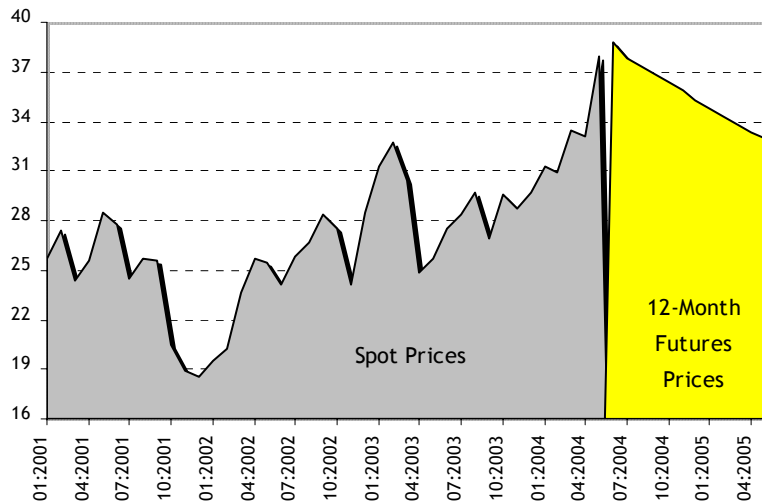


30. Brent oil prices, which was US dollar 30.2 per barrel at the end of 2003 became US dollar 38 in May with a 15.3 percent increase. Thus, crude oil prices reached the highest level since the war in Iraq in 1991.

31. While the demand coming from China and USA is the primary reason of the rise in oil prices, the attacks launched at the Saudi-Arabian oil facilities and oil pipelines in Iraq stick out as exogenous shocks. The most striking development with respect to demand is that China raised its daily crude oil demand by 15 percent annually in the first quarter of 2004. Despite the expectations in USA for the seasonal increase in crude oil demand, low stocks helped to raise speculations about oil prices and exerted an upward pressure on them.

32. In his announcement on May 12, 2004, the Secretary General of OPEC stated that the daily production has exceeded the top limit set in the previous meeting by 2 million barrels and noted that no intervention took place in order to allow a balanced change in oil prices. Besides, the Secretary General stated that the current rise in oil prices mainly stemmed from geopolitical uncertainties, the lack of refinery capacity sought by the USA and the speculations emerging in the market rather than market dynamics. He also stated that the uncertainties observed in the market were not under OPEC's control, but OPEC would take the necessary measures to help oil market to assume a more stabilized state. In this framework, the extraordinary meeting to be held in Beirut-Lebanon on June 3, 2004 will be very important.

CRUDE OIL PRICES: BRENT SPOT and 12-MONTH FUTURES (monthly average, US dollar/ barrel)



Future Prices	
	5/14/2004
June 2004	38.76
July 2004	37.86
August 2004	37.39
September 2004	36.89
October 2004	36.36
November 2004	35.83
December 2004	35.30
January 2005	34.78
February 2005	34.28
March 2005	33.82
April 2005	33.39
May 2005	33.00

Source: oilenergy.com.

Note: 16.03.2004 future prices of International Petroleum Exchange.

BOX 1: SECTORAL ANALYSIS OF VARIOUS TERMS OF TRADE INDICATORS

Terms of trade are significant indicators that are employed in calculating a country's revenues or losses arising from its foreign trade activities. There are different concepts on terms of trade in the literature. Nevertheless, we will analyze here only three of them. These are net barter terms of trade, income terms of trade and single-factor terms of trade.

By its most simplified definition, terms of trade are the ratio of exports to imports. Such definition of terms of trade refers to net barter terms of trade. Improvement in terms of trade boosts purchasing power of a country in foreign markets via one unit of exports.

Income terms of trade are calculated by multiplying the net barter terms of trade with export volume index. The result represents a country's import capacity based on its export incomes. Rise in export prices in line with the increase in import prices will denote revenues arising from foreign trade in case of a non-downward trend in the export volume. An unfavorable change in net barter terms of trade in a country can be recovered by increasing the volume of exports.

Net barter terms of trade and income terms of trade do not reflect the rise in productivity in exports sector. Therefore, single-factor terms of trade are used in calculating revenues arising from foreign trade. Single-factor terms of trade are calculated by multiplying net barter terms of trade with productivity index in exports sector. Single-factor terms of trade are a more reliable indicator for assessing real income arising from foreign trade. Any adverse development, which is against interests of a country, can be eliminated by rise in productivity in exports sector. Hence, the country does not incur any loss in real terms.

The following table illustrates these three terms of trade concepts calculated for 2000-2003 period for the sectors that have significant shares in exports of Turkey.

NET TERMS OF TRADE (1997=100)*

	2000	2001	2002	2003	2002				2003			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General	90,3	88,3	87,8	89,5	90,2	88,3	86,7	86,0	88,1	88,9	89,6	91,4
Manufacturing	94,2	92,3	91,3	95,1	92,4	91,0	91,4	90,4	95,4	93,1	95,3	96,7
<i>Foods and beverages</i>	112,8	105,4	92,7	96,1	100,4	93,2	87,5	90,8	95,0	92,3	95,7	101,6
<i>Textile</i>	95,4	92,0	93,1	97,8	91,3	94,0	95,4	91,6	98,8	92,5	97,0	103,1
<i>Clothing</i>	86,5	102,7	115,4	99,1	115,6	111,6	122,5	112,5	118,4	104,2	82,4	98,3
<i>Chemicals</i>	96,2	92,6	88,6	85,3	91,4	87,4	88,2	87,7	88,1	83,3	85,3	84,6
<i>Basic metal industry</i>	91,8	96,0	98,8	104,3	98,6	95,5	101,0	100,2	102,4	106,5	105,4	102,9
<i>Machinery</i>	90,8	84,4	79,5	81,2	82,3	79,6	79,7	76,8	81,9	80,3	79,3	83,4
<i>Electrical Machinery and Equipment</i>	98,9	101,0	109,8	111,7	112,8	106,0	106,2	114,5	118,3	107,9	111,5	109,2
<i>Motor Vehicles and Spare Parts</i>	99,6	102,4	102,4	106,6	103,4	100,4	99,6	106,0	104,3	103,8	109,0	109,2

* $N = P_x / P_m * 100$, N indicates net terms of trade. P_x and P_m indicate export and import prices, respectively.

INCOME TERMS OF TRADE (1997=100)*

	2000	2001	2002	2003	2002				2003			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General	113,7	135,8	156,4	194,3	146,5	152,2	159,2	167,1	171,4	188,9	200,6	217,1
Manufacturing	123,8	147,1	171,9	218,7	157,8	168,6	179,0	181,9	195,5	213,6	228,6	237,4
<i>Foods and beverages</i>	85,3	99,2	84,3	114,6	83,3	70,9	82,8	99,8	99,5	107,4	115,3	137,6
<i>Textile</i>	132,4	141,3	166,3	202,4	146,2	167,4	182,6	169,7	184,5	192,4	210,3	223,4
<i>Clothing</i>	89,9	118,8	160,9	146,8	145,6	146,3	192,6	161,3	166,2	155,3	131,0	142,2
<i>Chemicals</i>	104,8	114,8	123,5	141,5	118,8	128,4	124,6	122,2	132,9	129,6	153,3	150,2
<i>Basic metal industry</i>	101,8	137,7	153,9	172,1	183,6	153,8	138,3	138,7	178,4	184,9	167,5	157,8
<i>Machinery</i>	153,3	180,6	233,5	335,2	173,0	219,9	270,0	268,0	266,2	323,2	369,2	381,7
<i>Electrical Machinery and Equipment</i>	141,9	197,6	214,3	257,4	216,3	218,2	208,8	213,1	237,5	224,7	262,0	303,1
<i>Motor Vehicles and Spare Parts</i>	233,9	382,8	476,3	670,0	429,2	486,0	429,2	563,8	555,8	719,9	671,0	733,3

* $G = N * Q_x$, G indicates income terms of trade. N and Q_x indicate net terms of trade and export quantity index, respectively.

SINGLE FACTORAL TERMS OF TRADE (1997=100)*												
	2000	2001	2002	2003	2002				2003			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Manufacturing	111,1	108,2	115,3	129,7	109,3	116,9	118,8	116,2	119,7	123,9	135,4	139,9
<i>Foods and beverages</i>	127,4	133,4	121,6	138,7	114,5	120,3	128,5	122,5	124,3	134,4	149,8	146,5
<i>Textile</i>	111,2	111,3	117,3	127,3	106,7	122,5	122,6	117,6	121,4	119,6	128,8	140,0
<i>Clothing</i>	112,3	139,6	142,7	125,3	150,1	142,0	149,0	130,2	149,0	124,7	104,4	131,4
<i>Chemicals</i>	112,2	105,0	113,4	122,2	121,1	119,5	104,3	109,0	128,6	119,3	120,7	120,2
<i>Basic metal industry</i>	98,8	115,2	141,4	154,7	127,5	137,3	151,4	149,6	146,4	159,2	159,2	154,1
<i>Machinery</i>	89,1	77,2	89,1	99,1	85,2	92,6	90,5	88,1	92,4	93,4	105,2	105,0
<i>Electrical Machinery and Equipment</i>	105,4	97,8	129,2	135,1	128,8	119,6	130,0	138,2	132,2	133,7	133,5	140,4
<i>Motor Vehicles and Spare Parts</i>	107,5	72,5	91,4	116,1	72,2	91,9	85,6	116,6	95,3	109,5	116,8	143,7

* T=N* Vx. T indicates single factorial terms of trade. N and Vx indicate net terms of trade and productivity index, respectively.

Net barter terms of trade in manufacturing have declined by 2003 compared to 1997. However, this deterioration in net barter terms of trade was recovered by improvement in both net income terms of trade and single-factor terms of trade. In other words, rise in productivity and exports volume offset the adverse effect of foreign trade prices. The increase in income terms of trade and single-factor terms of trade by 138 percent and 140 percent, respectively, compared to 1997 reflects this positive impact.

In 2003, net barter terms of trade deteriorated in apparel, chemical materials and machinery and equipment manufacturing sub-sectors compared to 1997, whereas improvement was recorded in food products, textile products, main metal industry, electrical machinery and equipment and motor land vehicles sub-sectors. Compared to 2002 figures, net barter terms of trade in all sub-sectors excluding apparel and chemical material sectors realized in favor of Turkey. Deterioration in net barter terms of trade in apparel sector is particularly remarkable. The net barter terms of trade, which was in favor of Turkey throughout 2001 and 2002, turned surprisingly against Turkey in 2003.

Income terms of trade improved in all sectors except for apparel in 2003 compared to 1997. These figures point at a rise in the export volume in 2003. The rise manifests itself most clearly in motor land vehicles sector. As of 2003, the index has multiplied 7 times compared to 1997 figures and by 1.5 times compared to 2002. Taking into account the stagnant trend in net barter terms of trade in the mentioned sector, the rise in income terms of trade distinctly show the growth in exports of motor vehicles.

The rise in productivity in manufacturing industry in 2003 became the determining factor in the realization of single-factor terms of trade in favor of Turkey. The single-factor terms of trade for motor vehicles sub-sector that realized against Turkey until the third quarter of 2002 improved in 2003 and rose by 27 percent compared to 2002. As illustrated in the table, while income terms of trade for machinery and equipment manufacturing sub-sector were high, both net barter and single factorial terms of trade developed against Turkey. However, restricted productivity growth and relative deterioration in import prices, were recovered through rise in volume of exports.

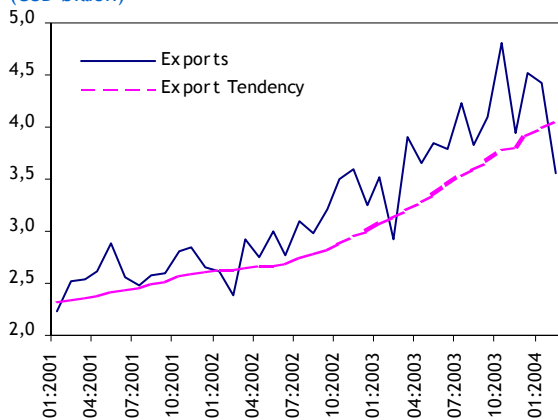
II. EXPORTS

General Evaluation

33. In February 2004, exports grew by 21.7 percent compared to the same month of the previous year and reached US dollar 3.6 billion. Rise in exports in the first two months of 2004 was 23.6 percent while 12-month exports increased by 29.5 percent and reached US dollar 48.6 billion.

34. The favorable supply and cost conditions in 2003 continued to improve in the first two months of 2004 and influenced the rise in exports. Low labor and energy costs coupled with increase in productivity helped the Turkish firms to compete despite the appreciation in Turkish lira. The improvement in financing opportunities and increase in exports prices contributed to the mentioned increase.

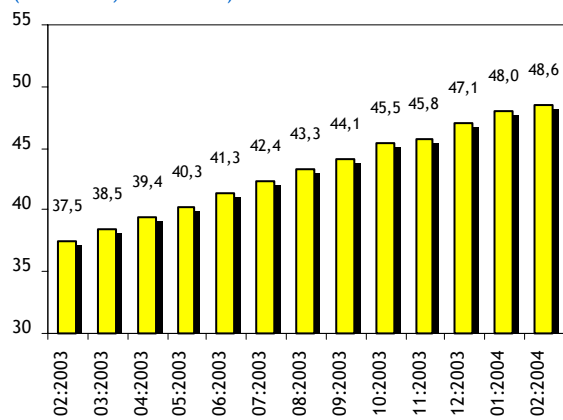
EXPORTS and EXPORTS TENDENCY†
(USD billion)



† Exports tendency is calculated with 12-month moving average.

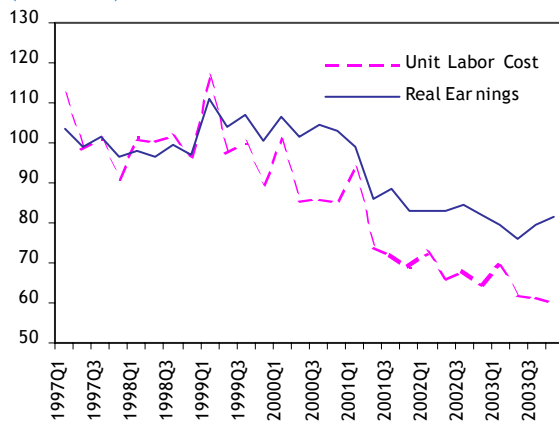
Source: SIS.

EXPORTS
(12 month, USD billion)



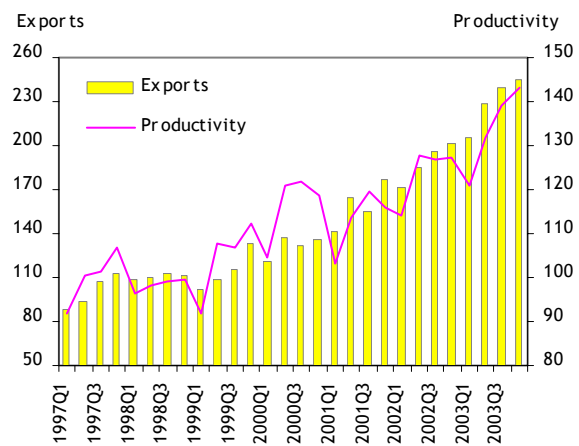
Source: SIS.

PRIVATE MANUFACTURING INDUSTRY REAL
UNIT LABOR COSTS AND REAL EARNINGS
(1997=100)



Source: SIS, CBRT.

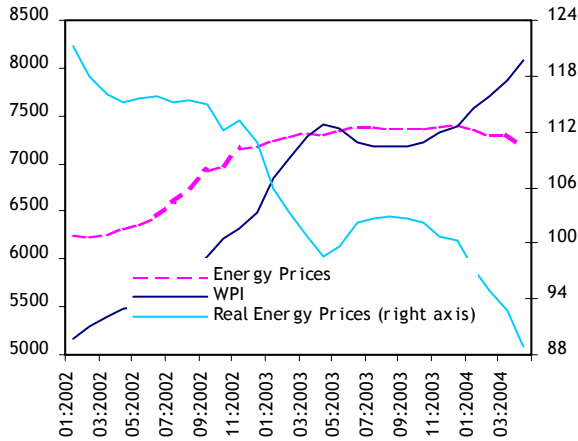
PRIVATE MANUFACTURING EXPORT AND
PRODUCTIVITY INDICES (1997=100)



Source: SIS.

35. Compared to 2002 figures, real wages per hour and real earning per worker in the manufacturing industry production declined by 1.9 percent and 6.3 percent respectively, in 2003 and real cost index declined by 6.7 percent.

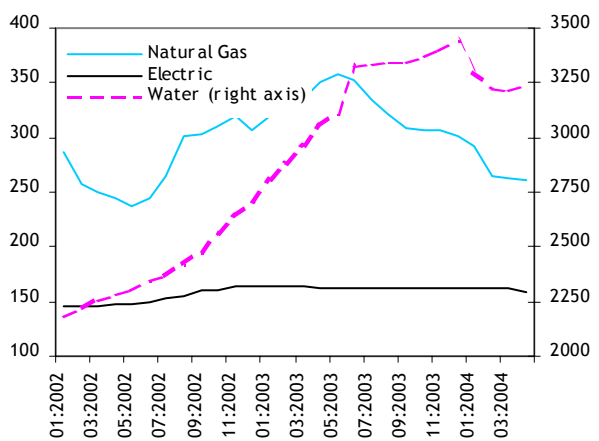
ENERGY PRICES and WPI†
(1994=100)



† Energy prices are WPI Electric, Gas and Water price index. Real prices are calculated by dividing energy price index to WPI.

Source: SIS.

ENERGY WHOLESALE PRICES†
(thousand TL)



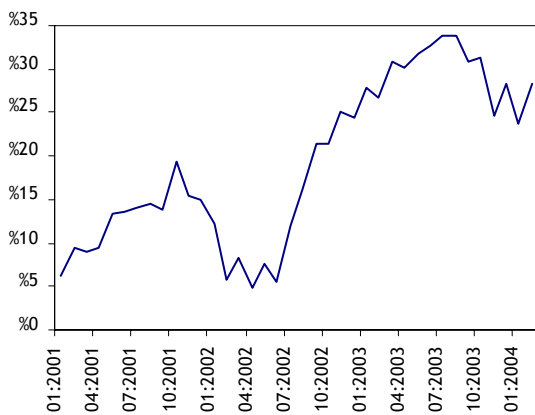
† Domestic prices in advance that are taken from WPI, which are electric prices per KWH, natural gas and water prices per ton.

Source: SIS.

36. The downward trend in real energy costs continues in the first quarter of 2004. The rise in energy prices that remained below WPI inflation indicates a cost advantage in energy prices in favor of exporters. After a decline in April 2003, electricity prices remained constant. Appreciation in Turkish lira coupled with the government's decision not to make any price adjustments drew down natural gas prices in 2004.

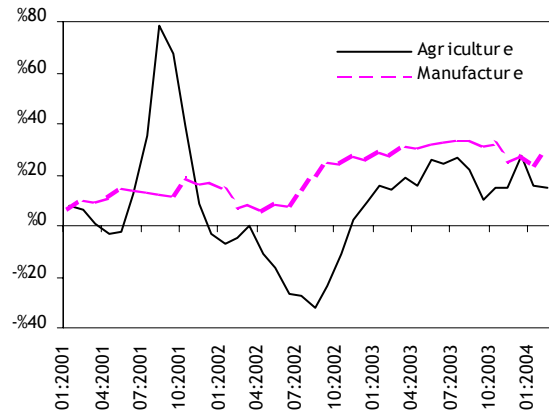
37. In the scope of financial costs, both Turkish Eximbank credit interest rates and nominal credit interests rates decreased in 2003. The interest rates of Turkish Eximbank applicable to exports credits continued to decline in 2004 as well.

EXPORTS: GROWTH RATE
(3 month moving average, annual % change)



Source: SIS.

EXPORTS: SECTORAL GROWTH RATES
(3 month moving average, annual % change)



Source: SIS.

38. As the three-month trend in the rate of increase in exports of manufacturing industry displays progress, exports trend in agricultural products remains below total exports tendency.

39. The largest contribution to exports growth in the January-February period of 2004 came from motor vehicles and spare parts, knitted apparel, boilers-machinery-mechanical devices along with electric machinery and devices.

EXPORTS (USD million)

	February				January-February			
	2003	2004	% Change	% Contrib.	2003	2004	% Change	% Contrib.
Total	2919	3552	21.7		6447	7966	23.6	
Agriculture and Forestry	163	179	10.1	0.6	405	412	1.9	0.1
Fishing	4	4	8.2	0.0	12	11	-7.3	0.0
Mining and Quarrying	25	40	61.8	0.5	56	71	26.9	0.2
Manufacturing	2720	3311	21.7	20.2	5961	7431	24.7	22.8
Other	7	18	152.7	0.4	14	41	198.2	0.4
Important Items:								
Edible fruit and nuts, peel of citrus fruits or melons								
Mineral Fuels, Mineral Oils and products	129	55	-57.7	-2.5	179	131	-27.0	-0.7
Cotton, cotton yarn and cotton fabrics	62	86	38.6	0.8	150	194	29.3	0.7
Articles of Apparel-Clothing; Knitted	360	417	16.1	2.0	839	1029	22.7	2.9
Articles of Apparel-Clothing; Not Knitted	260	295	13.6	1.2	595	698	17.2	1.6
Other made-up textile articles, sets, worn clothing	99	120	21.3	0.7	222	276	24.3	0.8
Iron and Steel	213	240	12.6	0.9	441	476	8.0	0.5
Articles of Iron and Steel	81	99	21.4	0.6	185	229	23.7	0.7
Nuclear reactors, boilers, machinery	169	227	34.0	2.0	365	508	39.2	2.2
Electrical Machinery and Equipment	208	287	37.5	2.7	447	578	29.2	2.0
Motor Vehicles and Spare Parts	302	408	35.0	3.6	605	948	56.6	5.3

Source: SIS.

EXPORTS: BY COUNTRY GROUPS (USD million)

	February					January-February				
	2003		2004		%	2003		2004		%
	Value	Share (%)	Value	Share (%)	Change	Value	Share (%)	Value	Share (%)	Change
Total	2919	..	3552	..	21.7	6447	..	7966	..	23.6
OECD Countries	1968	67.4	2280	64.2	15.9	4328	67.1	5211	65.4	20.4
European Union Countries	1562	53.5	1881	52.9	20.4	3430	53.2	4289	53.8	25.0
EFTA Countries	33	1.1	35	1.0	5.2	69	1.1	81	1.0	16.3
Other OECD Countries	373	12.8	365	10.3	-2.2	828	12.9	842	10.6	1.6
Non-OECD Countries	845	29.0	1119	31.5	32.4	1870	29.0	2422	30.4	29.5
European Countries	264	9.0	372	10.5	41.0	563	8.7	799	10.0	42.0
African Countries	120	4.1	138	3.9	14.7	298	4.6	318	4.0	6.6
American Countries	15	0.5	27	0.8	80.2	43	0.7	45	0.6	3.6
Middle East Countries	316	10.8	367	10.3	16.2	645	10.0	813	10.2	26.1
Other Asian Countries	125	4.3	214	6.0	72.1	298	4.6	444	5.6	48.9
Other Countries	6	0.2	2	0.0	-75.6	23	0.4	4	0.0	-84.8
Turkey Free Trade Areas	106	3.6	152	4.3	44.4	249	3.9	333	4.2	33.6
Selected Countries										
Germany	479	16.4	531	14.9	10.7	1105	17.1	1266	15.9	14.6
UK	220	7.6	299	8.4	35.6	475	7.4	652	8.2	37.2
USA	273	9.4	241	6.8	-11.8	603	9.3	552	6.9	-8.5
France	173	5.9	237	6.7	36.9	375	5.8	539	6.8	43.6
Italy	211	7.2	245	6.9	16.4	453	7.0	538	6.8	18.7
Spain	118	4.1	140	4.0	18.6	248	3.8	313	3.9	26.2
Netherlands	105	3.6	124	3.5	17.6	221	3.4	287	3.6	29.9
Russia	79	2.7	113	3.2	44.0	161	2.5	238	3.0	48.2

Source: SIS.

40. Compared to 2003, the share of exports to EU-member states and Middle Eastern countries increased in 2004. Analyzing in terms of selected countries, exports to Germany had the largest share in overall exports during January-February period, followed by United

Kingdom. Furthermore, a major increase is observed in exports to France and Russia in the said period.

Outlook

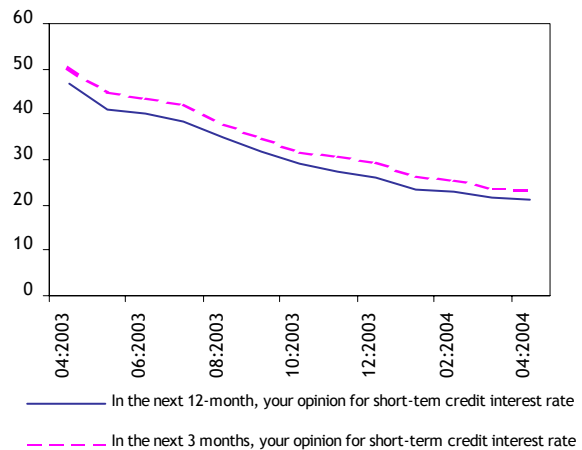
41. According to the CBRT Business Tendency Survey, a marked improvement is observed in exports indicators for the last three months and those for the next three months in April. The cumulative exports tendency indices indicate that the improvement would continue.

42. The expected credit interest rates over the next three months and over the next twelve months, which can be assumed as the export financing cost indicator, pursued a downward course in April as well. Hence, in April, expected credit interest rate over the next three months dropped down to 23.4 percent and expected credit interest rate for the next twelve months down to 21 percent.

EXPORT EXPECTATIONS



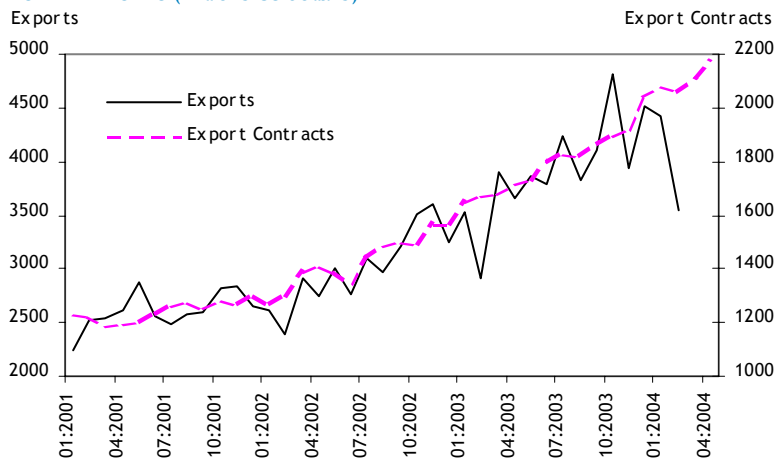
Source: CBRT Business Tendency Survey.



Source: CBRT Business Tendency Survey.

43. Albeit a slight decline in April, price competition still ranks first among the factors that might exert pressure on exports over the next quarter. However, worries about external developments that could limit export orders have been eased as of April while worries about delivery dates, credit and financing have inched up.

EXPORT CONTRACTS BY INWARD PROCESSING REGIME (12 months moving average) and TOTAL EXPORTS (millions US dollars)

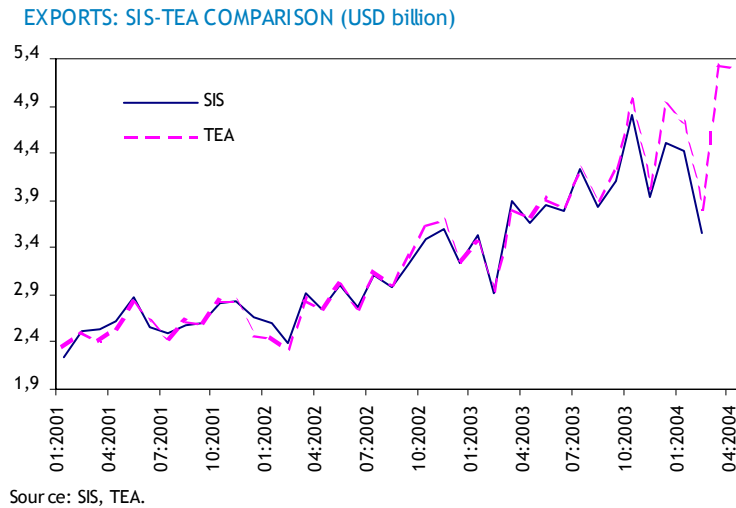


Source: UFT.

44. Compared to the same period last year, the volume of export contracts subject to inward processing regime, which is an important indicator for forward-looking exports, grew

by 18.4 percent in the first four 2004. Meanwhile, imports subject to inward processing regime increased by 27.2 percent.

45. According to the data compiled by the Turkish Exporters Assembly (TEA), exports grew by 36.9 percent and reached US dollar 19.1 billion in the first four months of 2004. As a result, twelve-month exports stood at US dollar 53 billion by April. The preliminary data related to May indicate that the upward trend in exports will continue in May as well.



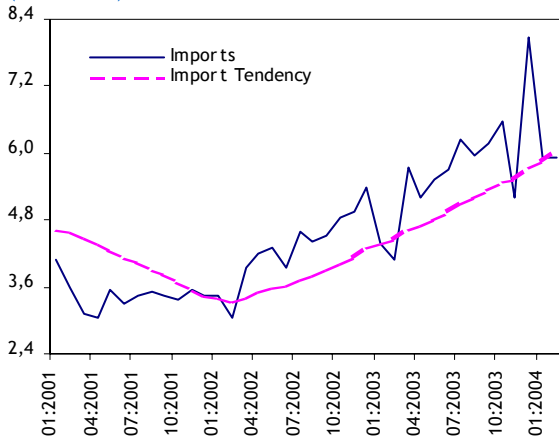
46. It is targeted to maintain the acceleration achieved in exports in 2003, in 2004 as well. In line with this target, with the aim of supporting the competitive power of exporters, Turkish Eximbank cut down short-term interest rates for TL-denominated credits on February 12, 2004 and March 19, 2004. Hence, interest rate applicable to pre-shipment export credits with one-year maturity was decreased to 16 percent.

III. IMPORTS

General Evaluation

47. Compared to the same month previous year, imports increased by 44.3 percent and reached US Dollar 5.9 billion in February 2004. Thus, imports during the January-February period became US dollar 11.8 billion while twelve-month-imports reached US Dollar 72.2 billion with a 34.7 percent rise.

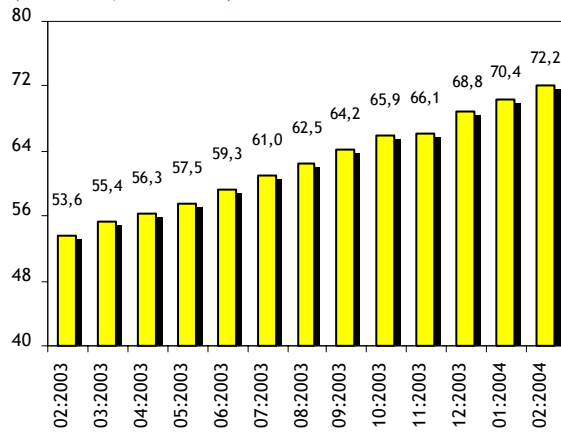
IMPORTS and IMPORTS TENDENCY†
(USD billion)



† Imports tendency is calculated using 12 month moving average.

Source: SIS.

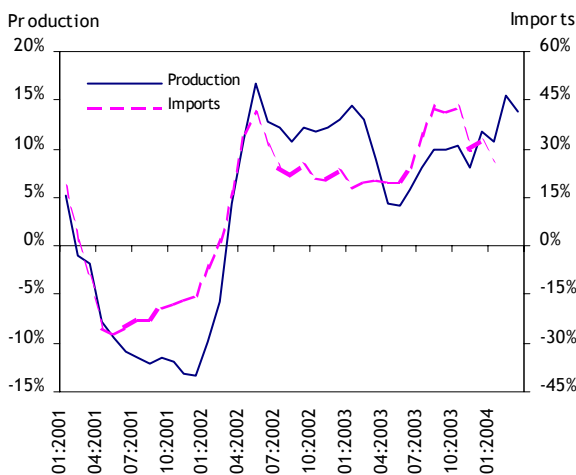
IMPORTS
(12 month, USD billion)



Source: SIS.

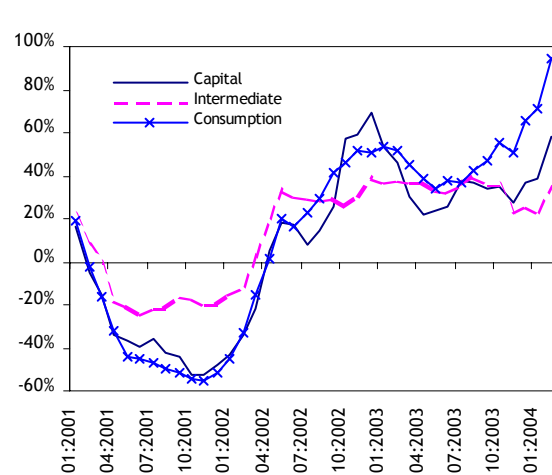
48. Appreciation of the Turkish lira by 6 percent as of February 2004, according to the WPI-based real exchange rate index compared to end-2003 and coupled with rise in domestic industrial production became the factors that promoted the increase in imports. Furthermore, the upward trend in imports prices had an upward effect on imports.

MANUFACTURING INDUSTRY PRODUCTION and
INTERMEDIATE GOODS IMPORTS INDICES
(3 month moving average, annual % change)



Source: SIS.

IMPORTS: GROWTH RATES
(3 month moving average,
annual % change)

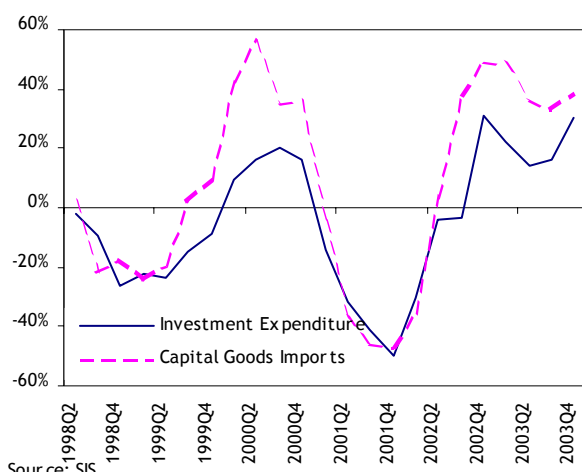


Source: SIS.

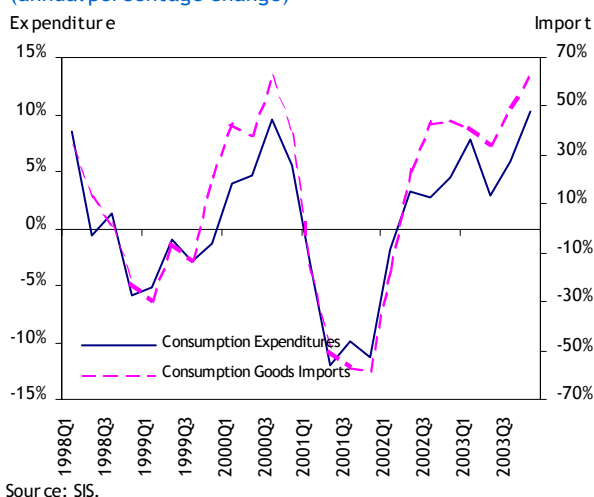
49. In January-February period, imports of intermediary goods became the determining factor of the growth in total imports. Meanwhile, imports of consumption goods exhibited a rate of increase above the growth rate in total imports and its share in total imports rose to 12.9 percent. Rapid growth in domestic industrial production and need for imported input necessitated by rising exports helped the upward trend in imports of intermediary goods

continue in 2004. Furthermore, as appreciation of Turkish Lira boosted demand for durable goods and transportation vehicles, imports of consumption goods increased as well. Meanwhile, accelerating trend in the imports of capital goods continued due to the increased capacity utilization ratios, which brings in new investment needs for continuation of production growth.

**PRIVATE INVESTMENT EXPENDITURES and
CAPITAL GOODS IMPORTS: REAL**
(annual percentage change)



**PRIVATE CONSUMPTION EXPENDITURES and
CONSUMPTION GOODS IMPORTS: REAL**
(annual percentage change)



50. In January-February 2004 period, the biggest contribution to the rise in imports came from imports of motor vehicles and spare parts, boilers-machinery-mechanical devices, electrical machinery and devices, mineral fuels and greases along with iron and steel.

IMPORTS (USD million)								
	February				January-February			
	2003	2004	% Change	% Contrib.	2003	2004	% Change	% Contrib.
Total	4101	5916	44.3	..	8484	11843	39.6	..
Capital Goods	517	890	72.1	9.1	1043	1720	64.9	8.0
Intermediate Goods	3152	4179	32.6	25.1	6586	8548	29.8	23.1
Consumption Goods	396	817	106.3	10.3	798	1523	90.8	8.5
Other	36	29	-18.5	-0.2	57	52	-8.9	-0.1
Important Items:								
Mineral fuels,mineral oils and products of their dist.	843	954	13.2	2.7	1781	2046	14.9	3.1
Crude Oil	380	410	8.0	0.7	826	854	3.3	0.3
Organic chemicals	155	192	24.2	0.9	336	438	30.4	1.2
Pharmaceutical products	151	190	25.7	0.9	299	395	32.4	1.1
Plastics and articles thereof	197	287	45.9	2.2	436	585	34.1	1.8
Cotton, cotton yarn and cotton fabrics	91	124	35.0	0.8	188	278	47.4	1.1
Pearl, other precious stone and products	222	307	38.1	2.1	188	278	47.4	1.1
Iron and Steel	261	382	46.5	3.0	566	780	37.7	2.5
Nuclear reactors, boilers, machinery	521	809	55.4	7.0	1044	1553	48.7	6.0
Electrical Machinery and Equipment	317	502	58.6	4.5	681	1012	48.6	3.9
Motor Vehicles and Spare Parts	193	566	193.1	9.1	373	1056	183.2	8.0

Source: SIS.

51. In the first two months of the year, the share of imports from EU-member states and non-OECD member European states increased while imports from Middle Eastern and African states exhibited a decline. Analyzing in terms of selected countries, imports from Germany had the largest share in overall imports to be followed by Russia, Italy and France.

The high rate of increase in imports from China continued in the first months of 2004 as well.

IMPORTS: BY COUNTRY GROUPS (USD million)

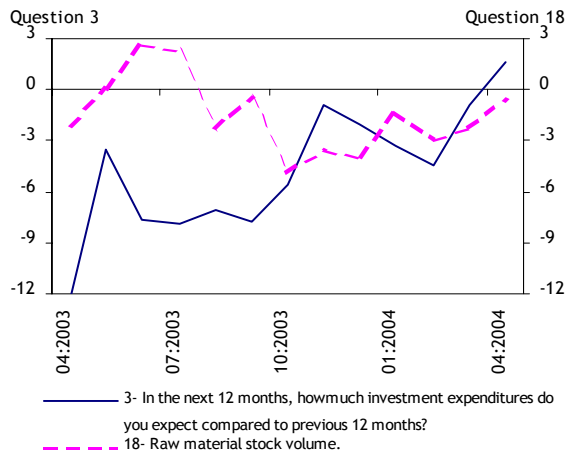
	February					January-February				
	2003		2004		% Change	2003		2004		% Change
	Value	Share (%)	Value	Share (%)		Value	Share (%)	Value	Share (%)	
Total	4101	..	5916	..	44.3	8484	..	11843	..	39.6
OECD Countries	2498	60.9	3639	61.5	45.7	5063	59.7	7147	60.3	41.2
European Union Countries	1765	43.0	2669	45.1	51.2	3632	42.8	5190	43.8	42.9
EFTA Countries	273	6.7	300	5.1	9.7	450	5.3	580	4.9	28.9
Other OECD Countries	459	11.2	671	11.3	46.0	981	11.6	1378	11.6	40.4
Non-OECD Countries	1574	38.4	2228	37.7	41.6	3356	39.6	4588	38.7	36.7
European Countries	483	11.8	863	14.6	78.9	1085	12.8	1845	15.6	70.1
African Countries	333	8.1	339	5.7	1.9	591	7.0	679	5.7	14.9
American Countries	47	1.1	66	1.1	41.4	92	1.1	135	1.1	46.7
Middle East Countries	295	7.2	346	5.9	17.5	736	8.7	646	5.5	-12.2
Other Asian Countries	390	9.5	611	10.3	56.9	821	9.7	1278	10.8	55.7
Other Countries	27	0.7	2	0.0	-91.6	32	0.4	5	0.0	-84.1
Turkey Free Trade Areas	30	0.7	48	0.8	63.5	66	0.8	109	0.9	65.5
Selected Countries										
Germany	503	12.3	794	13.4	57.8	1024	12.1	1501	12.7	46.6
Russia	286	7.0	513	8.7	79.2	652	7.7	1187	10.0	82.1
Italy	334	8.2	424	7.2	26.7	653	7.7	833	7.0	27.6
France	244	6.0	369	6.2	51.1	467	5.5	760	6.4	62.7
United Kingdom	208	5.1	302	5.1	45.3	423	5.0	550	4.6	30.1
China	147	4.0	249	4.8	71.0	288	4.2	526	5.3	68.5
Switzerland	247	6.0	278	4.7	12.5	390	4.6	514	4.3	31.9
USA	197	4.8	221	3.7	12.3	407	4.8	448	3.8	9.9
Spain	102	4.0	185	4.8	71.0	222	4.2	346	5.3	68.5

Source: SIS.

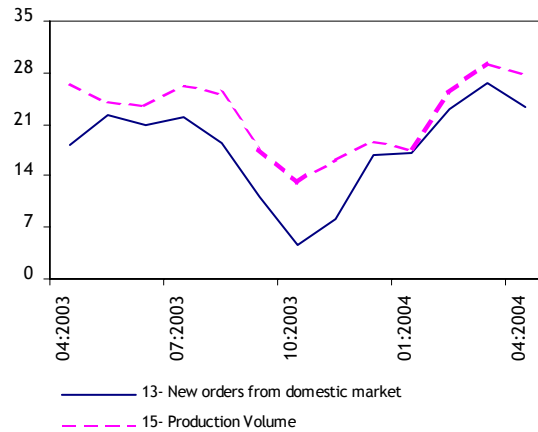
Outlook

52. An analysis of the domestic demand trend over the next period according to the results of the CBRT Business Tendency Survey conducted in April reveals that private companies are optimistic about domestic demand despite a slowdown in the expectations. The high levels of optimistic expectations about production and demand indicate that the rise observed in imports of intermediary goods and consumption goods in 2003 will continue in 2004 as well. Meanwhile, the rise in investment expenditures tendency points out that investment expenditures should persist, which are important for the sustainability of productivity growth and economic growth.

IMPORT EXPECTATIONS



Source: CBRT Business Tendency Survey.

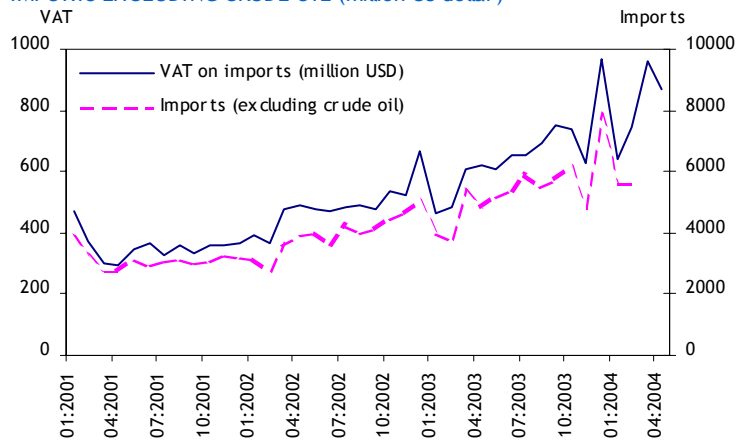


Source: CBRT Business Tendency Survey.

53. Timed imports, which was US dollar 2.2 billion in January-February 2003, was recorded to be US dollar 3.1 billion in the same period of 2004. However, as total imports grew by 39.6 percent while timed imports grew by 36.5 percent, the share of timed imports in total imports dropped to 25.9 percent. Meanwhile, timed exports calculated the same way displayed a 30.7 percent rise and reached 63.7 percent of total imports.

54. According to Value Added Tax (VAT) on imports figures, imports are expected to reach US dollar 8.1 billion in March and US dollar 7.3 billion in April.

VALUE ADDED TAX ON IMPORTS and IMPORTS EXCLUDING CRUDE OIL (million US dollar)



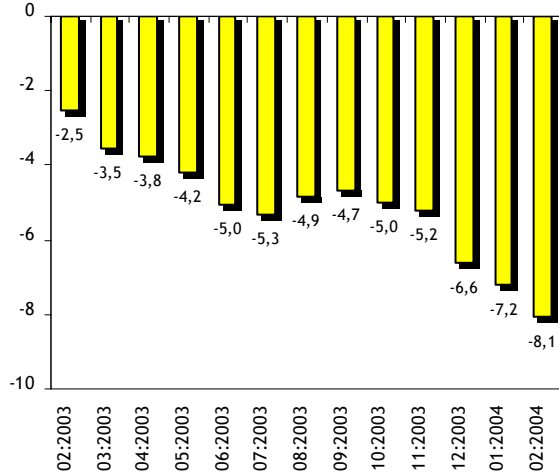
Source: Ministry of Finance, SIS.

IV. CURRENT ACCOUNT

55. Current account balance yielded a deficit of US Dollar 2.1 billion in February, leading to a total deficit of US dollar 2.8 billion in the first two months of 2004. Thus, twelve-month current account deficit became US dollar 8.1 billion.

CURRENT ACCOUNT BALANCE

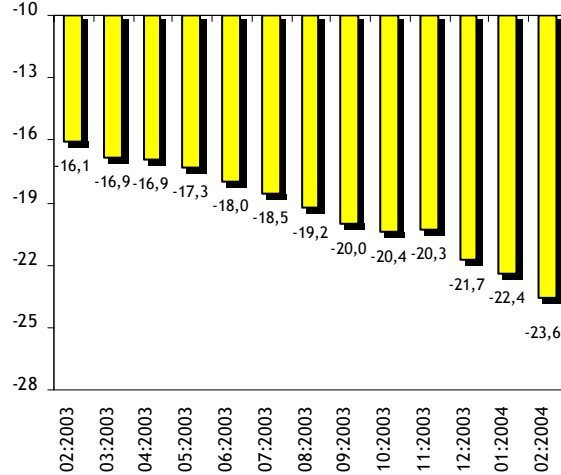
(12 month, USD billion)



Source: CBRT.

FOREIGN TRADE BALANCE

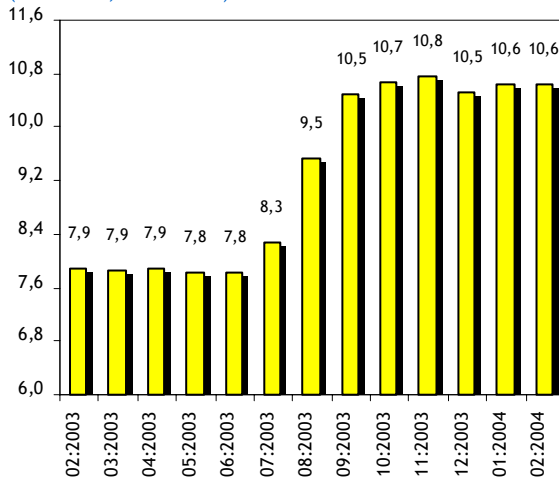
(12 month, USD billion)



Source: CBRT.

SERVICES BALANCE

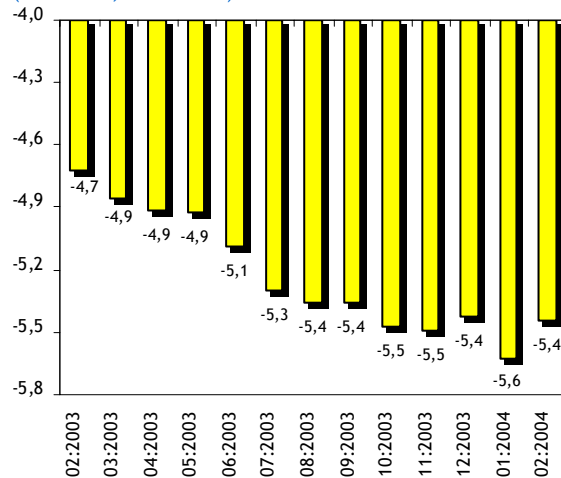
(12 month, USD billion)



Source: CBRT.

INVESTMENTS REVENUES BALANCE

(12 month, USD billion)



Source: CBRT.

56. In January-February 2004 period, services revenues increased due to the significant rise in tourism revenues. However, the foreign trade deficit, which increased by US Dollar 1.6 billion compared to the same period of 2003, became the determining factor in the current account deficit.

57. When compared to 2003, the rate of increase in exports slowed down during this period while that of imports accelerated. The appreciation in Turkish Lira, high levels of increase in industrial production in January and February and the recovery observed in domestic consumption all contributed to the rise in imports during this period. As a result of these developments, foreign trade deficit, according to the balance of payments definition, increased from US dollar 1.1 billion in the first two months of 2003 to US dollar 2.6 billion in the same period in 2004.

CURRENT ACCOUNT (USD million)				
	2003			2004
	Jan-Feb	Jan	Feb	Jan-Feb
Current Account Balance	-1383	-783	-2066	-2849
Foreign Trade Balance	-1077	-906	-1732	-2638
Total Exports	6908	4670	3832	8502
Total Imports	-7985	-5576	-5564	-11140
Services Balance	439	395	164	559
Credit	1611	1117	909	2026
Debit	-1172	-722	-745	-1467
Income Balance	-1068	-451	-631	-1082
Credit	342	271	229	500
Debit	-1410	-722	-860	-1582
Current Transfers	323	179	133	312
Workers' Remittances	95	78	51	129
<i>Memo items:</i>				
Shuttle Trade	461	256	280	536
Non Monetary Gold (net)	-314	-206	-292	-498
Travel Revenues	795	602	503	1105
Interest Income	96	41	64	105
Interest Expenditure	-680	-219	-412	-631

Source: CBRT.

58. Compared to the same period last year, the volume of shuttle trade increased in the first two months of 2004. However, taking into account the base effect caused by the Iraq War in the first quarter of 2003, the increase in the volume of shuttle trade was rather limited.

59. Due to regional instabilities in 2003, the demand for processed gold increased in international markets, leading to a rise of 15 percent in prices. This trend continued in the first two months of 2004 as well. Turkey's imports of processed gold, which increased by 85 percent in 2003 compared to 2002, rose by 55 percent in the first two months of 2004 as well.

60. Based on the figures announced by SIS, tourism revenues increased by 42.6 percent in the first quarter of 2004 compared to the previous year and reached US dollar 1.7 billion.³ Meanwhile, the number of tourists departing from Turkey rose by 35.1 percent. The average expenditure per tourist increased compared to the same period of the previous year despite the decline observed in the last three months.

³ Figures for "Tourism Revenues", "Tourism Expenditure" and "Shuttle Trade" included in the balance of payments statistics are obtained through surveys. As of January 2003, surveys are being conducted jointly by the CBRT, the Ministry of Culture and Tourism and the State Institute of Statistics of the Prime Ministry. Figures for "Tourism Revenues" are calculated in the framework of the "Survey of Tourists Departing From Turkey" which comprises the expenditures of foreigners and non-resident Turkish citizens in Turkey, but only the expenditures of foreigners are taken into account as "Tourism Revenues" in balance of payments statistics.

However, starting from January 2004, in addition to the expenditures of foreigners, expenditures of non-resident Turkish citizens, which are recorded during the time of their visits to Turkey and accepted as tourism revenues according to the balance of payments methodology, have been included in the "Tourism Revenues". Meanwhile, in the framework of monthly foreign exchange reports delivered by the banks, Turkish Lira drawings from foreign exchange deposits and banknotes spent by Turkish expatriates during their stay in Turkey have been excluded from the "Working's Remittances" item, which is comprised of foreign exchange deposits that have been transferred by Turkish citizens living abroad and converted to Turkish liras, the Turkish lira drawings from foreign exchange deposits of Turkish expatriates and banknotes spent by Turkish expatriates during their stay in Turkey. In other words, an arrangement was made in the classification of "Worker's Remittances" and "Tourism Revenues" and this change was applied to the figures for 2003 as well.

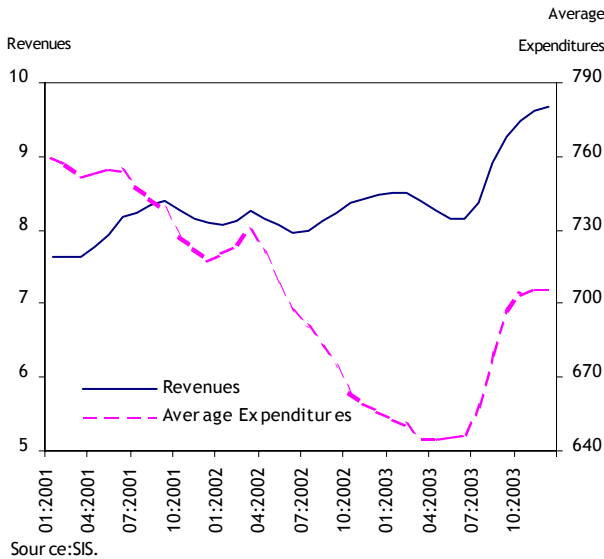
TRAVEL REVENUES

	2003	2004			
	Jan-Mar	Jan	Feb	Mar	Jan-Mar
Travel Revenues (USD million)	1201	602	503	608	1713
Number of Visitors (thousand)	1702	776	672	850	2299
Average Spending (USD)	706	776	749	715	745

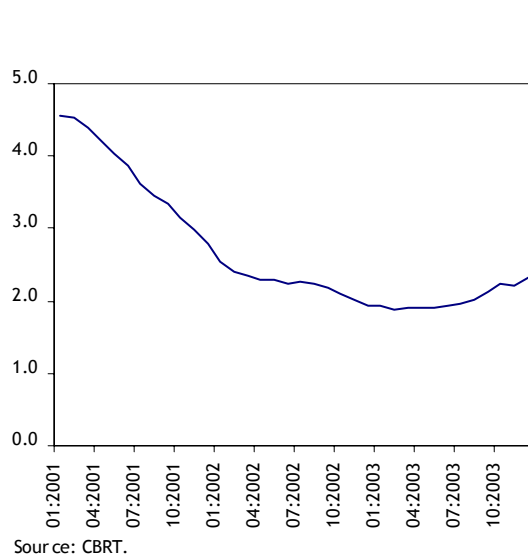
Source: SIS.

61. According to the figures announced by the Ministry of Tourism for April, the number of tourists departing from Turkey increased by 78.5 percent compared to the same month of the previous year.

TRAVEL REVENUES (12 month, USD billion),
AVERAGE EXPENDITURES (12 month, USD)



WORKERS REMITTANCES: PRIVATE
(12 month, USD billion)



62. The investment revenues account produced a deficit of US dollar 1.1 billion in January-February 2004 period. The portfolio investment expenditures and interest expenditures were the primary determinants of this deficit. In this period, portfolio investment expenditures including interest payments for bills and bonds issued by the Treasury and dividend payments for the securities purchased by foreigners increased while interest expenditures declined.

63. Worker's remittances rose by 35.8 percent in the first two months of 2004 compared to the same period of the previous year. During the same period, imports with waiver increased as well.

V. CAPITAL MOVEMENTS

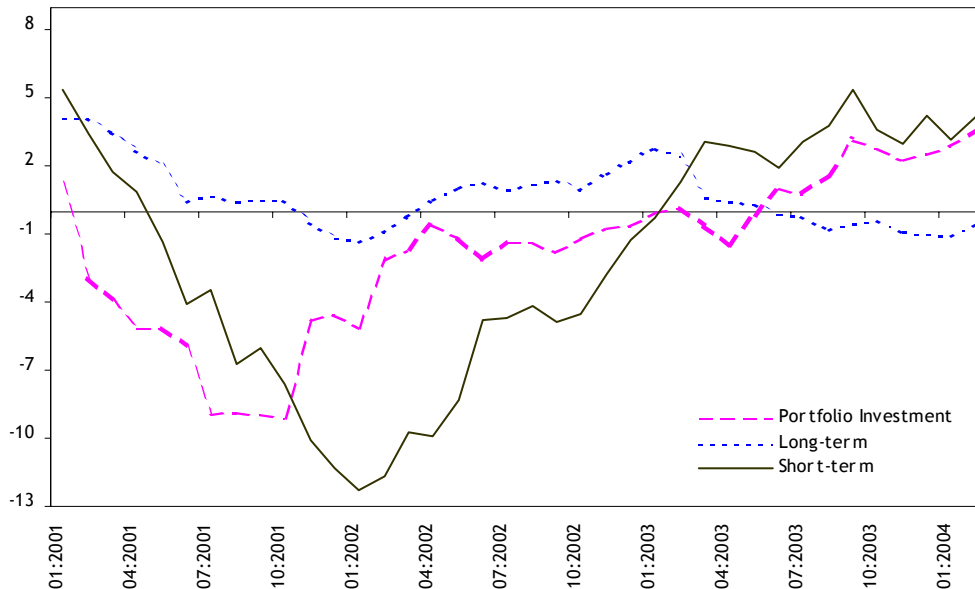
64. The financial account registered a surplus of US dollar 5 billion in January-February 2004 period. Excluding IMF loans and official reserves, the net capital inflow became US dollar 3.9 billion.

65. January-February 2004 period staged a current account deficit of US dollar 2.8 billion simultaneously with capital inflow through direct investments, portfolio investments and other investments. The net errors and omissions item produced a deficit of US dollar 2.1 billion in the period in question. Consequently, the official reserves decreased by US dollar 104 million in this period.

CAPITAL AND FINANCIAL ACCOUNT (USD billion)										
	2003									2004
	Jan-Feb	Jul	Agu	Sep	Oct	Nov	Dec	Jan	Feb	Jan-Feb
Capital and Financial Account	3320	-59	-578	-1026	-356	274	886	1987	3003	4990
Financial Account	3320	-59	-578	-1026	-356	274	886	1987	3003	4990
Direct Investments	-18	22	63	-30	-77	53	61	18	286	304
Portfolio Investments	727	-242	632	1217	253	-552	402	1411	369	1780
Other Investments	3014	644	157	1174	-1893	-1069	1840	750	2052	2802
Reserve Assets	-403	-483	-1430	-3387	1361	1842	-1417	-192	296	104
Net Errors & Omissions	-1937	286	-343	311	272	143	1842	-1204	-937	-2141
<i>Memorandum items:</i>										
Short-term	2853	538	140	1047	-1775	-405	1213	731	2098	2829
Long-term	223	169	-112	245	138	-234	247	244	445	689
IMF credit	-62	-63	129	-118	-256	-430	380	-225	-491	-716

Source: CBRT.

CAPITAL FLOWS (12-month. billion US dollar)

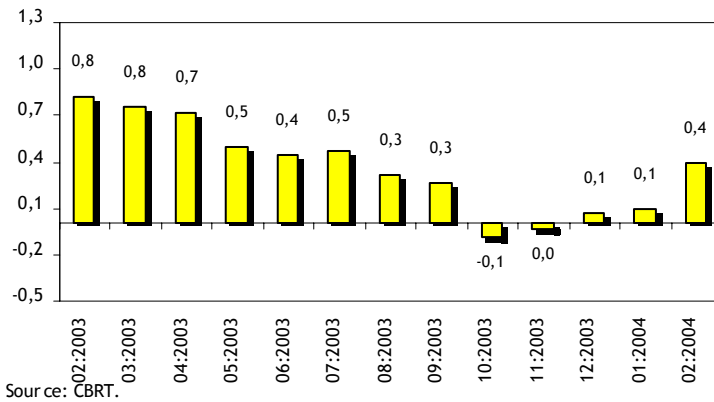


Source: CBRT.

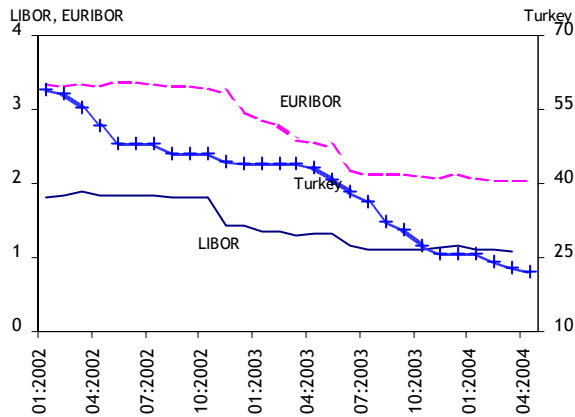
66. Most part of the net direct capital investment amounting to US dollar 304 million stemmed from the loan, which was taken up by a firm from abroad and converted into capital in February. The value of net direct investments of residents carried out abroad reached US dollar 99 million in January-February 2004 period. Meanwhile, the long-term

credits extended to foreign companies by their affiliates abroad, which are registered under other capital items and accepted as direct capital investment, became US dollar 50 million.

DIRECT INVESTMENTS
(12-month, billion US dollar)

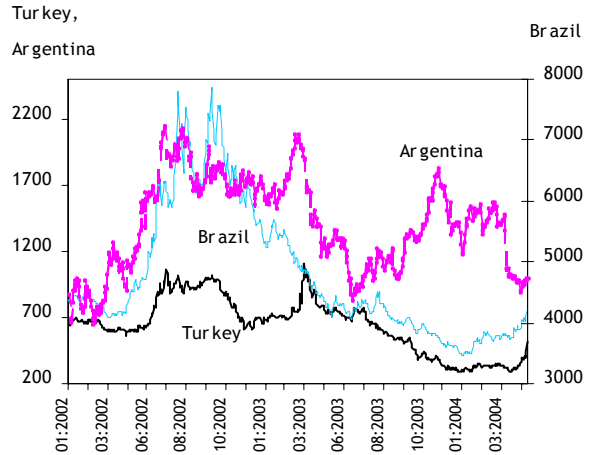


INTEREST RATES (monthly average, %)



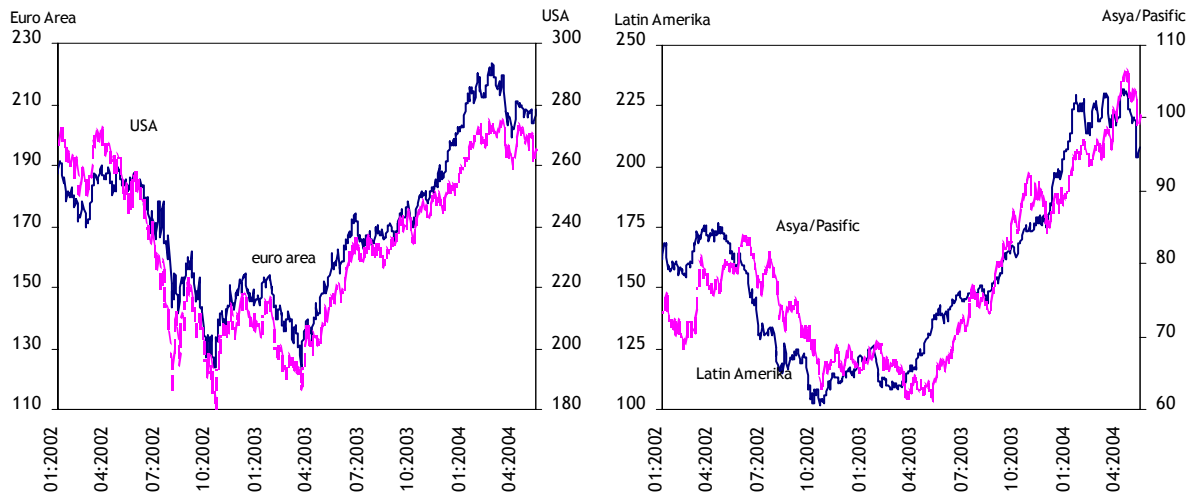
LIBOR: Proposed interest rate for USD deposits with 1-month maturity. EURIBOR: Proposed interest rate for euro deposits with 1-month maturity. For Turkey, overnight interest rate resulted in interbank money market.
Source: IMF, www.euribor.org, CBRT.

SECONDARY MARKET SPREADS (basis point)



Spread: The difference between the returns on relevant country's government bonds and USA Treasury bonds.
Source: JP Morgan.

DOW JONES EQUITY PRICE INDICES



Source: Dow Jones.

67. Throughout 2003, LIBOR and EURIBOR interest rates at international markets declined in line with the policies adopted by individual central banks. Meanwhile, as of November, the central banks have started to increase interest rates again in order to avoid the inflationary impacts of economic revival. The Reserve Bank of Australia raised its interest rates first on November the 5th and then on December the 3rd and the Bank of England raised interest rates on November 6, 2003, February 5, 2004 and May 6, 2004, successively. Meanwhile, the ECB made no changes in interest rates while the Federal Reserve implied that it could raise interest rates in the near future. The mentioned implication caused rise in the spreads of developing countries and decline in the prices of securities.

68. Projecting that the future trend of inflation will be compatible with the end-year inflation target, CBRT eased short-term interest rates by 2 points to be effective from March 17, 2003.

69. The Turkish bond spreads, which had been fluctuating since the turn of 2003, have been displaying a downward trend since April 2003 that was marked by the end of the war in Iraq. A rapid decline has been observed in the spreads, especially as of September, with the effect of restoration of economic stability. Meanwhile, the spreads started to climb as of April 2004 due to expectations about a prospective upward trend in interest rates in international markets in line with FED's future interest rate policies.

70. On March 8, 2004, the global rating agency Standard&Poors upgraded Turkey's long-term credit rating and local currency long-term rating upon seeing the steps regarding budget discipline taken by the Government and believing that the current account deficit would not pose a risk thanks to the high official reserves. The Japanese Credit Rating Agency (JCR) affirmed Turkey's credit rating but upgraded outlook from stable to positive.

PORTFOLIO INVESTMENT (monthly, USD million)

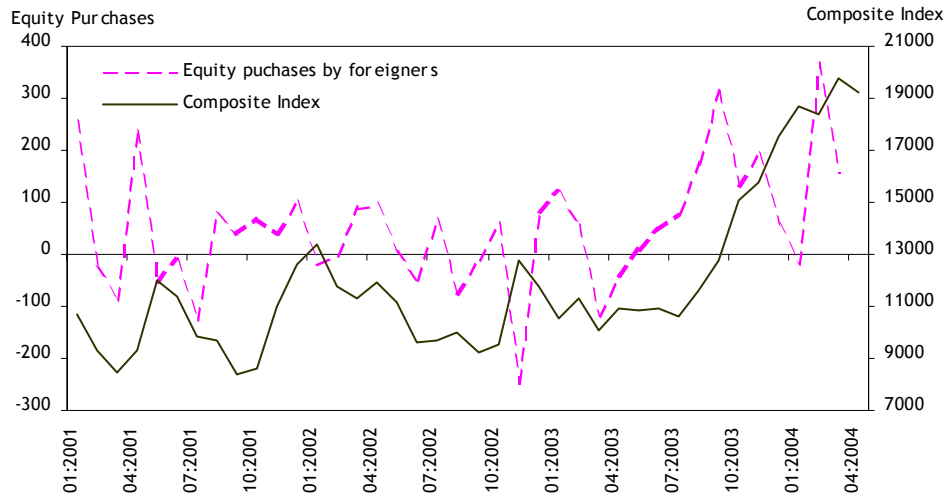
	2003							2004		
	Jan-Feb	Jul	Agu	Sep	Oct	Nov	Dec	Jan	Feb	Jan-Feb
Portfolio Investment	727	-242	632	1217	253	-552	402	1411	369	1780
Assets	-105	67	21	-692	173	-316	-189	-105	-267	-372
General Government	-6	-7	-9	0	-2	-2	-5	0	0	0
Banks	8	119	101	-601	194	-309	-227	224	-59	165
Other Sectors	-107	-45	-71	-91	-19	-5	43	-329	-208	-537
Liabilities	832	-309	611	1909	80	-236	591	1516	636	2152
Equity Securities	171	77	174	311	131	192	57	-18	364	346
Debt Securities	661	-386	437	1598	-51	-428	534	1534	272	1806
Monetary Authority	0	0	0	0	0	0	0	0	0	0
General Government	661	-371	437	1598	-51	-428	534	1534	272	1806
In Turkey	50	207	437	348	161	31	534	34	559	593
Abroad	611	-578	0	1250	-212	-459	0	1500	-287	1213
Banks	0	-15	0	0	0	0	0	0	0	0

Source: CBRT.

71. Non-residents' securities portfolio composed of government securities and equity securities, increased by US dollar 939 million in January-February 2004 period. It is believed that lower rates of expected inflation coupled with the still-high level of real interest rates became the primary factors in the demand for government papers as of the second half of 2003. In the mentioned period, the portfolio changes in non-residents' portfolios were driven by the rise in the ISE index and price index of government securities.

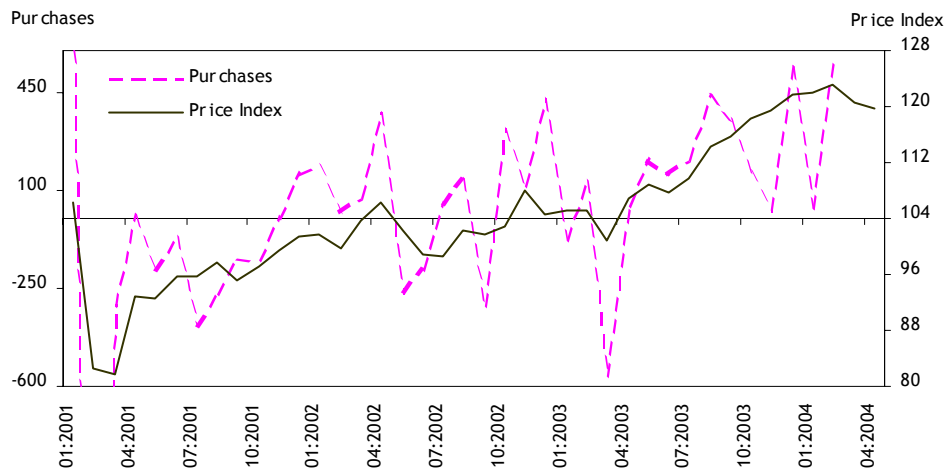
72. The rapid rise in non-residents' demand for equity securities in February continued in March as well. According to the data compiled by the ISE, non-residents purchased US dollar 156 billion-worth of equity securities in March. Meanwhile, the price index of ISE government securities has been on the rise since the second half of 2003. Therefore, capital inflow is expected through portfolio investments in the first quarter of 2004. In April, a decline is observed in securities portfolio of non-residents. Actually, according to ISE figures, non-residents sold US dollar 96 million-worth of securities. Meanwhile, ISE price index declined in March and April.

ISE EQUITY PRICES AND FOREIGNERS' NET PURCHASES



Source: CBRT, ISE.

GOVERNMENT DEBT SECURITY PRICES AND FOREIGNERS' NET PURCHASES



Source: CBRT, ISE.

73. The Treasury held two important bond auctions in January as a result of which US dollar 1.5 billion entered into account on January 14, 2004 and EURO 1 billion on February 10, 2004. The bond issues in question were remarkable as they marked the lowest rate of interest between the past US dollar and EURO-denominated bond auctions.

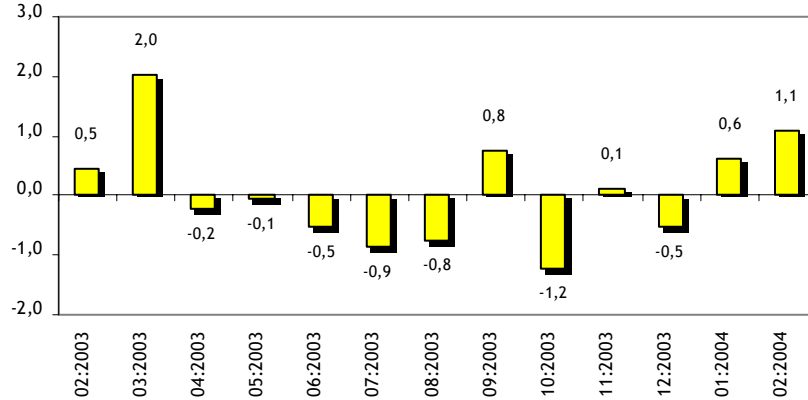
74. The FX holding items composed of the FX assets held by the banks with their correspondent banks abroad have been volatile throughout the year. The mentioned item decreased by US dollar 4.1 billion in the first quarter to be followed by a US dollar 3.3 billion rise in the rest of the year that led to a capital outflow of the same amount. In January-February 2004 period, the FX assets of the banks decreased by US dollar 1.7 billion and led to a capital inflow of the same amount.

75. Rapid growth in foreign trade volume in the first two months of 2004 encouraged commercial credit utilization. Compared to same period last year, foreign trade volume grew by 32.7 percent while commercial credit utilization increased by 32.8 percent and reached US dollar 4.4 billion and US dollar 4.3 billion portion of this total amount is comprised of short-term credits with maturities shorter than a year.

76. The trend to meet financing needs through short-term credits in 2003 continued in the first months of 2004 as well. The banks, which used net US dollar 2 billion-worth of short-term credits in 2003, used net US dollar 343 million-worth of short-term credits in

January-February 2004 period and net US dollar 254 billion of this amount belongs to January. Meanwhile, the banking sector used net US dollar 184 million-worth of long-term credits from abroad during this period.

CHANGE IN DEPOSIT MONEY BANKS' FX HOLDINGS†
(USD billion)

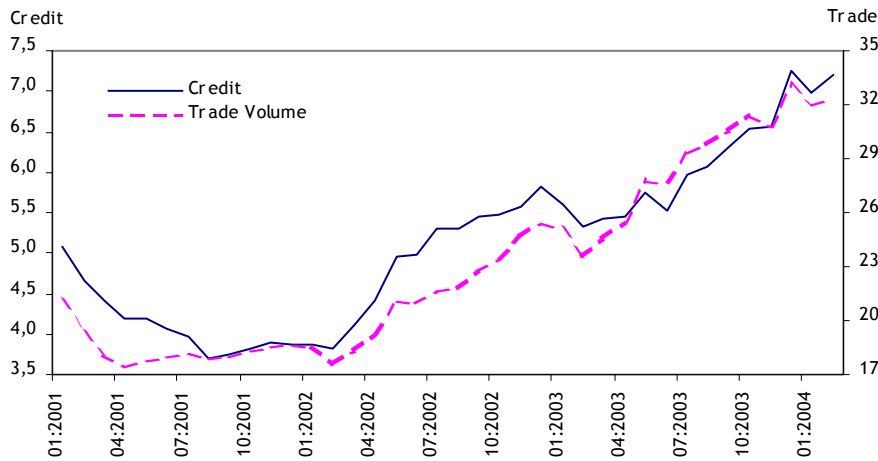


Source: CBRT.

† (+) sign indicates a decrease.

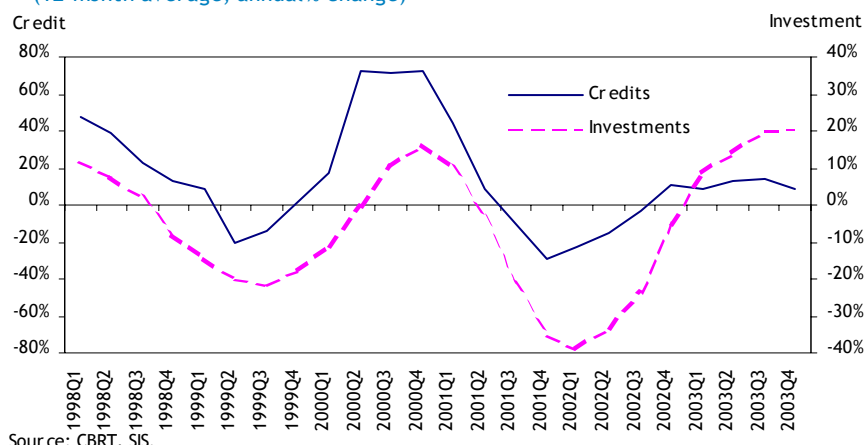
77. The upward trend in long-term credit utilization observed in 2003 continued in the first two months of 2004 in all sectors except for the Central Bank, the Treasury and the banking sector. The rise in long-term credit utilization indicates that investment expenditures retain their high level.

PRIVATE SECTOR COMMERCIAL CREDIT DRAWINGS and TRADE VOLUME
(3-month, USD billion)



Source: CBRT.

LONG TERM CREDIT DRAWINGS and
INVESTMENT EXPENDITURES: PRIVATE SECTOR
(12-month average, annual % change)



78. In 2004, the Central Bank continued the repayment of the IMF loans used in 2001 and earlier. Thus, the amount paid back January-February reached US dollar 649 million.

OTHER INVESTMENTS (monthly, USD million)

	2003									2004
	Jan-Feb	Jul	Agu	Sep	Oct	Nov	Dec	Jan	Feb	Jan-Feb
Other Investment	7256	644	157	1174	-1893	-1069	1840	750	2052	2802
Assets	-777	-946	-749	654	-1619	302	-726	573	1830	2403
Trade Credits	-921	-122	46	-32	-309	157	-147	-165	596	431
Credits	19	73	-3	-33	-27	77	-12	147	181	328
Currency and Deposits	594	-870	-752	760	-1238	104	-532	617	1081	1698
Liabilities	8033	1590	906	520	-274	-1371	2566	177	222	399
Trade Credits	2483	308	55	207	486	-128	562	16	203	219
Credits	5105	712	635	190	-197	-1275	1863	236	28	264
Monetary Authority	-6138	0	-348	-118	-191	-430	-123	-158	-491	-649
General Government	11834	-150	445	-289	-237	-211	236	-166	-108	-274
IMF Credits	12503	-63	477	0	-65	0	503	-67	0	-67
Long Term	-669	-87	-32	-289	-172	-211	-267	-99	-108	-207
Short Term	0	630	364	257	33	-348	1397	0	0	527
Banks	-1028	630	364	257	33	-348	1397	240	287	527
Long Term	-297	45	-265	133	79	212	61	-14	198	184
Short Term	-731	585	629	124	-46	-560	1336	254	89	343
Other Sectors	437	232	174	340	198	-286	353	320	340	660
Long Term	1165	210	171	323	199	-308	352	315	281	596
Short Term	-728	22	3	17	-1	22	1	5	59	64
Deposits	348	546	191	102	-571	31	141	-75	3	-72
Monetary Authority	1336	108	148	66	43	12	6	1	10	11
Long Term	618	-50	-49	-41	-33	-14	-13	-23	-8	-31
Short Term	718	158	197	107	76	26	19	24	18	42
Banks	-988	438	43	36	-614	19	135	-76	-7	-83

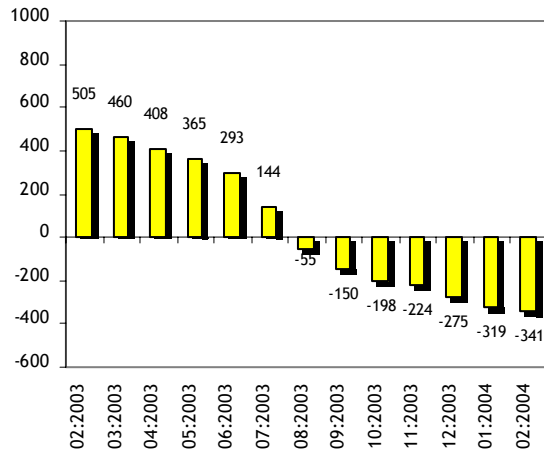
Source: CBRT.

79. The volume of long-term FX deposit accounts with credit letters and super FX accounts kept at the Central Bank by Turkish workers living abroad has been declining since April 2003. The interest rate cut-down operations, which concentrated in the second half of 2003, are believed to be the primary reason of this decline. The interest rates applicable to the mentioned accounts were eased again to be effective as of March 1, 2004. It is estimated that the decline in long-term accounts will continue, as interest rates on

these accounts will be eased. Meanwhile, inflows in the related short-term accounts that accelerated in summer months decelerated as of the last quarter of the year.

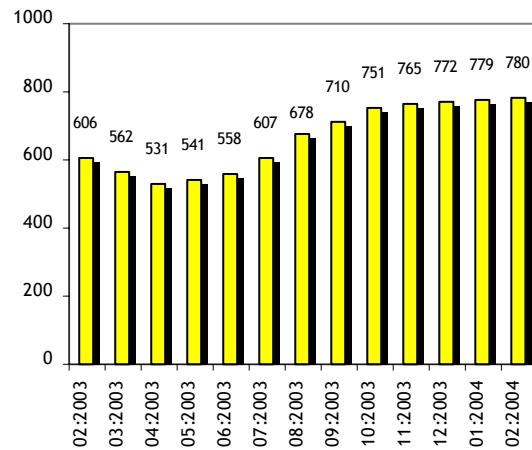
**INFLOW IN FOREIGN CURRENCY ACCOUNTS WITH CREDIT LETTERS AND SUPER FX ACCOUNTS
(12-month, USD billion)**

LONG TERM



Source: CBRT.

SHORT TERM



Source: CBRT.

80. The FX deposits held at the domestic banks by foreign banks, which displayed an upward trend through inflows throughout 2003, declined by net US dollar 84 million in January-February 2004 leading to an outflow of the same amount.

81. Total external debt stock increased by US dollar 16,3 billion compared to 2002 and reached US dollar 147,3 billion by the end of 2003. The medium-long term debts, which comprise 84.4 percent of the total external debt stock, increased by 8.6 percent and short-term debts increased by 39.6 percent. The pass-through from exchange rates led to a US dollar 10,8 billion rise in external debt stock in 2003. Meanwhile, the short-term debt stock announced monthly by the Central Bank, which was recorded as US dollar 22.9 billion by the end of 2003, reached US dollar 23.2 billion by February. The main determinant of the rise in short-term debt stock was the short-term credits taken up by the banks from abroad.

82. The Central Bank and the public sector paid back US dollar 4 billion of external debt principal and interest. Meanwhile, the Central Bank drew up US dollar 1.1 billion worth of foreign exchange by means of foreign exchange buying auctions and US dollar 1.3 billion by direct purchasing interventions carried out due to excessive volatility in foreign exchange market. Besides, within this period the Treasury borrowed US dollar 1.2 billion by bond auctions. Thus, the Central Bank reserves, which was recorded as US dollar 33.6 billion by the end of 2003 reached US dollar 33.4 billion by February 27, 2004.

83. The Central Bank kept holding foreign exchange buying auctions in March and April, however suspended auctions as of April 27, 2004. The total amount of foreign exchange purchased through foreign exchange buying auctions and direct interventions between January the 23rd and April the 26th became US dollar 5.1 billion. Meanwhile, on May 11, 2004 the Central Bank directly intervened into the markets by selling foreign exchange due to the excessive volatility in exchange rates that have been observed because of the reduced foreign exchange liquidity arising from the price volatility in foreign exchange and the reverse currency substitution process.

84. External financing requirement, which is defined as the sum of the current account balance and the net errors and omissions item, became US dollar 5 billion in January-February period of 2004. Besides the rise in current account deficit, net errors and omissions item, which ran a deficit of US dollar 2.1 billion, further increased the financing requirement. Financing requirement was dominantly covered with portfolio movements. By sub-items, these portfolio investments were comprised of Treasury's bond auctions and non-residents' purchases of securities. In the same period again, the banks and other sectors continued to use net foreign credits within this period. As financing requirement surpassed

capital inflow, the Central Bank and banking sector reserves decreased by US dollar 1.8 billion in this period.

EXTERNAL FINANCING AND FINANCE RESOURCES (USD millions)										
	2003									2004
	Jan-Feb	Jul	Agu	Sep	Oct	Nov	Dec	Jan	Feb	Jan-Feb
1. Current Account Balance	-1383	-227	921	715	84	-417	-2728	-783	-2066	-2849
2. Net Error and Omission	-1937	286	-343	311	272	143	1842	-1204	-937	-2141
I. Total Financing Requirement (=1+2)	-3320	59	578	1026	356	-274	-886	-1987	-3003	-4990
II. Total Financing (=1+2+3)	3320	-59	-578	-1026	-356	274	886	1987	3003	4990
1. Capital Flows (net)	1747	1357	1475	1719	-223	-1242	2455	1787	2117	3904
Portfolio Investments (net)	727	-242	632	1217	253	-552	402	1411	369	1780
General Government Bond Issues	611	-578	0	1250	-212	-459	0	1500	-287	1213
Foreigners' Buying of Bonds and Stocks in Turkey	221	284	611	659	292	223	591	16	923	939
Residents Buying of Bonds and Stocks Abroad	-105	67	21	-692	173	-316	-189	-105	-267	-372
Credits (excl. IMF credits)	320	1083	561	515	545	-973	2045	477	722	1199
General Government	-286	-87	-32	-289	-172	-211	-267	-99	-108	-207
Banks	416	630	364	257	33	-348	1397	240	287	527
Long Term	-55	45	-265	133	79	212	61	-14	198	184
Short Term	471	585	629	124	-46	-560	1336	254	89	343
Other Sectors	190	540	229	547	684	-414	915	336	543	879
Long Term	387	210	171	323	199	-308	352	315	281	596
Short Term	-95	22	3	17	-1	22	1	5	59	64
Trade Credits	-102	308	55	207	486	-128	562	16	203	219
Deposits	435	546	191	102	-571	31	141	-75	3	-72
Central Bank	69	108	148	66	43	12	6	1	10	11
Banks	366	438	43	36	-614	19	135	-76	-7	-83
Others	265	-30	91	-115	-450	252	-133	-26	1023	997
2. IMF Credits	-62	-63	129	-118	-256	-430	380	-225	-491	-716
Central Bank	0	0	-348	-118	-191	-430	-123	-158	-491	-649
General Government	-62	-63	477	0	-65	0	503	-67	0	-67
3. Change in Reserves (- increase)	1635	-1353	-2182	-2627	123	1946	-1949	425	1377	1802
Banks' FX Holdings	2038	-870	-752	760	-1238	104	-532	617	1081	1698
Official Reserves	-403	-483	-1430	-3387	1361	1842	-1417	-192	296	104

Source: CBRT.

VI. APPENDIX

CURRENT ACCOUNT (USD million)

	Current Account										
	Net	Foreign Trade				Services		Income		Transfers	
		Net	Exports (FOB)	Shuttle Trade	Imports (CIF)	Net	Travel Revenues	Net	Interest Expenditure	Net	Workers Remittances
	<i>(annual)</i>										
2000	-9819	-22410	27775	2946	-54503	11368	7636	-4002	-4825	5225	4560
2001	3390	-4543	31334	3039	-41399	9130	8090	-5000	-5497	3803	2786
2002	-1522	-8337	36059	4065	-51554	7879	8480	-4554	-4417	3490	1936
2003	-6609	-13721	47068	3953	-68808	10516	13203	-5427	-4586	2023	729
	<i>(quarterly)</i>										
2001 IV	640	-641	8314	787	-10364	1693	1433	-1339	-1312	927	649
2002 I	-637	-956	7910	919	-10409	702	896	-1227	-1059	844	477
II	-809	-2260	8514	933	-12454	1698	2087	-1016	-1082	769	505
III	1030	-2329	9298	1090	-13529	3573	3813	-1078	-1116	864	539
IV	-1106	-2792	10337	1123	-15162	1906	1684	-1233	-1160	1013	415
2003 I	-2641	-2271	10345	757	-14209	687	1201	-1531	-1171	474	138
II	-2316	-3186	11302	954	-16407	1665	2259	-1248	-1106	453	151
III	1409	-4047	12161	1082	-18383	6240	7032	-1345	-1134	561	235
IV	-3061	-4217	13260	1160	-19809	1924	2711	-1303	-1175	535	205
	<i>(monthly)</i>										
2003 Mar	-1258	-1194	3898	296	-5725	248	406	-463	-491	151	43
Apr	-890	-943	3656	287	-5187	287	442	-387	-312	153	45
May	-714	-969	3855	359	-5509	640	773	-525	-486	140	51
Jun	-712	-1274	3791	308	-5711	738	1044	-336	-308	160	55
Jul	-227	-1373	4232	274	-6246	1438	1811	-493	-262	201	72
Agu	921	-1377	3823	402	-5960	2623	2880	-505	-524	180	79
Sep	715	-1297	4106	406	-6177	2179	2341	-347	-348	180	84
Oct	84	-908	4809	451	-6557	1186	1454	-360	-315	166	77
Nov	-417	-593	3934	355	-5191	613	767	-582	-500	145	61
Dec	-2728	-2716	4517	354	-8061	125	490	-361	-360	224	67
2004 Jan	-783	-906	4668	4414	-5928	395	602	-451	-219	179	78
Feb	-2066	-1732	3831	3552	-5916	164	503	-631	-412	133	51
	<i>(12-month)</i>										
2003 Mar	-3526	-9652	38494	3903	-55354	7864	8785	-4858	-4529	3120	1597
Apr	-3753	-9762	39407	3806	-56328	7895	8776	-4917	-4497	3031	1494
May	-4180	-9982	40262	3868	-57533	7836	8790	-4926	-4495	2892	1358
Jun	-5033	-10578	41282	3924	-59307	7831	8957	-5090	-4553	2804	1243
Jul	-5333	-11007	42410	3922	-60953	8270	9642	-5299	-4546	2703	1111
Agu	-4852	-11604	43257	3926	-62494	9546	11072	-5359	-4567	2565	1014
Sep	-4654	-12296	44145	3916	-64161	10498	12176	-5357	-4571	2501	939
Oct	-5004	-12577	45453	3955	-65888	10684	12652	-5477	-4606	2366	898
Nov	-5195	-12482	45793	3928	-66117	10751	12984	-5490	-4561	2026	807
Dec	-6609	-13721	47068	3953	-68808	10516	13203	-5427	-4586	2023	729
2004 Jan	-7203	-14193	48208	8204	-70353	10634	13428	-5631	-4596	1987	755
Feb	-8075	-15282	49120	11458	-72168	10636	13513	-5441	-4537	2012	763

Source: CBRT.

CAPITAL and FINANCIAL ACCOUNT (USD million)

Capital and Financial Account																	
Net	Financial Account																
	Net	Foreign Direct Investment	Portfolio Investment					Other Investment									
			Net	Assets	Liabilities		Net	Currency and Deposits	Net	Trade Credits	Liabilities				Deposits		
					Equity Securities	Debt Securities					Monetary Authority	General Government	Banks	Other Sectors	Monetary Authority	Banks	
<i>(annual)</i>																	
2000	12581	12581	112	1022	-593	489	1126	11801	-1690	13740	805	3348	117	4378	5025	622	-642
2001	-1719	-1719	2769	-4515	-788	-79	-3648	-2667	927	-2066	-1930	10229	-1977	-8076	438	736	-1568
2002	1373	1373	863	-593	-2096	-16	1519	7256	594	8033	2483	-6138	11834	-1028	437	1336	-988
2003	1849	1849	76	2569	-1386	1009	2946	3251	724	4179	2106	-1479	-765	1975	866	497	871
<i>(quarterly)</i>																	
2001 IV	-2204	-2204	659	-558	-720	-114	276	-1993	-191	-1427	-439	1972	-875	-1967	-30	399	-492
2002 I	2157	2157	95	-59	-1232	66	1107	3821	1778	2391	274	-6138	8752	-443	43	402	-502
II	236	236	312	-736	-265	50	-521	1349	-112	1903	743	0	769	252	239	195	-332
III	-1633	-1633	236	-468	-245	-22	-201	1413	-486	2406	738	0	2617	-1184	-76	614	-362
IV	613	613	220	670	-354	-110	1134	673	-586	1333	728	0	-304	347	231	125	208
2003 I	4016	4016	-17	-75	71	52	-198	3447	4053	148	287	-113	-555	700	-809	89	550
II	-1308	-1308	1	934	-521	15	1440	-1049	-801	94	329	-156	-4	-1058	664	25	264
III	-1663	-1663	55	1607	-604	562	1649	1975	-862	3016	570	-466	6	1251	746	322	517
IV	804	804	37	103	-332	380	55	-1122	-1666	921	920	-744	-212	1082	265	61	-460

Source: CBRT.

CAPITAL and FINANCIAL ACCOUNT (USD million)

Capital and Financial Account																	
	Financial Account																
	Net	Net	Foreign Direct Investment	Portfolio Investment				Other Investment									
				Net	Assets	Liabilities		Net	Currency and Deposits	Liabilities						Deposits	
						Equity Securities	Debt Securities			Net	Trade Credits	Credits			Deposits		
										Monetary Authority	General Government	Banks	Other Sectors	Monetary Authority	Banks		
									(monthly)								
2003 Mar	696	696	1	-802	176	-119	-859	433	2015	-545	389	-113	-207	284	-1101	20	184
Apr	121	121	-10	-292	-129	-42	-121	503	-234	940	47	0	481	-183	250	1	341
May	-842	-842	41	592	-77	9	660	-842	-55	-630	151	-39	-158	-776	322	23	-165
Jun	-587	-587	-30	634	-315	48	901	-710	-512	-216	131	-117	-327	-99	92	1	88
Jul	-59	-59	22	-242	67	77	-386	644	-870	1590	308	0	-150	630	232	108	438
Agu	-578	-578	63	632	21	174	437	157	-752	906	55	-348	445	364	174	148	43
Sep	-1026	-1026	-30	1217	-692	311	1598	1174	760	520	207	-118	-289	257	340	66	36
Oct	-356	-356	-77	253	173	131	-51	-1893	-1238	-274	486	-191	-237	33	198	43	-614
Nov	274	274	53	-552	-316	192	-428	-1069	104	-1371	-128	-430	-211	-348	-286	12	19
Dec	886	886	61	402	-189	57	534	1840	-532	2566	562	-123	236	1397	353	6	135
2004 Jan	1987	1987	18	1411	-105	-18	1534	750	617	177	16	-158	-166	240	320	1	-76
Feb	3003	3003	286	369	-267	364	272	2052	1081	222	203	-491	-108	287	340	10	-7
									(on iki aylık)								
2003 Mar	3232	3232	751	-609	-793	-30	214	6882	2869	5790	2496	-113	2527	115	-415	1023	64
Apr	3191	3191	715	-1502	-1055	-170	-277	6138	1526	6330	2387	-113	2039	318	-327	940	996
May	2495	2495	500	-196	-633	-164	601	5747	3022	4406	2129	-152	1940	-1049	-134	908	678
Jun	1688	1688	440	1061	-1049	-65	2175	4484	2180	3981	2082	-269	1754	-1195	10	853	660
Jul	1820	1820	467	796	-968	-52	1816	4310	2005	3934	2004	-269	540	-381	26	752	1173
Agu	1878	1878	318	1578	-734	198	2114	3343	675	4041	1990	-617	-690	763	388	624	1487
Sep	1658	1658	259	3136	-1408	519	4025	5046	1804	4591	1914	-735	-857	1240	832	561	1539
Oct	1075	1075	-92	2798	-1455	594	3659	3244	1021	3739	2277	-926	-1025	1024	1054	554	682
Nov	1183	1183	-36	2306	-1345	1033	2618	1651	956	2079	1850	-1356	-1144	973	511	541	603
Dec	1849	1849	76	2569	-1386	1009	2946	3251	724	4179	2106	-1479	-765	1975	866	497	871
2004 Jan	2703	2703	100	2872	-1273	872	3273	1961	-237	3931	2171	-1637	-763	2023	971	460	598
Feb	3519	3519	398	3622	-1653	1184	4091	3039	384	3885	2427	-2128	-691	2086	1234	439	422

Source: CBRT.