

**CENTRAL BANK OF THE REPUBLIC OF TURKEY**

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**BALANCE OF PAYMENTS  
REPORT**

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**January 2003**

**SUMMARY**

BALANCE OF PAYMENTS (USD million)	January		
	2002	2003	% Change
Current Account Balance	38	-224	..
Foreign Trade Balance	-775	-1081	39.5
Exports	2609	2960	13.5
Imports	3384	4041	19.4
Exports/Imports	%77.1	%73.2	..
Capital and Financial Accounts	501	1192	..
Financial Account (Excl. Off. Reserves)	905	3201	..
Change in Official Reserves†	-404	-2009	..

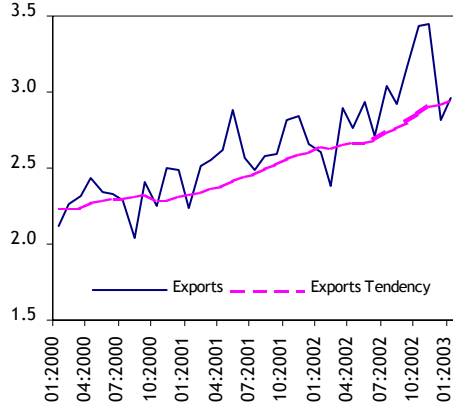
Source: CBRT.

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

**In January 2003;**

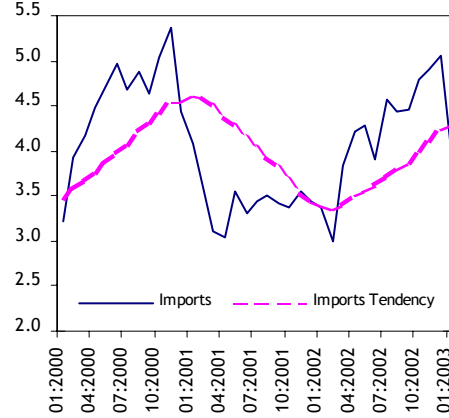
Exports increased by 13.5 percent compared to the same month of previous year and rose to 3 billion US dollars from 2.6 billion US dollars. During the same period, imports rose by 19.4 percent from 3.4 billion US dollars to 4 billion US dollars. Hence, foreign trade deficit realized as 1.1 billion US dollars and the ratio of exports to imports declined to 73.2 percent. In January, current account yielded a deficit of 224 million US dollars, whereas financial account excluding official reserves gave a surplus of 3.2 billion US dollars.

**EXPORTS**  
(USD billion)



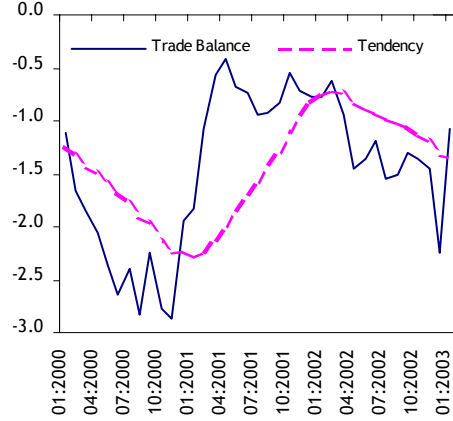
Source: SIS.

**IMPORTS**  
(USD billion)



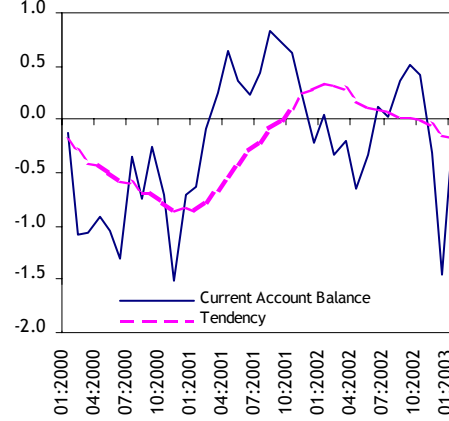
Source: SIS.

**TRADE BALANCE**  
(USD billion)



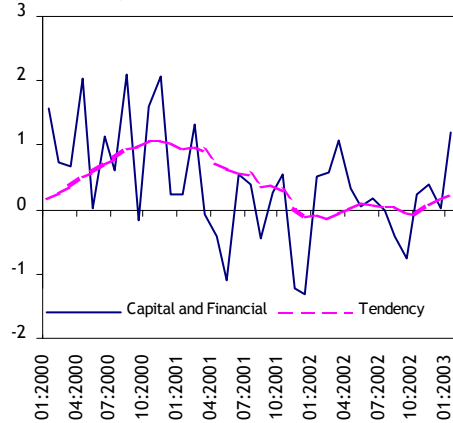
Source: SIS.

**CURRENT ACCOUNT BALANCE**  
(USD billion)



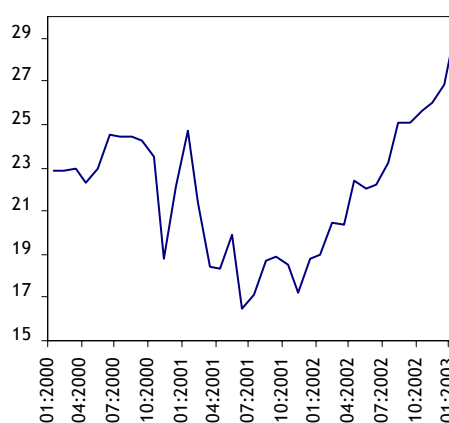
Source: CBRT.

**CAPITAL and FINANCIAL ACCOUNT**  
(USD billion)



Source: CBRT.

**CBRT INTERNATIONAL RESERVES**  
(USD billion)



Source: CBRT.

Trends are calculated with 12-month moving average.

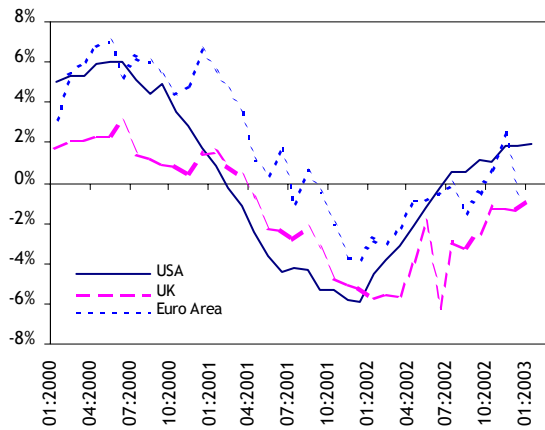
## I. FACTORS AFFECTING FOREIGN TRADE

### Foreign Demand Developments

1. Since the beginning of 2003, data on the US and European economies have been displaying a rather limited recovery trend. The said trend is considerably below the level that may sustain the growth of developing countries.
2. Expenditure rate and consumer confidence in the US economy have been deteriorated. Data on production announced in January were revised downward in February and unemployment rate increased. While no recovery was noted in the economic activity in Euro area, labor force failed to display a favorable picture.

#### INDUSTRIAL PRODUCTION

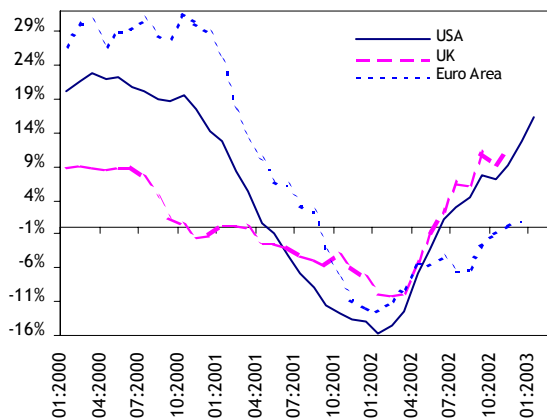
(seasonally adjusted, 3 month-moving average, annual percentage change)



Source: IMF, ECB.

#### IMPORTS

(3 month-moving average, annual percentage change)



Source: IMF, ECB.

3. The six-month growth rate of CLI<sup>1</sup> (Composite Leading Indicator), leading indicator for cyclic movements in economic activities of OECD countries, which is issued by OECD, recorded an increase in three successive months in the last quarter of 2002. However, the six-month growth rate of the indicator lost pace in January and February 2003. In other words, CLI points out that OECD economies will fail to show any recovery in the following period.
4. While EU indicators remained unchanged in the last quarter according to the February 2003 data, leading indicators on the USA and United Kingdom have been declining for the last two months. No favorable development is expected for the USA and United Kingdom economies in the following period.
5. EUROCOIN<sup>2</sup> (Coincident Indicator) indicator issued by CEPR (Centre for Economic Policy Research) shows the seasonally adjusted three-month GDP (Gross Domestic Product) growth expectations. Growth rate, which regressed successively in the last quarter of 2002, shows a horizontal course according to the January and February data. Accordingly, an increase in GDP is not expected in Euro area in the next period.

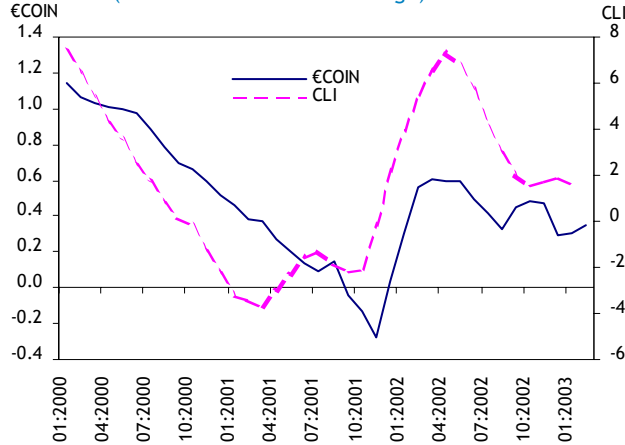
<sup>1</sup> Visit the following website for detailed information on CLI:

<http://www.oecd.org/oecd/pages/home/displaygeneral/0,3380,EN-statistics-509-15-no-no-no-509,00.html>.

<sup>2</sup> Visit the following website for detailed information on EUROCOIN:

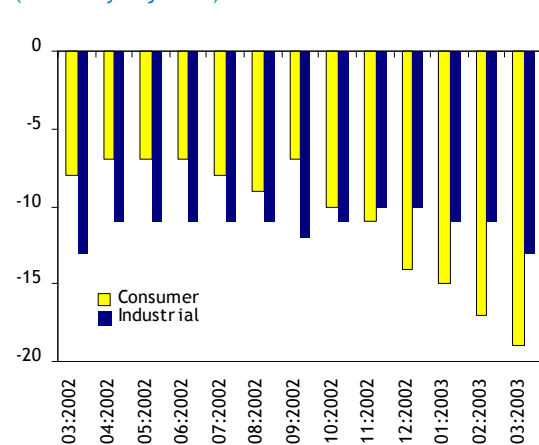
<http://www.cepr.org/data/Eurocoin/>.

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



Source: CEPR, OECD.

CONSUMER & INDUSTRIAL CONFIDENCE: EU  
(seasonally adjusted)

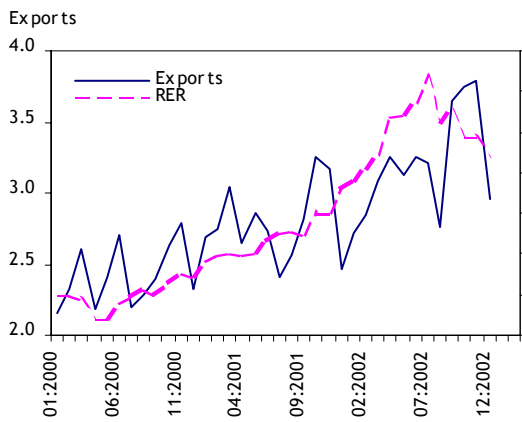


Source: Eurostat.

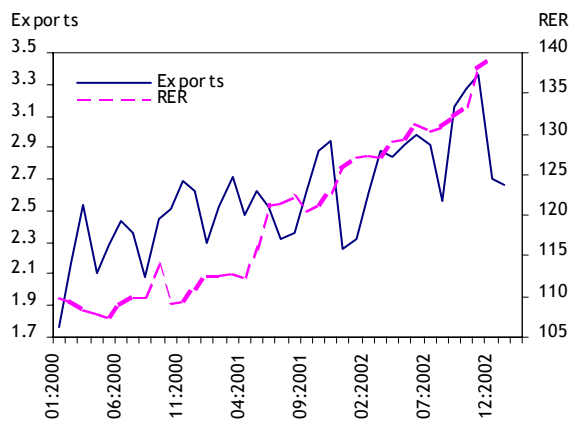
6. Starting of Iraq war in March had a negative impact on EU confidence. Hence, industrial confidence index, which maintained its horizontal course of 2002 in early-2003 as well, deteriorated in March. Deterioration in consumer confidence, which had accelerated in January and February, continued in March.

EXPORTS AND REAL EXCHANGE RATE IN EU CANDIDATE COUNTRIES (1995=100)†

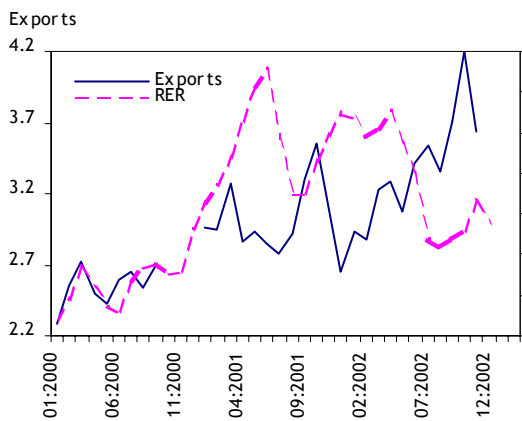
CZECH REPUBLIC



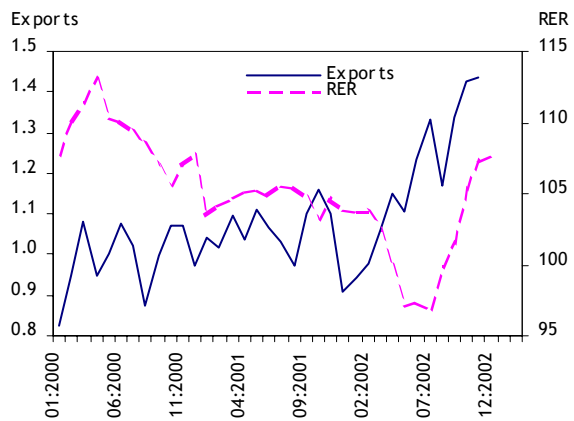
HUNGARY



POLAND



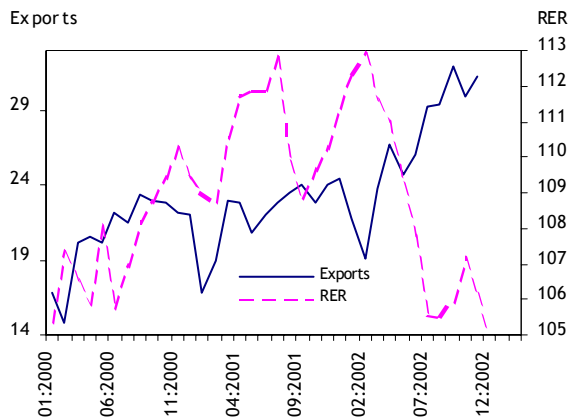
SLOVAK REPUBLIC



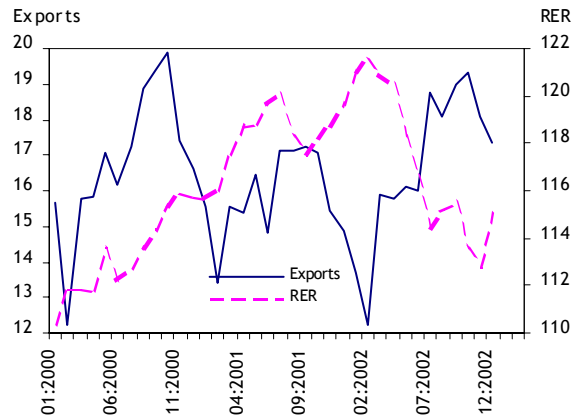
† Increase in real exchange rate index signifies the strengthening of domestic currency.  
Source: IMF.

EXPORTS IN RIVAL COUNTRIES (USD billion) AND REAL EXCHANGE RATE (1995=100)†

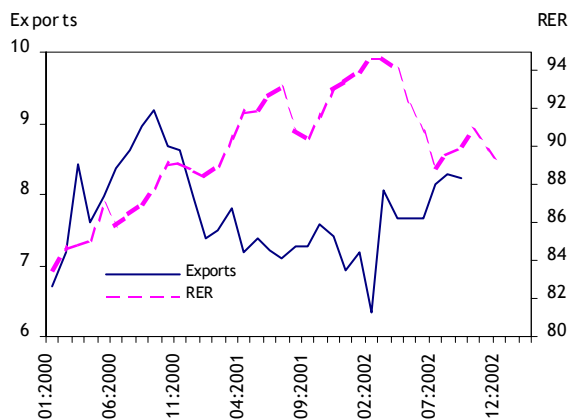
CHINA



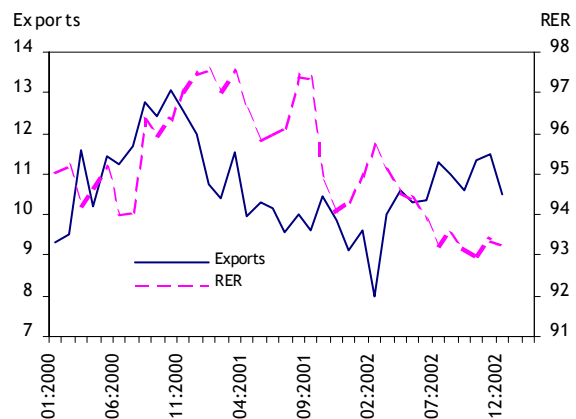
HONG KONG††



MALAYSIA



SINGAPORE



† Increase in real exchange rate indicates the strengthening of domestic currency.

†† Nominal effective exchange rate has been used since real exchange rate for Hong Kong is not available.

Source: IMF.

7. EU's trade volume with Turkey showed a substantial increase in the first eleven months of 2002. During the said period, EU imports from Turkey became the highest rate of increase after the Czech Republic. Moreover, EU exports to Turkey recorded the highest increase compared to other countries.

8. In the Czech Republic, one of the EU candidates, Czech koruna started to depreciate in real terms starting from August 2002, whereas Hungary and Slovak Republic currencies continued to appreciate in real terms in 2002.

9. In 2002, China and Singapore currencies depreciated sharply in real terms.

Developments in Domestic Demand and Production

10. Increase in GNP accelerated in the last quarter of 2002 and annual growth rate reached 7.8 percent. In the last quarter of the year, investment expenditures significantly increased, thus contributing to the recovery in domestic demand.

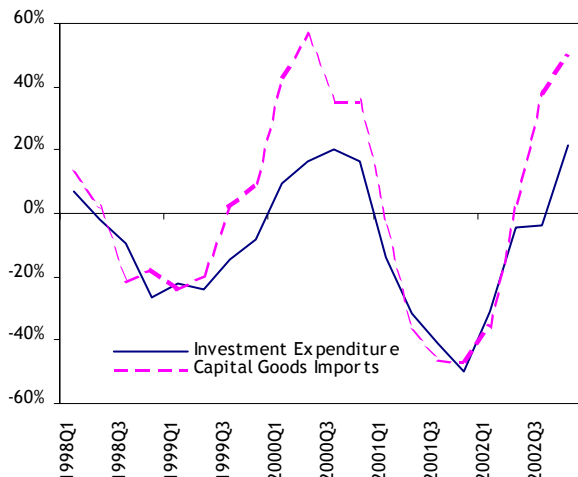
11. Due to the firms' tendency, especially in the first half of 2002, of building up their finished good inventories, which diminished considerably in 2001, stock changes became the leading expenditure item that contributed to the GDP growth. Moreover, firms expanded their machinery-equipment investments thanks to ongoing increase in their capital utilization rates and industrial production compared to the previous year.

12. With the elimination of political uncertainties, drop in interest rates and appreciation of Turkish lira against foreign currencies, private sector investment expenditures rose by 21.8 percent in the last quarter of 2002 compared to the same period of the previous year.

The said developments gave pace to the increase in demand for investment and intermediary goods imports.

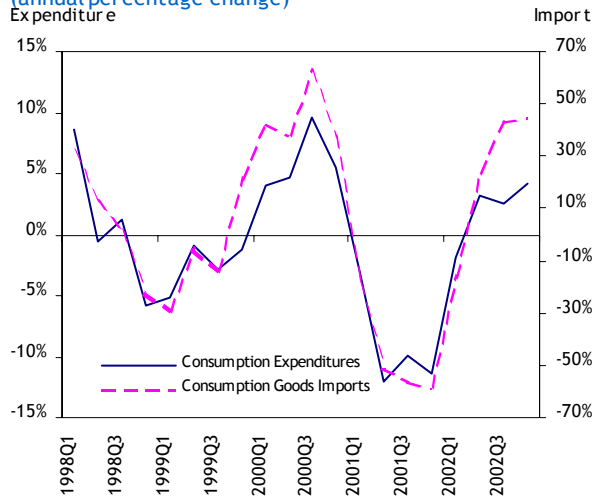
13. Furthermore, the limited recovery period in private consumption expenditures continued in the last quarter of 2002 as well. Private consumption expenditures displayed a limited increase of 4.2 percent compared to the same period of the previous year.

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



Source: SIS.

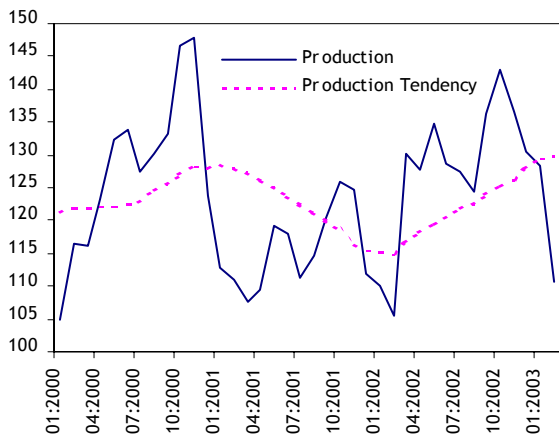
**PRIVATE CONSUMPTION EXPENDITURES and CONSUMPTION GOODS IMPORTS: REAL**  
(annual percentage change)



Source: SIS.

14. According to the Consumer Confidence Index compiled by CNBC-e<sup>3</sup>, removal of political uncertainties and recovery in economic conditions in the last quarter of 2002 re-established consumer confidence to a large extent. However, developments about Iraq as of January 2003 have a negative impact on domestic consumer confidence. The unfavorable course in consumer expectations caused by the start of war continued in March as well and CNBC-e Consumer Confidence Index declined by 13 percent in March compared to the previous month.

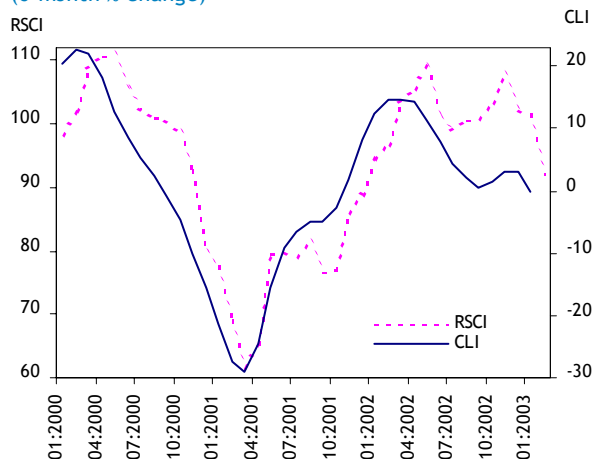
**MANUFACTURING INDUSTRY PRODUCTION**  
(1994=100)



Tendency of production is calculated by 12 month moving average.

Source: SIS.

**LEADING INDICATORS for TURKEY: RSCI, CLI**  
(6-month % change)



Source: CBRT.

<sup>3</sup> Visit the following website for detailed information about Consumer Confidence Index compiled by CNBC-e: <http://www.ntvmsnbc.com/news/171785.asp>.

15. Industrial production, which showed a considerable increase since March 2002, maintained this trend in January 2003 as well. Nevertheless, a substantial slowdown was observed in the increase of rate in production in February. In February, overall industrial production rose by 4.4 percent and manufacturing industrial production by 5 percent compared to the same month of the previous year. In seasonally adjusted terms, manufacturing industrial production increased by 2.8 percent compared to the previous month. According to SSI Monthly Manufacturing Industry Tendency Survey, manufacturing industry production will lose pace in March as well.

16. High rates of increase in manufacture of printing and publishing, basic metals industry, manufacture of machinery-equipment, manufacture of radio, TV communication devices, manufacture of office machinery and motor vehicles industry continued in February as well.

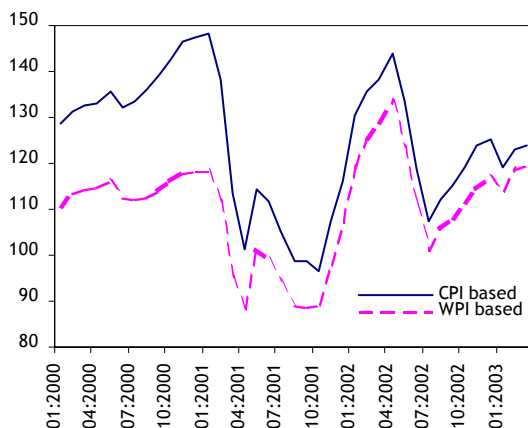
17. Composite leading indicators index (CBLEADING-IPI)<sup>4</sup>, compiled by Central Bank of the Republic of Turkey (CBRT) for the purpose of early monitoring of growth and contraction periods in economic activity entered in downward trend starting from January 2003. Annualized six-month rate of change of the said leading indicator turned into minus and continued its trend progressively in February. Accordingly, a slowdown is expected in manufacturing industry production in the coming period.

18. Real Sector Confidence Index (CBRSCI)<sup>5</sup>, the other indicator compiled by CBRT, provide information about the assessments of top managers of private sector institutions on the present situation of their business and their expectations for future. The indicator, which was above 100 in January, dropped by 9.4 percent due to political developments on Iraq issue in February and unfavorable impact of these developments on exchange rates and interest rates. In other words, the real sector confidence about the outlook of the economy turned to be negative.

### Prices

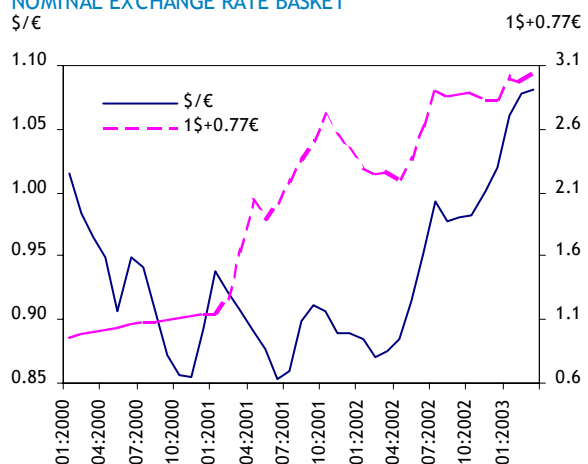
19. Increase in nominal exchange rates due to tensions relating to Iraq issue in January 2003 led to depreciation of Turkish lira in real terms. On the other hand, nominal value of Turkish lira remained unchanged in February and March. Owing to the inflationary developments in the first quarter of the year, Turkish lira depreciated by 1.4 percent according to the consumer price-based index and it appreciated by 2.1 percent according to the wholesale price-based index compared with end-2002.

REAL EFFECTIVE EXCHANGE RATE  
(1995=100)<sup>†</sup>



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

USD/EURO PARITY and  
NOMINAL EXCHANGE RATE BASKET  
\$/€



<sup>4</sup> Visit the following website for detailed information about CBLEADING-IPI:  
[http://www.tcmb.gov.tr/yeni/evds/yavin/oncu\\_gos/Metodoloji.pdf](http://www.tcmb.gov.tr/yeni/evds/yavin/oncu_gos/Metodoloji.pdf).

<sup>5</sup> Visit the following website for detailed information about RSCI:  
[http://www.tcmb.gov.tr/yeni/evds/yavin/oncu\\_gos/vontemselaciklama\[1\].pdf](http://www.tcmb.gov.tr/yeni/evds/yavin/oncu_gos/vontemselaciklama[1].pdf).



REAL EFFECTIVE EXCHANGE RATE (monthly percentage change)†												
	2002									2003		
	Apr	May	Jun	Jul	Agu	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Turkey												
CPI based	3.8	-7.2	-10.9	-9.5	4.3	2.7	3.3	3.9	1.4	-4.9	3.1	0.7
WPI based	3.8	-7.3	-10.4	-8.6	4.2	2.3	3.0	2.7	2.5	-2.6	4.1	0.8
Czech Republic	3.5	0.2	1.0	2.3	-4.0	1.1	-2.4	0.0	-1.9			
Slovakia	-2.4	-2.8	0.3	-0.7	3.2	1.6	3.9	1.8	0.4			
Hungary	1.6	0.2	1.6	-0.8	0.5	1.0	0.8	3.6	0.8			
Poland	1.5	-2.6	-2.8	-5.9	-0.8	0.7	0.8	2.9	-1.9			
Hong Kong ††	-0.3	-1.8	-1.4	-1.9	0.7	0.3	-1.7	-0.6	1.9			
Malezia	-0.7	-2.0	-1.5	-2.0	0.8	0.5	0.9	-1.1	-1.0			
Singapore	-0.6	-0.1	-0.6	-0.7	0.3	-0.4	-0.2	0.5	-0.1			
China	-0.6	-1.6	-1.4	-2.0	-0.1	0.4	1.2	-0.9	-1.4			

Source: CBRT, OECD, IMF.

† Increase implies real appreciation of the currency.

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

20. Strengthening trend of Euro against US dollar continued in March as well. In this period, US dollar/Euro parity rose by 23.5 percent compared to the March 2002 and reached an average of 1.0806.

#### EXPORT and IMPORT PRICE INDICES (1994=100)

	2002												2003
	Feb	Mar	Apr	May	Jun	Jul	Agu	Sep	Oct	Nov	Dec	Jan	
Export Price Index	82.8	82.6	82.5	82.8	84.4	84.9	83.7	83.9	84.4	85.3	87.7	88.6	
Manufacturing	81.8	81.5	81.1	81.9	84.2	85.0	83.6	84.4	84.3	85.1	87.7	88.9	
Textiles	77.6	77.8	77.5	79.6	82.8	82.2	78.7	79.0	78.7	82.0	85.2	86.9	
Wearing Apparel	83.5	86.1	85.1	85.9	87.8	89.8	89.1	86.6	83.8	85.0	91.7	94.5	
Chemicals & Products	81.0	79.3	80.0	83.9	84.1	86.6	85.8	85.4	86.4	87.3	88.2	89.9	
Manufacture of Basic Metals	79.7	77.1	77.7	78.0	82.7	85.9	89.8	87.0	88.5	90.6	89.3	90.0	
Manufacture of Mach. & Equ.	80.3	79.4	79.8	79.3	79.4	80.0	77.8	80.1	81.2	79.9	83.7	85.3	
Electrical Mach. & Apparatus	69.3	69.1	67.1	70.4	69.4	68.8	67.4	72.5	74.1	72.9	75.6	75.5	
Motor Vehicles & Trailers	81.7	83.3	85.4	85.1	89.5	91.3	87.7	91.4	93.5	93.5	95.0	91.9	
Import Price Index	89.1	90.4	91.2	91.7	93.2	94.0	94.0	96.7	97.1	96.4	98.9	101.1	
Mining & Quarrying	123.6	133.7	143.3	140.0	141.7	148.4	153.7	153.9	161.0	145.0	157.1	169.9	
Crude Oil & Natural Gas	127.5	139.8	149.5	145.6	147.2	156.4	162.0	163.0	170.2	151.3	166.6	178.5	
Manufacturing	85.0	85.7	86.4	87.2	88.1	88.5	87.6	90.3	90.2	91.3	92.4	92.0	
Textiles	79.7	86.9	81.1	83.2	81.2	80.6	78.4	82.7	84.8	85.0	88.1	84.0	
Chemicals & Products	86.3	86.1	90.3	89.4	91.5	93.6	91.6	94.1	92.9	95.2	97.4	96.9	
Manufacture of Basic Metals	79.9	78.3	81.4	81.4	83.8	85.4	86.4	85.2	84.2	89.0	91.5	92.3	
Manufacture of Mach. & Equ.	87.4	86.3	89.2	89.3	88.2	87.2	86.8	91.6	91.6	94.7	97.5	92.8	
Electrical Mach. & Apparatus	62.6	66.6	66.1	69.8	71.3	69.5	68.8	70.2	70.7	67.7	67.9	66.8	
Motor Vehicles & Trailers	78.0	77.0	80.1	86.7	86.8	85.4	90.2	90.3	86.4	85.7	88.7	89.6	

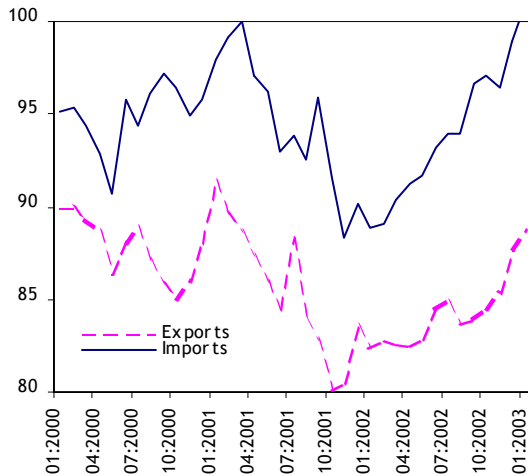
Source: SIS.

21. In January 2003, export prices fell by 0.4 percent on 12-month averages, while import prices increased by 0.6 percent. Thus, the favorable trend observed in the terms of trade in the last quarter of 2002 failed to continue.

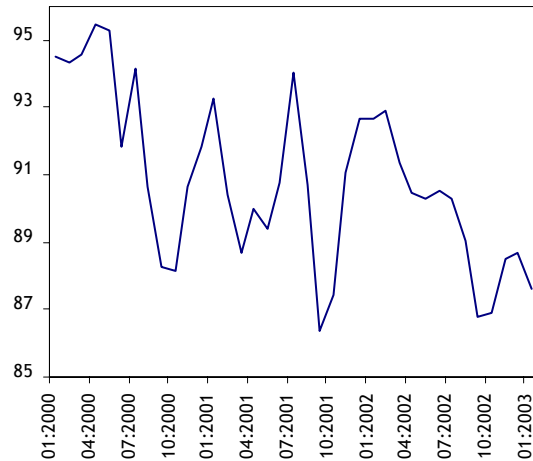
22. The highest increases in export prices were noted in textile, clothing, basic metals and motor vehicles in January. Import prices of crude oil, natural gas and petroleum

products as well as basic metals and motor vehicles recorded substantial increases during the same period.

**EXPORT and IMPORT PRICE INDICES (1994=100)**



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

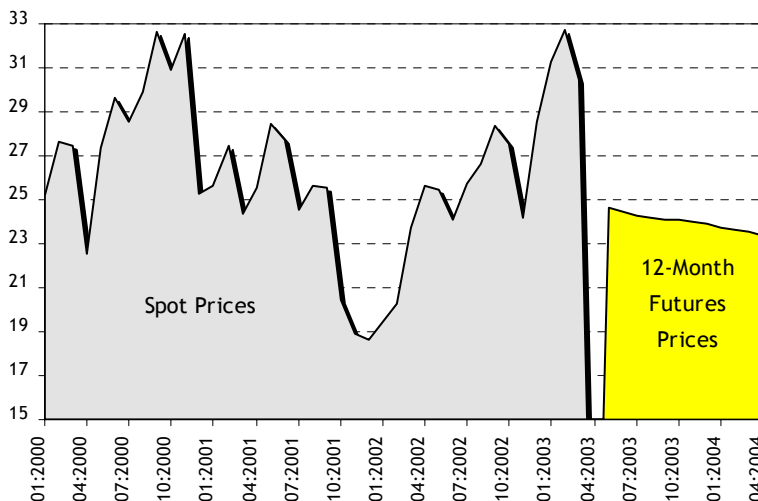


Source: SIS.

23. With the OPEC decision of December 12, 2002, production quotas were raised to 23 million barrels per day from 21.7 barrels per day as of the beginning of 2003. Moreover, OPEC countries have re-increased their production quotas by 1.5 million barrels per day as of February 1, 2003 in order to recover their output gap stemming from Venezuelan petroleum workers' strike.

24. The rise in crude oil prices during December 2002-February 2003 period, mainly stemmed from the low level of crude oil stocks in OECD countries and output gap in Venezuela due to the strike started on December 2, 2002. Moreover, increase in oil consumption owing to due to seasonal factors and re-rise in demand for crude oil by the oil refineries, which returned back to their normal operation after the maintenance period, exerted an upward pressure on prices.

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



Futures Prices	
	14.04.2003
May 2003	24.99
June 2003	24.85
July 2003	24.82
August 2003	24.72
September 2003	24.60
October 2003	24.47
November 2003	24.32
December 2003	24.18
January 2004	24.02
February 2004	23.88
March 2004	23.63
April 2004	23.40

Source: oilnergy.com.

Note: 14.03.2003 future prices of International Petroleum Exchange.

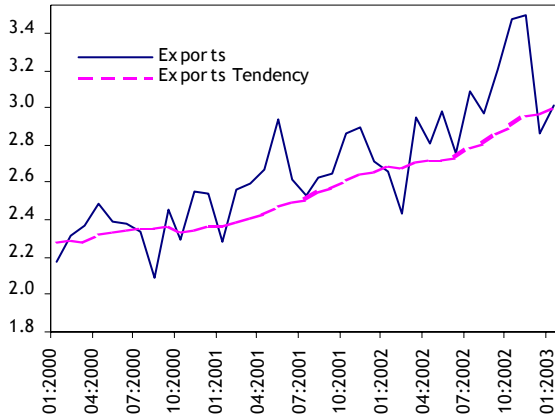
25. Starting of military operation against Iraq in March eased the uncertainties about crude oil prices and thus led to a drop in crude oil prices, albeit slight. Significant downward trend observed in crude oil prices in futures markets since May proves that the said uncertainties have been disappeared to a great extent and that the expectations that Iraq war would not last long have been strengthening.

## II. EXPORTS

### General Evaluation

26. Compared with the figures of the previous year, exports rose by 13.4 percent in January 2003 and reached USD 3 billion. In the same month, exports of manufacturing goods and exports of agricultural and forestry products increased by 14.2 percent and 7.1 percent, respectively.

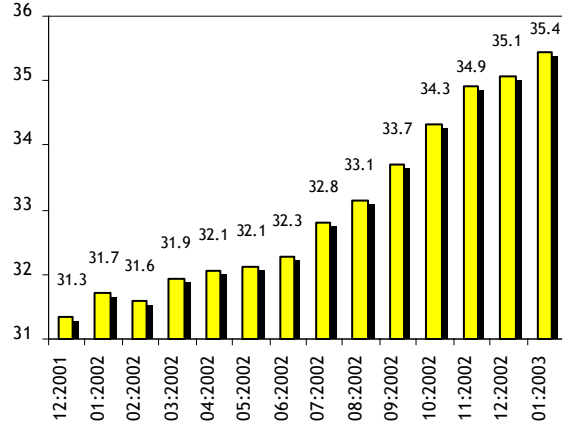
EXPORTS and EXPORTS TENDENCY†  
(USD billion)



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

Source: SIS.

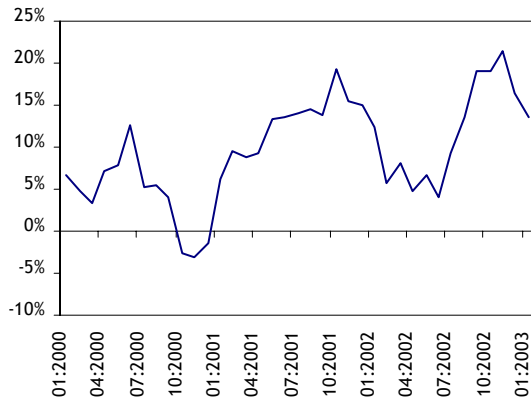
EXPORTS  
(12 month, USD billion)



Source: SIS.

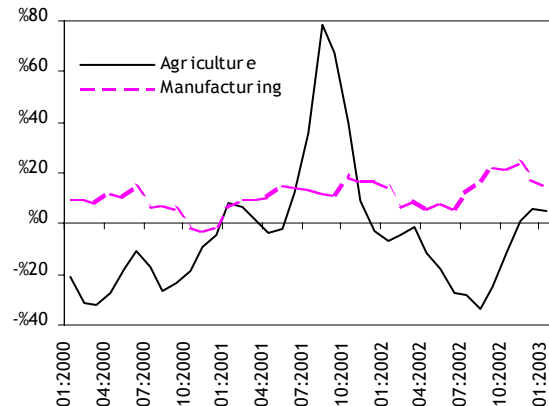
27. Although an upward trend was observed in the import demand of USA and United Kingdom starting from the second half of last year, EU imports has entered in a process of limited increase since early-2003. Despite the limited recovery in foreign demand, a growth of 12 percent in Turkey's exports realized in the previous year points out an increase in Turkey's share in the markets. Because of sluggish course of domestic demand, excess production was directed to foreign markets. Decline in real wages per hour in domestic private manufacturing industry in 2002 and improvement in productivity per hour during the same period sustained firms' competitiveness abroad.

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



Source: SIS.

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



Source: SIS.

28. Although growth rate of exports (annual percentage change of three-month moving averages) rose sharply in the second half of 2002, it declined in December and January. Growth rates of agriculture and forestry exports started to increase in the last quarter of 2002 in line with the agricultural production seasons and began to acquire positive values starting from November. Growth rate of manufacturing industry exports calculated by the same method dropped to 14.8 percent in January 2003, after reaching 23.9 percent in November 2002.

EXPORTS (USD million)				
	January			% Contribution
	2001	2002	% Change	
Total	2609	2960	13.4	
Agriculture and Forestry	188	201	7.1	0.5
Fishing	3	5	71.7	0.1
Mining and Quarrying	30	21	-29.0	-0.3
Manufacturing	2386	2726	14.2	13.0
Other	2	7	170.6	0.2
Important Items:				
Articles of Apparel-Clothing; Knitted	333	474	42.4	5.4
Articles of Apparel-Clothing; Not Knitted	247	329	33.4	3.2
Motor Vehicles and Spare Parts	184	153	-16.6	-1.2
Electronic Machinery and Equipment	196	223	14.1	1.1
Boilers, Machinery, Mechanical Equipment	125	186	49.1	2.3
Iron and Steel	199	102	-48.8	-3.7
Articles of Iron and Steel	105	91	-13.2	-0.5
Other made-up textile articles, sets, worn clothing	79	120	52.1	1.6
Edible fruits	104	119	14.0	0.6
Cotton, cotton yarn and cotton fabrics	71	86	20.5	0.6

Source: SIS.

EXPORTS: BY COUNTRY GROUPS (USD million)					
	January				
	2001		2002		% Change
	Value	Share (%)	Value	Share (%)	
Total	2609	..	2960	..	13.4
OECD Countries	1652	63.3	2041	69.0	23.6
European Union Countries	1304	50.0	1627	55.0	24.7
EFTA Countries	27	1.1	32	1.1	17.3
Other OECD Countries	320	12.3	382	12.9	19.3
Non-OECD Countries	878	33.6	801	27.1	-8.7
European Countries	246	9.4	276	9.3	12.4
African Countries	138	5.3	127	4.3	-8.0
American Countries	23	0.9	10	0.4	-54.5
Middle East Countries	314	12.0	252	8.5	-19.5
Other Asian Countries	135	5.2	127	4.3	-5.3
Other Countries	22	0.8	7	0.2	-68.5
Selected Countries					
Germany	430	16.5	546	18.4	27.0
USA	241	9.2	270	9.1	12.0
UK	189	7.2	243	8.2	28.8
Italy	194	7.4	190	6.4	-2.0
France	141	5.4	180	6.1	27.9
Russia	91	3.5	80	2.7	-12.5

Source: SIS.

29. Increase in export prices by 8.8 percent in overall manufacturing industry in January compared to the same month of the previous year contributed to the increase in export revenues in this month. The increase in export prices played an important role especially in exports of textile products, clothing and motor vehicles. Rates of increase in these sectors in January became 12.3 percent, 16.7 percent and 12.5 percent on annual basis, respectively.

30. The largest contribution to exports growth was made by exports of articles of apparel knitted, articles of apparel not knitted, boilers, machinery and mechanical equipment, ready-made textile articles and electrical machinery and equipment. The share of the mentioned chapters was 45 percent in the same period. Meanwhile, exports of motor vehicles and their accessories and spare parts dropped by 16.5 percent in January. Exports of articles of iron and steel grew by 55 percent in the first three quarter of 2002, while declining in the rest of the year and January 2003.

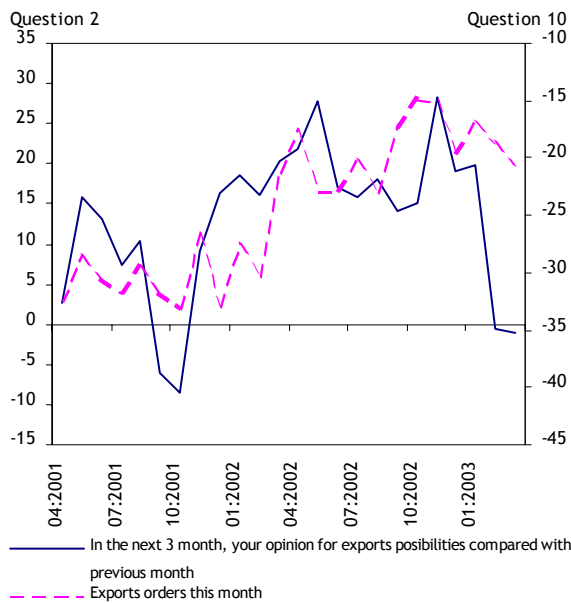
31. In January, exports to EU countries increased by 24.7 percent and exports to the USA by 12 percent. Exports to Middle East countries started to decline due to the negative impact of preparations made for Iraq war on transportation activities. In January, exports to Middle East countries fell by 19.5 percent and realized as US dollars 252.5 million. Exports to Russia started to decline significantly starting from the last quarter of 2002.

**Outlook**

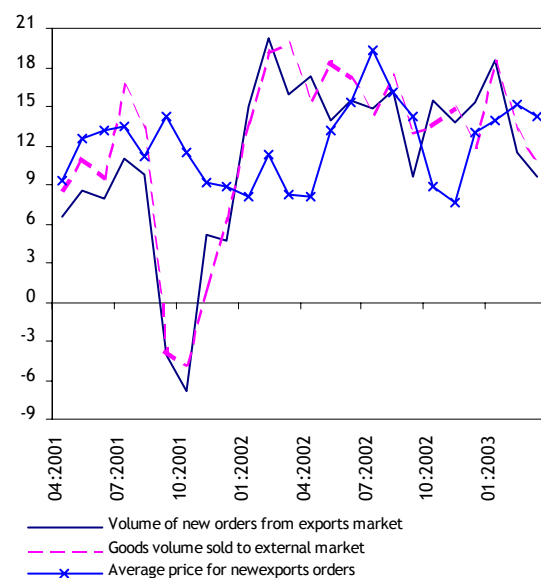
32. According to the March results of CBRT Business Tendency Survey, while the number of optimists, who have considered the export facilities of the next three months better than the previous month, decreased after February, the number of pessimists increased sharply. Iraq war and the pre-war tense have an unfavorable impact on export expectations. Moreover, according to the Business Tendency Survey, the share of foreign business cycles in the factors that restricted export orders, started to increase as of December and rose to 41 percent of March, during which the war has started, from 22.1 of November. On the other hand, amount of total export orders in March declined, albeit slight, compared to the previous months.

33. The number of those expecting for higher export orders in the next quarter declined in February and March. On the other hand, the number of those, whose average price expectations for export orders to be received in the next quarter were lower, showed a limited increase in March.

**EXPORT EXPECTATIONS**



Source: CBRT Business Tendency Survey.



Source: CBRT Business Tendency Survey

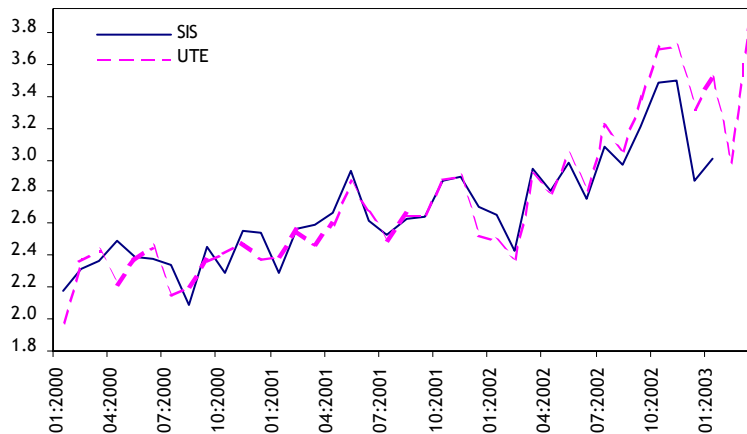
34. While Turkish lira depreciated by 0.6 percent in the first quarter of the year according to the real effective exchange rate index on consumer prices-basis, it appreciated by 2.9 percent according to the index calculated on basis of wholesale/producer prices. On the other hand, the appreciation of euro by 7.3 percent against US dollar has favorable effects on exports, leading to an increase in demand for imports in Euro Area because of strong Euro. Moreover, it has been increasing the value of exports in terms of US dollar, which was realized in terms of euro.

35. According to Union of Turkish Exporters' Association (UTE) data, exports rose by 26.1 percent in February compared to the same month of the previous year and realized as US dollar 2.9 billion. In March, exports increased by 33.2 percent and became US dollar 3.8 billion. The twelve-month exports reached US dollar 38.8 billion in March.

36. According to UTE's own classification, exports of agricultural products grew by 11.5 percent in February and 30.2 percent in March compared to the same months of the previous year.

37. According to UTE records, exports of industrial products rose by 29.4 percent in February and 33.8 percent in March compared to the same months of the previous year. Exports of ready-made clothing maintained its favorable trend of the previous months in the first quarter of the year as well. In the same period, exports of motor vehicles and iron and non-iron metals rose by 57.6 percent and 48.6 percent respectively. Exports of ready-made clothing, motor vehicles and iron and non-iron metals comprised 53.3 percent of the overall exports in that period.

EXPORTS: SIS-UTE COMPARISON (USD billion)



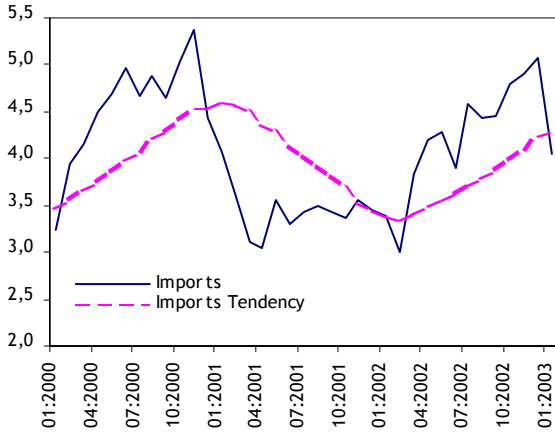
Source: SIS, UTE.

### III. IMPORTS

#### General Evaluation

38. In January 2003, imports increased by 19.4 percent compared with the same period last year and reached 4 billion US dollars. Meanwhile, imports of capital goods, intermediary goods and consumption goods increased by 10.9 percent, 17.1 percent and 58.8 percent, respectively.

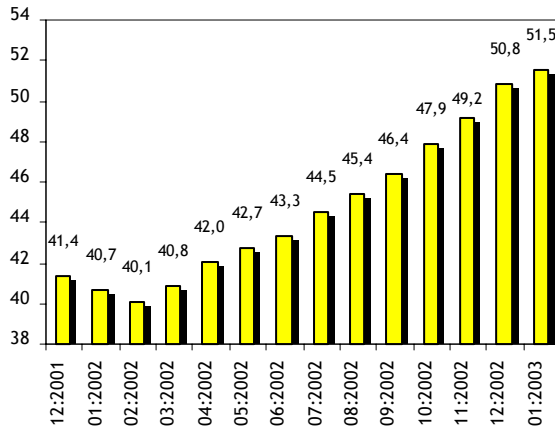
IMPORTS and IMPORTS TENDENCY†  
(USD billion)



† Imports tendency is calculated using 12 month moving average.

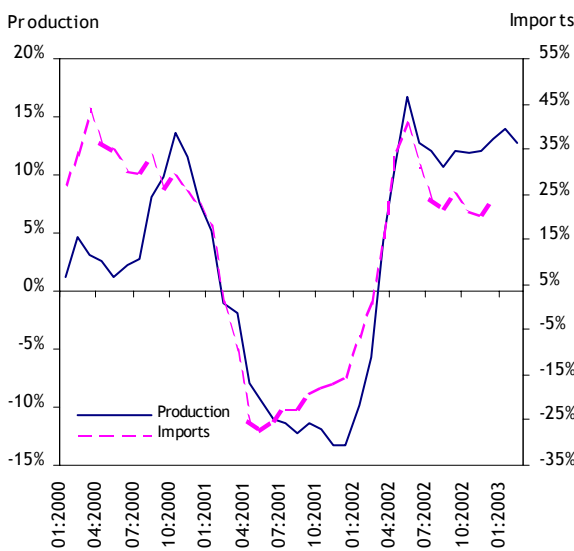
Source: SIS.

IMPORTS  
(12 month, USD billion)



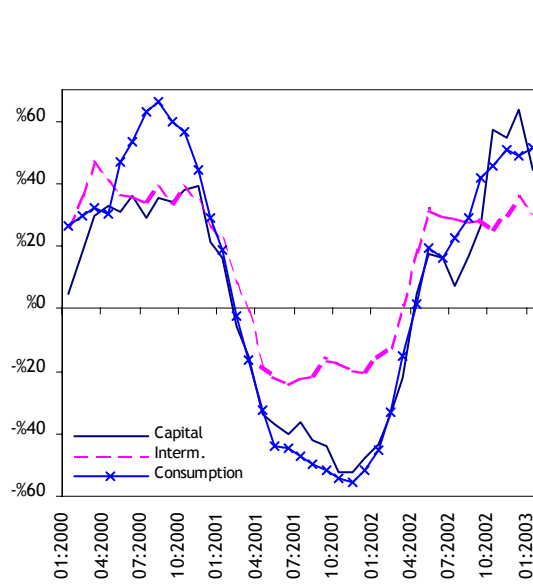
Source: SIS.

MANUFACTURING IND. PROD. and INTERM. GOODS IMPORTS INDICES: GROWTH RATES  
(3 month moving average, annual % change)



Source: SIS.

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



Source: SIS.

39. Domestic industrial production started to increase as of March 2002 in order to meet the rising demand particularly in exports sector. Parallel to this development, imports of intermediary goods also started to increase. Meanwhile, appreciation of Turkish lira in real terms boosted imports demand, which in turn pushed the companies to increase their level of stocks for final goods and intermediary goods. However, increase in manufacturing industry production, which is calculated by using quarterly moving averages, slowed down

as of July and stayed at an average of 13 percent. In the last months, growth rate of imports of intermediary goods followed a parallel course to manufacturing sector production.

IMPORTS (USD million)				
	January			% Contribution
	2001	2002	% Change	
Total	3384	4041	19.4	..
Capital Goods	405	449	10.9	1.3
Intermediate Goods	2719	3183	17.1	13.7
Consumption Goods	249	395	58.8	4.3
Other	11	13	17.9	0.1
Important Items:				
Mineral fuels,mineral oils and products of their dist.	803	887	10.4	2.5
Crude Oil	292	446	53.0	4.6
Boilers, Machinery, Mechanical Equipment	374	459	22.5	2.5
Electronic Machinery and Equipment	262	343	30.6	2.4
Iron and Steel	127	297	134.0	5.0
Plastics and articles thereof	145	230	58.5	2.5
Motor Vehicles and Spare Parts	76	178	133.4	3.0
Organic chemicals	156	176	12.5	0.6
Pharmaceutical products	81	148	82.7	2.0
Cotton, cotton yarn and cotton fabrics	94	98	4.4	0.1
Optical, photographic, cinematographic	68	79	16.1	0.3

Source: SIS.

IMPORTS: BY COUNTRY GROUPS (USD million)					
	January				
	2001		2002		% Change
	Value	Share (%)	Value	Share (%)	
Total	3384	..	4041	..	19.4
OECD Countries	2114	62.5	2320	57.4	9.7
European Union Countries	1277	37.7	1754	43.4	37.3
EFTA Countries	173	5.1	84	2.1	-51.3
Other OECD Countries	665	19.6	482	11.9	-27.4
Non-OECD Countries	1240	36.6	1684	41.7	35.8
European Countries	460	13.6	567	14.0	23.2
African Countries	194	5.7	235	5.8	20.9
American Countries	44	1.3	43	1.1	-1.6
Middle East Countries	238	7.0	412	10.2	73.1
Other Asian Countries	274	8.1	423	10.5	54.5
Other Countries	30	0.9	4	0.1	-85.9
Selected Countries					
Germany	373	11.0	487	12.1	30.6
Russia	314	9.3	348	8.6	10.8
Italy	220	6.5	303	7.5	37.9
France	159	4.7	219	5.4	38.1
USA	238	7.0	201	5.0	-15.5
UK	150	4.4	200	5.0	33.6

Source: SIS.



40. Imports of capital goods displayed a significant acceleration as of the second half of the year (see paragraph 12). However, the effect of domestic and international political developments on foreign exchange rates and interest rates in January made a negative impact on the domestic investments. Rate of increase in imports of capital goods calculated by using quarterly moving averages, which was 63.8 percent in December, rolled back to 44.3 percent in January.

41. Economic revival brought along revitalization in consumption goods as well (See paragraph 13). Actually, the rate of increase in imports of consumption goods in the last quarter of 2002 surpassed that of the third quarter of the same year. The rate of increase in imports of consumption goods calculated by using quarterly moving averages became 51.2 percent in January.

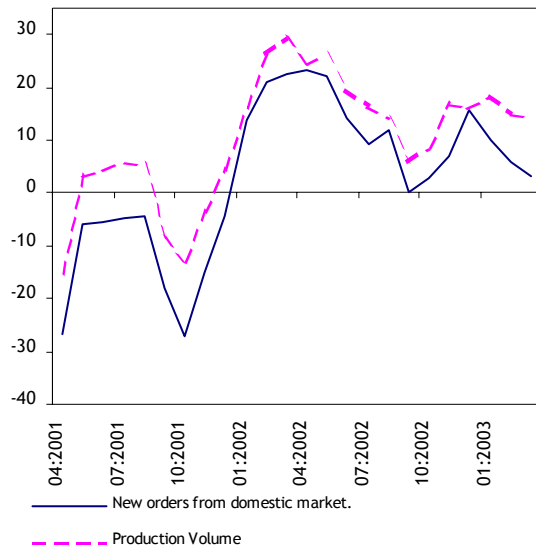
42. Imports of iron and steel, which had increased by 60.2 percent and reached 2.9 billion US dollars in 2002, increased by 134 percent in January compared with the same period last year and therefore, imports of iron and steel became the sector that made the biggest contribution to the rate of increase of imports. Increase in imports of crude oil due to rise in international crude oil prices was followed by imports of transportation vehicles, and their parts; plastic and plastic goods; boilers, machines and mechanical equipments in terms of contribution to import growth.

43. While imports from EU countries increased by 37.3 percent in January compared with the figures of the same period last year, imports form United States of America dropped down by 15.5 percent in the same period.

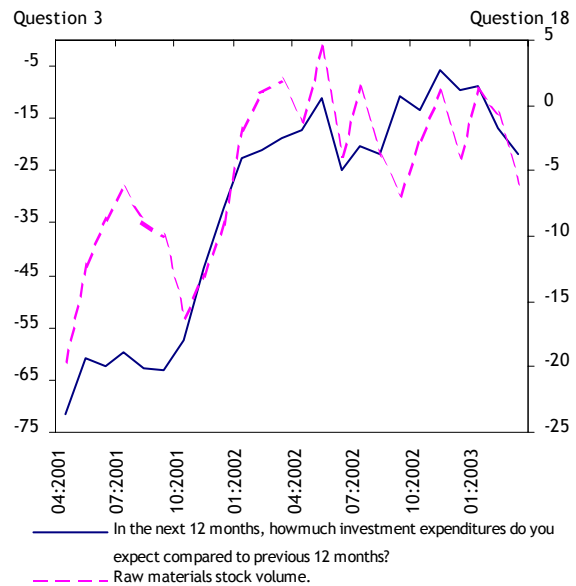
Outlook

44. The CBRT Business Tendency Survey for March reveals that optimistic trend for the amount of new orders expected to be received from the domestic market observed in the second half of 2002 continued in January too, however decelerated significantly in February and March. Actually, deterioration in the expectations for production volume over the next three months mainly stemmed from exports demand. According to the survey, the volume of raw-material stocks is expected to decline over the next three months. The investment expenditures over the next 12 months, which had been following an upward trend since September, declined significantly in February and March.

IMPORT EXPECTATIONS



Source: CBRT Business Tendency Survey.



Source: CBRT Business Tendency Survey.

45. According to the data compiled by the Monthly Industrial Production Index of February, manufacturing sector production recorded a 5-percentage point-increase compared with the same month last year. According to the SIS Monthly Manufacturing

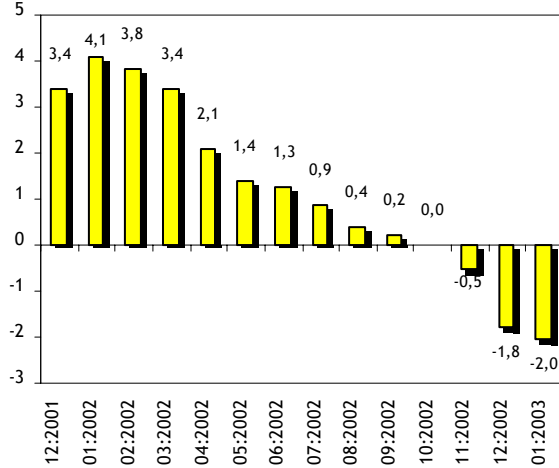
Sector Tendency Survey, manufacturing sector production is expected to decline by 9.7 percent in March compared with the same period last year. Imports of intermediary goods is also expected to decrease parallel to the expected deceleration in manufacturing sector production.

46. According to the data issued by SIS, volume of imports of crude oil in February increased by 5.1 percent compared with the same month last year. This month, the volume of imports of crude oil is expected to be 470 US dollars because of the 4.6 percent rise in Brent oil price in February compared with the prices of the previous month. Moreover, according to the figures of Value Added Tax (VAT) on imports, imports excluding oil is expected to be 3.8 billion US dollars in February.

**IV. CURRENT ACCOUNT**

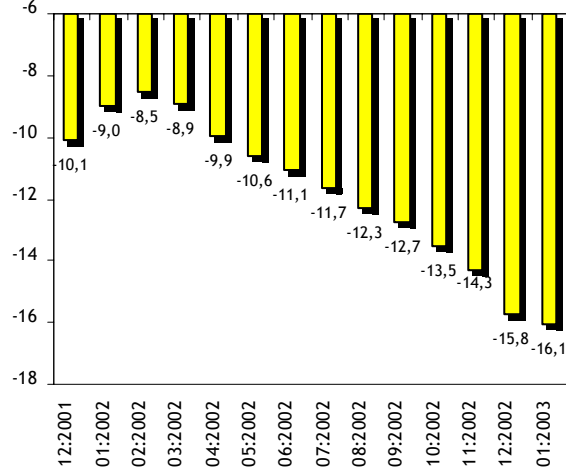
47. Current account balance registered a deficit of 224 million US dollars in January. The current account surplus, which started to decline as of February 2002, maintained the downward trend in the rest of the year and finally started to register deficit as of November. The current account deficit was 2 billion US dollars on annual basis in January 2003.

**CURRENT ACCOUNT BALANCE**  
(12 month, USD billion)



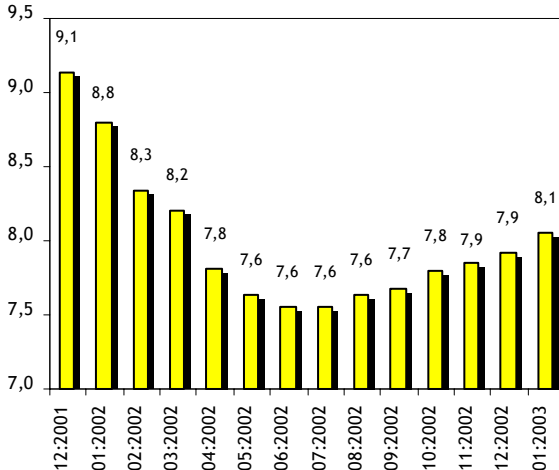
Sour ce: CBRT.

**FOREIGN TRADE BALANCE**  
(12 month, USD billion)



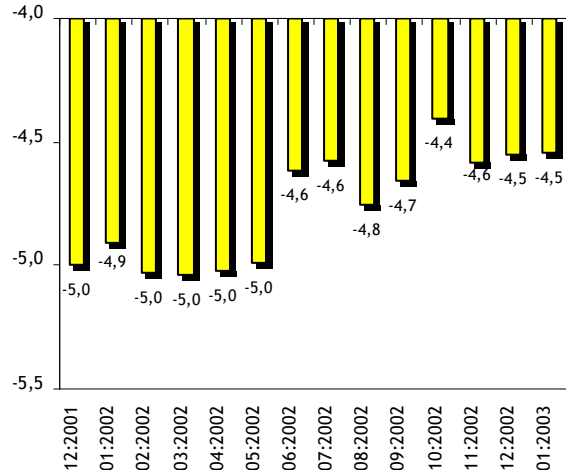
Sour ce: CBRT.

**SERVICES BALANCE**  
(12 month, USD billion)



Sour ce: CBRT.

**INVESTMENTS REVENUES BALANCE**  
(12 month, USD billion)



Sour ce: CBRT.

48. Despite the sizeable increase in tourism revenues compared with the same month last year, increasing foreign trade deficit and decrease in shuttle trade led to deficit in current account in January. While there was no significant change in the balance on investment income, the 58.4 percent increase in the balance of services compared with the figures of January last year, partially compensated the current account deficit.

CURRENT ACCOUNT (USD million)								
	2002	2002						2003
	Jan-Dec	Jul	Agu	Sep	Oct	Nov	Dec	Jan
Current Account Balance	-1782	27	366	508	418	-315	-1450	-224
Foreign Trade Balance	-8635	-992	-853	-615	-665	-777	-1619	-688
Total Exports	39147	3312	3315	3572	3841	3825	3144	3111
Total Imports	-47782	-4304	-4168	-4187	-4506	-4602	-4763	-3799
Services Balance	7915	1000	1345	1227	1019	547	370	388
Credit	14799	1714	1935	1744	1493	1011	914	939
Debit	-6884	-714	-590	-517	-474	-464	-544	-551
Income Balance	-4549	-283	-444	-348	-238	-570	-425	-227
Credit	2489	244	161	110	229	201	260	179
Debit	-7038	-527	-605	-458	-467	-771	-685	-406
Current Transfers	3487	302	318	244	302	485	224	303
Workers' Remittances	1936	204	176	159	118	152	145	163
<i>Memo items:</i>								
Shuttle Trade	4065	276	398	416	412	382	329	151
Non Monetary Gold (net)	-1296	-167	-180	-101	-193	-44	-73	-3
Travel Revenues	8481	1126	1450	1237	978	435	272	253
Interest Income	784	51	45	41	53	65	95	41
Interest Expenditure	-4417	-269	-503	-344	-280	-545	-335	-209

Source: CBRT.

49. The growth in imports exceeding growth in exports since last year and ever-growing foreign trade deficit have together exerted pressure on current account balance. According to the data issued by State Institute of Statistics, 12-month foreign trade deficit registered the lowest level in February 2002 and started to increase while reaching to 16.7 billion US dollars as of January 2003.

50. According to the Balance of Payments definition, in which shuttle trade is annexed to the exports item; and freight and insurance are annexed to the imports item, foreign trade deficit became 0.7 billion US dollars in January 2003.

51. Gold imports, which was 106 million US dollars in January 2002 remained quite low in January 2003 with a record of 4 million US dollars. The average price of one ounce of gold increased from 309.9 US dollars in 2002 to 355.9 US dollars in January 2003. Despite this rise in the price of gold, imports of gold declined substantially due to the uncertainties induced by the war in Iraq.

TRAVEL REVENUES and SHUTTLE TRADE								
	2002	2002						2003
	Jan-Dec	Jul	Agu	Sep	Oct	Nov	Dec	Jan
Travel Revenues (USD million)	8481	1126	1450	1237	978	435	272	253
Number of Visitors (thousand)	11275	1589	2085	1797	1664	770	500	424
Average Spending (USD)	752	708	696	688	588	565	544	596
Shuttle Trade (USD million)	4065	276	398	416	412	382	329	151
Number of Visitors (thousand)	638	41	58	70	69	65	57	
Average Spending (USD)	6371	6732	6862	5943	5971	5877	5772	

Source: CBRT.

52. Shuttle trade declined by 32.3 percent and came down to 151 million US dollars in January 2003.

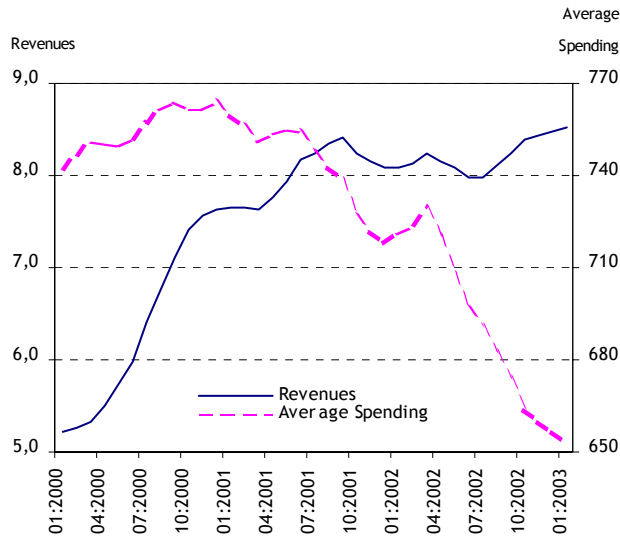
53. In April, a new arrangement was adopted at the Turkish Grand National Assembly that called for the delivery at the customs warehouses to be accepted as exports. This

arrangement is expected to make a boosting impact on shuttle trade as well as on the total exports activities.

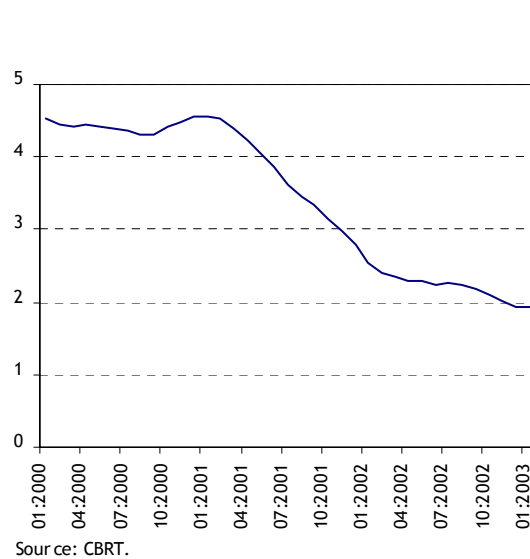
54. The balance of services, the main items of which are transportation, travel, construction, and financial and other commercial services, ran a surplus of 245 million US dollars in January 2002 and 388 million US dollars in January 2003. The increase in travel revenues and other commercial services items played an important role in the growth of balance of services.

55. The rise in travel revenues despite the fall in travel expenditure per capita shows that the share of foreign tourists in the total number of tourists has increased in January. The change in Euro-US dollar parity in favor of Euro has also been an important factor that led to decline in tourism expenditure per capita.

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



WORKERS REMITTANCES: PRIVATE  
(12 month, USD billion)



56. The investment income balance comprised of the direct investment income, portfolio investment income and other investment income ran a deficit of 234 million US dollars in January 2002 and 227 million US dollars in January 2003. In January, the long-term interest expenditure of the Central Bank was 63 million US dollars while those of general government and other sectors were 39 million and 79 million US dollars, respectively.

57. The current transfers ran a surplus of 303 million US dollars in January. The amount of workers' remittances maintained the decline that started as of the second half of 1999, in 2002 as well. There was no significant improvement in January 2003 compared with the same period last year and stayed at 163 million US dollars. Imports with waiver registered under current transfers decreased by 25.8 percent and came down to 49 million US dollars in January.

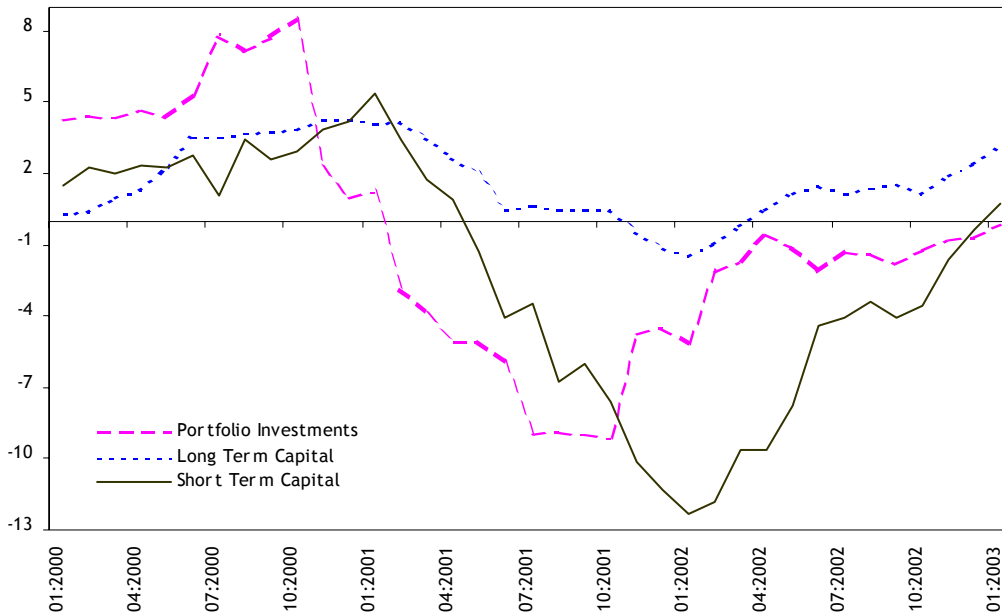
**V. CAPITAL AND FINANCIAL ACCOUNTS**

58. In January 2003, the financial account ran a net surplus of 1.2 billion US dollars. The net capital inflow became 3.3 billion US dollars excluding IMF loans and official reserve changes. Annualized figures show that the recovery observed since the turn of 2002 in portfolio, short-term and long-term capital movements continued and further accelerated in January.

CAPITAL AND FINANCIAL ACCOUNT (USD million)								
	2002	2002						2003
	Jan	Jul	Agu	Sep	Oct	Nov	Dec	Jan
Capital and Financial Account	501	-7	-423	-745	242	381	26	1192
Financial Account	501	-7	-423	-745	242	381	26	1192
Foreign Direct Investment	-5	-5	212	29	274	-3	-51	6
Portfolio Investment	533	24	-149	-341	514	-80	132	1108
Other Investment	377	1002	1336	-468	1	759	52	2087
Reserv Assests	-404	-1028	-1822	35	-547	-295	-107	-2009
Net Errors and Omissions	-539	-20	57	237	-660	-66	1424	-968
<i>Memo Items:</i>								
Short term	786	-447	-387	-484	145	369	-237	1854
Long term	-409	297	581	16	-144	390	289	295
IMF credit	0	1152	1142	0	0	0	0	-62

Source: CBRT.

CAPITAL FLOWS (12-month. billion US dollar)

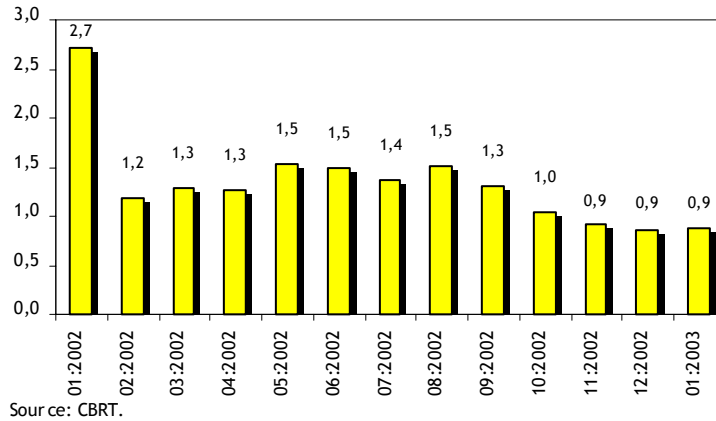


Source: CBRT.

59. The long-term credits extended to the companies with foreign capital in Turkey by their associate companies abroad, which were registered under “Financial Account/Other Investments/Credits/Other Sectors” item, have been registered under Direct Investments item since 2002.

60. The downward trend observed in direct investments since 2002 continued in January 2003 as well.

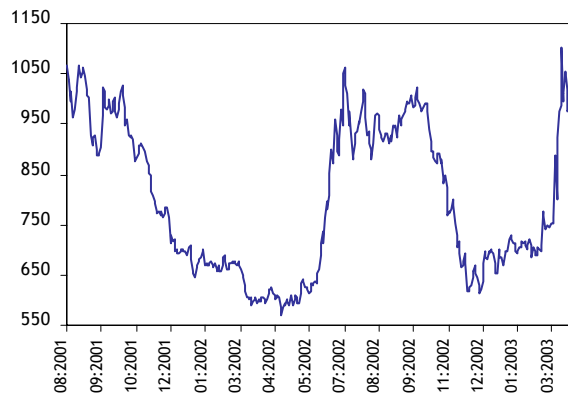
**DIRECT INVESTMENTS**  
(12-month, billion US dollar)



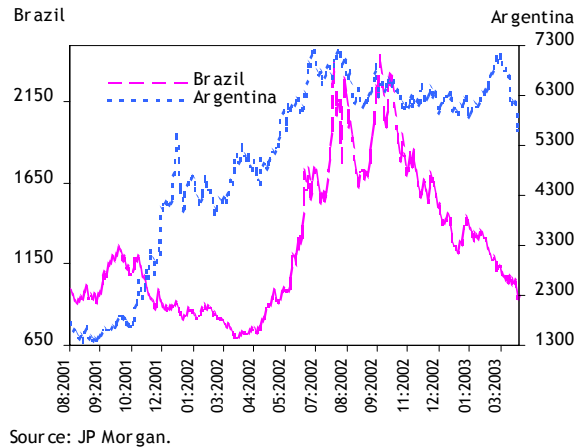
61. Portfolio investment item increased by 1.1 billion US dollars in January. Although the banking sector is a net payer in debt securities of government papers, the Treasury issued Eurobonds at the amount of 1.3 billion US dollars and resulted in net capital inflows based on portfolio investments.

**SECONDARY MARKET BOND SPREADS (basis points)**

**TURKEY**



**BRAZIL and ARGENTINA**



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

62. The spread of Turkish bonds, which started to recover as of January 2003 after a declining trend since the second half of October 2002, grew by 23.6 percent in March compared with February due to the uncertainties created by the military operation in Iraq. Meanwhile, the declining trend in spreads of Brazil in November and December further accelerated in February and March. Spreads of Argentina sustained the nine-month equilibrium despite temporary fluctuations.

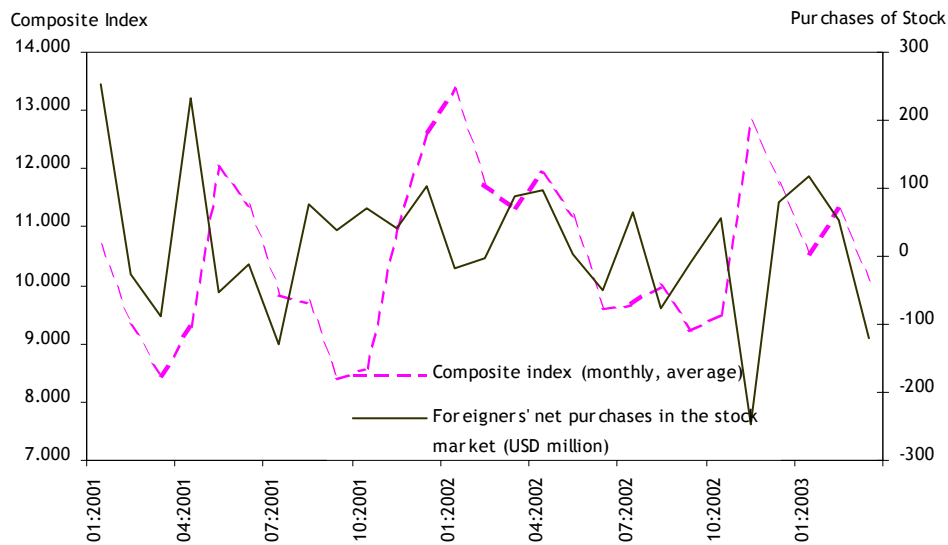
63. The banks purchased 160 million US dollars worth of securities from abroad in January. The banks purchase of Turkish bonds issued by the Treasury abroad from the secondary markets and the volume of purchase depends on the spreads of the Turkish bonds. Rise in spreads especially in February and March is expected to decrease the value of the Turkish bonds and thus curtail the demand for them.

PORTFOLIO INVESTMENT (monthly, USD million)								
	2002	2002						2003
	Jan	Jul	Agu	Sep	Oct	Nov	Dec	Jan
Portfolio Investment	533	24	-149	-341	514	-80	132	1108
Assets	-238	-13	-212	-18	143	-446	-155	-218
General Government	-2	-10	-5	0	-10	0	-6	0
Banks	-167	53	-135	5	171	-356	-102	-160
Other Sectors	-69	-56	-72	-23	-18	-90	-47	-58
Liabilities	771	37	63	-323	371	366	287	1326
Equity Securities	-18	64	-76	-10	56	-247	81	119
Debt Securities	789	-27	139	-313	315	613	206	1207
Monetary Authority	0	0	0	0	0	0	0	0
General Government	789	48	139	-313	315	865	206	1207
In Turkey	189	48	139	-313	315	115	420	-81
Abroad	600	0	0	0	0	750	-214	1288
Banks	0	-75	0	0	0	-252	0	0

Source: CBRT.

64. The portfolio investments of non-residents in Turkey are made through equity or domestic treasury bills/government bonds markets or through bond issues of the residents. In parallel to the rise in stocks market index, foreigners purchased securities worth 119 million US dollars in February and sold treasury bills and government bonds worth 81 million US dollars. According to the data compiled by the Istanbul Stock Exchange, the net worth of securities purchased by the foreigners was 52 million US dollars in February 2003. Due to the unfavorable impact of the war in Iraq on global investors and the slump in stock exchange in March, foreigners sold securities worth net 119 million US dollars.

ISE COMPOSITE INDEX AND FOREIGNERS' NET PURCHASES IN STOCK MARKET

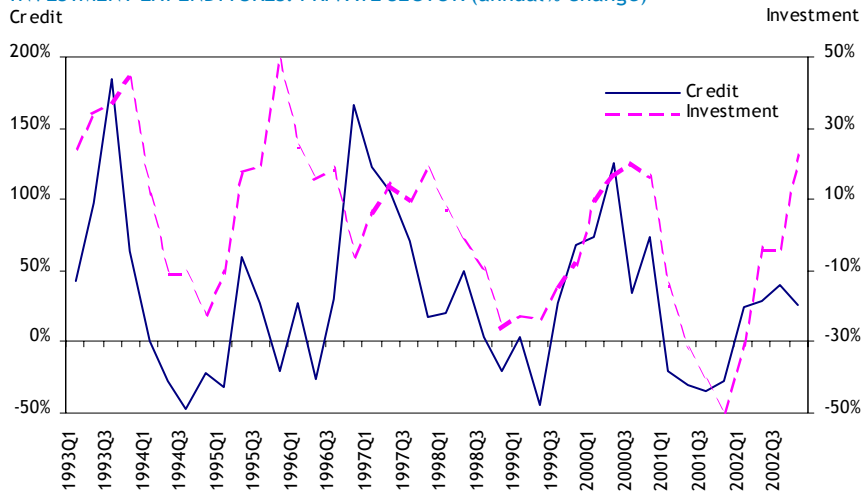


Source: CBRT, ISE.

65. The Treasury issued government bonds worth 350 million US dollars in February but issued no bonds in March. A Loan Agreement of 350 million EURO was signed with the European Investment Bank in March. The portion of 150 million EURO was the last tranche of the loan committed to be extended after the Marmara earthquake. The 200 million EURO portion of the two-tranche loan has been extended to be utilized for the financing of Small and Medium Size Enterprises projects.



**LONG TERM CREDIT DRAWINGS and  
INVESTMENT EXPENDITURES: PRIVATE SECTOR (annual % change)**



Source: CBRT, SIS.

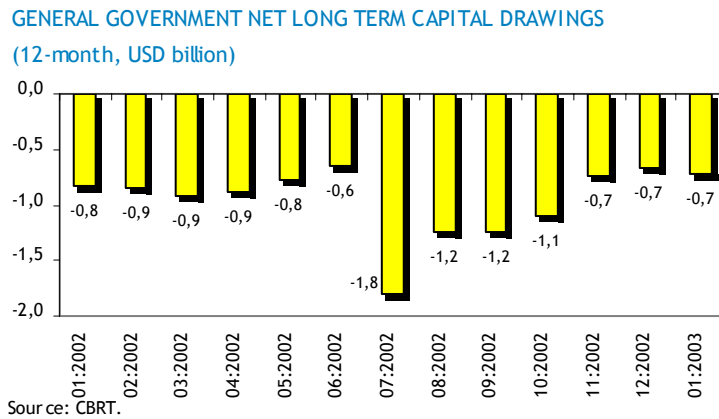
66. With the recovery signals in growth again, a significant increase was recorded in imports of investment goods especially in the last quarter of the year. Parallel to this development, private sector excluding the banking sector is increasing the volume of foreign credit. Net foreign credit utilization, which was 1.2 billion US dollars in 2002, registered 360 million US dollars in January 2003.

**OTHER INVESTMENTS (monthly, USD million)**

	2002							2003
	Jan	Jul	Agu	Sep	Oct	Nov	Dec	
Other Investments	377	1002	1336	-468	1	759	52	2087
Assets	1350	-642	397	-426	-507	453	-358	1674
Credits	-101	85	-135	-9	-5	328	-36	112
Currency and Deposits	1477	-695	578	-369	-454	169	-284	1579
Other Assets	-26	-32	-46	-48	-48	-44	-38	-17
Liabilities	-973	1644	939	-42	508	306	410	413
Trade Credits	-75	392	129	250	96	282	235	-93
Credits	-565	1097	787	-425	113	-97	266	271
Monetary Authority	0	0	0	0	0	0	0	0
General Government	-50	1064	1675	-122	-69	-91	-143	-168
IMF Credits	0	1152	1142	0	0	0	0	-62
Long Term	-50	-88	533	-122	-69	-91	-143	-106
Short Term	0	0	0	0	0	0	0	0
Banks	-331	-184	-780	-220	294	-296	395	192
Long Term	-249	40	-145	-125	-136	32	187	-19
Short Term	-82	-224	-635	-95	430	-328	208	211
Other Sectors	-184	217	-108	-83	-112	290	14	247
Long Term	-108	147	-86	134	-135	282	92	360
Short Term	-76	70	-22	-217	23	8	-78	-113
Deposits	-333	134	5	113	293	122	-84	235
Monetary Authority	163	208	276	129	50	24	49	38
Drawings	76	99	150	54	15	12	38	21
Repayments	87	109	126	75	35	12	11	17
Banks	-496	-74	-271	-16	243	98	-133	197

Source: CBRT.

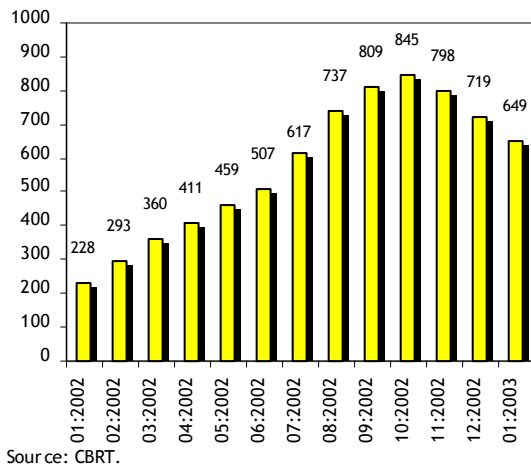
67. While banking and non-banking sectors have been long-term borrowers in January 2003, the general government acted as net payer. According to the annualized figures, the net payer position of general government has entered in downward trend.



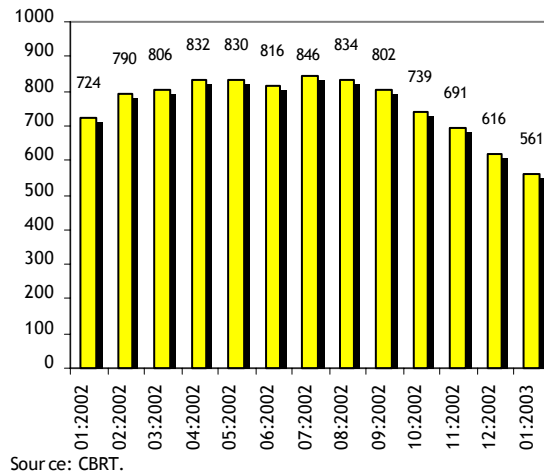
68. Upward trend in short-term FX deposits of Turkish citizens working abroad with the Central Bank, which comprise of letter of credit accounts and super FX deposits, reversed starting from November. Drop in long-term FX deposits since the second half of 2002 continued in January as well.

**LONG AND SHORT TERM FOREIGN CURRENCY ACCOUNTS WITH CREDIT LETTER AND SUPER FX ACCOUNTS**  
(12-month, USD Billion)

**SHORT TERM**

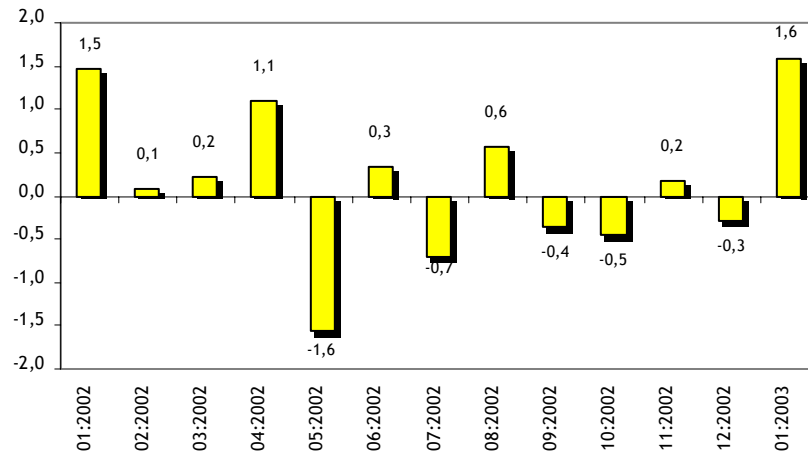


**LONG TERM**



69. Net 1.9 billion US dollar short-term capital inflow realized in January 2003. Banks' foreign exchange assets item, which is the determinant of short-term capital movements especially in the last twelve months, displays the movements in foreign exchange stocks of banks in their correspondent banks abroad. This item, which pursued a volatile course throughout 2002, dropped by 1.6 billion US dollar in January. On the other hand, credits extended by banks abroad, rose by net 117 million US dollar. The said credits mainly consist of rather short-term investments and thus display significant fluctuations in the course of year.

**DEPOSIT MONEY BANKS' FX HOLDINGS**  
(USD billion)

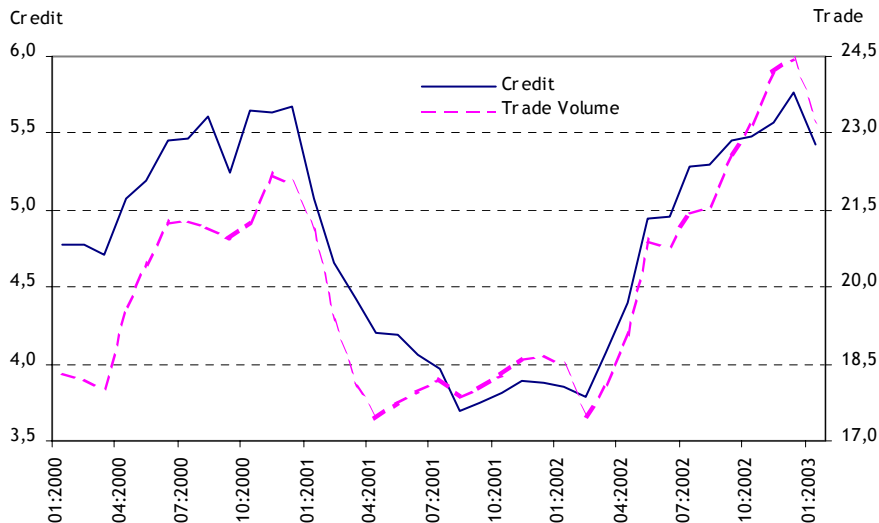


Source: CBRT.

70. Short-term foreign borrowings of banks, which declined substantially since 2001, increased by 211 million US dollar in January. Volume of domestic commercial and consumer credits loans expanded in real terms since November 2002. Banking sector's foreign short-term borrowings is expected to increase in the following periods in the event growth in the said credits continues.

71. In January, credit drawings of non-banking private sector declined in line with the contraction in foreign trade volume. In this month, according to the three-month moving averages, foreign trade volume dropped by 5 percent, while long-term and short-term commercial loans used decreased by 5.8 percent compared to the same period of the previous year.

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



Source: CBRT.

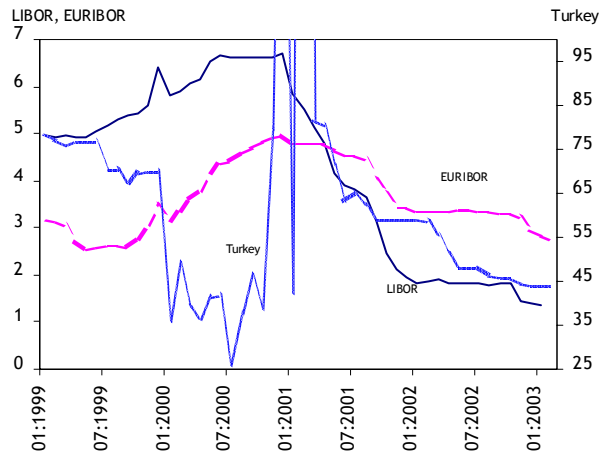
72. In January, official reserves increased by 2 billion US dollar due to the borrowings of the Treasury from foreign markets through bond issuance and from domestic markets in terms of foreign exchange.

73. Official reserves, which increased in January and February due to the borrowings of the Treasury through bond issuance, dropped to US dollar 26.7 billion, its 2002 year-end level, owing to the foreign debt principal repayments in March.

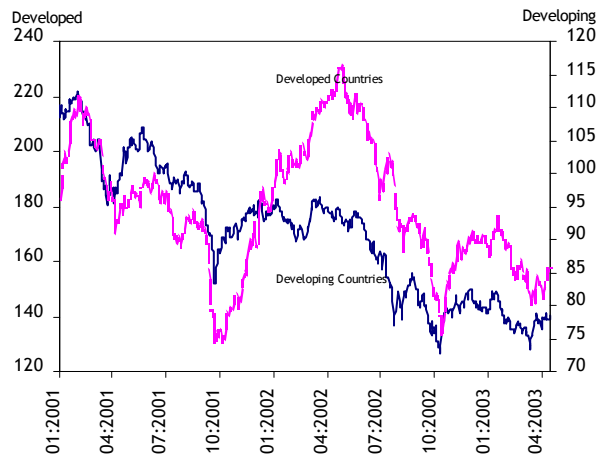
74. According to Dow Jones data, stock price index, which started to drop starting from the second half of 2002 and entered in recovery process towards the end of the year, is in a downward trend since early-2003 due to Iraq war. In developing countries, the index is displaying a stable downward trend as of the beginning of the year.

SELECTED FINANCIAL INDICATORS AFFECTING CAPITAL FLOWS

INTEREST RATES (monthly average, %)



DOW JONES STOCK PRICE INDICES



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 occurred in interbank money market.  
 Source: IMF, www.euribor.org, CBRT.

Source: Dow Jones.

75. Drops in stock price indices both in developed and developing countries reflected on Turkey's ISE as well. In March, the index depreciated by 12.2 percent on US dollar basis.

STOCK PRICE INDICES (US dollar, monthly percentage change)

	Dow Jones Developed Countries	Dow Jones Emerging Countries	Turkey ISE National 100 Index
2002 Mar	4.39	5.80	9.45
Apr	-3.06	0.60	-1.60
May	0.04	-3.15	-15.70
Jun	-5.99	-8.67	-17.45
Jul	-8.75	-6.32	1.44
Aug	0.09	-0.54	-2.89
Sep	-10.58	-12.18	-9.02
Oct	6.35	6.37	15.10
Nov	5.24	5.46	40.48
Dec	-4.66	-3.27	-27.00
2003 Jan	-2.94	1.38	6.66
Feb	-1.86	-5.90	8.02
Mar	-0.50	-3.10	-12.20

Source: Dow Jones, ISE.

## 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>											
1999	-1360	-10484	26587	2255	-40687	7486	5203	-3537	-4533	5175	4529
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	-1783	-8635	35082	4065	-50832	7914	8481	-4549	-4417	3487	1936
<i>(quarterly)</i>											
2001 I	-473	-2066	7298	766	-10775	1631	737	-1191	-1405	1153	914
II	1255	-526	8063	714	-9896	2351	2365	-1430	-1473	860	612
III	1976	-1302	7667	772	-10364	3455	3555	-1040	-1307	863	611
IV	638	-643	8312	787	-10364	1693	1433	-1339	-1312	927	649
2002 I	-479	-801	7888	919	-10222	707	896	-1226	-1059	841	477
II	-857	-2313	8398	933	-12387	1700	2087	-1015	-1082	771	505
III	901	-2460	9109	1090	-13467	3572	3813	-1075	-1116	864	539
IV	-1347	-3061	9687	1123	-14756	1935	1685	-1233	-1160	1011	415
<i>(monthly)</i>											
2002 Jan	38	-348	2609	223	-3384	245	213	-234	-266	375	164
Feb	-324	-108	2384	331	-3003	197	262	-662	-492	249	168
Mar	-193	-345	2895	365	-3835	265	421	-330	-301	217	145
Apr	-641	-809	2759	384	-4204	253	451	-328	-344	243	148
May	-335	-801	2929	297	-4284	702	759	-515	-488	279	187
Jun	119	-703	2710	252	-3899	745	877	-172	-250	249	170
Jul	27	-992	3036	276	-4579	1000	1126	-283	-269	302	204
Agu	366	-853	2917	398	-4434	1345	1450	-444	-503	318	176
Sep	508	-615	3156	416	-4454	1227	1237	-348	-344	244	159
Oct	417	-665	3429	412	-4793	1018	978	-238	-280	302	118
Nov	-315	-777	3443	382	-4896	547	435	-570	-545	485	152
Dec	-1450	-1619	2815	329	-5067	370	272	-425	-335	224	145
2003 Jan	-224	-688	2960	151	-4041	388	253	-227	-209	303	163
<i>(12-month)</i>											
2002 Jan	4063	-3509	31707	3052	-40711	8800	8080	-4907	-5339	3679	2539
Feb	3822	-3033	31575	3104	-40120	8340	8126	-5033	-5300	3548	2405
Mar	3384	-3278	31924	3192	-40846	8206	8249	-5035	-5151	3491	2349
Apr	2094	-4158	32067	3265	-42012	7805	8145	-5024	-5017	3471	2304
May	1391	-4710	32111	3350	-42737	7630	8077	-4988	-4942	3459	2290
Jun	1272	-5065	32259	3411	-43337	7555	7971	-4620	-4760	3402	2242
Jul	864	-5525	32811	3472	-44479	7558	7984	-4573	-4598	3404	2252
Agu	401	-5943	33149	3593	-45411	7641	8119	-4751	-4722	3454	2229
Sep	205	-6215	33709	3729	-46440	7672	8229	-4655	-4569	3403	2170
Oct	2	-6825	34326	3846	-47869	7802	8382	-4408	-4281	3434	2112
Nov	-540	-7382	34927	3945	-49206	7850	8433	-4585	-4461	3577	2029
Dec	-1782	-8635	35082	4065	-50832	7915	8481	-4549	-4417	3487	1936
2003 Jan	-2044	-8975	35433	3993	-51489	8058	9207	-4542	-4360	3415	1935

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	Liabilities							Deposits	
					Equity Securities	Debt Securities			Net	Trade Credits	Credits			Deposits			
								Monetary Authority	General Government	Banks	Other Sectors	Monetary Authority	Banks				
<i>(annual)</i>																	
1999	-271	-271	138	3429	-759	428	3760	1888	-1454	4086	719	518	-1932	2187	2284	-229	468
2000	12607	12607	112	1022	-593	489	1126	11827	-1690	13740	805	3348	117	4378	5025	622	-642
2001	-1274	-1274	2769	-4515	-788	-79	-3648	-2222	927	-2066	-1930	10229	-1977	-8076	438	736	-1568
2002	2204	2204	862	-694	-2197	-16	1519	8189	611	8030	2371	-6138	11834	-982	499	1335	-986
<i>(quarterly)</i>																	
2001 I	1496	1496	1574	-2868	-22	-591	-2255	-348	917	-981	-615	1414	-416	-1240	475	-27	-576
II	-978	-978	109	-348	89	434	-871	-2295	-1430	-859	-447	3809	-1605	-2192	-328	39	-165
III	193	193	427	-741	-135	192	-798	2195	1631	1201	-429	3034	919	-2677	321	325	-335
IV	-1985	-1985	659	-558	-720	-114	276	-1774	-191	-1427	-439	1972	-875	-1967	-30	399	-492
2002 I	2164	2164	95	-59	-1232	66	1107	3828	1778	2363	242	-6138	8751	-442	46	403	-502
II	566	566	311	-735	-264	50	-521	1679	-112	1902	745	0	769	251	235	196	-331
III	-1175	-1175	236	-466	-243	-22	-201	1870	-486	2541	771	0	2617	-1184	26	613	-361
IV	649	649	220	566	-458	-110	1134	812	-569	1224	613	0	-303	393	192	123	208

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	Credits				Deposits		
					Equity Securities	Debt Securities					Monetary Authority	General Government	Banks	Other Sectors	Monetary Authority	Banks	
(monthly)																	
2002 Jan	501	501	-5	533	-238	-18	789	377	1477	-973	-75	0	-50	-331	-184	163	-496
Feb	574	574	27	-572	-397	-3	-172	2593	90	2605	-141	-6138	8952	16	-160	131	-56
Mar	1089	1089	73	-20	-597	87	490	858	211	731	458	0	-151	-127	390	109	50
Apr	332	332	26	602	134	98	370	1416	1109	416	171	0	969	-386	162	84	-590
May	54	54	255	-714	-499	3	-218	-250	-1551	1300	411	0	-59	591	132	56	153
Jun	180	180	30	-623	101	-51	-673	513	330	186	163	0	-141	46	-59	56	106
Jul	-7	-7	-5	24	-13	64	-27	1002	-695	1644	392	0	1064	-184	217	208	-74
Agu	-423	-423	212	-149	-212	-76	139	1336	578	939	129	0	1675	-780	-108	276	-271
Sep	-745	-745	29	-341	-18	-10	-313	-468	-369	-42	250	0	-122	-220	-83	129	-16
Oct	242	242	274	514	143	56	315	1	-454	508	96	0	-69	249	-112	50	243
Nov	381	381	-3	-80	-446	-247	613	759	169	306	282	0	-91	-296	290	24	98
Dec	26	26	-51	132	-155	81	206	52	-284	410	235	0	-143	395	14	49	-133
2003 Jan	1192	1192	6	1108	-218	119	1207	2087	1579	413	-93	0	-168	192	247	38	197
(on iki aylık)																	
2002 Feb	-1765	-1765	1192	-2156	-1395	330	-1091	-987	410	-174	-1681	2677	7265	-7165	-477	1083	-1958
Mar	-606	-606	1290	-1706	-1998	578	-286	1954	1788	1278	-1073	2677	7190	-7278	9	1166	-1494
Apr	148	148	1263	-555	-1845	596	694	3688	2275	2560	-743	2677	8321	-7494	454	1243	-1979
May	1296	1296	1533	-1124	-2259	472	663	2195	1526	1897	-236	-1132	8440	-5807	606	1289	-1348
Jun	938	938	1492	-2093	-2351	194	64	5928	3106	4039	119	-1132	9564	-4835	572	1323	-1660
Jul	553	553	1377	-1307	-2059	329	423	5533	918	5673	750	-2635	9554	-3150	1025	1463	-1426
Agu	582	582	1501	-1346	-2347	171	830	6089	2072	5290	1102	-4166	11265	-3810	647	1571	-1416
Sep	-430	-430	1301	-1818	-2459	-20	661	5603	989	5379	1319	-4166	11262	-3342	277	1611	-1686
Oct	-745	-745	1038	-1191	-2203	-112	1124	5707	-1045	7561	1650	-4166	11404	-2058	112	1584	-1070
Nov	870	870	922	-803	-2242	-203	1642	8385	368	8396	1996	-4166	11770	-2755	505	1489	-547
Dec	2204	2204	862	-694	-2197	-16	1519	8189	611	8030	2371	-6138	11834	-982	499	1335	-986
2003 Jan	2895	2895	873	-119	-2177	121	1937	9899	713	9416	2353	-6138	11716	-459	930	1210	-293

Source: CBRT.