

CENTRAL BANK OF THE REPUBLIC OF TURKEY



# **Balance of Payments Report 2011- III**

**CENTRAL BANK OF THE REPUBLIC OF TURKEY**

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## OVERVIEW

Economic growth started to decelerate as of the second quarter of 2011 on the back of the slowdown in domestic demand owing to the measures taken; and the decoupling between domestic demand and external demand lost pace. While seasonally adjusted imports slowed down significantly in the third quarter with the additional effect of the decline in domestic demand, the moderate uptrend in exports continued, contributing to the deceleration of the rapid rise in the current account deficit in the same period. The seasonally adjusted current account deficit and the current account deficit excluding energy decreased compared to the previous quarter.

According to the balance of payments definition, in 2011Q3, the foreign trade deficit expanded by 44.5 percent and reached USD 24.1 billion. Meanwhile, the year-on-year foreign trade deficit, rose by 9.1 percent compared to 2011Q2 and reached USD 88.9 billion. Nevertheless, the annualized figures indicate a slowdown in the widening of the current account. The 12-month cumulative current account deficit, which was USD 71.6 billion in the first half of 2011, became USD 77.5 billion in 2011Q3. Yet, the improvement in the current account balance excluding energy is more apparent.

In the third quarter of 2011, net services revenues increased by 20.8 percent year-on-year. The rise in question was driven by the increase in net tourism revenues and other transportation revenues.

In the third quarter of 2011, capital inflows - excluding changes in reserves (CBT, banks and other sectors) and IMF loans - became USD 10.4 billion. Compared to the same quarter last year, the other sector was a net borrower in 2011Q3. In this period, the main sources of capital inflows have been banks' and other sectors' long and short-term credits, foreign direct investment (FDI) and deposits of non-resident persons and banks within the banks in Turkey. Speaking of the sources of financing, the share of portfolio investments and short-term capital inflows decreased while that of FDI and long-term capital inflows rose in this period.

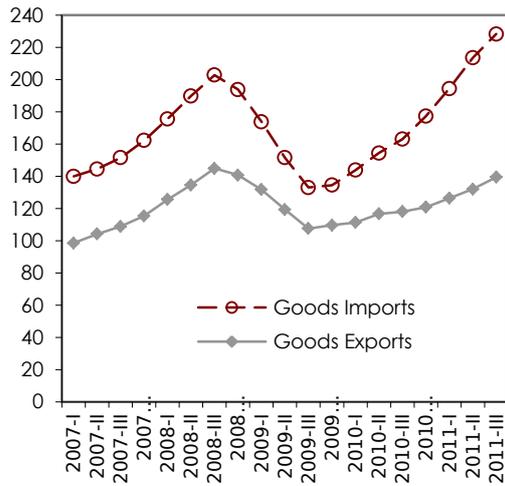
In the third quarter of 2011, Turkey's external assets and liabilities became USD 178.3 billion and USD 514.1 billion, respectively. Defined as the difference between Turkey's external assets and liabilities, the net International Investment Position declined by USD 39.6 billion compared to the end of the second quarter. This development was mainly attributed to the decrease in assets and liabilities by USD 4.8 billion and USD 44.4 billion, respectively.

Balance of Payments  
(billion USD)

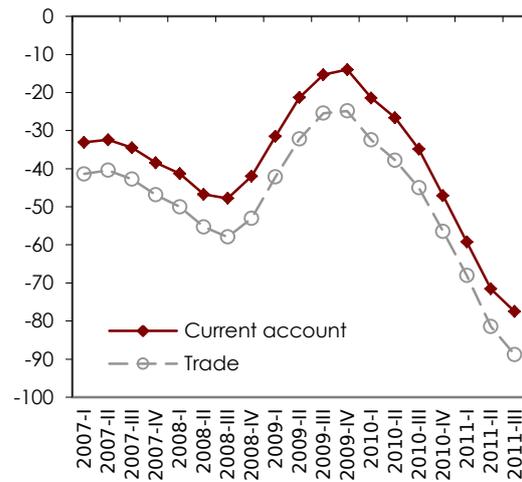
	January-September			September (annualized)		
	2010	2011	% change	2010	2011	% change
Current Account	-30,2	-60,7	100,8	-34,9	-77,5	122,3
Goods	-37,6	-70,1	86,1	-45,0	-88,9	97,3
Exports	87,0	105,7	21,4	118,1	139,5	18,2
Exports (fob)	81,7	99,5		110,8	131,7	
Shuttle Trade	3,8	3,2		5,1	4,4	
Imports	-124,7	-175,7	40,9	-163,1	-228,4	40,0
Imports (cif)	-130,6	-181,7		-171,0	-236,7	
Adjustment: Classification	7,7	8,9		10,2	12,0	
Services	11,5	14,5	26,5	15,0	18,1	20,7
Travel (net)	12,1	14,2		15,9	18,1	
Credit	15,5	17,8		20,6	23,1	
Debit	-3,5	-3,6		-4,7	-4,9	
Other Services (net)	-0,6	0,3		-0,9	-0,1	
Income	-5,0	-6,3	25,0	-6,7	-8,4	25,1
Compensation of Employees	-0,1	-0,1		-0,1	-0,2	
Direct Investment (net)	-1,1	-2,4		-1,6	-3,5	
Portfolio Investment (net)	-0,5	-0,9		-0,3	-0,9	
Other Investment (net)	-3,3	-2,9		-4,7	-3,9	
Interest Income	0,8	0,9		1,1	1,2	
Interest Expenditure	-4,1	-3,7		-5,7	-5,1	
Current Transfers	1,0	1,2	17,6	1,9	1,6	-13,9
Workers Remittances	0,7	0,7		0,9	1,0	
Capital and Financial Account	28,1	48,4	72,2	33,6	65,9	96,0
Financial Account (excl. reserve assets)	36,6	53,8	47,0	42,9	75,6	76,4
Direct Investment (net)	4,2	9,3	119,9	5,3	12,7	138,6
Abroad	-1,2	-1,7		-1,9	-1,9	
In Turkey	5,4	10,9		7,2	14,6	
Portfolio Investment (net)	13,1	14,4	9,9	12,5	20,0	60,3
Assets	-2,4	2,2		-3,3	1,1	
Liabilities	15,5	12,2		15,8	19,0	
Equity Securities	2,6	-0,4		3,6	0,5	
Debt Securities	12,9	12,6		12,2	18,5	
Non-residents' Purchases of GDDS	8,5	8,6		7,7	10,8	
Eurobond Issues of Treasury	3,4	1,5		3,4	2,2	
Borrowing	6,0	3,3		6,0	4,0	
Repayment	-2,6	-1,8		-2,6	-1,8	
Other Investment (net)	19,3	30,2	56,3	25,1	42,9	71,3
Assets	6,0	11,7		11,1	12,8	
Trade Credits	0,5	-0,3		-0,5	-2,2	
Credits	-0,5	-0,6		-0,6	-0,6	
Currency and Deposits	5,9	12,7		12,3	12,8	
Banks	8,9	1,2		11,7	5,9	
Foreign Exchange	8,6	3,2		11,0	8,0	
Turkish Lira	0,3	-2,0		0,6	-2,2	
Other Sectors	-2,9	11,6		0,6	9,7	
Liabilities	13,3	18,5		14,0	30,1	
Trade Credits	0,0	3,7		0,6	5,9	
Credits	0,9	15,8		0,7	23,4	
Central Bank	0,0	0,0		0,0	0,0	
General Government	1,4	-0,4		1,3	-0,3	
IMF	-1,4	-2,1		-1,4	-2,8	
Long-term	2,8	1,7		2,7	2,5	
Banks	4,9	10,4		7,2	18,4	
Long-term	-0,2	3,8		0,4	4,8	
Short-term	5,1	6,7		6,7	13,6	
Other sectors	-5,3	5,7		-7,8	5,3	
Long-term	-6,3	3,7		-8,5	2,9	
Short-term	1,0	2,0		0,7	2,4	
Deposits of Non-residents	12,0	-1,5		12,2	0,3	
Central Bank	-0,3	-1,5		-0,5	-1,7	
Banks	12,3	0,0		12,7	2,0	
Change in Official Reserves (- increase)	-8,5	-5,4	-36,4	-9,3	-9,7	5,0
Net Errors and Omissions	2,2	12,3		1,3	14,3	

Source: CBT.

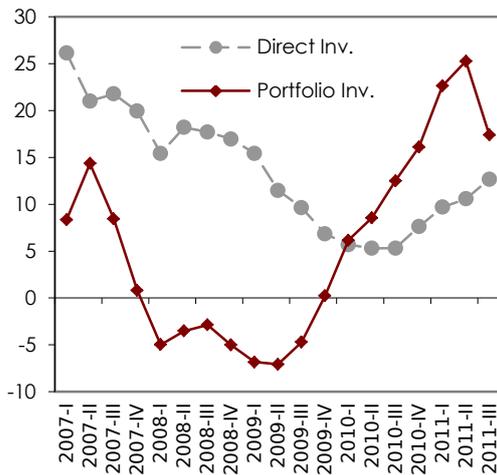
**Exports and Imports of Goods**  
(annualized, billion USD)



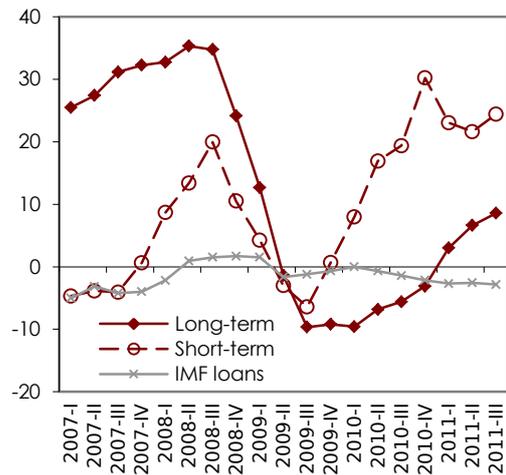
**Foreign Trade and Current Account**  
(annualized, billion USD)



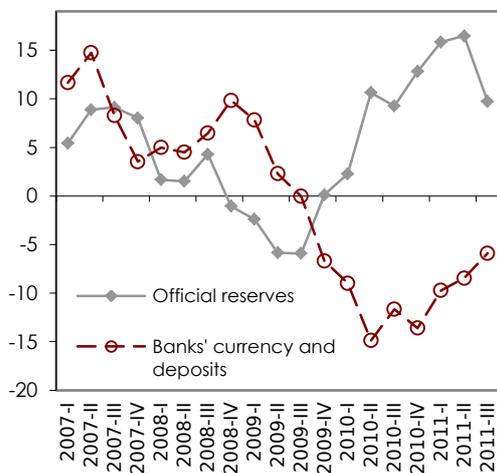
**Direct and Portfolio Investment**  
(annualized, billion USD)



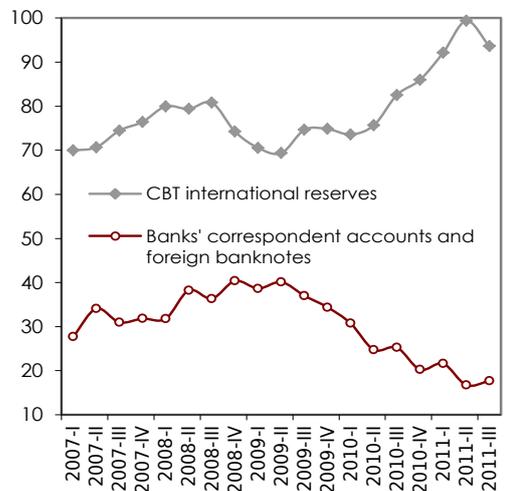
**Other Capital Flows**  
(annualized, billion USD)



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



**International Reserves**  
(billion USD)



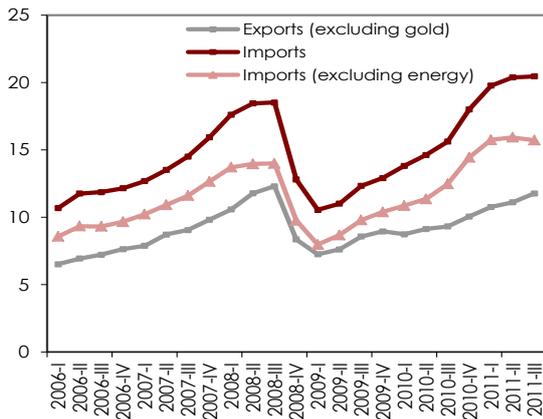
Source: CBT, TURKSTAT.



## I. Current Account

1. Economic growth started to decelerate as of the second quarter of 2011 on the back of the slowdown in domestic demand owing to the measures taken; and the decoupling between domestic demand and external demand lost pace. In tandem with rising concerns over the global economy and the deterioration in the risk appetite, capital outflows were recorded and the Turkish lira depreciated in the third quarter. Moreover, driven by the slowdown in domestic demand, seasonally-adjusted imports decreased significantly while exports maintained a moderate upward trend, which together contributed to the decline in the rapid growth trend in the current account deficit in the third quarter.

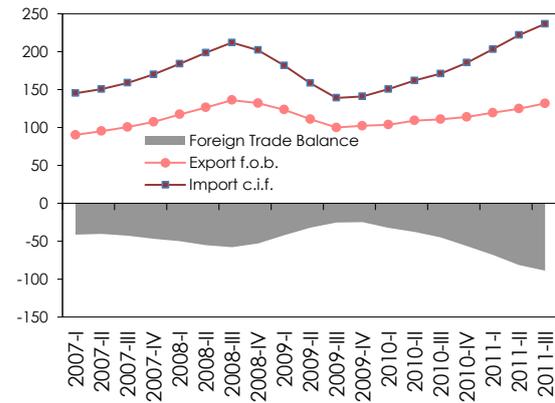
### Imports and Exports (Seasonally adjusted, billion USD)



Source: CBT.

2. According to the balance of payments definition, the foreign trade deficit increased by 44.5 percent and reached USD 24.1 billion in 2011Q3. Meanwhile, the annualized foreign trade deficit increased by 9.1 percent compared to the previous quarter and reached USD 88.9 billion.

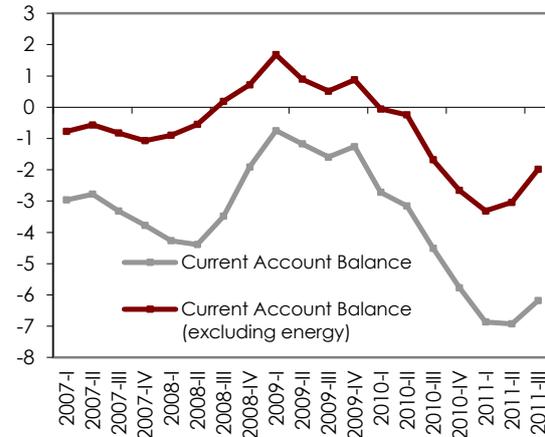
### Foreign Trade Deficit (annualized, billion USD)



Source: CBT.

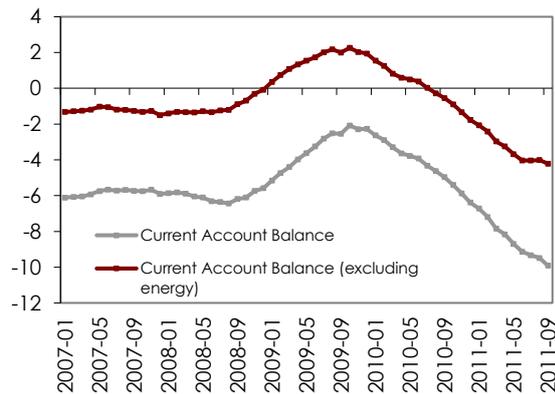
3. In 2011Q3, the improvement in the current account deficit became more evident owing to the continued moderate trend in exports and the slowdown in imports. Compared to the previous quarter, in seasonally adjusted terms, the current account deficit and the current account deficit excluding energy narrowed. Meanwhile, annualized data suggest that the growth rate of the current account deficit has decreased. The 12-month cumulative current account deficit, which was USD 71.6 billion in the first half of 2011, became USD 77.5 billion in the third quarter. It is noteworthy that the improvement in the current account balance excluding energy is more apparent.

### Current Account Balance (Seasonally adjusted, 3-month average, billion USD)



Source: CBT.

**Current Account Excluding Energy**  
(annualized, ratio to GDP, %)

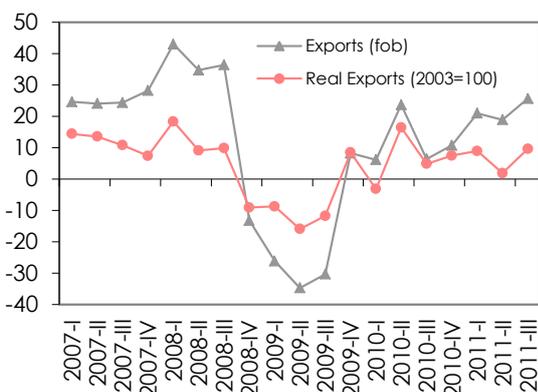


Source: CBT.

**1.1 Exports of Goods**

4. According to TURKSTAT data, compared to the second quarter, growth in exports accelerated in the third quarter of 2011. In this period, exports grew by 25.6 percent year-on-year and reached USD 33.9 billion. The acceleration in year-on-year growth in exports was mainly driven by the effect of price movements. In the same period, export quantity and unit value indices were up 9.6 and 14.7 percent, respectively.

**Exports- Nominal and Real**  
(annual % change)



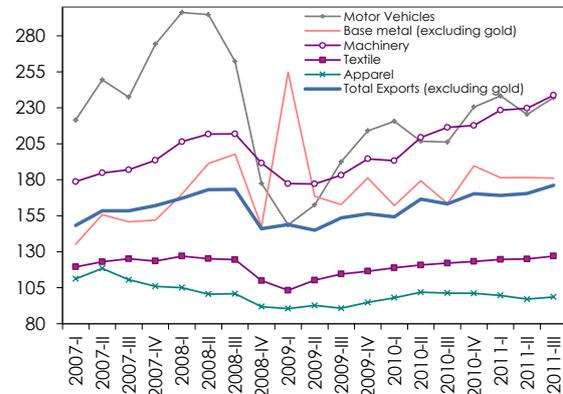
Source: TURKSTAT.

5. Seasonally adjusted data suggest that in the third quarter, nominal and real exports grew by 5.9 percent and 3.4 percent, respectively.

6. In 2011Q3, exports of basic metal, vehicles, petroleum products and food sectors became the sectors that contributed the most to the annual growth in exports. According to seasonally adjusted data, exports of machinery-

equipment and vehicles displayed a rapid rise while exports of clothes and basic metal sectors remained almost flat.

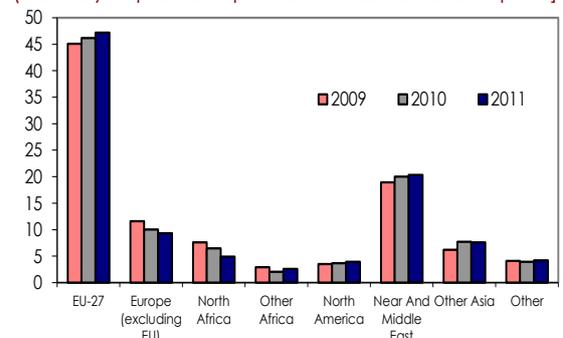
**Exports and Selected Sub-Sectors**  
(Seasonally adjusted quantity indices, 2003=100)



Source: CBT.

7. The share of exports to European Union countries in Turkey's total exports, which dropped due to the global financial crisis, has gradually been recovering. Meanwhile, the share of exports to European countries other than EU-member states decreased. The share of exports to North African countries, especially to Egypt and Libya, dropped due to the political unrest in the region while that of Near and Middle Eastern countries remained at around 20 percent. An analysis by country shows that the share of Germany, which is the largest market for Turkey's exports, has increased. While shares of Iraq, Iran, Russia and the USA have increased, those of Italy, France and Spain have dropped.

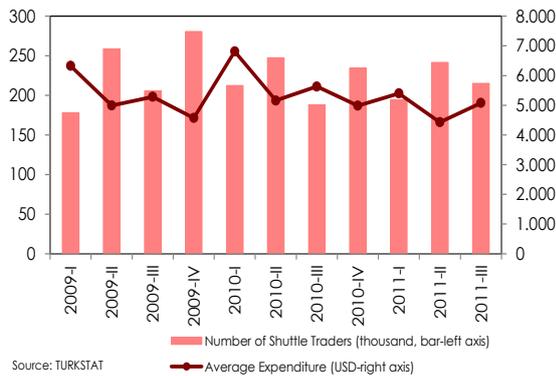
**Selected Countries' Shares in Exports**  
(January-September period -% share in total exports)



Source: TURKSTAT

8. According to TURKSTAT data, in the third quarter of 2011, despite the 14.4 percent-rise in the number of shuttle traders, the average amount of expenditures decreased by 9.8 percent; thus, total revenues from shuttle trade was up 3.2 percent and reached USD 1.1 billion.

**Shuttle Trade**

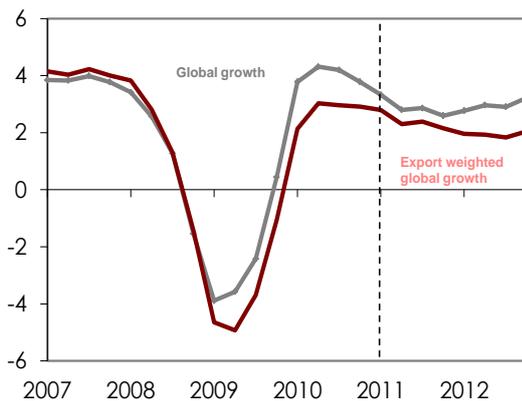


Source: TURKSTAT

Source: TURKSTAT.

9. In 2011Q3, mounting concerns over sovereign debt sustainability across the euro area coupled with the slower-than expected recovery in the U.S. economy intensified the downside risks regarding global economic activity. Accordingly, medium-term global growth forecasts were revised downwards.

**Foreign Demand Index for Turkey (annual % change)**

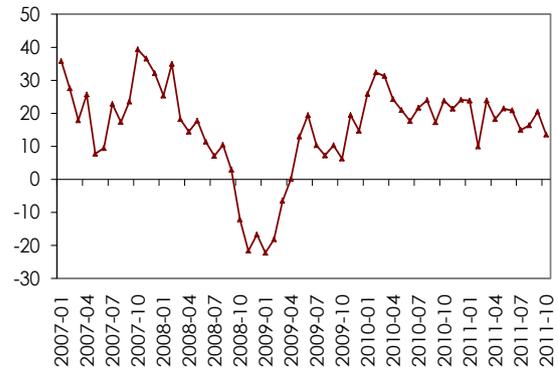


Source: Bloomberg, Consensus Forecasts, IMF, CBT.

10. Exports expectations of manufacturing companies for the next three months remained high, albeit with a limited deterioration in October.

**Export Expectations**

Expectations (export orders -expectations of next 3 months)  
(Seasonally adjusted, (increase -decrease))

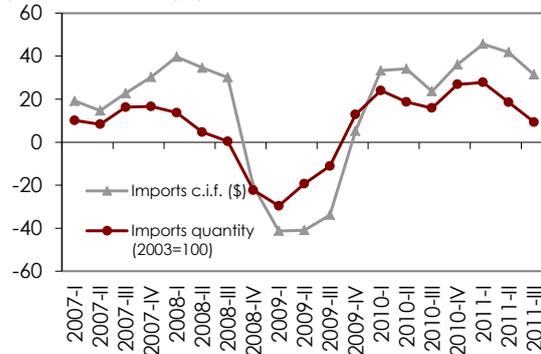


Source: CBT.

**1.2 Imports of Goods**

11. According to TURKSTAT data, in 2011Q3, the rate of growth in imports decelerated compared to 2011Q2. Imports increased by 31.3 percent in annual terms and became USD 61.9 billion in the same period. The rise in imports in annual terms was mainly driven by the impact of price movements (Box 1). In this period, import quantity and unit value indices were up 9.3 percent and 19.8 percent, respectively.

**Imports- Nominal and Real (annual % change)**

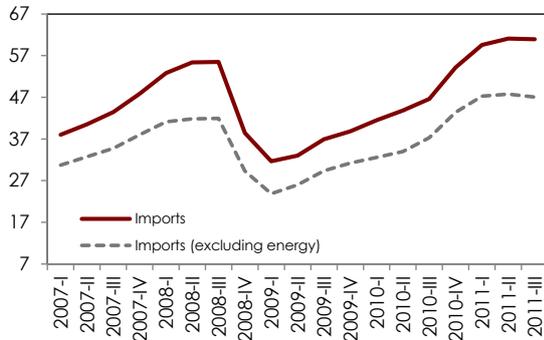


Source: TURKSTAT.

12. Despite rapid growth rates in annual terms, seasonally adjusted data suggest that the acceleration in imports halted in the third quarter of 2011. When energy items are excluded, the figures indicate a decline in imports. Policy measures that were introduced as of the final quarter of 2010 slowed down imports in the second and third quarters of 2011. Moreover, the lagged effects of the measures taken by the CBT and the BRSA regarding credit

growth are expected to become more visible in the final quarter and imports are expected to fall further.

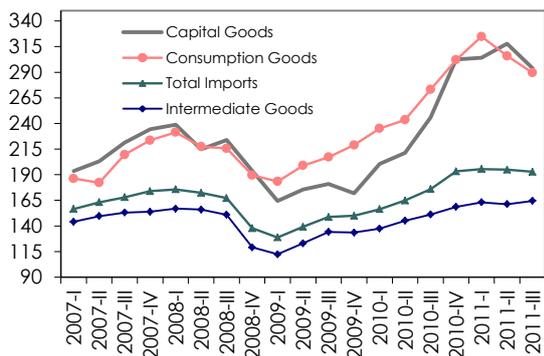
**Imports Excluding Energy**  
(seasonally adjusted, billion USD)



Source: TURKSTAT, CBT.

13. The slowdown in growth of imports in seasonally adjusted terms becomes more manifest when the effect of price movements is extracted. Compared to the second quarter, overall imports decreased in the second quarter. The decrease in question was mainly driven by the slump observed in imports of consumption and investment goods. Imports of consumption goods, which started to accelerate rapidly in the second half of 2010, displayed a significant drop in 2011Q2 and 2011Q3 due to the rapid decline in imports of automobiles. Meanwhile, imports of intermediate goods increased only slightly.

**Imports and Selected Sub-Sectors**  
(seasonally adjusted quantity indices, 2003=100)

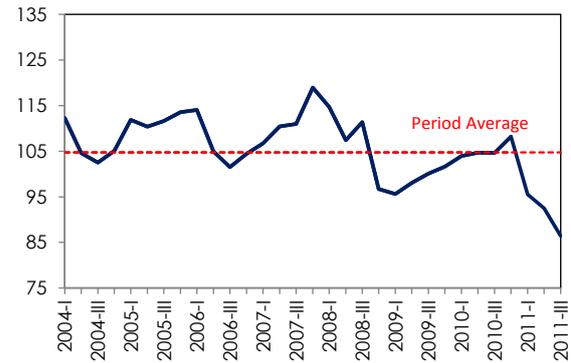


Source: CBT.

14. The depreciation in real exchange rate, which started in early 2011, continued in the third quarter as well. Thus, real exchange rate in Turkey remains below the period average of other developing countries.

**Real Effective Exchange Rate**

(compared to developing countries, based on CPI, 2003=100)

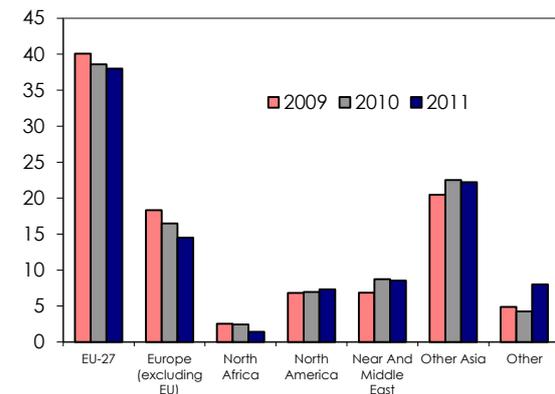


Source: CBT.

15. In the first three quarters of 2011, the share of imports from the European Union and Asian countries slightly decreased. While the share of imports from European countries other than EU-member states declined; that of North America increased.

**Share in Imports of Selected Regions**

(January-September period, share in total imports, %)



Source: TURKSTAT.

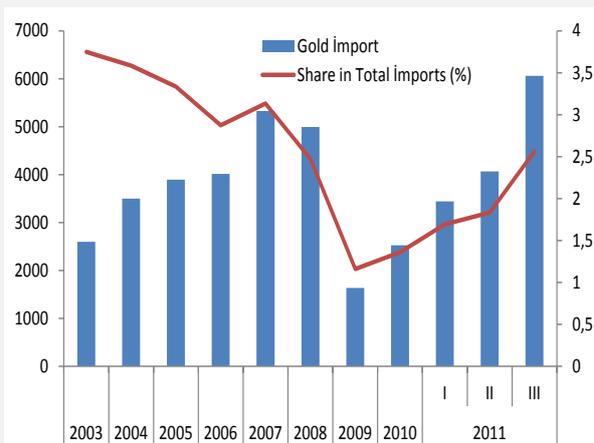
## Box 1

## RISE IN IMPORTS OF GOLD AND ITS IMPACT ON TOTAL IMPORTS

During the recovery process following the global financial turmoil, economic activity in Turkey displayed a strong course; however, domestic and external demand recovered at different paces. In this period, imports grew rapidly parallel to the strong recovery in domestic demand. Nevertheless, policy measures that were introduced as of the final quarter of 2010, started to decelerate imports in the third quarter of 2011. Yet, the high-rated increase in import of gold, especially in August and September, curbed the slowdown in imports. In this Box, the recent rise in import of gold and its impact on overall imports will be discussed.

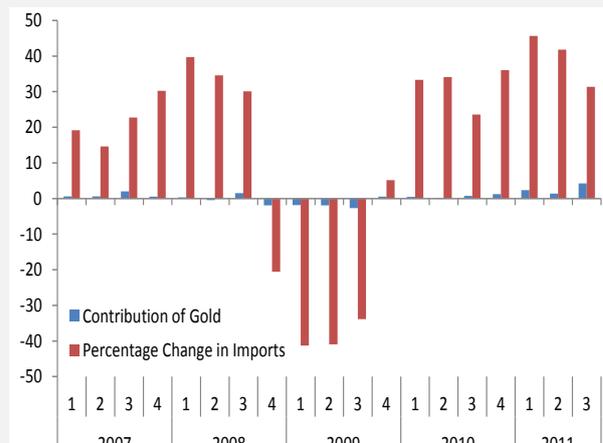
In Turkey, gold is traditionally an important investment medium and it is widely used in jewelry. An analysis of the recent development of gold import suggests that it has displayed a fluctuating trend. While import of gold in nominal terms recorded a steady rise during the 2003-2007 period, the upward trend halted in 2008 and a drop-off observed in 2009 due to the decline in jewelry demand owing to climbing prices. Import of gold, which accelerated gradually in the post-crisis period, posted a rapid rise in the final quarter of 2011 surpassing the peak value it had reached in 2007. The share of import of gold in overall imports, which generally followed a downward course throughout 2003-2008, has recently risen rapidly (Chart 1). Consequently, the contribution of import of gold to annual growth in imports recorded a quite high number of 4.2 percentage points in 2011 Q3 (Chart 2).

**Chart 1**  
Annual Imports of Gold (million USD) and Share in Overall Imports (%)



Source: TURKSTAT.

**Chart 2**  
Contribution of Imports of Gold to Import Growth (percentage points)

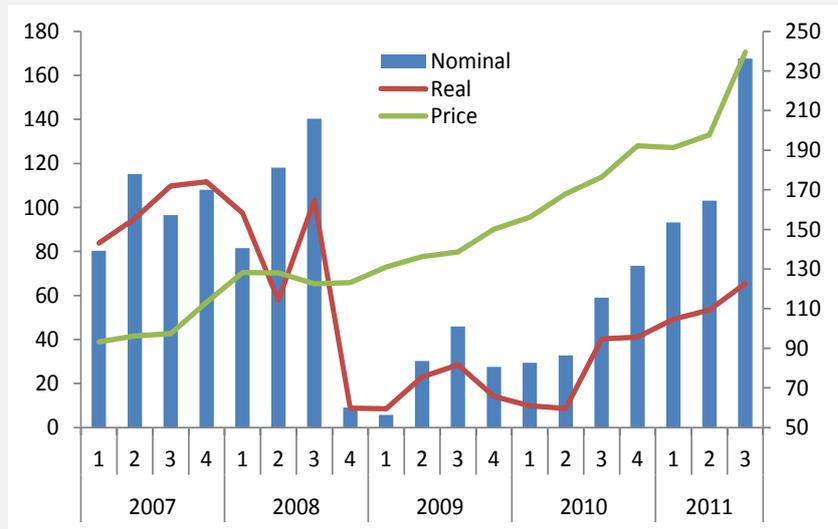


Source: TURKSTAT.

Seasonally adjusted data suggest that in the third quarter, nominal import of gold posted a surge compared to the second quarter and imports of gold surpassed the historically

high level recorded in 2008Q3 (Chart 3). Meanwhile, the rapid rise in gold prices driven by recent turmoils in and uncertainties over the future of the global economy has been an important factor in the rally in nominal imports. According to quantity indices, although import of gold posted a rise in the third quarter compared to the second quarter, it is still well below the peak level of 2008Q3.

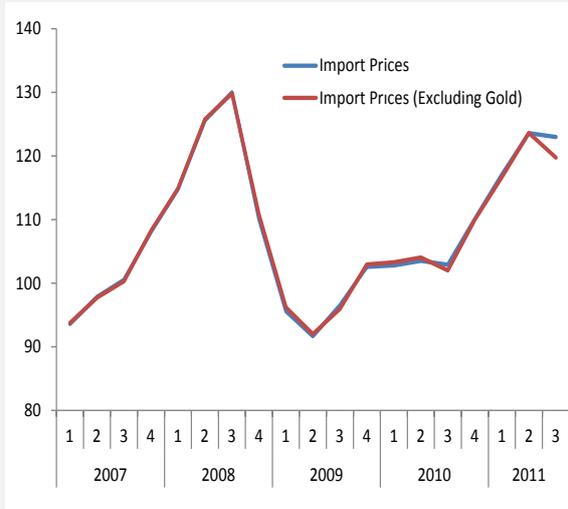
**Chart 3. Imports of Gold (Nominal and Real) and Imports Prices (2007=100)**



Source: TURKSTAT, CBT calculations.

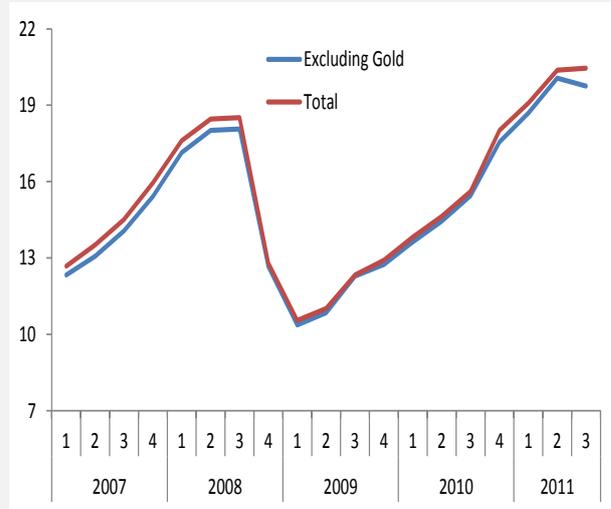
The rise in import of gold together with the surge in gold prices had an adverse effect on overall import prices (Chart 4). General import prices and import prices excluding gold, which followed a parallel course until 2011Q3, decoupled in 2011Q3. While import prices excluding gold declined, the general imports prices index remained flat. In line with price developments, the rise in gold imports has decreased the impact of the recent slowdown in nominal imports (Chart 5).

**Chart 4**  
Imports Prices Excluding Gold (2007=100)



Source: TURKSTAT.

**Chart 5**  
Nominal Imports Excluding Gold (bio USD, seas. adj.)



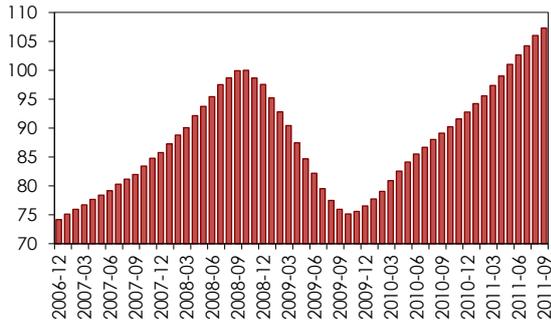
Source: TURKSTAT.

In summary, despite the significant deceleration in imports in the third quarter on the back of the measures taken, the surge in import of gold, constrained the decline in overall imports. The rise in import of gold is attributed to the rapidly rising gold prices. Actually, Turkey's demand for gold is well below the pre-crisis level. Therefore, while analyzing the current account deficit and domestic demand-foreign demand rebalancing for the third quarter, the said impact also needs to be taken into account.

### 1.3 Global Outlook

16. According to World Trade Organization data, in 2011Q3, world trade expanded by 19.7 percent year-on-year. In annualized terms, in September 2011, world trade was 7 percent above the pre-crisis level.

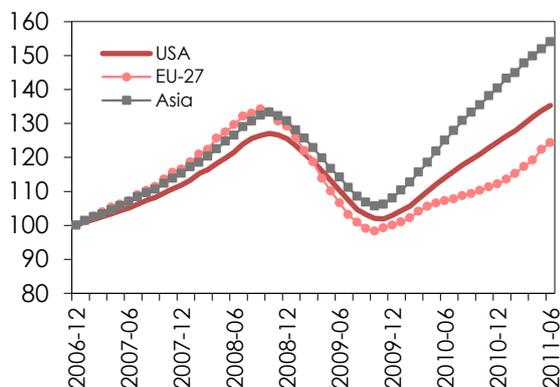
**World Total Exports**  
(annualized, 2008:10 =100)



Source: WTO.

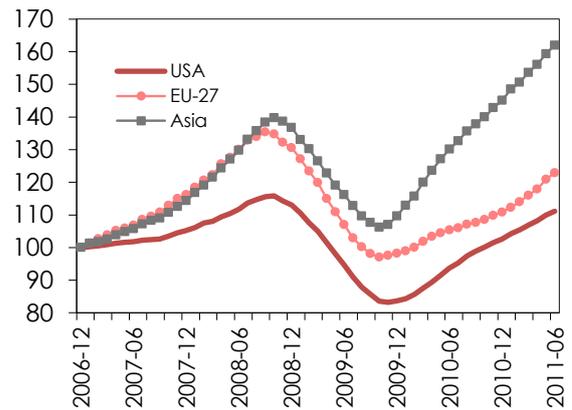
17. Foreign trade data by regions suggest that exports of Asian countries and the USA outpaced their pre-crisis levels in the first half of 2011. While imports of Asian countries post a trend similar to exports, those of the USA are still below the pre-crisis level. Meanwhile, exports to the European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

**Exports by Region**  
(annualized, 2006:12 =100)



Source: WTO.

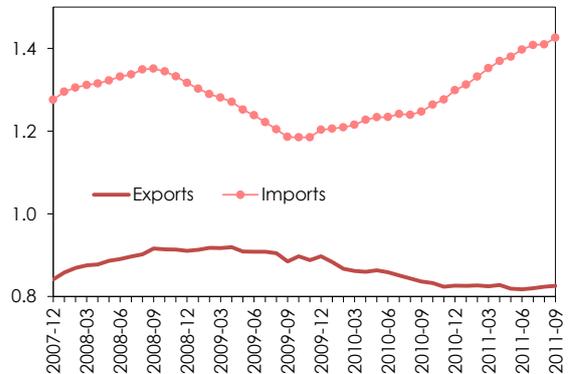
**Imports by Region**  
(annualized, 2006:12 =100)



Source: WTO.

18. Turkey's share in overall world exports, which dropped significantly in 2010 and in the first half of 2011, recovered in the third quarter of 2011, albeit slightly. Whereas, the surge in Turkey's imports in global imports continued to increase and exceeded 1.4 percent.

**The Share of Turkey in World Trade (%)**

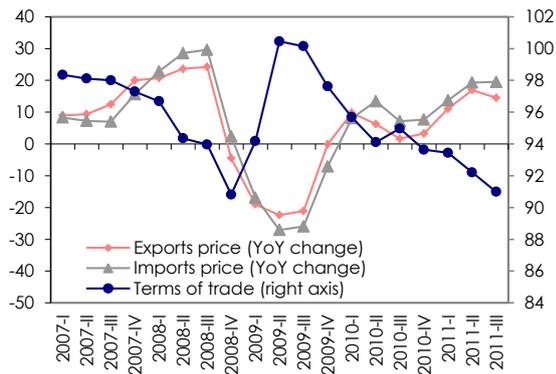


Source: WTO.

### 1.4 Terms of Trade

19. In the third quarter of 2011, imports prices increased by 19.5 percent year-on-year. The mentioned rise was mainly driven by the increment in import prices of raw materials fuelled by the rise in oil prices. In this period, prices of raw materials increased by 23.6, while those of consumption goods and investment goods were up 8.6 and 8.8 percent, respectively.

**Terms of Trade (2003=100)**



Source: TURKSTAT.

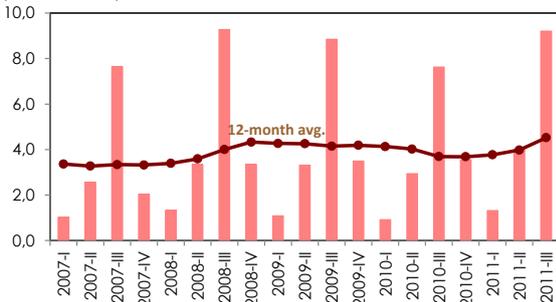
20. In this period, export prices increased by 14.5 percent. Refined petroleum products, which have the largest contribution to exports, became the sector recording the highest increase in export prices to be followed by basic metal and food sectors.

21. Compared to the previous quarter, import and export prices decreased by 0.5 percent and 1.8 percent, respectively. Accordingly, the deterioration in terms of trade continued.

**1.5 Services Account**

22. In the third quarter of 2011, net services revenues increased by 20.8 percent year-on-year. The rise in question was mainly driven by the upward move of net tourism revenues and transportation revenues.

**Services Account, net (billion USD)**

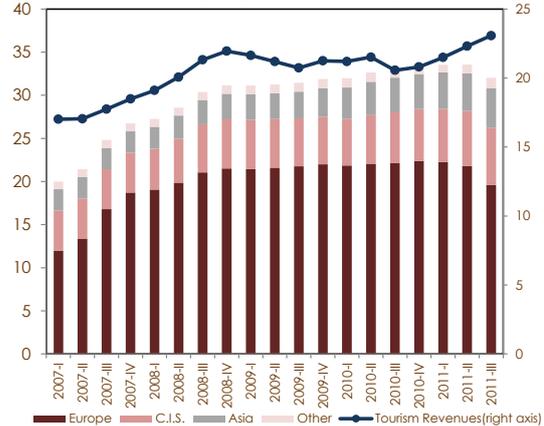


Source: CBT.

23. An analysis of net tourism revenues, which has the largest share in the services account, reveals that; in the third quarter of 2011, tourism revenues increased by 8.9 percent while tourism expenditures decreased by 20.0 percent. Consequently, net tourism revenues became USD 9.3

billion in the third quarter of 2011. The mentioned rise in tourism revenues was driven by the 8.1 percent rise in the number of incoming visitors compared to the same period last year.

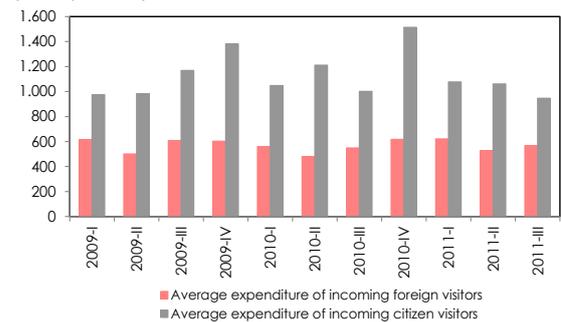
**Breakdown of Foreign Visitors and Turkish Citizens Visiting Turkey by Country, and Tourism Revenues (annualized, million people, billion USD)**



Source: TURKSTAT.

24. In the third quarter of 2011, the average expenditure per foreign visitor increased by 3.4 percent year-on-year and reached USD 568, while the average expenditure per expatriate Turkish citizen visiting Turkey decreased by 5.4 percent and fell to USD 947.

**Average Expenditure (USD/person)**

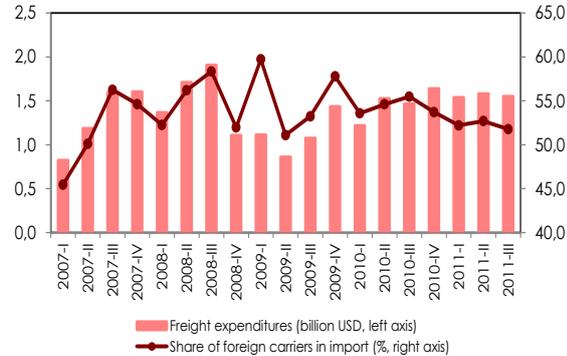


Source: TURKSTAT.

25. In the third quarter of 2011, transportation revenues increased by 25.2 percent year-on-year while transportation expenditures rose by 5.4 percent; thus, net transportation revenues increased by 82.0 percent. The rise in question was mainly driven by the 42.1 percent rise in other transportation revenues composed of services revenues from tickets and food-

beverage. While the share of foreign carriers in imports continued to decline in 2011Q3, the surge in imports pushed freight expenditures up by 5.8 percent.

#### Freight Expenditures in Imports and the Share of Foreign Carriers in Imports (billion USD, percent)

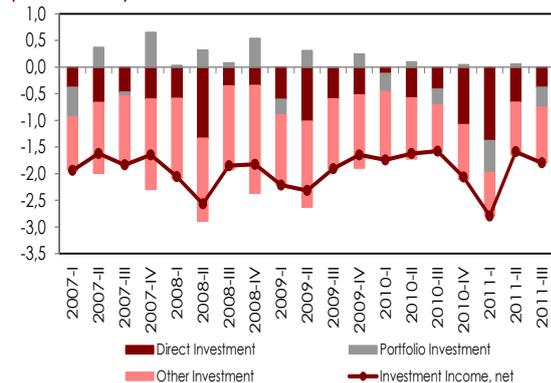


Source: CBT.

### 1.6 Income Account

26. In the third quarter of 2011, net outflows from the income account increased by 13.7 percent year-on-year. Thus, the net investment income account deficit expanded by 4.7 percent year-on-year and became USD 1.8 billion.

#### Composition of Investment Income, net (billion USD)



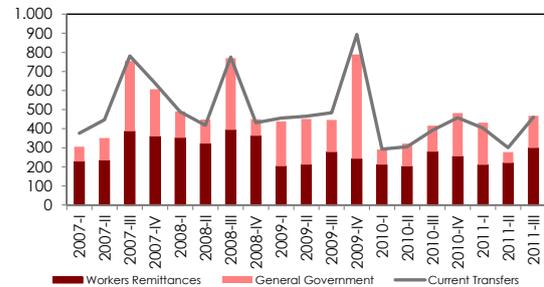
Source: CBT.

### 1.7 Current Transfers

27. Compared to the same period last year, current transfers from abroad posted a rise in the third quarter of 2011. General government revenues, mostly composed of EU funds, increased by 22.6 percent year-on-year and workers' remittances

increased by 28.7 percent year-on-year. Consequently, current transfers were up 10.6 percent year-on-year.

#### Current Transfers and Workers' Remittances (million USD)



Source: CBT.

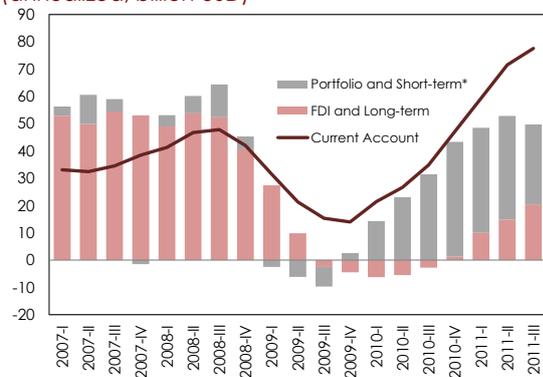


## II. Capital and Financial Account

28. In the third quarter of 2011, capital inflows - excluding changes in reserves (CBT, banks and other sectors) and IMF loans - became USD 10.4 billion. Compared to the third quarter of 2010, other sectors became net borrower in the third quarter of 2011. The main sources of capital inflows have been banks' and other sectors' long and short-term credits, foreign direct investment CBT and deposits of non-resident persons and banks within the banks in Turkey. In this period, the share of portfolio investments and short-term capital inflows in financing resources decreased as opposed to a rise in direct foreign investments and long-term capital inflows.

### Current Account and Its Financing

(annualized, billion USD)



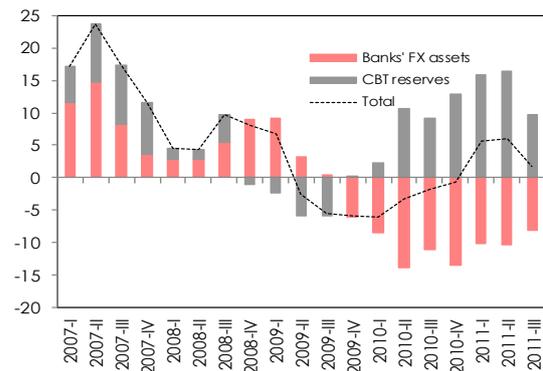
Source: CBT.

\* Short-term capital flows are composed of net loans of the banks and other sector and deposits held within resident banks.

29. Although the required reserves that the banks have to maintain at the CBT increased, CBT reserves dropped by USD 4.3 billion in 2011Q3 due to the FX selling auctions held by the Central Bank and IMF loan repayment of the General Government. In this period, total international reserves decreased by USD 2.7 billion due to the USD 1.6 billion decline in banks' FX assets.

### International Reserves

(annualized, billion USD)



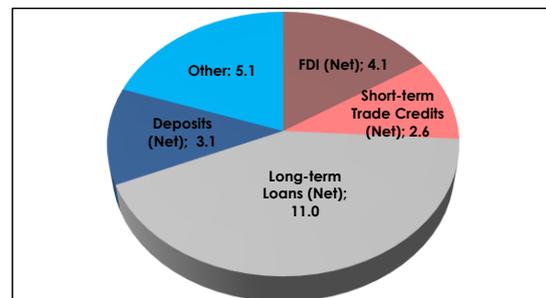
Source: CBT.

Note: (+) increase; (-) decrease

30. In the third quarter of 2011, the financing requirement increased by USD 0.8 billion, posting a limited rise compared to the same quarter in 2010 and became USD 25.9 billion<sup>1</sup>. Long-term loans of banks and other sectors, foreign direct investment, deposits and short-term commercial loans made up the largest part of financing resources.

### Selected Items of Financing Sources\*

(billion USD)



Source: CBT.

\* Represents 2011 Q3 realizations.

31. In line with the mentioned developments in financing sources, debt-creating financing sources were up USD 4.9 billion and non-debt creating financing sources increased by USD 5.0 billion in 2011Q3. In the third quarter of 2010, the mentioned sources had increased by USD 9.4 billion and 4.3 billion, respectively.<sup>2</sup>

<sup>1</sup> Please refer to Annex Tables, "Financing Requirements and Sources".

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

## Box 2

## INTERNATIONAL RESERVES AND FOREIGN CURRENCY LIQUIDITY

International reserves are defined as the sum of gold and the entire assets owned by a country in terms of foreign currency. As these assets might be used in interventions by countries in times of financial turmoil, they are significant for sovereign risk premiums and external borrowing facilities. Therefore, various “adequacy indicators” have been developed and are being monitored closely. This box provides information pertaining to the international reserves data released by the Central Bank and the course of the ratio of the said data to public sector liabilities in foreign currency, with a breakdown of sub-items.

### I. Sources of Data

Reserve assets are classified under the heading of “Assets” in the International Investment Position (IIP), which reports the stock of external financial assets and liabilities of Turkey at a particular point of time, and is published on a monthly basis, in line with the International Monetary Fund (IMF)'s Balance of Payments Manual.<sup>3</sup> Gross reserves under the same heading are calculated by converting related items on CBT's balance sheet into US dollar using the end-of-month exchange rate, whereas gold position is valued based on gold prices quoted in the London market on the last working day of quarterly periods. The said data for the post-1981 period is accessible through CBT's Electronic Data Dissemination System (EDDS) on a monthly basis.

Another data set compiled with regard to international reserves is the “International Reserves and Foreign Currency Liquidity (IRFCL)” table, produced on a monthly basis using CBT and Undersecretariat of Treasury sources in line with coverage, definition and classifications specified in IMF Operational Guidelines. Composed of two main parts, the table includes reserve assets comprising central government's and CBT's foreign currency assets along with predetermined liabilities in foreign currency with a residual maturity of 1 year or less and other contingent drains on foreign currency assets.<sup>4</sup> Predetermined foreign currency liabilities include the following items:

- Principal and interest repayments of foreign currency loans (including bond issues abroad) of the central government (consolidated budget) and the CBT to be made within one year,
- Principal and interest repayments of FX-denominated government papers issued by the Treasury to be made within one year,

<sup>3</sup> For the table, please refer to: [http://www.tcmb.gov.tr/uyp/uyp\\_eng.php](http://www.tcmb.gov.tr/uyp/uyp_eng.php)

<sup>4</sup> For the table, please refer to: <http://www.tcmb.gov.tr/odemedenge/rezerv/reserves.html>.

- Principal and interest repayments of Foreign Currency Deposit Accounts of Residents Abroad within the CBT maturing within one year regardless of original maturity.

Contingent liabilities in foreign currency includes:

- Principal and interest repayments of the public sector's Treasury-guaranteed foreign currency debt to be made within one year.
- Foreign Currency Deposit Accounts of Residents Abroad with a remaining maturity of longer than one year,
- Banks' reserve requirements in foreign currency or gold held with the CBT,
- Of the liabilities of CBT's balance sheet; medium and long-term external loans, letters of credit, and bills and remittances payable.

Data related to gold in the IRFCL data set, which also covers foreign currency payments on reserve assets, is calculated with a more up-to-date approach by using the gold price announced in international markets on the last working day of the respective month. The said table has been prepared on a monthly basis by the CBT since 2002 and published on its website for public use.

## II. Reserve Assets and Liabilities in Foreign Currency

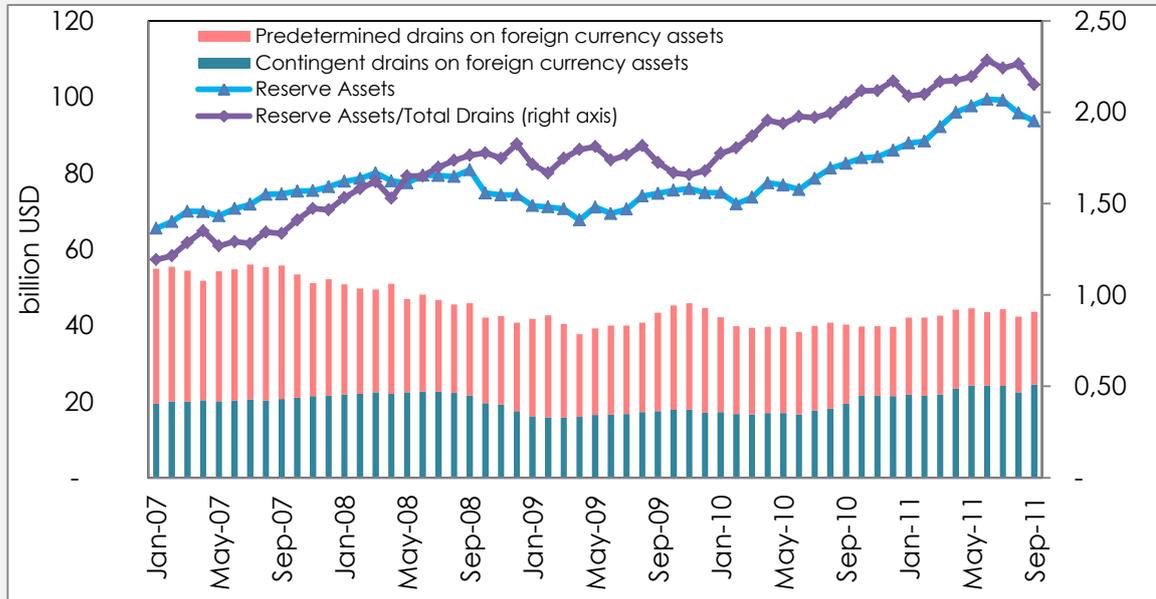
Analysis of the developments in IRFCL components since 2007 points to a horizontal course for contingent liabilities in foreign currency, composed mostly of banks' reserve requirements in foreign currency held within the CBT. Meanwhile, "predetermined liabilities in foreign currency", composed mainly of the central government's external debt payments and payments from Foreign Currency Deposit Accounts, has been on a downward trend parallel to the course of Foreign Currency Deposit Accounts held within the CBT. Overall, the liabilities in the IRFCL were inclined to decline during the period reviewed. However, as can be seen in the chart below, reserve assets have displayed a stable upward trend except for the period starting with the onset of the crisis, i.e. the nine months following September 2008. The said increase is mainly attributed to CBT's transactions against Turkish lira, rather than a surge in assets arising from liabilities in foreign currency.

## III. Conclusion

Reserve adequacy levels, which are monitored mainly as a ratio of short-term liabilities in foreign currency covered by international reserves, are one of the important vulnerability indicators of sovereign economies. Data related to reserve assets and liabilities in foreign currency are compiled and published by the CBT on a regular basis. Development of the said data since January 2007 indicates that public sector's reserve position has strengthened in time and that international reserves, which had been on a par with total liabilities in foreign currency at the beginning of the period under review, reached almost two-fold of the FX liabilities by

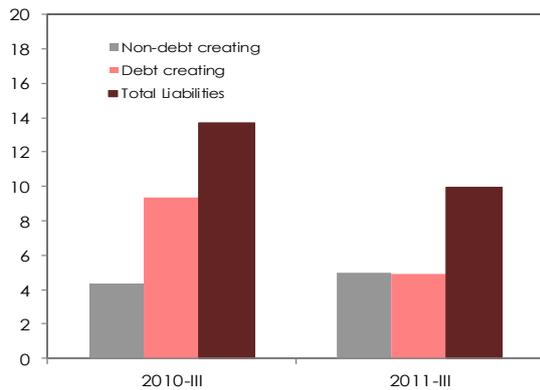
September 2011.

## Reserve Assets and Short-term Net Drains on Foreign Currency Assets



Source: CBT.

### Debt Creating and Non-debt Creating Liabilities Under Financial Account (billion USD)

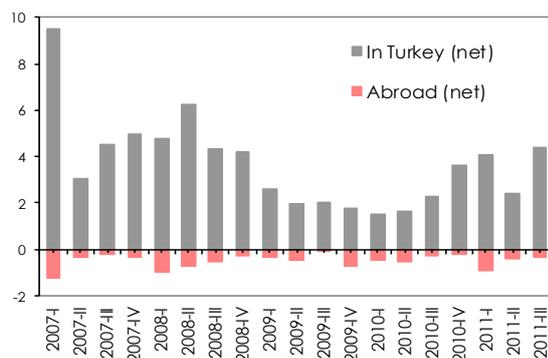


Source: CBT.

### 2.1 Direct Investment

32. With the contribution of USD 4.4 billion worth of inward direct investment realized in the third quarter of 2011, net direct investment became USD 4.1 billion. While USD 0.3 billion of the total sum was comprised of real estate investments, USD 50 million came from capital inflows emanating from loans extended to foreign-capital companies in Turkey by their associates abroad. In this period, residents' investments abroad was recorded as USD 0.3 billion.

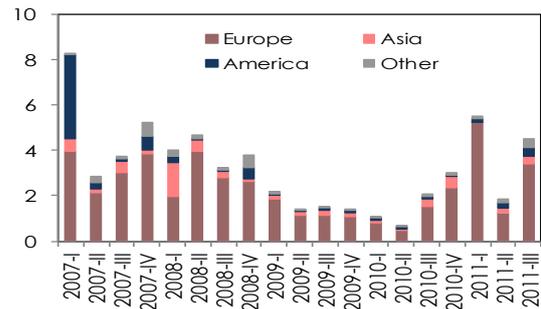
### Direct Investment (billion USD)



Source: CBT.

33. An analysis of the "Direct Investment/In Turkey/Equity Capital/ Inflow" item by countries on a quarterly basis reveals that, except for the first quarter of 2007, the leading investors in Turkey have always been European countries. This trend continued in the third quarter of 2011 as well and the share of European countries became 83.0 percent.

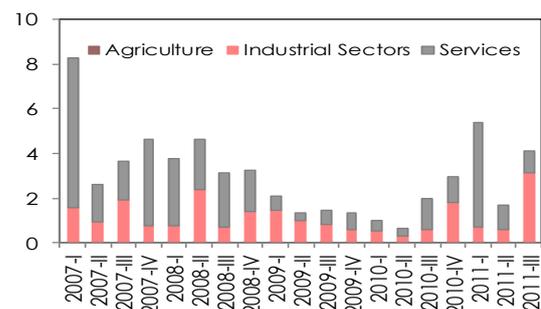
### Direct Investment in Turkey- Geographical Distribution (billion USD)



Source: CBT.

34. An analysis of sectoral shares of non-residents' direct investments in Turkey suggests that almost half of the investments made in the third quarter of 2011 were composed of investments in the energy sector classified under the industrial sector.

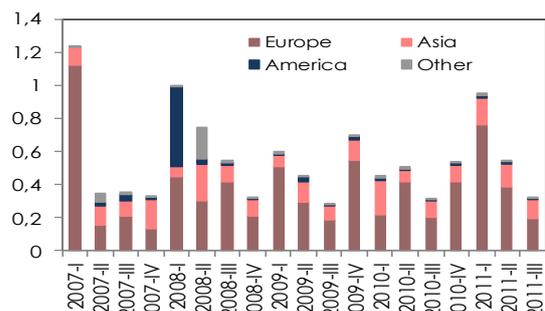
### Direct Investment in Turkey-Sectoral Distribution (billion USD)



Source: CBT.

35. A country-based analysis of the "Direct Investment/Abroad/Outflow" item suggests that the share of European countries, which had fallen to 70.1 percent in the second quarter of 2011, further decreased to 59.2 percent in the third quarter.

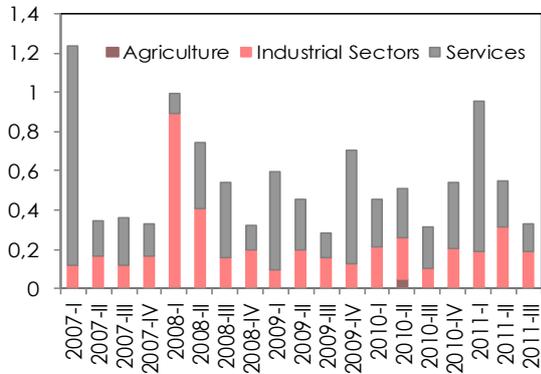
### Direct Investments Abroad -Geographical Distribution (billion USD)



Source: CBT.

36. From the second quarter of the year, industrial investments started to gain weight in investments abroad.

**Direct Investment Abroad - Sectoral Distribution**  
(billion USD)

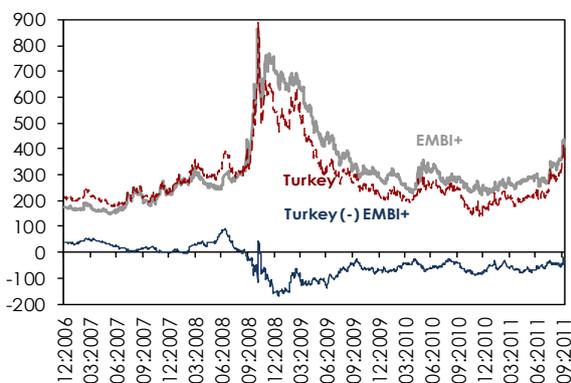


Source: CBT.

2.2 Portfolio Investment

37. In the third quarter of 2011, the debt crisis that affected Greece continued to take its toll by spreading across other countries such as Italy and Spain. Besides, macro-economic data related to both the US and the Euro area added to concerns over global growth and the risk appetite decreased; hence, emerging market economies posted capital outflows. This development resulted in a parallel increase in both the Emerging Markets Bonds Index (EMBI+) and Turkey's risk premiums.

**Secondary Market Spreads and Turkey's Relative Position**  
(basis point)

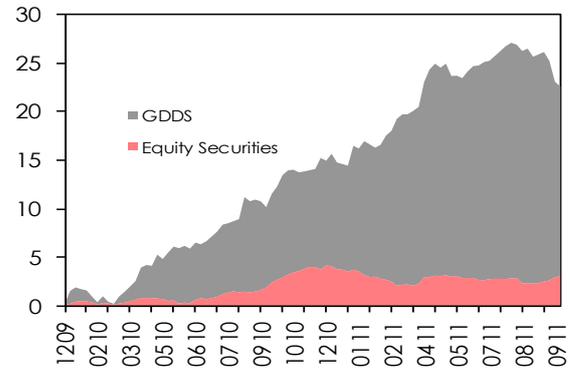


Source: JP Morgan.

38. Net inflows from GDDS (Government Domestic Debt Securities) in the first two quarters of 2011 were replaced by an outflow of USD 3.0 billion in the third

quarter, particularly due to net sales in September. Meanwhile, the stock market, which saw purchases in July and September and sales in August, posted a net inflow of USD 0.3 billion in the third quarter.

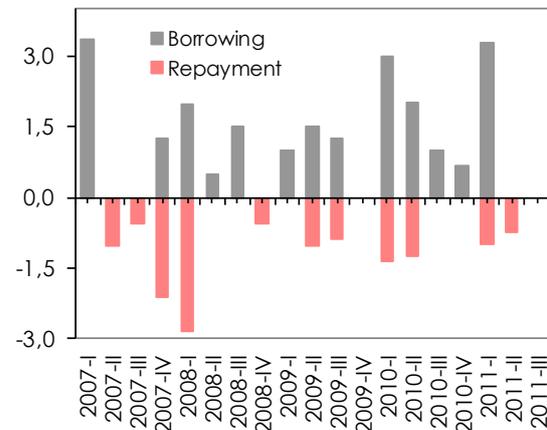
**Non-residents' Security Purchases**  
(billion USD, annualized)



Source: CBT.

39. In the third quarter, the Treasury did not incur a debt or make a repayment with regard to bonds issued abroad.

**Bonds Issued by General Government Abroad**  
(billion USD)

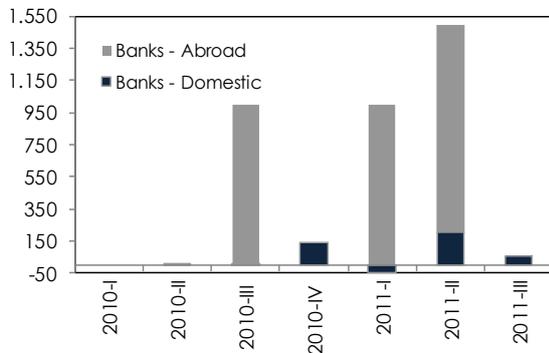


Source: CBT.

40. In the third quarter of 2011, banks did not issue bonds abroad. Upon the Banking Regulation and Supervision Agency's Resolution No: 3875 dated 20 September 2010, allowing deposit banks to issue bonds and bills in the domestic market, issues of bonds and bills by banks have increased since the last quarter of 2010. Of the debt securities issued by the banking sector in the domestic market, the net amount purchased by non-residents and those presented under Portfolio

Investment/ Liabilities/Banks/ Domestic items indicates a purchase of USD 57 million in the third quarter of 2011.

#### Debt Securities Issued by Banks (billion USD)

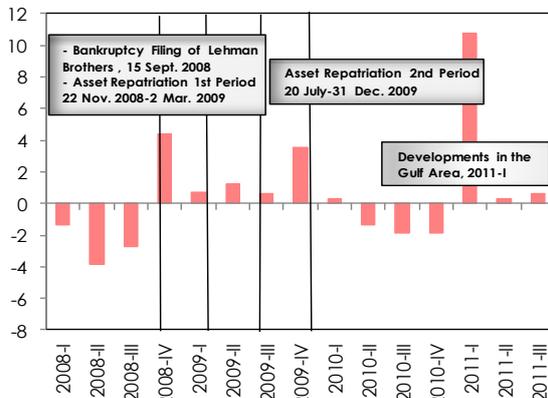


Source: CBT.

### 2.3 Credits and Deposits

41. The data source of "Financial Account / Other Investment / Assets / Currency and Deposits / Other Sectors" item, which shows changes in deposits of other sectors at foreign banks (including foreign branches of domestic banks) is the local banking statistics published by the Bank for International Settlements (BIS). BIS releases these data on a quarterly basis with a lag of about 4 months. Starting with data regarding 2011, data pertaining to banks' foreign branches began to be used as benchmarks until the announcement of the BIS data. In this context, BIS final data for the first two quarters of 2011 indicate that while deposits of other sectors kept abroad decreased by USD 11.0 billion, benchmark data for the third quarter of 2011 suggest a decline of USD 0.6 billion.

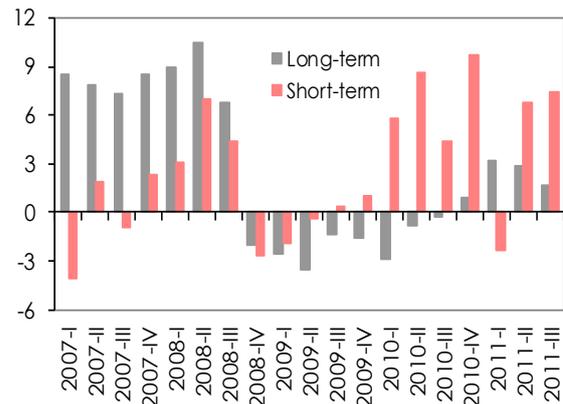
#### Other Sectors' Deposit Assets Abroad (billion USD)



Source: CBT.

42. An analysis of other investment excluding IMF loans and banks' FX assets and deposits reveals that long-term flows, which were outward starting from the last quarter of 2008 due to the global financial crisis, displayed a limited inward trend in the final quarter of 2010, which continued in the third quarter of 2011, albeit with a slower pace compared to the first and second quarters. Meanwhile, short-term flows, inward since the third quarter of 2009 and which posted an outflow of USD 2.3 billion in the first quarter of 2011 on the back of the fall in deposits and experienced an inflow of USD 6.8 billion in the second quarter of 2011 mainly due to the surge in bank loans and trade credits, posted an inflow of USD 7.4 billion in the third quarter due to the increase in deposit liabilities and trade credits.

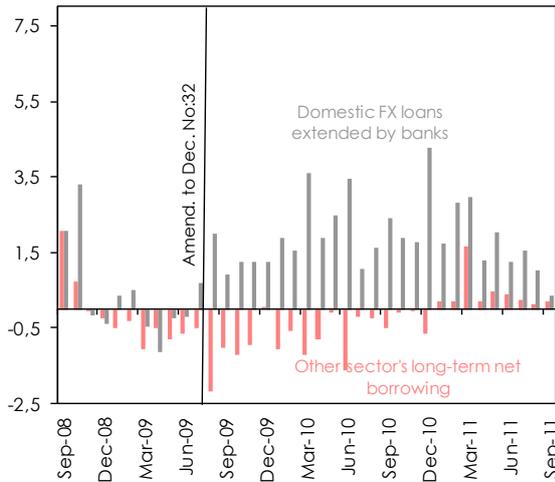
#### Other Investment (billion USD, net)



Source: CBT.

43. Due to the contraction in international credit markets, other sectors, which were net re-payers of debt in the last two years, became net borrowers in the first three quarters of 2011, mainly due to the significant rise in long-term external loans. Meanwhile, other sectors' short-term net borrowing from abroad materialized at a level close to its long-term net borrowing from abroad in the third quarter as in the second quarter of 2011. Moreover, FX borrowings of other sectors from domestic banks continued to decline in this period as well.

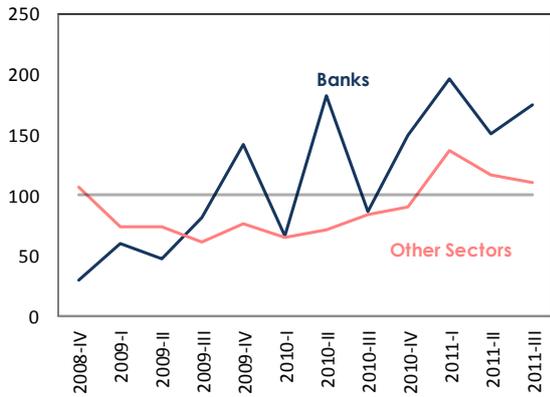
**Other Sector's Long-term Net Borrowing and Banks' Domestic FX Loans**  
(billion USD)



Source: CBT.

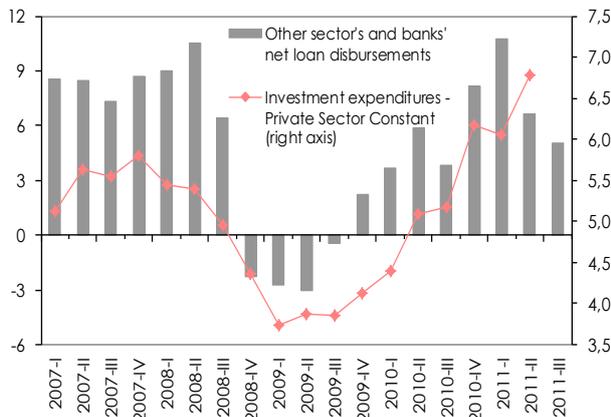
44. In the first three quarters of 2011, banks were net borrowers of long-term loans.

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



Source: CBT.

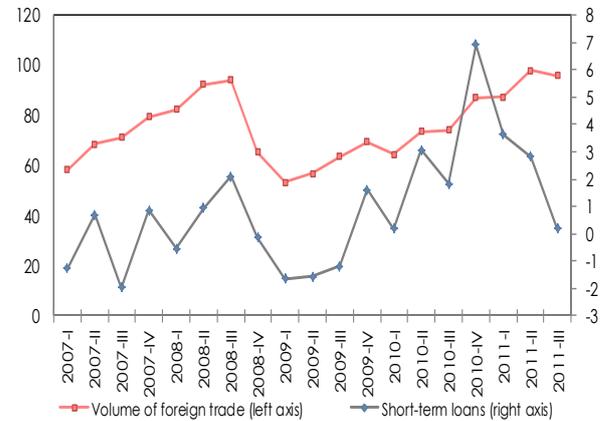
**Net Long-term Loan Utilization and Investment Expenditures of Other Sectors**  
(billion TL, 1998=100, covering the effect of Decree No:32)



Source: CBT.

45. Short-term borrowings of banks from abroad have displayed a significant downward trend since the first quarter of 2011.

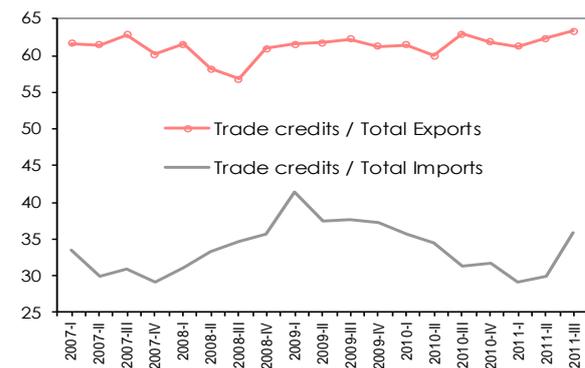
**Short-term Bank Loans**  
(net, billion USD)



Source: CBT.

46. The share of trade credits extended for exports, which followed a relatively flat course in the recent period, increased in the second and third quarters of 2011. Meanwhile, the decline observed in the share of trade credits extended for imports ended in the second quarter and was replaced by a notable increase in the third quarter.

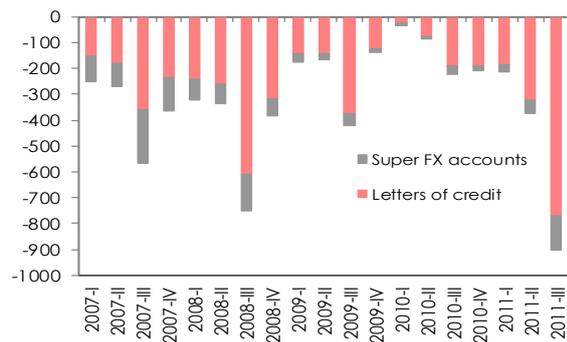
**Ratio of Trade Credits to Exports and Imports (%)**



Source: CBT, TURKSTAT.

47. Outflows from non-resident Turkish workers' long-term FX deposit accounts with letters of credit and super FX accounts at the Central Bank continued at an increased pace in the third quarter of 2011 also due to the interest rate cuts, the latest of which was in October 2010. Outflows from super FX accounts also continued during this period.

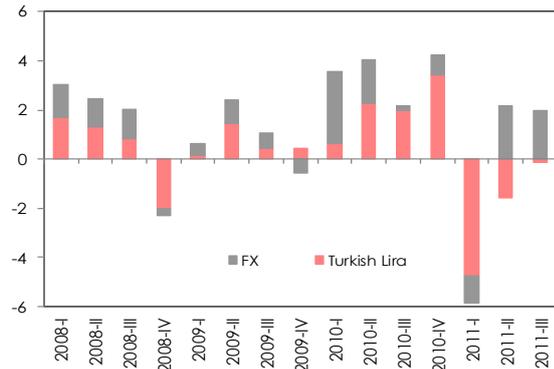
### Deposits within the Central Bank (million USD)



Source: CBT.

48. Non-resident banks' FX deposits in resident banks posted an increase by USD 1.9 billion in the third quarter of 2011. TL deposits declined by USD 0.1 billion in the same period.

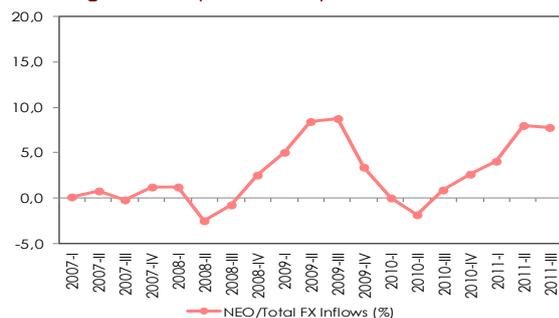
### Deposits of Non-resident Banks within the Domestic Banks - Composition of FX and TL (billion USD)



Source: CBT.

49. The ratio of the net errors and omissions item to total FX inflows calculated as the sum of total exports of goods, services account/credit, income account/credit and current transfers items of the balance of payments became 8.4 percent by the third quarter of 2011.

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



Source: CBT.

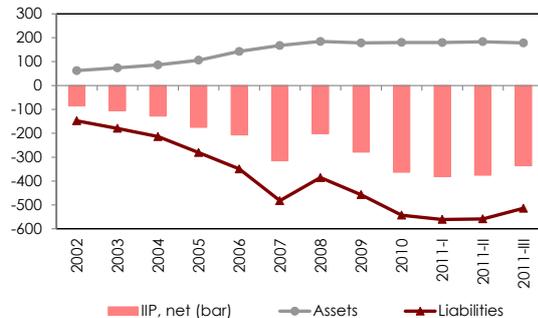


### III. International Investment Position

50. According to the International Investment Position (IIP), which shows the value of financial claims of Turkish residents from non-residents as well as their reserve assets, and that of financial liabilities of Turkish residents to non-residents at a particular point in time -as of the end of the third quarter of 2011 - external assets became USD 178.2 billion, while liabilities against non-residents became USD 514.1 billion.

51. Defined as the difference between Turkey's external assets and liabilities, the net IIP, which was USD 375.4 billion in the second quarter of 2011, became USD 335.8 billion at the end of the third quarter. The determinant of the USD 39.6 billion decrease in the net IIP was the USD 4.8 billion and the USD 44.4 billion decrease in assets and liabilities, respectively.

#### International Investment Position-IIP (billion USD)



Source: CBT.

52. By the end of the third quarter of 2011, TL depreciated against USD by 13.2 percent compared to the end of the second quarter. The same period witnessed a net USD 337 million worth of inflow in equities driven by the balance of payments. Along with these developments, equity stock decreased and materialized as USD 46.0 billion on the back of the 5.7 percent decline in the ISE index.

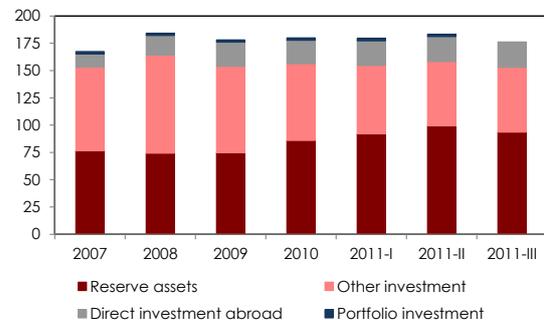
53. Despite the contribution of an inflow of USD 4.4 billion, which stems from the

balance of payments, inward direct investment stock decreased to USD 148.1 billion due to changes in value and exchange effect.

#### 3.1 Assets

54. In the third quarter of 2011, primarily as a result of the decrease in reserve assets, asset stock declined by USD 4.8 billion compared to the end of the second quarter. The composition of asset stock, which was USD 178.3 billion changed to the detriment of reserve assets, and consisted of 53 percent reserve assets, 33 percent other investments, 13 percent outward direct investments and 1 percent portfolio investments.

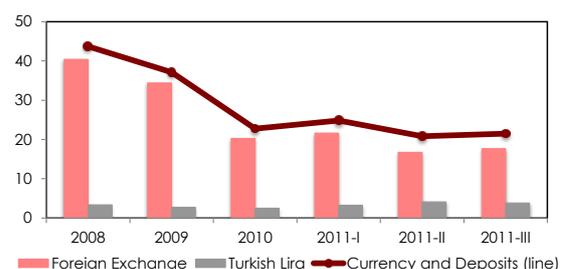
#### Composition of Assets (billion USD)



Source: CBT.

55. FX and TL-denominated currency and deposits of banks, which are among the sub-items of other investments, increased to USD 21.5 billion on the back of USD 1.0 billion surge in foreign currency assets compared to the end of 2011 Q2. In the same context, according to provisional data, other sectors' assets abroad did not display a significant change and became USD 21.3 billion in the third quarter of 2011 (Box 3).

#### FX and TL Composition of the Currency and Deposits abroad of Banks resident in Turkey (billion USD)



Source: CBT.

## Box 3

## TURKEY'S FINANCIAL ASSETS IN TROUBLED PERIPHERAL EURO AREA COUNTRIES

The sovereign debt crisis that emerged in peripheral Euro area countries in the second quarter of 2010 has the potential to spillover to other economies through the financial system. Therefore, the crisis is of particular concern to those countries that have financial assets in the mentioned Euro area countries. This box discusses the extent and nature of financial assets of Turkey in Portugal, Ireland, Italy, Greece and Spain (PIIGS), which have come to the forefront with debt problems in the region.

### I. Source of Data: Locational Banking Statistics

It is essential to monitor micro-financial data at international level in order to ensure financial stability at global level. As a matter of fact, sound and comprehensive data provide a basis for effective decision-making and regulation processes. In this framework, central banks or statistical institutions of member countries of the Bank for International Settlements (BIS), submit quarterly reports to the said Institution regarding total external assets and liabilities of resident real and legal persons providing a breakdown of instrument and country. The Central Bank of the Republic of Turkey (CBT) has been compiling Locational Banking Statistics and reporting related data to the BIS since 2000.<sup>5</sup>

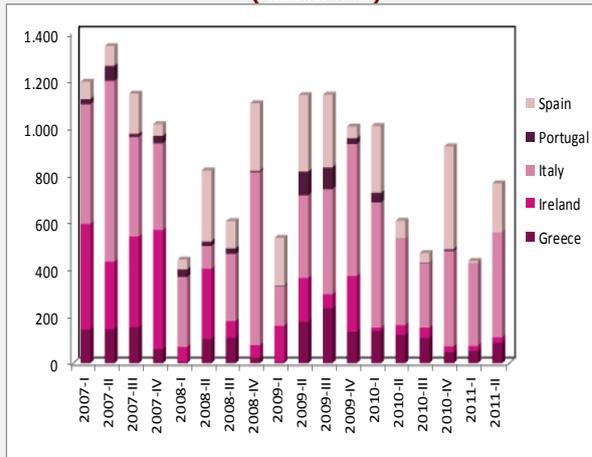
### II. Turkey's Financial Assets: PIIGS

In Locational Banking Statistics, which provide a sectoral breakdown as "banking" and "non-bank", claims are mainly composed of banks' correspondent accounts abroad, credits in foreign currency extended abroad, and holdings of debt securities issued in international markets.

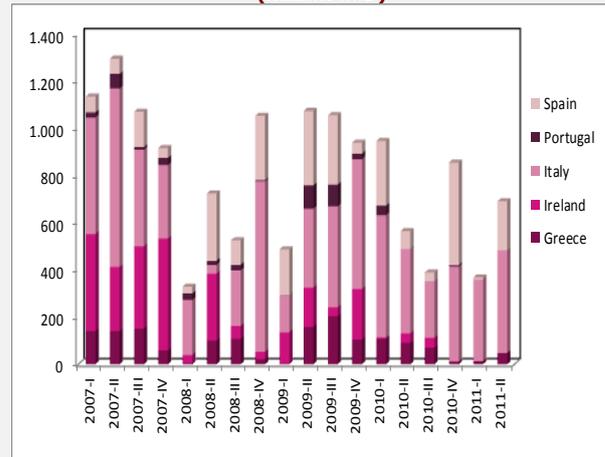
Data regarding overall claims indicate that;

- The stock of foreign currency claims in the said five countries stood at USD 760 million as of the second quarter of 2011. A country-by-country analysis suggests that most of Turkey's claims are in Greece, Italy and Spain. The breakdown of these claims is USD 444 million in Italy, USD 208 million in Spain and USD 86 million in Greece (Chart 6).
- Correspondent accounts abroad are the most noteworthy sub-category due to its size. Accordingly, of USD 760 million of total foreign currency claims, USD 691 million constitutes correspondent accounts in the said countries. A breakdown by country suggests that, by the end of the second quarter of 2011, Turkey's correspondent accounts in Italy, Spain and Greece amount to USD 435 million, USD 208 million and USD 47 million, respectively (Chart 7).

<sup>5</sup> Data is disseminated at CBT's web page under the heading of "BIS Consolidated and Locational Banking Statistics". Please refer to: <http://www.tcmb.gov.tr/odemedenge/bisist/bisistfile2.php>

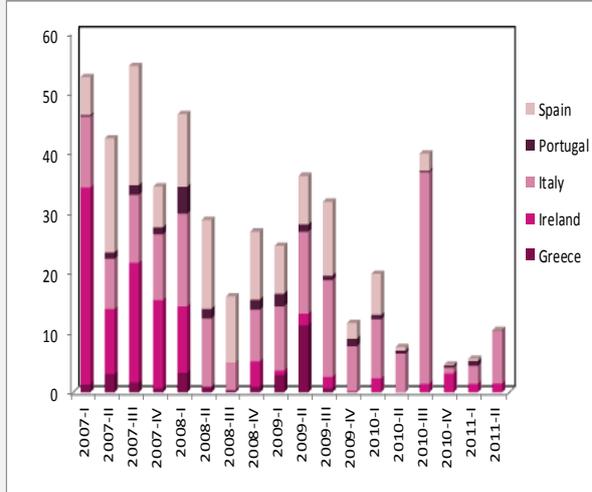
**Chart 6. Total Claims  
(million USD)**

Source: CBT.

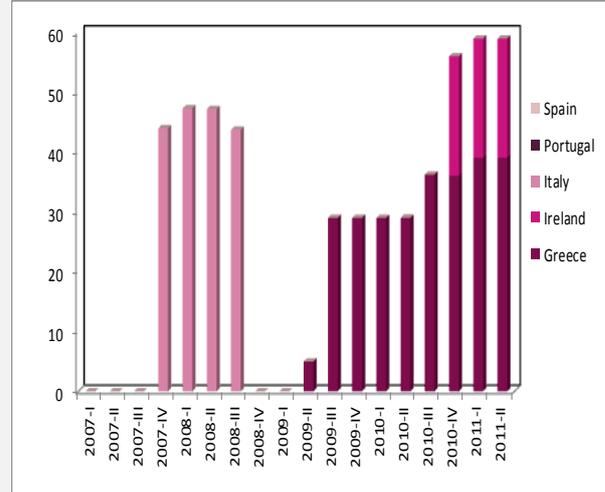
**Chart 7. Correspondent Accounts Abroad  
(million USD)**

Source: CBT.

- Foreign currency credits extended to the banking and non-bank sector abroad totals only USD 10 million (Chart 8).
- Banking and non-bank sector's holdings of debt securities amounted to USD 59 million as of the second quarter of 2011. A breakdown of countries, in which the debt securities were issued, reveals that securities were mainly issued to Greece and Ireland, in amounts of USD 39 million and USD 20 million, respectively (Chart 9).

**Chart 8. Foreign Currency Credits  
(million USD)**

Source: CBT.

**Chart 9. Debt Securities  
(million USD)**

Source: CBT.

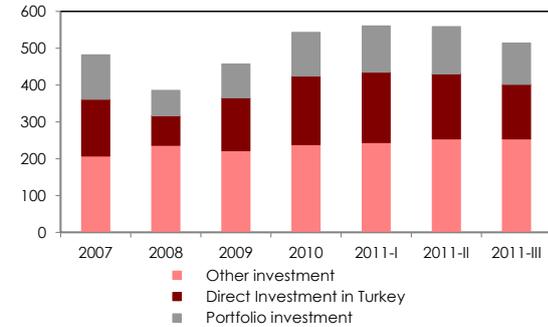
### III. Conclusion

Turkey's financial position in the Euro area peripheral countries exposed to a sovereign debt crisis indicates that almost all the claims are composed of correspondent accounts maintained as liquid assets and which do not bear any interest rate risk. Meanwhile, the total amount of credits and debt securities in these countries is at a negligible level. Therefore, it is considered that a potential PIIGS-driven crisis is likely to affect the Turkish banking system to a limited extent.

### 3.2 Liabilities

56. In the third quarter of 2011, liabilities items posted a decrease of USD 44.4 billion quarter-on-quarter. This decline was mainly attributable to changes in value and exchange rate. Direct investment and portfolio investment declined by USD 29.2 billion and USD 15.5 billion, respectively, while other investment surged by a small margin of USD 224 million. By the end of the second quarter, liabilities stock, at USD 514.1 billion, was made up of trade and other credits (sub-items of other investment) constituting 41 percent; inward direct investment, 29 percent; portfolio investment, 22 percent and 8 percent deposits (sub-item of other investment).

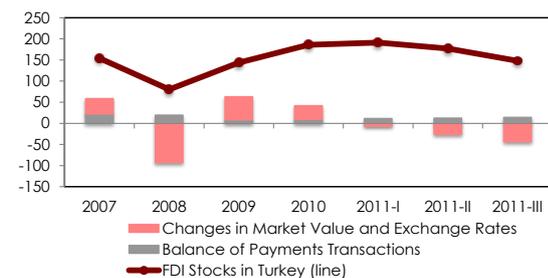
#### Composition of Liabilities (billion USD)



Source: CBT.

57. By the end of the third quarter of 2011, inward direct investment stock decreased by 16.5 percent (USD 29.2 billion) quarter-on-quarter to USD 148.1 billion. In the same period, although inward direct investment posted an inflow of USD 4.4 billion stemming from the balance of payments, depreciation of the Turkish lira against US dollar and the decrease of the ISE National 100 Index became determinants in the said decrease.

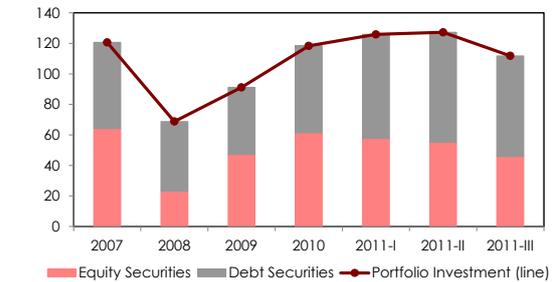
#### Composition of the Changes in FDI Stocks in Turkey (billion USD)



Source: CBT.

58. By the end of the third quarter of 2011, non-residents' equity holdings, which accounts for 41.1 percent of portfolio stocks, became USD 46.0 billion with a decline of 16.8 percent from the previous quarter-end. Non-residents' holdings of GDDS (Government Domestic Debt Securities), which constitutes a sub-item of debt securities stock, became USD 35.3 billion with a decrease of 15.9 percent. Bond stock of the Treasury (minus residents' holdings) became USD 26.8 billion with an increase of 1.8 percent.

#### Composition of Portfolio Investment (billion USD)

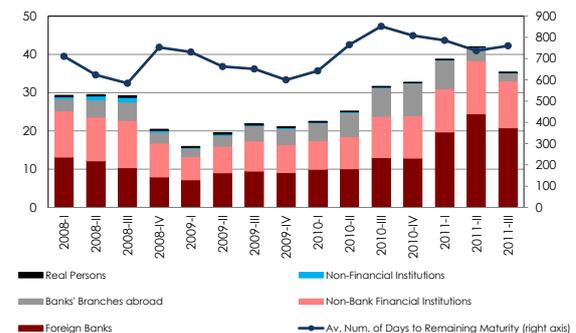


Source: CBT.

59. An analysis of the breakdown of non-residents' GDDS stock by holder for the third quarter indicates a decrease of USD 3.7 billion, USD 1.6 billion and USD 1.3 billion for foreign banks, non-bank financial corporations and foreign branches of domestic banks, respectively, compared to the end of the second quarter. Furthermore, the average number of days to maturity of GDDS held by non-residents, displayed a modest increase in the third quarter of 2011 compared to the end of the second quarter, to materialize as 760 days.

#### Composition of Non-residents' Holdings of Government Domestic Debt Securities (GDDS) by Creditors and Average Number of Days to Remaining Maturity of GDDS (market value, billion USD, weighted)

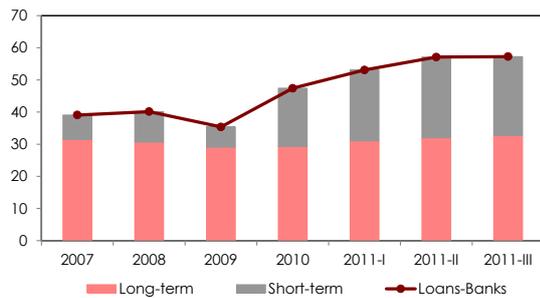
(market value, billion USD, weighted)



Source: CBT.

60. Total external loan stock of banks became USD 57.2 billion in the third quarter of 2011. As a result of an increase of USD 0.7 billion in long-term loan stock and a decrease of USD 0.6 billion in short-term loan stock from the end of the second quarter, total loan stock remained almost unchanged.

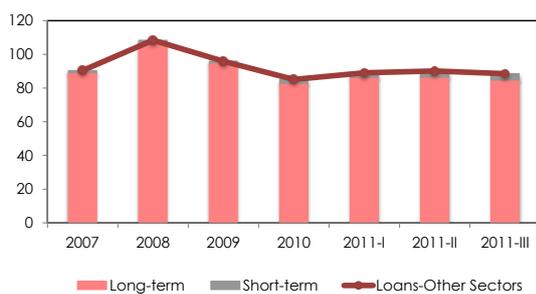
**Long-term and Short-term Composition of Banks' Loan Stocks**  
(billion USD)



Source: CBT.

61. Total external loan stock of the other sectors – which has been on a downward track for the last two years after having recorded historic highs in 2008 – remained relatively flat and became USD 88.6 billion by the end of the third quarter of 2011. The decline seen in this period is attributable to the decrease of USD 1.8 billion in long-term loans.

**Long-term and Short-term Composition of Other Sectors' Loan Stocks**  
(billion USD)

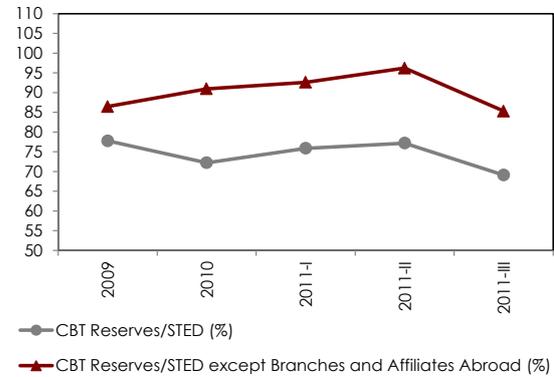


Source: CBT.

62. By the end of the third quarter of 2011, short-term external debt stock on a remaining maturity basis (STED), calculated based on the external debt maturing within 1 year or less regardless of the original maturity, increased by 5.2 percent quarter-on-quarter and by 13.8 percent compared to end-2010, and became USD 135.4 billion. In the same period, while the ratio of CBT reserves to STED was 69.1

percent, the said ratio is calculated as 85.3 percent when branches and affiliates abroad are excluded.

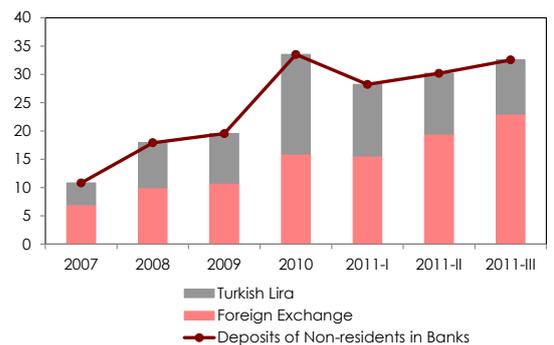
**Ratio of Central Bank's Reserves to Short-Term External Debt Stock On A Remaining Maturity Basis (STED)**



Source: CBT.

63. Compared to the end of the second quarter, deposits of non-residents in Turkey went up by USD 0.9 billion in the third quarter of 2011. The said decline stemmed from a surge of USD 3.6 billion in foreign currency deposits against an outflow of USD 1.2 billion in TL deposits of non-residents at domestic banks. Meanwhile, deposits of Turkish citizens residing abroad held within the Central Bank declined by 12.1 percent and became USD 10.7 billion in the same period.

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



Source: CBT.



## IV. Annex Tables

### CURRENT ACCOUNT (million USD)

	Current Account										
	Net	Foreign Trade			Services		Income		Transfers		
	Net	Exports (FOB)	Shuttle Trade	Imports (CIF)	Net	Travel Revenues	Net	Interest Expenditure	Net	Workers Remittances	
<i>(annual)</i>											
2006	-32.249	-41.056	85.535	6.408	-139.576	13.555	16.853	-6.656	-6.322	1.908	1.111
2007	-38.434	-46.852	107.272	6.002	-170.063	13.283	18.487	-7.108	-7.477	2.243	1.209
2008	-41.959	-53.021	132.028	6.200	-201.964	17.311	21.951	-8.362	-8.677	2.113	1.431
2009	-13.991	-24.850	102.143	4.783	-140.929	16.749	21.250	-8.189	-7.304	2.299	934
2010	-47.099	-56.445	113.883	4.951	-185.544	15.035	20.807	-7.137	-5.425	1.448	948
<i>(quarterly)</i>											
2010 III	-10.249	-16.653	26.997	1.058	-47.156	7.624	8.575	-1.612	-1.163	392	279
IV	-16.889	-18.797	32.169	1.169	-54.991	3.552	5.260	-2.102	-1.370	458	255
2011 I	-21.599	-20.489	31.421	1.050	-56.065	1.320	3.100	-2.833	-1.051	403	210
II	-22.831	-25.509	34.166	1.070	-63.659	4.003	5.372	-1.626	-1.317	301	220
III	-16.226	-24.060	33.915	1.092	-61.937	9.207	9.339	-1.833	-1.361	460	299
<i>(monthly)</i>											
2010 Oct	-3.335	-5.022	10.964	421	-17.297	2.338	2.685	-824	-427	173	88
Nov	-5.975	-6.517	9.382	386	-17.135	894	1.517	-452	-310	100	74
Dec	-7.579	-7.258	11.823	362	-20.559	320	1.058	-826	-633	185	93
2011 Jan	-6.057	-6.067	9.548	323	-16.903	366	933	-578	-308	222	69
Feb	-6.009	-6.147	10.060	319	-17.519	428	909	-373	-330	83	64
Mar	-9.533	-8.275	11.813	408	-21.643	526	1.258	-1.882	-413	98	77
Apr	-7.580	-7.749	11.869	334	-20.952	733	1.315	-625	-440	61	73
May	-7.770	-8.806	10.941	380	-21.104	1.402	1.875	-507	-364	141	85
Jun	-7.481	-8.954	11.356	356	-21.603	1.868	2.182	-494	-513	99	62
Jul	-5.358	-8.014	11.866	329	-21.058	3.162	3.096	-605	-356	99	99
Aug	-4.110	-7.159	11.259	386	-19.675	3.311	3.198	-490	-415	228	102
Sep	-6.758	-8.887	10.790	377	-21.204	2.734	3.045	-738	-590	133	98
<i>(annualized)</i>											
2010 Oct	-38.601	-48.744	111.636	5.011	-175.487	15.249	20.779	-7.035	-5.642	1.929	940
Nov	-42.767	-52.658	112.115	4.993	-180.004	15.198	20.854	-7.012	-5.469	1.705	930
Dec	-47.099	-56.445	113.883	4.951	-185.544	15.035	20.807	-7.137	-5.425	1.448	948
2011 Jan	-50.111	-59.699	115.602	4.868	-190.756	15.131	21.005	-7.113	-5.273	1.570	947
Feb	-53.965	-63.477	117.399	4.730	-196.493	15.330	21.193	-7.378	-5.130	1.560	944
Mar	-59.286	-68.078	119.326	4.555	-203.114	15.434	21.494	-8.200	-4.973	1.558	947
Apr	-62.564	-71.729	121.799	4.491	-209.123	15.888	21.765	-8.256	-4.985	1.533	953
May	-67.442	-76.896	122.940	4.423	-215.501	16.163	22.039	-8.284	-4.908	1.575	968
Jun	-71.568	-81.448	124.753	4.347	-221.871	16.499	22.307	-8.173	-4.901	1.554	964
Jul	-73.415	-84.116	127.054	4.347	-226.851	17.310	22.662	-8.158	-4.913	1.549	975
Aug	-74.561	-85.613	129.790	4.338	-231.092	17.748	22.662	-8.331	-4.955	1.635	984
Sep	-77.545	-88.855	131.671	4.381	-236.652	18.082	23.071	-8.394	-5.099	1.622	984

Source: CBT.

## CAPITAL AND FINANCIAL ACCOUNT (million USD)

Capital and Financial Account																	
Net	Foreign Direct Investment	Net	Portfolio Investment				Net	Currency and Deposits	Net	Other Investment							
			Assets	Liabilities		Liabilities				Trade Credits	Credits			Deposits			
				Equity Securities	Debt Securities						Monetary Authority	Banks	Other Sectors	Monetary Authority	Banks		
																Credits	
																Deposits	
(annual)																	
2006	32.064	19.261	7.415	-3.987	1.939	9.463	11.502	-10.293	24.981	674	-5.223	5.814	18.812	-1.268	5.890		
2007	36.677	19.941	833	-1.947	5.138	-2.358	23.943	-3.526	28.912	4.150	-3.901	5.609	26.025	-1.450	-1.873		
2008	37.256	16.955	-5.014	-1.244	716	-4.486	24.318	-9.831	36.376	1.590	3.443	3.267	23.258	-1.791	6.190		
2009	8.925	6.858	227	-2.711	2.827	111	1.993	6.684	-8.992	-1.095	922	-4.450	-10.375	-901	4.964		
2010	42.909	7.620	16.093	-3.524	3.468	16.149	32.061	13.597	24.955	2.140	1.405	12.895	-5.737	-553	14.341		
(quarterly)																	
2010 III	6.912	2.003	5.154	-2.608	1.803	5.959	2.181	741	3.657	-467	438	1.473	-577	-225	2.756		
IV	14.856	3.408	3.017	-1.133	914	3.236	12.766	4.741	11.622	2.169	41	7.977	-393	-207	2.044		
2011 I	18.351	3.142	9.334	747	-1.281	9.868	9.797	-1.243	764	-498	-347	4.860	2.512	-215	-5.561		
II	17.467	2.028	7.764	1.579	495	5.690	13.509	4.219	9.620	1.760	520	3.846	2.053	-373	1.598		
III	12.573	4.093	-2.734	-131	337	-2.940	6.851	-1.823	8.122	2.423	-526	1.736	1.151	-902	3.954		
(monthly)																	
2010 Oct	3.755	774	1.972	-480	969	1.483	1.932	1.180	2.748	575	6	2.960	-57	-79	-683		
Nov	3.422	731	1.054	-846	730	1.170	3.585	1.459	1.944	579	-429	1.350	-11	-66	545		
Dec	7.679	1.903	-9	193	-785	583	7.249	2.102	6.930	1.015	464	3.667	-325	-62	2.182		
2011 Jan	4.499	-188	2.239	218	-630	2.651	3.311	624	391	-234	45	1.128	411	-68	-894		
Feb	5.132	611	2.279	502	-554	2.331	2.201	-1.368	-3.094	-688	-241	6	265	-53	-2.395		
Mar	8.720	2.719	4.816	27	-97	4.886	4.285	-499	3.467	424	-151	3.726	1.836	-94	-2.272		
Apr	8.012	559	5.333	-285	825	4.793	3.334	2.522	1.237	627	-546	-888	455	-88	1.648		
May	3.846	798	372	1.157	-193	-592	5.709	129	5.153	653	-186	3.055	958	-129	722		
Jun	5.609	671	2.059	707	-137	1.489	4.466	1.568	3.230	480	1.252	1.679	640	-156	-772		
Jul	3.998	2.535	2.033	194	114	1.725	-1.235	-3.654	2.921	382	187	267	478	-246	1.736		
Aug	4.444	768	-1.519	-183	-546	-790	766	-1.937	3.008	1.020	-660	98	480	-336	2.315		
Sep	4.131	790	-3.248	-142	769	-3.875	7.320	3.768	2.193	1.021	-53	1.371	193	-320	-97		
(annualized)																	
2010 Oct	36.358	5.485	14.518	-3.487	4.303	13.702	26.563	10.705	18.427	975	1.429	10.244	-6.571	-487	12.363		
Nov	37.706	5.858	15.448	-3.812	4.892	14.368	29.075	12.366	20.600	1.302	1.110	11.389	-5.394	-522	12.251		
Dec	42.909	7.620	16.093	-3.524	3.468	16.149	32.061	13.597	24.955	2.140	1.405	12.895	-5.737	-553	14.341		
2011 Jan	46.362	7.047	16.617	-1.654	2.428	15.843	35.678	13.070	27.876	2.298	1.108	15.066	-4.351	-613	13.898		
Feb	48.689	7.249	20.754	-1.840	2.076	20.518	35.342	11.492	23.210	2.051	859	15.027	-3.608	-654	9.058		
Mar	52.527	9.691	22.632	-1.992	1.609	23.015	36.091	9.729	23.360	1.845	618	17.998	-645	-732	3.808		
Apr	53.337	9.860	22.707	-2.434	2.297	22.844	33.670	7.643	22.697	1.892	-687	15.603	521	-793	5.690		
May	56.083	10.484	22.501	-1.686	2.605	21.582	37.258	7.384	25.481	2.676	-859	17.206	1.473	-897	5.393		
Jun	57.586	10.581	25.269	-1.415	1.931	24.753	38.253	8.458	25.663	2.964	652	18.156	3.595	-1.020	837		
Jul	59.330	11.981	23.771	-780	1.474	23.077	38.827	8.390	25.521	3.574	910	19.198	4.040	-1.201	-1.499		
Aug	62.795	12.199	19.630	-180	914	18.896	38.412	5.114	28.489	4.745	-614	18.382	4.535	-1.432	2.377		
Sep	63.247	12.671	17.381	1.062	465	15.854	42.923	5.894	30.128	5.854	-312	18.419	5.323	-1.697	2.035		

Source: CBI.

## EXPORTS INDICES

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

	2007				2007	2008				2008	2009				2009	2010				2010	2011		
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III
Total	9.0	9.4	12.4	20.0	13.1	20.7	23.6	24.3	-4.5	16.0	-19.0	-22.4	-21.1	-0.1	-16.6	9.7	6.2	1.5	3.2	4.7	11.2	17.0	14.5
Capital Goods	12.4	10.3	11.3	17.3	13.0	16.0	17.1	12.5	-3.2	10.8	-7.0	-9.1	-5.9	5.2	-5.0	0.1	-7.6	-7.5	-3.5	-3.7	3.3	14.0	9.4
Intermediate Goods	14.3	14.0	11.8	16.7	14.3	21.8	27.7	36.6	-1.2	22.0	-20.1	-29.3	-31.6	-6.8	-23.5	8.2	11.7	5.0	6.7	7.2	15.0	18.7	17.7
Consumption Goods	3.2	4.1	12.6	23.0	11.4	20.8	21.0	13.3	-8.6	10.4	-14.8	-16.0	-10.1	7.8	-8.4	8.1	2.7	0.7	0.9	2.7	8.2	16.6	11.8
Selected Items (ISIC Rev.3):																							
Motor vehicles and trailers	9.7	4.3	7.5	12.6	8.5	13.0	14.3	9.6	-5.1	8.4	-9.2	-8.4	-4.7	5.5	-5.0	3.3	-7.9	-6.1	-4.9	-4.1	0.3	12.6	7.2
Manufacture of basic metals	24.1	26.4	13.0	12.2	18.7	27.2	41.4	79.5	8.0	43.0	-29.4	-46.7	-54.8	-20.8	-42.4	9.6	30.9	17.5	18.0	19.3	24.5	16.2	24.8
Wearing apparel	0.3	0.9	12.2	17.3	7.4	19.8	19.3	9.1	-9.9	10.0	-6.4	-18.3	-10.3	6.5	-10.5	4.1	11	-13	0.9	0.7	12.7	23.1	14.1
Textiles	7.7	7.8	10.6	14.7	10.3	11.9	12.2	7.9	-7.6	5.7	-11.6	-13.7	-9.8	3.9	-7.9	4.8	4.1	4.9	7.5	5.3	18.2	26.2	14.4
Manufacture of mach. and equip.	12.4	13.5	13.3	17.7	14.4	16.5	17.5	13.9	-4.5	10.3	-10.6	-13.8	-9.0	4.0	-7.5	3.2	-2.1	-5.2	-13	-13	3.4	14.4	9.7
Food products and beverages	-1.3	3.5	21.1	39.4	16.5	46.0	44.2	26.7	-3.5	24.6	-19.5	-23.5	-19.1	-3.8	-16.2	2.9	2.5	3.5	9.0	4.9	17.8	24.4	16.7
Chemicals and chemical products	8.3	7.5	7.7	12.8	9.0	17.1	18.8	19.9	4.6	16.2	-8.9	-13.5	-15	-0.3	-8.6	6.3	8.0	2.6	2.8	4.5	9.9	14.6	12.6
Manufaco fab. metal prod(exc mach.)	17.5	14.0	12.3	13.7	14.8	18.1	21.0	24.4	4.6	16.4	-7.6	-16.2	-21.1	-6.3	-13.3	-2.3	-2.8	0.4	-1.7	-1.6	5.7	14.4	10.2
Rubber and plastic products	9.5	8.8	12.8	17.8	11.9	17.8	17.4	16.3	13	12.9	-7.5	-9.9	-11.9	-13	-7.8	-0.7	-2.6	12	0.7	-0.3	10.5	19.8	13.6
Electrical machinery and apparatus	19.9	13.9	11.1	13.2	14.0	17.1	18.0	12.5	-2.1	10.9	-12.6	-16.9	-12.2	2.9	-9.8	5.1	0.8	-2.8	-1.6	1.8	10.5	13.5	12.6
Petroleum products and nuclear fuel	-5.2	5.2	7.4	49.8	16.6	62.0	60.4	67.8	-24.7	35.5	-44.5	-48.0	-44.2	13.1	-33.8	52.8	32.8	12.5	13.5	20.9	24.3	42.6	44.6
Other non-metallic minerals	4.9	5.9	9.1	12.7	8.3	14.5	20.8	12.5	-5.1	10.8	-12.7	-21.6	-16.6	-3.8	-14.6	-0.2	0.2	-1.7	-1.8	-0.9	13	6.6	6.3
Furniture	64.0	57.8	61.0	74.3	64.9	26.9	26.9	26.0	3.0	19.5	-4.2	-3.3	-1.0	16.0	1.7	18.1	11.7	10.8	14.8	14.2	16.1	22.1	25.0
Agriculture and farming of animals	-3.9	3.9	25.2	43.5	20.4	22.6	20.5	-3.5	-18.3	-2.0	-12.4	-16.9	14.5	12.4	2.9	19.2	19.5	-3.5	2.3	3.3	4.8	7.3	11.2

Source: TURKSTAT.

## Quantity Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011		
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III
Total	14.4	13.5	10.8	7.4	11.1	18.3	9.1	9.8	-9.1	6.2	-8.8	-15.9	-11.8	8.5	-7.2	-3.2	16.4	4.8	7.4	7.0	9.0	1.8	9.7
Capital Goods	39.1	25.5	34.5	27.8	31.2	23.6	25.2	16.1	-20.6	9.8	-40.8	-38.1	-33.1	-0.5	-30.0	15.5	16.6	10.5	3.7	10.6	12.4	8.4	19.7
Intermediate Goods	14.9	15.9	13.9	13.5	14.5	29.4	14.5	15.1	-3.3	12.4	0.7	-14.8	-11.7	10.0	-4.0	-13.5	21.0	7.2	8.7	6.4	9.8	0.1	9.6
Consumption Goods	10.6	7.7	3.0	-2.5	4.2	4.7	-2.7	0.4	-11.8	-2.4	-16.2	-9.4	-3.9	8.7	-5.5	14.2	12.1	0.8	7.2	8.5	8.1	1.6	7.5
Selected Items (ISIC Rev.3):																							
Motor vehicles and trailers	26.1	24.8	21.0	23.0	23.6	34.9	16.8	12.1	-37.1	4.9	-50.6	-43.1	-27.8	26.4	-29.9	50.1	24.9	5.9	7.4	19.9	7.7	9.3	17.3
Manufacture of basic metals	5.9	16.9	6.1	17.2	11.4	77.8	23.0	24.5	12.4	28.0	53.6	-8.9	-16.6	7.1	16.3	-54.1	20.1	-5.2	-2.8	-19.7	3.3	-14.5	11.2
Wearing apparel	13.5	18.6	3.0	-2.2	8.0	-2.9	-16.9	-9.5	-16.8	-11.4	-14.6	-5.7	-12.0	7.4	-6.7	8.1	11.0	12.0	7.0	10.1	0.4	-4.5	-14
Textiles	9.0	6.4	6.1	2.3	5.8	7.9	11	-0.4	-10.2	-0.9	-21.6	-13.1	-7.8	9.0	-8.3	16.7	10.4	4.6	4.9	8.7	5.1	4.3	5.9
Manufacture of mach. and equip.	27.0	20.3	14.8	8.8	16.8	16.6	14.4	13.8	-2.3	10.6	-15.4	-16.5	-13.4	4.9	-10.7	9.1	18.4	16.7	11.4	13.9	17.7	10.5	12.7
Food products and beverages	9.7	15	7.1	-5.5	2.4	-7.8	-4.0	4.6	8.5	0.7	16.2	21.0	2.2	2.9	9.3	0.5	4.2	10.3	15.0	7.9	12.1	16.3	18.0
Chemicals and chemical products	10.4	5.6	5.3	6.8	7.0	12.7	13.6	14.9	-12.0	6.9	-22.2	-11.1	-8.8	23.2	-5.8	42.8	22.8	21.8	24.2	26.9	10.5	12.1	7.6
Manufaco fab. metal prod(exc mach.)	12.8	18.8	8.7	7.2	10.8	20.9	21.4	13.1	-8.4	11.7	-18.8	-19.0	-4.6	19.4	-6.8	16.7	18.0	8.1	10.7	13.1	22.2	12.7	16.8
Rubber and plastic products	27.4	22.0	12.5	6.5	16.6	9.3	10.1	14.8	-5.9	7.1	-19.0	-13.5	-9.6	13.7	-7.9	28.1	25.1	14.5	20.3	21.4	21.6	14.3	14.2
Electrical machinery and apparatus	37.4	33.9	25.9	18.7	27.8	16.0	12.0	13.8	-3.4	9.2	-12.8	-16.6	-14.5	9.6	-8.6	10.4	29.2	16.8	18.0	17.8	19.2	4.9	16.4
Petroleum products and nuclear fuel	23.1	19.1	21.7	34.9	25.2	23.5	8.4	24.3	-9.9	9.8	-48.2	-25.0	-11.4	-16.6	-25.2	17.0	2.1	-31.9	4.4	3.1	36.0	12.0	16.4
Other non-metallic minerals	10.6	10.7	12.1	15.9	12.3	13.3	30.9	15.3	-0.1	14.9	-2.1	-7.4	4.6	16.9	2.1	17.3	5.7	0.7	5.8	6.8	-2.0	-2.3	1.7
Furniture	-19.6	-14.1	-18.0	-26.2	-20.1	-1.6	-8.0	-13	-10.3	-5.3	-25.7	-20.8	-23.3	-17.6	-21.8	5.8	4.1	-2.7	7.2	7.5	9.0	2.0	2.5
Agriculture and farming of animals	12.7	-16.8	-18.8	-12.1	-10.6	-14.8	0.8	14.5	17.5	7.7	18.3	17.0	6.6	4.8	7.7	4.6	15.0	14.2	-5.8	10.0	8.2	-15.0	-14.1

Source: TURKSTAT.

## IMPORTS INDICES

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

	2007				2007	2008				2008	2009				2009	2010				2010	2011		
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III
Total	8.3	7.2	7.0	15.7	9.8	22.8	28.5	29.6	2.3	20.6	-16.8	-27.1	-25.9	-7.1	-20.1	7.8	13.3	6.9	7.5	9.0	14.1	19.4	19.6
Capital Goods	5.8	5.1	5.1	10.4	6.8	9.9	7.4	5.4	-7.3	3.5	-9.3	-14.6	-4.3	5.6	-6.4	2.0	3.8	-8.0	-6.8	-1.5	-1.3	7.7	8.9
Intermediate Goods	9.9	8.0	7.8	17.2	10.8	26.8	35.5	37.7	6.6	26.5	-18.5	-31.5	-31.5	-12.2	-24.4	8.8	18.2	12.1	13.0	13.2	19.3	23.6	23.7
Consumption Goods	4.3	6.4	4.5	12.7	7.8	16.3	14.6	12.9	-5.8	8.8	-12.3	-11.5	-8.5	7.1	-6.9	6.3	-1.4	-4.1	-2.5	-1.0	2.6	10.5	8.3
Selected Items (ISIC Rev. 3):																							
Chemicals and chemical products	6.3	7.0	8.1	12.5	8.6	19.0	19.5	21.9	1.8	15.3	-23.1	-25.2	-26.9	-12.1	-22.3	10.9	10.4	7.8	8.3	9.1	12.6	20.0	15.8
Crude oil and natural gas	-13	-3.3	1.9	27.2	6.1	50.3	66.1	57.5	11.4	45.4	-24.9	-44.7	-42.7	-21.1	-34.6	10.2	31.0	16.7	14.6	18.1	21.8	32.5	37.6
Manufacture of basic metals	26.0	16.5	11.5	15.3	16.3	20.3	28.7	38.4	7.3	24.5	-20.3	-33.0	-33.4	-11.9	-25.6	17.4	28.5	19.6	20.5	21.3	22.4	20.2	23.3
Manufacture of machinery and equip.	7.5	10	2.4	9.8	5.3	10.2	14.1	11.4	-4.4	7.4	-6.6	-11.2	-6.0	6.4	-6.5	-0.8	-5.1	-11.4	-9.4	-5.4	-17	9.0	7.4
Coke, petro. products and nuclear fuel	-3.9	5.1	6.9	40.4	12.4	58.3	64.0	61.7	-7.0	40.2	-46.6	-52.7	-47.3	-14.9	-41.9	45.3	43.6	17.0	19.1	29.0	30.4	41.1	41.1
Motor vehicles and trailers	8.7	6.9	5.1	10.1	8.6	12.8	12.2	7.5	-8.1	5.6	-6.2	-8.0	-0.9	12.1	-1.4	-0.7	-8.0	-8.9	-4.6	-5.6	3.5	15.0	8.6
Electrical machinery and apparatus	-4.2	-2.2	6.2	12.4	3.5	10.5	11.0	1.9	-10.3	3.0	-2.8	-13.0	-4.7	7.1	-6.3	4.9	3.4	-7.2	-3.8	-0.3	-2.6	-0.1	3.4
Agriculture and farming of animals	6.2	8.8	11.3	24.5	13.0	38.6	45.9	39.3	8.5	32.5	-14.3	-25.8	-20.6	-3.9	-16.5	14.2	24.1	19.9	32.5	20.9	40.3	42.2	38.6
Waste and scrap (Wholesale and retail)	31.4	32.4	20.0	25.6	26.2	40.2	64.7	102.4	-0.2	56.2	-34.2	-55.7	-58.9	-13.8	-46.2	20.4	66.1	27.0	30.7	35.8	38.9	11.9	33.7
Textiles	5.6	3.5	2.9	5.2	4.2	7.5	8.2	5.5	-0.9	5.0	-2.2	-2.9	-3.9	1.0	-2.3	3.1	3.5	7.1	8.6	6.1	16.1	19.2	13.7
Communication and apparatus	5.3	13.7	4.0	12.1	8.7	12.8	11	8.6	3.2	5.1	4.6	-8.9	11.8	9.2	9.2	6.0	21.7	-6.9	2.3	3.7	-2.7	10.9	14.9
Medical, precision and opt. instr., watch	3.3	7.4	16.0	2.0	7.3	0.4	3.1	-4.0	-14.3	-4.3	-8.4	-14.7	-7.0	3.8	-7.3	2.1	-2.5	-5.9	-6.5	-2.7	3.7	12.2	7.5
Rubber and plastic products	9.7	7.1	6.2	14.5	9.6	14.2	15.6	12.7	-2.8	9.7	-5.2	-9.9	-5.3	6.8	-3.6	3.2	0.1	-0.9	2.4	0.6	4.8	16.0	11.2
Man. of fab. metal prod(exc mach)	11.1	2.3	1.3	8.7	6.4	13.1	16.4	12.4	-3.3	8.6	-4.1	-5.6	-3.3	10.7	-1.9	-2.4	-7.8	-6.5	-7.3	-4.7	1.0	10.5	9.4
Paper and paper products	11.3	8.3	8.4	11.8	9.9	12.2	13.4	11.8	0.8	9.5	-11.5	-21.0	-23.2	-11.8	-17.4	-2.2	9.7	20.2	17.7	11.4	15.3	14.5	5.3

Source: TURKSTAT.

## Quantity Index (2003=100, Annual % Change)

	2007				2007	2008				2008	2009				2009	2010				2010	2011		
	I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III	IV		I	II	III
Total	10.1	8.3	16.2	16.6	12.8	13.7	4.7	0.4	-22.3	-1.5	-29.4	-18.9	-10.7	13.1	-12.7	23.7	18.3	15.6	26.6	20.5	27.6	18.5	9.2
Capital Goods	-0.5	9.0	20.5	25.2	14.2	24.0	4.3	2.0	-19.1	0.1	-30.5	-16.9	-19.4	-5.6	-18.2	21.9	20.4	33.4	71.2	36.3	53.2	52.0	19.1
Intermediate Goods	14.6	10.2	15.4	13.5	13.3	10.1	3.4	-0.2	-24.2	-2.9	-30.9	-20.9	-10.1	16.9	-13.4	24.3	17.6	10.4	17.1	16.4	21.1	11.2	8.3
Consumption Goods	-4.0	-7.2	17.0	31.3	8.5	25.6	17.7	3.5	-16.5	5.6	-20.7	-8.3	-3.9	20.8	-3.7	29.4	23.1	29.0	35.4	29.4	39.3	26.8	6.1
Selected Items (ISIC Rev. 3):																							
Chemicals and chemical products	10.4	13.0	12.6	11.9	12.0	9.5	3.6	-0.5	-16.6	-0.9	-16.8	-9.6	9.0	29.5	1.8	27.2	23.3	5.8	11.2	15.8	20.0	9.3	2.6
Crude oil and natural gas	19.3	5.7	2.9	1.0	6.9	2.4	1.7	6.9	-15.2	-1.8	-24.7	-23.9	-20.5	-8.4	-19.5	1.3	7.4	7.0	26.6	10.3	25.5	12.3	7.3
Manufacture of basic metals	19.4	9.7	29.4	13.2	18.0	11.0	-2.5	-0.4	-42.9	-7.8	-52.1	-40.4	-33.4	23.3	-32.6	36.5	13.2	8.9	11.7	15.5	29.2	13.4	28.9
Manufacture of machinery and equip.	7.9	14.0	14.5	22.3	14.8	13.0	-5.1	-8.0	-25.2	-7.4	-32.0	-22.9	-25.0	-8.7	-21.2	16.4	21.3	51.9	42.5	30.8	45.3	53.9	17.7
Coke, petro. products and nuclear fuel	9.2	0.0	21.7	29.5	14.7	5.5	21.3	-7.1	-4.1	4.0	18.7	24.7	40.0	39.7	30.0	11.2	1.9	-6.0	6.5	2.2	-5.8	-7.4	8.8
Motor vehicles and trailers	-10.8	-11.4	9.9	38.4	5.5	28.0	15.4	0.1	-38.2	-2.7	-56.8	-34.2	-22.5	3.0	-29.6	71.6	36.1	43.8	73.6	54.4	57.8	38.1	6.3
Electrical machinery and apparatus	7.0	33.3	28.3	25.8	23.7	45.2	15.8	7.1	-5.9	13.0	-25.7	-7.4	3.5	14.5	-3.9	38.3	20.0	25.5	20.9	23.6	18.1	19.7	12.1
Agriculture and farming of animals	48.6	60.1	48.1	35.8	47.4	13.4	8.8	-3.9	6.3	6.7	-23.1	-20.2	-7.1	1.9	-13.4	31.0	20.4	13.3	-1.9	16.3	15.9	9.1	-13.5
Waste and scrap (Wholesale and retail)	45.9	14.1	0.3	11.9	17.1	2.2	19.7	13.1	-30.7	0.8	-41.3	-25.7	12.4	36.5	-10.5	31.1	19.5	3.7	41.7	22.8	27.0	7.0	14.5
Textiles	17.7	27.9	19.9	20.7	21.6	7.4	-7.9	-11.6	-21.4	-8.9	-38.3	-27.4	-5.4	26.1	-12.7	51.1	51.3	24.9	13.3	31.4	21.6	9.6	-6.0
Communication and apparatus	4.2	7.4	22.2	8.7	10.7	9.7	-4.6	-20.9	-34.0	-13.0	-46.0	-8.5	-14.0	12.1	-20.3	33.1	-11.0	8.4	15.7	11.1	24.3	28.6	4.9
Medical, precision and opt. instr., watch	-2.6	5.1	7.8	28.7	10.0	41.4	23.0	23.7	-3.0	19.5	-26.3	-17.0	-16.9	8.7	-12.6	31.0	26.0	29.6	25.4	26.2	22.1	20.1	16.3
Rubber and plastic products	6.0	6.6	16.1	16.4	11.1	19.0	7.4	-1.3	-18.4	1.0	-41.2	-26.3	-13.5	12.7	-18.6	52.1	33.9	19.9	15.5	27.6	31.9	22.8	13.1
Man. of fab. metal prod(exc mach)	1.5	8.8	9.0	19.4	9.1	30.1	22.3	13.3	-7.5	14.0	-30.2	-25.4	-26.2	-13.8	-23.5	37.0	17.6	28.0	37.5	27.3	22.3	25.5	17.5
Paper and paper products	5.3	15.5	15.9	8.3	11.4	10.5	-1.9	-7.3	-10.7	-2.8	-25.5	-0.9	6.8	24.5	0.6	43.9	22.7	13.1	-0.4	17.5	5.0	10.6	-5.2

Source: TURKSTAT.

## Exports (million USD)

*As of January-September Period*

	2010	2011	Change		Contribution		Export share		Indices (%change)	
			%	%	\$	2010	2011	Price	Quantity	
<b>Total</b>	81715	99463	21.7						14.2	6.7
Capital Goods	8521	10500	23.2	2.4	1978	10.4	10.6	8.5	13.3	
Intermediate Goods	40720	50508	24.0	12.0	9788	49.8	50.8	17.1	6.2	
Consumption Goods	32184	38078	18.3	7.2	5895	39.4	38.3	12.0	5.6	
Other	290	377	30.0	0.1	87	0.4	0.4	-	-	
Selected Items (ISIC Rev.3):										
Motor vehicles and trailers	10,810	12,744	17.9	2.4	1933	13.2	12.8	6.2	-2.2	
Manufacture of basic metals	10,526	11,127	5.7	0.7	601	12.9	11.2	21.7	-6.6	
Clothing	7,857	8,973	14.2	1.4	1116	9.6	9.0	16.3	17.2	
Textiles	7,673	9,622	25.4	2.4	1948	9.4	9.7	19.8	13.7	
Manufacture of machinery and equipment	6,540	8,087	23.7	1.9	1547	8.0	8.1	9.1	0.0	
Food products and beverages	4,593	6,319	37.6	2.1	1726	5.6	6.4	19.6	11.9	
Chemicals and chemical products	4,089	5,048	23.4	1.2	959	5.0	5.1	12.1	0.3	
Man. of fabricated metal prod (exc mach.)	3,569	4,595	28.8	1.3	1026	4.4	4.6	10.0	0.0	
Rubber and plastic products	3,523	4,698	33.3	1.4	1175	4.3	4.7	14.4	8.5	
Electrical machinery and apparatus	3,418	4,323	26.5	1.1	904	4.2	4.3	11.7	0.0	
Petroleum products and nuclear fuel	2,827	4,672	65.2	2.3	1845	3.5	4.7	37.3	5.3	
Other non-metallic minerals	2,971	3,082	3.8	0.1	112	3.6	3.1	4.7	0.0	
Furniture	2,286	2,881	26.0	0.7	595	2.8	2.9	21.0	-3.2	
Agriculture and Farming of Animals	3,389	3,406	0.5	0.0	16	4.1	3.4	8.0	-3.2	
Other transport	1,310	1,551	18.4	0.3	241	1.6	1.6	-	-	

Source: TURKSTAT.

## Exports – Country Decomposition (million USD)

*As of January-September period*

	2010		2011		Contribution		
	Value	Share (%)	Value	Share (%)	%Change	%	\$
<b>Total</b>	<b>81715</b>		<b>99463</b>		<b>21.7</b>		
<b>EU countries (27)</b>	<b>37714</b>	<b>46.2</b>	<b>46954</b>	<b>47.2</b>	<b>24.5</b>	<b>11.3</b>	<b>9240</b>
<b>Other countries</b>	<b>42506</b>	<b>52.0</b>	<b>50702</b>	<b>51.0</b>	<b>19.3</b>	<b>10.0</b>	<b>8195</b>
Other European	8195	10.0	9239	9.3	12.7	1.3	1044
North Africa	5289	6.5	4853	4.9	-8.2	-0.5	-436
Near and Middle East	16362	20.0	20231	20.3	23.6	4.7	3868
Other Asian	6285	7.7	7542	7.6	20.0	1.5	1258
Other	6375	7.8	8836	8.9	38.6	3.0	2461
<b>Free Zones in Turkey</b>	<b>1494</b>	<b>1.8</b>	<b>1806</b>	<b>1.8</b>	<b>20.9</b>	<b>0.4</b>	<b>312</b>
<b>Selected countries (First 20)</b>							
Germany	8136	10.0	10460	10.5	28.6	2.8	2324
Italy	4715	5.8	6081	6.1	29.0	1.7	1366
UK	5040	6.2	5937	6.0	17.8	1.1	896
Iraq	4217	5.2	5810	5.8	37.8	1.9	1593
France	4459	5.5	5159	5.2	15.7	0.9	700
Russia	3190	3.9	4331	4.4	35.8	1.4	1141
USA	2686	3.3	3316	3.3	23.5	0.8	631
Spain	2539	3.1	2982	3.0	17.4	0.5	443
UAE	2250	2.8	2703	2.7	20.1	0.6	453
Iran	1985	2.4	2621	2.6	32.1	0.8	636
Netherlands	1784	2.2	2471	2.5	38.5	0.8	687
Romania	1835	2.2	2105	2.1	14.7	0.3	271
Saudi Arabia	1718	2.1	2058	2.1	19.8	0.4	340
Egypt	1731	2.1	1977	2.0	14.2	0.3	246
Belgium	1440	1.8	1862	1.9	29.3	0.5	422
Israel	1476	1.8	1807	1.8	22.4	0.4	331
China	1649	2.0	1763	1.8	6.9	0.1	113
Azerbaijan	1112	1.4	1453	1.5	30.7	0.4	341
Syria	1261	1.5	1307	1.3	3.7	0.1	46
Poland	1056.9	1.3	1291.6	1.3	22.2	0.3	235

Source: TURKSTAT.

## Imports (million USD)

*As of January-September Period*

	2010	2011	Change			Export share		Indices (% change)	
			%	%	\$	2010	2011	Price	Quantity
<b>Total</b>	130554	181665	39.1					17.5	18.0
Capital Goods	18933	27930	47.5	6.9	8997	14.5	15.4	4.5	40.2
Intermediate Goods	94169	130663	38.8	28.0	36494	72.1	71.9	22.1	13.2
Consumption Goods	17066	22490	31.8	4.2	5424	13.1	12.4	7.1	22.6
Other	386	583	51.1	0.2	197	0.3	0.3	-	-
<b>Selected Items (ISIC Rev.3):</b>									
Chemicals and chemical products	19753	13725	-30.5	-4.6	-6028	15.1	7.6	15.9	14.6
Crude oil and natural gas	16301	24579	50.8	6.3	8278	12.5	13.5	30.6	18.7
Manufacture of basic metals	13535	1406	-89.6	-9.3	-12129	10.4	0.8	21.8	21.2
Manufacture of machinery and equip.	11117	2989	-73.1	-6.2	-8129	8.5	1.6	3.8	50.6
Coke, petro. products and nuclear fuel	9970	442	-95.6	-7.3	-9528	7.6	0.2	37.5	-6.7
Motor vehicles and trailers	10263	3482	-66.1	-5.2	-6781	7.9	1.9	8.4	46.7
Electrical machinery and apparatus	5914	2395	-59.5	-2.7	-3519	4.5	1.3	0.3	18.9
Agriculture and Farming of Animals	4638	6810	46.8	1.7	2172	3.6	3.7	4.1	12.5
Waste and scrap (Wholesale and retail)	5310	7711	45.2	1.8	2401	4.1	4.2	14.5	15.5
Textiles	4362	79	-98.2	-3.3	-4283	3.3	0.0	16.3	15.3
Communication and apparatus	3700	6910	86.8	2.5	3210	2.8	3.8	7.4	27.0
Medical, precision and opt. instr., watch.	2704	4730	74.9	1.6	2026	2.1	2.6	7.3	20.9
Rubber and plastic products	2526	25323	902.3	17.5	22796	1.9	13.9	10.6	26.8
Man. of fab. metal prod (exc mach.)	2295	20487	792.7	13.9	18192	1.8	11.3	6.8	23.7
Paper and paper products	2432	989	-59.3	-1.1	-1443	1.9	0.5	11.5	8.1

Source: TURKSTAT.

## Imports – Country Decomposition (million USD)

*As of January-September period*

	2010		2011		% Change	Contribution	
	Value	Share (%)	Value	Share (%)		%	\$
<b>Total</b>	<b>130554</b>		<b>181665</b>		<b>39.1</b>		
<b>EU countries (27)</b>	<b>50386</b>	<b>38.6</b>	<b>69009</b>	<b>38.0</b>	<b>40.7</b>	<b>14.3</b>	<b>18623</b>
<b>Other countries</b>	<b>79533</b>	<b>60.9</b>	<b>111873</b>	<b>61.6</b>	<b>40.7</b>	<b>24.8</b>	<b>32340</b>
Other European	21524	16.5	26372	14.5	22.5	3.7	4849
North America	9086	7.0	13280	7.3	46.2	3.2	4194
Near and Middle East	11413	8.7	15538	8.6	36.1	3.2	4125
Other Asian	29406	22.5	40331	22.2	37.2	8.4	10925
Other	8104	6.2	16352	9.0	101.8	6.3	8248
<b>Free Zones in Turkey</b>	<b>635</b>	<b>0.5</b>	<b>783</b>	<b>0.4</b>	<b>23.4</b>	<b>0.1</b>	<b>148</b>
<b>Selected countries (First 20)</b>							
Germany	12132	9.3	17503	9.6	44.3	4.1	5371
Russia	15270	11.7	16699	9.2	9.4	1.1	1429
China	12288	9.4	16570	9.1	34.8	3.3	4281
USA	8414	6.4	12367	6.8	47.0	3.0	3952
Italy	7206	5.5	10186	5.6	41.4	2.3	2980
Iran	5361	4.1	9491	5.2	77.1	3.2	4131
France	5550	4.3	7014	3.9	26.4	1.1	1464
India	2478	1.9	4838	2.7	95.2	1.8	2360
Spain	3415	2.6	4671	2.6	36.8	1.0	1256
S. Korea	3229	2.5	4642	2.6	43.8	1.1	1413
UK	3306	2.5	4345	2.4	31.4	0.8	1039
Switzerland	2204	1.7	4237	2.3	92.3	1.6	2033
Ukraine	2884	2.2	3753	2.1	30.1	0.7	869
Japan	2328	1.8	3078	1.7	32.2	0.6	750
Netherlands	2131	1.6	3063	1.7	43.7	0.7	932
Belgium	2215	1.7	3013	1.7	36.0	0.6	798
Romania	2514	1.9	2939	1.6	16.9	0.3	425
Poland	1730	1.3	2609	1.4	50.8	0.7	879
Greece	951	0.7	1980	1.1	108.2	0.8	1029
Bulgaria	1237.7	0.9	1906.0	1.0	54.0	0.5	668

Source: TURKSTAT

**Services Account**  
(million USD)

	2010				2010	2011		
	I	II	III	IV		I	II	III
Services	921	2.938	7.624	3.552	15.035	1.320	4.003	9.207
Total Income	5.001	8.031	12.547	8.890	34.469	6.237	9.431	14.284
Total Expenses	-4.080	-5.093	-4.923	-5.338	-19.434	-4.917	-5.428	-5.077
Transportation	71	128	739	207	1.145	118	523	1.345
Credit	1.721	2.414	2.850	2.448	9.433	2.184	2.799	3.569
Debit	-1.650	-2.286	-2.111	-2.241	-8.288	-2.066	-2.276	-2.224
Freight	-453	-581	-694	-722	-2.450	-680	-655	-692
Credit	765	945	772	918	3.400	860	927	859
Debit	-1.218	-1.526	-1.466	-1.640	-5.850	-1.540	-1.582	-1.551
Other Transportation	524	709	1.433	929	3.595	798	1.178	2.037
Credit	956	1.469	2.078	1.530	6.033	1.324	1.872	2.710
Debit	-432	-760	-645	-601	-2.438	-526	-694	-673
Travel	1.423	3.389	7.269	3.900	15.981	1.904	4.046	8.294
Credit	2.413	4.559	8.575	5.260	20.807	3.100	5.372	9.339
Debit	-990	-1.170	-1.306	-1.360	-4.826	-1.196	-1.326	-1.045
Construction serv.	211	209	175	264	859	102	179	237
Financial serv.	-50	-76	-61	-47	-234	-244	-131	-164
Credit	118	123	98	151	490	108	163	136
Debit	-168	-199	-159	-198	-724	-352	-294	-300
Insurance Services	-141	-85	-86	-157	-469	-139	-95	-125
Credit	155	184	186	194	719	224	227	216
Debit	-296	-269	-272	-351	-1.188	-363	-322	-341
Other serv.	-593	-627	-412	-540	-2.172	-509	-544	-318
Credit	383	542	663	648	2.236	431	666	849
Debit	-976	-1.169	-1.075	-1.188	-4.408	-940	-1.210	-1.167

Source: CBT.

**Tourism Statistics**

	2010				2010	2011		
	I	II	III	IV		I	II	III
Tourism Revenues (million USD)	2.413	4.559	8.575	5.260	20.807	3.100	5.372	9.339
Departing foreign visitors (x1000)	3.107	7.638	11.742	6.023	28.511	3.599	8.504	12.820
<i>average expenditure (USD)</i>	559	480	550	618	546	622	528	568
Departing citizen visitors (x1000)	645	736	2.119	1.017	4.517	799	834	2.171
<i>average expenditure (USD)</i>	1.048	1.212	1.001	1.514	1.158	1.077	1.061	947
Tourism Expenditures (million USD)	990	1.169	1.306	1.360	4.826	1.196	1.326	1.045
Arriving citizen visitors (x1000)	1.294	1.712	1.837	1.714	6.557	1.647	1.886	1.466
<i>average expenditure (USD)</i>	765	683	711	794	736	727	703	713

Source: TURKSTAT, CBT.

**Income Account**  
(million USD)

	2010				2010	2011		
	I	II	III	IV		I	II	III
Income (net)	-1.770	-1.653	-1.612	-2.102	-7.137	-2.833	-1.626	-1.833
Compensation of Employees (net)	-27	-30	-35	-38	-130	-39	-37	-37
Investment Income	-1.743	-1.623	-1.577	-2.064	-7.007	-2.794	-1.589	-1.796
Total Income	1.810	795	1.066	761	4.432	1.185	982	1.054
Total Expenses	-3.553	-2.418	-2.643	-2.825	-11.439	-3.979	-2.571	-2.850
Direct investment	-117	-577	-414	-1.077	-2.185	-1.377	-658	-378
Credit	616	29	13	22	680	177	29	6
Debit	-733	-606	-427	-1.099	-2.865	-1.554	-687	-384
Portfolio investment	-341	100	-295	45	-491	-598	61	-369
Credit	976	523	758	401	2.658	776	628	736
Debit	-1.317	-423	-1.053	-356	-3.149	-1.374	-567	-1.105
Other investment	-1.285	-1.146	-868	-1.032	-4.331	-819	-992	-1.049
Interest Income	218	243	295	338	1.094	232	325	312
Interest Expenses	-1.503	-1.389	-1.163	-1.370	-5.425	-1.051	-1.317	-1.361
Long-term	-1.438	-1.314	-1.073	-1.280	-5.105	-953	-1.163	-1.143
Monetary A.	-65	-61	-49	-60	-235	-56	-55	-34
Gen. Gov.	-332	-207	-183	-237	-959	-198	-225	-211
Banks	-203	-169	-169	-282	-823	-121	-165	-289
Other sector	-838	-877	-672	-701	-3.088	-578	-718	-609
Short-term	-65	-75	-90	-90	-320	-98	-154	-218

Source: CBT.

### Financing Requirements and Sources (billion USD)

	2010				2010	2011			2011
	I	II	III	IV		I	II	III	
Financing Requirements	-21,4	-24,0	-25,1	-34,2	-104,6	-19,9	-32,7	-25,9	-78,4
Current Account Balance (Excluding Current Transfers)	-9,7	-10,9	-10,6	-17,3	-48,5	-22,0	-23,1	-16,7	-61,8
Debt Security and Credit Repayments	-11,7	-12,7	-9,6	-12,1	-46,1	-9,0	-10,8	-9,6	-29,3
Debt Securities (Abroad)	-1,4	-1,2	0,0	0,0	-2,6	-1,0	-0,8	0,0	-1,8
Long Term Credits	-10,3	-11,5	-9,6	-12,1	-43,5	-7,9	-10,0	-9,6	-27,6
Trade Credits	-0,1	-0,1	0,0	0,0	-0,2	-0,1	-0,1	-0,2	-0,4
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	-0,5	-1,7	-1,2	-1,9	-5,3	-1,0	-1,6	-1,4	-4,0
(IMF)	0,0	-0,7	-0,7	-0,8	-2,2	-0,5	-0,6	-1,0	-2,1
Banks	-1,3	-0,7	-2,5	-2,2	-6,7	-1,3	-2,0	-2,1	-5,3
Other Sectors	-8,4	-8,9	-5,8	-8,0	-31,2	-5,6	-6,4	-5,9	-17,8
Other Assets (- indicates to an increase) 1/	0,0	-0,5	-4,8	-4,7	-10,0	11,0	1,2	0,4	12,7
Financing Sources	21,4	24,0	25,1	34,2	104,6	19,9	32,7	25,9	78,4
Current Transfers	0,3	0,3	0,4	0,5	1,4	0,4	0,3	0,5	1,2
Capital Account	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0	0,0
Direct Investment (Net)	1,1	1,1	2,0	3,4	7,6	3,1	2,0	4,1	9,3
Equity Securities (Net)	0,6	0,2	1,8	0,9	3,5	-1,3	0,5	0,3	-0,4
Debt Securities and Credits	12,1	19,3	16,4	25,2	72,9	25,3	24,6	11,4	61,4
Debt Securities	4,4	5,2	6,0	3,2	18,8	10,9	6,4	-2,9	14,4
In Turkey (Net)	1,4	3,2	4,0	2,4	10,9	6,6	5,1	-2,9	8,8
Abroad	3,0	2,0	2,0	0,9	7,9	4,3	1,3	0,0	5,6
Long Term Credits	7,4	10,1	8,7	12,5	38,7	10,8	12,6	11,0	34,4
Trade Credits	0,1	0,1	0,0	0,1	0,3	0,0	0,0	0,0	0,1
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	1,0	2,2	1,6	2,0	6,7	0,7	2,1	0,9	3,7
(IMF)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Banks	0,9	1,3	2,2	3,2	7,6	2,5	3,0	3,6	9,1
Other Sectors	5,5	6,4	4,9	7,2	24,0	7,6	7,5	6,5	21,6
Short Term Credits (Net)	0,3	4,0	1,7	9,4	15,5	3,7	5,6	3,4	12,6
Trade Credits	-0,2	0,6	-0,5	2,1	2,0	-0,4	1,8	2,6	4,0
Monetary Authority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General Government	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Banks	0,2	3,1	1,8	6,9	12,0	3,6	2,8	0,2	6,7
Other Sectors	0,3	0,3	0,4	0,4	1,4	0,5	1,0	0,6	2,0
Deposits (Net)	4,9	4,5	2,5	1,8	13,8	-5,8	1,2	3,1	-1,5
Other Liabilities	0,0	0,2	0,3	0,0	0,5	0,0	0,2	0,3	0,5
Net Errors and Omissions	0,7	-1,9	3,3	2,0	4,2	3,2	5,4	3,7	12,3
Banks' Currency and Deposits 2/	2,6	5,5	0,7	4,7	13,6	-1,2	4,2	-1,8	1,2
Reserve Assets 2/	-0,9	-5,2	-2,4	-4,3	-12,8	-3,9	-5,8	4,4	-5,4

Source: CBT.

1/ Excluding Banks' Currency and Deposits

2/- denotes an increase.

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

	2010				2010	2011			2011
	I	II	III	IV		I	II	III	
A) Current Account Balance	-9,4	-10,5	-10,2	-16,9	-47,1	-21,6	-22,8	-16,2	-60,7
B) Capital and Financial Account	8,7	12,4	6,9	14,9	42,9	18,4	17,5	12,6	48,4
Capital Account	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0	0,0
Financial Account	8,7	12,4	7,0	14,9	43,0	18,4	17,5	12,6	48,4
Assets	2,2	4,5	-4,4	-0,2	2,1	8,8	5,1	-1,7	12,2
Direct Investment	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Portfolio Investment	-0,4	-0,5	-0,3	-0,2	-1,5	-0,9	-0,4	-0,3	-1,7
Other Investment	3,4	4,0	-1,5	1,1	7,1	9,0	3,9	-1,3	11,7
Liabilities	7,5	13,1	13,7	19,4	53,7	13,4	18,2	9,9	41,6
Non-Debt Creating Flows	2,1	1,9	4,3	4,4	12,7	2,8	3,0	5,0	10,9
Direct Investment 1/	1,5	1,5	2,3	3,5	8,8	4,1	2,3	4,4	10,8
Portfolio Investment/Equity Securities	0,6	0,2	1,8	0,9	3,5	-1,3	0,5	0,3	-0,4
Other Investment/Other Liabilities 2/	0,0	0,2	0,3	0,0	0,5	0,0	0,2	0,3	0,5
Debt Creating Flows	5,4	11,2	9,4	15,0	41,0	10,6	15,2	4,9	30,7
Portfolio Investment/Debt Securities	3,0	4,0	6,0	3,2	16,1	9,9	5,7	-2,9	12,6
Trade Credits	-0,2	0,6	-0,5	2,2	2,1	-0,5	1,8	2,4	3,7
Loans	-2,3	2,1	1,3	7,7	8,9	7,0	6,5	2,4	15,9
Deposits	4,9	4,5	2,5	1,8	13,8	-5,8	1,2	3,1	-1,5
Other Investment/Other Liabilities 2/	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reserve Assets	-0,9	-5,2	-2,4	-4,3	-12,8	-3,9	-5,8	4,4	-5,4
C) Net Errors and Omissions	0,7	-1,9	3,3	2,0	4,2	3,2	5,4	3,7	12,3

Source: CBI.

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

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

**International Investment Position**  
 (billion USD)

	2007	2008	2009	2010	2011 (*)		
					I	II	III
International Investment Position, net	-315,0	-201,5	-278,9	-363,1	-381,2	-375,4	-335,8
<b>Assets</b>	167,4	184,2	178,0	180,0	179,6	183,1	178,3
Direct investment abroad	12,2	17,8	22,3	21,6	22,5	22,9	23,2
Portfolio investment	2,0	2,0	1,9	2,3	2,3	2,0	2,1
Equity securities	0,1	0,1	0,2	0,4	0,4	0,3	0,2
Debt securities	1,9	1,9	1,7	1,9	1,9	1,7	1,9
Other investment	76,7	90,1	79,0	70,2	62,6	58,8	59,4
Trade credits	10,3	8,6	9,3	10,7	10,9	11,0	11,0
Loans	1,8	2,4	2,7	2,7	3,1	3,0	3,0
Currency and deposits	62,3	76,9	64,6	54,3	46,2	42,2	42,8
Banks	31,8	43,7	37,1	22,8	24,8	20,8	21,5
Foreign exchange	31,8	40,4	34,4	20,3	21,6	16,7	17,7
Turkish Lira	n.a.	3,4	2,7	2,5	3,2	4,1	3,8
Other sectors	30,5	33,2	27,5	31,5	21,4	21,4	21,3
Other assets	2,3	2,3	2,4	2,5	2,5	2,6	2,6
Monetary authorities	1,5	1,5	1,5	1,5	1,5	1,5	1,5
General government	0,8	0,8	0,9	1,0	1,0	1,1	1,0
Reserve assets	76,4	74,2	74,8	86,0	92,2	99,4	93,6
Monetary gold	3,1	3,2	4,1	5,3	5,4	5,6	6,1
Special drawing rights	0,1	0,0	1,5	1,5	1,5	1,6	1,5
Reserve position in the Fund	0,2	0,2	0,2	0,2	0,2	0,2	0,2
Foreign exchange	73,1	70,8	69,0	79,1	85,1	92,0	85,8
Currency and deposits	5,4	4,1	5,1	7,8	9,7	7,9	7,3
Securities	67,7	66,8	63,9	71,3	75,4	84,1	78,5
<b>Liabilities</b>	482,4	385,7	457,0	543,1	560,8	558,5	514,1
Direct investment in reporting economy	154,1	80,4	143,8	186,0	191,0	177,2	148,1
Portfolio investment	120,6	68,8	91,2	118,4	125,9	127,3	111,8
Equity securities	64,2	23,2	47,2	61,5	57,9	55,2	46,0
Debt securities	56,4	45,6	43,9	56,9	68,0	72,1	65,9
Bonds and notes	56,4	45,6	43,9	56,9	68,0	72,1	65,9
General government	56,4	45,6	43,9	55,5	65,7	68,3	62,1
In Turkey	32,2	20,4	21,1	32,7	38,7	42,0	35,3
Abroad	24,3	25,2	22,9	22,8	27,0	26,3	26,8
Banks	0,0	0,0	0,0	1,1	2,1	3,5	3,5
Other sectors	0,0	0,0	0,0	0,2	0,2	0,2	0,2
Other investment	207,7	236,5	222,0	238,7	244,0	253,9	254,2
Trade credits	21,5	22,6	21,6	23,4	23,2	25,0	27,2
Other sectors	21,5	22,6	21,6	23,4	23,2	25,0	27,2
Long-term	0,4	0,6	0,5	0,6	0,5	0,5	0,3
Short-term	21,1	22,0	21,1	22,8	22,7	24,5	26,9
Loans	159,6	181,9	166,0	168,5	178,8	185,0	182,2
Monetary authorities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Use of Fund credit & loans from the Fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other long-term	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Short-term	0,0	0,0	0,0	0,0	0,0	0,0	0,0
General government	30,1	33,5	34,7	35,9	36,6	37,8	36,4
Long-term	30,1	33,5	34,7	35,9	36,6	37,8	36,4
Short-term	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Banks	39,1	40,1	35,4	47,4	53,1	57,1	57,2
Long-term	31,6	30,6	29,1	29,3	31,0	32,1	32,7
Short-term	7,5	9,5	6,3	18,1	22,1	25,1	24,5
Other sectors	90,4	108,4	95,9	85,1	89,0	90,2	88,6
Long-term	89,0	106,6	94,9	82,9	86,3	86,6	84,8
Short-term	1,4	1,8	1,0	2,3	2,7	3,6	3,8
Currency and deposits	26,6	32,0	32,8	45,3	40,5	42,3	43,2
Monetary authorities	15,8	14,1	13,3	11,8	12,3	12,1	10,7
Banks	10,8	17,9	19,5	33,5	28,2	30,2	32,5
Foreign Exchange	7,0	10,0	10,8	15,9	15,6	19,4	23,0
Turkish Lira	3,8	7,9	8,8	17,6	12,6	10,7	9,5
Other liabilities (**)	0,0	0,0	1,5	1,5	1,5	1,5	1,5

Source: CBT.

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

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