

PRESS RELEASE ON OCTOBER 2008 BALANCE OF PAYMENTS STATISTICS

Regarding the October 2008 Balance of Payments Statistics published on December 19, 2008, it was announced with the press release on the same day that the studies had been in progress about the Net Errors and Omissions item.

As a result of these studies, it appears that some noteworthy developments, which took place in October 2008 and are explained below, had important effects on the net errors and omissions item.

Transactions carried out through Turkish lira currency with non-residents and subject to the balance of payments statistics are followed with the changes in the resident Banks' related Turkish lira accounts with respect to previous month and for calculations of US Dollar equivalent of these transactions, average foreign exchange buying rate announced by the Central Bank of Turkey is used.

In October 2008, the change of foreign exchange value of New Turkish Lira against US Dollar was in the direction of continuous and significant depreciation. As a result, the calculated value of the change in US Dollar equivalent of New Turkish Lira accounts by using average foreign exchange rate and converting US Dollar equivalent of corresponding foreign exchange accounts with foreign exchange rate prevailing at the time of the transaction causes discrepancy between US Dollar equivalents of the corresponding records of the same transaction because of applying different foreign exchange rates.

It was observed that there was a substantial increase in volume of sales of foreign currency from foreign exchange saving accounts of residents to banks, opened with the funds transferred from saving accounts abroad, which are not recorded in Turkish balance of payments.

Compared with previous periods, there was a significant increase in sales of foreign exchange cash, from savings, which are held outside of the banking system by residents, to resident banks in exchange for New Turkish Lira.

The exact quantities of the above-mentioned factors that constitute much of the net errors and omission item in October 2008 balance of payments statistics is not possible. In conclusion, as no error has been detected in other balance of payments items, there will not be any revision in the net errors and omission item of October 2008 balance of payments.