

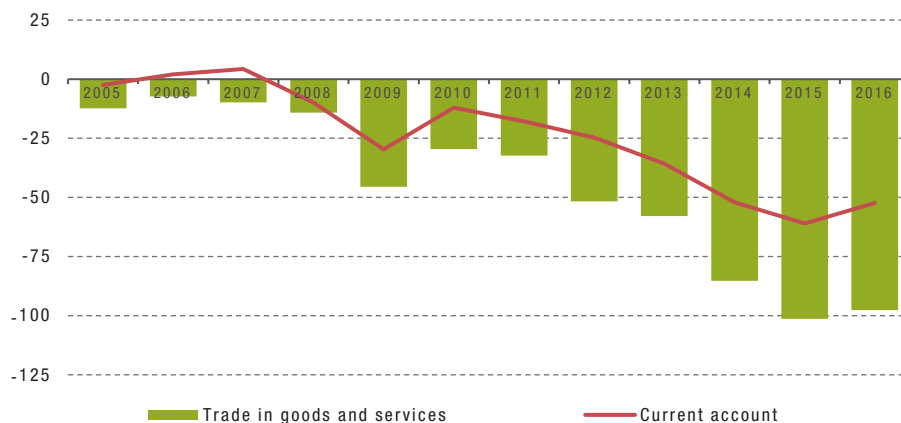


Recent developments

In 2016, the aggregate current account surplus for developing economies increased slightly to US\$169 billion (0.6 per cent of GDP), from US\$143 billion, after falling during the three previous years. This slight increase was largely due to a moderate growth in the surplus in the goods account that outweighed increases in the deficit in the services account.

The current account for developed economies had been in deficit for several years but in balance during 2013 and 2014. Since then, a slight surplus has emerged, amounting to US\$113 billion (0.3 per cent of GDP) in 2016. The recent growth in the current account surplus has been driven by a considerable reduction in the deficit in the goods account, while the surplus in the services account has decreased at a slower pace.

Figure 2 Balances in least developed countries' current accounts
(Billions of United States dollars)



Recovery in least developed countries

The reversal of trend in 2016, as outlined above for the developing economies as a whole, can also be seen in the current accounts of LDCs. After five years of continuous decline, their balance improved in 2016, leading to a reduction in the deficit from US\$61 billion to US\$52 billion. The trade deficit reduced from US\$101 billion to US\$98 billion.

Accounting for 5 per cent of GDP, the LDCs' current account deficit is still high compared to other developing economies. Higher relative deficits were registered for landlocked developing countries (LLDCs) (6 per cent), small-island developing States (SIDS) (8 per cent) and heavily indebted poor countries (HIPC) (8 per cent).

Some African economies had current account deficits of up to 40 per cent of GDP in 2016



The surplus of developing economies has stopped shrinking

The surplus of developed economies has grown to



LDCs' deficit reduced by 15 per cent

