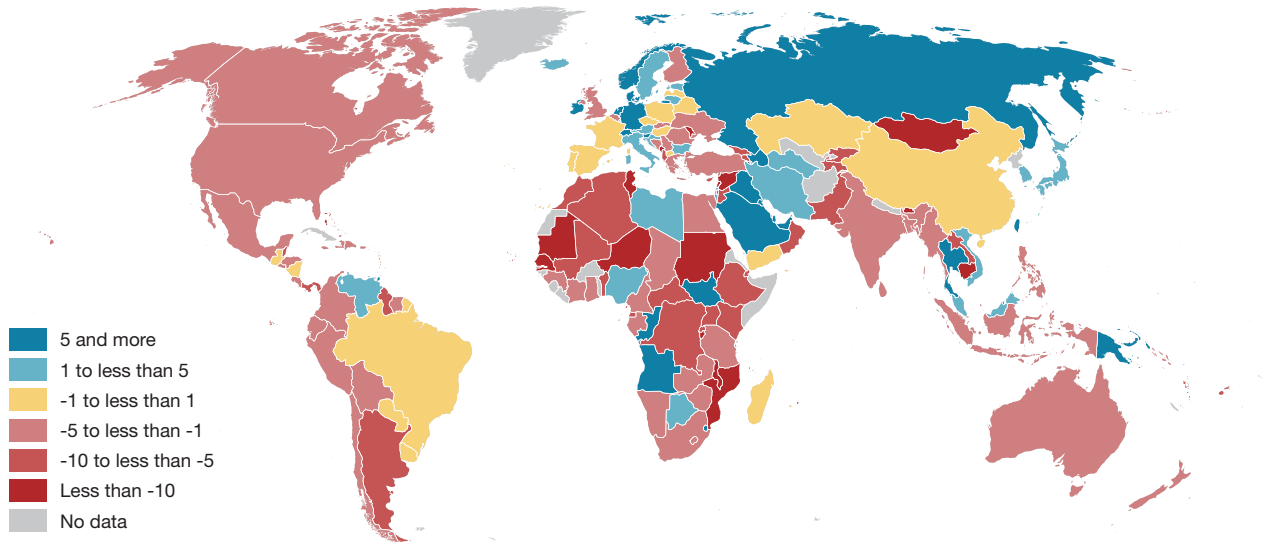




Fact sheet #8: Current account

Map 1

Current account balance as a ratio to gross domestic product, 2018
(Percentage)



Concepts and definitions

The current account, within the balance of payments, displays the transactions between residents and non-residents of a reporting economy, involving economic values, namely the cross-national exchange of goods and services as well as cross-national transfers of primary and secondary income.

The current account balance shows the difference between the sum of exports and income receivable and the sum of imports and income payable, where exports and imports refer to both goods and services, while income refers to both primary and secondary income. A surplus in the current account is recorded when receipts exceed expenditures; a deficit is recorded when expenditures exceed receipts.

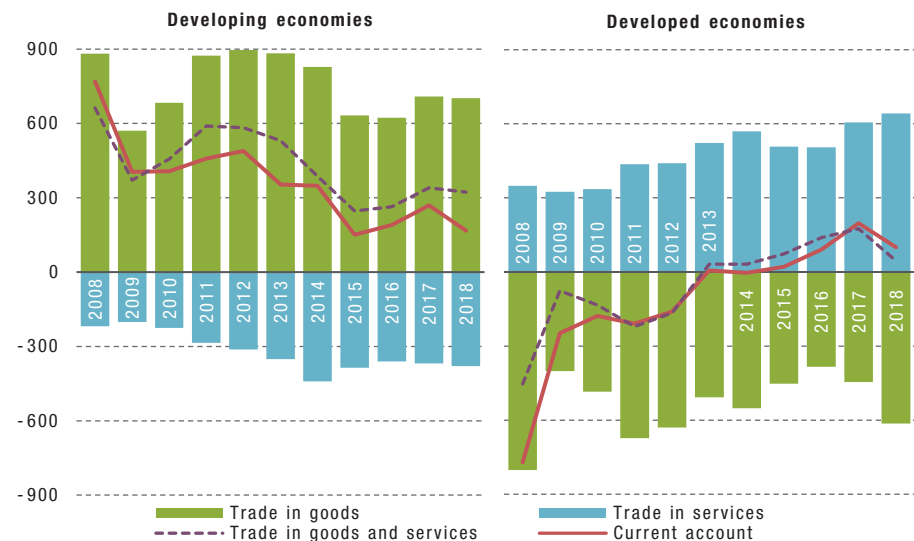
The current account data in this section correspond to the latest reporting standard, known as BPM6, defined by the International Monetary Fund (2009).

Geographic distribution of current account imbalances

Receipts earned by economies from transactions with other economies often differ significantly from payments made. In 2018, for most economies in America, Africa, Southern and South-Eastern Asia and Oceania payments exceeded receipts, leading to negative current account balances. High surpluses were found mainly in petroleum exporting economies. The accounts of European and Eastern Asian economies were generally more balanced.

Figure 1

Balances in the current account
(Billions of United States dollars)



Note: Current account deficits and surpluses do not add up to zero at the world level, due to imperfect geographic coverage and cross-country differences in compilation methods.



In two island economies of the Caribbean, Dominica (47 per cent) and Anguilla (45 per cent), current account deficits were almost half the value of GDP. High deficits relative to GDP were also recorded in Mozambique (30 per cent), Lebanon (27 per cent) and the Maldives (26 per cent). In absolute terms, the United States of America (US\$490 billion) ran the world's largest current account deficit. Germany (US\$291 billion) had the largest surplus, in absolute terms.

Recent developments

In 2018, the current account surplus for developing economies dropped to US\$167 billion, by more than one third compared with 2017. This was driven mainly by falling incomes and current transfers, and less by developments in international trade. The decline can largely be attributed to a drop in current account balances (from US\$418 billion to US\$342 billion) in Asian developing economies, combined with slightly rising deficits in African and American developing economies.

The current account surplus in developed economies, which had emerged in 2015, stood at US\$99 billion in 2018; half of the amount recorded in 2017. This decrease was driven by increasing imports of goods, relative to exports.

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



The least developed countries' persistent deficit

After five years of continuous decline, from 2011 to 2015, the current account balance of LDCs improved in 2016. Since then, their deficit has remained at just below US\$50 billion, despite a slight decrease of their trade balance.

The high relative current account deficit, accounting for 4.2 per cent of GDP in 2018, distinguishes LDCs from other developing economies, which, as a group, ran a surplus of 0.5 per cent of GDP. Higher deficits relative to GDP were registered also for other groups of vulnerable economies, such as heavily indebted poor countries (HIPC) (5.2 per cent) and small island developing States (SIDS) (4.7 per cent). In landlocked developing countries (LLDCs), the deficit stood at 2.8 per cent of GDP.

Current account deficits of Dominica and Anguilla:



United States of America had world's largest deficit:



US\$490 billion

Developing economies' surplus down by



Deficit in SIDS
4.7% of GDP




Table 1 Current account balance by group of economies

Group of economies	Value			Ratio to GDP		
	(Billions of US\$)			(Percentage)		
	2014–2018 ^a	2017	2018	2014–2018 ^a	2017	2018
Developing economies	225	269	167	0.7	0.8	0.5
Developing economies: Africa	-109	-73	-77	-4.7	-3.3	-3.3
Developing economies: America	-124	-77	-98	-2.2	-1.3	-1.8
Developing economies: Asia and Oceania	458	418	342	2.0	1.7	1.3
Transition economies	43	15	103	1.9	0.7	4.5
Developed economies	81	197	100	0.2	0.4	0.2
Selected groups						
Developing economies excluding China	28	74	118	0.1	0.4	0.6
Developing economies excluding LDCs	277	317	212	0.9	1.0	0.7
LDCs	-51	-49	-45	-5.2	-4.5	-4.2
LLDCs	-29	-30	-22	-4.0	-4.2	-2.8
SIDS (UNCTAD)	-3	-5	-5	-3.5	-4.8	-4.7
HIPCs (IMF)	-42	-34	-35	-7.1	-5.5	-5.2
BRICS	170	173	69	1.0	0.9	0.3
G20	147	268	97	0.2	0.4	0.1

Note: Current account deficits and surpluses do not add up to zero across groups of economies, due to imperfect geographic coverage and cross-country differences in compilation methods.

^a Annual average.

Table 2 Current account balance in largest surplus and deficit economies

Economy (Ranked by 2018 value)	2014–2018 ^a		2017		2018	
	Value	Ratio to GDP	Value	Ratio to GDP	Value	Ratio to GDP
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)
Germany	289	7.9	296	8.0	291	7.3
Japan	149	3.1	202	4.1	175	3.5
Russian Federation	59	3.7	32	2.1	113	7.0
Netherlands	75	8.9	90	10.9	99	10.8
Korea, Republic of	88	6.0	75	4.9	76	4.7
⋮	⋮	⋮	⋮	⋮	⋮	⋮
Indonesia	-22	-2.3	-16	-1.6	-31	-3.0
Canada	-48	-2.9	-46	-2.8	-45	-2.7
India	-33	-1.4	-38	-1.5	-66	-2.4
United Kingdom	-126	-4.5	-88	-3.3	-109	-3.9
United States of America	-426	-2.2	-440	-2.2	-491	-2.4

^a Annual average.

Table 3 Current accounts of leading exporters (goods and services) by group of economies, 2018

Developing economies: Africa

Economy (Ranked by export share)	Current account balance		Trade balance ^a	Exports ^a	Imports ^a
	Value	Ratio to GDP	Value	Share in world	Share in world
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Percentage)
South Africa	-13	-3.6	1	0.4	0.4
Nigeria	5	1.3	(e) -4	(e) 0.3	(e) 0.3
Egypt	-6	-2.5	(e) -25	(e) 0.2	(e) 0.3
Algeria	(e) -16	(e) -9.1	(e) -13	(e) 0.2	(e) 0.2
Morocco	-6	-5.5	-12	0.2	0.2
Developing Africa	-77	-3.3	-102	2.4	2.9

^a Goods and services.



Developing economies: America

Economy (Ranked by export share)	Current account balance		Trade balance ^a	Exports ^a	Imports ^a
	Value	Ratio to GDP	Value	Share in world	Share in world
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Percentage)
Mexico	-22	-1.8	(e) -22	(e) 1.9	(e) 2.1
Brazil	-15	-0.8	20	1.1	1.0
Chile	-9	-3.1	(e) 1	(e) 0.3	(e) 0.3
Argentina	-27	-5.3	-11	0.3	0.4
Peru	-4	-1.6	(e) 5	(e) 0.2	(e) 0.2
Developing America	-98	-1.8	-39	5.1	5.4

^a Goods and services.

Developing economies: Asia and Oceania

Economy (Ranked by export share)	Current account balance		Trade balance ^a	Exports ^a	Imports ^a
	Value	Ratio to GDP	Value	Share in world	Share in world
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Percentage)
China	49	0.4	137	10.7	10.4
Korea, Republic of	76	4.7	(e) 84	(e) 2.9	(e) 2.6
China, Hong Kong SAR	16	4.3	(e) 0	(e) 2.7	(e) 2.8
Singapore	65	18.7	95	2.5	2.2
India	-66	-2.4	(e) -159	(e) 2.2	(e) 2.8
Developing Asia and Oceania	342	1.3	464	34.0	32.8

^a Goods and services.

Transition economies

Economy (Ranked by export share)	Current account balance		Trade balance ^a	Exports ^a	Imports ^a
	Value	Ratio to GDP	Value	Share in world	Share in world
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Percentage)
Russian Federation	113	7.0	(e) 165	(e) 2.0	(e) 1.4
Kazakhstan	0	0.0	22	0.3	0.2
Ukraine	-4	-3.4	-11	0.2	0.3
Belarus	0	-0.4	1	0.2	0.2
Serbia	-3	-4.7	-4	0.1	0.1
Transition economies	103	4.5	162	3.2	2.6

^a Goods and services.

Developed economies

Economy (Ranked by export share)	Current account balance		Trade balance ^a	Exports ^a	Imports ^a
	Value	Ratio to GDP	Value	Share in world	Share in world
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Percentage)
United States of America	-491	-2.4	(e) -618	(e) 10.0	(e) 12.8
Germany	291	7.3	(e) 242	(e) 7.4	(e) 6.6
Japan	175	3.5	(e) 3	(e) 3.7	(e) 3.8
France	-18	-0.6	(e) -21	(e) 3.6	(e) 3.8
United Kingdom	-109	-3.9	(e) -43	(e) 3.4	(e) 3.6
Developed economies	100	0.2	46	55.3	56.3

^a Goods and services.