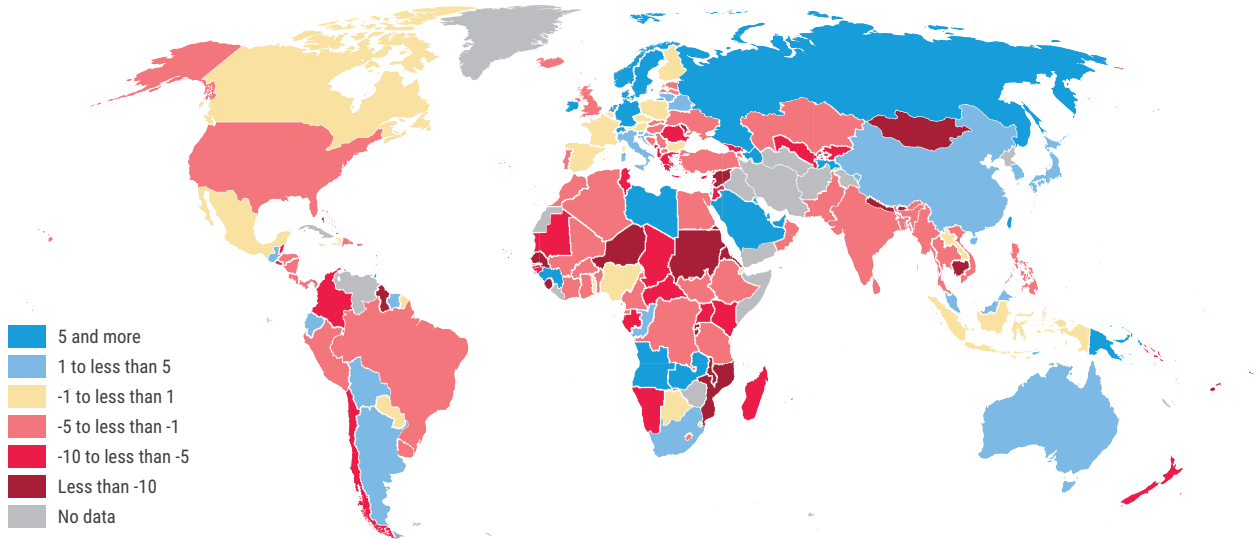




Fact sheet #8: Current account

Map 1 Current account balance as a ratio to gross domestic product, 2021

(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 payments; a deficit is recorded when payments exceed receipts.

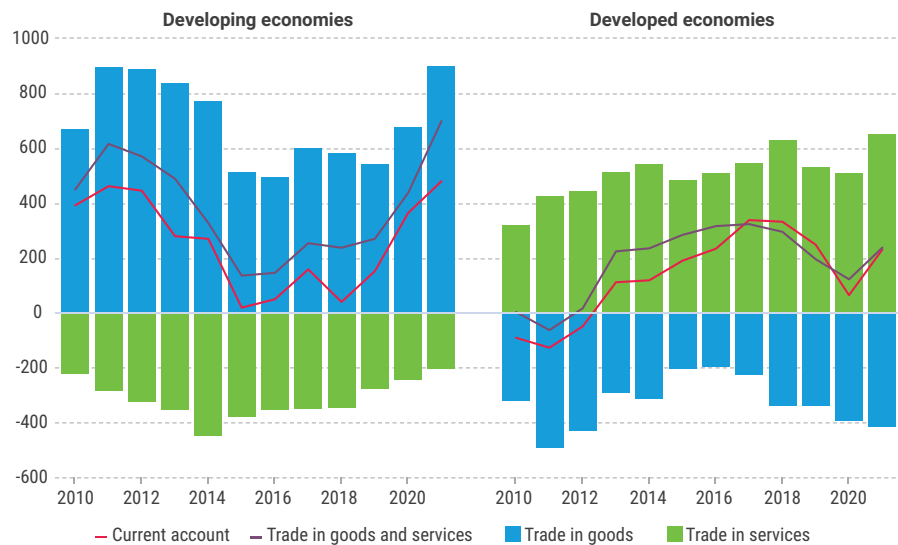
The current account data in this section correspond to the latest reporting standard, known as BPM6, defined by the International Monetary Fund (IMF, 2009).

Current account imbalances across the world

Receipts earned by economies from transactions with other economies often differ significantly from the payments made. In 2021, for most economies in the Americas, Africa, South-Eastern Europe, and Central and Western Asia, payments exceeded receipts, leading to negative current account balances. Higher surpluses were found mainly in Central and Northern Europe, Eastern Asia, and Oceania. Most economies in Europe and South-Eastern Asia recorded relatively balanced current accounts.

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.

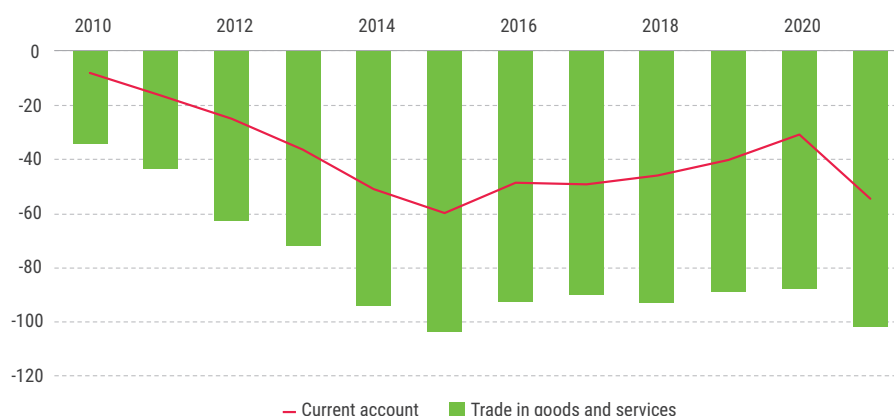


In 2021, Guinea and Papua New Guinea recorded the highest current account surpluses relative to GDP (above 20 per cent). Singapore, Kiribati, Kuwait, and Azerbaijan enjoyed surpluses of over 15 per cent of their respective GDP.

In absolute terms, the United States of America (US\$822 billion) and the United Kingdom (US\$83 billion) ran the world's largest current account deficits. China (US\$317 billion) recorded the largest absolute surplus, followed by Germany (US\$314 billion) and Japan (US\$142 billion).

In 2021, the current account surplus of developing economies stood at US\$480 billion, more than triple the amount recorded for 2019 (US\$152 billion). Geographically, the increase in the current account balance can largely be attributed to a growing surplus in developing economies of Asia and Oceania. This group of economies recorded about US\$100 billion rise each year since 2018. This was combined with a shrinking deficit in developing economies in America. The current account surplus of developed economies was recorded at US\$230 billion in 2021.

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



Least developed countries' deficit up in 2021

After five years of almost continuous decline of LDCs' current account deficit since 2015, resulting in its reduction by almost a half, from US\$60 billion to US\$31 in 2020, in 2021, their current account deficit rose again to US\$55 billion. The trade deficit also increased, surpassing US\$100 billion.

Greater relative current account deficit, accounting for 4.6 per cent of GDP in 2021, distinguishes LDCs from other developing economies, which, as a group, ran a surplus of 1.3 per cent of GDP. Higher deficits relative to GDP were registered for the groups of heavily indebted poor countries (HIPCs) (3.7 per cent) and landlocked developing countries (LLDCs) (2.9 per cent). As a group, SIDS registered a comfortable 9 per cent surplus. Yet, some SIDS faced deficits close to, or over, 25 per cent of GDP.

For references, see UNCTAD Handbook of Statistics 2022, annex 6.4

Developing economies' surplus tripled from 2019 to 2021 – to US\$480 billion



United States of America keeps having world's



largest deficit: US\$822 billion in 2021

Current account deficit larger than



LDCs' deficit shrank from 2015 to 2020, then increased again in 2021




Table 1 Current account balance by group of economies

Group of economies	Value			Ratio to GDP		
	(Billions of US\$)			(Percentage)		
	2017–2021 ^a	2020	2021	2017–2021 ^a	2020	2021
World	481	428	710	0.5	0.5	0.7
Developed economies	243	64	230	0.5	0.1	0.4
Developing economies	239	364	480	0.7	1.1	1.3
Developing economies: Africa	-72	-88	-41	-2.9	-3.6	-1.6
Developing economies: Americas	-82	-1	-77	-1.5	-0.0	-1.5
Developing economies: Asia and Oceania	393	452	598	1.5	1.7	2.0
Selected groups						
Developing economies excluding China	62	115	162	0.3	0.6	0.8
Developing economies excluding LDCs	283	395	534	0.8	1.2	1.4
LDCs	-44	-31	-55	-3.9	-2.7	-4.6
LLDCs	-29	-28	-26	-3.5	-3.4	-2.9
SIDS (UN-OHRLLS)	57	49	71	7.5	6.8	9.0
HIPCs (IMF)	-34	-26	-30	-4.6	-3.4	-3.7
BRICS	184	300	392	0.8	1.5	1.6
G20	253	251	391	0.3	0.3	0.5

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.

^a Annual average.

Table 2 Current account balance in largest surplus and deficit economies

Economy (Ranked by 2021 value)	2017–2021 ^a		2020		2021	
	Value	Ratio to GDP	Value	Ratio to GDP	Value	Ratio to GDP
	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)	(Billions of US\$)	(Percentage)
China	176	1.2	249	1.7	317	1.8
Germany	298	7.6	274	7.1	314	7.4
Japan	169	3.4	147	2.9	142	2.9
Russian Federation	74	4.4	36	2.4	122	6.9
China, Taiwan Province of	86	13.0	95	14.2	115	14.6
⋮	⋮	⋮	⋮	⋮	⋮	⋮
Chile	-9	-3.0	3	1.3	-20	-6.4
Brazil	-38	-2.1	-24	-1.7	-28	-1.7
India	-27	-0.9	33	1.2	-35	-1.1
United Kingdom	-88	-3.1	-70	-2.5	-83	-2.6
United States of America	-542	-2.5	-616	-2.9	-822	-3.6

^a Annual average.

Table 3 Current accounts of leading exporters (goods and services) by group of economies, 2021

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	-822	-3.6	-846	9.2	12.6
Germany	314	7.4	(e) 224	(e) 7.1	(e) 6.6
France	11	0.4	-36	3.3	3.6
Japan	142	2.9	(e) -24	(e) 3.3	(e) 3.5
Netherlands	97	9.6	(e) 94	(e) 3.2	(e) 3.0
Developed economies	230	0.4	237	59.4	60.6

^a Goods and services.



Developing 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)
China	317	1.8	(e) 514	(e) 12.9	(e) 11.5
China, Hong Kong SAR	42	11.3	18	2.7	2.7
Singapore	72	18.7	125	2.6	2.3
India	-35	-1.1	(e) -133	2.3	(e) 2.9
Mexico	-5	-0.4	(e) -22	(e) 1.9	(e) 2.0
Developing economies	480	1.3	699	40.6	39.4

^a Goods and services.

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	16	4.1	26	0.5	0.4
Egypt	(e) -18	(e) -4.5	(e) -36	(e) 0.2	(e) 0.3
Nigeria	(e) -4	(e) -0.8	(e) -14	(e) 0.2	(e) 0.2
Morocco	-3	-2.5	-13	0.2	0.2
Algeria	(e) -3	(e) -2.1	(e) -1	(e) 0.1	(e) 0.2
Developing Africa	-41	-1.6	-88	2.3	2.7

^a Goods and services.

Developing economies: Americas

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	-5	-0.4	(e) -22	(e) 1.9	(e) 2.0
Brazil	-28	-1.7	19	1.1	1.1
Chile	-20	-6.4	(e) 1	(e) 0.4	(e) 0.4
Argentina	7	1.4	15	0.3	0.3
Peru	-5	-2.4	7	0.2	0.2
Developing Americas	-77	-1.5	-48	4.9	5.3

^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	317	1.8	(e) 514	(e) 12.9	(e) 11.5
China, Hong Kong SAR	42	11.3	18	2.7	2.7
Singapore	72	18.7	125	2.6	2.3
India	-35	-1.1	(e) -133	2.3	(e) 2.9
China, Taiwan Province of	115	14.6	103	1.8	1.5
Developing Asia and Oceania	598	2.0	834	33.3	31.4

^a Goods and services.