

## BALANCE OF PAYMENTS

The current account balance is the difference between current receipts from abroad and current payments to abroad. When the current account is positive, the country can use the surplus to repay foreign debts, to acquire foreign assets or to lend to the rest of the world. When the current account balance is negative, the deficit will be financed by borrowing from abroad or by liquidating foreign assets acquired in earlier periods.

### Definition

Current account transactions consist of exports and imports of goods; exports and imports of services such as travel, international freight and passenger transport, insurance and financial services; income flows consisting of wages and salaries, dividends, interest and other investment income (i.e. property income in *System of National Accounts*); and current transfers such as government transfers (i.e. international cooperation), worker's remittances and other transfers such as gifts, inheritances and prizes won from lotteries.

Investment income includes retained earnings (i.e. profits not distributed as dividends to the direct investor) of foreign subsidiaries. In general, earnings of direct investment enterprises are treated as if they were remitted abroad to the direct investor, with the part that is actually retained in the country where the direct investment enterprises are located shown as direct investment income-reinvested earnings (debit) in the current account

and (with the opposite sign) as inward direct investment in the financial account.

### Comparability

The data are taken from balance of payments statistics compiled according to the International Monetary Fund (IMF) *Balance of Payments Manual* (BPM5). Data for Australia and for Chile are already updated and presented according to the new BPM6 standard. By end 2014, most OECD countries will have made the transition from BPM5 to BPM6. The IMF closely monitors balance of payments statistics reported by its member countries through regular meetings of balance of payments compilers. As a result, there is relatively good comparability across countries.

Because all earnings of direct investment enterprises are treated as though they are remitted to the direct investor even though a large part may in practice be retained by the direct investment enterprise in the countries where they are located, the existence of direct investment enterprises in an economy will tend to reduce its current account balance.

It should also be noted that portfolio income plays a role of growing importance for current account balances.

### Overview

Current account balances as a percentage of GDP have been negative throughout the period since 1990 in Australia, Mexico, New Zealand, Spain, the United Kingdom and the United States; this is partly due to the way in which earnings of direct investment enterprises are treated. The portfolio investment balance, as well as the balance on goods, had a significant impact on trends in current account balances up to the recent crisis that affected the world economy. Countries which have recorded current account surpluses throughout the crisis period include Germany, Israel, Japan, Luxembourg, the Netherlands, Norway, Slovenia and Switzerland.

Since 1990, current account balances have generally moved from deficit to surplus in Austria, Germany and Korea.

Current account balances, as a percentage of GDP and averaged over the three years to 2011, recorded deficits of 5% of GDP or more in Iceland, Greece, Portugal and Turkey. Surpluses in excess of 5% were recorded by Denmark, Switzerland, Germany, Luxembourg, the Netherlands, Slovenia and Sweden.

### Sources

- OECD (2012), *Main Economic Indicators*, OECD Publishing.

### Further information

#### Analytical publications

- OECD (2008), *Export Credit Financing Systems in OECD Member Countries and Non-Member Economies*, OECD Publishing.

#### Methodological publications

- International Monetary Fund (IMF) (2009), *Balance of Payments and International Investment Position Manual*, 6th edition, IMF, Washington DC.
- OECD et al. (2010), *Manual on Statistics of International Trade in Services*, United Nations.

#### Online databases

- *Main Economic Indicators*.
- *OECD Economic Outlook: Statistics and Projections*.

#### Websites

- *OECD Economic Outlook – Sources and Methods*, [www.oecd.org/eco/sources-and-methods](http://www.oecd.org/eco/sources-and-methods).



## BALANCE OF PAYMENTS

## Current account balance

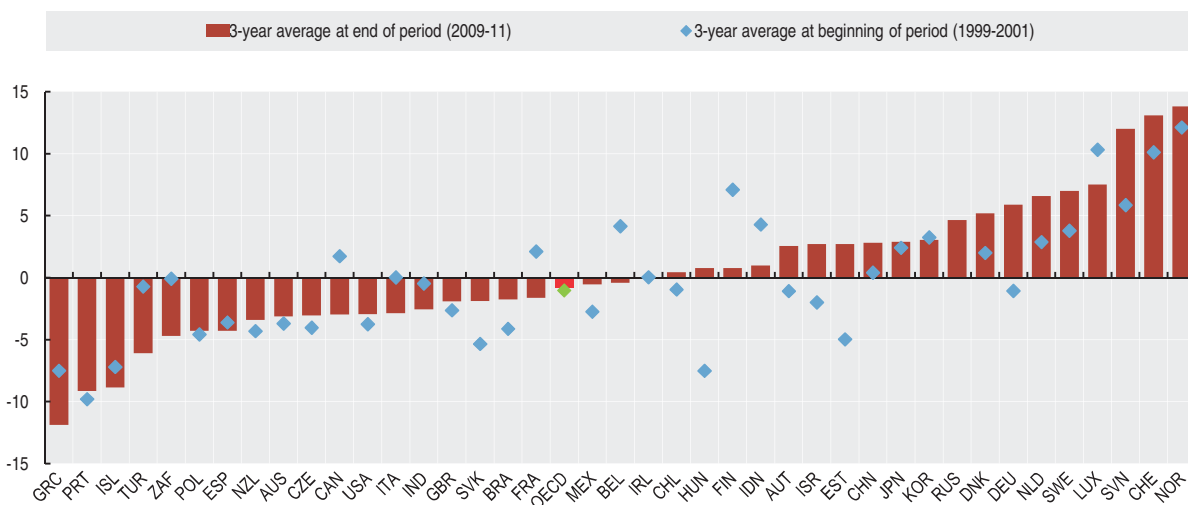
As a percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia	-5.2	-3.9	-2.0	-3.6	-5.3	-6.1	-5.7	-5.3	-6.2	-4.4	-4.2	-2.9	-2.3
Austria	-1.7	-0.7	-0.8	2.7	1.7	2.2	2.2	2.8	3.5	4.9	2.7	3.0	1.9
Belgium	5.1	4.0	3.4	4.3	3.5	3.2	2.1	2.0	1.7	-1.6	-1.7	1.3	-1.1
Canada	0.3	2.7	2.3	1.7	1.2	2.3	1.9	1.4	0.8	0.3	-3.0	-3.1	-2.8
Chile	..	..	..	..	-4.8	10.4	5.7	18.1	16.6	-13.8	7.6	5.8	-5.2
Czech Republic	-2.2	-4.5	-5.1	-5.2	-5.8	-4.9	-0.9	-1.9	-4.2	-2.0	-2.5	-3.7	-2.7
Denmark	1.9	1.6	2.5	2.8	3.4	2.2	4.3	3.0	1.3	2.6	3.5	5.5	6.5
Estonia	-4.4	-5.4	-5.2	-10.6	-11.2	-11.3	-10.0	-15.3	-16.0	-9.2	3.4	2.9	1.9
Finland	5.2	7.7	8.4	8.5	4.8	6.0	3.5	4.1	4.1	2.6	1.8	1.3	-1.3
France	3.2	1.4	1.8	1.2	0.8	0.5	-0.5	-0.6	-1.0	-1.7	-1.3	-1.6	-2.0
Germany	-1.3	-1.8	0.0	2.0	1.9	4.6	5.0	6.2	7.5	6.2	5.9	5.9	5.7
Greece	..	-7.8	-7.2	-6.5	-6.6	-5.8	-7.5	-11.3	-14.3	-14.7	-11.0	-10.0	-9.8
Hungary	-7.8	-8.6	-6.1	-6.9	-8.0	-8.6	-7.5	-7.4	-7.2	-7.3	-0.2	1.2	1.3
Iceland	-6.8	-10.1	-4.6	1.5	-4.8	-9.9	-16.2	-23.9	-16.2	-24.5	-11.7	-8.1	-6.9
Ireland	0.7	0.1	-0.6	-1.0	0.0	-0.5	-3.5	-3.5	-5.3	-5.7	-2.3	1.1	1.1
Israel	-1.4	-3.0	-1.5	-1.0	0.6	1.4	3.2	5.1	2.4	1.4	3.7	3.9	0.5
Italy	0.7	-0.5	-0.1	-0.8	-1.3	-0.9	-1.6	-2.6	-2.4	-2.9	-2.0	-3.5	-3.2
Japan	2.6	2.5	2.1	2.8	3.2	3.7	3.7	3.9	4.8	3.3	2.9	3.7	2.0
Korea	5.3	2.8	1.7	1.3	2.4	4.5	2.2	1.5	2.1	0.5	3.9	2.9	2.4
Luxembourg	8.7	13.4	8.8	10.2	8.3	12.2	11.5	10.3	10.2	5.5	7.0	7.9	7.7
Mexico	-2.7	-2.9	-2.6	-2.0	-1.0	-0.7	-0.7	-0.5	-0.9	-1.5	-0.6	-0.3	-0.8
Netherlands	4.1	2.0	2.6	2.6	5.6	7.8	7.5	9.3	6.7	4.2	4.1	7.1	8.5
New Zealand	-6.1	-4.6	-2.2	-3.6	-3.9	-5.7	-7.9	-8.3	-8.1	-8.8	-2.6	-3.4	-4.2
Norway	5.4	14.9	16.1	12.6	12.3	12.6	16.2	17.1	13.9	17.3	11.7	12.4	..
Poland	..	-6.0	-3.1	-2.8	-2.5	-5.3	-2.4	-3.8	-6.2	-6.5	-4.0	-4.6	-4.3
Portugal	-8.7	-10.5	-10.3	-8.2	-6.4	-8.2	-10.5	-10.8	-9.9	-12.6	-10.7	-10.0	-6.7
Slovak Republic	-4.7	-3.2	-8.1	-7.8	-6.3	-7.8	-8.1	-7.8	-5.0	-5.9	-2.9	-2.6	-0.2
Slovenia	3.9	5.1	8.6	10.2	7.9	6.9	9.2	10.2	10.5	8.9	11.0	10.9	13.8
Spain	-2.9	-4.0	-3.9	-3.3	-3.5	-5.2	-7.3	-8.9	-10.0	-9.6	-4.8	-4.5	-3.5
Sweden	4.0	3.7	3.7	3.8	7.0	6.5	6.8	8.4	9.3	8.8	7.1	6.9	7.0
Switzerland	10.6	11.7	8.0	8.5	12.9	13.0	13.6	14.4	8.7	1.7	10.6	14.5	14.3
Turkey	-0.4	-3.7	2.0	-0.3	-2.5	-3.7	-4.6	-6.1	-5.9	-5.5	-2.1	-6.3	-9.8
United Kingdom	-2.7	-2.9	-2.3	-2.1	-1.7	-2.1	-2.1	-2.9	-2.3	-1.0	-1.3	-2.5	-1.9
United States	-3.2	-4.2	-3.9	-4.3	-4.7	-5.3	-5.9	-6.0	-5.1	-4.7	-2.7	-3.0	-3.1
EU 27	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD	-0.7	-1.3	-1.1	-1.1	-1.0	-0.9	-1.4	-1.5	-1.3	-1.5	-0.4	-0.4	-0.6
Brazil	-4.3	-3.8	-4.2	-1.3	0.7	1.7	1.6	1.2	0.2	-1.7	-1.4	-2.2	..
China	..	..	..	..	0.7	0.9	1.9	2.5	3.1	3.2	2.1	..	..
India	-0.7	-1.0	0.3	1.4	1.5	0.2	-1.2	-1.0	-0.6	-2.5	-1.9	-3.2	..
Indonesia	3.7	4.9	4.3	4.0	3.4	0.6	0.1	3.0	2.4	0.0	1.9	0.7	0.3
Russian Federation	..	..	..	..	8.4	10.0	11.1	9.7	6.0	6.2	3.8	4.8	5.3
South Africa	-0.5	-0.1	0.3	0.8	-1.0	-3.0	-3.4	-5.3	-7.0	-7.2	-4.1	-2.9	..

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## Current account balance

As a percentage of GDP


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390,000 +  
300,000 +  
85,679,200 -  
43,628,500 -  
36,286,400 +  
34,432,741,064 ◊  
  
34,432,741,064 \*  
  
220,061,246 +  
242,765 +  
54,975,316 -  
3,458,295,462 +  
9,423,290,000 -  
627,646,320 -  
242,347,296 +  
312,759 +  
-6,184,652,108 ◊  
  
-6,184,652,108 \*



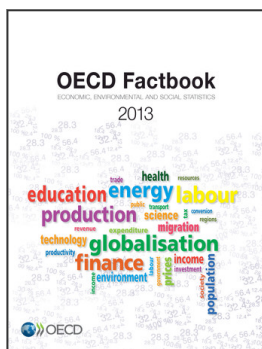
## PRICES

### PRICES AND INTEREST RATES

INFLATION (CPI)  
PRODUCER PRICE INDICES  
LONG-TERM INTEREST RATES

### PURCHASING POWER PARITIES AND EXCHANGE RATES

RATES OF CONVERSION  
REAL EFFECTIVE EXCHANGE RATES



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