**DOF Economic Bulletin on the Current Account Surplus, 23 June 2015**

The current account surplus more than doubled to 4.8% of GDP in the first quarter of 2015, showing stronger market fundamentals and increasing resiliency.

The current account surplus stemmed from:

a. Lower trade deficit due  (drop from 6.8% of GDP to 5.6%)  mainly to lower fuel prices;

b. Higher surplus in the services trade;  and

b. Stable secondary income.

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| **CURRENT ACCOUNT** | 2013 | 2014 | 2015 |
|  |     First Quarter |   |
| **CURRENT ACCOUNT BALANCE (US$M)** | **2,162** | **1,495** | **3,305** |
| **CURRENT ACCOUNT SURPLUS (% OF GDP)** | **3.3%** | **2.3%** | **4.8%** |
| TRADE IN GOODS, BALANCE (US$M) | (797) | (5,414) | (4,694) |
| TRADE IN GOODS, BALANCE (% of GDP) | -1.0% | -6.8% | -5.6% |
| TRADE IN SERVICES, BALANCE (US$M) | 534 | 1,892 | 2,842 |
| TRADE IN SERVICES, BALANCE (% of GDP) | 0.7% | 2.4% | 3.4% |
| SECONDARY INCOME BALANCE (US$M) |       2,425 |       5,017 |       5,159 |
| SECONDARY INCOME, BALANCE (% of GDP) | 3.1% | 6.3% | 6.2% |

As a result, the savings rate rose to an estimated 24.7% of GDP, enabling the country to bolster its reserves.

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|   | 2013 | 2014 | 2015 |
|   |     First Quarter |   |   |
| **INVESTMENT RATE** | **18.1%** | **21.4%** | **19.9%** |
| **SAVINGS RATE** | **21.5%** | **23.8%** | **24.7%** |
| **SAVINGS-INVESTMENT SURPLUS** | **3.3%** | **2.3%** | **4.8%** |

DOF View

* A rising SI surplus is a boon to the economy. However, the economy would better sustain rapid growth and generate more employment if such investible funds are used in enhancing infrastructure and expanding production capacity.
* Capital market development reforms are necessary to enhance the capability of the financial sector to transform these idle funds to investment.
* At the same time, easing restraints on doing business will enable entrepreneurs to participate more actively in exploring and setting up businesses.