A country’s current account is the difference in the value of those goods and services it exports and those it imports. Countries with a current account surplus export more than they import, and those with a current account deficit import more than they export. At the same time, the current account also represents the difference between an economy’s saving and its investment.

It often makes sense for a country to have a current account surplus or deficit, but striking the best balance can be tricky, and if a country tilts excessively away from its “norm”—the surplus or deficit the IMF staff considers most appropriate given that country’s circumstances—then there is a measurable “gap.” Such gaps often take the form of too large of a surplus or deficit. Identifying these gaps and their sources can help policymakers know where to adjust course. Addressing these gaps would lead to better outcomes for growth and stability, in their own countries and potentially globally.

For a broader discussion of current account issues, see the IMF’s External Sector Report—Individual Economy Assessments released July 28, 2015.