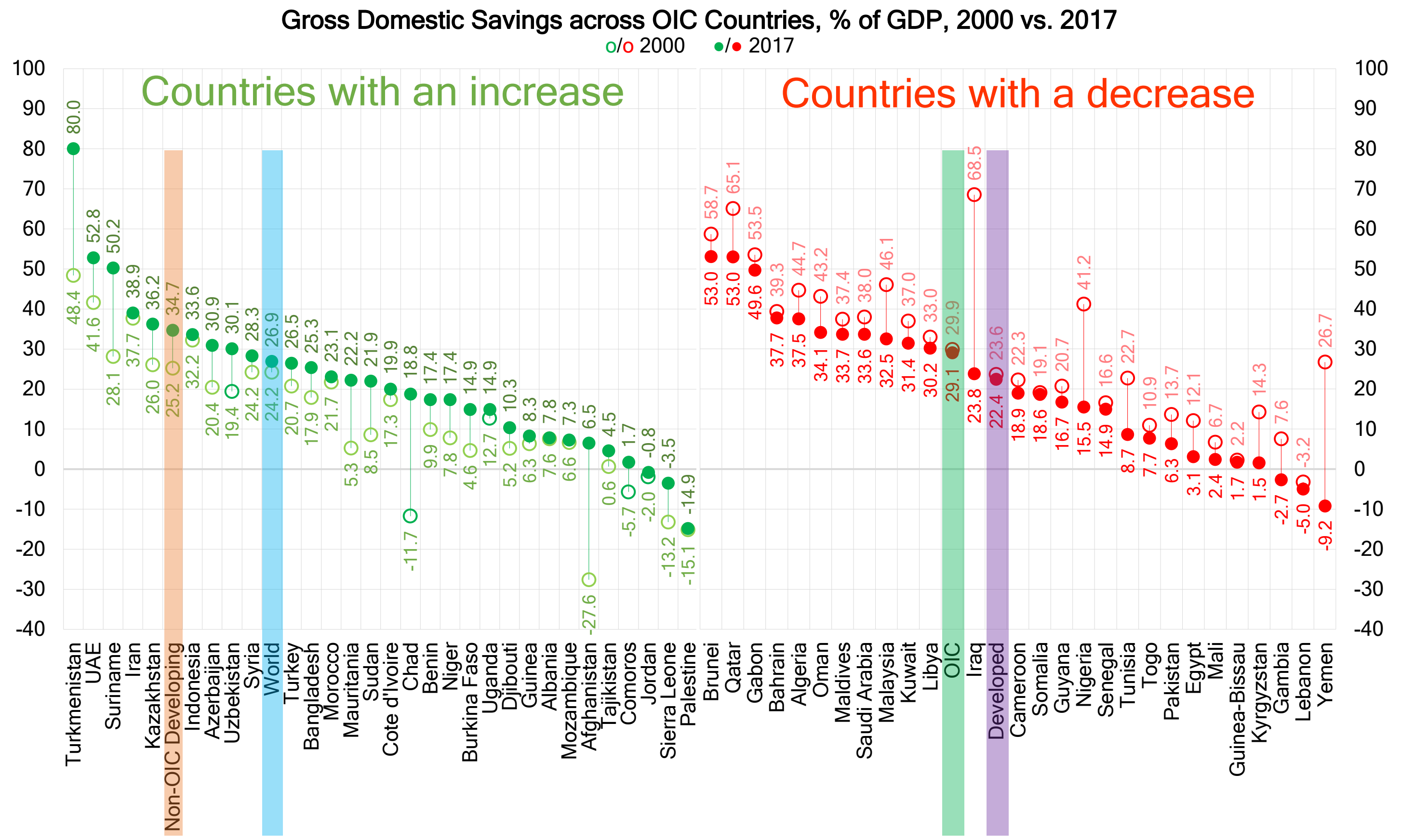
DID YOU KNOW?

2019-10



- **Gross Domestic Savings** is the difference between gross domestic product (GDP) and final consumption expenditure (total consumption). It is usually indicated as a percentage of GDP. Empirical analyses indicate that the availability of domestic savings in financing investment has an important role in sustained a long-term economic growth. Current account deficits may not increase as investment is financed using domestic savings. Additionally, economies are also less vulnerable to exchange rate shocks when investment is financed through savings. The domestic saving rate is a key measure to monitor macroeconomic developments. It could help to understand whether a country is on track to achieve the Sustainable Development Goal of promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- The OIC countries group recorded a 29.1% gross domestic savings rate in 2017, a **0.8 percentage-point decrease** compared to that in 2000. Even though the Developed countries group also experienced a 1.2-percentage-point decrease in the period 2000-2017, the non-OIC developing countries group and the World increased their gross domestic savings rates by 9.5 and 2.7 percentage points, respectively.
- While **30 OIC countries increased their gross domestic savings rates**, 27 of them were observed with a decrease from 2000 to 2017.
- At the individual country level, the OIC countries varied considerably in gross domestic savings rates. The difference between the highest and lowest domestic saving rate across OIC countries was very close to **95 percentage points** in 2017.
- The highest domestic savings rates were recorded in **Turkmenistan, Brunei, Qatar, UAE, and Suriname** with over 50% in 2017. 14 OIC countries were also observed to have domestic saving rate between 50% and 30% in that year.
- The strong performing OIC countries in savings rate were **Afghanistan, Turkmenistan, Chad, Suriname, Mauritania, Sudan, UAE, Uzbekistan, Azerbaijan, Burkina Faso,** and **Kazakhstan** with over a 10-percentage-points increase over 17 years.
- On the other hand, 6 OIC countries, namely Jordan, Gambia, Sierra Leone, Lebanon, Yemen, and Palestine were with negative domestic savings rates in 2017.

Note: OIC countries observed with a decrease in Gross Domestic Savings Rates were shown in red colour (year markers).

Source: SESRIC staff calculations based on data extracted on 28/01/2019 from the United Nations National Accounts Main Aggregates Database. Please visit **OIC Statistics (OICStat) Database** (http://bit.ly/2F7W8cv) for other indicators under the National Accounts category.