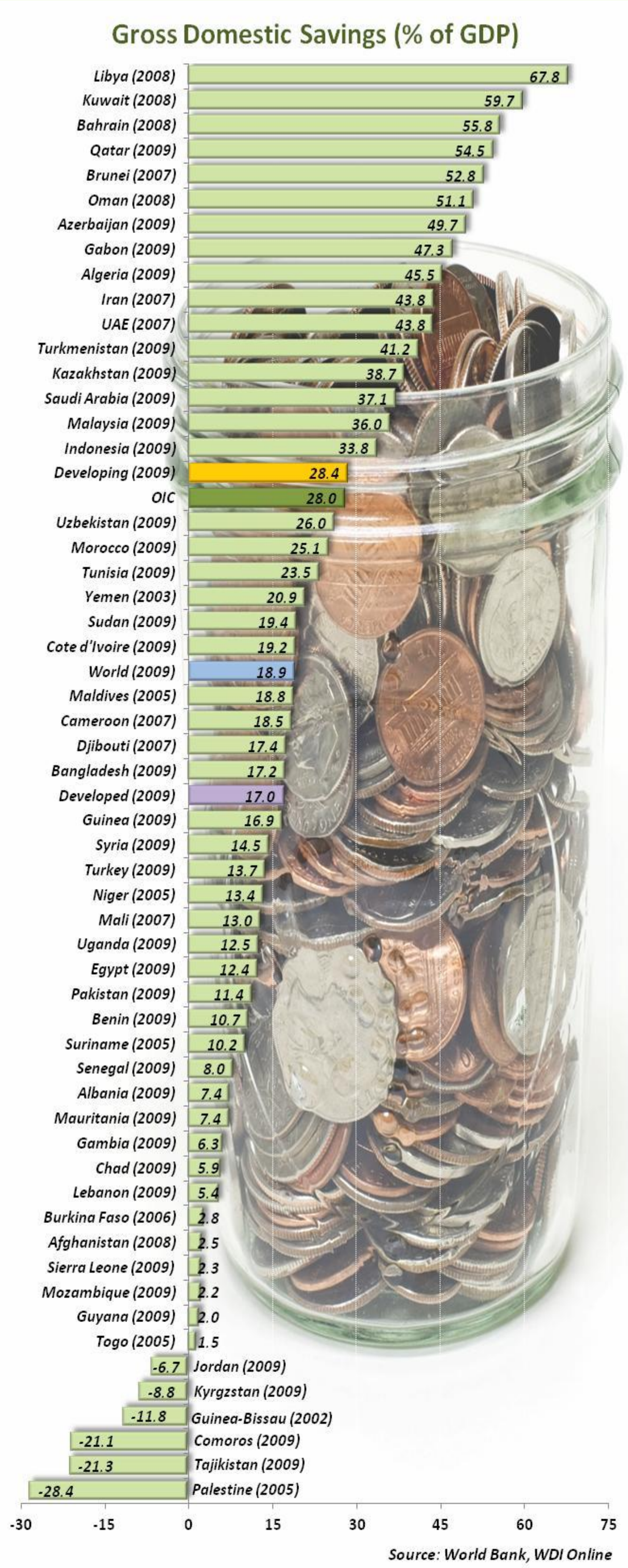
Did You Know?

✓**Gross Domestic Savings** are calculated as GDP less final consumption expenditure (total consumption).Hence, domestic saving can also be perceived as a choice between consumption today and consumption tomorrow as it is a way to accumulate wealth over time and raise living standards in the future. The primary problem is whether this choice is made optimally so that incentives emphasizing current consumption do not lead sub-optimal savings rates.



✓It should be noted that sustained low saving relative to investment translates into persistent current account deficit and a deteriorating international investment position. The increase in current account deficit raised the magnitude of a country's vulnerability as it signals reliance on foreign financing. Additionally, domestic savings may help in maintaining high growth rates through its impact on investment and also act as a catalyst for attracting FDI while strong reliance on external financing may erode competitiveness through an overvalued currency, providing additional motives for wanting to stimulate domestic saving.

✓On average, OIC member countries saved 28 percent of their GDP while the average is 18.9% in the world and 17.0% in developed countries.

✓The savings rates of 16 member countries were also above the average of developing countries, 28.4%.

✓Among them, **Libya** and **Kuwait** were the top runners by saving nearly 60 and 70 % of their GDPs, respectively.

✓**Bahrain, Qatar, Brunei** and **Oman** had also devoted half of their GDP to gross domestic savings.

✓On the other hand, **Jordan, Kyrgyzstan, Guinea-Bissau, Comoros, Tajikistan** and **Palestine** have negative savings accounts.