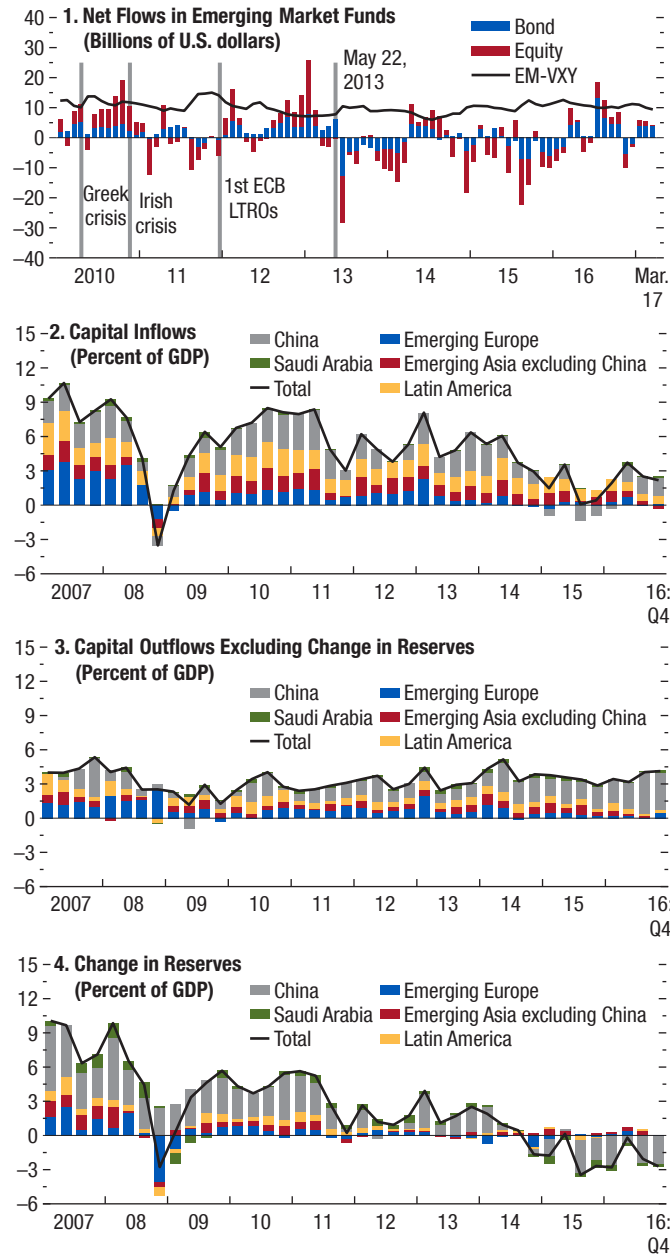


Figure 1.10. Emerging Market Economies: Capital Flows

Net flows into emerging market funds turned negative in the immediate aftermath of the November 8 election in the United States, but were positive in the first three months of 2017. Capital inflows into emerging market economies declined somewhat in the third quarter of 2016 while capital outflows picked up modestly; both were little changed in the fourth quarter. Reserves continue to decline for the group, driven largely by continued reserve decumulation in China.



Sources: Bloomberg L.P.; EPFR Global; Haver Analytics; IMF, International Financial Statistics (IFS) database; and IMF staff calculations.

Note: Capital inflows are net purchases of domestic assets by nonresidents. Capital outflows are net purchases of foreign assets by domestic residents. Emerging Asia excluding China comprises India, Indonesia, Malaysia, the Philippines, and Thailand; emerging Europe comprises Poland, Romania, Russia, and Turkey; Latin America comprises Brazil, Chile, Colombia, Mexico, and Peru. ECB = European Central Bank; EM-VXY = J.P. Morgan Emerging Market Volatility Index; LTROs = longer-term refinancing operations.