In the past, widespread financial stress in advanced economies was followed by reduced capital inflows—often abruptly through sudden stops—and lower growth. In the aftermath, capital inflows did not recover for a long time.

Sources: IMF, Balance of Payments Statistics; and IMF staff calculations.

1 Includes Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Jamaica, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

2 Includes Indonesia, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam.