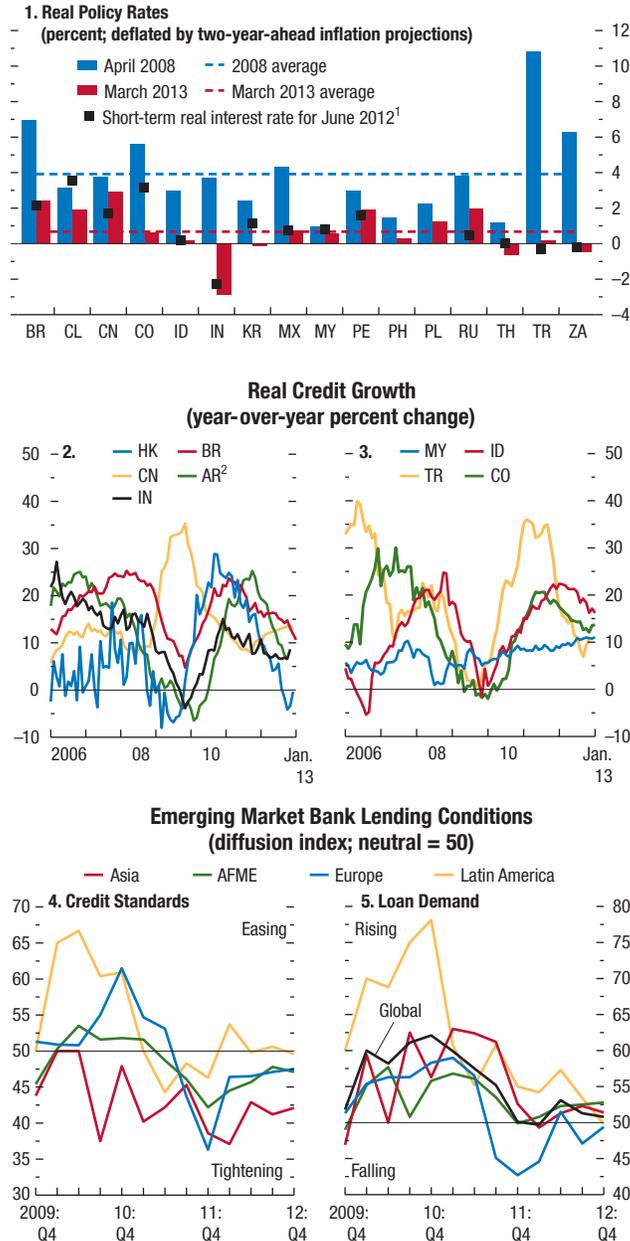


Figure 1.6. Monetary Policies and Credit in Emerging Market Economies

In emerging market economies, real policy rates have fallen during the past six months. In addition, the pace of real credit growth has dropped, consistent with easing loan demand. However, in many economies it remains at a level that is generally considered high. Loan demand has been softening, except in emerging Europe, which is recovering from a credit bust. Credit standards have been in tightening territory since 2011, but less so recently.



Sources: Haver Analytics; IIF Emerging Markets Bank Lending Survey; IMF, *International Financial Statistics*; and IMF staff calculations.

Note: AR = Argentina; BR = Brazil; CL = Chile; CN = China; CO = Colombia; HK = Hong Kong SAR; ID = Indonesia; IN = India; KR = Korea; MX = Mexico; MY = Malaysia; PE = Peru; PH = Philippines; PL = Poland; RU = Russia; TH = Thailand; TR = Turkey; ZA = South Africa; AFME = Africa and Middle East.

¹Bank of Indonesia rate for Indonesia; the Central Bank of the Republic of Turkey's effective marginal funding cost estimated by the IMF staff for Turkey.

²Nominal credit is deflated using the IMF staff's estimate of average provincial inflation.