Monetary conditions have tightened in many emerging market economies, reflecting changes in external funding, but also policy rate increases in some economies (including Brazil, Indonesia, South Africa, and Turkey); however, real policy rates remain negative in some emerging markets, in some cases because of high inflation. Bank credit growth has started to slow in many economies, but remains at double-digit rates in some, exceeding GDP growth by substantial margins. Economy-wide leverage continues to rise rapidly, and ratios of bank credit to GDP have doubled in some economies during the past seven years.


Note: BRA = Brazil; CHL = Chile; CHN = China; COL = Colombia; HKG = Hong Kong SAR; IDN = Indonesia; IND = India; KOR = Korea; MEX = Mexico; MYS = Malaysia; PER = Peru; PHL = Philippines; POL = Poland; RUS = Russia; THA = Thailand; TUR = Turkey; ZAF = South Africa.

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.