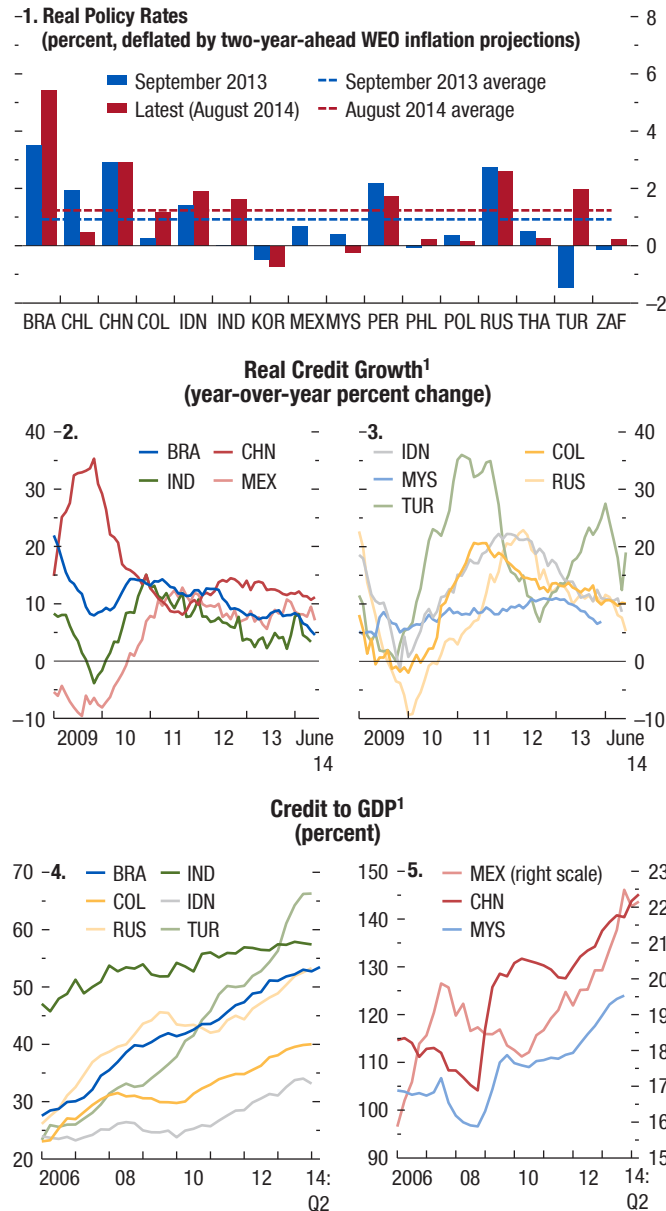


Figure 1.7. Monetary Policies and Credit in Emerging Market Economies

Monetary conditions have tightened in many emerging market economies, as central banks have responded with policy rate increases to the tighter external financial conditions faced by these economies since the taper talks of May 2013. Nevertheless, real policy rates remain negative or well below precrisis averages in many emerging market economies. Bank credit growth has continued to slow in emerging market economies, although it remains at double-digit rates in some. Economy-wide leverage, as measured by the ratio of bank credit to GDP, has therefore continued to increase.



Sources: Haver Analytics; IMF, International Financial Statistics (IFS) database; and IMF staff calculations.

Note: Data labels in the figure use International Organization for Standardization country codes.

¹Credit is other depository corporations' claims on the private sector from IFS, except in the case of Brazil, for which private sector credit from the Monetary Policy and Financial System Credit Operations published by Banco Central do Brasil is used.