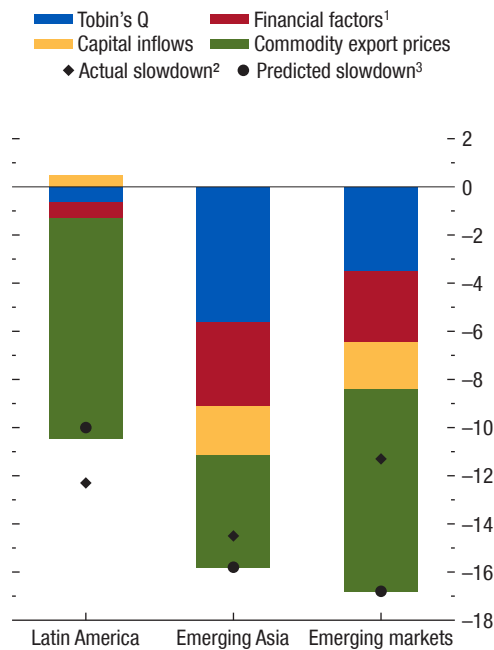


Figure 4.1.3. Contributors to the Private Investment Slowdown since 2011
(Percent of 2011 level; for average firm in the sample)



Source: IMF staff calculations.

Note: The figure shows the relative contribution of each determinant of business investment to the 2011–13 change in the private-investment-to-capital ratio in percent of the 2011 level. The contributions are computed as the recent period's change in each factor multiplied by the sum of its corresponding estimated coefficient and the coefficient on its interaction with the recent dummy. Contributions are based on the specific regression corresponding to each emerging market subregion. The figure presents data for 38 emerging market subregions: emerging Asia = China, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, Thailand, Vietnam; Latin America = Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela; emerging markets include, in addition, Bulgaria, Croatia, Czech Republic, Egypt, Hungary, Israel, Jordan, Kazakhstan, Lithuania, Morocco, Pakistan, Poland, Romania, Russia, Serbia, Slovak Republic, Slovenia, South Africa, Sri Lanka, Turkey, Ukraine.

¹Financial factors comprise cash flow, leverage, and "change in debt."

²Actual percentage change in private-investment-to-capital ratio between 2011 and 2013.

³Predicted percentage change in private-investment-to-capital ratio between 2011 and 2013.