Figure 1.23. Corporate Borrowing: Stabilized, but at a High Level

Excess credit increased substantially in most emerging market economies, and it is now falling ...  
1. Credit Overhang: Credit to GDP over Long-Term Trend (Percentage points)

[Graph showing credit overhang for various countries and regions]

Sources: Bank for International Settlements; Haver Analytics; national authorities; and IMF staff calculations.  
Note: Based on a one-sided Hodrick-Prescott filter with a smoothing parameter of 400,000. Data for 2016 are estimates. EM = emerging market.

Lower earnings impaired firms’ ability to repay ...  
2. Debt as a Share of Equity (Percent)

[Graph showing debt as a share of equity for various countries]

... led by financing of capital investment.

3. Interest Coverage Ratio by Country (EBITDA to interest expense, multiples)

[Graph showing interest coverage ratio for various countries and sectors]

... led by commodity-related sectors.

4. Interest Coverage Ratio by Sector (EBITDA to interest expense, multiples)

[Graph showing interest coverage ratio by sector]

Greatest decline in ICR in commodity-related sectors

5. Emerging Market Corporate Credit, Investment, and Commodity Prices

[Graph showing NFC credit to GDP, capital expenditures, and commodity prices]

... dollar corporate net financing turning negative this year.

6. External Bond Net Financing (Billions of U.S. dollars)

[Graph showing external bond net financing]

Source: JPMorgan Chase & Co.  
Note: Data for 2016 are forecast.

Sources: S&P Capital IQ; and IMF staff calculations.  
Note: NFC = nonfinancial corporation.