Figure 2.12. Bond Finance around the World

The reliance of listed companies on loan versus bond financing varies significantly across countries.

1. Loan versus Bond Financing, 2014 (Percent)

Bond financing is favored in deeper financial markets.

2. Bank Financing and Financial Development, 2014 (Percent)

Larger firms rely more on bond financing in advanced economies.

3. Bank Financing by Firm Size, 2014 (Percent)

Bond financing increased in most countries after the crisis.

4. Change in Median Bank Financing, 2009–14 (Balanced panel; percentage points)

Sources: Dealogic; FactSet; IMF; World Economic Outlook database; Svirydzenka 2016; and IMF staff calculations.

Note: Firms’ reliance on bank financing is computed as the ratio of loan liabilities to the sum of loan, note, and bond liabilities. In panel 2, the financial markets depth index (Svirydzenka 2016) takes into account the depth of equity and bond markets (including government, financial, and nonfinancial bond markets). In panel 3, quintiles are in ascending order by firm size, measured by total assets. Taiwan POC = Taiwan Province of China. See Annex 2.3 for details.