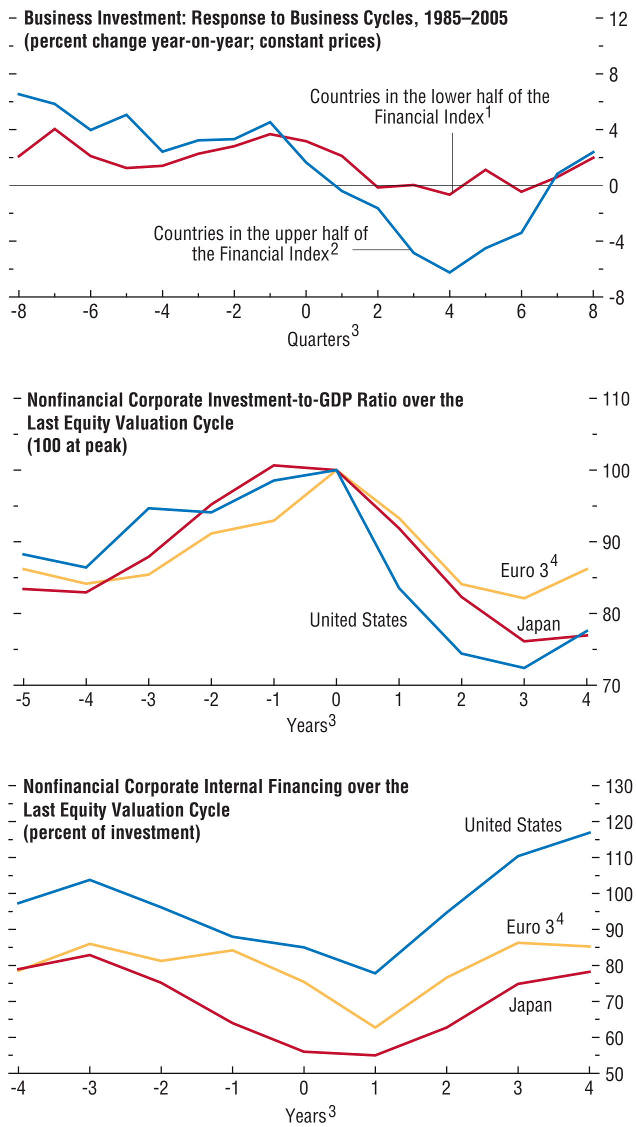
## Figure 4.12. Investment and Financing by the Corporate Sector

Business investment tends to move sharply during cyclical downturns in more arm's length financial systems. Following the burst of the equity bubble in 2000 (1990 for Japan), U.S. nonfinancial corporates reduced investment and increased their reliance on internal funding faster than Japanese and Euro 3 firms.




Sources: National financial accounts from Eurostat and OECD; OECD Analytic Database; and IMF staff calculations.

[1] Countries included are Austria, Belgium, Finland, France, Germany, Greece, Japan, Portugal, and Spain.

[2] Countries included are Australia, Canada, Denmark, Italy, the Netherlands, Norway, Sweden, the United Kingdom, and the United States.

[3] Zero denotes the peak quarter or year of the business cycle.

[4] GDP-weighted average of France, Germany, and Italy (GDP at market exchange rates).