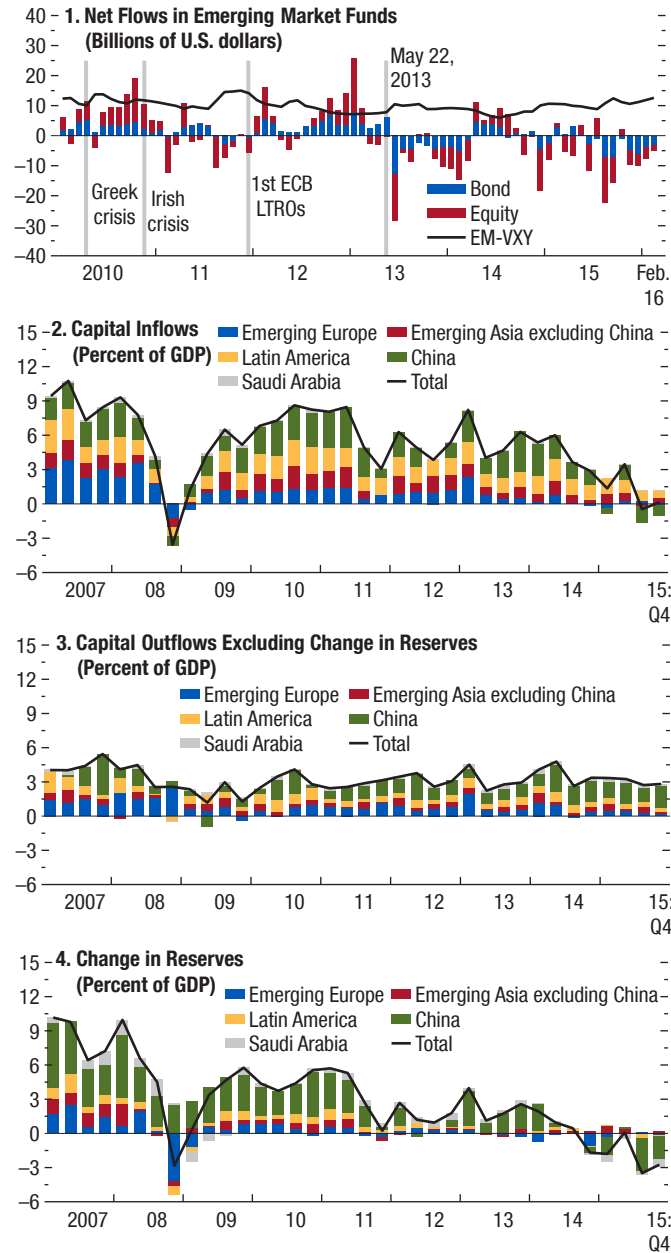


Figure 1.5. Emerging Market Economies: Capital Flows

Capital flows to emerging market and developing economies reached their lowest level since the global financial crisis in the second half of 2015. With capital outflows declining less than inflows, and with relatively little change in the aggregate current account balance, the change in reserves turned negative for these economies as a group in the last two quarters of 2015. Chapter 2 examines capital flows to emerging market and developing economies in greater detail.



Sources: Bloomberg, L.P.; EPFR Global; Haver Analytics; IMF, *International Financial Statistics*; and IMF staff calculations.

Note: Capital inflows are net purchases of domestic assets by nonresidents.

Capital outflows are net purchases of foreign assets by domestic residents.

Emerging Asia excluding China comprises India, Indonesia, Malaysia, the Philippines, and Thailand; emerging Europe comprises Poland, Romania, Russia, and Turkey; Latin America comprises Brazil, Chile, Colombia, Mexico, and Peru.

ECB = European Central Bank; EM-VXY = J.P. Morgan Emerging Market Volatility Index; LTROs = longer-term refinancing operations.