



Corporate Foreign Debt and Policy Response in EMEs

2015 Bank of Korea – International Monetary Fund Conference
“Leverage in Asia: Lessons form the Past, What’s New Now, and
Where to Watch Out for?”

December 11, 2015

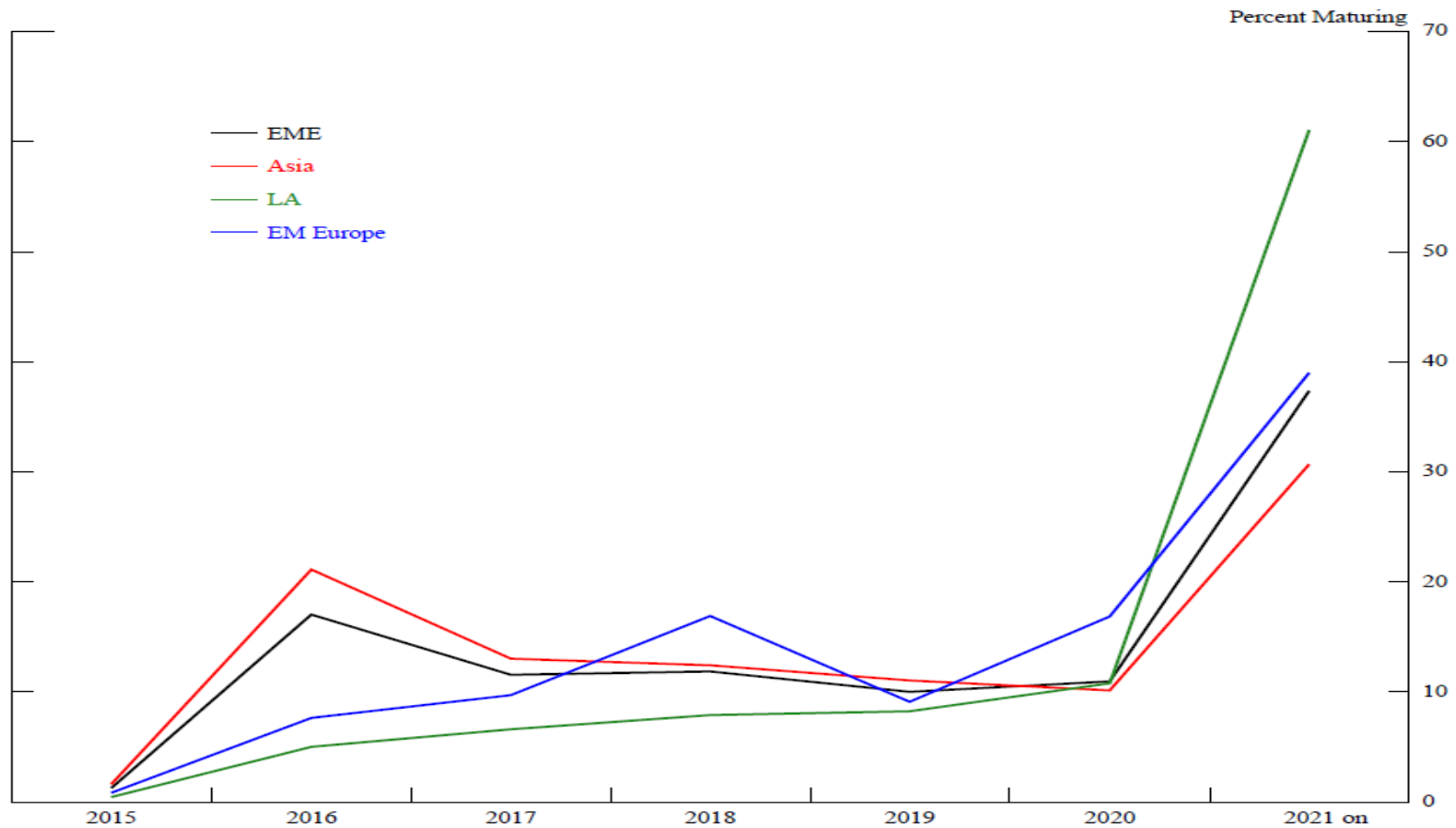
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Board of Governors of the Federal Reserve System

Disclaimer: The views expressed in this presentation are those of the presenter and do not necessarily represent those of the Board of Governors or the Federal Reserve System.

EME NFC Debt (bil. \$)	Loans		Bonds		Total	Total/ GDP
	LC	FC	LC	FC		
Total EME 2003	2,663 (83%)	241 (8%)	124 (4%)	168 (5%)	3,196 (100%)	49%
Total EME 2014	13,096 (72%)	2,111 (11%)	2,170 (12%)	855 (5%)	18,232 (100%)	74%
EME Ex. China 2003	1,030 (68%)	206 (14%)	117 (8%)	157 (10%)	1,510 (100%)	31%
EME Ex. China 2014	3,563 (59%)	1,258 (20%)	596 (10%)	656 (11%)	6,073 (100%)	42%

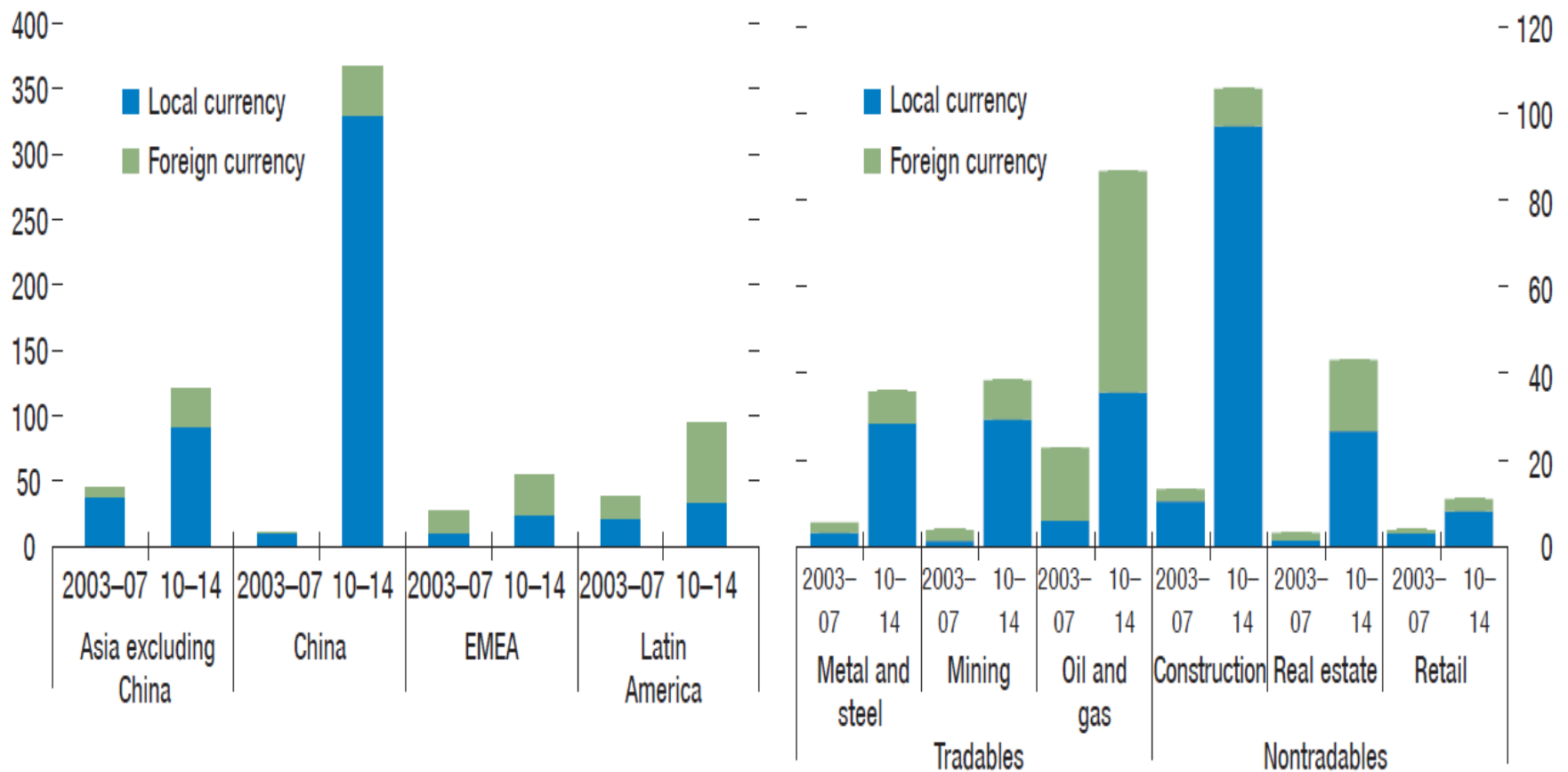
Maturity Profile of EME NFC Bonds



Source: Capital IQ and staff estimate

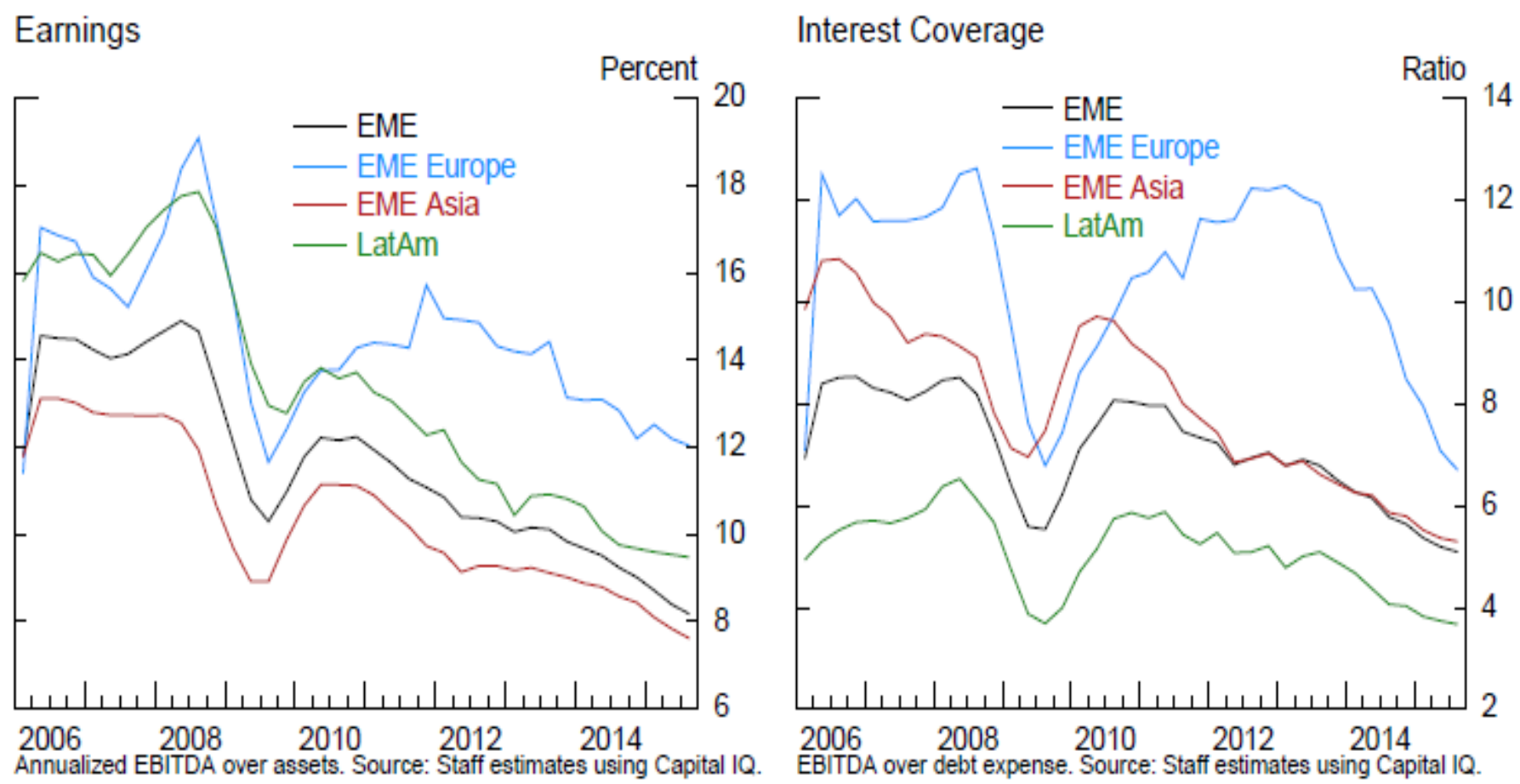
NFC Bond Issuance

(Billions of U.S. dollars, yearly average)





Growth Outlook: An Important Risk



Potential Role for Policies...to also support Growth

- Growth (and earnings) outlook
 - Forecasts revised down over past year.
 - Significant headwinds to growth: China transitioning to lower growth, lower commodity prices, weak trade
 - EME Policy space: Monetary Policy generally limited; Some Fiscal space
 - Structural reforms to boost productivity important.
- Others: Fill data gaps, methodology to identify “good” vs. “bad” leverage; recognize limits of policy.