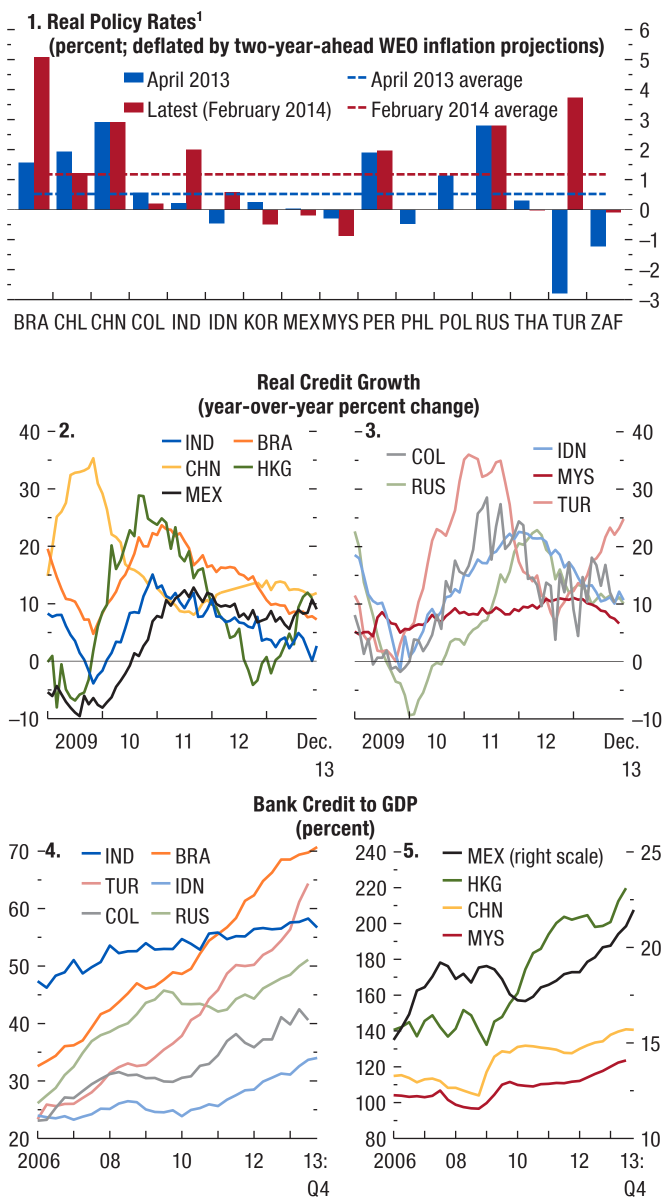
Figure 1.10. Monetary Policies and Credit in Emerging Market Economies

Monetary conditions have tightened in many emerging market economies, reflecting changes in external funding, but also policy rate increases in some economies (including Brazil, Indonesia, South Africa, and Turkey); however, real policy rates remain negative in some emerging markets, in some cases because of high inflation. Bank credit growth has started to slow in many economies, but remains at double-digit rates in some, exceeding GDP growth by substantial margins. Economy-wide leverage continues to rise rapidly, and ratios of bank credit to GDP have doubled in some economies during the past seven years.



Sources: Haver Analytics; IMF, *International Financial Statistics;* and IMF staff calculations.
Note: BRA = Brazil; CHL = Chile; CHN = China; COL = Colombia; HKG = Hong Kong SAR; IDN = Indonesia; IND = India; KOR = Korea; MEX = Mexico; MYS = Malaysia; PER = Peru; PHL = Philippines; POL = Poland; RUS = Russia; THA = Thailand; TUR = Turkey; ZAF = South Africa.
[1]Bank of Indonesia rate for Indonesia; the Central Bank of the Republic of Turkey's effective marginal funding cost estimated by the IMF staff for Turkey.