Figure 1.23. Corporate Borrowing: Stabilized, but at a High Level

Excess credit increased substantially in most emerging market economies, and it is now falling ...

1. Credit Overhang: Credit to GDP over Long-Term Trend (Percentage points) 40 China — Turkey — Mexico — Malaysia 30 Indonesia — India Brazil
EM excluding China 20 10 -10-20-30-40 16E 2005 07 08 09 15 06 10 11 12 13 14

Sources: Bank for International Settlements; Haver Analytics; national authorities; and IMF staff calculations.

Note: Based on a one-sided Hodrick-Prescott filter with a smoothing parameter of 400,000. Data for 2016 are estimates. EM = emerging market.

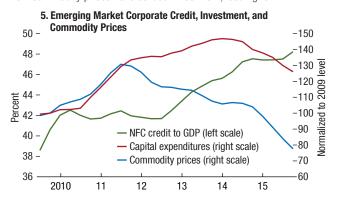
Lower earnings impaired firms' ability to repay ...

3. Interest Coverage Ratio by Country (EBITDA to interest expense, multiples) 25 -2010 20 -**2016** 15 -10 -Russia Thailand Poland Mexico Philippines Brazil Colombia Argentina Turkey Indonesia South Africa Malaysia Saudi Arabia

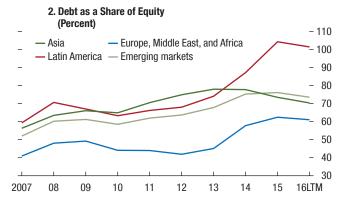
Sources: S&P Capital IQ; and IMF staff calculations. Note: EBITDA = earnings before interest, taxes, depreciation, and amortization.

Low commodity prices have curbed investment, leading to ...

UAE = United Arab Emirates.

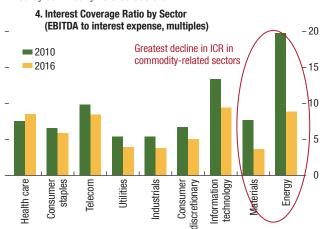


Sources: S&P Capital IQ; and IMF staff calculations. Note: NFC = nonfinancial corporation. ... led by financing of capital investment.



Sources: S&P Capital IQ; and IMF staff calculations. Note: LTM = last 12 months.

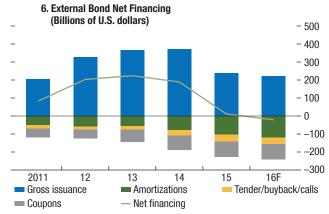
... led by commodity-related sectors.



Sources: S&P Capital IQ; and IMF staff calculations.

Note: EBITDA = earnings, before interest, taxes, depreciation, and amortization; ICR = interest coverage ratio.

 \ldots dollar corporate net financing turning negative this year.



Source: JPMorgan Chase & Co. Note: Data for 2016 are forecast.