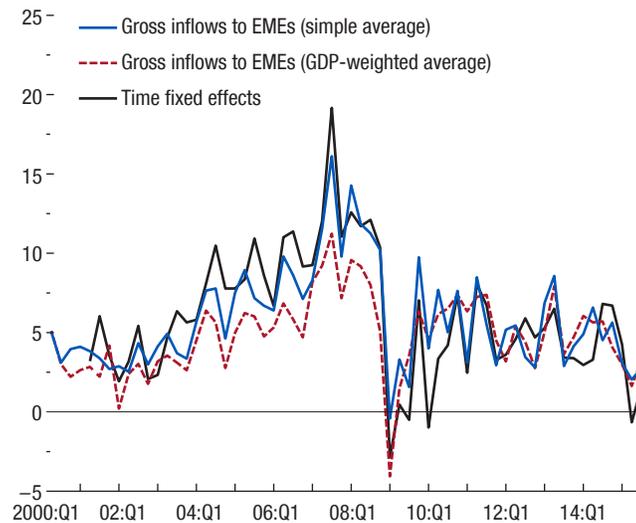


**Figure 2.18. Estimated Time Fixed Effects and Average Gross Capital Inflows to Emerging Market Economies**  
(Percent of GDP)

Estimated time fixed effects, which are common to all countries, are highly correlated with the simple and GDP-weighted averages of gross capital inflows to emerging markets and broadly capture the effects of global growth and interest rate differentials, global risk aversion, and global liquidity on capital flows.



Sources: CEIC Asia database; CEIC China database; Haver Analytics; IMF, *Balance of Payments Statistics*; IMF, *International Financial Statistics*; World Bank, World Development Indicators database; and IMF staff calculations.

Note: Time fixed effects are estimated from a regression of gross capital inflows to emerging market economies (EMEs) on country characteristics and country and time fixed effects. See Annex 2.1 for a description of the sample, Annex 2.2 for a detailed description of included variables and sources, and Annex 2.3 for details on the methodology.