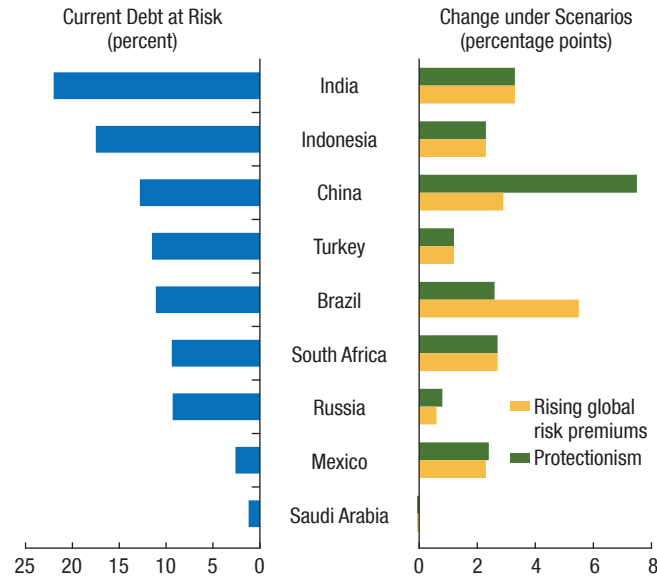


Figure 1.15. Emerging Market Corporate Debt under Rising Risk Premiums and Protectionism

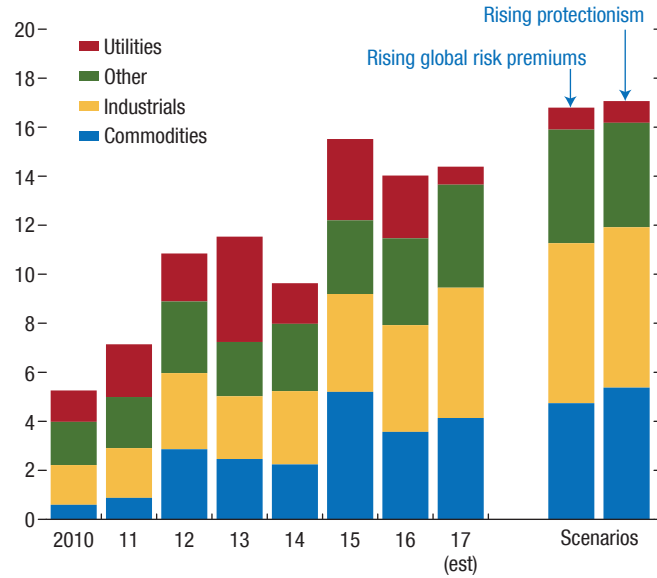
Emerging market economies would see an increase in the size of the weak tail of their corporate sectors.

1. Corporate Debt with Interest Coverage Ratio < 1



The weak tail of corporate debt rises significantly in a scenario of rising global risk premiums and rising protectionism.

2. Emerging Market Corporate Debt with Interest Coverage Ratio < 1 (Percent of total nonfinancial corporate debt)



Sources: S&P Capital IQ; and IMF staff estimates.
 Note: Current represents last 12 months, except for India, which uses fiscal year 2016 data. Est = estimate.