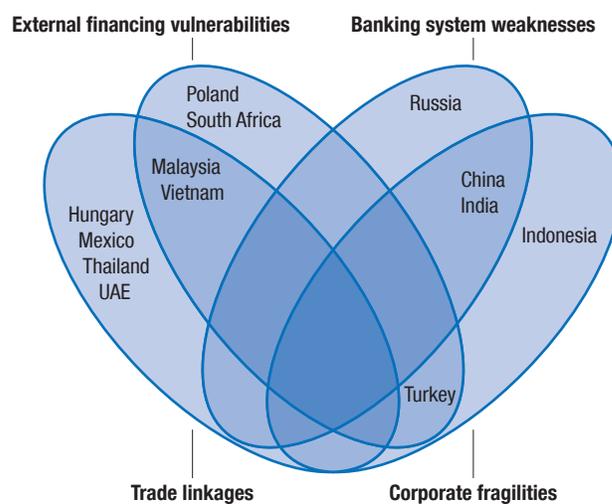


Figure 1.18. Emerging Market Economy Challenges



Source: IMF staff.

Note: Elevated risks for each category are defined as follows: Trade linkages = countries that rank in the top quartile among all countries for either trade openness or exports to the United States and the United Kingdom. Corporate fragilities = countries whose percentage of debt issued by firms with an interest coverage ratio below 1 rank in the top quartile of countries in Table 1.1. External financing vulnerabilities = countries with reserves as a percent of ARA metric below 100 percent in 2016 or projected external financing requirements above 15 percent of GDP in 2017, as shown in Table 1.1. Banking sectors = countries with Tier 1 capital ratios below 11.5, using Financial Soundness Indicators data as shown in Table 1.2. ARA = Assessing Reserve Adequacy; UAE = United Arab Emirates.