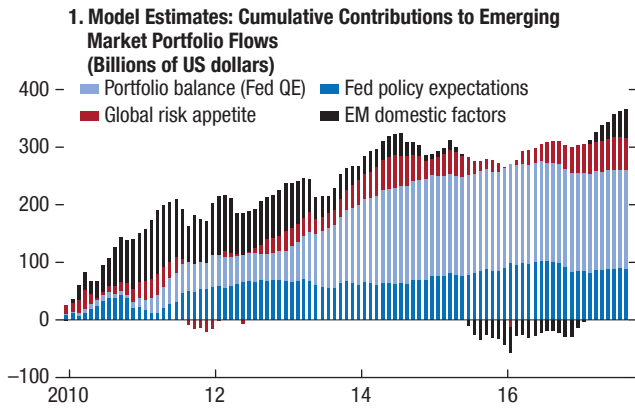
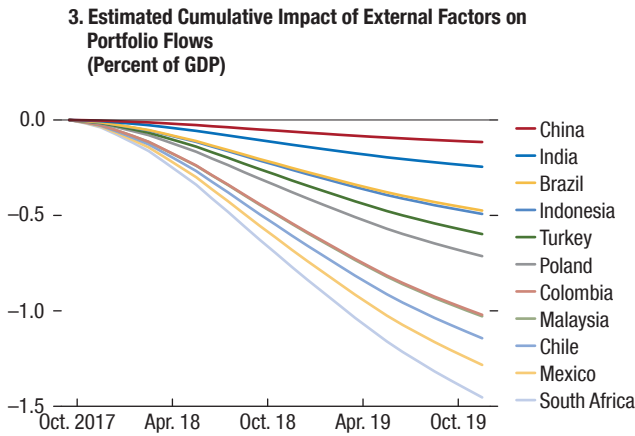


Figure 1.15. Emerging Market Economy Capital Flows

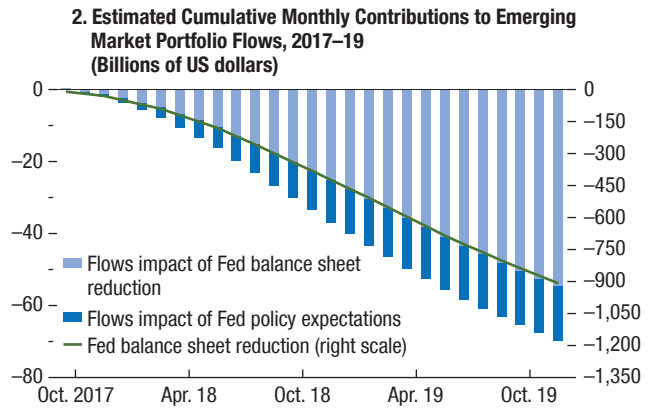
A large portion of portfolio flows has been driven by US monetary policy accommodation.



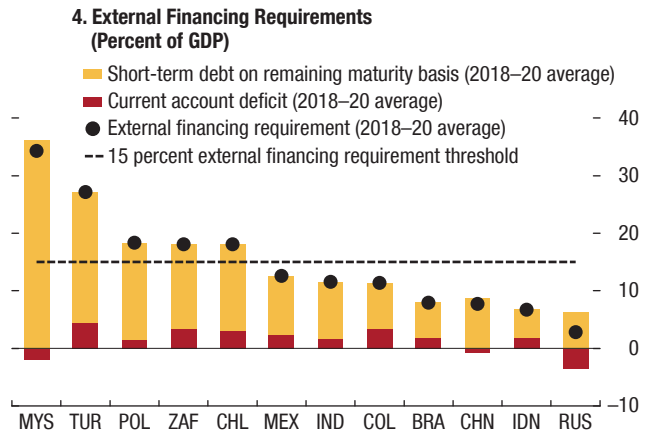
... with some countries likely to experience reduced inflows of 1–1.5 percent of annual GDP over the next two years.



Estimates point to a substantial reduction in portfolio flows due to US monetary policy normalization ...



This could prove challenging for those with large external financing needs.



Sources: Federal Reserve; and IMF staff estimates.
 Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. EM = emerging market; Fed = Federal Reserve; QE = quantitative easing.