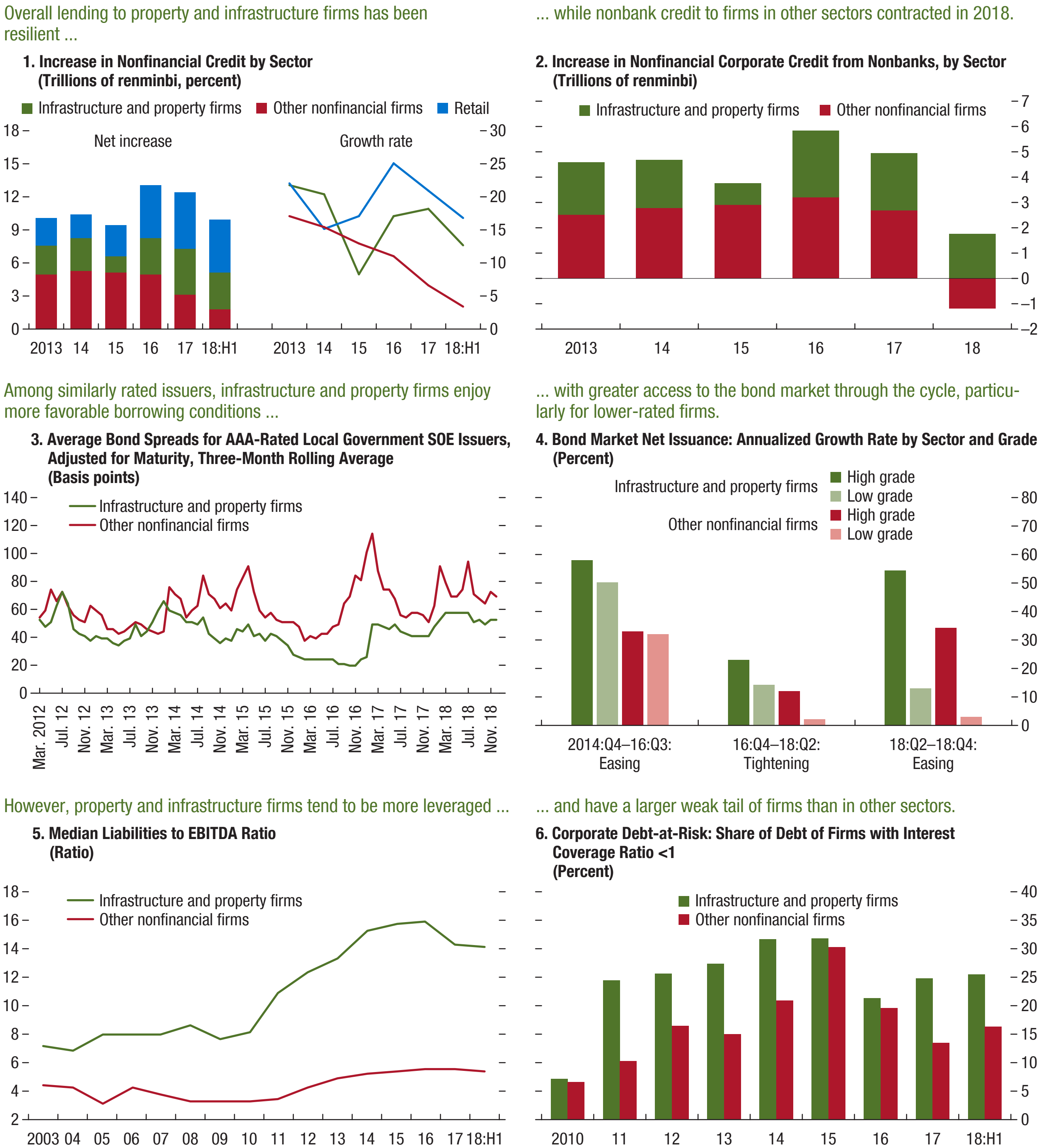
Figure 1.27. China: Impact of Tightening Financial Conditions on Nonfinancial Firms



Sources: CEIC; SNL Financial; S&P Global Market Intelligence; Captial IQ database; Wind Information Co; and IMF staff calculations.
Note: In panel 1, data are based on sector allocations for bank-disclosed loans, corporate bonds, and trust company assets under management. In panel 2, data are based on corporate bonds and trust company assets under management. In panel 4, high grade is defined as AAA-rated firms (at origination), and low grade are firms rated AA+ or lower. In panel 6, firm-level interest expense is estimated using the median cost of funding (interest expense divided by interest-bearing debt) from each sector grouping and time period. Panels 5 and 6 are based on a sample of 3,700 Chinese firms from the Capital IQ database. EBITDA = earnings before interest, tax, depreciation, and amortization; SOE = state-owned enterprises.