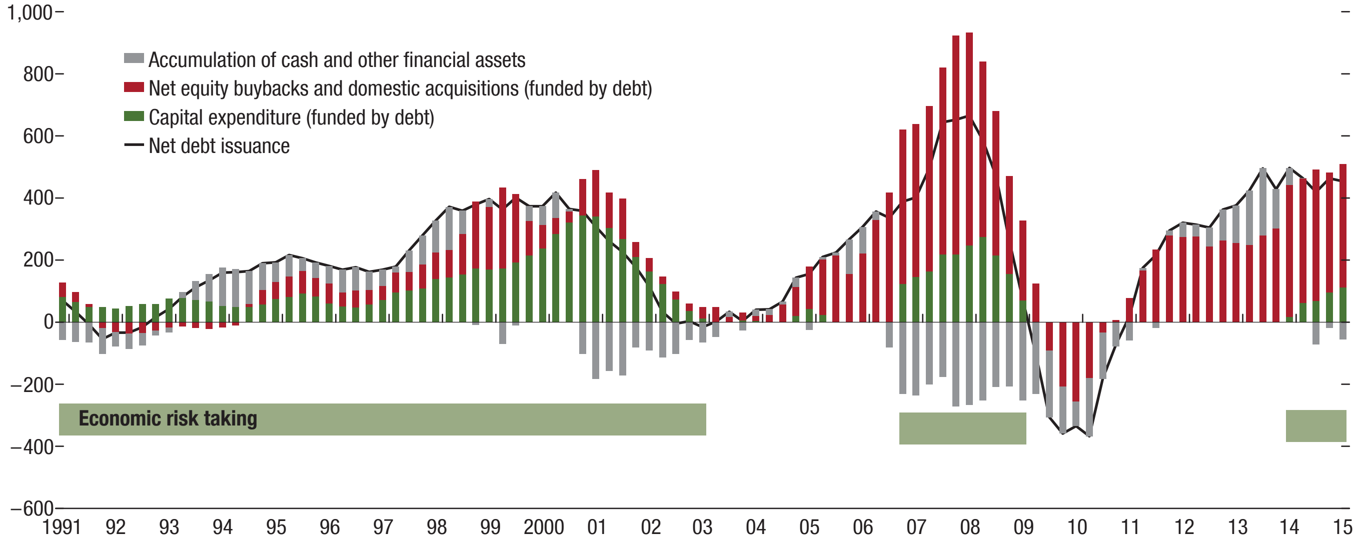
Figure 1.4. Economic Risk Taking Remains Weak in Advanced Economies

In the United States, easier policies have spurred only tentative signs of economic risk taking.

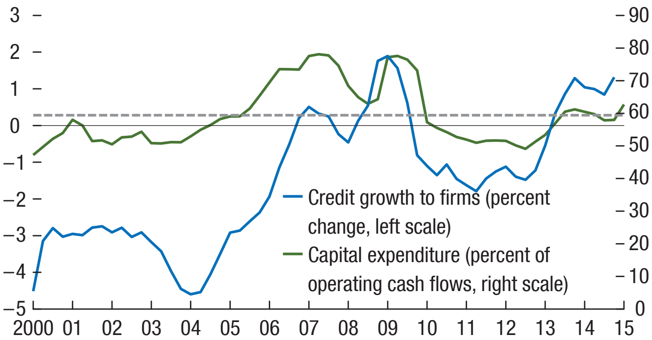
1. U.S. Nonfinancial Firms: Use of Debt
(Billions of U.S. dollars, four-quarter moving sum)



Sources: Federal Reserve; and IMF staff estimates.
Note: Capital expenditure (funded by debt) is equal to capital expenditures minus internal funds. Net equity buybacks consist of the sum of buybacks, after deducting any new issues that companies make to finance their own businesses, and when employees exercise their options. Episodes when debt issuance finances capital expenditures are identified as common risk taking.

Investment in Japan is rising from low levels...

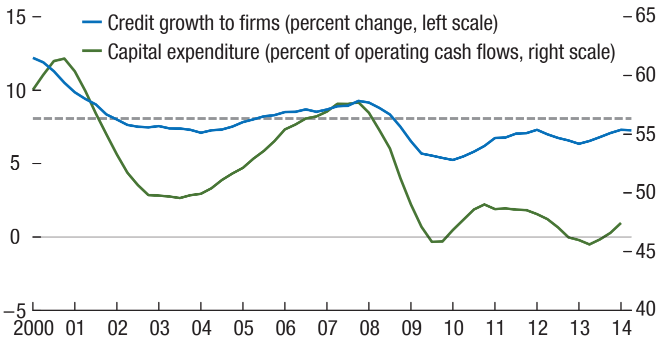
2. Japan: Credit Growth and Investment
(Year-over-year four-quarter moving average)



Sources: Bank for International Settlements; Japan, Ministry of Finance (Quarterly Report of Incorporated Enterprises Statistics); and IMF staff estimates.
Note: The dashed line represents the historical average since 2000.

...but remains subdued in the euro area.

3. Euro Area: Credit Growth and Investment
(Year-over-year four-quarter moving average)



Sources: Bank for International Settlements; European Central Bank; and IMF staff estimates.
Note: The dashed line represents the historical average since 2000.