



National Bank of Poland Conference: The State of Europe

Capital flows and turmoil in Emerging Markets: what is new, what is old?

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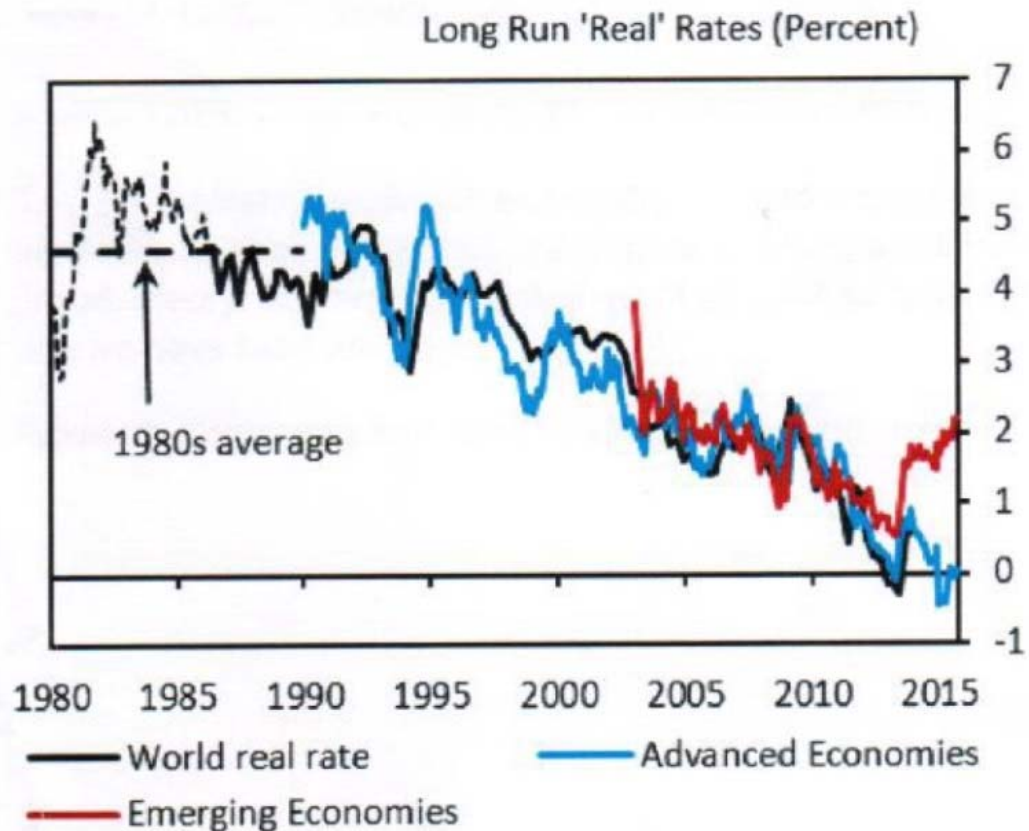
National Bank of Romania

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1. The Global Picture

- ❑ Years of enormous uncertainty
- ❑ Cognitive and business models are heavily questioned
- ❑ Macroeconomic policies face huge challenges; theoretical and operational underpinnings
- ❑ Fears of *secular stagnation*; *debt-overhang*; capital markets (shadow banking) threats
- ❑ Disinflationary (and deflationary) pressures
- ❑ An age of ultra low interest rates?
- ❑ Central banks under great pressure: “the only game in town” is coming to its limits
- ❑ “Shadow banking” as an alternative
- ❑ The euroarea is still in pains
- ❑ A shift of economic power in the world continues (the rise of Asia)
- ❑ A dysfunctional *international policy regime* (do we need a new Bretton Woods?)

Figure1 : the fall of real rates in the world (1980-2015)



Source: Rachel and Smith (2015), who quote King and Low (2014), Consensus Economics, IMF, Datastream

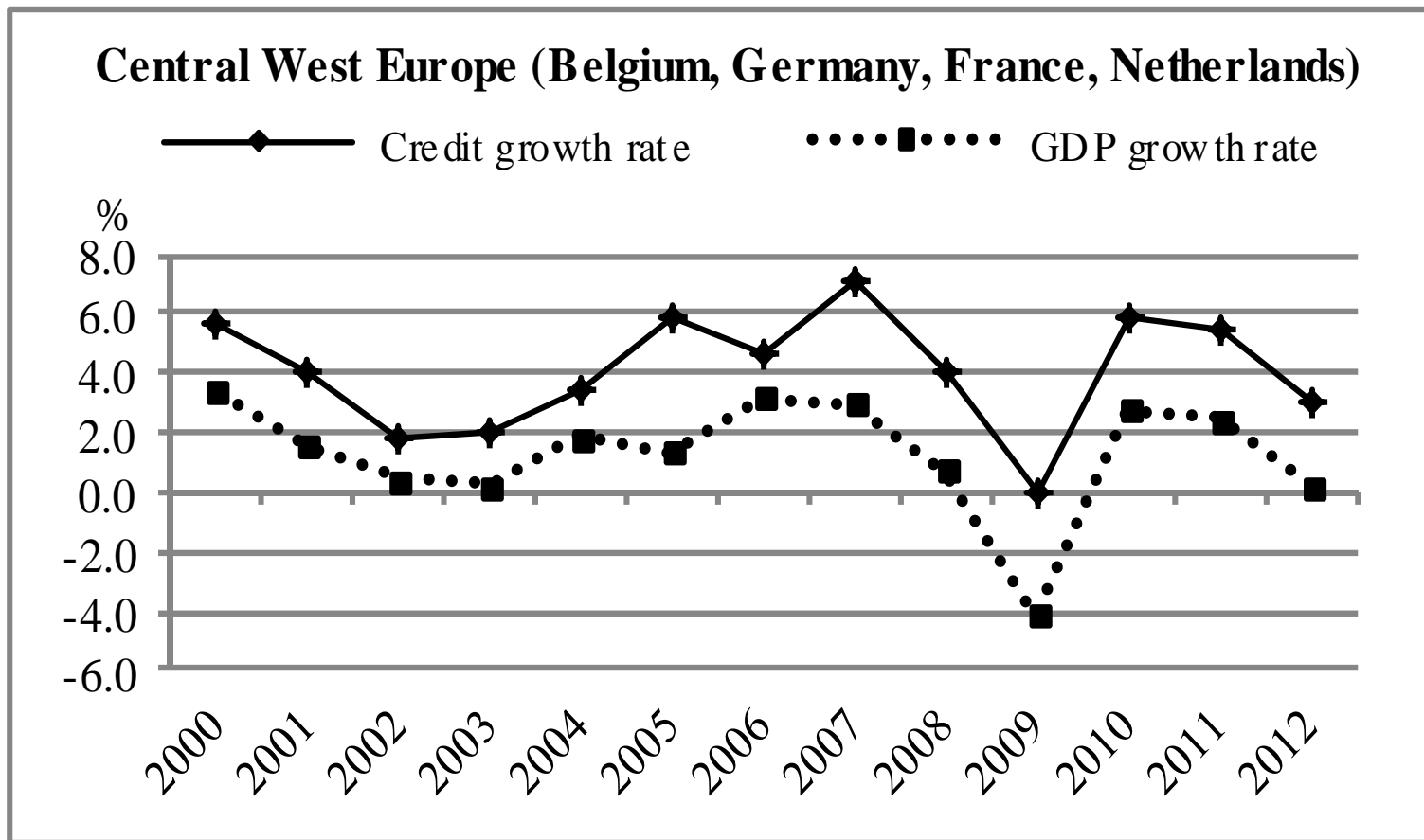
1. The Global Picture (II)

- ❑ Fears in emerging markets due to massive shifts of capital flows (The Fed, uncertainties)
- ❑ What may surprise is the intensity of tremors/worries in view of: a) lessons of crises in emerging markets (Asia, 97/98; Latin America, Russia, etc.); b) sounder macroeconomic fundamentals in numerous emerging economies and substantial build-up of reserves
- ❑ But one should not underestimate the nature of the current “global financial cycle”: the difference between an “ordinary” financial cycle and a “drifted” one (massive resource misallocation in the global economy – Jaime Caruana)
- ❑ The fear of “sudden stops” and balance of payments crises is acute, in spite of massive injections of liquidity in the global economy
- ❑ Contagion at play, though there are clear differences among EMs
- ❑ EMs are hit both when there is massive injection of liquidity, and when the “vacuum cleaner” operates; the role of US, other major central banks’ policies (Raghuram Rajan)
- ❑ “The trilemma is a dilemma” (Helene Rey)

2. What drives capital flows

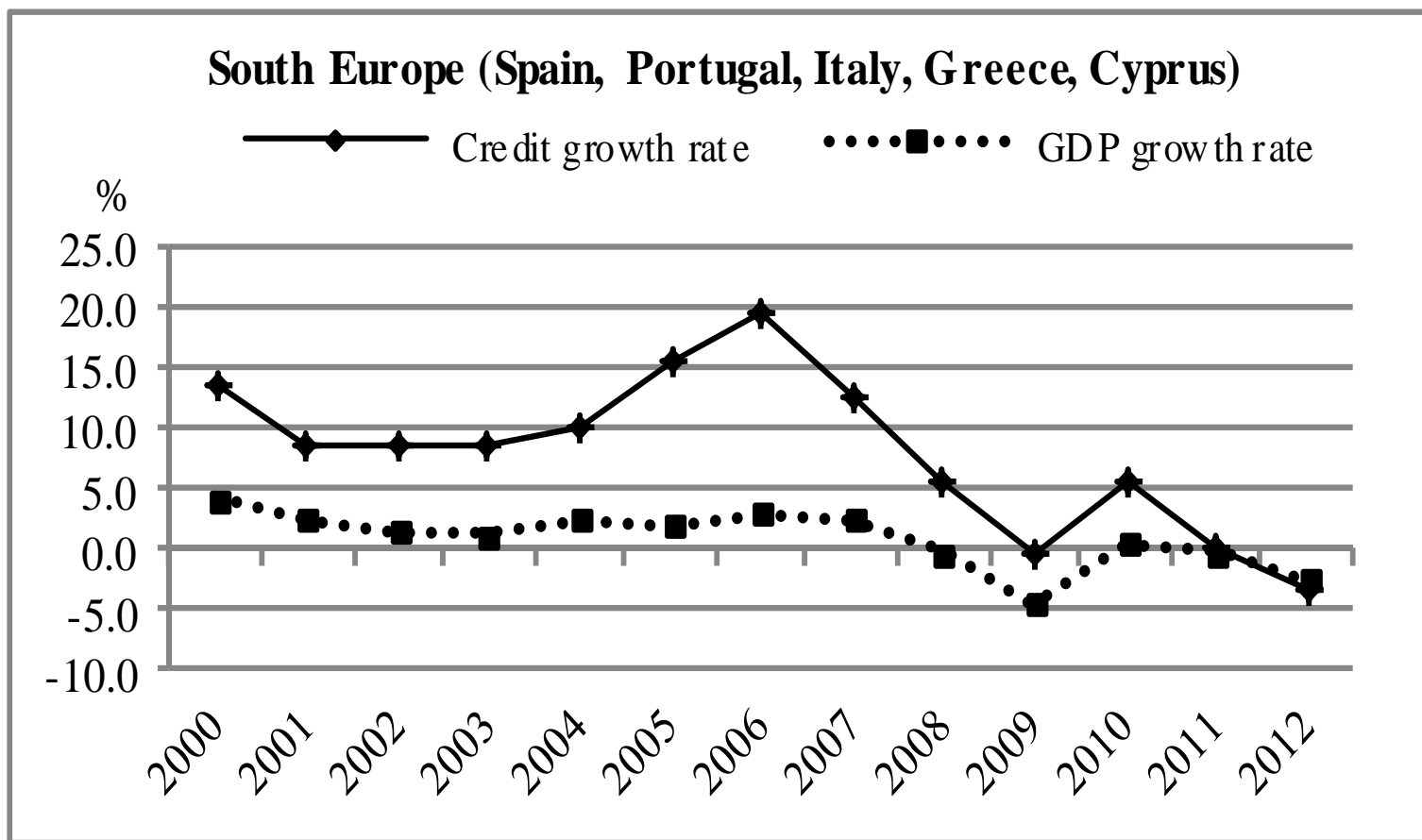
- ❑ Short term drivers: carry trade, reserve money centers' policies, panics (fears), search for yield vs. flight to safety, uncertainty
- ❑ Long term drivers: structural trends (balance of saving and investment: demographics, productivity differentials, technological change, etc)
- ❑ Do financial cycles matter? Is there a European (global) financial cycle?

Figure: bank lending and GDP growth



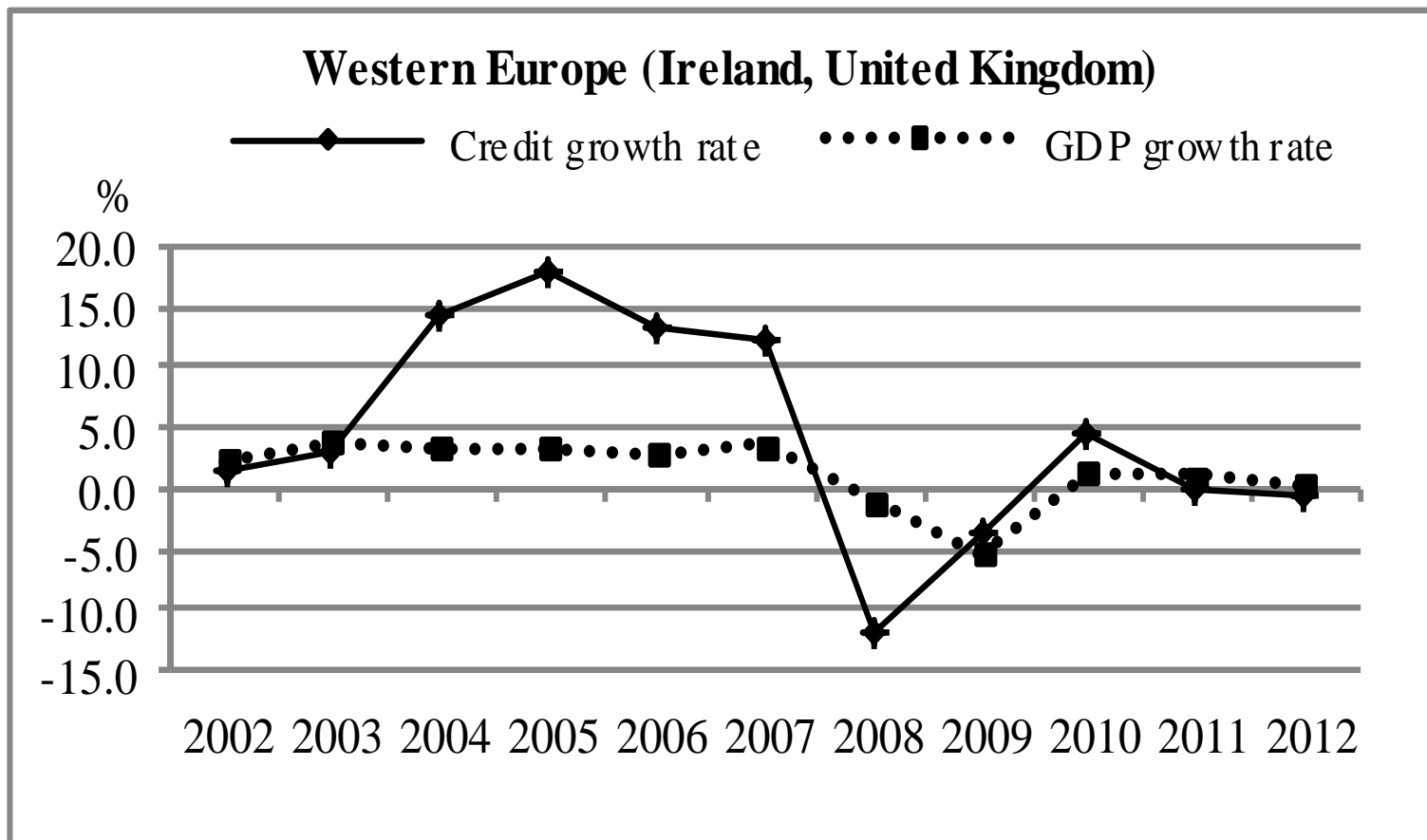
Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

Figure: bank lending and GDP growth



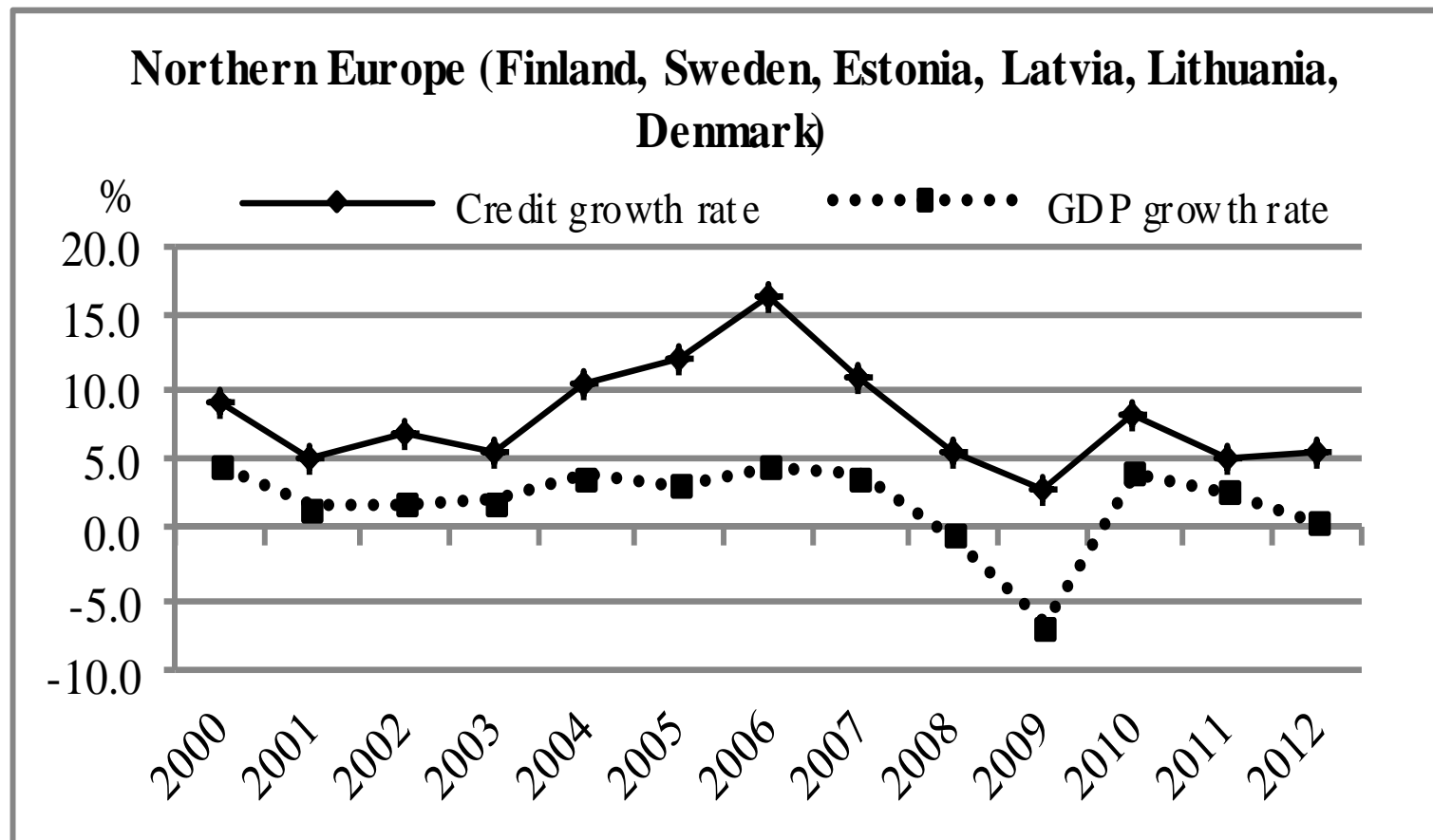
Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

Figure: bank lending and GDP growth



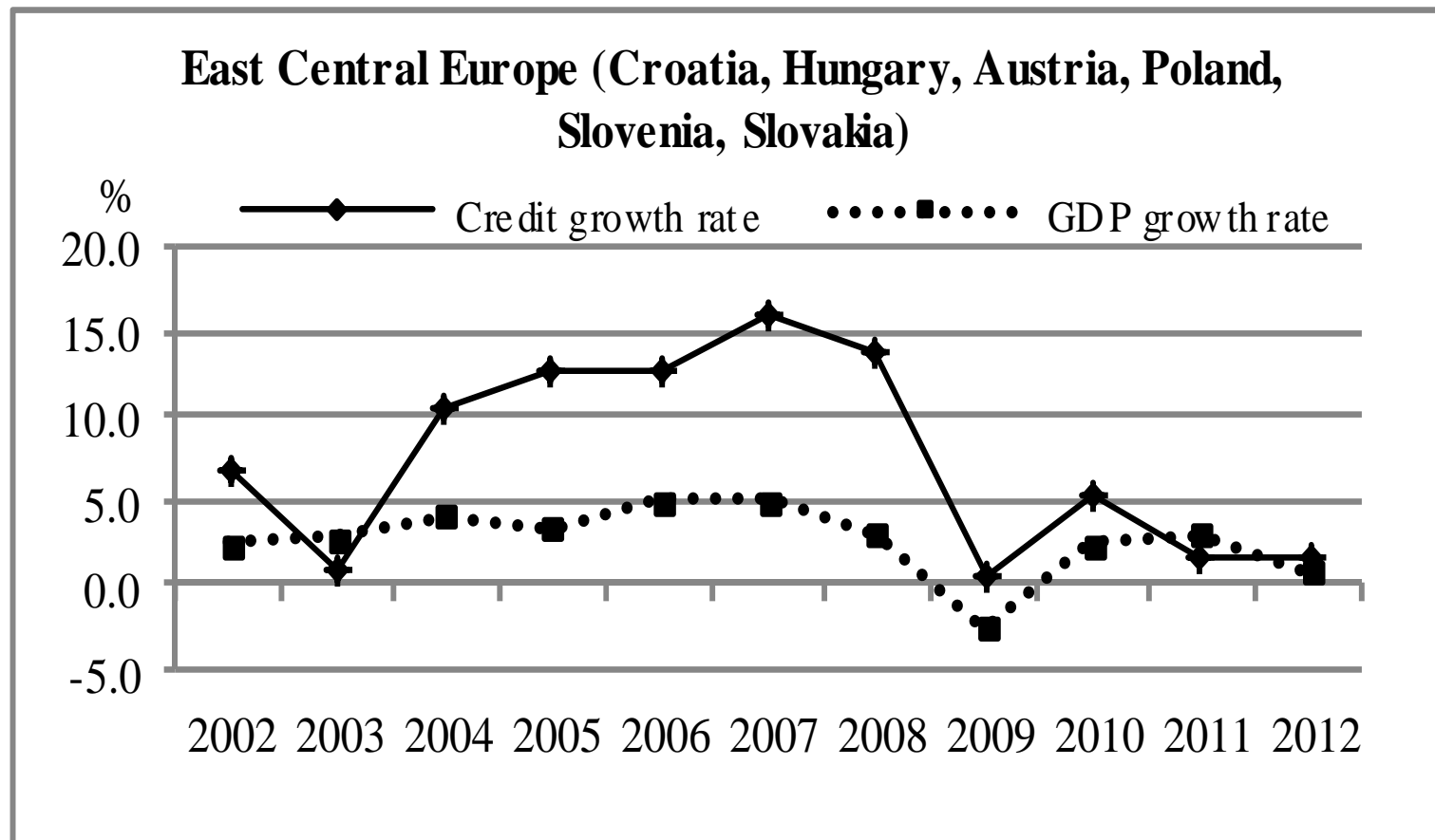
Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

Figure: bank lending and GDP growth



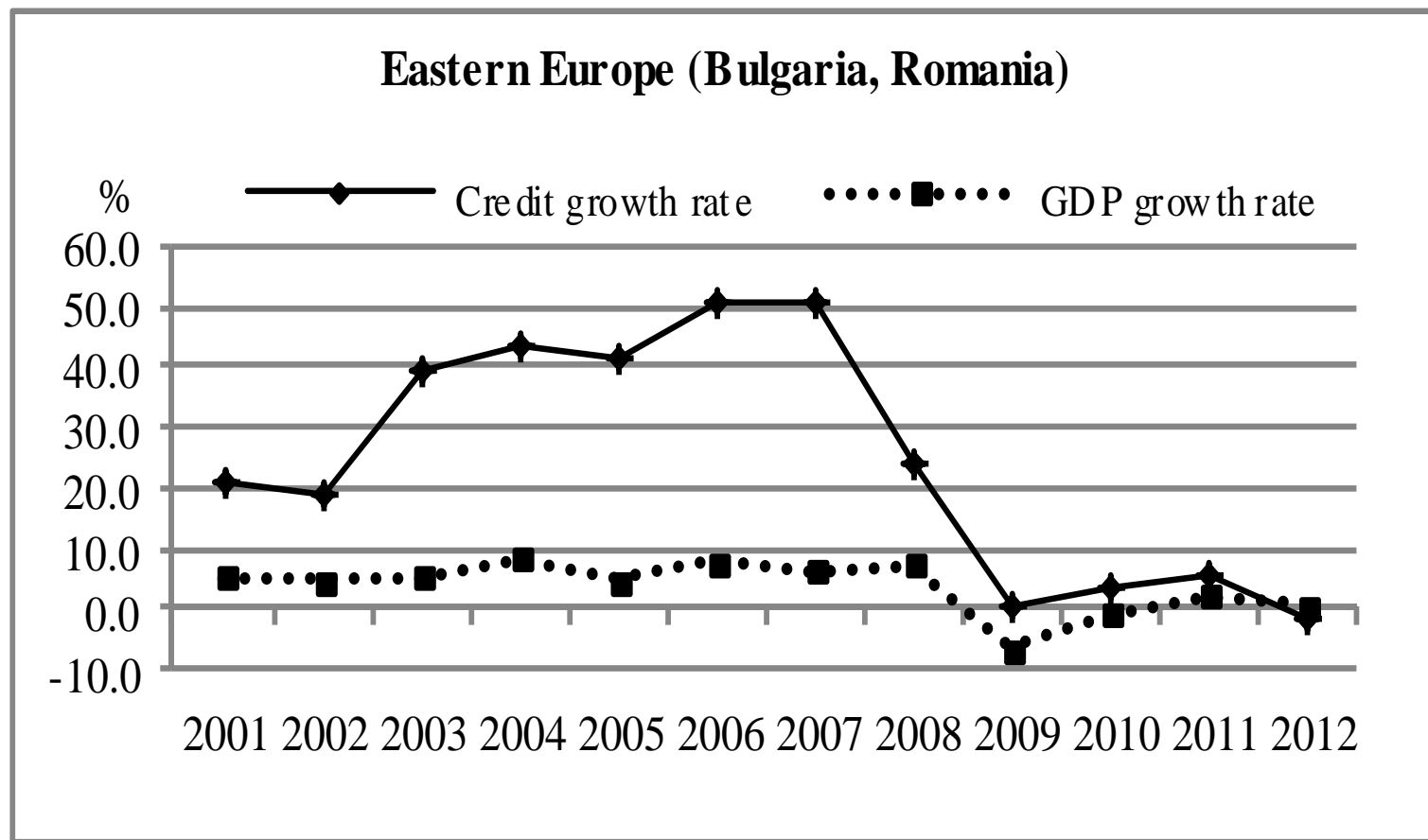
Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

Figure: bank lending and GDP growth



Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

Figure: bank lending and GDP growth



Source: Eurostat, European sector accounts (central bank; other monetary financial institutions), own calculations

3. Emerging markets and capital flows: stylized facts (I)

The macro picture

- ❑ Macroeconomic fundamentals (external imbalances, gross external debt and short term debt, budget deficits, etc.) matter much, but do not insulate against a tidal wave of great scale
- ❑ Not least because of: a) the size of liquidity that has been pouring into EMs during the past decade (EMs have attracted about \$7 trillion since 2005 through a mix of FDI, mergers and acquisitions, and investment in stocks and bonds – according to IFIs; b) considerable borrowing via bond markets (capital markets); c) the emergence of index-tracking Exchange Traded Funds (ETFs), which leave EMs vulnerable to across the board withdrawals
- ❑ Macroeconomic fundamentals can make the difference between a recession and a balance of payments crisis
- ❑ Macro-prudential measures can strengthen macro fundamentals (but are they effective in dealing with big capital flows?)
- ❑ Private indebtedness matters as much as public debt (European emerging economies/EEMs have much less debt than mature economies)
- ❑ The importance of external indebtedness, of gross external financing requirements (GEFR) in explaining fragility of EMs to external shocks

2. EMs and capital flows: stylized facts (II)

Capital markets and fragility to external shocks

- ❑ The size of domestic saving and domestic investors' base help in making an economy less fragile (more robust)
- ❑ Deep financial markets entail pluses and minuses (non-resident investors' share of local currency denominated bond issues); in spite of much improved economic policies in many EMs, investors tend to lump them together in times of sell off
- ❑ Capital markets instruments which entail an indiscriminate impact on emerging economies (ETFs)
- ❑ How effective are capital controls when massive flows occur
- ❑ Political instability does amplify economic instability and risk aversion

3. EMs and capital flows: stylized facts (III)

Policy responses

- ❑ Monetary policy can frequently be ineffective in fending off a big blow (see Turkey, India, etc.); severe impact on economic activity
- ❑ Cost of funding goes up when markets freeze (or when reserve money centers toughen of policies/Fed)
- ❑ **EEMs are, arguably, considerably better prepared now than during 2008-2009** (some of them had awful macroeconomic imbalances then); they also have lower debt levels (private and public) than eurozone countries
- ❑ **Huge uncertainties:** in Europe, the impact of the financial crisis blends with the crisis of the eurozone, the migration/refugees problem

4. Europe's picture: additional observations

- ❑ Major corrections have taken place in EMs which were threatened by “sudden stops” during 2008-2009 (Baltic countries, Hungary, Romania, etc.); current account imbalances went down quite dramatically
- ❑ But large GEFR can make some of them vulnerable (a high external debt to GDP ratio, which exposes countries to exchange rate and rollover risk, is an issue in several CEE countries)
- ❑ High euroization cripples monetary and exchange rate policies (it poses a systemic risk)

The impact of developments in the eurozone

- ❑ The eurozone is still quite fragile
- ❑ Threat of debt deflation not gone; very high unemployment in several countries against the backdrop of anemic economic growth; large current account surpluses (EZ, 3%; Germany, 9% of GDP)
- ❑ Hardly any break up of the link between sovereign debt and bank balance-sheets; the SSM and the SRM/SRF are steps in the right direction, but insufficient
- ❑ Internal demand is quite weak suffering from the negative loops between feeble activity, fragile banks (though better capitalized), weak firms, dented incomes, inadequate policy stance
- ❑ Politics under the spell of mistrust in elites and fallout from austerity; political instability is a key issue in some countries

5. What should EMs do?

EMs in general

- ❑ Continue to improve macroeconomic fundamentals, although this is a tall order when the international environment is not favorable
- ❑ Create fiscal space and buffers; the *policy space* issue
- ❑ Undertake structural reforms which should mobilize internal reserves and achieve efficiency gains, inclusive institutions (*fairness* as an issue)
- ❑ *Macro-prudential* policies are essential, but are pretty untested
- ❑ Linkages between financial markets and the international context from the perspective of undertaking effective macro-prudential policies (“having a large and liquid market can be a mixed blessing when a country is exposed to financial shocks coming from beyond its borders”/ B. Eichengreen and Poonam Gupta, Voxeu, 19 Dec 2013);
- ❑ The *international policy regime* and destabilizing capital flows (help foster a new Bretton Woods)
- ❑ Consider financial/monetary lifelines; the role of *regional monetary arrangements*

5. What should EMs do? (II)

In Europe

- ❑ New institutional and policy arrangements in the EU, in the eurozone, are critical: the Banking Union/ the financial backstop; macroeconomic management at the EZ level (fiscal capacity?)
- ❑ A new policy stance in the EZ (would more investment help?)
- ❑ EU funds absorption as a counter-cyclical weapon, where these are available
- ❑ The need for a sustainable growth model: more reliance on domestic savings; favor tradables; mitigate the pains of bank lending retrenchment (the Vienna 2 Initiative)
- ❑ Reexamining the Single Market logic (the Monti Report/2010; the Sapir Report(2004) –take care of losers

6. Reform of finance is needed

(De Larosiere, Liikanen, Turner, Vickers, Tyrie reports)

- ❑ Glass Steagall, Volcker rule type measures
- ❑ Downsize finance (Oversize finance in Europe: Pagano et. al)
- ❑ Taming finance is a must for having financial stability; finance has a destabilizing function: an optimal degree of openness (Stiglitz, American Economic Review, 2010; Rodrik, 1998)?
- ❑ The issues of *inclusiveness* and *fairness*
- ❑ Do capital control have a role to play? (IMF; Rey...)
- ❑ But what to do in the EU where there is the single market logic (can macro-prudential measures be a substitute?)
- ❑ A fiscal stimulus in advanced economies (DeLong and Summers, 2012)

Current Account Balance

| | % of GDP | | | | | | | | | | | |
|----------------|----------|-------|-------|-------|-------|------|------|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Argentina | 1.8 | 2.4 | 3.0 | 2.2 | 1.7 | 2.2 | -0.3 | -0.8 | -0.2 | -1.9 | -1.5 | ... |
| Brazil | 1.8 | 1.6 | 1.2 | 0.1 | -1.7 | -1.5 | -3.4 | -2.9 | -3.0 | -3.0 | -4.3 | -3.3 |
| India | 0.1 | -1.2 | -1.0 | -0.7 | -2.5 | -1.9 | -3.2 | -3.4 | -5.0 | -2.6 | -1.3 | ... |
| Indonesia | 0.6 | 0.1 | 3.0 | 2.4 | 0.0 | 2.0 | 0.7 | 0.2 | -2.7 | -3.2 | -3.1 | ... |
| Korea Republic | 3.9 | 1.4 | 0.4 | 1.1 | 0.3 | 3.7 | 2.6 | 1.6 | 4.2 | 6.2 | 6.0 | 7.7 |
| Malaysia | 12.1 | 13.9 | 16.1 | 15.4 | 16.9 | 15.7 | 10.1 | 10.9 | 5.2 | 3.5 | 4.4 | 3.0 |
| Mexico | -0.9 | -1.0 | -0.8 | -1.4 | -1.8 | -1.0 | -0.5 | -1.1 | -1.4 | -2.4 | -1.9 | -2.8 |
| Thailand | 1.6 | -4.0 | 1.0 | 5.9 | 0.3 | 7.3 | 2.9 | 2.4 | -0.4 | -1.2 | 3.8 | 8.0 |
| Turkey | -3.6 | -4.3 | -5.9 | -5.7 | -5.4 | -1.8 | -6.1 | -9.6 | -6.1 | -7.7 | -5.5 | -4.5 |
| Bulgaria | ... | ... | ... | -23.7 | -21.9 | -8.3 | -1.7 | 0.3 | -0.9 | 1.3 | 0.9 | 1.4 |
| Czech Republic | -4.2 | -0.9 | -2.1 | -4.3 | -1.9 | -2.3 | -3.6 | -2.1 | -1.6 | -0.5 | 0.2 | 0.9 |
| Estonia | -12.0 | -8.7 | -15.0 | -15.0 | -8.7 | 2.5 | 1.8 | 1.3 | -2.4 | -0.1 | 1.0 | 2.1 |
| Croatia | -4.2 | -5.3 | -6.6 | -7.2 | -8.9 | -5.1 | -1.2 | -0.8 | -0.2 | 1.0 | 0.8 | 5.0 |
| Latvia | -11.7 | -11.8 | -20.7 | -20.7 | -12.4 | 8.1 | 2.4 | -2.8 | -3.3 | -2.4 | -2.0 | -1.2 |
| Lithuania | -7.6 | -7.2 | -10.5 | -15.0 | -13.3 | 2.1 | -0.3 | -3.9 | -1.2 | 1.5 | 3.6 | -1.7 |
| Hungary | -8.5 | -7.0 | -7.1 | -7.1 | -7.0 | -0.8 | 0.3 | 0.8 | 1.8 | 3.9 | 2.0 | 4.2 |
| Poland | -5.5 | -2.6 | -4.0 | -6.3 | -6.7 | -4.0 | -5.4 | -5.2 | -3.7 | -1.3 | -2.0 | -0.3 |
| Romania* | -8.3 | -8.6 | -10.4 | -13.8 | -11.8 | -4.8 | -5.1 | -4.9 | -4.8 | -1.1 | -0.7 | -1.2 |
| Slovenia | -2.7 | -1.8 | -1.8 | -4.1 | -5.3 | -0.6 | -0.1 | 0.2 | 2.6 | 4.8 | 6.2 | 5.2 |
| Slovakia | -10.1 | -10.7 | -9.5 | -5.9 | -6.5 | -3.5 | -4.7 | -5.0 | 0.9 | 2.0 | 0.1 | -1.3 |

* BPM5: 2004; BPM6: 2005-2015

Source: Eurostat, World Bank, National Bank of Romania, National Institute of Statistics

Gross External Debt

% of GDP; BPM6

| | Indicator | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Argentina | Gross External Debt | 94.4 | 51.7 | 41.6 | 37.8 | 30.9 | 31.8 | 28.6 | 25.8 | 24.0 | 23.0 | 26.7 | ... |
| | Short Term Debt | 39.1 | 16.5 | 8.1 | 8.4 | 8.1 | 7.9 | 6.6 | 7.2 | 6.3 | 6.0 | 5.3 | ... |
| | Long Term Debt | 55.3 | 35.3 | 33.5 | 29.4 | 22.8 | 23.9 | 22.0 | 18.6 | 17.7 | 17.1 | 21.4 | ... |
| Brazil | Gross External Debt | 33.0 | 21.1 | 18.0 | 17.3 | 15.5 | 16.7 | 15.9 | 15.5 | 17.9 | 19.6 | 29.5 | 37.5 |
| | Short Term Debt | 2.8 | 2.1 | 1.8 | 2.8 | 2.1 | 1.9 | 2.6 | 1.5 | 1.3 | 1.3 | 2.4 | 2.9 |
| | Long Term Debt | 30.2 | 19.0 | 16.2 | 14.5 | 13.4 | 14.8 | 13.3 | 13.9 | 16.6 | 18.3 | 27.1 | 34.6 |
| India | Gross External Debt | ... | ... | 17.0 | 16.7 | 18.8 | 18.5 | 17.9 | 19.0 | 21.6 | 22.9 | 22.5 | 23.1 |
| | Short Term Debt | ... | ... | 2.7 | 3.1 | 3.8 | 3.4 | 3.6 | 4.2 | 5.1 | 5.0 | 4.2 | 3.9 |
| | Long Term Debt | ... | ... | 14.3 | 13.5 | 15.0 | 15.1 | 14.3 | 14.8 | 16.5 | 17.9 | 18.3 | 19.2 |
| Indonesia | Gross External Debt | ... | 47.2 | 36.5 | 32.7 | 30.5 | 32.0 | 26.8 | 25.2 | 27.5 | 29.2 | 33.0 | 36.0 |
| | Short Term Debt | ... | 3.9 | 3.3 | 4.3 | 4.0 | 4.5 | 4.4 | 4.3 | 4.8 | 5.1 | 5.2 | 4.5 |
| | Long Term Debt | ... | 43.3 | 33.1 | 28.4 | 26.4 | 27.6 | 22.4 | 21.0 | 22.7 | 24.1 | 27.8 | 31.5 |
| Korea Rep. | Gross External Debt | 19.4 | 18.0 | 22.7 | 30.2 | 31.5 | 38.2 | 32.5 | 33.3 | 33.4 | 32.4 | 30.1 | 28.7 |
| | Short Term Debt | 7.1 | 7.5 | 11.7 | 14.8 | 14.9 | 16.5 | 12.5 | 11.6 | 10.5 | 8.6 | 8.2 | 7.8 |
| | Long Term Debt | 12.3 | 10.6 | 11.0 | 15.4 | 16.7 | 21.7 | 20.1 | 21.6 | 23.0 | 23.9 | 21.8 | 20.9 |
| Malaysia | Gross External Debt | 48.5 | 45.2 | 43.1 | 43.5 | 46.3 | 59.1 | 52.5 | 48.6 | 61.7 | 65.7 | 62.4 | ... |
| | Short Term Debt | 9.2 | 9.2 | 7.3 | 11.9 | 16.8 | 21.6 | 20.1 | 21.7 | 29.5 | 31.8 | 30.7 | ... |
| | Long Term Debt | 39.3 | 36.0 | 35.8 | 31.6 | 29.5 | 37.5 | 32.4 | 26.9 | 32.2 | 33.9 | 31.6 | ... |
| Mexico | Gross External Debt | 21.4 | 19.7 | 17.7 | 18.5 | 18.1 | 21.6 | 23.5 | 24.3 | 29.4 | 31.6 | 32.9 | 36.5 |
| | Short Term Debt | 2.3 | 2.2 | 2.5 | 2.5 | 2.2 | 2.9 | 4.1 | 4.5 | 6.4 | 7.3 | 7.0 | 6.1 |
| | Long Term Debt | 19.1 | 17.6 | 15.3 | 16.0 | 15.9 | 18.7 | 19.4 | 19.8 | 23.0 | 24.3 | 25.9 | 30.4 |
| Thailand | Gross External Debt | 34.0 | 31.3 | 31.1 | 28.3 | 26.1 | 26.7 | 29.5 | 28.2 | 32.9 | 33.8 | 34.7 | 32.7 |
| | Short Term Debt | 9.7 | 10.7 | 10.7 | 11.5 | 9.8 | 10.5 | 13.6 | 10.2 | 11.6 | 10.6 | 11.1 | 10.4 |
| | Long Term Debt | 24.3 | 20.6 | 20.4 | 16.8 | 16.3 | 16.2 | 15.9 | 17.9 | 21.3 | 23.2 | 23.6 | 22.3 |
| Turkey | Gross External Debt | 41.1 | 35.4 | 39.2 | 38.6 | 38.5 | 43.8 | 39.9 | 39.2 | 43.1 | 47.4 | 50.4 | 55.4 |
| | Short Term Debt | 8.2 | 8.1 | 8.1 | 6.7 | 7.2 | 8.0 | 10.6 | 10.5 | 12.7 | 15.8 | 16.5 | 14.2 |
| | Long Term Debt | 32.9 | 27.3 | 31.1 | 32.0 | 31.3 | 35.8 | 29.4 | 28.7 | 30.4 | 31.6 | 33.9 | 41.2 |
| Bulgaria | Gross External Debt | ... | 59.8 | 79.4 | 95.3 | 94.5 | 107.0 | 101.0 | 83.1 | 94.4 | 93.2 | 85.8 | 77.5 |
| | Short Term Debt | ... | 15.2 | 23.6 | 30.8 | 33.5 | 34.4 | 30.3 | 22.6 | 25.7 | 23.7 | 21.3 | 17.5 |
| | Long Term Debt | ... | 44.6 | 55.8 | 64.5 | 60.9 | 72.7 | 70.7 | 60.5 | 68.7 | 69.6 | 64.5 | 60.0 |

| | Indicator | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------|----------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Czech Rep. | Gross External Debt | 38.0 | 34.2 | 36.8 | 40.3 | 35.3 | 44.0 | 46.7 | 41.8 | 50.2 | 65.9 | 62.8 | 69.4 |
| | Short Term Debt | 11.9 | 10.0 | 9.8 | 12.4 | 11.2 | 11.8 | 12.0 | 12.3 | 12.8 | 16.5 | 17.3 | 22.2 |
| | Long Term Debt | 26.1 | 24.1 | 27.1 | 27.9 | 24.1 | 32.2 | 34.6 | 29.5 | 37.4 | 49.4 | 45.5 | 47.2 |
| Estonia | Gross External Debt | 84.2 | 81.5 | 100.5 | 115.2 | 109.4 | 126.6 | 113.0 | 93.4 | 102.5 | 95.7 | 86.6 | 92.2 |
| | Short Term Debt | 23.9 | 27.7 | 35.1 | 34.7 | 40.0 | 44.4 | 41.4 | 41.7 | 48.1 | 44.1 | 39.5 | 46.2 |
| | Long Term Debt | 60.4 | 53.8 | 65.4 | 80.6 | 69.4 | 82.2 | 71.7 | 51.7 | 54.4 | 51.5 | 47.1 | 46.0 |
| Croatia | Gross External Debt | 75.1 | 67.5 | 77.6 | 82.6 | 80.1 | 104.8 | 105.0 | 96.4 | 105.8 | 109.7 | 99.2 | 101.7 |
| | Short Term Debt | 7.0 | 7.1 | 9.8 | 7.8 | 9.3 | 9.4 | 10.2 | 10.4 | 7.6 | 7.9 | 6.0 | 8.2 |
| | Long Term Debt | 68.1 | 60.4 | 67.8 | 74.8 | 70.9 | 95.4 | 94.8 | 86.0 | 98.2 | 101.8 | 93.1 | 93.5 |
| Latvia | Gross External Debt | 93.7 | 89.4 | 111.5 | 128.1 | 116.5 | 160.3 | 168.7 | 134.3 | 141.8 | 139.2 | 130.2 | 135.2 |
| | Short Term Debt | 53.7 | 44.1 | 49.1 | 54.9 | 39.0 | 39.5 | 54.0 | 42.0 | 51.9 | 56.8 | 59.3 | 68.7 |
| | Long Term Debt | 40.0 | 45.3 | 62.4 | 73.2 | 77.5 | 120.9 | 114.7 | 92.3 | 89.9 | 82.4 | 70.8 | 66.4 |
| Lithuania | Gross External Debt | 46.2 | 48.1 | 62.7 | 75.7 | 68.7 | 89.8 | 86.4 | 74.5 | 79.8 | 72.5 | 64.6 | 73.9 |
| | Short Term Debt | 16.6 | 18.6 | 18.8 | 19.5 | 37.7 | 42.4 | 33.4 | 27.7 | 26.0 | 24.3 | 20.8 | 26.5 |
| | Long Term Debt | 29.6 | 29.4 | 44.0 | 56.2 | 31.1 | 47.4 | 53.0 | 46.8 | 53.9 | 48.1 | 43.8 | 47.4 |
| Hungary | Gross External Debt | 78.9 | 75.7 | 115.5 | 127.5 | 142.4 | 187.1 | 161.4 | 151.9 | 162.9 | 151.0 | 133.1 | 130.2 |
| | Short Term Debt | 16.5 | 16.6 | 19.7 | 24.0 | 17.9 | 22.1 | 25.2 | 22.6 | 18.0 | 17.1 | 14.0 | 12.7 |
| | Long Term Debt | 62.4 | 59.1 | 95.8 | 103.5 | 124.5 | 165.0 | 136.2 | 129.3 | 144.9 | 133.8 | 119.0 | 117.5 |
| Poland | Gross External Debt | 51.3 | 43.6 | 49.5 | 54.4 | 46.3 | 64.2 | 66.2 | 61.3 | 73.8 | 73.3 | 65.1 | 69.4 |
| | Short Term Debt | 7.0 | 6.2 | 6.9 | 10.5 | 9.7 | 12.4 | 10.1 | 8.5 | 8.5 | 8.9 | 6.9 | 7.7 |
| | Long Term Debt | 44.2 | 37.5 | 42.6 | 44.0 | 36.6 | 51.8 | 56.1 | 52.9 | 65.3 | 64.4 | 58.2 | 61.7 |
| Romania* | Gross External Debt | 35.0 | 38.6 | 41.8 | 46.8 | 50.9 | 68.3 | 73.8 | 74.9 | 75.5 | 68.0 | 63.1 | 56.1 |
| | Short Term Debt | 5.2 | 7.8 | 12.8 | 15.9 | 14.5 | 12.9 | 15.4 | 17.1 | 15.7 | 13.3 | 12.6 | 12.1 |
| | Long Term Debt | 29.8 | 30.7 | 29.1 | 30.9 | 36.4 | 55.4 | 58.4 | 57.8 | 59.8 | 54.7 | 50.5 | 44.1 |
| Slovenia | Gross External Debt | 60.9 | 66.8 | 80.4 | 109.2 | 101.1 | 119.5 | 117.2 | 105.1 | 122.3 | 121.1 | 114.1 | 114.5 |
| | Short Term Debt | 8.0 | 11.8 | 12.6 | 30.5 | 27.3 | 30.6 | 26.7 | 24.2 | 33.5 | 21.7 | 17.6 | 20.7 |
| | Long Term Debt | 52.9 | 55.0 | 67.8 | 78.6 | 73.8 | 88.8 | 90.5 | 80.9 | 88.8 | 99.4 | 96.5 | 93.8 |
| Slovak Rep.* | Gross External Debt | 68.5 | 69.0 | 70.9 | 79.0 | 58.6 | 78.5 | 77.5 | 78.5 | 75.8 | 81.9 | 89.7 | 86.1 |
| | Short Term Debt | ... | ... | 34.3 | 42.1 | 29.8 | 46.3 | 43.0 | 42.3 | 29.8 | 24.9 | 27.8 | 27.8 |
| | Long Term Debt | ... | ... | 36.7 | 36.9 | 28.9 | 32.2 | 34.6 | 36.2 | 46.0 | 57.0 | 61.9 | 58.4 |

* BPM5: 2004-2007; BPM6: 2008-2015

Source: World Bank, Eurostat, National Bank of Romania, National Bank of Slovakia

International Reserves

% of GDP

| Country | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Argentina | 10.8 | 12.7 | 12.2 | 14.0 | 11.5 | 12.7 | 11.3 | 8.3 | 7.2 | 4.9 | 5.7 | ... |
| Brazil | 7.9 | 6.0 | 7.8 | 12.9 | 11.4 | 14.3 | 13.1 | 13.5 | 15.2 | 14.6 | 15.0 | 20.1 |
| Bulgaria | 35.8 | 29.2 | 34.3 | 39.2 | 32.8 | 35.8 | 34.5 | 30.2 | 38.3 | 35.7 | 35.5 | 45.3 |
| Croatia | 21.1 | 19.4 | 22.8 | 22.8 | 18.4 | 23.8 | 23.7 | 23.3 | 26.2 | 30.8 | 27.0 | 30.7 |
| Czech Republic | 23.9 | 21.7 | 20.3 | 18.5 | 15.7 | 20.2 | 20.5 | 17.7 | 21.7 | 27.0 | 26.5 | 35.5 |
| Estonia | 14.9 | 13.9 | 16.4 | 14.7 | 16.4 | 20.3 | 13.2 | 0.9 | 1.3 | 1.2 | 1.6 | 1.8 |
| India | 18.2 | 16.5 | 18.8 | 22.3 | 21.0 | 20.9 | 17.6 | 16.5 | 16.5 | 16.0 | 15.9 | 17.0 |
| Indonesia | 14.1 | 12.1 | 11.7 | 13.2 | 10.1 | 12.3 | 12.7 | 12.3 | 12.3 | 10.9 | 12.6 | 12.3 |
| Korea Rep. | 26.0 | 23.4 | 23.6 | 23.4 | 20.1 | 30.0 | 26.7 | 25.5 | 26.8 | 26.5 | 25.7 | 26.6 |
| Latvia | 14.1 | 14.0 | 21.1 | 18.7 | 14.8 | 26.4 | 32.0 | 22.5 | 26.9 | 26.1 | 10.3 | 12.7 |
| Lithuania | 15.9 | 14.6 | 19.1 | 19.4 | 13.5 | 17.7 | 17.8 | 18.9 | 19.9 | 17.4 | 18.1 | 4.1 |
| Malaysia | 53.2 | 49.1 | 50.9 | 52.7 | 39.9 | 47.8 | 41.8 | 44.8 | 44.4 | 41.7 | 34.3 | 32.2 |
| Mexico | 8.3 | 8.6 | 7.9 | 8.4 | 8.7 | 11.2 | 11.5 | 12.7 | 14.1 | 14.3 | 15.1 | 15.5 |
| Poland | 14.5 | 14.0 | 14.1 | 15.3 | 11.7 | 18.2 | 19.5 | 18.5 | 21.8 | 20.3 | 18.4 | 20.0 |
| Romania | 19.4 | 22.8 | 23.3 | 21.7 | 19.9 | 25.6 | 28.3 | 27.9 | 26.5 | 24.6 | 23.6 | 22.1 |
| Slovak Republic | 26.1 | 24.8 | 19.0 | 22.0 | 18.8 | 2.0 | 2.4 | 2.5 | 2.7 | 2.2 | 2.6 | 3.3 |
| Slovenia | 25.8 | 22.4 | 18.0 | 2.2 | 1.7 | 2.1 | 2.2 | 1.9 | 2.1 | 1.9 | 2.1 | 2.0 |
| Thailand | 28.8 | 27.5 | 30.2 | 33.3 | 38.1 | 49.2 | 50.5 | 47.2 | 45.7 | 39.8 | 38.9 | 39.6 |
| Hungary | 15.4 | 16.5 | 18.8 | 17.3 | 21.6 | 34.0 | 34.6 | 34.9 | 35.1 | 34.6 | 30.4 | 27.4 |
| Turkey | 9.5 | 10.9 | 11.9 | 11.8 | 10.1 | 12.2 | 11.8 | 11.4 | 15.1 | 15.9 | 16.0 | 15.4 |

Source: World Bank, National Bank of Romania, National Institute of Statistics



Thank you!