

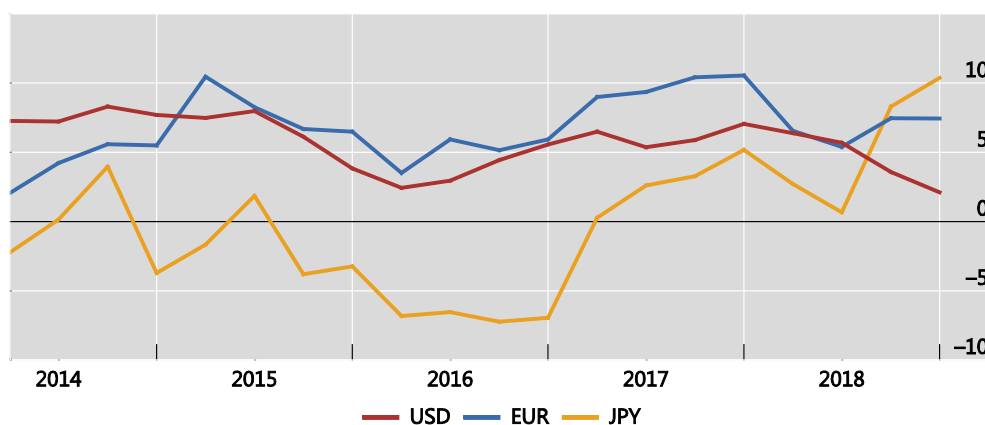


30 April 2019

Statistical release: BIS global liquidity indicators at end-December 2018

- The annual growth rate of US dollar credit outside the United States [declined](#) for a fourth consecutive quarter.
- Euro credit outside the euro area and yen credit outside Japan continued to expand rapidly.
- The annual growth rate of credit to emerging market and developing economies (EMDEs) [declined](#) across all three major currencies (US dollar, euro and yen).

US dollar credit growth continues to slow as euro and yen credit expand rapidly



Graph 1: Annual percentage change of foreign currency credit to non-resident non-banks ([interactive graph](#)).

Source: BIS global liquidity indicators (Tables [E2.1](#), [E2.2](#) and [E2.3](#)).

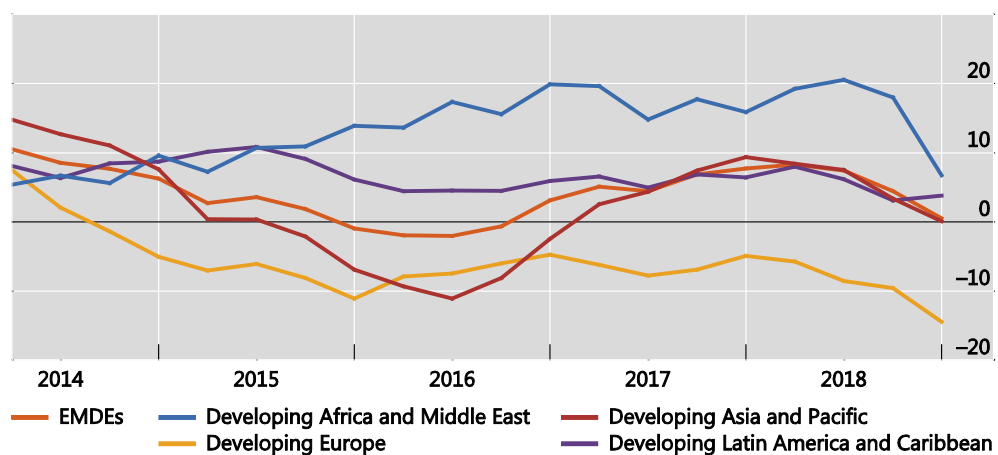
The annual growth rate of US dollar credit to non-bank borrowers residing outside the United States slowed further during the past year (Graph 1, red line), resulting in an outstanding stock of [\\$11.5 trillion](#) at end-2018. The [2%](#) annual growth rate recorded as of end-Q4 2018 was the lowest since the Great Financial Crisis (GFC). This reflected a sharp deceleration in the annual growth rate of dollar-denominated debt securities, which fell to 4% at end-2018, compared with an average of 9% over the past decade. Both components of foreign currency¹ US dollar-denominated credit (debt securities and bank loans) grew more slowly than dollar credit to borrowers in the United States in 2018 (Annex Graph A3).

¹ In the context of the BIS global liquidity indicators (GLIs), "foreign currency" credit is defined as credit denominated in a currency that is different from the domestic currency of the borrower. For example, "foreign currency US dollar-denominated credit" is defined as US dollar-denominated credit to non-bank borrowers outside the United States.

Meanwhile, euro-denominated credit to non-bank borrowers outside the euro area (blue line) continued to expand at a rapid annual pace (7%), reaching an outstanding stock of €3.2 trillion (equivalent to \$3.7 trillion) at end-2018. The main driver was the growth in bank loans, which rose by 10% year on year, while the annual growth rate of international debt securities stayed roughly unchanged (6%). Euro-denominated credit to advanced economies outside the euro area accelerated, while that to EMDEs decelerated.

In parallel, yen-denominated credit to non-bank borrowers outside Japan also grew rapidly, at an annual rate of 10%, reaching ¥49 trillion (\$0.4 trillion) at end-2018 (yellow line).

US dollar credit growth to EMDEs stalls



Graph 2: Annual percentage change in US dollar-denominated credit to non-banks by counterparty country ([interactive graph](#)).

Source: BIS global liquidity indicators (Table [E2.1](#)).

Foreign currency credit to EMDEs decelerated across all three major currencies. Between end-Q3 and end-Q4 2018, the annual growth rates of euro- and yen-denominated credit fell from 13% to 8% and from 12% to 9%, respectively. Meanwhile, the annual growth rate of US dollar-denominated credit to EMDEs fell from 4% to 1% (Graph 2, orange line). The outstanding stock at end-2018 stood at \$3.6 trillion, representing 31% of global foreign currency dollar credit.

The overall slowdown in US dollar-denominated credit to EMDEs was due mainly to bank loans, which contracted by 5% year on year. In contrast, the annual growth rate of US dollar-denominated international debt securities moderated to 8% at end-2018, down from 16% a year before.

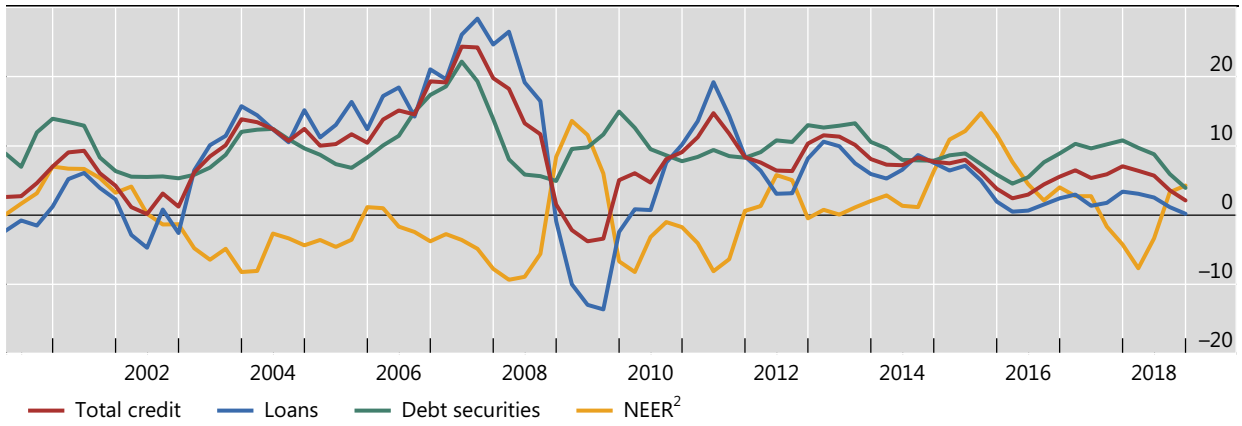
There were considerable differences in the evolution of US dollar-denominated credit among EMDE regions. Near zero annual growth was observed for developing Asia and the Pacific (red line), which accounts for the largest proportion of US dollar credit to EMDEs. Meanwhile, credit to developing Europe continued the downward trend seen over the past four years, falling by 14% during 2018 (yellow line). In contrast, the annual growth rate of US dollar credit to Latin America and the Caribbean stabilised, at around 4% (purple line). Credit to developing Africa and the Middle East grew at an annual rate of 7% as of end-2018. This represented a sharp decline from the most recent peak of 21% recorded at mid-2018 (blue line).

Annex: Charts

US dollar credit outside the United States¹

Annual change, in per cent

Graph A1



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli.htm.

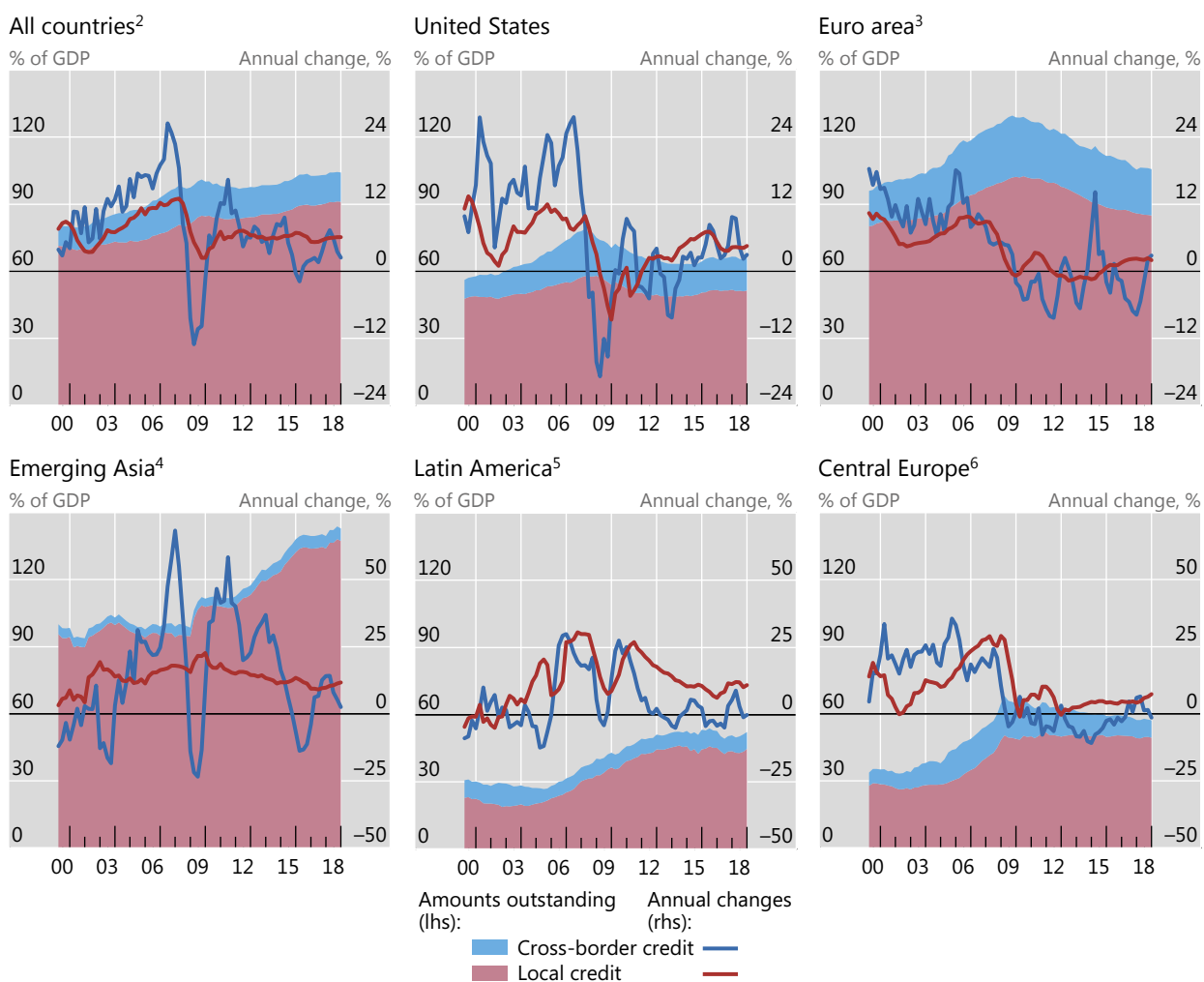
¹ Annual growth of US dollar-denominated credit to non-banks outside the United States. ² Annual growth of the US dollar nominal effective exchange rate.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS effective exchange rate statistics; BIS calculations.

Global bank credit to the private non-financial sector, by residence of borrower

Banks' cross-border credit plus local credit in all currencies¹

Graph A2



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Cross-border claims of LBS-reporting banks to the non-bank sector plus local claims of all banks to the private non-financial sector. Weighted averages of the economies listed, based on four-quarter moving sums of GDP. ² Australia, Canada, Denmark, Japan, New Zealand, Norway, Russia, Saudi Arabia, South Africa, Sweden, Switzerland, Turkey and the United Kingdom, plus the countries in the other panels. ³ Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain. ⁴ China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Singapore and Thailand. ⁵ Argentina, Brazil, Chile and Mexico. ⁶ The Czech Republic, Hungary and Poland.

Sources: BIS statistics on credit to the non-financial sector; BIS locational banking statistics (LBS); BIS calculations.

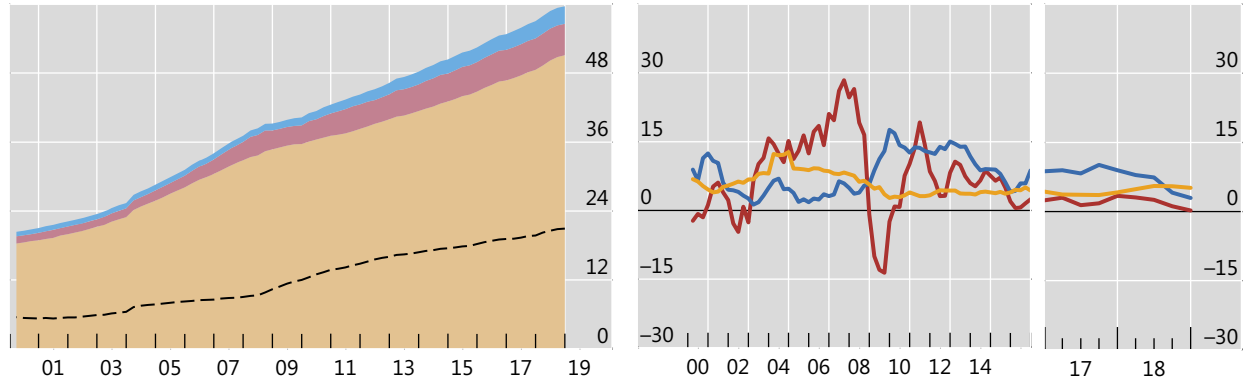
Global credit to the non-financial sector, by currency

Graph A3

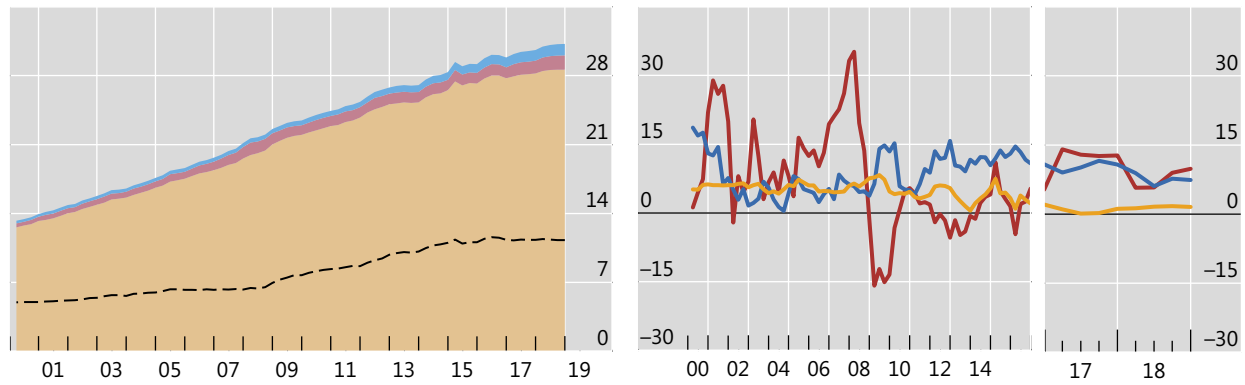
Amounts outstanding, in trillions of currency units¹

Annual change, in per cent²

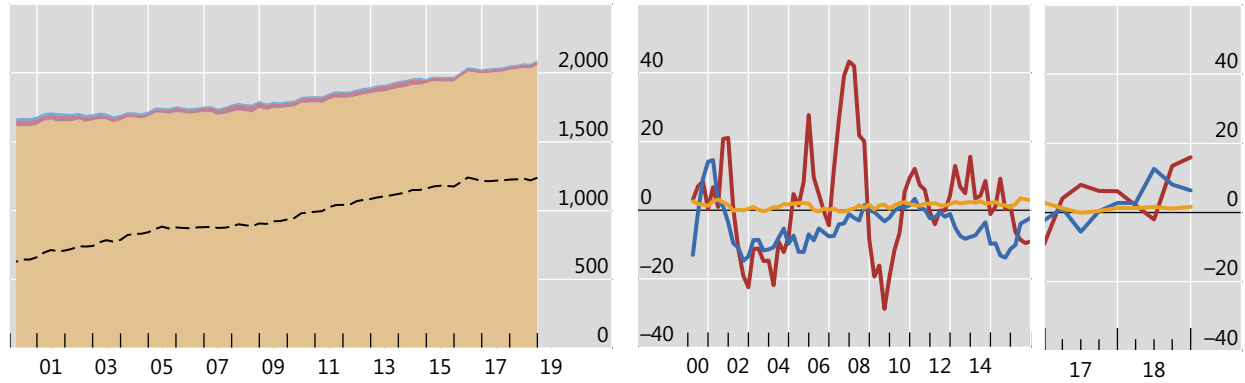
Credit denominated in US dollars



Credit denominated in euros



Credit denominated in yen



■ Credit to residents³ ■ Credit to non-residents:
■ Of which: ■ Debt securities⁴
- - - Credit to government ■ Bank loans⁵

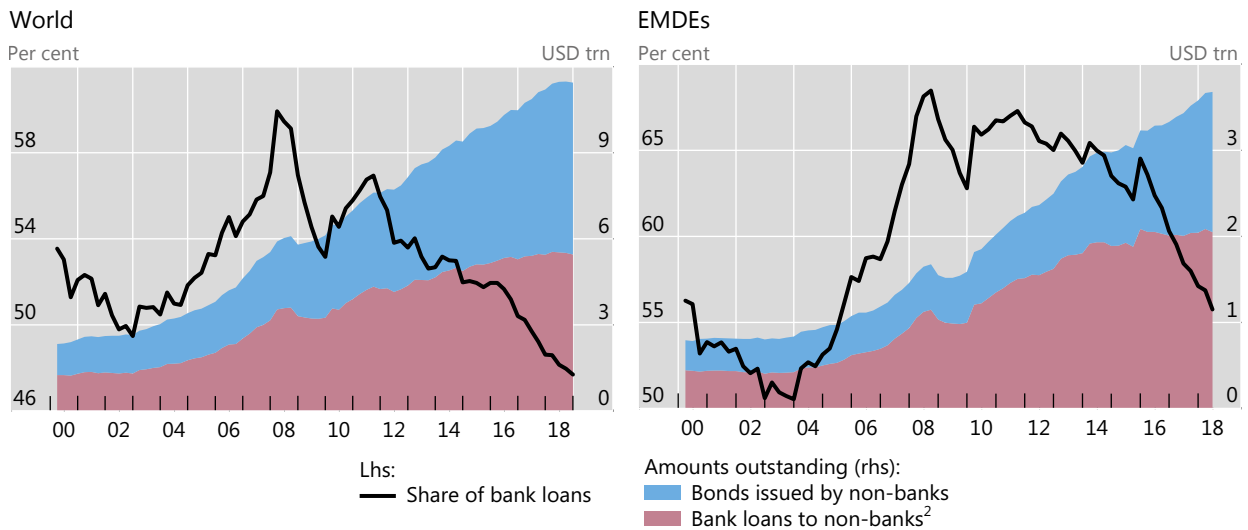
Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Amounts outstanding at quarter-end. ² Based on quarterly break- and exchange rate-adjusted changes. ³ Credit to non-financial borrowers residing in the United States/euro area/Japan. National financial accounts are adjusted using BIS banking and securities statistics to exclude credit denominated in non-local currencies. ⁴ Excluding debt securities issued by special purpose vehicles and other financial entities controlled by non-financial parents. Euro-denominated debt securities exclude those issued by institutions of the European Union. ⁵ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

US dollar-denominated credit to non-banks outside the United States¹

Graph A4



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli.htm.

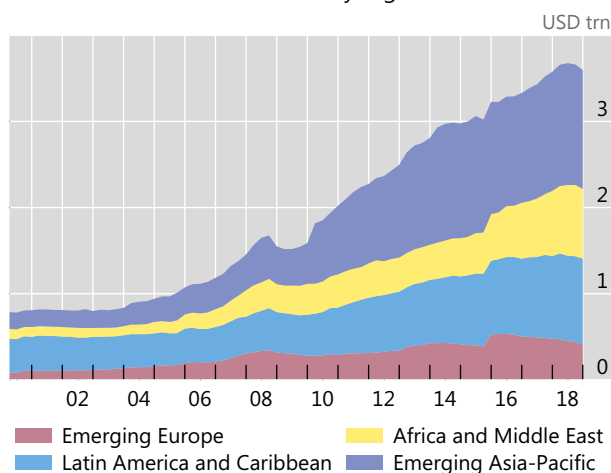
¹ Non-banks comprise non-bank financial entities, non-financial corporations, governments, households and international organisations. ² Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

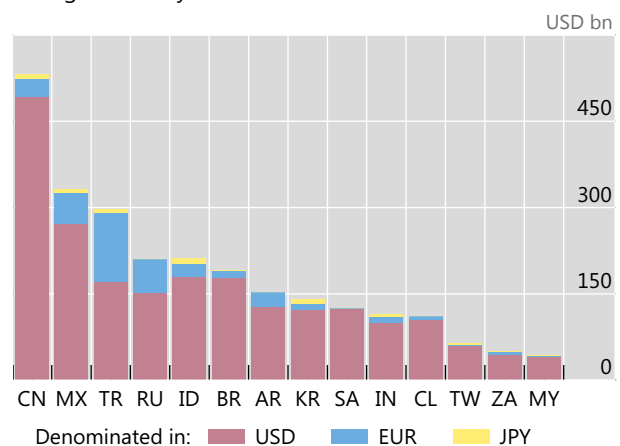
Foreign currency credit to non-banks in EMDEs

Graph A5

US dollar-denominated credit by region



Foreign currency credit to selected EMDEs¹



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Amounts outstanding for the latest available data.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS calculations.