US dollar credit to non-bank borrowers outside the United States grew by 6% during 2019 (Graph 1, red line). This brought the outstanding amount of US dollar-denominated credit outside the United States to $12.2 trillion as of end-2019.

Growth in euro-denominated credit to non-banks outside the euro area (blue line) slowed to 6% year on year (yoy), reaching €3.4 trillion (equivalent to $3.8 trillion). Credit denominated in Japanese yen to non-banks outside Japan contracted at 1% yoy (yellow line). Bank loans were the main driver of the deceleration observed for both currencies (Graph A3, right-hand panels).

US dollar-denominated credit to non-banks in emerging market and developing economies (EMDEs) grew by 5% during 2019. Euro-denominated credit to those borrowers expanded at an even faster clip (10% yoy). It has consistently expanded more rapidly than USD credit for more than five years. Nevertheless, the outstanding...
The stock of euro-denominated credit to EMDEs (€763 billion, equivalent to $857 billion) was still considerably smaller than its US dollar counterpart ($3.9 trillion).

US dollar-denominated credit expanded in all but one EMDE region during 2019. Credit to Africa and the Middle East, which has been growing at double-digit rates since mid-2015, rose by 14% in 2019. Credit to emerging Asia-Pacific and Latin America also expanded, by 4% and 3%, respectively, during 2019.

By contrast, US dollar-denominated credit to emerging Europe declined by 4% during 2019 (Graph 2, blue line). This brought down its outstanding stock to $400 billion at end-2019 (blue bars). Dollar credit to emerging Europe has contracted at an average annual rate of 7% since 2014. During the same period, euro-denominated credit to the region expanded at an average annual rate of 6% (red line). As a consequence, the outstanding stock of euro-denominated credit to emerging Europe has surpassed its US dollar counterpart, and stood at €377 billion (equivalent to $423 billion, red bars) at end-2019.

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Graph 2: Euro- and US dollar-denominated credit to non-banks in emerging Europe (interactive graph).
Source: BIS global liquidity indicators (Table E2.1 and E2.2).

Graph 3: Share of debt securities in total USD credit to non-banks, by borrower region (in %).
Source: BIS global liquidity indicators (Table E2.1).
The instrument composition of foreign currency credit contains important clues regarding the potential impact of the Covid-19 pandemic on international credit markets. On the one hand, debt securities tend to have longer maturities, reducing rollover risk. On the other hand, lengthier duration of longer-maturity bonds makes borrowers’ balance sheets more sensitive to changes in long-term interest rates and exchange rates.¹

During the run-up to the Great Financial Crisis (GFC) of 2007–09, the share of debt securities in total US dollar-denominated credit outside the United States fell considerably, from 50% at end-2002 to 40% at end-Q1 2008 (Graph 3). After the GFC, this share increased steadily, reaching 52% at end-2019, as a part of a broader global trend of financial intermediation shifting away from bank loans to bond markets.²

This share also increased considerably for the subgroup of EMDE borrowers – from 33% at end-Q1 2008 to 47% at end-2019. The post-GFC trend towards greater reliance on bond markets has manifested itself in all major EMDE regions, albeit with different intensities. The shift towards bond markets has been most pronounced in emerging Europe and Africa and the Middle East, where the shares of debt securities rose from 25% and 18% at end-Q1 2008 to 49% and 44% at end-2019, respectively. The corresponding share for Latin America, which has historically always been relatively large, reached a record high of 65% at end-2019. The post-GFC shift towards bond markets was least pronounced in emerging Asia, where the share of debt securities increased only marginally, from 31% at end-Q1 2008 to 35% at end-2019, but remained considerably below its end-2002 level (45%).

Annex

US dollar credit outside the United States$^1$

Annual change, in per cent

Further information on the BIS global liquidity indicators is available at [www.bis.org/statistics/about_gli_stats.htm](http://www.bis.org/statistics/about_gli_stats.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 (NEER). An increase indicates an appreciation of the US dollar NEER.

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 currencies<sup>1</sup>  

<table>
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<tr>
<th>All countries&lt;sup&gt;2&lt;/sup&gt;</th>
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<th>Central Europe&lt;sup&gt;6&lt;/sup&gt;</th>
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Further information on the BIS global liquidity indicators is available at [www.bis.org/statistics/about_gli_stats.htm](http://www.bis.org/statistics/about_gli_stats.htm).

<sup>1</sup> 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.  

<sup>2</sup> 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.  

<sup>3</sup> Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain.  

<sup>4</sup> China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Singapore and Thailand.  

<sup>5</sup> Argentina, Brazil, Chile and Mexico.  

<sup>6</sup> 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 units

Credit denominated in US dollars

Credit denominated in euros

Credit denominated in yen

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

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 EMDEs

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 (LBS); BIS calculations.