

Emerging markets economic developments and short-term risks to growth

INTERNATIONAL BANKING FORUM 2011
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Bank of Italy*



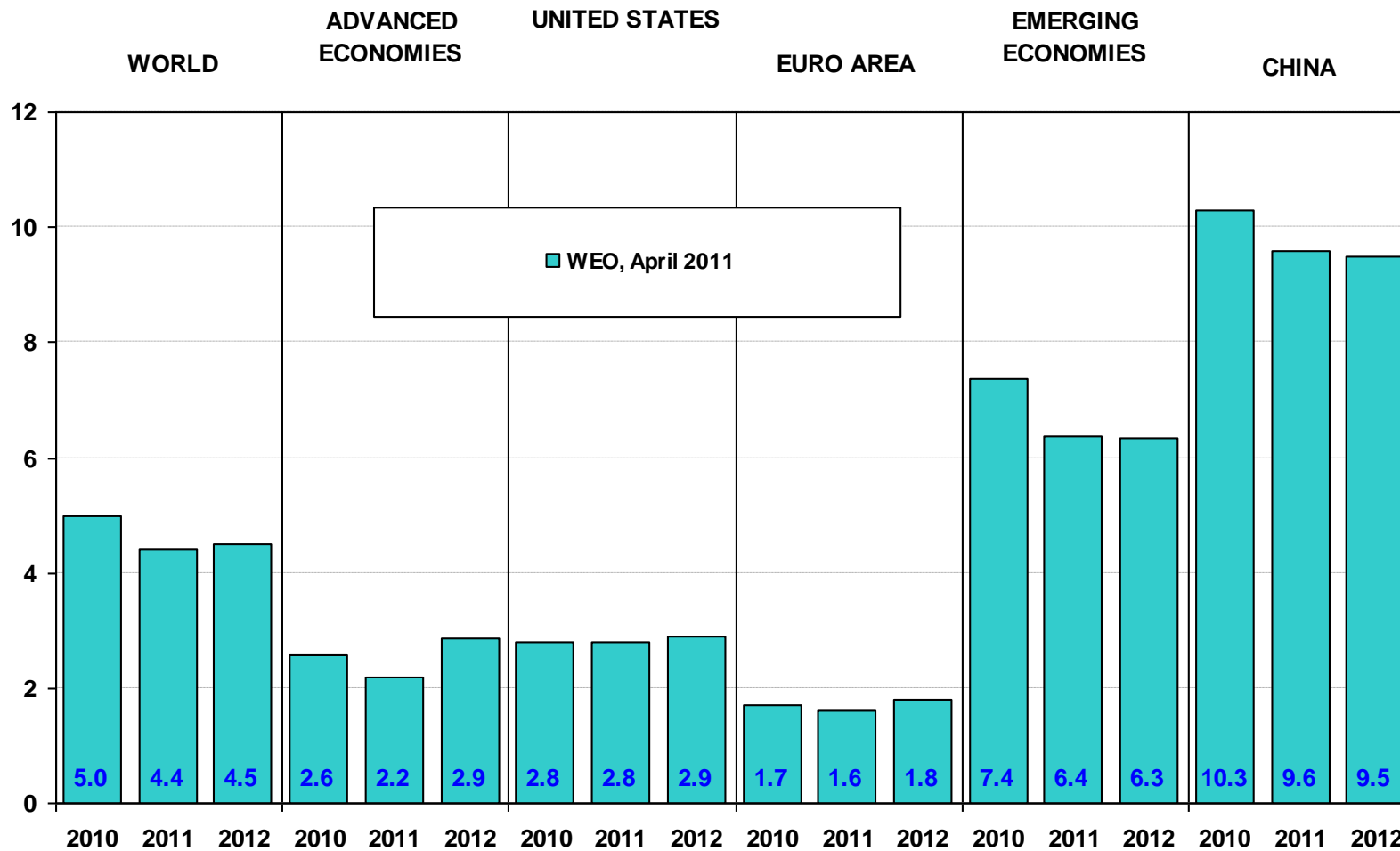
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NEW CHALLENGES. NEXT CHANGES.

UBI  Banca

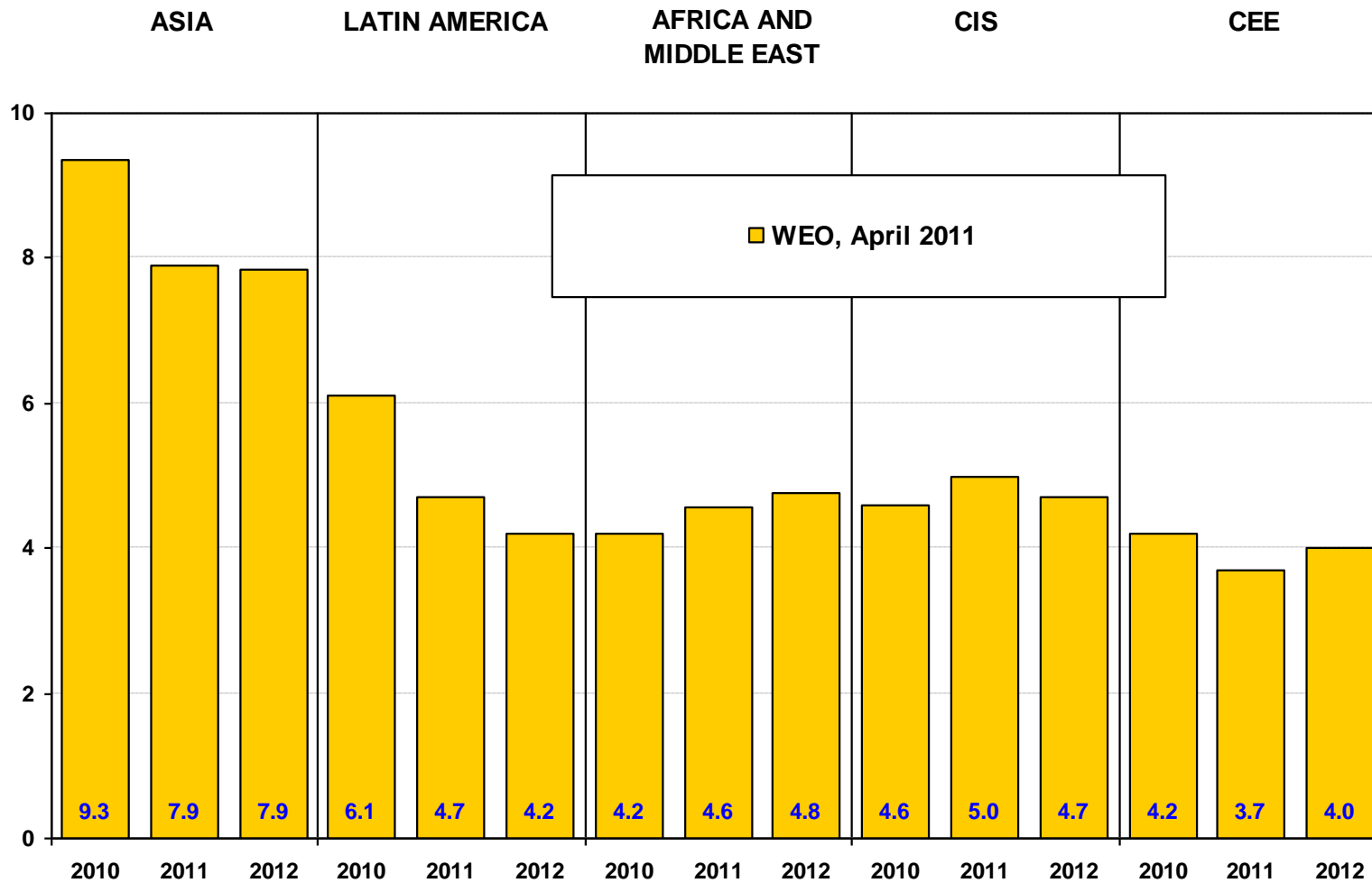
IMF global GDP forecasts for 2011-12

(percentage changes on the previous year)

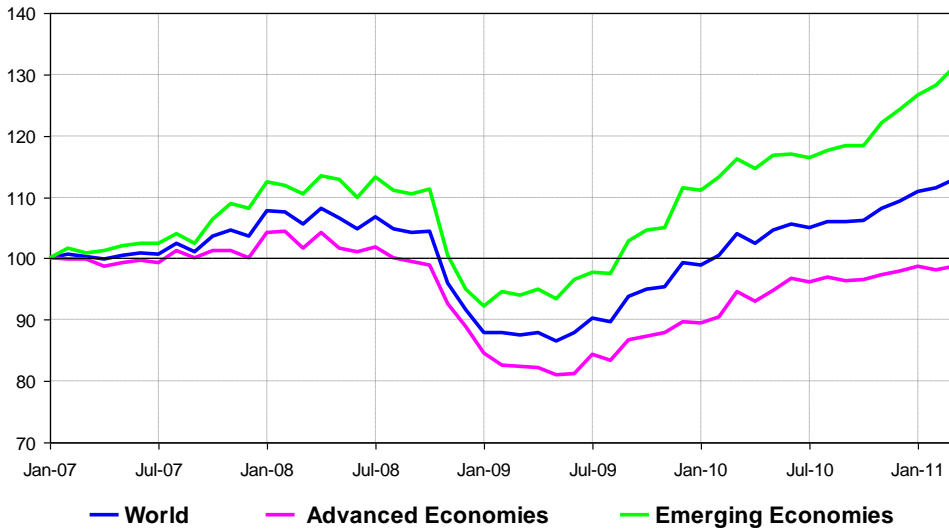


IMF global GDP forecasts for 2011-12

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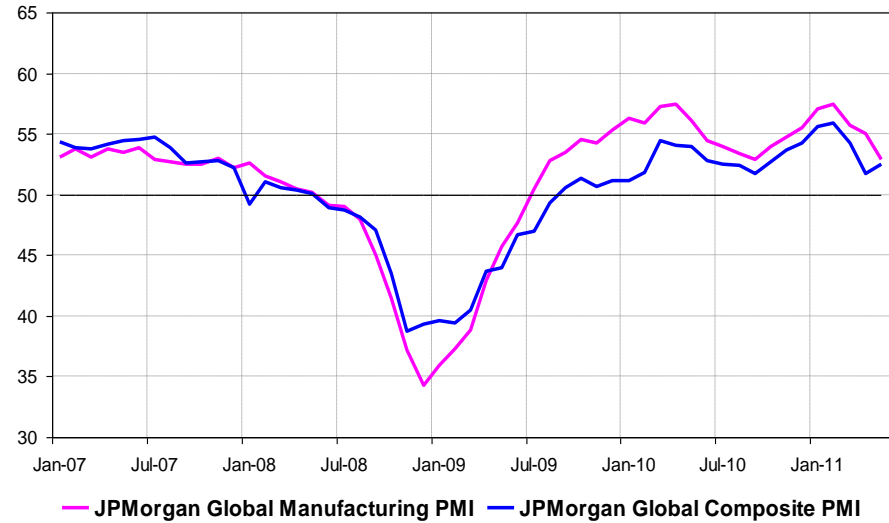
International Trade Volumes (1) (monthly data; January 2007=100)



Source: Trade monitor, Netherlands Bureau for Economic Policy Analysis.

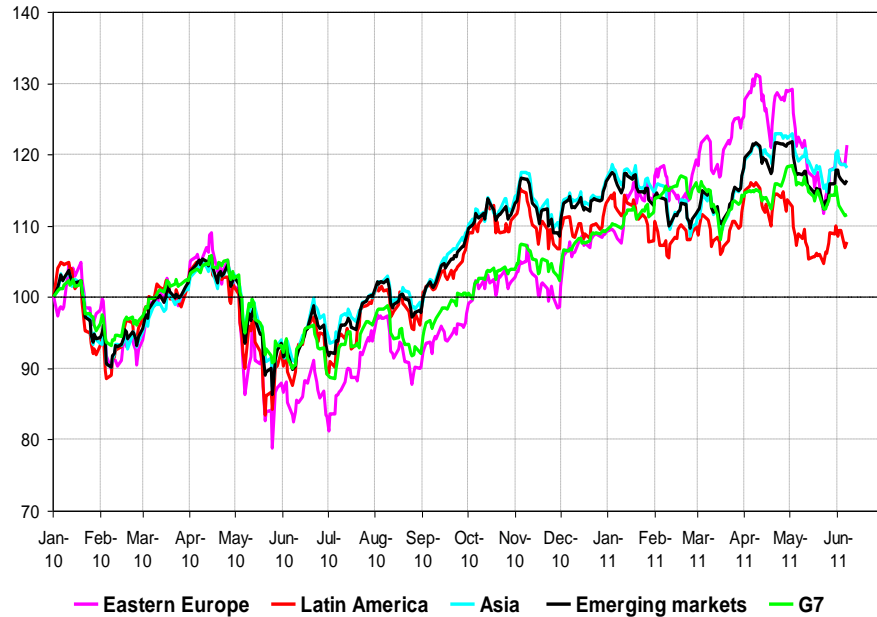
(1) Simple average of export and import growth.

Global Purchasing Managers Index



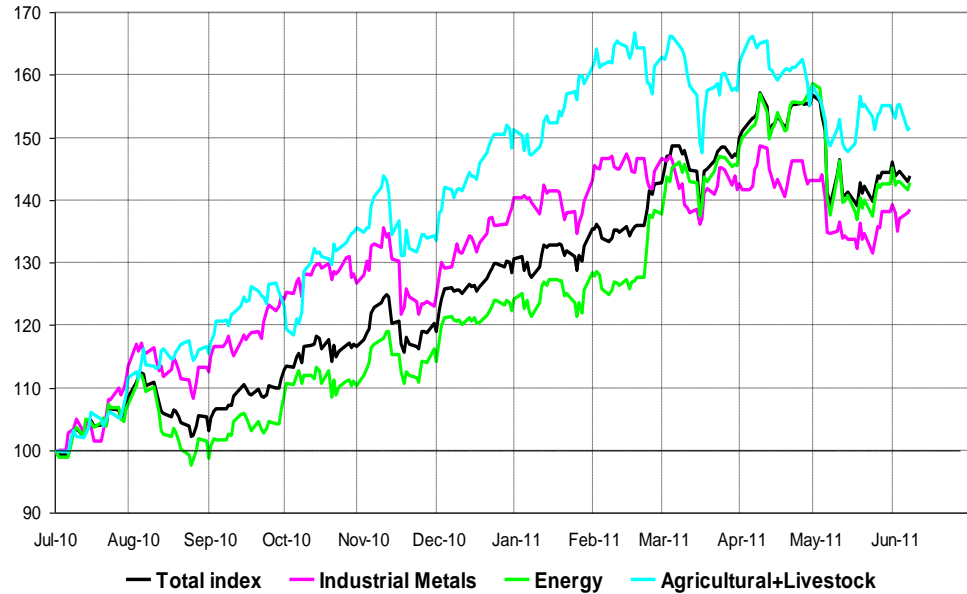
Source: Markit.

Equity Price Indices in US dollars (daily data; January 2010=100)



Source: Thomson Reuters Datastream.

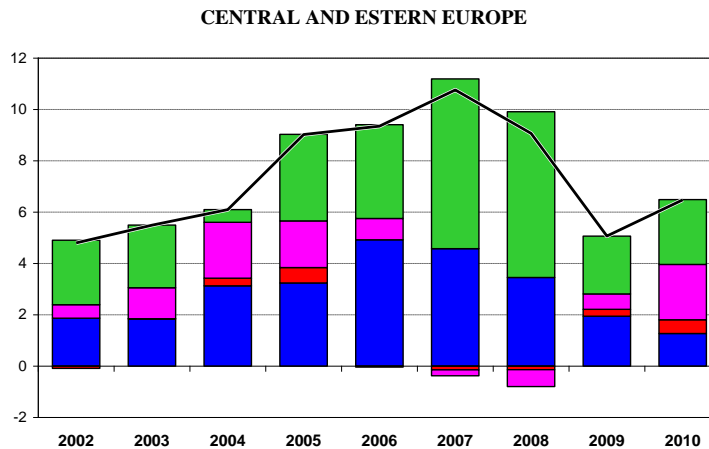
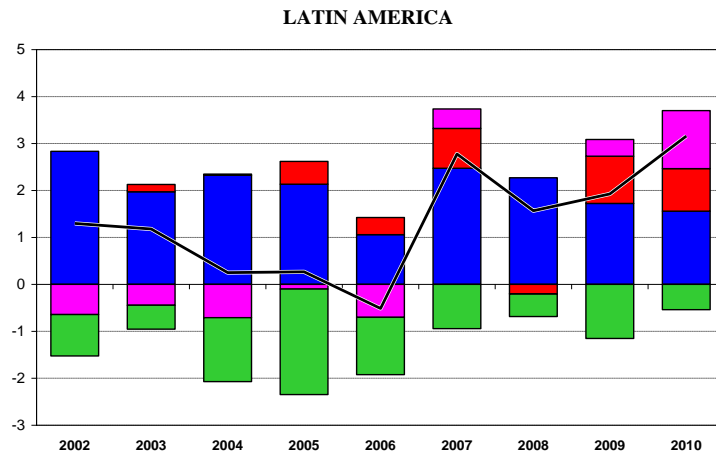
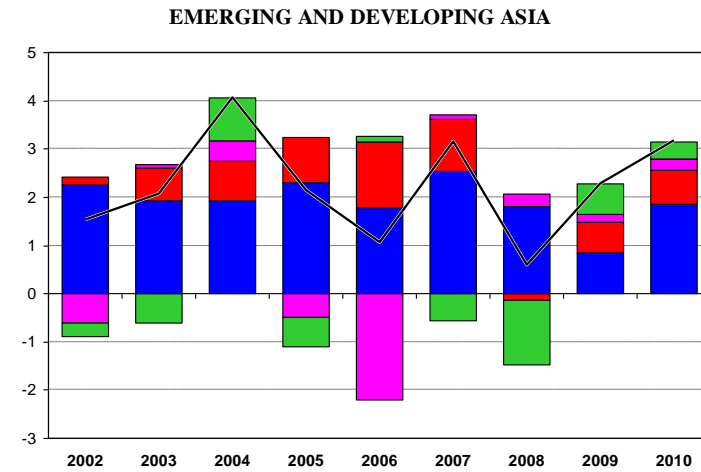
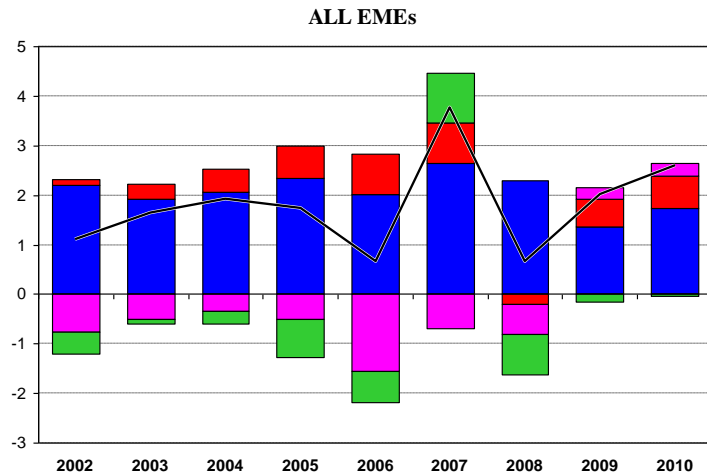
International Commodity Prices in US dollars ⁽¹⁾ (daily data; 1st July 2010=100)



Source: Thomson Reuters Datastream.

(1) Standard & Poors Goldman Sachs Commodity Index.

Net financial flows to emerging countries (in percentages of GDP)



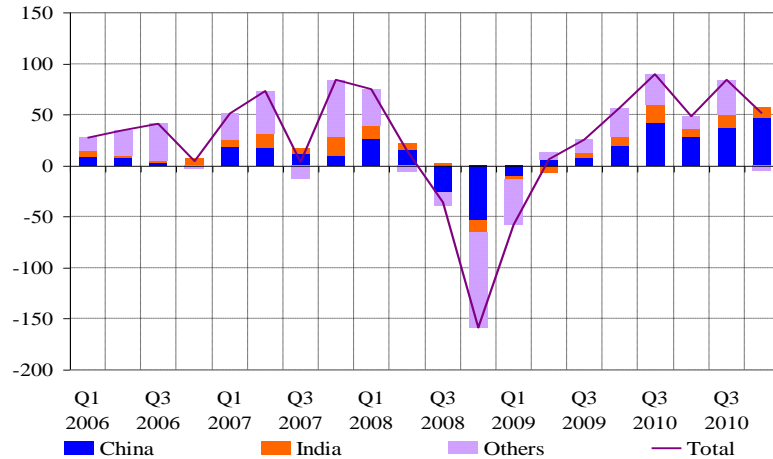
■ Foreign direct investment
 ■ Portfolio investment (equity)
 ■ Portfolio investment (debt)
■ Other investment
 — Net financial flows

Source: IMF, April 2011 WEO.

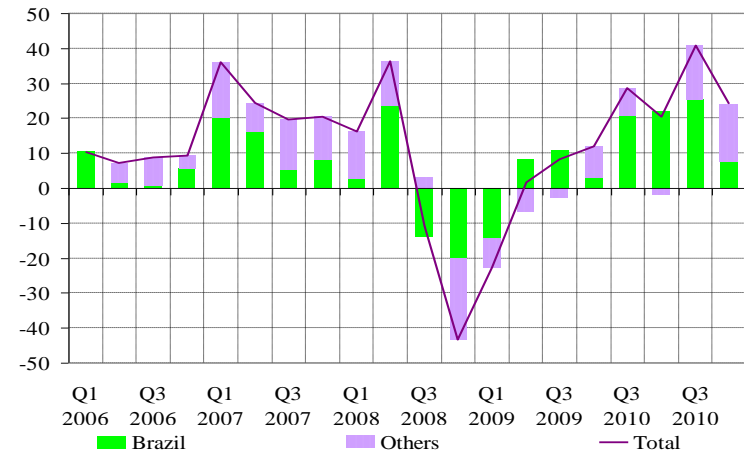
Cross-border bank claims on emerging economies

(quarterly data; exchange rate adjusted changes in gross assets; billions of US dollars)

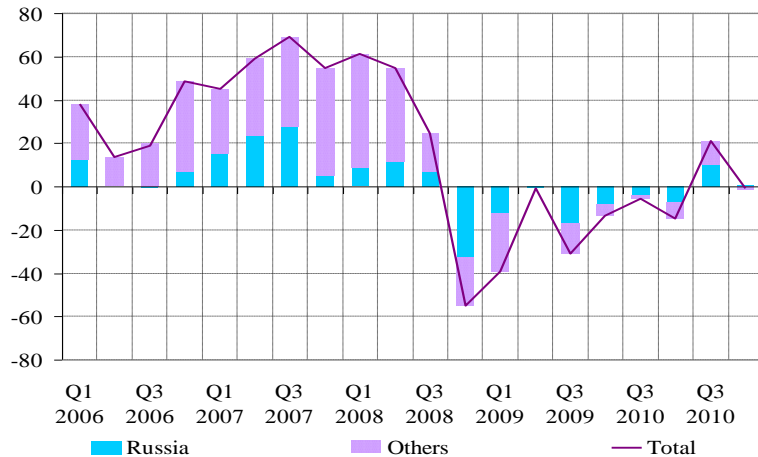
Emerging Asia



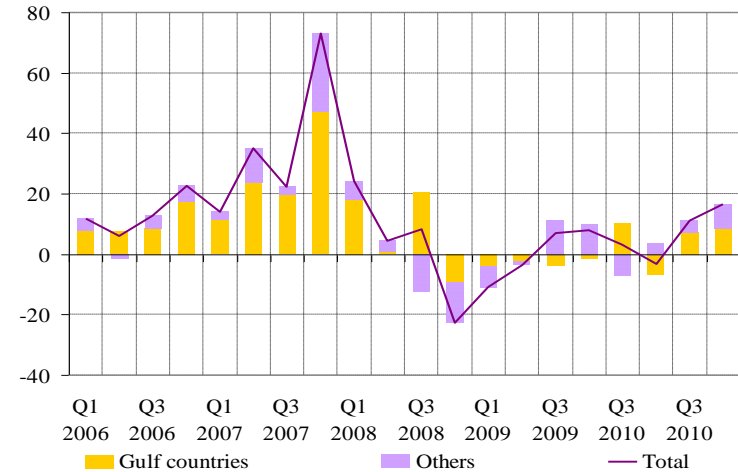
Latin America



Emerging Europe



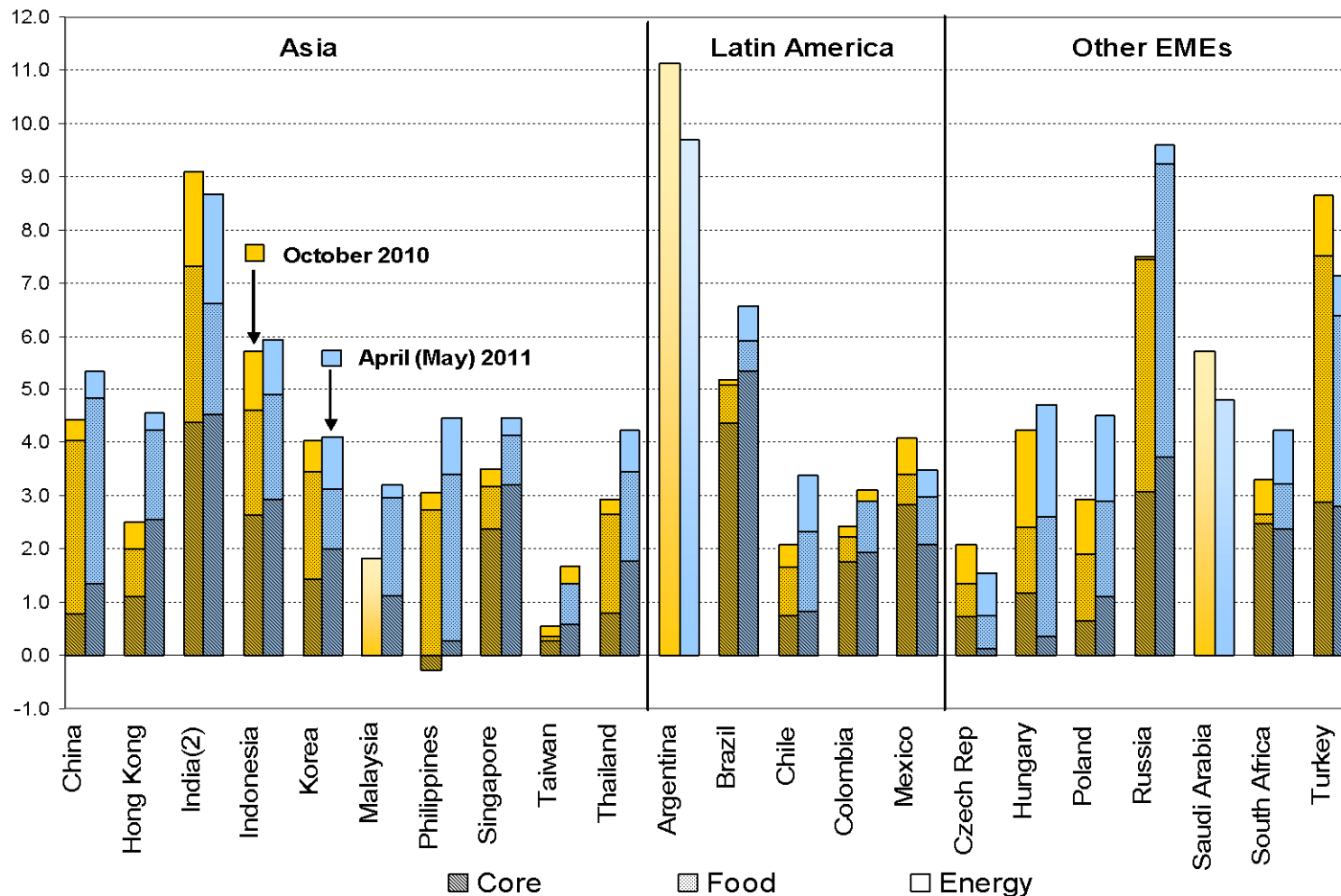
Middle East and Africa



Source: BIS, locational banking statistics.

CPI inflation by main components: evolution since October 2010 (1)

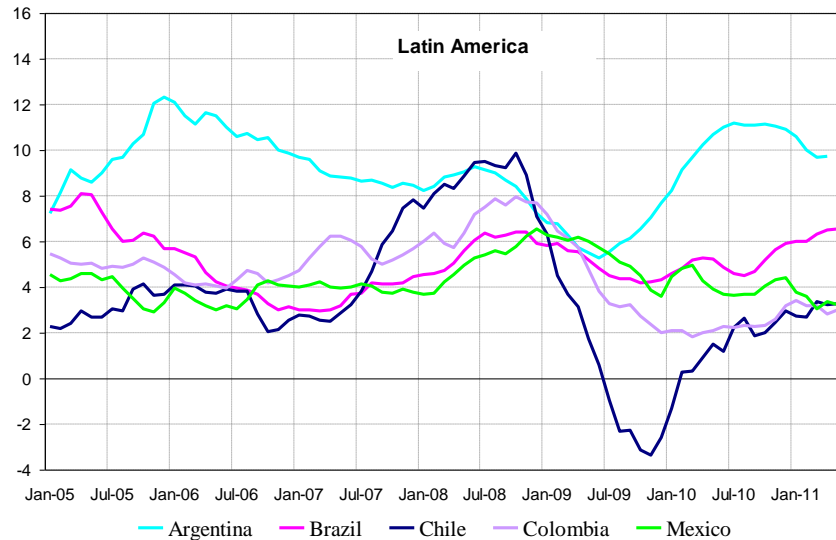
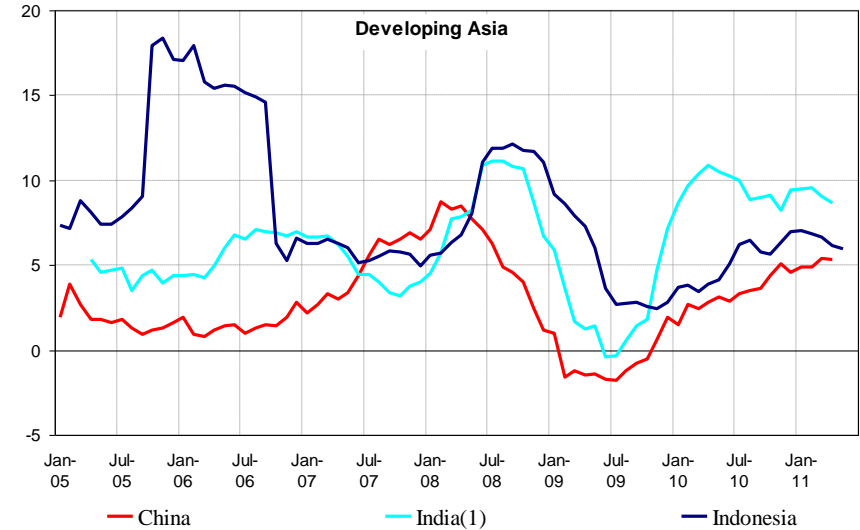
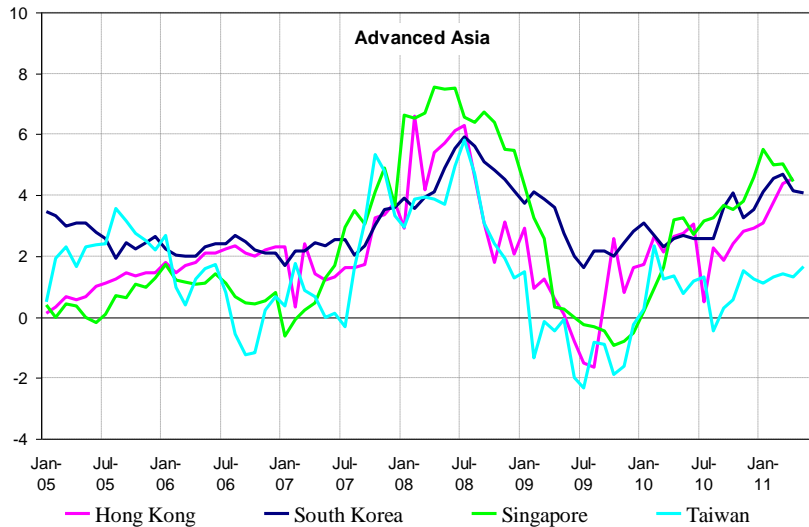
(percentage points)



Source: OECD and national sources.

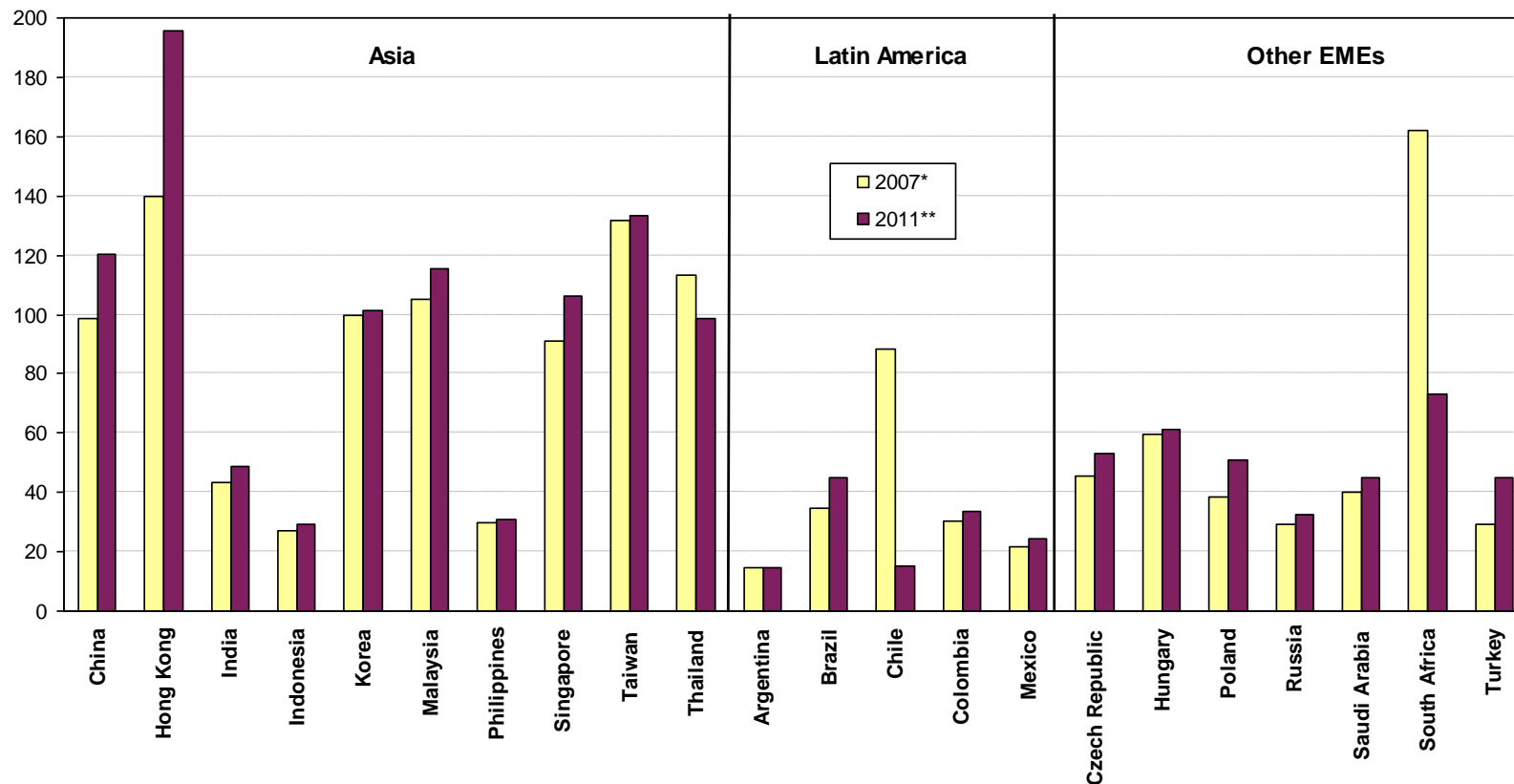
- (1) Latest CPI data refer to April 2011 (May 2011 for Brazil, Colombia, Indonesia, Philippines, Russia, Taiwan, Thailand and Turkey).
 (2) Wholesale Price Index.

Consumer Price Index in selected emerging economies (12-month percentage changes)



Source: national sources.
(1) Wholesale Price Index.

Domestic credit to the private sector (in percentage of GDP)

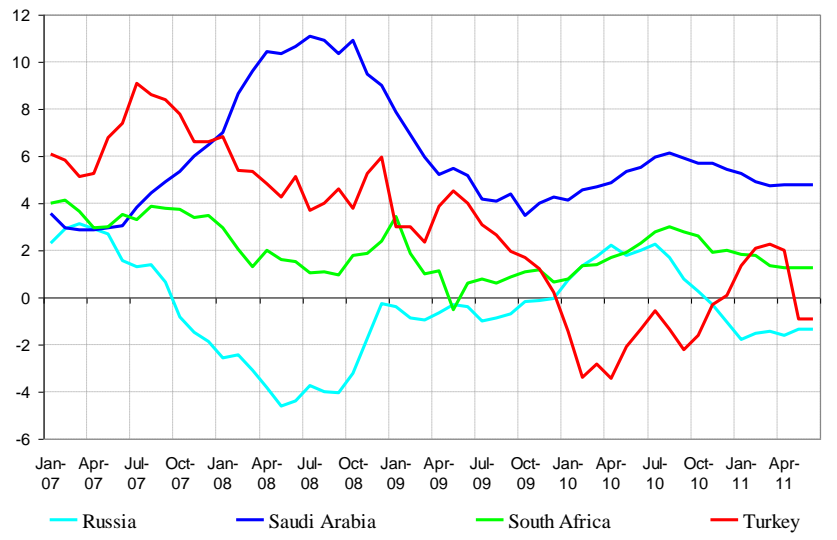
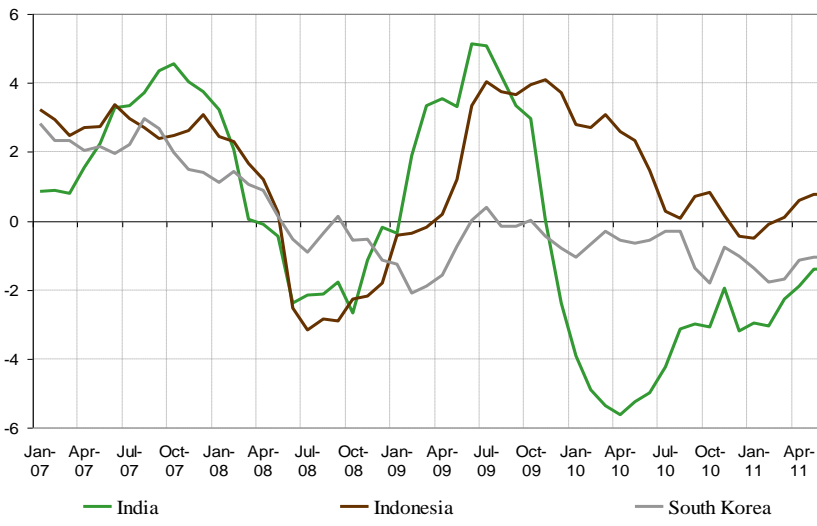
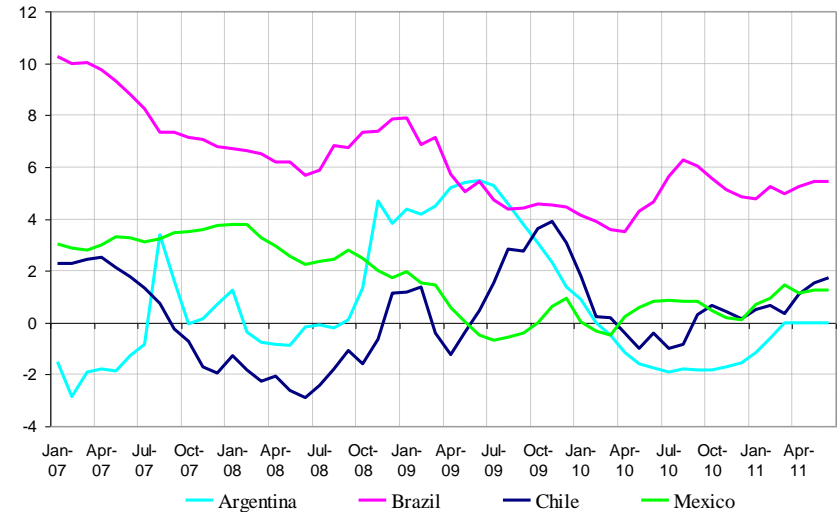
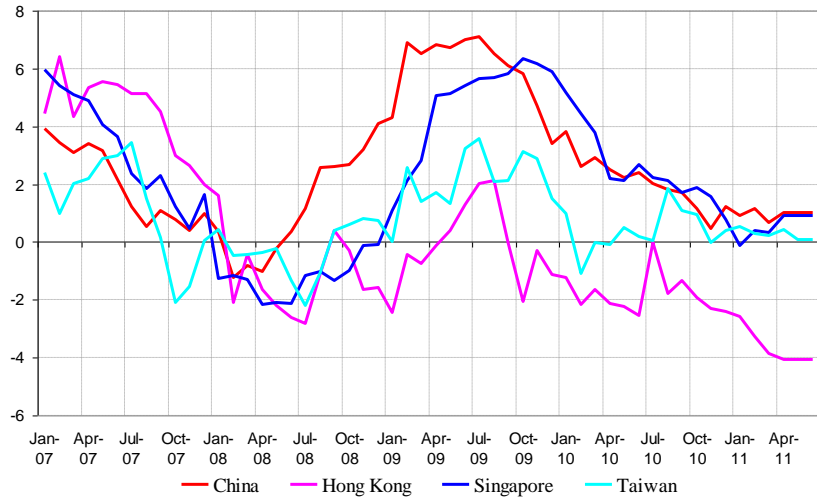


Source: IMF and National Statistics.

* End of period. For Indonesia, November 2009.

** Most recent month available. For Philippines, November 2010.

Real policy interest rates in selected emerging economies (CPI deflated, percentage points)



Source: national sources.



Monetary policy measures in selected emerging countries since the global crisis

Countries	Policy interest rates (percentage points)						Bank reserve requirement coefficients (in percentages)		
	Easing			Tightening		Current level	May-09	May-10	May-11
	Starting month	Ending month	Cumulative reduction	Starting month	Cumulative increase				
Emerging Asia									
China	Sep-08	Dec-08	-2.2	Oct-10	1.0	6.3	15.5	17.0	21.0
India	Oct-08	Apr-09	-4.3	Mar-10	2.5	7.3	5.0	6.0	6.0
Indonesia	Dec-08	Aug-09	-3.0	Feb-11	0.3	6.8	5.0	7.5	10.5
South Korea	Oct-08	Feb-09	-3.3	Jul-10	1.0	3.0	7.0	7.0	7.0
Malaysia	Nov-08	Feb-09	-1.5	Mar-10	1.0	3.0			
Philippines	Mar-09	Nov-09	-1.3	Apr-11	0.5	6.5			
Taiwan	Sep-08	Feb-09	-2.4	Jun-10	0.5	1.8			
Thailand	Jan-09	Apr-09	-1.5	Jul-10	1.8	3.0			
Latin America									
Argentina	Dec-08	Dec-09	-3.5	Feb-11	0.3	9.7			
Brazil ¹	Feb-09	Aug-09	-5.0	May-10	3.3	12.0	23.0	18.0	32.0
Chile	Jan-09	Aug-09	-7.8	Jun-10	4.5	5.0			6.6
Colombia	Jan-09	May-10	-7.0	Mar-11	1.0	4.0	11.5	11.0	11.0
Mexico	Feb-09	Aug-09	-3.8			4.5	0.0	0.0	0.0
Emerging Europe									
Czech Republic	Aug-08	May-10	-3.0			0.8			
Hungary	Nov-08	Apr-10	-6.3	Nov-10	0.8	6.0			
Poland	Nov-08	Jun-09	-1.5	Jan-11	1.5	5.0	3.5	3.0	3.5
Russia	Apr-09	May-10	-5.3	Feb-11	0.5	8.3	1.0	2.5	4.0
Turkey ¹	Jan-09	Oct-09	-9.3			6.3	6.0	6.0	5 to 16
Africa and Middle East									
Saudi Arabia	Nov-08	Jun-09	-3.9			0.8			
South Africa	Dec-08	Mar-10	-5.5			5.5			

Source: National sources.

(1) Time deposits.



Bilateral Exchange Rates

(daily data; percentage changes w.r.t. US dollar; latest date available: June 3, 2011)

	Change since January, 2007	Change since June 30, 2010	Change since January, 2011		Change since January, 2007	Change since June 30, 2010	Change since January, 2011
Advanced Economies				Latin America			
United States	-	-	-	Argentina	-25.1	-3.9	-2.9
Euro Area	10.9	19.6	9.4	Brazil	35.6	14.5	5.3
Japan	48.3	10.1	1.1	Chile	13.8	16.7	0.0
Australia	35.8	27.6	4.7	Colombia	25.1	7.2	7.2
Canada	18.9	8.0	1.3	Mexico	-7.5	10.9	5.9
Switzerland	46.1	26.9	11.9	Emerging Europe			
United Kingdom	-16.1	9.9	5.3	Czech Republic	25.4	26.3	12.6
Emerging Asia				Hungary	5.5	29.1	15.2
China	20.5	4.7	1.7	Poland	7.6	25.4	9.7
Hong Kong	0.0	0.1	-0.1	Russia	-5.9	11.2	8.7
India	-1.5	3.6	-0.3	Turkey	-10.8	-0.5	-1.9
Indonesia	5.6	6.3	5.7	Africa and Middle East			
South Korea	-13.7	13.5	4.1	Saudi Arabia	0.0	0.0	0.0
Malaysia	17.3	7.8	2.4	South Africa	4.4	14.3	-1.4
Philippines	13.5	7.3	1.0				
Singapore	24.8	13.8	4.4				
Taiwan	13.7	12.6	1.8				
Thailand	17.1	7.0	-0.7				

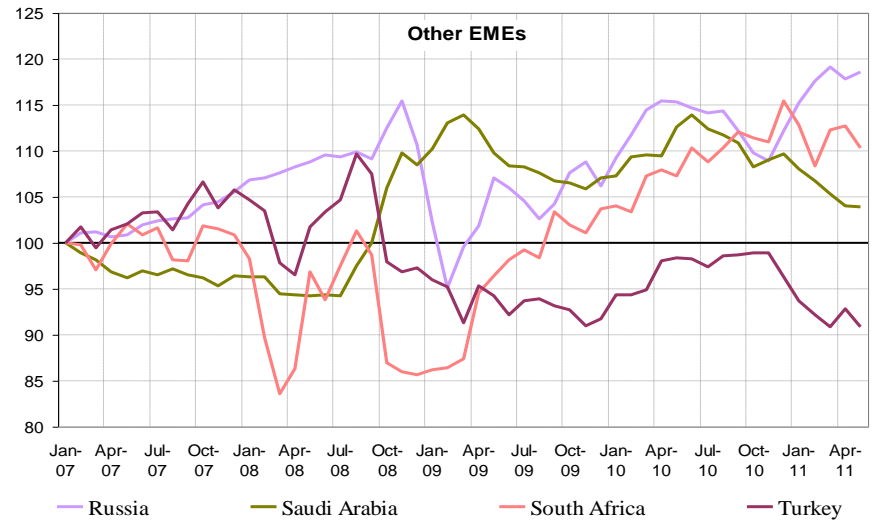
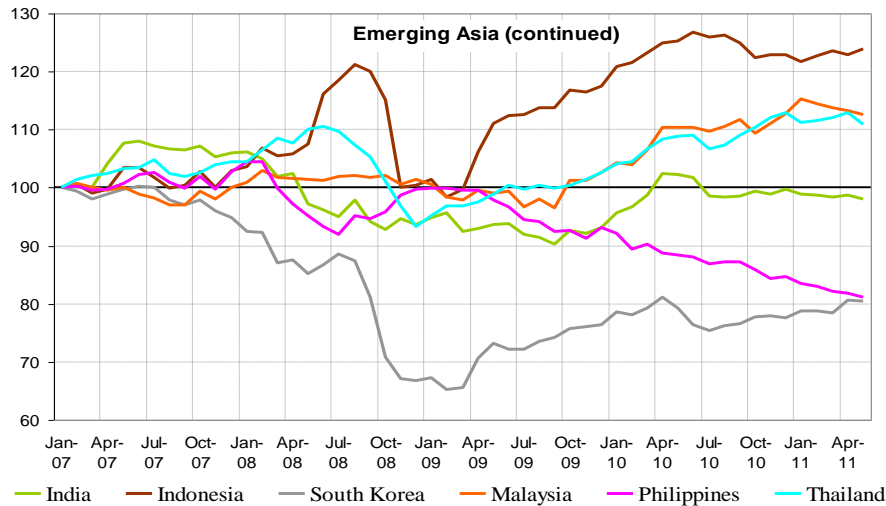
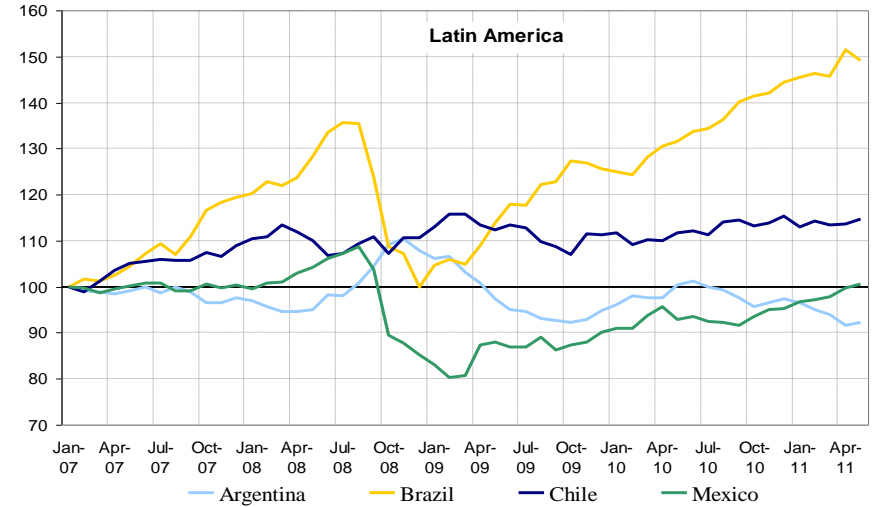
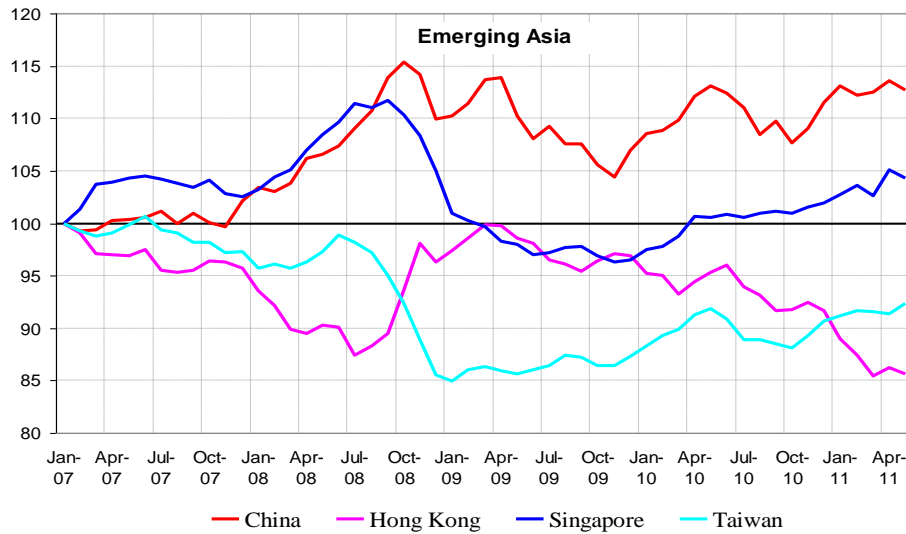
Source: Thomson Reuters Datastream



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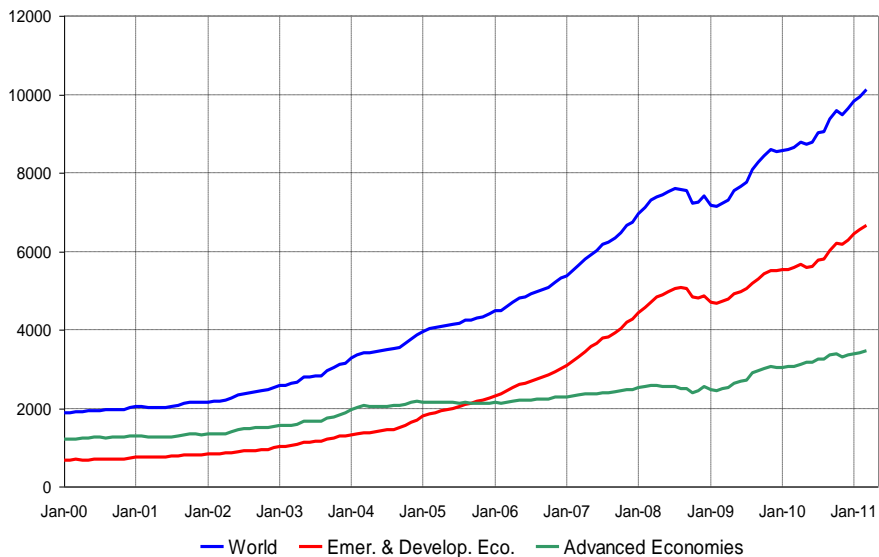
Real effective exchange rates of main emerging economies

(monthly data, indexes, January 2007=100)

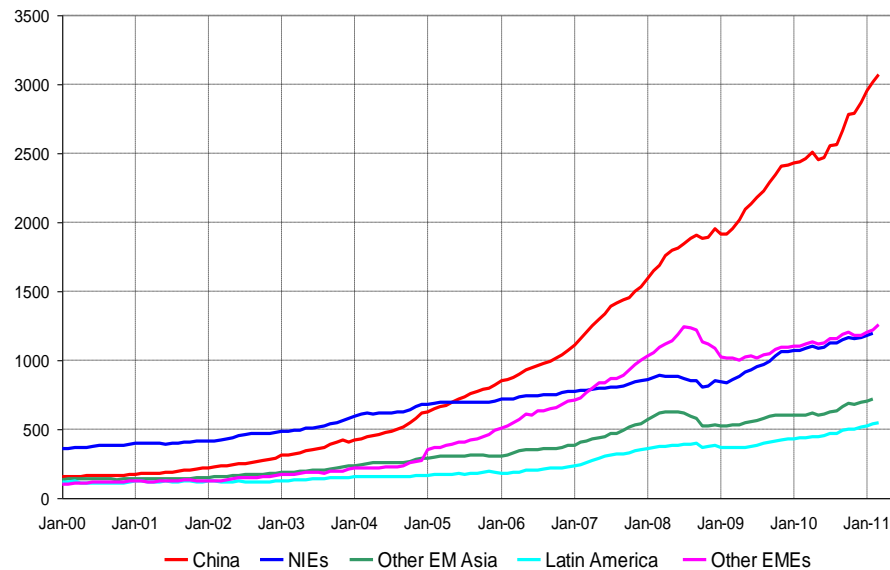


Source: JP Morgan.

Global foreign exchange reserve assets (end of month data; billions of US dollars)



Foreign exchange reserve assets of main emerging economies (end of month data; billions of US dollars)



Source: IMF.

End of presentation

Thank you for your
attention

