



KEY HIGHLIGHTS

- Provisional high-frequency data for Q3 2025 indicate that portfolio inflows eased from Q2, although with substantial heterogeneity amongst the major EMs.** Inflows into local-currency bonds tapered off while equity outflows also moderated from September, following sustained selling pressures through Q2 (Fig. 1).

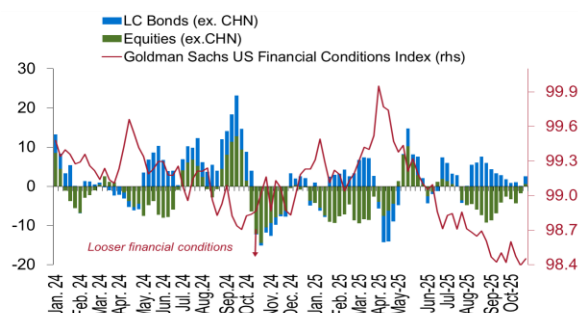
Highlights for Q2 2025: EM non-resident inflows eased from Q1 but remain near recent averages

- Gross capital inflows to EMs excluding China amounted to roughly USD 189 billion** (4.1% of GDP at annual rates) in Q2 2025, easing from Q1 2025 (USD 262 billion, or 6.0% of GDP), but higher than Q2 2024. Over the past four quarters, cumulative gross inflows reached USD 840 billion or 4.7% of GDP, slightly higher than the 2015–2019 average of 4.5% of GDP. While gross inflows eased from Q1, the steady FDI and local-currency debt inflows, supported by a softer USD, accommodative global monetary conditions, and attractive EM real yields, suggests that EMs are still benefiting from a constructive, albeit uneven, external financing landscape.
- Portfolio inflows improved and were positive for most major EMs in Q2** (Fig. 2) and increased to 0.7% of GDP (from 0.2% in Q2 2024) and 0.3% of GDP in Q1 2025. Notably, several CEEMEA countries saw strong inflows, while flows to Brazil, India, Malaysia and Indonesia turned positive after two consecutive quarters of outflows. By contrast, Türkiye logged its first quarterly outflow since Q2 2023, while outflows continued in South Africa and Thailand, though at a more moderate pace.
- FDI inflows for EMs eased further to USD 84 billion (1.8% of GDP) in Q2 with significant heterogeneity across regions.** A decline in nominal FDI flows (trailing 12-month) into Europe overshadowed a gradual rebound in Asia and Latin America (Fig. 5). This follows after FDI inflows amounted to USD 117 billion in Q1 (2.7% of GDP), near to the 2015–2019 average (Fig. 7).
- Gross capital outflows by EM residents, measured as a percentage of GDP, have continued to increase gradually, a trend that started in the second half of 2024** (Fig. 9). Capital outflows rose to 2.8% of GDP from 1.9% in Q2 2024. Nonetheless, high-frequency and provisional data suggest that residents' portfolio flows moderated in Q3 (Fig. 8).
- Net capital flows** (non-resident inflows minus resident outflows) **remained positive in Q2** but moderated to USD 60 billion (1.3% of GDP) from USD 94 billion (2.2% of GDP) in Q1, as non-resident inflows eased more than the decline in resident outflows (Fig. 10). Net capital flows have remained near 2015–2019 average of USD 50 billion but lower than average, as a percent of GDP (1.7%).
- Gross capital inflows into China, on a trailing 12-month basis have remained at low levels** (Fig. 6). Debt and other investments posted outflows by non-residents in Q2, while direct and equity investments saw small inflows. Meanwhile, resident outflows (net acquisition of foreign assets) continued their steady increase. On net, China's capital flows are close to its record lows observed in 2024 (see *IMF 2025 External Sector Report*).
- Other BOP Details:** Reserves for most EMs rose on net so far in 2025 (Fig. 16), alongside portfolio inflows (Fig. 15). Remittances, as a share of GDP, have decreased to below its long-term average, but remains high for several economies (Fig. 17, 18).

BOP Portfolio Tracking

Despite relatively loose financial conditions, EMs debt inflows tapered off from September while equity outflows moderated

Figure 1. Weekly Local Currency Debt and Equity Inflows (USD Billion, 4-week sum)



Gross portfolio flows were mixed across the major EMs, with inflows and outflows almost evenly split between the major EMs

Figure 2. BOP Non-Resident Quarterly Portfolio Inflows (USD Billion, *Quarter-to-Date for 2025-Q2, ** high frequency non-BOP data for 2025-Q3)

Year	2021				2022				2023				2024				2025			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3*	4**
BRA	6.5	12.9	3.7	0.2	0.9	-7.5	-2.8	6.5	0.9	7.0	2.6	3.3	6.1	-3.4	7.8	-2.3	-2.9	4.8	7.4	
CHL	4.2	6.5	16.6	5.5	8.4	0.8	-2.5	6.5	-0.4	-0.1	4.4	0.0	2.4	0.0	1.8	0.5	3.8	1.4	0.8	
CZE	-2.3	-0.7	-3.9	8.1	-5.6	-12.1	-1.8	4.8	0.1	2.2	1.9	-4.8	-0.3	2.8	5.3	7.8	-8.1	7.1	3.3	
HUN	-1.7	-1.1	5.8	-0.2	-0.2	1.3	1.8	4.0	5.0	3.4	2.6	5.0	4.8	-2.0	1.8	-0.2	-0.2	4.1	2.5	
IND	7.6	0.3	5.0	-5.9	-15.5	-14.3	6.9	4.9	-3.0	14.4	6.4	10.9	9.3	1.5	20.0	-10.9	-7.9	0.4	-4.4	
POL	-3.2	-3.3	1.4	-1.7	-3.0	4.7	0.7	3.3	-0.7	7.5	-0.5	3.5	10.5	2.2	8.7	4.5	2.8	4.9	6.2	
ZAF**	-0.4	0.0	-34.8	-2.6	4.0	2.5	-1.9	-1.5	-1.6	-1.1	-2.3	-0.5	-2.8	-1.1	2.5	1.9	-4.2	-3.3	-4.4	
IDN**	5.2	4.7	1.5	-4.6	-1.8	-2.3	-1.5	-1.0	4.3	-1.8	-2.5	5.1	-0.8	4.2	10.8	-2.0	-1.0	0.3	-0.5	
MYN**	3.5	7.4	0.3	2.1	1.5	-2.7	-0.7	-2.4	-3.1	3.9	0.4	0.8	-0.5	1.5	7.8	-3.7	-1.6	3.8	-2.5	
PHL**	-3.6	2.5	3.3	1.7	2.6	1.3	1.2	0.0	0.7	0.8	0.3	0.2	-0.9	2.6	0.9	0.3	1.3	-1.4	0.4	
THA**	0.4	-0.1	0.2	4.3	3.9	0.9	-0.4	3.8	-2.8	-3.0	-3.5	-1.0	2.2	-2.2	2.8	-5.4	-0.8	-0.1	-0.5	
MEX**	-1.5	-4.2	-7.4	-5.9	3.5	-4.8	-4.4	0.3	1.5	-5.0	-5.1	2.3	9.8	-6.2	2.8	-0.2	0.0	-6.2	-5.6	
TUR**	-0.4	0.5	1.0	-7.8	-6.4	-8.2	-3.5	0.5	-1.0	-1.3	2.9	6.9	3.1	11.2	2.4	4.7	2.7	-4.3	6.7	

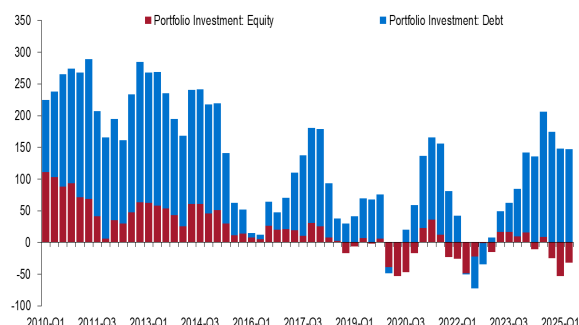
Please see releases of the EM Local Currency Bond Holdings Monitor and EM Hard Currency Issuance Monitor for more detail.

Comprehensive BOP data is generally lagged by a full quarter. EM includes 20 countries. Source: Bloomberg, Haver Analytics, IMF BOP, IMF staff calculations

EM BOP Non-Resident Inflows (Gross Inflows)

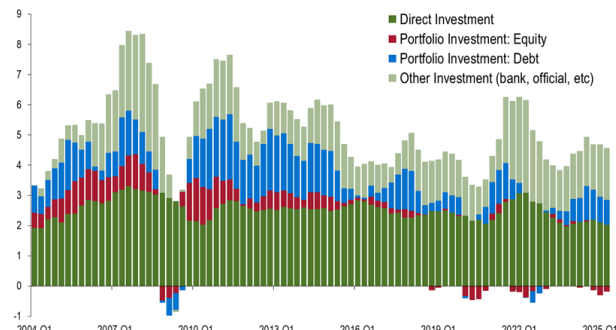
Trailing 12m equity outflows by non-residents improved somewhat in the past year, while debt inflows stabilized

Figure 3. EM ex-China: Non-Resident Portfolio
(4Q rolling sum, USD billion)



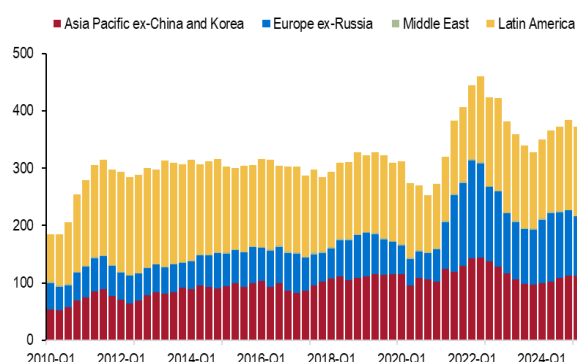
As a proportion of GDP, FDI inflows by non-residents are stabilizing at low levels, while portfolio debt inflows are moderating

Figure 4. EM ex-China: Non-Resident Flows
(4Q, % of GDP)



In nominal terms, trailing-12m FDI flows have continued to recover in Asia-Pacific ex-China and increased in Latin America, but declined in Europe

Figure 5. EM ex-China: FDI Non-Resident Flows
(4Q rolling sum, USD billion)



Non-resident inflows into China have remained at low levels, with bond inflows turning negative in Q2, outweighing a small recovery in FDI

Figure 6. China Non-Resident BOP Flows
(4Q % to GDP)

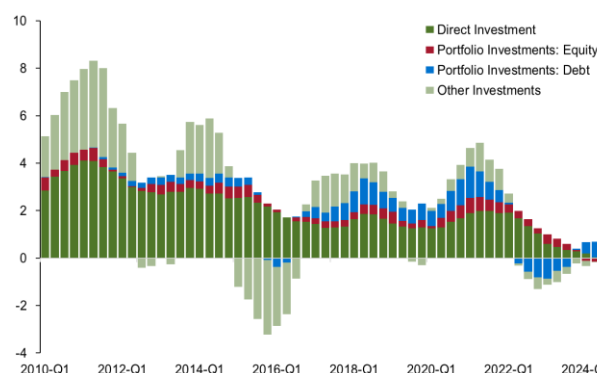


Figure 7. BOP Non-Resident Flows, Composition ex-China and Russia

		Level (% of GDP)				Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2024-Q3	FDI	2024-Q3	2.0	2.1	2.5	17%	38%	10%	22%	69%	20%
2024-Q4		2024-Q4	1.7	2.2	2.5	26%	33%	14%	24%	65%	36%
2025-Q1		2025-Q1	2.7	2.1	2.5	15%	29%	14%	23%	50%	35%
2025-Q2		2025-Q2	1.8	2.0	2.5	8%	29%	10%	27%	29%	40%
2024-Q3	Port. Equity	2024-Q3	0.4	0.1	0.2	22%	28%	11%	51%	34%	8%
2024-Q4		2024-Q4	-0.5	-0.1	0.2	14%	39%	17%	26%	26%	3%
2025-Q1		2025-Q1	-0.7	-0.3	0.2	6%	44%	6%	7%	11%	5%
2025-Q2		2025-Q2	0.1	-0.2	0.2	10%	33%	11%	14%	21%	9%
2024-Q3	Port. Debt	2024-Q3	1.5	1.1	0.9	68%	0%	33%	60%	76%	63%
2024-Q4		2024-Q4	0.3	1.0	0.9	62%	0%	33%	44%	71%	65%
2025-Q1		2025-Q1	1.0	0.8	0.9	56%	11%	22%	45%	55%	58%
2025-Q2		2025-Q2	0.5	0.8	0.9	55%	11%	22%	32%	50%	70%
2024-Q3	Other	2024-Q3	1.8	1.6	1.4	77%	29%	19%	85%	50%	65%
2024-Q4		2024-Q4	1.4	1.5	1.4	71%	24%	24%	79%	54%	48%
2025-Q1		2025-Q1	2.1	1.7	1.4	81%	14%	24%	82%	77%	57%
2025-Q2		2025-Q2	1.5	1.7	1.4	80%	19%	19%	83%	73%	52%

Note: in Figure 4, other investment liabilities for India are estimated from national sources.

EM BOP Resident Capital Flows (Net Acquisition of Assets)

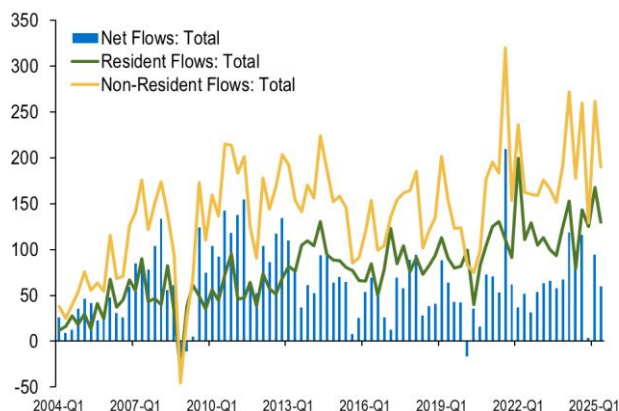
EM residents (ex China) continued to acquire foreign portfolio assets in Q3, but the pace eased across most economies

Figure 8. EMs ex China: Resident Portfolio Outflows
(USD Billions, *Quarter-to-Date for 2025-Q3), ** high frequency non-BOP data for 2025-Q3)

Year	2021				2022				2023				2024				2025			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3*	4**
BRA	5.5	8.3	5.2	-3.6	1.3	-0.9	-1.5	0.9	2.0	3.4	1.3	-2.2	7.8	3.8	-1.8	-2.6	11.0	5.7	4.5	
CHL	4.8	-5.7	0.7	0.3	5.4	2.4	-2.2	1.9	3.2	3.2	1.0	-2.0	1.1	3.4	2.5	-0.3	5.8	3.5	2.6	
CZE	0.5	1.7	1.0	1.7	0.1	-0.9	-0.4	1.5	1.5	0.8	0.1	0.9	1.6	3.1	1.6	0.8	2.3	2.0	1.7	
HUN	0.6	0.8	0.9	0.8	-0.1	0.5	0.4	1.5	0.7	2.9	0.5	2.2	0.8	-0.1	2.0	2.8	1.0	-0.1	0.9	
PHL	4.6	1.8	1.0	0.4	0.9	-1.2	0.7	-0.7	1.5	1.7	0.1	0.2	1.0	-1.9	1.2	0.7	4.0	-1.2		
POL	3.0	1.1	0.7	0.2	-0.7	0.0	0.1	3.9	5.0	3.0	4.7	1.9	3.6	4.5	0.9	5.5	0.8	2.2	1.9	
ROU	0.2	0.3	0.3	0.7	0.3	0.2	1.0	-0.1	-0.2	1.3	0.2	0.1	-0.1	0.0	1.6	-0.3	0.2	-0.4	0.3	
TUR	-0.2	0.2	0.2	0.7	0.8	0.5	0.3	-0.7	1.7	-0.5	0.6	0.2	2.9	1.4	2.8	2.4	1.2	3.0	2.3	

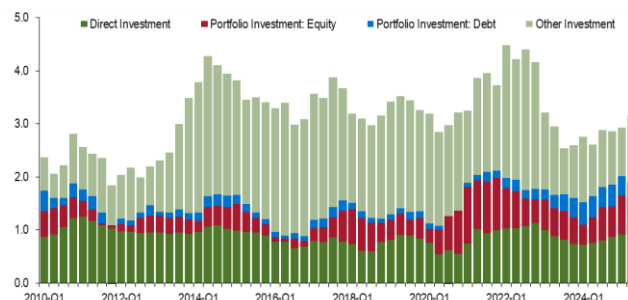
Net capital inflows recovered for EMs ex China, after hovering near zero in Q4 2024

Figure 10. Net Capital Flows for EMs ex China
(USD Billion)



Cumulative cross border flows from EM residents (ex China), as a percent of GDP, has gradually increased

Figure 9. EM BOP Resident Outflows
(4Q % to GDP)



China resident outflows have gathered pace since mid-2024, led by equity, other portfolio and bond flows, while FDI flows moderated

Figure 11: China Resident Outflows
(4Q % to GDP)

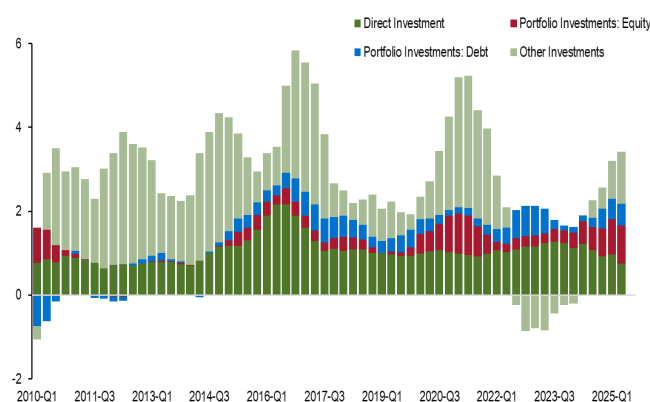


Figure 12. BOP Resident Flows ex-China and Russia (Net Acquisition of Assets)

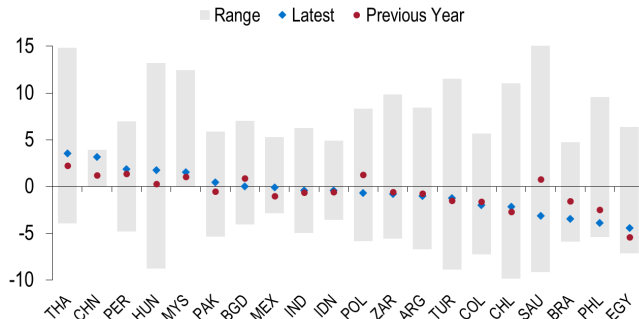
	Level (% of GDP)					Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2024-Q3	FDI	2024-Q3	0.9	0.8	0.9	43%	24%	14%	42%	57%	47%
2024-Q4		2024-Q4	1.1	0.9	0.9	50%	29%	14%	48%	71%	54%
2025-Q1		2025-Q1	1.0	0.9	0.9	58%	14%	29%	45%	77%	74%
2025-Q2		2025-Q2	0.7	0.9	0.9	55%	14%	19%	55%	69%	67%
2024-Q3	Port. Equity	2024-Q3	0.8	0.6	0.4	89%	11%	42%	83%	86%	93%
2024-Q4		2024-Q4	0.4	0.6	0.4	85%	5%	42%	91%	62%	95%
2025-Q1		2025-Q1	1.0	0.7	0.4	94%	5%	53%	92%	84%	100%
2025-Q2		2025-Q2	0.5	0.7	0.4	93%	0%	58%	95%	71%	98%
2024-Q3	Port. Debt	2024-Q3	0.2	0.4	0.2	82%	27%	47%	60%	98%	31%
2024-Q4		2024-Q4	0.4	0.4	0.2	86%	27%	47%	55%	100%	34%
2025-Q1		2025-Q1	0.5	0.4	0.2	78%	20%	40%	66%	86%	79%
2025-Q2		2025-Q2	0.1	0.3	0.2	72%	20%	33%	42%	46%	86%
2024-Q3	Other	2024-Q3	1.3	1.1	1.2	50%	33%	33%	89%	34%	2%
2024-Q4		2024-Q4	0.9	1.0	1.2	49%	24%	29%	79%	31%	6%
2025-Q1		2025-Q1	1.3	0.9	1.2	42%	33%	14%	87%	23%	0%
2025-Q2		2025-Q2	1.6	1.3	1.2	65%	14%	24%	93%	45%	8%

Other Balance of Payments Details

Current account balance developments were heterogeneous in recent quarters

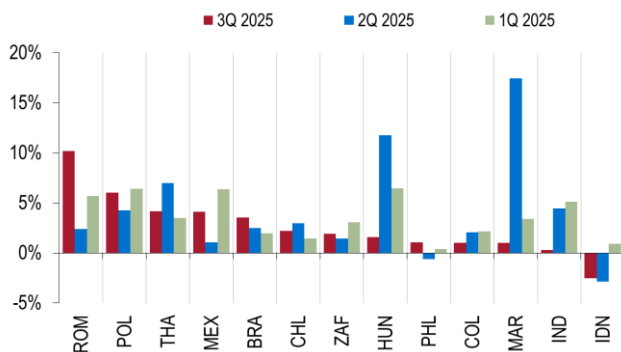
Figure 13: Current Account Balances

(4Q, latest and historical range as share of GDP)



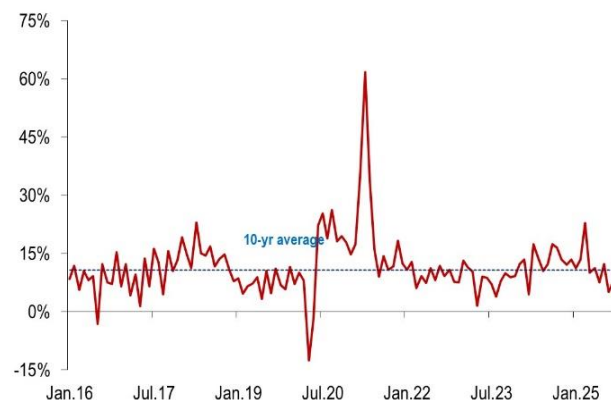
The reserve levels of most major EMs have recovered YTD ...

Figure 15: EM Reserve Stocks (quarterly change, percent)



Remittance growth eased back to below its long-term average...

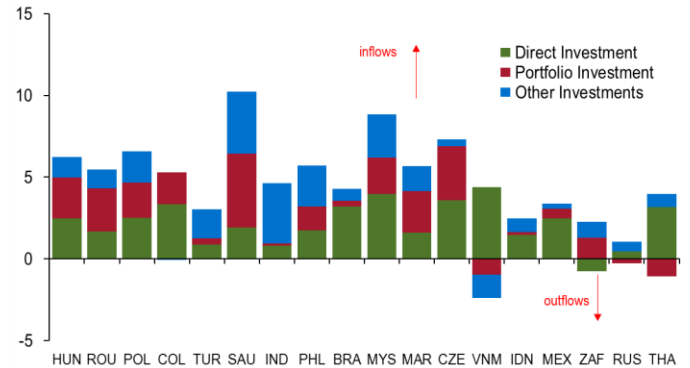
Figure 17: Remittances, EM Median (y/y growth)



FDI flows remain a significant portion of EM gross capital inflows, while portfolio flows have outpaced FDI for some EM countries

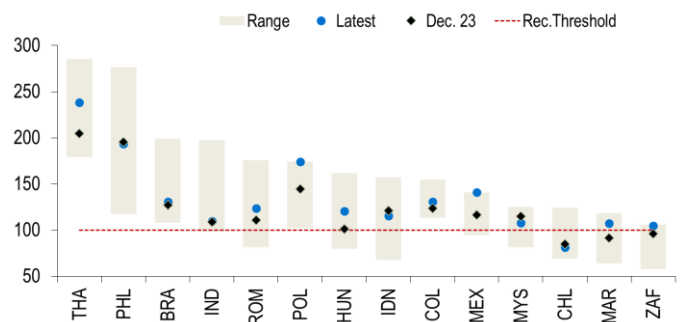
Figure 14: External Financing Sources

(4Q sum to GDP)



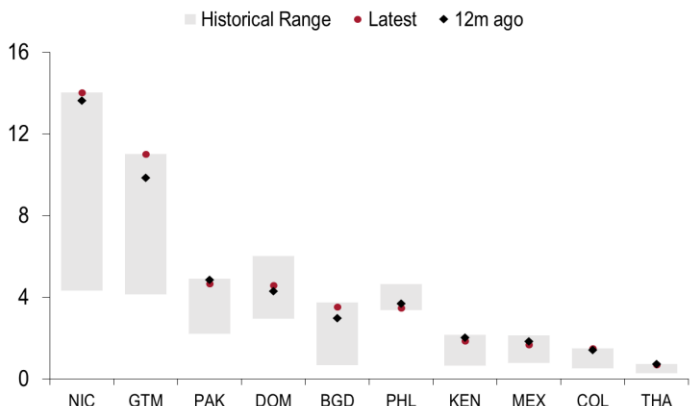
... a few EMs are still narrowly operating near the recommended 100% threshold

Figure 16: Reserves as Share of ARA Metric (percent, latest available for official reserve assets)



... but the level remains on the high side for most countries, as a share of GDP, compared to their respective historical range

Figure 18: Remittances as Share of GDP, 12-month rolling sum (% of GDP, range since 2012)



Appendix: Long Term Heat Maps on Non-Resident Capital Flows

Figure 19. Non-Resident BOP Flows to EMs: Percentile Rank relative to their Own History

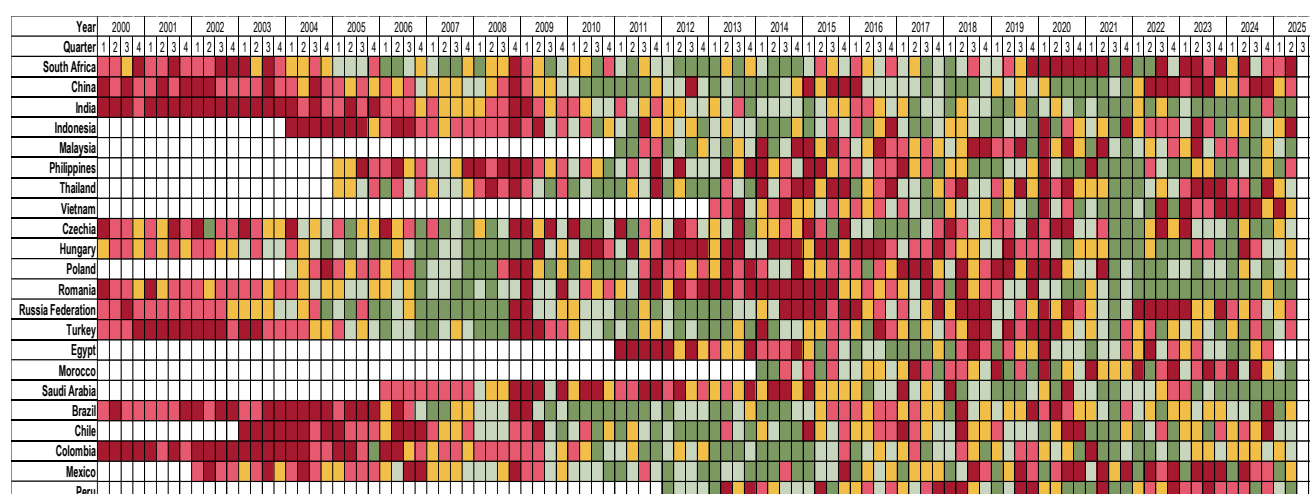


Figure 20. Non-Resident Portfolio Flows: Percentile Rank relative to their Own History

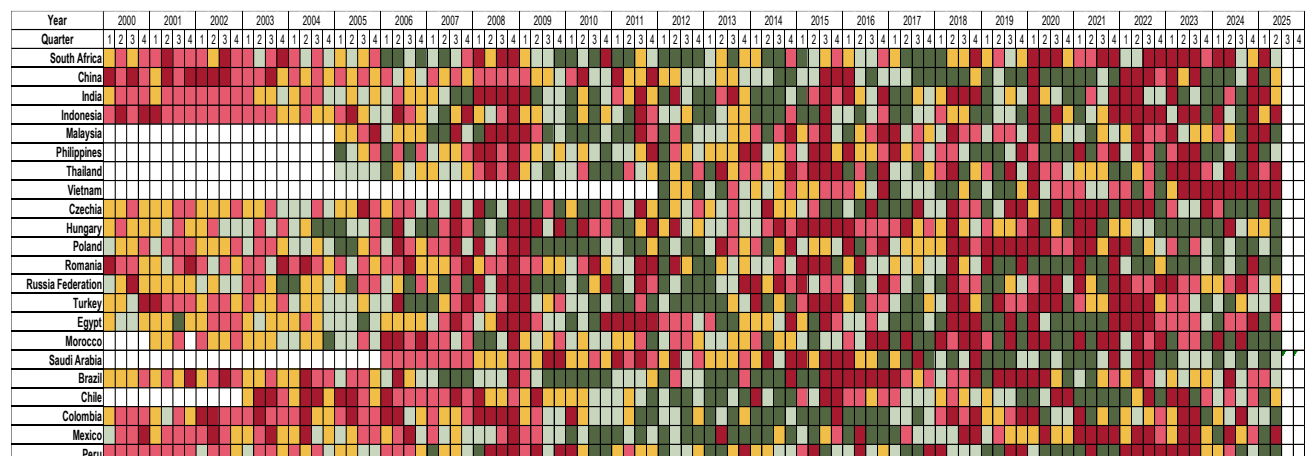


Figure 21. Non-Resident FDI Flows to EMs Percentile Rank relative to their Own History

