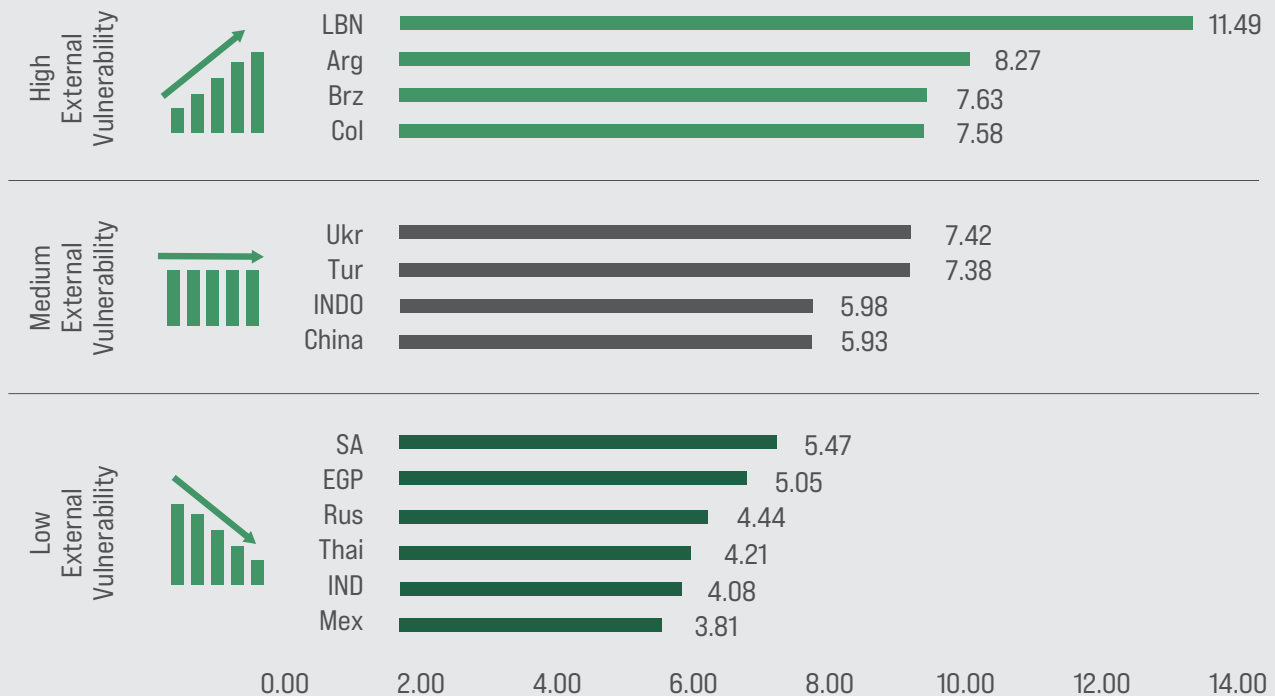


External debt vulnerability during the COVID-19 pandemic – Egypt among emerging markets and developing economies

The external vulnerability index is used to measure the external vulnerability arising from overindebtedness and financial fragility in emerging markets and developing economies. Overindebtedness is assessed on the basis of the liquidity and solvency of the external balance sheets of emerging markets and developing economies, while financial fragility is assessed using debt architecture in terms of maturity, reserve adequacy and the contribution of private debt to overall debt. A number of emerging markets and developing economies were found to be more vulnerable to the impacts of the COVID-19 pandemic, compared to the effects of the global financial crisis. Vulnerabilities are mainly driven by pre-existing conditions such as poor debt architecture, exchange rate imbalances and fiscal distress.

External vulnerability in Egypt and a number of emerging markets and developing economies



Source: El-Khishin, S. and M. Mohieldin (2020). External debt vulnerability in emerging markets and developing economies during the COVID-19 shock. *Review of Economics and Political Science*, vol. 6, No. 1, pp. 24–47.