World Bank report shows less net capital inflows to developing countries

WASHINGTON, Dec. 20 (Xinhua)-- Net external debt inflows and aggregate net capital inflows to developing countries fell in 2011, driven by a sharp contraction in net inflows from official creditors and a collapse of portfolio equity flows, the World Bank reported on Thursday.

Net external debt inflows to developing countries fell 9 percent in 2011 to 465 billion dollars due to the sharp contraction in inflows from official creditors, which fell to 30 billion dollars from 73 billion dollars in 2010.

Aggregate net capital inflows, which tally both debt and equity, also fell 9 percent in 2011 to 1,107 billion dollars, compared with 1,211 billion dollars in 2010. The downturn was due to the collapse in portfolio equity flows, which fell to 2 billion dollars, in contrast to an inflow of 120 billion dollars in 2010.

The decreases were partially offset by inflows from commercial banks, sustained access to international bond markets and a rise in foreign direct investment, the Washington-based global lender said.

It also reported that China received 27 percent of net debt and 35 percent of net equity flows to all developing countries in 2011.

When China is excluded, net external debt inflows and aggregate net capital inflows to developing countries fall 13 percent and 3 percent respectively in 2011, compared with 2010, according to the report.