

Private capital flows to emerging markets to remain strong: report

WASHINGTON, Jan. 22 (Xinhua) -- Private capital flows to emerging economies have witnessed strong revival since mid-2012 and the trend is expected to continue, said a global financial industry report on Tuesday.

The Institute of International Finance (IIF) forecast in a report that overall flows will rise modestly in 2013 to 1,118 billion U.S. dollars, 18 billion dollars higher than the original estimate in October.

The report also projected that in 2014 capital flows will continue to climb gradually and reach 1,150 billion dollars.

"Notably, concerns over the future of the euro area have diminished," said IIF Managing Director Charles Dallara.

Noting that the "easy money" conditions may have created a false sense of confidence, the Federal Reserve may turn to tighter monetary policies given the recent decline in unemployment rate, he said.

The global association of more than 470 financial institutions estimated that in 2012 capital flows to emerging economies totaled 1,080 billion U.S. dollars, 54 billion dollars higher than projected in October 2012, but lower than flows in 2011 of 1,084 billion dollars.

Private capital inflows are comprised of foreign direct investment, portfolio equity investment, commercial bank flows and non-bank flows.

The report covers 30 major emerging economies, with China accounting for about 40 percent of all capital flows. The IIF publishes such reports three times a year.