Accepted Manuscript

Title: Quantitative easing and the post-crisis surge in financial flows to developing countries

Author: Jamus Jerome Lim, Sanket Mohapatra

PII: S0261-5606(16)00033-4
DOI: http://dx.doi.org/doi: 10.1016/j.jimonfin.2016.02.009
Reference: JIMF 1649

To appear in: *Journal of International Money and Finance*

Please cite this article as: Jamus Jerome Lim, Sanket Mohapatra, Quantitative easing and the post-crisis surge in financial flows to developing countries, *Journal of International Money and Finance* (2016), http://dx.doi.org/doi: 10.1016/j.jimonfin.2016.02.009.

Quantitative Easing and the Post-Crisis Surge in Financial Flows to Developing Countries☆

Jamus Jerome Lim[a,c,]*, Sanket Mohapatra[b]
[a]*The World Bank*
[b]*Indian Institute of Management, Ahmedabad*
[c]*Santa Cruz Institute for International Economics*

☆We thank, without implicating, Andrew Burns, David Gould, Sergio Schmukler, Marc Stocker, Luis Servén, participants at the Infiniti Conference 2014, two anonymous referees, and the editor, Menzie Chinn, for valuable comments that substantially improved the quality of the work. All errors remain firmly our own. This paper served as a background paper for the World Bank's *Global Economic Prospects*, 1st half 2014, report. The findings, interpretations, and conclusions expressed in this article are entirely those of the authors. They do not necessarily represent the views of the institutions with which they are affiliated. Additional supplementary material is available as an online appendix at http://www.jamus.name/research/if9a.pdf.
*Corresponding author. Contact: MSN MC2-204, 1818 H St NW, Washington DC 20433.
Email: jlim@worldbank.org.

Highlights

- Examine effects of quantitative easing on financial inflows to developing countries
- Potential transmission along liquidity, portfolio balancing, and confidence channels
- Additional latent effect from QE of at least 5 percent of gross inflows above trend
- Portfolio (especially bond) flows are more sensitive than FDI to QE

Abstract