GEMS

Global Emerging Markets Risk Database

Global Emerging Markets Risk Database

Investing in Emerging Markets

Emerging markets and developing economies (EMDEs), often countries with the greatest development need, have long been viewed as high-risk investment destinations.

This perception stems largely from uncertainty about repayment prospects, regulatory environments that may not be conducive to investors, limited experience in emerging markets, and limited historical data without reliable metrics on default and recovery rates. This means investors often approach emerging markets with greater caution than is warranted.

The Global Emerging Markets Risk Database (GEMs) Consortium is a joint initiative of 29 multilateral development banks (MDBs) and development finance institutions (DFIs) that pools the credit risk data of their lending operations in EMDEs and provides members and the public with the related statistics.

The Consortium was created in 2009 by the European Investment Bank (EIB) and the International Finance Corporation (IFC) and has evolved into a community of practice.

GEMs Findings 2025

The findings of three GEMs publications issued in October 2025 show the default rates for the lending of GEMs member institutions in EMDEs compare to those of non-investment grade firms in advanced economies and that recovery rates surpass global benchmarks.

Private lending

Average default rate	Average recovery rate
3.54%	**72.9%**

Public lending

Average default rate	Average recovery rate
2.61%	**85.8%**

Sovereign and Sovereign-guaranteed lending

Average default rate	Average recovery rate
0.77%	**95.1%**

For more GEMs statistics, visit www.gemsriskdatabase.org

GEMs Statistics

GEMs publishes statistics on the default and recovery rates of MDB and DFI lending to private, public and sovereign and sovereign-guaranteed entities in EMDEs.

GEMs statistics provide clarity around the risks of investing in EMDEs, separating fact from perception. GEMs statistics offer valuable insights into the behavior of loans to emerging market borrowers over more than three decades and can help increase funding to EMDEs.

GEMs Governance

The GEMs Consortium is governed by a Steering Committee co-chaired by EIB and IFC and comprising senior officials from the European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD), African Development Bank (AfDB), Asian Development Bank (ADB), and Inter-American Development Bank Group (IDB Group). The Consortium is managed by the GEMs Secretariat hosted at EIB in Luxembourg.