

# A world of debt

REPORT 2024

A growing burden  
to global prosperity





## Contents

1

Global public debt keeps rising.

2

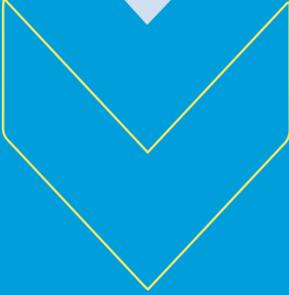
The cost of external public debt remains high.

3

People pay the price.

4

A call for action to finance sustainable development.

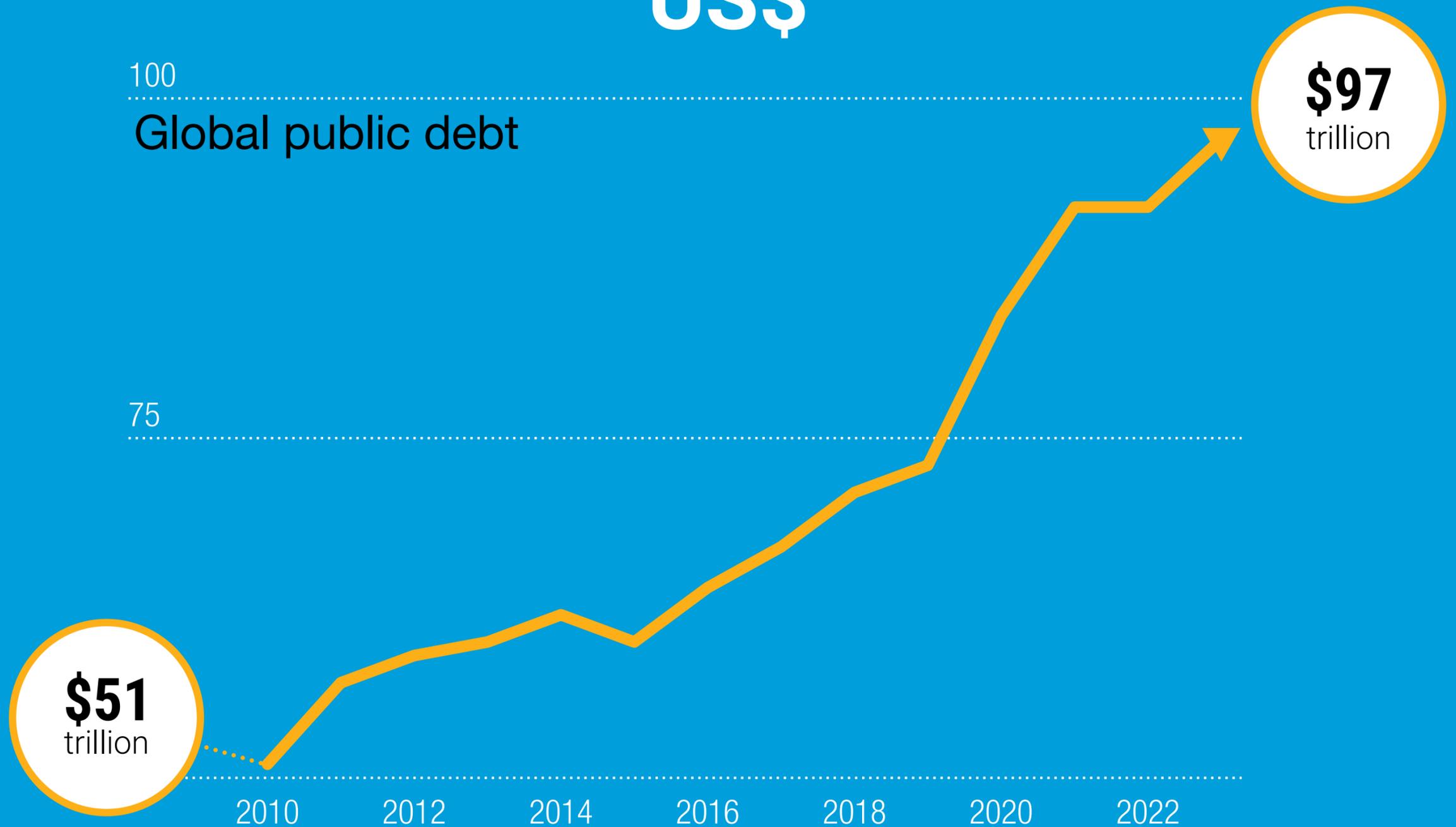


**Global public debt  
keeps rising.**

# Public debt reaches record levels in 2023

# 97 000 000 000 000

US\$



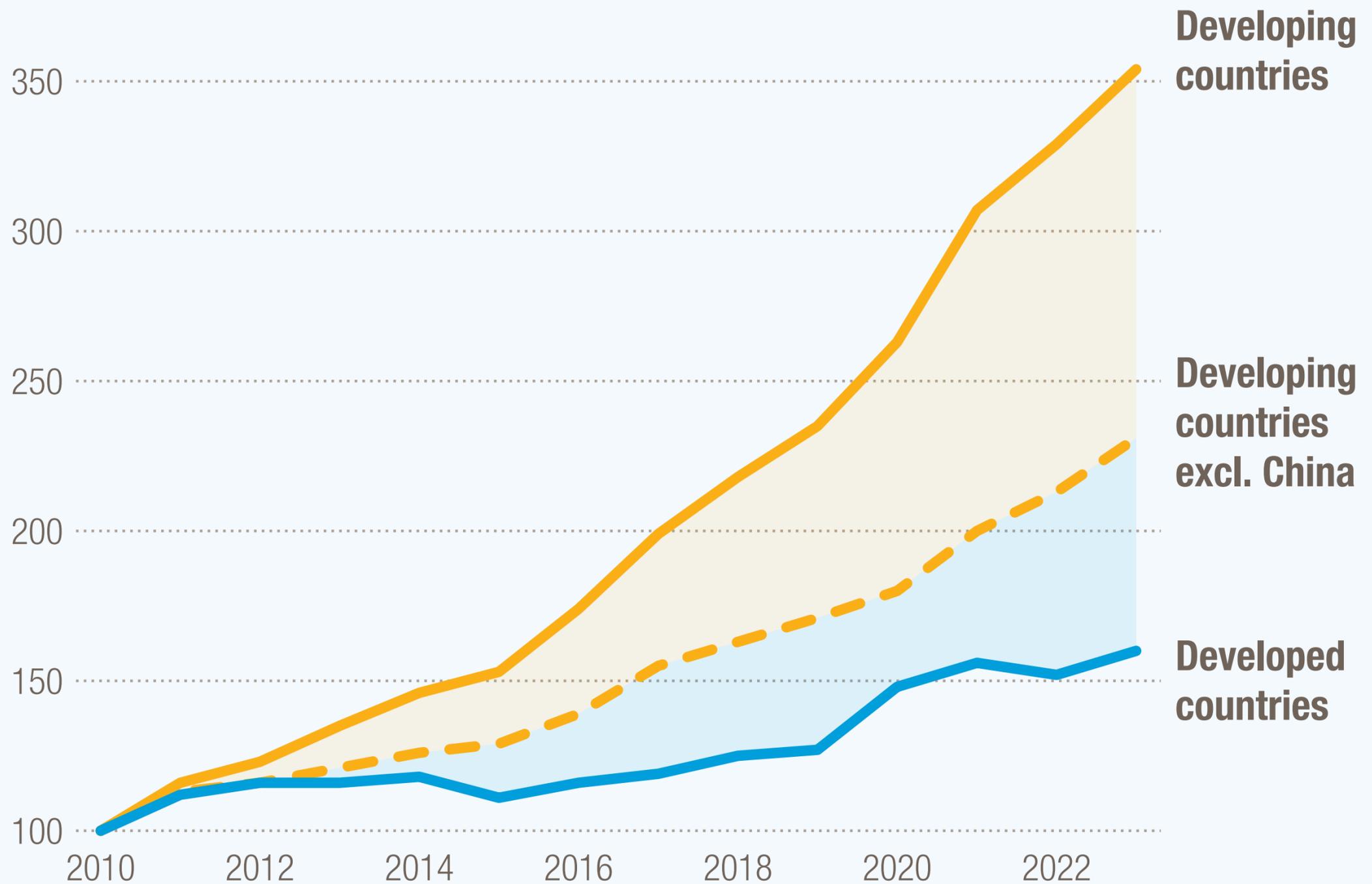
Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).

Note: Figures represent nominal values in current US\$. Public debt refers to general government domestic and external debt throughout the document. General government consists of central, state and local governments and the social security funds controlled by these units.



# Public debt grows twice as fast in developing countries

Index: Outstanding public debt in 2010 = 100

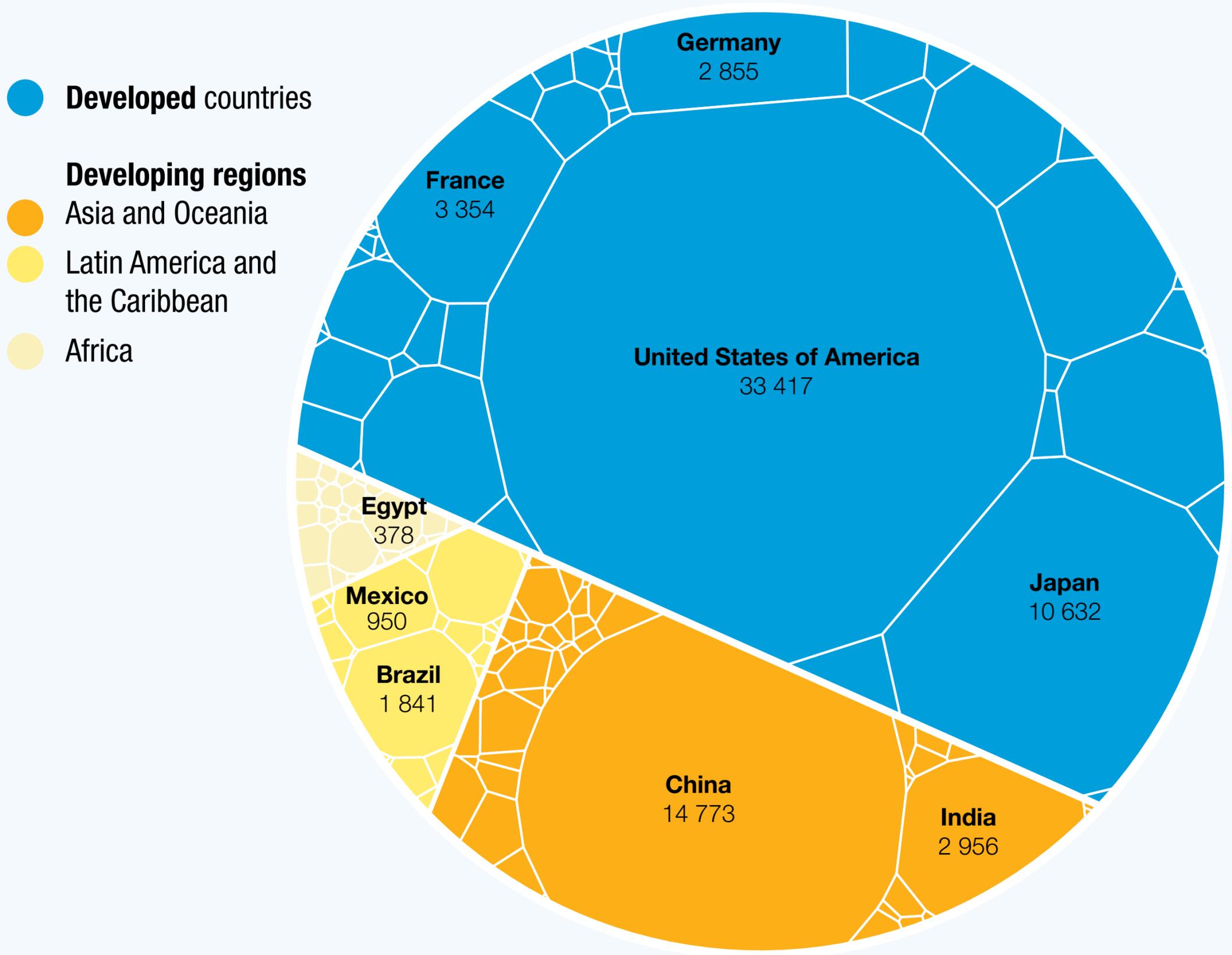


Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).



# Almost a third of global public debt is owed by developing countries

Public debt in US\$ billions (2023)

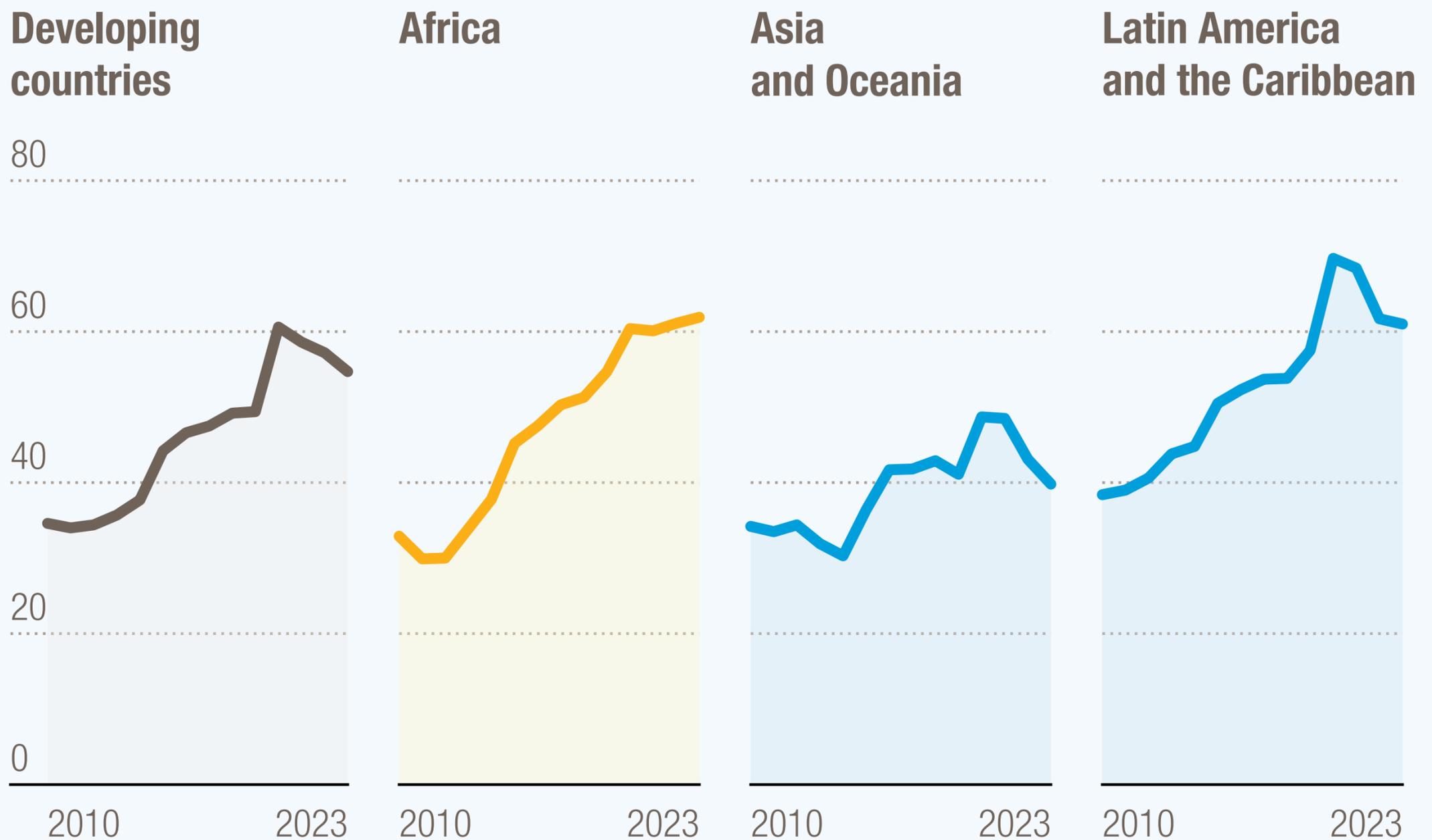


Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).



# Although public debt is growing in all regions, only in Africa it is growing faster than GDP

Public debt as a share of GDP - Median per country group (percentage)



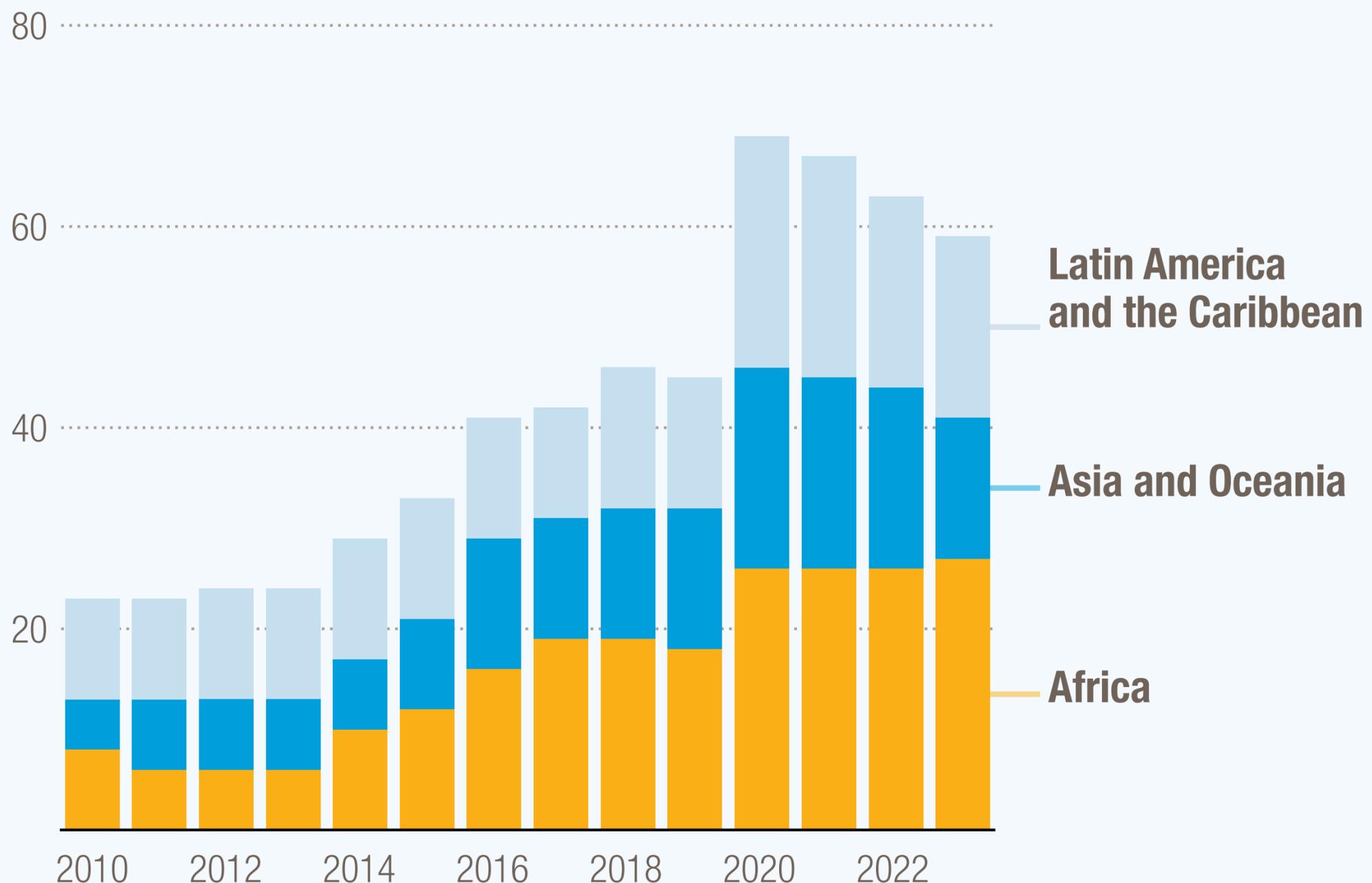
Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).

Note: The median represents the value that lies at the midpoint of the data distribution.

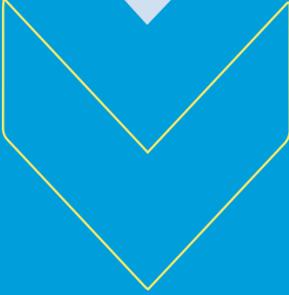


# More countries face high debt burdens, especially in Africa

Number of developing countries with public debt exceeding 60% of GDP



Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).

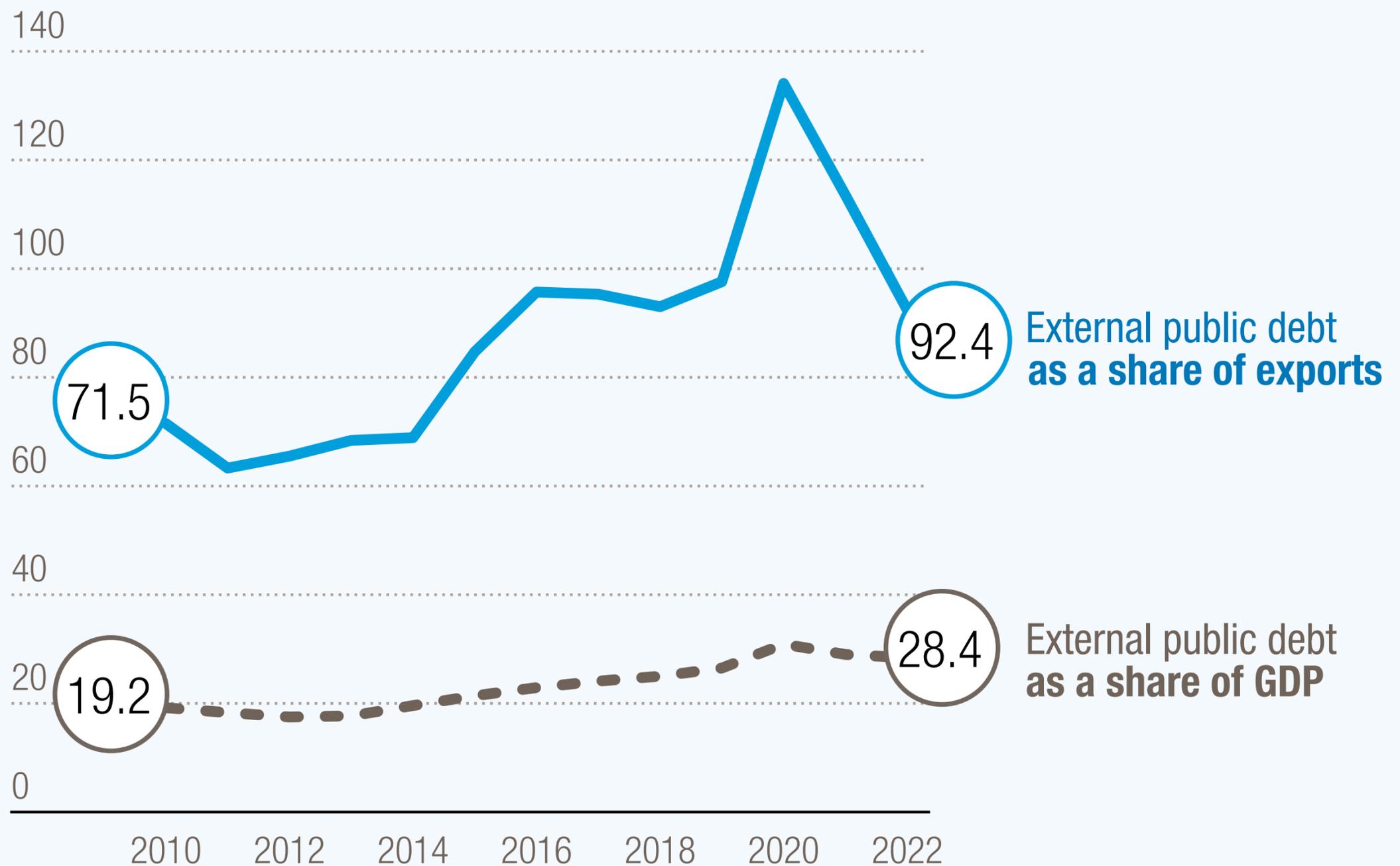


**The cost of  
external public debt  
remains high.**



# Developing countries' external public debt indicators returned to pre-COVID levels

Median for developing countries (percentage)



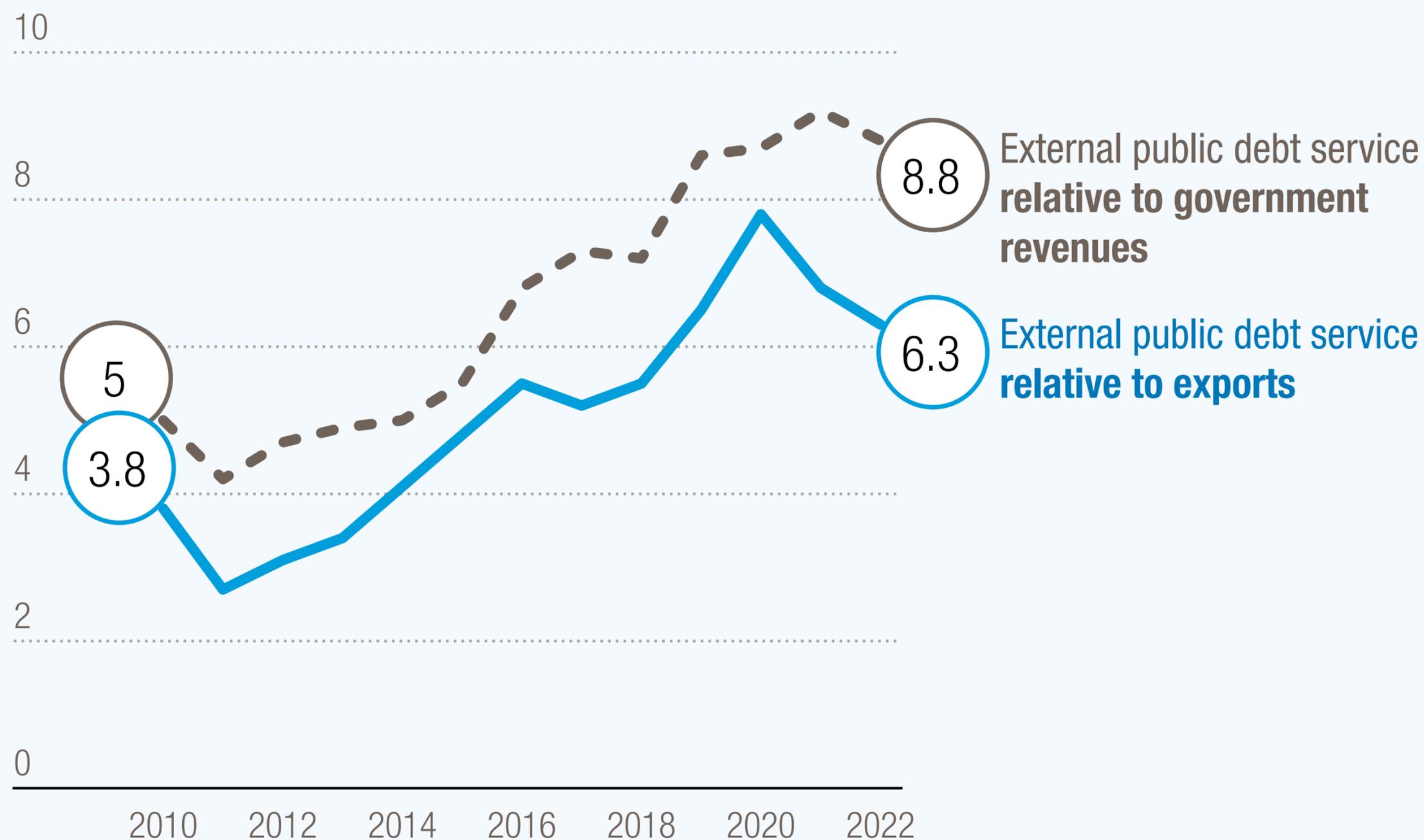
Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).

Note: External public debt refers to external Public and Publicly Guaranteed (PPG) debt. The median represents the value that lies at the midpoint of the data distribution.



# Yet, external debt service burdens remain high

Median for developing countries (percentage)



Source: UN GCRG - technical team calculations based on IMF World Economic Outlook (April 2024).

Note: External public debt refers to external Public and Publicly Guaranteed (PPG) debt. The median represents the value that lies at the midpoint of the data distribution.



## **A note from history**

**Half of developing countries are allocating at least 6.3% of their export revenues to external public debt service.**

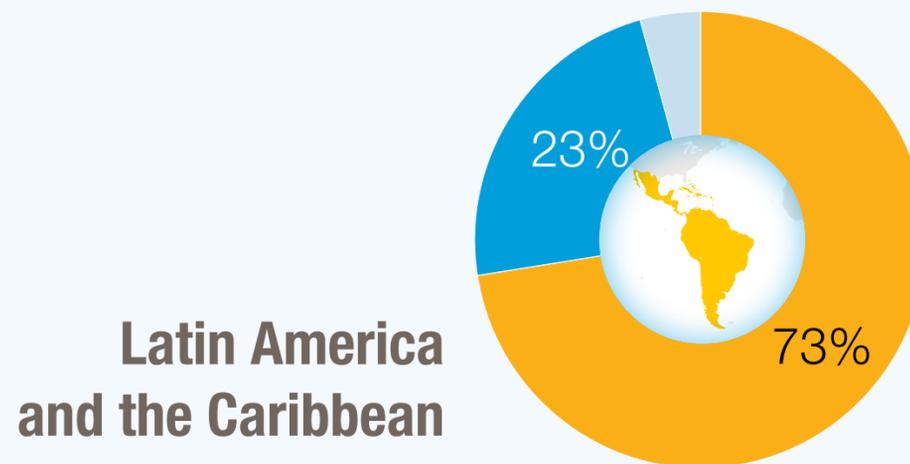
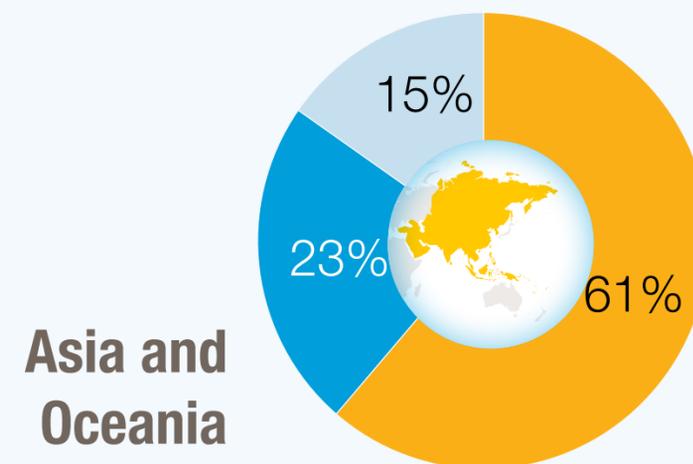
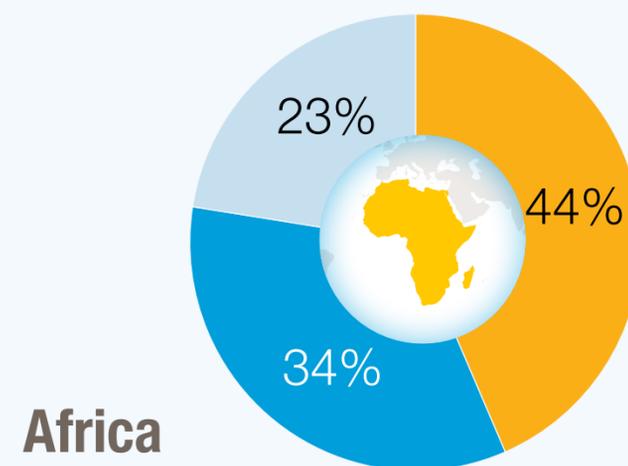
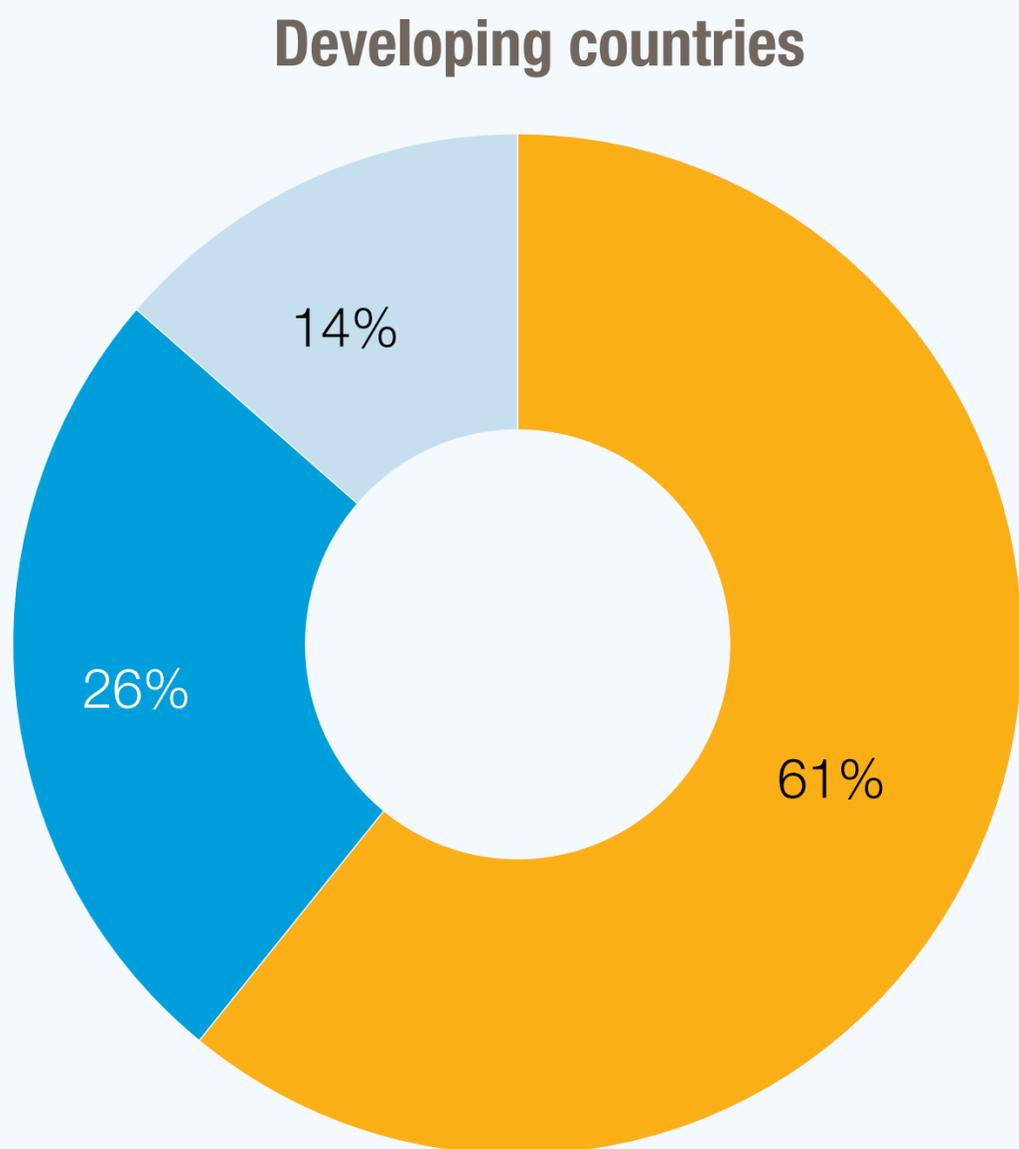
For comparison, the 1953 London Agreement on Germany's war debt limited the amount of export revenues that could be spent on external debt servicing (public and private) to 5% to avoid undermining the recovery.



# The creditor base makes debt expensive and difficult to restructure

External public debt, share by type of creditor (2022)

Private creditors   Multilateral creditors   Bilateral creditors



Source: UN GCRG - technical team, based on calculations based on World Bank International Debt Report 2023.  
Note: External public debt refers to external Public and Publicly Guaranteed (PPG) debt.



# Private creditor withdrawal causes nearly US\$ 50 billion in outflows

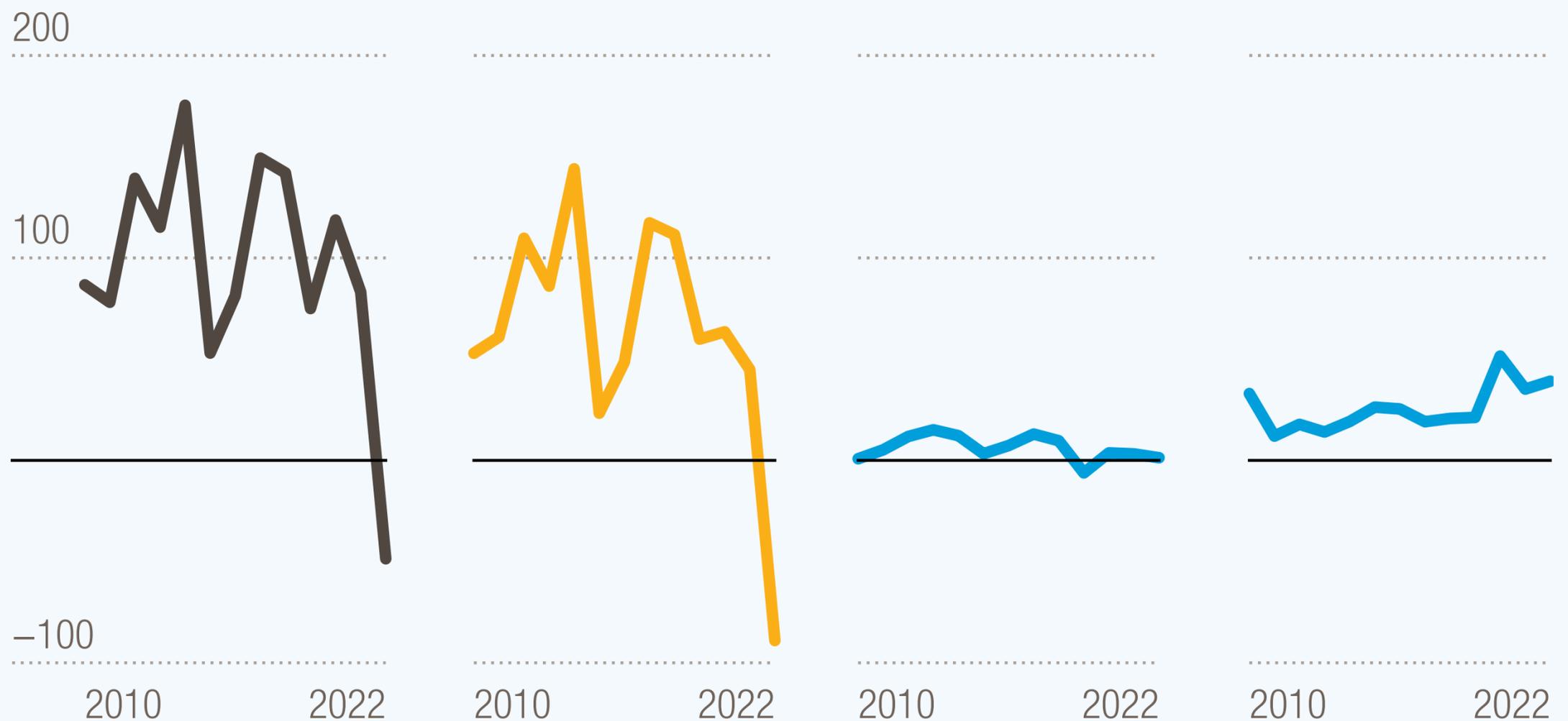
Developing countries' net transfers on external public debt by type of creditor in US\$ billion

Total net resource transfer

Private

Bilateral

Multilateral



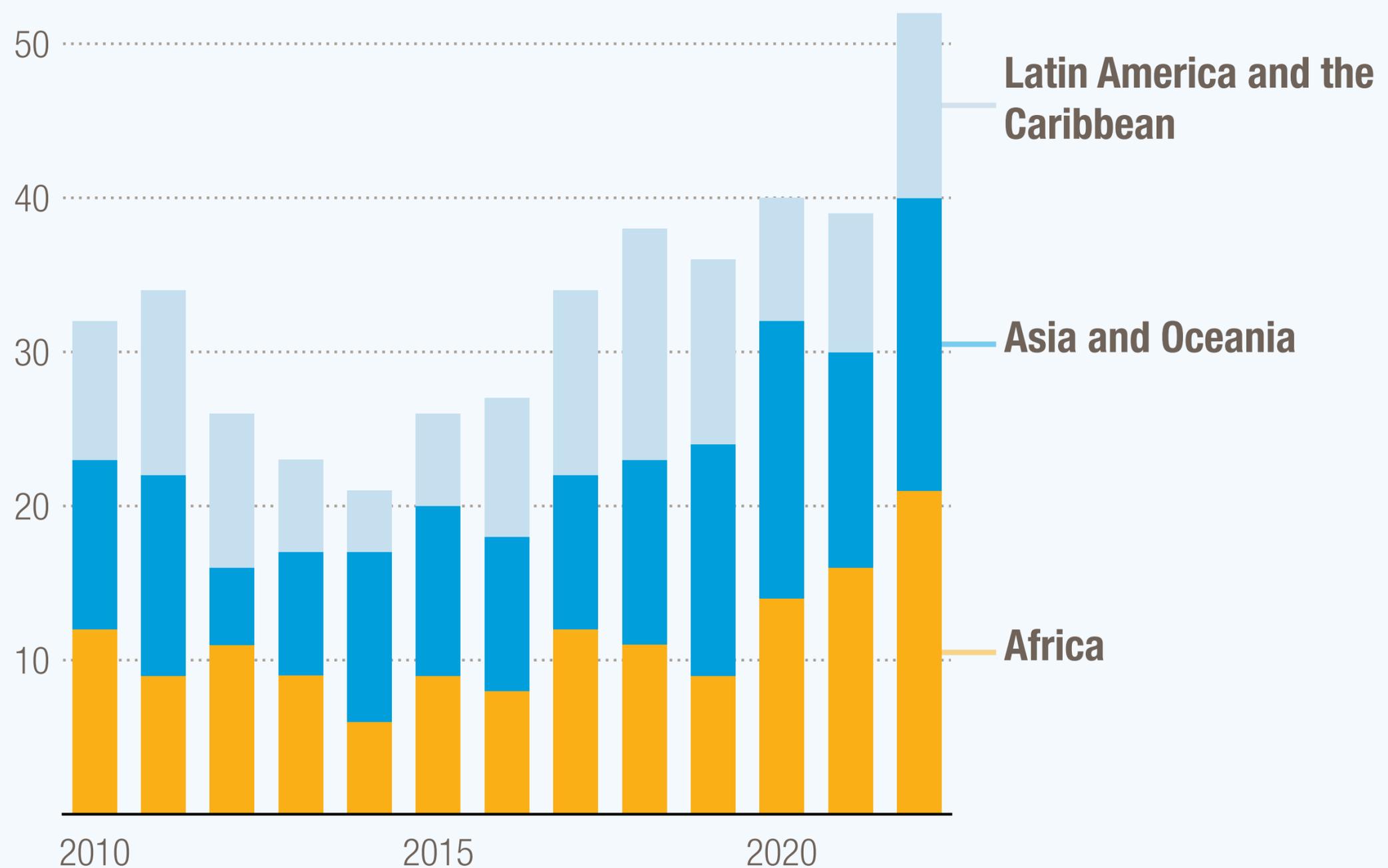
Source: UN GCRG - technical team calculations, based on World Bank International Debt Report 2023.

Note: Net transfers are defined as disbursements minus debt service on external public and publicly guaranteed debt.



# Developing countries with net debt outflows more than doubled since 2014

Number of developing countries with net negative transfers on external public debt

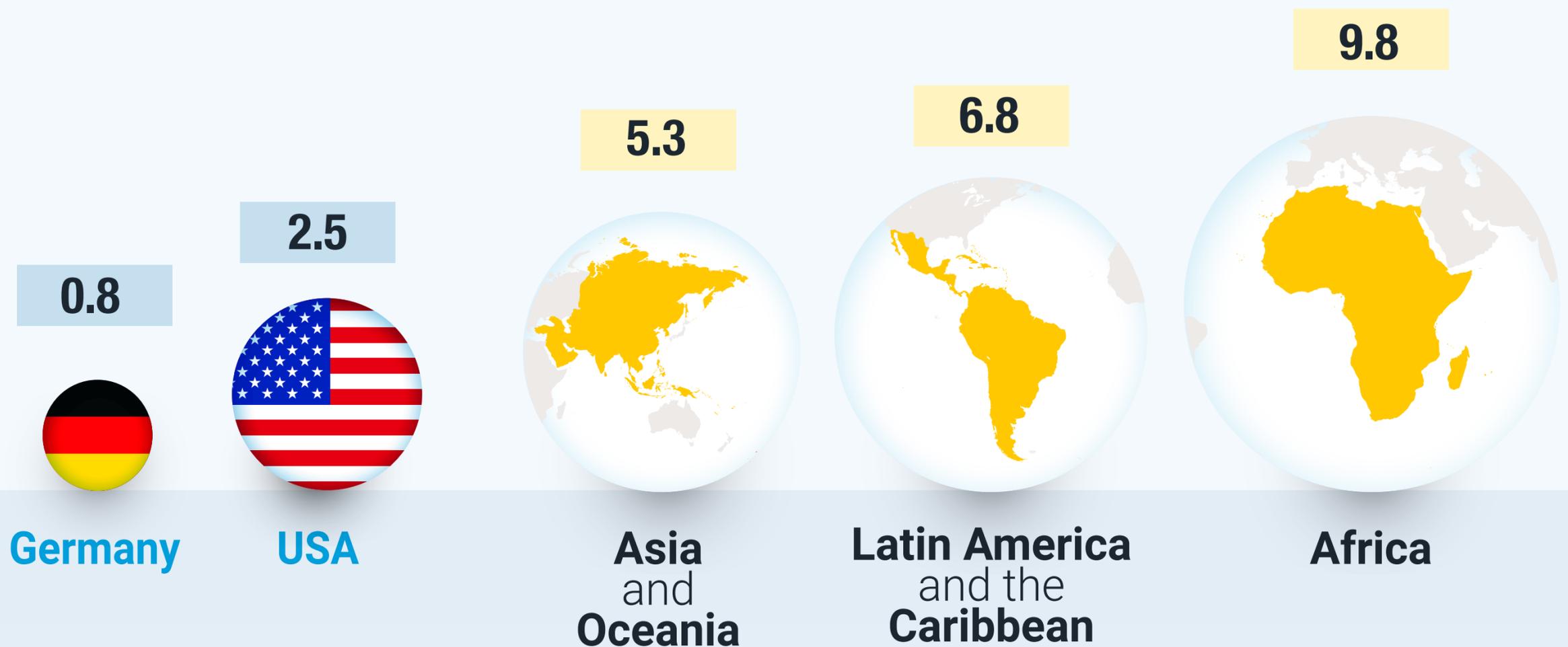


Source: UN GCRG - technical team calculations, based on World Bank International Debt Report 2023.  
Note: Net transfers are defined as disbursements minus debt service on external public and publicly guaranteed debt.



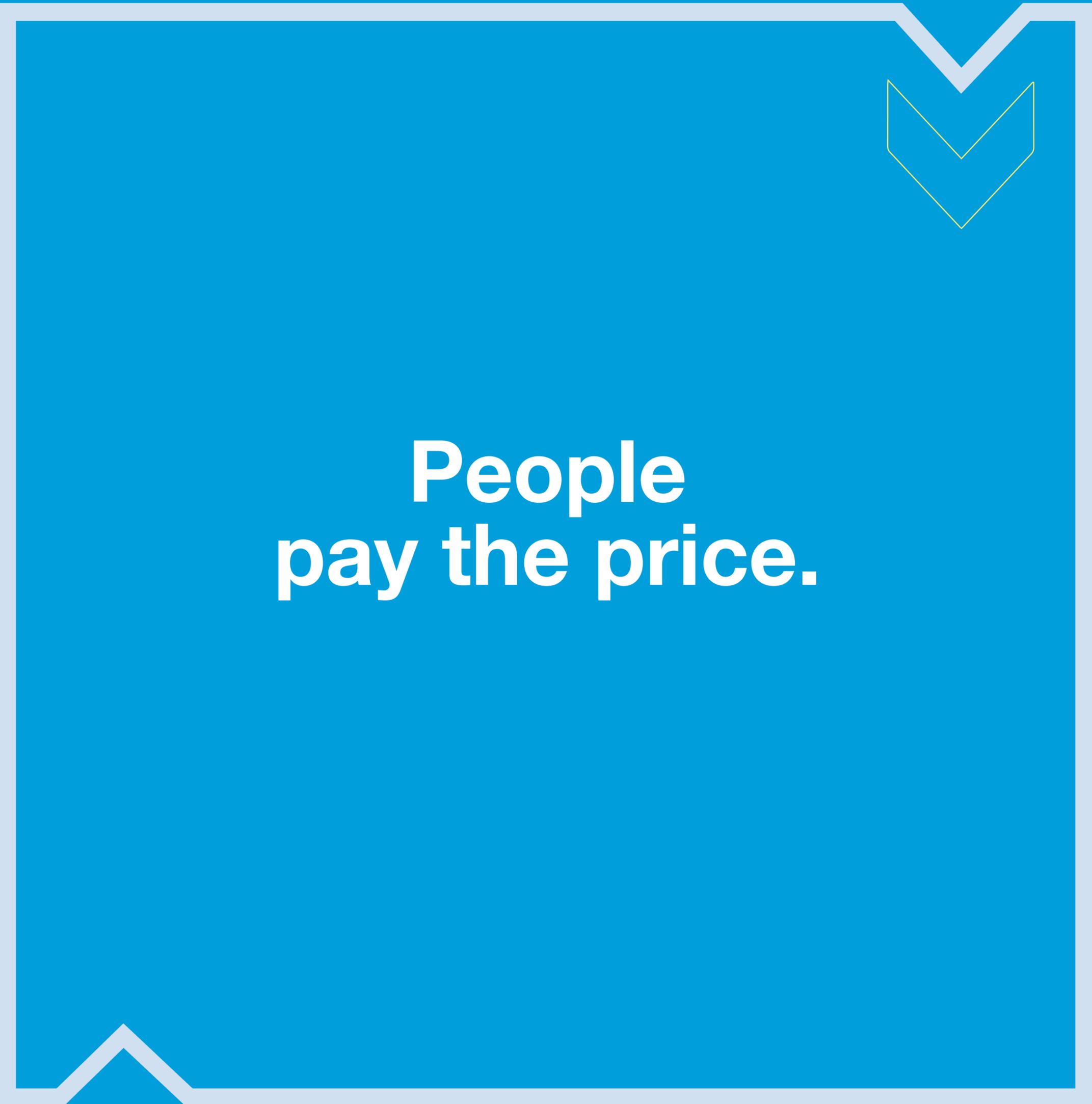
# Borrowing costs of developing countries are higher than those of developed ones

Bond yields of developing and developed countries (2020-2024)



Source: UN GCRG - technical team calculations, based on Refinitiv data.

Note: Illustrative comparison of the average JPM EMBI Global Diversified USD bond yields per region with the 10-year bond yields of Germany and the United States from January 2020 to May 2024.

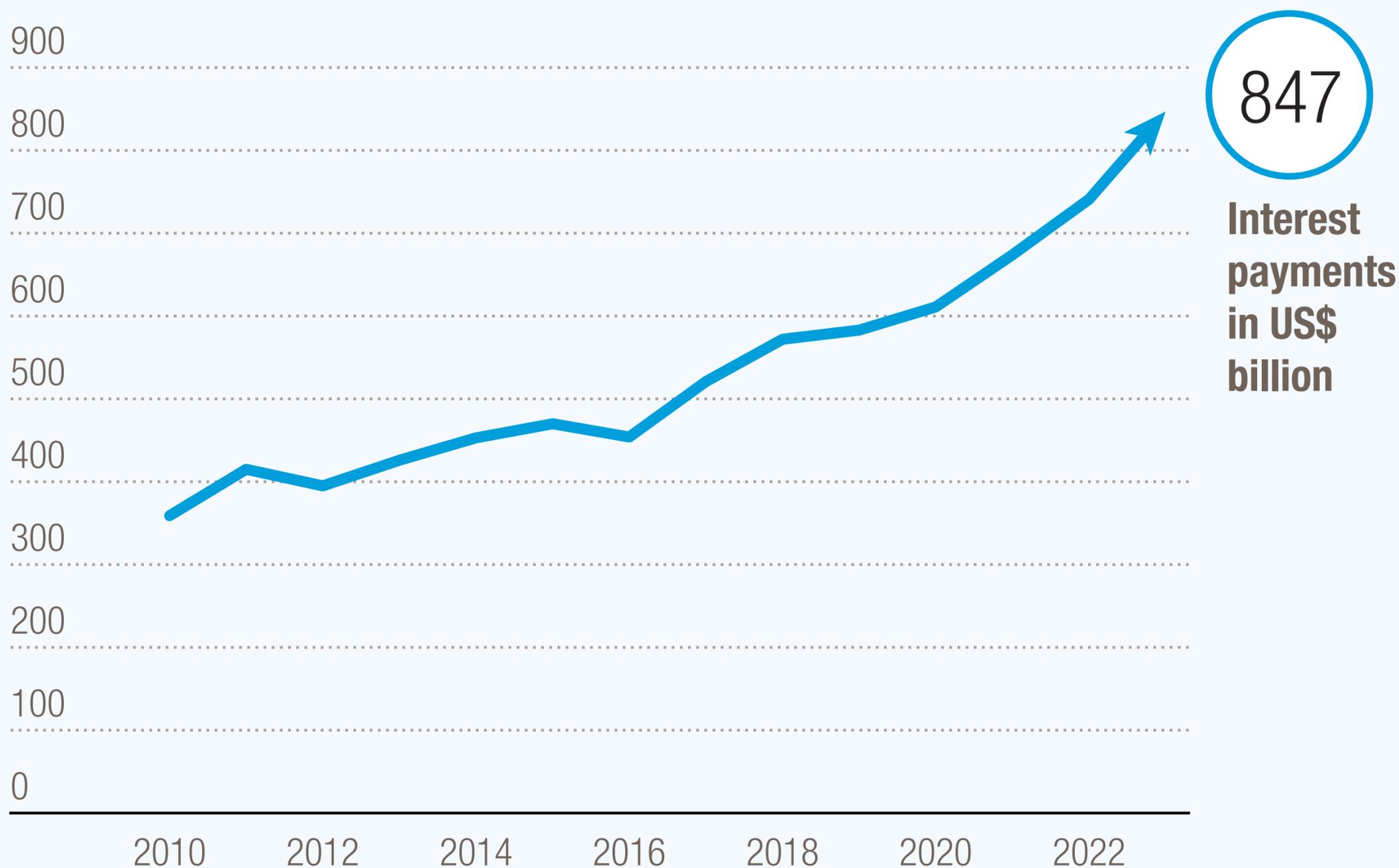


**People  
pay the price.**



# Developing countries' interest payments reach US\$ 847 billion

Net interest payments of developing countries in US\$ billion



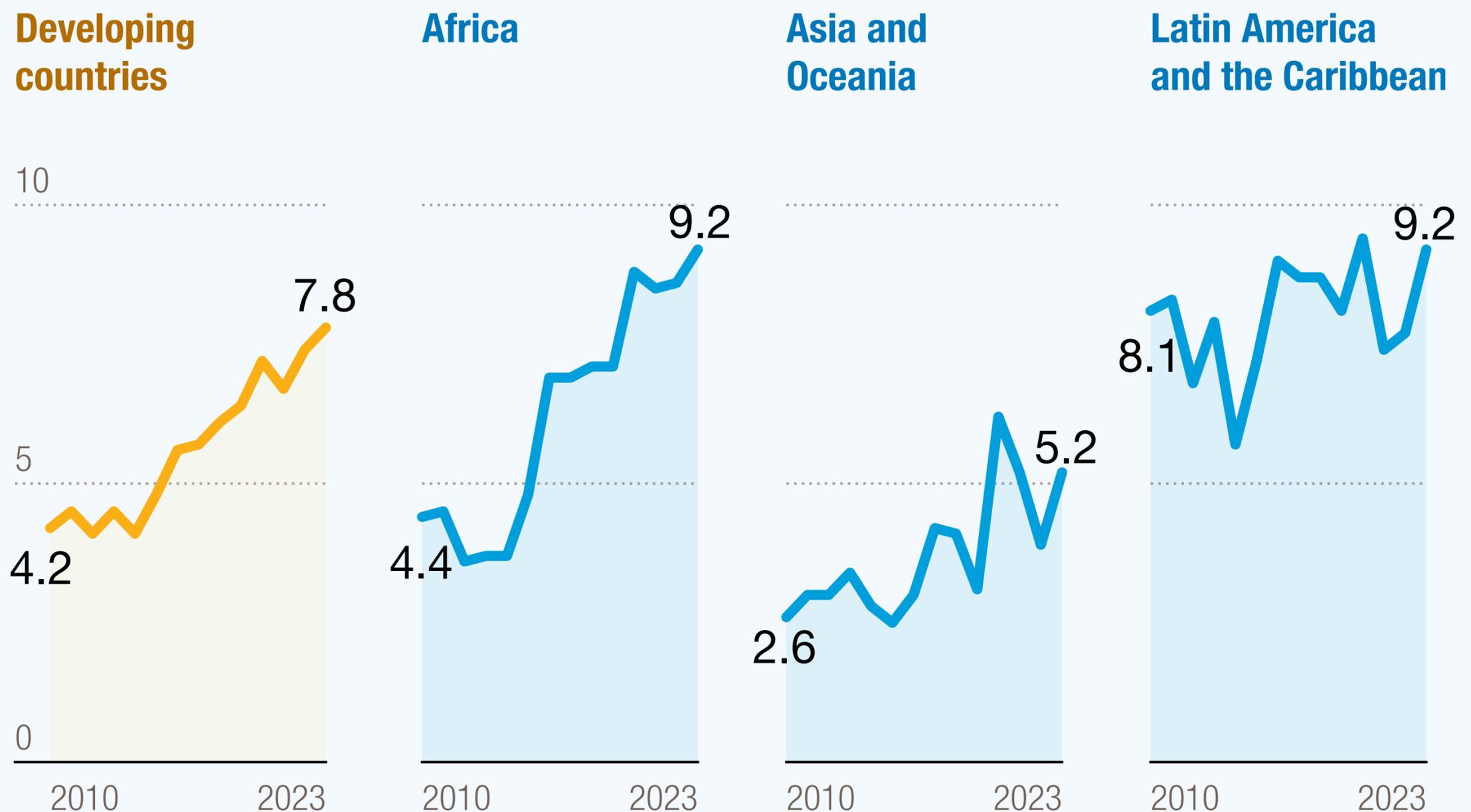
Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024).

Note: Net interest payments of the general government refer to the total amount of domestic and external interest expenses incurred from loans and other forms of borrowing, minus any interest income received.



# Developing countries' interest payments double relative to revenues

Net interest payments of developing countries relative to government revenues (percentage)



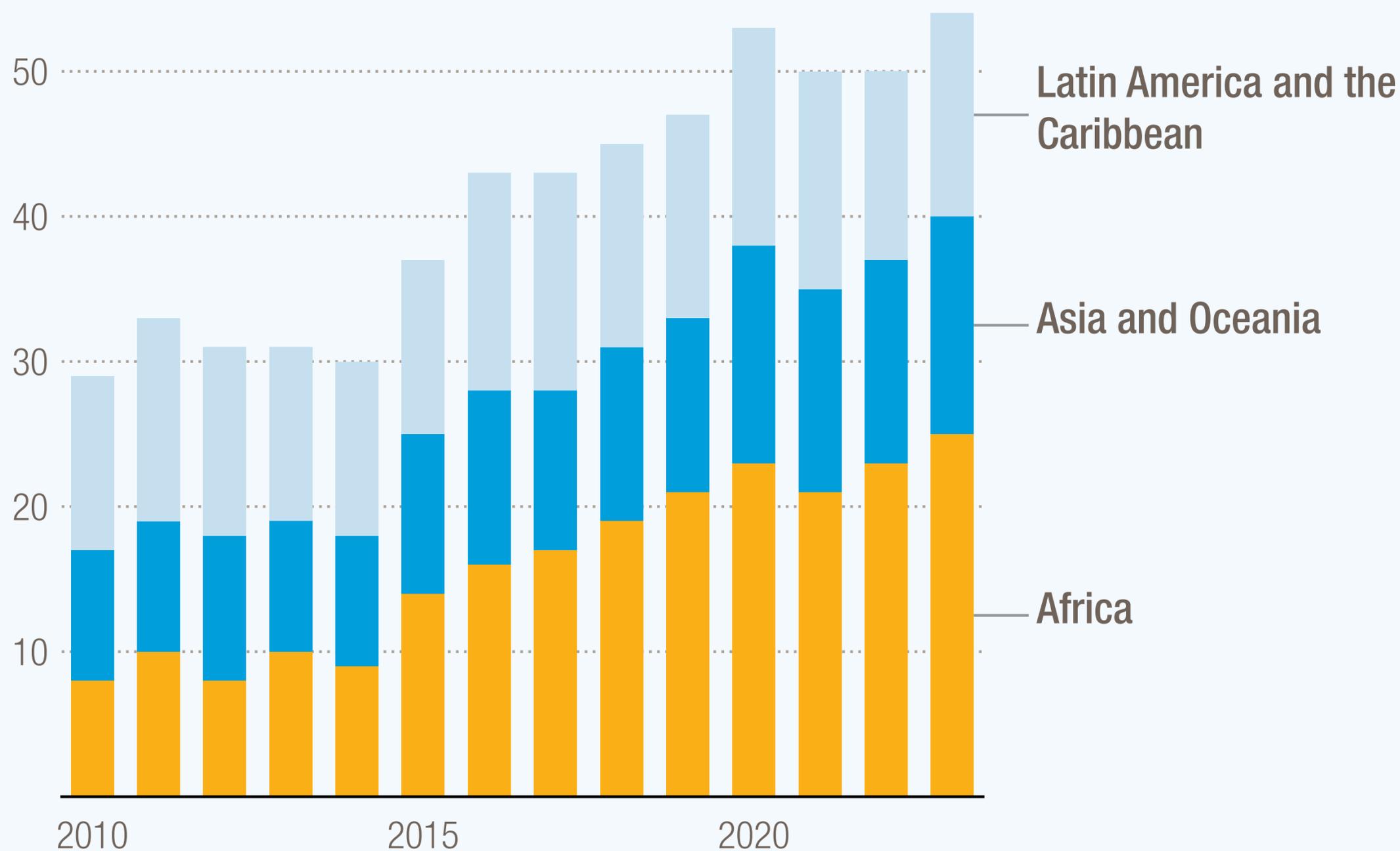
Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024).

Note: Median per country group. The median represents the value that lies at the midpoint of the data distribution. Net interest payments of the general government refer to the total amount of domestic and external interest expenses incurred from loans and other forms of borrowing, minus any interest income received.



# A record 54 developing countries spend heavily on interest, mainly in Africa

Number of developing countries with net interest payments exceeding 10% of revenues



Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024).

Note: Net interest payments of the general government refer to the total amount of domestic and external interest expenses incurred from loans and other forms of borrowing, minus any interest income received.



# Interest payments are growing faster than other public expenditures

Nominal change (%) in public expenditure categories in developing countries between 2010-2012 and 2020-2022

## Education



## Health



## Interest



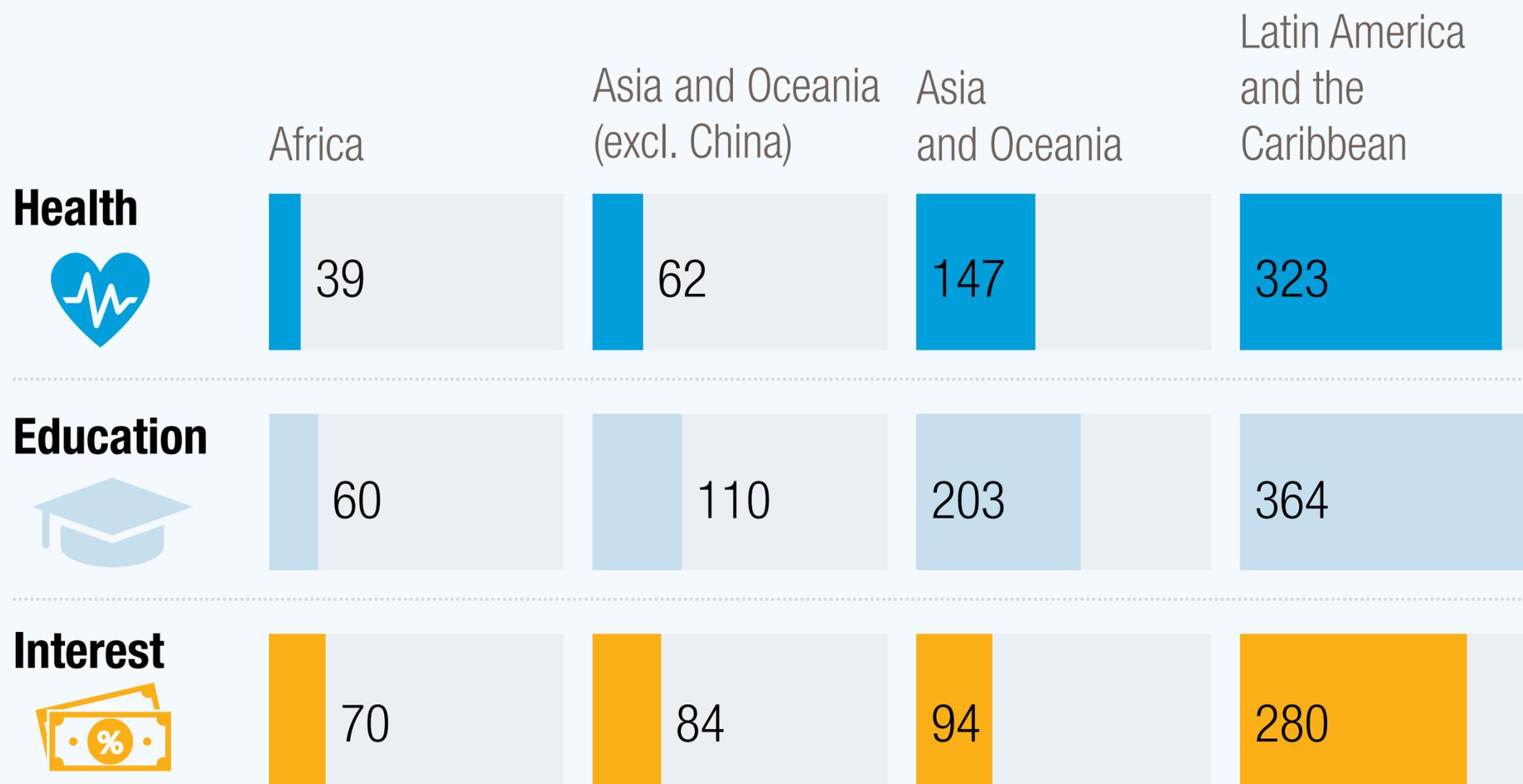
Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank World Development Indicators.

Note: Change in aggregate expenditures for developing countries, average for 3-year period. Interest refers to net interest payments.



# Some regions spend more on servicing debt than serving their people

Public expenditure per capita on net interest, education and health in US\$ (2020-2022)



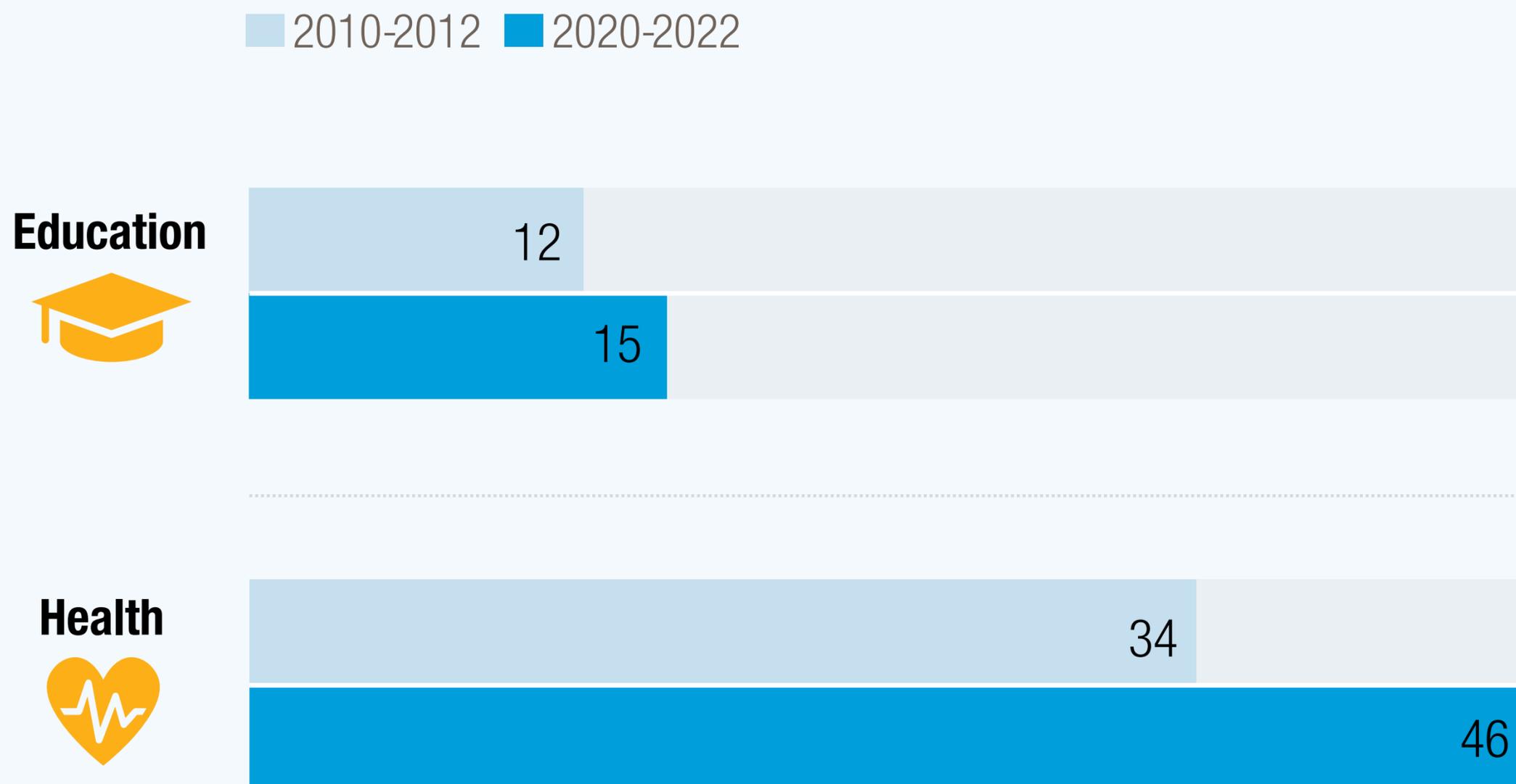
Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank World Development Indicators.

Note: Aggregate expenditures for developing countries. Interest refers to net interest payments.



# A growing number of countries spend more on interest than development

Number of developing countries spending more public resources on interest than on education or health

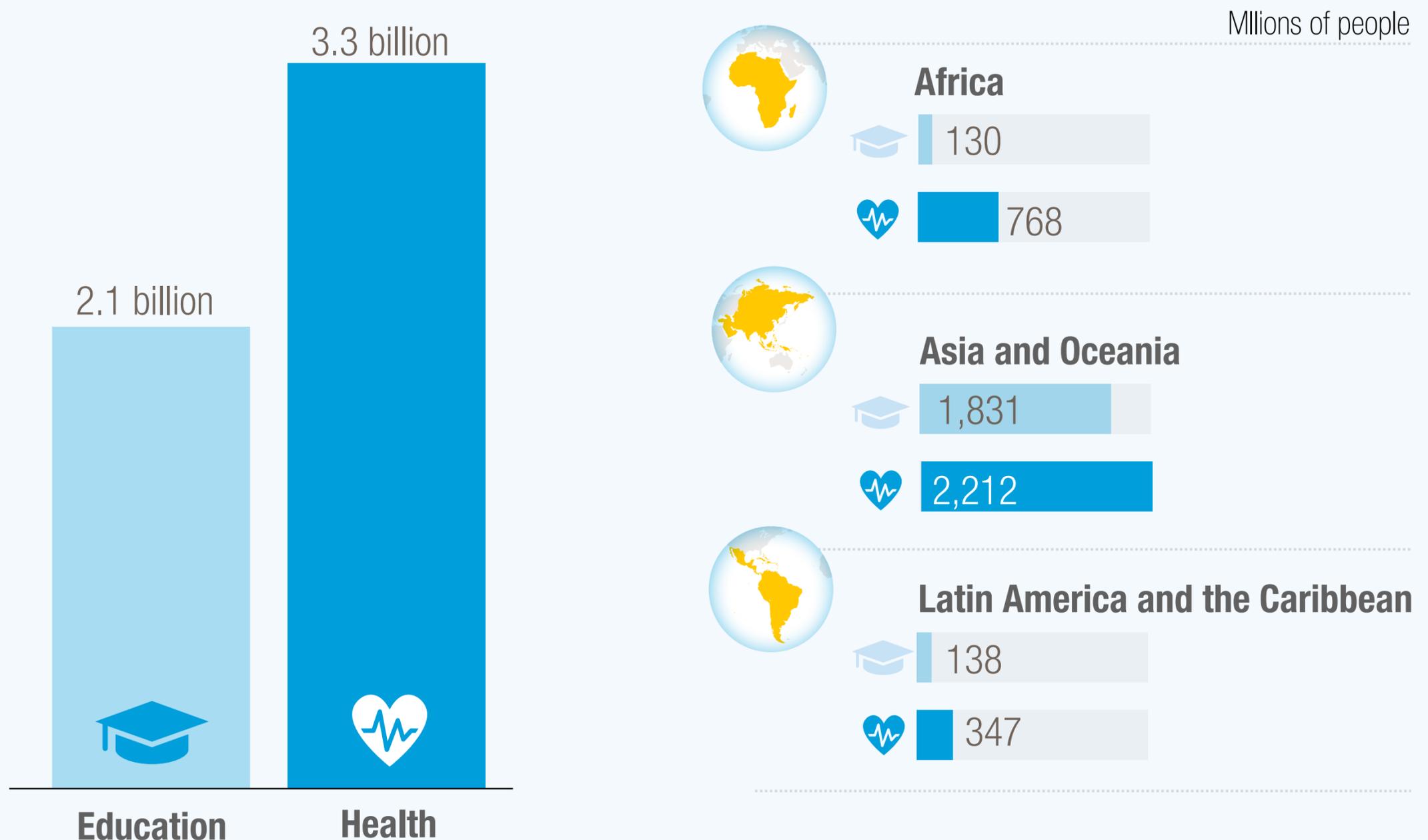


Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank World Development Indicators.

Note: Interest refers to net interest payments.

# 3.3 billion people live in countries that spend more on interest than education or health

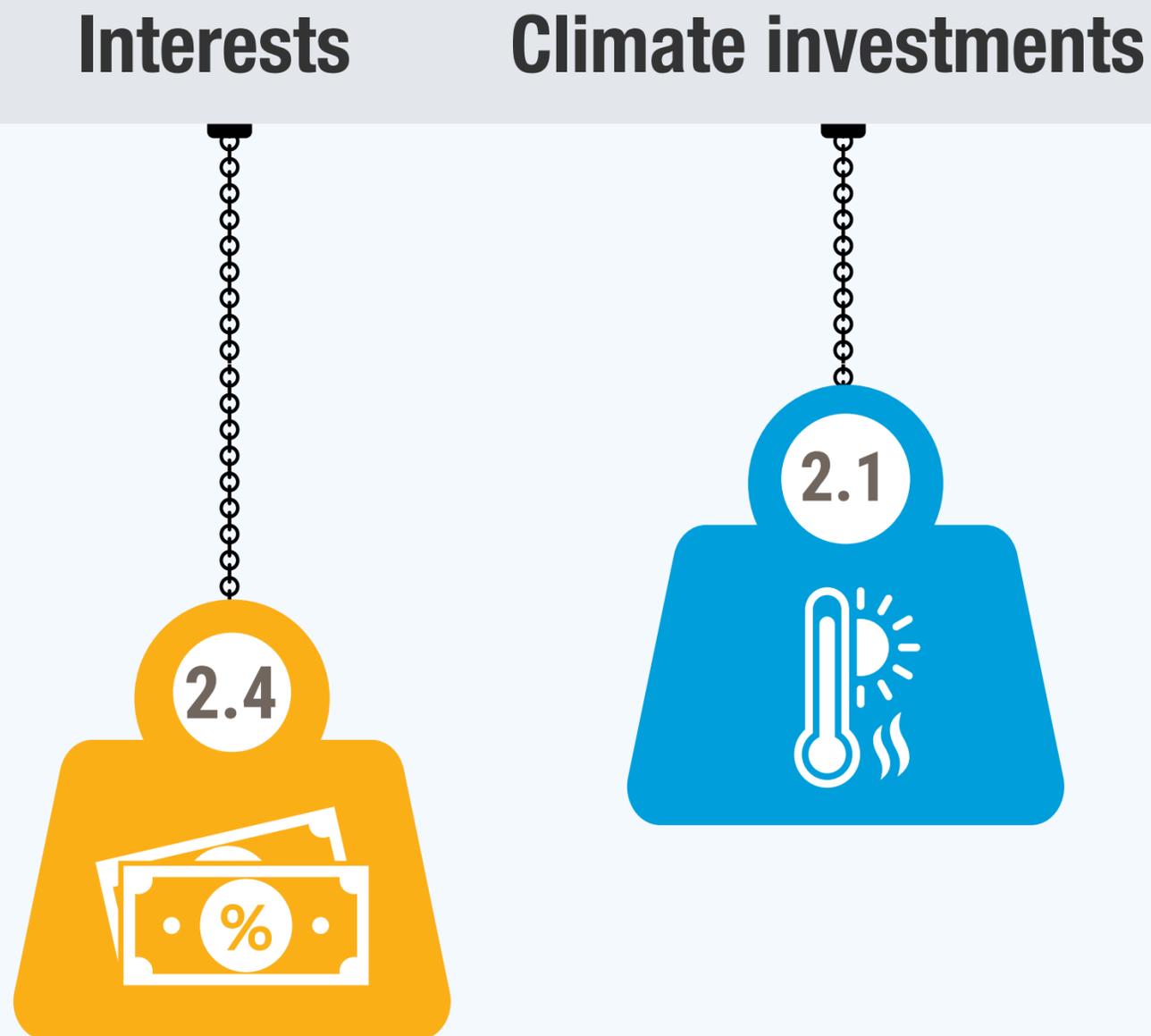
Population in developing countries where spending on interest exceeds education or health (2020-2022)



Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank World Development Indicators.

# ➤ Interest outweighs climate investments in emerging and developing countries

Public expenditure in emerging markets and developing countries excl. China on interest and climate investments as % of GDP (2019)



*Source:* UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and Songwe, V, et. al. (2022) “Finance for climate action: scaling up investment for climate and development”.

*Note:* Figures for Emerging Markets and Developing Countries (EMDC), excluding China, for 2019 (latest available comparable data). The EMDC group is an IMF classification and it differs from the UN developing country classification used throughout this report.

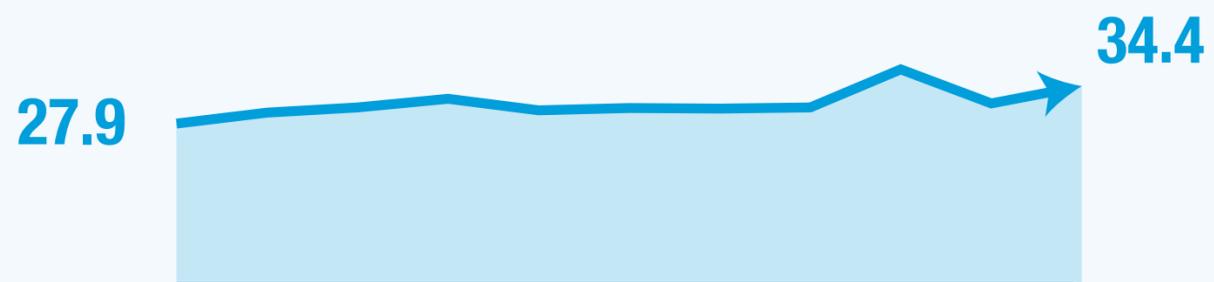


# Aid through loans rises while action related to debt hits record low

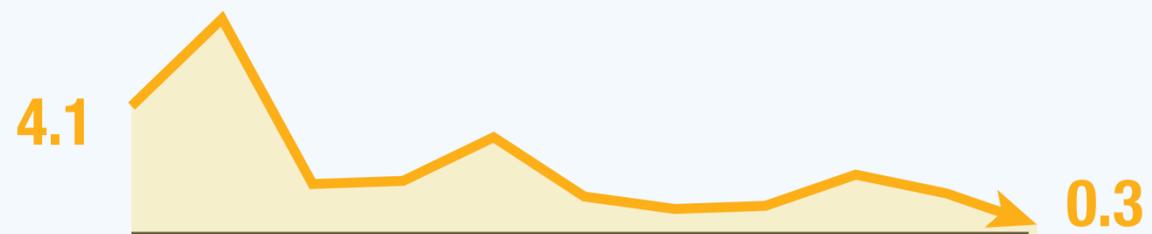
Official Development Assistance (ODA), share of loans in total in percentage and action related to debt in US\$ billions

Trend 2012-2022

**Share of loans**  
(in % of total ODA)



**Action related to debt**  
(in nominal US\$ billion)



Source: UN Global Crisis Response Group (2024),  
[“Aid under pressure: 3 accelerating shifts in Official Development Assistance”](#).

Note: Actions related to debt includes debt relief, swaps, buy-backs, restructuring and others.

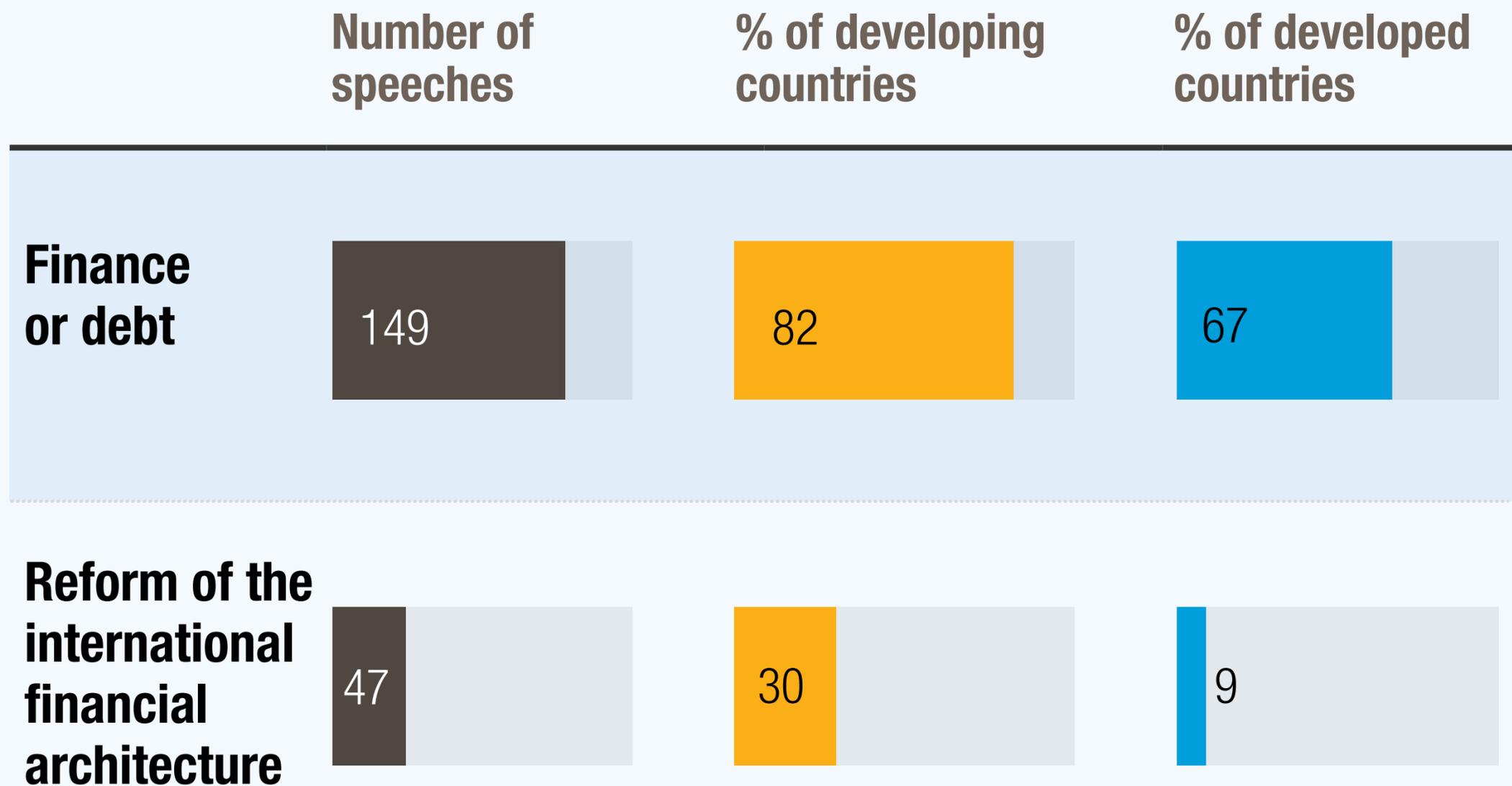
# A call for action to finance sustainable development.





# Nearly 50 countries call for international financial architecture reform

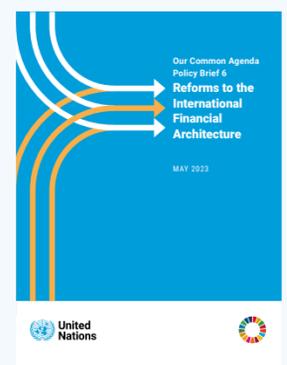
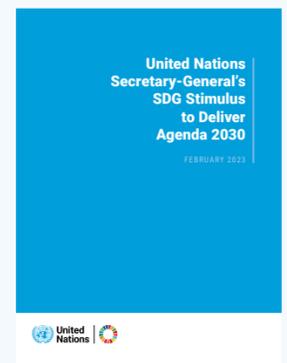
Finance and debt related topics in United Nations General Assembly speeches by number of countries and share by country group in percentage (2023)



Source: UN GCRG - technical team calculations, based on 192 speeches of the General Debate at the 78th Session of the General Assembly, 19-23 and 26 September 2023.

# The United Nations call for reform of the International Financial Architecture and the SDG stimulus package outline a way forward:

- 1 Make the system more inclusive,** improving the real and effective participation of developing countries in the governance of the international financial architecture.
- 2 Tackling the high cost of debt and rising risk of debt distress and create a debt workout mechanism** to address the slow progress of the G20 Common Framework for Debt Treatment due to creditor coordination challenges and the lack of automatic debt service suspension clauses to participating countries.
- 3 Provide greater liquidity in times of crisis expanding contingency finance,** so that countries are not forced into debt as a last resort, including through the strengthened use of Special Drawing Rights, a temporary suspension of IMF surcharges, and increased quota-access windows to IMF emergency financing.
- 4 More and better finance, massively scaling up affordable long-term financing.** The transformation and expansion of Multilateral Development Banks to support long term sustainable development and scaling up private resources. More concessional finance; fulfilling aid and climate finance commitments.



**Inequality**  
is embedded in the  
international financial  
architecture.

**This must change.**

