



4.19 External debt management

	Indebtedness classification ^a	Present value of debt		Total debt service				Public and publicly guaranteed debt service		Short-term debt	
		% of GNP	% of exports of goods and services	% of GNP	% of exports of goods and services	% of central government current revenue	% of total debt				
	1998	1998	1998	1980	1998	1980	1998	1980	1998	1980	1998
Albania	L	20	74	..	1.2	..	4.5	..	5.3	..	4.3
Algeria	M	66	244	9.9	11.3	27.4	42.0	..	..	12.0	0.6
Angola	S	280	292	..	33.0	..	34.4	..	..	..	12.8
Argentina	S	52	406	5.5	7.4	37.3	58.2	6.1	..	38.2	21.5
Armenia	L	30	120	..	2.2	..	8.9	..	..	..	5.7
Australia	..	..	..	..	..	..	..	..	..	..	..
Austria	..	..	..	..	..	..	..	..	..	..	..
Azerbaijan	L	14	52	..	0.6	..	2.3	..	1.4	..	0.2
Bangladesh	M	23	135	1.6	1.5	23.7	9.1	7.9	..	5.0	0.9
Belarus	L	5	13	..	0.7	..	2.0	..	..	..	9.9
Belgium-Luxembourg	..	..	..	..	..	..	..	..	..	..	..
Benin	M	46 ^b	183 ^b	1.4	2.7	6.3	10.6	..	..	17.3	5.1
Bolivia	S	59 ^b	318 ^b	..	5.6	35.0	30.2	..	23.1	11.2	20.8
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..	..
Botswana	L	10	15	1.4	1.7	2.1	2.7	4.1	..	2.7	7.3
Brazil	S	29	340	6.5	6.3	63.3	74.1	15.3	..	18.9	10.8
Bulgaria	S	79	160	..	10.8	..	22.1	..	19.6	..	4.6
Burkina Faso	M	32 ^b	167 ^b	1.3	2.1	5.9	10.7	8.4	..	10.6	4.2
Burundi	S	72	829	0.9	3.5	..	40.0	4.8	..	7.2	1.8
Cambodia	M	62	208	..	0.4	..	1.5	..	..	..	1.9
Cameroon	S	100	343	5.0	6.5	14.6	22.3	17.0	..	10.8	14.2
Canada	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	S	55	394	1.3	2.9	4.9	20.9	..	..	12.6	8.0
Chad	M	38	189	0.6	2.1	8.4	10.6	..	..	4.0	2.1
Chile	M	48	183	10.2	5.9	43.1	22.3	15.2	6.3	21.2	21.4
China	L	14	63	..	2.0	..	8.6	..	..	..	18.1
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..
Colombia	M	32	218	2.8	4.5	16.0	30.7	13.2	24.8	33.7	18.7
Congo, Dem. Rep.	S	196	732	3.8	0.3	22.6	1.2	29.2	..	6.8	27.5
Congo, Rep.	S	280	372	7.1	2.5	10.6	3.3	9.5	..	16.2	16.3
Costa Rica	L	37	53	7.7	5.4	29.1	7.6	23.9	..	21.0	17.3
Côte d'Ivoire	S	124 ^b	240 ^b	14.5	13.5	38.7	26.1	35.6	37.5	14.2	10.6
Croatia	L	31	71	..	3.9	..	8.9	..	7.5	..	14.3
Cuba	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	L	45	71	..	9.7	..	15.2	..	23.3	..	39.3
Denmark	..	..	..	..	..	..	..	..	..	..	..
Dominican Republic	L	28	46	5.9	2.5	25.3	4.2	16.1	..	24.0	19.4
Ecuador	S	78	240	9.0	9.3	33.9	28.8	37.2	..	26.3	15.0
Egypt, Arab Rep.	L	29	128	5.8	2.1	13.4	9.5	5.9	..	21.1	13.3
El Salvador	L	27	77	2.7	3.7	7.5	10.4	..	..	24.1	23.4
Eritrea	L	12	34	..	0.5	..	1.5	..	..	..	3.5
Estonia	L	13	15	..	1.7	..	2.1	..	1.7	..	39.4
Ethiopia	S	135	830	..	1.8	7.6	11.3	4.4	..	6.9	6.1
Finland	..	..	..	..	..	..	..	..	..	..	..
France	..	..	..	..	..	..	..	..	..	..	..
Gabon	S	91	174	11.2	6.3	17.7	12.0	24.0	..	15.1	10.8
Gambia, The	M	66	100	1.7	6.4	6.2	9.7	1.4	..	17.0	3.2
Georgia	M	25	141	..	1.3	..	7.6	..	19.1	..	2.8
Germany	..	..	..	..	..	..	..	..	..	..	..
Ghana	M	54 ^b	196 ^b	3.6	7.7	13.1	28.4	10.0	..	9.4	10.4
Greece	..	..	..	..	..	..	..	..	..	..	..
Guatemala	L	23	106	1.8	2.1	7.9	9.8	5.1	..	28.4	30.5
Guinea	S	72	307	..	4.6	..	19.5	..	34.2	7.0	8.3
Guinea-Bissau	S	363	2,253	4.4	4.1	..	25.6	3.7	7.9
Haiti	M	16	125	1.8	1.0	6.2	8.2	13.2	..	4.6	2.8
Honduras	M	62	119	8.5	9.8	21.4	18.7	26.0	..	18.5	10.6



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	1998	1998	1998	1980	1998	1980	1998	1980	1998	1980	1998
Hungary	M	63	107	8.8	15.9	..	27.3	..	25.3	34.3	16.7
India	M	20	143	0.8	2.8	9.3	20.6	5.6	20.2	6.2	4.4
Indonesia	M	169	252	4.1	22.2	..	33.0	10.6	49.3	13.3	13.3
Iran, Islamic Rep.	L	12	95	1.0	2.6	6.8	20.2	4.7	5.0	0.0	42.3
Iraq	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..
Jamaica	M	60	91	11.6	8.5	19.0	12.8	26.6	..	5.1	15.8
Japan	..	..	..	..	..	..	..	..	..	..	..
Jordan	S	136	144	5.2	15.6	11.2	16.4	25.3	..	24.6	7.0
Kazakhstan	L	25	79	..	4.1	..	13.0	..	..	..	7.9
Kenya	M	45	179	6.2	4.8	21.0	18.8	14.5	..	18.9	12.3
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	L	43	84	7.3	6.5	20.2	12.9	24.7	..	35.8	20.2
Kuwait	..	..	..	..	..	..	..	..	..	..	..
Kyrgyz Republic	M	50	135	..	3.5	..	9.4	..	..	..	2.5
Lao PDR	S	92	227	..	2.5	..	6.3	..	..	0.4	0.1
Latvia	L	11	22	..	1.3	..	2.5	..	1.5	..	26.0
Lebanon	M	41	237	..	3.2	..	18.7	..	8.7	57.6	29.2
Lesotho	L	46	82	0.9	4.8	1.5	8.4	..	11.7	11.1	1.1
Libya	..	..	..	..	..	..	..	..	..	..	..
Lithuania	L	17	35	..	1.6	..	3.3	..	4.0	..	19.3
Macedonia, FYR	M	87	140	..	8.1	..	13.0	..	..	..	6.6
Madagascar	S	89	383	2.6	3.4	20.1	14.7	11.5	..	19.5	5.2
Malawi	M	77 ^b	241 ^b	7.7	4.7	27.8	14.7	28.7	..	14.0	1.3
Malaysia	M	69	66	4.0	9.1	6.3	8.7	5.8	..	20.5	19.3
Mali	S	82 ^b	335 ^b	0.9	3.1	5.1	12.6	5.3	..	3.3	5.9
Mauritania	S	150	358	6.1	11.6	17.3	27.7	..	..	7.7	10.2
Mauritius	M	60	90	4.7	7.5	9.0	11.3	14.7	22.1	10.1	23.1
Mexico	L	41	111	5.0	7.7	44.4	20.8	26.9	..	28.2	17.2
Moldova	M	58	106	..	10.0	..	18.5	..	..	..	4.0
Mongolia	M	49	87	..	3.5	..	6.3	..	14.5	..	7.7
Morocco	M	54	153	7.9	8.2	33.4	23.0	27.1	..	8.4	0.6
Mozambique	S	74 ^b	470 ^b	..	2.8	..	18.0	..	..	..	4.6
Myanmar	S	..	279	..	..	25.4	5.3	11.9	..	0.3	10.7
Namibia	..	..	..	..	..	..	..	..	..	..	..
Nepal	L	31	119	0.4	1.8	2.9	7.0	2.6	16.7	3.4	1.2
Netherlands	..	..	..	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..
Nicaragua	S	295 ^b	534 ^b	5.7	14.1	22.3	25.5	26.3	..	21.6	11.8
Niger	S	55 ^b	330 ^b	5.7	3.1	21.7	18.4	10.6	..	18.5	3.8
Nigeria	M	76	250	1.9	3.4	4.1	11.2	..	..	39.8	21.7
Norway	..	..	..	..	..	..	..	..	..	..	..
Oman	L	..	..	4.7	..	6.4	..	9.7	15.3	27.2	38.5
Pakistan	M	43	225	3.7	4.5	18.3	23.6	15.0	20.4	7.4	6.8
Panama	S	78	69	14.4	8.7	6.2	7.6	48.3	..	22.9	11.2
Papua New Guinea	M	69	114	6.0	5.2	13.8	8.6	10.5	..	8.9	5.8
Paraguay	L	25	52	3.1	2.5	18.6	5.3	16.0	..	18.3	29.0
Peru	S	55	388	10.9	4.0	44.5	28.3	42.7	15.3	22.2	22.8
Philippines	M	66	104	6.7	7.6	26.6	11.8	13.1	..	43.4	15.0
Poland	L	28	95	..	2.9	..	9.7	..	4.6	..	13.0
Portugal	..	..	..	..	..	..	..	..	..	..	..
Puerto Rico
Romania	L	26	98	..	6.1	12.6	23.5	7.4	..	23.6	12.1
Russian Federation	M	62	186	..	4.1	..	12.1	10.0



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		% of GNP	% of exports of goods and services	% of GNP	% of exports of goods and services		% of central government current revenue		% of total debt		
					1980	1998	1980	1998	1980	1998	1980	1998
Rwanda	S	34	556	0.7	1.0	4.1	16.9	2.8	..	13.7	4.0
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..
Senegal	M	58	195	9.0	6.9	28.7	23.2	30.1	..	14.9	7.1
Sierra Leone	S	131	735	5.6	3.2	23.8	18.2	22.7	..	11.3	8.7
Singapore	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	L	45	68	..	10.6	..	15.9	..	..	..	20.0
Slovenia	..	..	..	..	..	..	..	..	..	..	..
South Africa	L	19	67	..	3.4	..	12.2	..	7.5	..	46.3
Spain	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	L	41	92	4.5	2.9	12.0	6.6	10.3	12.5	11.9	5.1
Sudan	S	172	2,538	3.5	0.7	25.1	9.8	9.2	..	11.6	37.7
Sweden	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	S	128	392	2.9	2.1	11.4	6.4	8.6	..	17.8	27.2
Tajikistan	L	40	143	..	3.8	..	13.7	..	..	..	13.8
Tanzania ^c	S	70	482	..	3.0	21.2	20.8	8.3	..	33.3	11.8
Thailand	M	76	123	5.0	11.8	18.9	19.2	9.5	12.6	27.8	27.3
Togo	M	68	142	4.8	2.7	9.0	5.7	11.0	..	11.5	3.6
Trinidad and Tobago	L	36	72	3.9	5.1	6.8	10.2	8.4	..	14.0	26.2
Tunisia	M	56	115	6.4	7.3	14.8	15.1	15.6	..	3.9	9.4
Turkey	M	49	161	2.3	6.5	28.0	21.2	8.4	..	13.1	26.7
Turkmenistan	M	83	289	..	12.0	..	42.0	..	..	..	23.0
Uganda	S	35 ^b	351 ^b	4.6	2.4	17.3	23.6	6.7	..	9.1	3.4
Ukraine	L	29	70	..	4.7	..	11.4	..	..	..	3.8
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..
Uruguay	M	37	156	3.1	5.6	18.8	23.5	8.7	14.2	19.4	26.4
Uzbekistan	L	15	93	..	2.1	..	13.2	..	..	..	4.6
Venezuela, RB	M	40	176	8.7	6.3	27.2	27.4	19.1	27.2	53.0	6.5
Vietnam	S	76	170	..	4.0	..	8.9	..	..	..	9.8
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	M	79	105	..	3.2	..	4.2	..	5.3	10.8	5.1
Yugoslavia, FR (Serb./Mont.)	..	..	..	..	..	..	..	..	..	..	..
Zambia	S	175	483	11.4	6.4	25.2	17.7	29.4	..	18.1	4.8
Zimbabwe	M	69	160	1.0	16.6	3.8	38.2	3.9	..	11.5	16.3
World				.. W	.. W	.. W	.. W			.. W	.. W
Low income				2.6	3.6	..	15.4			13.2	12.5
Excl. China & India				3.8	8.1	..	..			..	..
Middle income				5.7	6.2	14.5 ^d	19.4 ^d			26.8 ^d	17.7 ^d
Lower middle income				5.1	5.1	..	..			..	..
Upper middle income				6.0	6.7	..	..			..	..
Low & middle income				4.8	5.4	13.5 ^d	18.4 ^d			23.9 ^d	16.2 ^d
East Asia & Pacific				..	5.2	..	13.3			26.8	17.8
Europe & Central Asia				..	5.4	..	14.7			22.6	16.4
Latin America & Carib.				6.2	6.5	36.2	33.6			26.7	15.7
Middle East & N. Africa				..	4.7	5.6	14.0			25.2	19.7
South Asia				1.2	2.9	11.8	18.9			6.5	4.4
Sub-Saharan Africa				..	4.5	7.2	14.7			18.4	18.5
High income											
Europe EMU											

a. S = severely indebted, M = moderately indebted, L = less indebted. b. Data are from debt sustainability analyses undertaken as part of the Heavily Indebted Poor Countries (HIPC) Initiative. Present value estimates for these countries are for public and publicly guaranteed debt only, and export figures exclude workers' remittances. c. Data refer to mainland Tanzania only. d. Includes data for Gibraltar not included in other tables.



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About the data

The indicators in the table measure the relative burden on developing countries of servicing external debt. The present value of external debt provides a measure of future debt service obligations that can be compared with the current value of such indicators as GNP and exports of goods and services. This table shows the present value of total debt service in the most recent year (1998) both as a percentage of average GNP in 1996–98 and as a percentage of average exports in the same three-year period. The ratios compare total debt service obligations with the size of the economy and its ability to obtain foreign exchange through exports. Because workers' remittances are an important source of foreign exchange for many countries, they are included in the value of exports used to calculate debt indicators. Public and publicly guaranteed debt service is compared with the size of the central government budget. The ratios shown here may differ from those published elsewhere because estimates of exports and GNP have been revised to incorporate data available as of 1 February 2000.

The present value of external debt is calculated by discounting the debt service (interest plus amortization) due on long-term external debt over the life of existing loans. Short-term debt is included at its face value. The data on debt are in U.S. dollars converted at official exchange rates (see *About the data* for table 4.18). The discount rate applied to long-term debt is determined by the currency of repayment of the loan and is based on reference rates for commercial interest established by the Organisation for Economic Co-operation and Development. Loans from the International Bank for Reconstruction and Development (IBRD) and credits from the International Development Association (IDA) are discounted using an SDR (special drawing rights) reference rate, as are obligations to the International Monetary Fund (IMF). When the discount rate is greater than the interest rate of the loan, the present value is less than the nominal sum of future debt service obligations.

The ratios in the table are used to assess the sustainability of a country's debt service obligations, but there are no absolute rules that determine what values are too high. Empirical analysis of the experience of developing countries and their debt service performance has shown that debt service difficulties become increasingly likely when the ratio of the present value of debt to exports reaches 200 percent and the ratio of debt service to GNP exceeds 40 percent. Still, what constitutes a sustainable debt burden varies from one country to another. Countries with fast-growing economies and exports are likely to be able to sustain higher debt levels.

The World Bank classifies countries by their level of indebtedness for the purpose of developing debt man-

agement strategies. In some cases the most severely indebted countries may be eligible for debt relief under special programs such as the Heavily Indebted Poor Countries (HIPC) Initiative. Indebted countries may also apply to the Paris Club and London Club for renegotiation of obligations to public and private creditors. In 1998 countries with a present value of debt service greater than 220 percent of exports or 80 percent of GNP were classified as severely indebted (S); countries that were not severely indebted but whose present value of debt service exceeded 132 percent of exports or 48 percent of GNP were classified as moderately indebted (M); and countries that did not fall into the above two groups were classified as less indebted (L).

Definitions

- **Indebtedness** is assessed on a three-point scale: severely indebted, moderately indebted, and less indebted.
- **Present value of debt** is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private nonguaranteed long-term external debt over the life of existing loans.
- **Total debt service** is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt, and repayments (repurchases and charges) to the IMF.
- **Public and publicly guaranteed debt service** is the sum of principal repayments and interest actually paid on long-term obligations of public debtors and long-term private obligations guaranteed by a public entity.
- **Short-term debt** includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.

Data sources

The main sources of external debt information are reports to the World Bank through its Debtor Reporting System from member countries that have received IBRD loans or IDA credits. Additional information has been drawn from the files of the World Bank and the IMF. The data on GNP and exports of goods and services are from the World Bank's national accounts files. Summary tables of the external debt of developing countries are published annually in the World Bank's *Global Development Finance* and *Global Development Finance* CD-ROM.