

# The new debt crisis in the global South

March 2017



## 1. A new debt crisis has begun

*“Low Income Countries are increasingly exposed to a wider set of vulnerabilities, including from market volatility and costlier debt, an environment many may not be familiar with. The challenging global environment suggests that debt vulnerabilities are likely to increase for many of these countries.”<sup>1</sup>*

### International Monetary Fund, August 2016

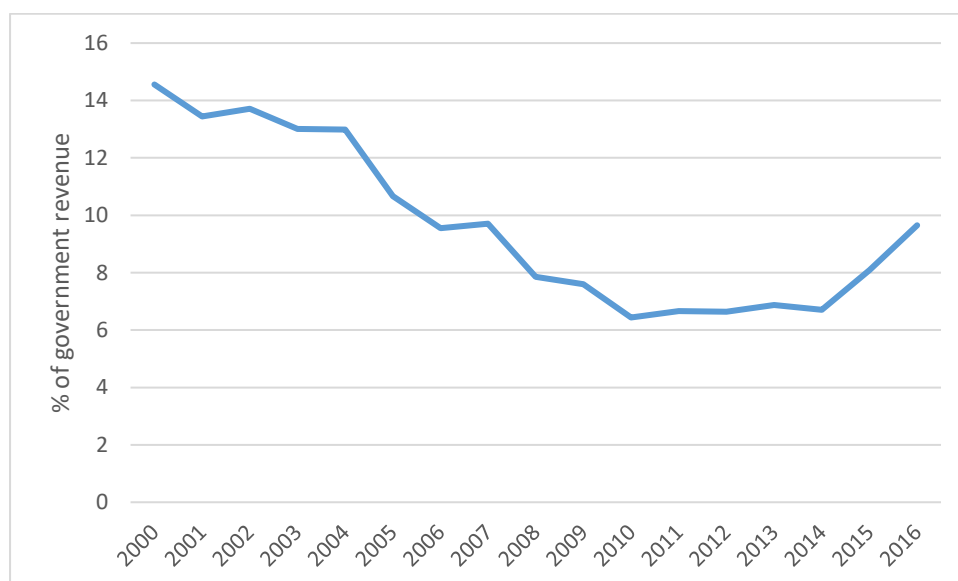
In January 2017 the government of Mozambique defaulted on a bond interest payment. Ghana is already dependent on loans from the IMF and World Bank to pay the high interest on loans from private lenders. Many of these debts are under the jurisdiction of the UK, with over 90% of sub-Saharan African government bonds owed under English law.<sup>2</sup>

These are the first indications of a wider trend. Figures calculated by the Jubilee Debt Campaign, based on IMF and World Bank databases, show that developing country debt payments increased by 45% between 2014 and 2016. They are now at the highest level since 2007.

The rapid increase comes after falls in commodity prices in mid-2014 and the rising value of the US dollar. These changes have reduced the income of many governments which are reliant on commodity exports for earnings. They have also caused exchange rates to fall against the US dollar,<sup>3</sup> which increases the relative size of debt payments as external debts tend to be owed in dollars.

The new figures from Jubilee Debt Campaign show that average government external debt payments across the 122 developing countries for which data is available have increased from 6.7% of government revenue in 2014 to 9.7% of government revenue in 2016, an increase of 45%. This is the highest level since 2007, when such payments were also 9.7% of government revenue (see graph below).<sup>4</sup>

**Graph 1. Developing country government average external debt payments, 2000 - 2016**



Throughout the 1980s, 1990s and into the 2000s, many developing countries were caught in a debt trap, where unpayable debts siphoned off limited public funds and held back progress in tackling poverty and inequality. Then as now, more loans were given by the IMF and World Bank to pay off private lenders, whilst the debt increased. Meanwhile, economies stagnated and poverty increased.<sup>5</sup>

Urgent action is needed now to ensure that history is not repeated.

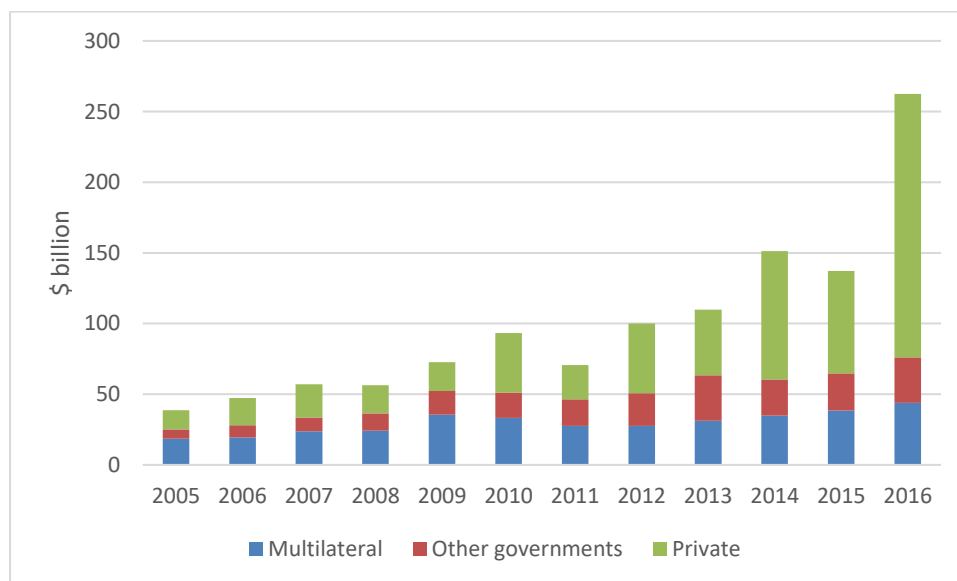
## 2. Lending to impoverished countries increased dramatically from 2008

*“Large cross-border financial flows to developing and transition economies have often led to lending booms and busts, currency mispricing and the build-up of foreign liabilities without contributing to an economy’s capacity to grow and service such obligations.”<sup>6</sup>*

**United Nations Conference on Trade and Development, 2013**

Since the Western world financial crisis of 2008, there has been a boom in lending to the most impoverished countries. Annual lending to low income and lower middle income country governments more than quadrupled from \$56 billion in 2008 to \$262 billion by 2016.<sup>7</sup> This increase has been because quantitative easing and low interest rates in the Western world mean that lenders have wanted to give more loans to developing countries where they can charge higher interest rates. Furthermore, multilateral institutions and governmental lenders such as China, France, Germany and Japan have increased their annual lending.

**Graph 2. External loans to low and lower middle income country governments, 2005 – 2016, \$ billion<sup>8</sup>**



Increased lending suggests that debt payments will continue to increase in coming years.

## 3. Recent falls in commodity prices have led to government revenues being far lower than expected

*“Depressed commodity prices have slowed growth sharply in commodity-exporting emerging and developing economies, which are home to more than half the global poor.”<sup>9</sup>*

**World Bank President, Jim Yong Kim, June 2016**

The debt crisis of the 1980s, 1990s and early 2000s was triggered by a fall in the price of commodities and rise in US interest rates. The IMF’s commodity price index fell from 185 in June 2014 to a low of 83 in January 2016. It has since increased to 117 as of January 2017, but this is still

37% below levels in mid-2014.<sup>10</sup> Bloomberg's dollar spot index has risen from 80 in June 2014 to 102 as of 8 March 2017, an increase of 27.5%.<sup>11</sup> The US Federal Reserve has increased interest rates twice since December 2015, from 0-0.25% to 0.5-0.75%. It is expected to increase by another 25 basis points in its March 2017 meeting.

#### **4. A new debt crisis has begun and may increase in scale**

*Of 67 low and middle income countries assessed, 19 are at high risk of not being able to pay their debts, 32 medium risk and only 12 low risk (whilst 4 are already in default).<sup>12</sup>*

#### **IMF and World Bank, February 2017**

In contrast to individuals and companies, no bankruptcy laws exist for governments. This means that, in the words of the IMF, when debts are too large "debt restructurings have been too little and too late".<sup>13</sup> Countries get stuck in a debt trap where bailout loans pay profits to private lenders, high debt payments and austerity increase poverty and reduce growth, and without growth the debt continues to increase.

Jubilee Debt Campaign's July 2015 report, '*The new debt trap*',<sup>14</sup> identified nine countries which are most dependent on foreign lending. Two of these, Ghana and Mozambique, are now back in debt crisis.

#### ***Mozambique***

In April 2016 it was revealed that the London branches of Credit Suisse and VTB Bank had lent \$1.1 billion to the Mozambique government in 2013, much of which has been reported to have been used for military equipment. The loans were not approved by the Mozambique parliament, as required under Mozambique law, and not disclosed to the IMF, Mozambique people or financial markets.<sup>15</sup>

As well as the revelations about these hidden debts, Mozambique's economy has been hit hard by the fall in price for the country's commodity exports. The local currency, the Mozambique metical, has fallen by 50% against the US dollar since the start of 2015. This has rapidly increased the relative size of the dollar-denominated debts.

The revelations about the hidden debts led to the IMF suspending its loans to Mozambique in April 2016. These had been being used to pay off previous lenders such as Credit Suisse and VTB. Mozambique has said it does not have the money to repay private external loans and has now begun defaulting on the hidden debts.

All the hidden debts are owed under English law. VTB has said it has sold off the debts it is owed by Mozambique and there is a possibility that these have been bought by vulture funds. Because of the lack of international mechanisms to restructure debt, it could therefore result in vulture funds suing Mozambique in UK courts seeking large profits on what they originally paid to buy the debt.

Mozambique civil society, including the Budget Monitoring Forum, Mozambique Debt Group and Transparency and Fiscal Justice Coalition have said the loans are illegal because they were not approved by the Mozambique parliament as required in the constitution. They are calling for an external audit of the debt - which the government has now committed to do - a criminal investigation into the officials responsible, and non-payment of the debts.<sup>16</sup>

#### ***Ghana***

Since qualifying for debt cancellation in 2005, Ghana's government external debt has grown from \$2.3 billion to \$19 billion. A large source of loans has been bonds issued under English paying up to 11% interest, as well as less transparent direct private sector loans. Multilateral institutions and

other governments have also lent heavily to Ghana. The World Bank broke its own rules to do so, giving 93% of its finance as loans to a government which should have been receiving a maximum of 50% of its finance as loans.

Furthermore, in October 2015, the World Bank broke its own rules by guaranteeing \$400 million of a high interest private loan to a country it had assessed as at high risk of not being able to pay its debt. The higher interest rate and World Bank guarantee mean if Ghana pays the interest until 2024 but make no other payments, including any of the principal, the lenders will still make a profit. *The speculators lent to Ghana expecting not to be repaid.*

Falls in the price of gold and oil have led to Ghana's revenue dropping dramatically, with GDP in dollar terms falling by 25%. Since April 2015 the IMF has been lending more money to Ghana, which is being used to make the high interest payments to private lenders. The IMF assesses Ghana as at high risk of not being able to pay its debt, and even this is based on very optimistic assumptions such as dollar GDP growing by 8% a year for the next twenty years (the average for the last eight years has been 4%).

If and when Ghana does default on its debt, all the bond contracts are owed under English law, and possibly many of the other debts owed to the private sector. There are no regulations which enable any debt restructuring agreed with a majority of creditors to be enforced on the minority, which means Ghana's debt could be bought up by vulture funds, and Ghana sued in courts in the UK.

#### **5. The UK needs to take responsibility for debts contracted under English law**

*"But the best way to ensure that an economy delivers long term success, and that success is felt by all of its people, is to have it overseen by political institutions in which everyone can share ... That is why the transparency agenda is so important."*<sup>17</sup>

**Rt Hon David Cameron MP, October 2013 (Speaking as Prime Minister)**

*"We further acknowledge that successful debt restructurings enhance the ability of countries to achieve sustainable development and the sustainable development goals. We continue to be concerned with non-cooperative creditors who have demonstrated their ability to disrupt timely completion of debt restructurings."*<sup>18</sup>

**Addis Ababa Action Agenda, agreed by all 193 members of the UN in July 2015**<sup>19</sup>

The UK Parliament took welcome action in 2010 passing the Debt Relief (Developing Countries) Act to ensure private creditors complied with internationally agreed debt relief. However, the legislation only applies to loans given before 2004.

A new debt crisis has begun, and it risks economic stagnation and increasing poverty across the developing world. Jubilee Debt Campaign's partners in developing countries are trying to hold their governments to account for new borrowing and spending. We need to help them by increasing the transparency of debts issued under English law. The UK should:

**1) Require all loans to governments or with government guarantees, issued under English law, to be publicly disclosed at the time the loan is given.** This would enable media, parliamentarians and civil society in borrowing countries to hold their governments to greater account.

**2) Pass new legislation to prevent vulture funds preventing debt restructurings under English law.** This could include a law preventing vulture funds suing for more than a certain amount more than they paid for a debt (for example double), and/or a law saying that if a certain proportion of creditors agree to a debt restructuring, it becomes binding on the remainder. In 2015, Belgium

passed a law saying that vulture funds could not sue for more than they paid for a debt in Belgian courts. A motion is being introduced to the German parliament for a similar law.

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**Appendix. Data tables – developing country government external debt payments 2000 – 2016**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>All countries in the global South</b>																	
<b>Mean average</b>	14.6	13.4	13.7	13.0	13.0	10.7	9.5	9.7	7.9	7.6	6.4	6.7	6.6	6.9	6.7	8.1	9.7
<b>Median average</b>	12.8	12.0	12.1	11.0	9.4	7.4	6.2	5.1	5.1	4.7	4.5	4.2	5.1	5.1	4.9	5.8	7.3
<b>Low income countries</b>																	
Afghanistan	No data						0.7	0.3	0.4	0.4	0.2	0.3	0.2	0.2	0.4	0.4	2.4
Benin	14.1	7.6	8.5	3.9	4.0	4.6	4.3	2.2	4.0	2.6	2.9	2.9	3.5	5.1	4.5	4.6	6.1
Burkina Faso	7.7	5.5	6.2	5.7	5.5	4.3	1.8	2.7	2.9	2.6	2.6	2.9	2.6	2.4	3.0	4.3	5.7
Burundi	8.8	11.4	12.1	16.4	25.4	15.5	5.5	3.4	3.0	2.1	0.5	0.9	1.7	2.7	1.5	1.3	6.0
Cambodia	1.1	1.4	1.6	2.5	2.9	2.7	3.0	2.2	2.3	2.8	3.1	3.6	3.8	4.3	4.1	4.1	5.4
Central African Republic	8.9	10.7	0.2	0.1	5.0	0.5	18.8	25.4	5.8	3.6	0.7	0.3	1.1	3.1	3.7	1.5	14.9
Chad	11.6	8.5	6.6	6.3	4.8	5.2	3.4	3.1	5.2	4.6	2.9	2.5	2.6	4.4	23.6	2.7	39.2
Comoros	6.9	4.9	8.2	4.4	4.5	5.0	4.6	27.4	9.8	7.9	2.7	2.7	4.3	0.2	0.4	3.6	5.6
DR Congo	0.0	0.0	31.7	31.8	17.4	16.3	16.4	24.7	20.2	16.8	5.1	6.8	5.8	7.5	7.8	6.2	11.2
Eritrea	0.9	2.1	3.4	2.5	4.5	5.2	3.8	1.8	5.4	7.3	5.7	4.8	19.9	17.2	7.8	5.1	5.4
Ethiopia	9.0	11.1	4.9	4.5	4.3	3.7	4.9	4.0	2.6	1.9	3.5	6.6	6.5	8.8	9.1	9.9	8.2
The Gambia	19.5	18.2	18.5	31.2	24.9	25.7	21.9	19.7	9.3	10.3	13.0	13.9	11.1	16.3	23.8	16.9	21.9
Guinea	32.1	20.1	19.5	18.8	32.6	32.9	32.3	23.6	18.3	16.6	11.6	20.8	10.1	6.7	5.0	5.3	8.2
Guinea-Bissau	5.2	5.6	3.3	4.2	4.3	3.1	6.0	6.2	3.7	4.1	5.3	2.8	6.0	1.3	0.8	1.0	3.8
Haiti	10.2	7.9	5.6	13.9	24.8	9.0	7.7	5.0	5.8	3.7	9.9	0.3	0.2	0.6	1.4	2.0	6.5
Liberia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	6.1	1.3	0.7	0.9	1.1	2.3	0.7	1.3
Madagascar	17.0	9.8	13.1	7.7	8.5	7.1	5.0	1.6	2.0	4.7	4.5	3.5	5.4	5.6	5.4	5.8	9.3
Malawi	10.1	8.0	5.5	5.1	6.2	6.7	4.4	2.5	2.1	2.2	0.9	1.2	1.5	2.3	2.6	2.7	18.3
Mali	13.6	11.5	9.3	6.0	7.4	6.7	2.4	4.1	4.1	3.5	3.2	3.0	3.2	4.2	3.7	3.9	5.9
Mozambique	5.9	5.1	4.1	4.5	3.0	3.0	2.1	1.2	1.3	1.4	3.2	1.9	2.0	3.1	3.9	8.8	20.2
Nepal	14.6	12.4	13.5	13.1	11.9	10.1	11.4	9.7	8.6	8.0	6.3	5.6	5.9	5.4	5.2	4.6	4.5

Niger	8.4	7.0	4.1	5.6	5.5	4.3	2.2	1.9	1.2	3.0	1.5	2.4	2.0	2.1	2.7	4.6	13.2
Rwanda	6.2	4.9	4.5	6.2	5.4	3.7	3.8	2.8	1.2	0.9	0.9	1.1	1.2	2.0	2.8	5.2	3.5
Sierra Leone	14.8	11.4	6.9	7.9	8.2	5.2	6.4	1.3	1.7	1.9	2.2	2.6	2.4	2.6	3.1	3.2	8.8
South Sudan	Before secession from Sudan											4.4	1.9	3.1	4.1	2.3	0.9
Tanzania	10.1	8.7	5.4	3.8	3.7	2.8	2.7	1.2	0.7	1.2	1.8	1.4	1.3	1.7	1.8	2.3	7.2
Togo	8.6	9.2	1.3	1.1	1.3	2.3	4.2	1.1	35.4	9.6	5.6	2.0	3.0	5.4	4.8	4.6	7.6
Uganda	4.1	2.5	3.9	4.2	4.1	7.4	5.1	2.8	2.7	2.7	2.3	2.0	2.0	2.4	2.5	2.3	4.6
Zimbabwe	22.3	4.4	0.8	3.7	7.5	3.6	2.6	24.1	5.5	1.4	0.6	0.7	0.5	0.5	2.4	1.7	5.4
<b>Lower middle income countries</b>																	
Armenia	7.8	11.2	12.2	15.3	10.8	2.8	2.3	1.4	1.1	2.4	3.0	3.0	3.3	23.4	4.4	15.9	8.0
Bangladesh	14.1	12.3	11.0	9.2	10.0	11.7	9.0	11.4	8.8	8.7	7.7	9.7	7.8	8.3	7.7	5.9	8.6
Bhutan	3.6	3.5	3.5	4.9	5.2	2.8	3.1	8.5	18.0	15.4	13.2	13.7	19.5	13.5	13.0	21.8	27.1
Bolivia	12.6	12.0	11.3	13.7	11.1	9.6	7.9	5.9	7.3	4.3	4.6	2.6	4.3	2.4	2.6	3.2	3.7
Cabo Verde	11.3	9.0	11.8	8.7	8.2	11.9	9.0	6.8	5.9	6.9	7.2	7.7	7.8	8.3	9.9	10.0	14.6
Cameroon	22.1	11.9	14.0	13.9	19.5	19.0	2.9	6.1	3.9	3.4	3.8	4.0	2.4	1.5	6.7	5.9	7.7
R Congo	1.6	9.5	1.8	5.4	14.1	4.2	2.3	3.1	2.9	6.2	3.1	2.2	2.8	4.7	5.2	8.8	6.5
Côte d'Ivoire	37.5	16.1	23.7	12.4	3.3	0.8	0.5	3.9	15.9	17.2	11.0	11.3	6.2	8.6	8.8	5.9	9.7
Djibouti	6.2	5.0	5.7	6.6	7.4	5.6	8.1	7.0	6.1	7.9	7.7	8.5	8.6	8.9	7.5	6.9	7.7
Egypt	5.5	6.1	8.6	10.8	9.7	9.9	7.7	7.5	6.9	5.4	5.2	6.8	5.0	5.2	8.1	6.6	7.1
El Salvador	13.4	15.5	16.3	19.7	22.1	18.8	25.7	20.5	20.3	28.5	21.9	24.1	19.4	17.7	18.2	17.2	12.9
Georgia	17.5	9.5	12.7	15.0	13.6	6.6	9.3	3.7	4.2	6.9	7.8	18.6	6.1	8.3	4.7	12.7	14.7
Ghana	37.9	15.4	14.9	11.8	9.0	9.5	7.3	4.6	5.9	6.0	6.1	4.0	5.8	11.2	10.4	12.8	36.8
Guatemala	14.4	15.0	13.8	14.9	16.6	12.4	12.3	13.9	11.0	12.6	11.8	16.0	9.3	13.9	9.0	9.2	5.2
Guyana	15.7	12.1	16.4	16.1	11.5	6.8	6.8	5.1	5.1	3.2	4.3	4.7	17.6	4.4	5.0	5.1	6.3
Honduras	10.0	7.6	10.0	11.0	10.1	8.9	6.2	5.2	2.8	4.2	2.8	3.0	3.1	4.6	6.1	6.2	6.1
India	11.5	10.0	12.8	16.0	6.8	9.7	3.2	3.8	6.2	2.6	1.9	2.3	2.1	3.4	4.0	3.1	2.9
Indonesia	31.8	21.7	18.9	17.2	21.1	14.7	12.1	12.9	8.5	11.1	7.5	6.3	6.2	6.4	8.9	11.2	12.0
Kenya	16.8	13.2	15.5	15.6	8.4	11.9	7.8	6.6	5.4	4.9	4.4	4.7	5.5	5.2	9.4	5.0	6.7

Kiribati	No data							4.0	1.2	1.6	0.7	0.9	0.6	0.7	0.3	0.3	0.8	
Kosovo	No data										14.4	1.7	1.6	1.5	1.6	1.5	1.5	1.2
Kyrgyz Republic	14.8	15.4	12.0	6.4	5.0	4.6	4.5	3.5	3.4	3.7	4.1	4.2	3.2	3.1	3.6	4.6	7.9	
Lao P.D.R.	11.7	12.7	13.6	14.8	15.1	14.5	9.9	8.7	8.8	9.4	5.6	8.8	6.9	7.0	8.0	8.4	18.2	
Lesotho	16.5	20.1	21.3	13.5	8.0	10.8	4.7	9.4	3.0	2.9	2.3	2.4	2.1	2.7	2.9	4.1	6.1	
Mauritania	24.6	22.2	11.0	9.7	8.9	9.8	7.5	14.6	7.0	10.1	11.7	10.4	8.9	11.2	15.3	14.7	12.4	
Moldova	17.4	17.6	22.6	9.9	12.1	5.6	5.2	3.2	2.5	3.6	3.2	3.4	3.0	3.4	2.6	2.4	6.0	
Morocco	28.3	29.3	30.8	32.8	19.0	15.2	11.3	10.7	8.5	6.6	8.4	7.9	8.4	9.2	9.0	9.5	10.3	
Myanmar	0.5	0.4	0.6	0.4	0.3	0.2	0.1	0.2	0.1	0.1	0.0	0.0	7.3	0.5	0.4	0.4	0.4	
Nicaragua	12.9	12.0	9.5	10.5	5.1	7.4	6.5	14.4	5.0	5.7	4.6	4.5	3.7	3.8	4.3	4.3	6.0	
Nigeria	8.9	12.2	7.3	7.5	5.5	21.6	14.3	2.2	0.6	1.4	0.7	0.5	0.4	0.7	0.4	0.7	1.4	
Pakistan	16.9	19.9	18.4	13.6	21.8	11.2	9.7	9.0	8.9	10.2	11.5	7.8	7.1	8.0	6.4	7.1	13.7	
Papua New Guinea	15.8	15.9	16.8	16.6	13.0	8.8	7.6	8.9	7.4	3.7	2.7	2.5	2.1	2.1	2.0	2.3	2.9	
Philippines	30.0	39.6	38.9	38.3	43.5	31.3	36.4	18.2	19.9	22.8	29.2	19.6	11.8	10.6	9.5	10.2	6.5	
Samoa	6.6	5.6	5.6	6.1	6.1	4.0	4.9	3.9	4.8	4.4	5.5	5.5	5.7	5.5	6.1	6.4	7.2	
São Tomé and Príncipe	9.4	10.5	13.1	12.9	17.5	7.4	14.0	2.3	2.5	3.3	1.9	1.6	12.7	5.2	13.9	1.9	8.0	
Senegal	20.5	17.3	16.2	13.1	15.1	6.3	7.7	3.9	4.2	4.9	5.2	7.6	6.7	7.6	5.9	7.0	10.1	
Solomon Islands	5.4	2.7	3.4	5.9	3.8	5.1	2.3	4.8	5.3	2.5	2.4	1.6	1.4	1.4	1.4	1.2	2.6	
Sri Lanka	22.1	19.7	18.2	16.4	17.2	7.6	14.1	13.5	15.9	17.6	16.0	12.0	20.8	14.8	36.4	22.4	23.7	
Sudan	14.6	12.6	6.6	8.7	6.4	5.7	3.3	3.0	2.2	5.7	3.8	4.2	5.6	3.9	2.9	5.7	7.1	
Swaziland	7.2	6.7	6.1	5.4	6.1	4.0	3.1	4.4	4.9	4.3	4.6	4.2	3.5	2.4	3.0	2.5	4.8	
Tajikistan	16.9	20.1	16.7	14.2	15.0	9.9	8.3	5.6	6.8	5.0	4.6	3.8	5.4	5.4	5.3	5.7	7.8	
Timor-Leste	Before secession		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	
Ukraine	16.9	6.8	7.5	7.2	6.4	5.0	4.1	3.2	2.5	5.8	3.4	5.6	4.3	9.8	5.4	41.1	9.2	
Uzbekistan	12.6	16.2	18.5	21.2	17.5	14.2	12.3	8.0	4.9	3.8	3.0	2.0	1.7	1.7	1.7	1.6	2.2	
Vanuatu	2.9	3.0	3.2	3.3	3.4	2.3	3.5	2.6	2.2	3.1	2.9	2.7	2.9	2.9	2.5	1.8	5.0	



Vietnam	19.3	16.3	14.0	7.5	5.7	5.5	4.6	5.1	4.7	5.4	5.2	5.4	6.3	6.8	8.6	5.9	7.5
Yemen	3.5	5.5	4.3	4.1	4.0	2.5	2.3	2.5	2.1	3.4	2.8	3.0	2.4	2.8	3.4	7.3	9.7
Zambia	19.1	13.9	14.9	40.7	9.4	6.0	1.5	1.6	2.2	3.0	1.8	1.6	2.9	4.6	3.2	7.1	12.4
<b>Upper middle income countries</b>																	
Albania	1.8	1.8	3.4	3.0	3.2	3.1	3.5	3.1	2.9	4.8	7.8	9.0	9.5	6.5	7.3	20.1	8.8
Algeria	20.4	21.7	18.7	15.2	16.6	12.1	26.3	1.4	1.3	0.9	0.7	0.6	0.8	0.4	0.3	0.4	0.5
Angola	35.1	53.9	32.5	27.9	25.6	20.4	20.6	15.7	3.7	13.5	6.4	5.6	7.9	9.2	13.2	19.8	44.0
Azerbaijan	3.8	5.4	4.6	3.9	2.9	2.2	1.6	1.4	1.0	1.4	1.3	1.1	1.2	2.6	2.1	3.5	5.3
Belarus	12.0	3.6	2.6	2.2	2.1	1.6	1.2	1.4	1.2	2.6	2.7	8.0	13.7	5.8	9.5	16.3	13.3
Belize	39.3	43.9	87.8	68.0	141.1	85.2	43.9	180.2	25.8	26.3	25.2	21.5	22.5	23.8	14.9	15.6	20.9
Bosnia and Herzegovina	9.0	9.5	3.6	2.4	2.1	2.1	2.1	2.1	2.0	2.3	2.6	2.9	3.1	3.3	3.8	5.7	5.1
Botswana	2.5	2.4	2.7	1.6	1.3	1.2	1.2	1.0	1.6	1.2	1.7	1.3	1.0	3.2	0.8	3.0	5.9
Brazil	8.8	8.6	12.4	10.4	8.7	5.0	8.0	4.3	3.7	2.4	1.9	2.3	1.4	2.5	1.8	5.1	2.7
Bulgaria	14.9	16.2	10.3	8.8	15.0	19.3	6.5	4.4	5.2	3.6	2.9	2.6	2.4	10.0	2.2	8.2	2.4
China	8.9	6.7	5.7	5.3	2.5	2.3	1.9	1.3	0.9	0.7	0.9	0.7	0.4	0.4	0.5	1.3	0.4
Colombia	14.9	18.3	20.4	23.3	12.6	17.8	12.4	8.5	6.7	6.1	5.9	5.0	4.7	3.9	4.9	6.0	7.1
Costa Rica	28.6	28.4	26.9	30.2	24.2	17.0	11.6	9.4	23.1	19.2	11.3	14.8	15.2	20.4	17.0	14.7	12.8
Dominica	10.0	21.4	14.9	13.6	14.6	13.3	13.6	11.0	11.3	11.7	8.6	9.6	11.3	11.1	12.8	11.7	13.3
Dominican Republic	14.9	16.0	15.0	24.0	24.7	12.7	20.6	16.9	16.0	19.1	16.1	16.8	13.0	15.9	18.6	29.5	16.3
Ecuador	37.5	32.8	29.4	22.3	26.1	21.0	25.7	17.1	9.4	39.8	5.3	5.4	5.6	5.6	5.8	10.0	6.1
Fiji	5.9	4.4	3.8	3.0	1.7	1.9	1.7	3.1	2.6	3.5	2.8	18.7	3.6	3.8	4.0	3.8	21.5
Gabon	18.4	26.8	24.4	18.8	9.7	6.0	5.0	23.9	56.1	11.3	11.4	7.3	7.5	21.2	8.4	12.9	16.1
Grenada	11.0	13.1	23.2	19.8	18.9	4.7	6.7	9.6	8.7	12.1	14.3	14.0	9.1	20.2	10.1	9.4	23.5
Islamic Republic of Iran	3.3	1.8	4.9	4.8	4.5	3.9	3.3	2.9	3.0	2.7	1.7	1.4	0.9	0.8	0.8	1.3	0.9
Jamaica	24.1	30.9	33.9	32.2	29.6	31.0	23.6	29.5	25.3	37.5	23.3	33.0	28.8	20.1	25.1	29.3	23.1

Jordan	21.5	19.6	17.1	29.2	13.7	12.0	11.3	11.5	39.5	8.7	9.6	9.8	10.5	9.0	11.3	19.4	17.5
Kazakhstan	11.3	8.8	15.8	6.0	8.3	7.7	1.5	2.4	0.5	0.7	0.9	0.4	0.6	0.9	1.6	2.8	5.1
Lebanon	38.9	38.4	45.6	67.6	81.9	63.2	71.8	69.3	59.6	53.3	46.4	56.9	39.5	35.9	35.6	39.9	42.0
FYR Macedonia	4.3	12.0	11.3	7.3	6.1	6.0	16.9	12.9	4.1	4.6	5.5	5.9	8.1	17.4	7.8	14.0	12.9
Malaysia	15.9	15.5	21.5	20.5	17.2	18.3	9.3	10.2	4.5	12.0	5.0	6.5	5.8	3.8	4.7	11.8	8.3
Maldives	9.3	10.4	9.9	8.7	10.6	8.2	6.1	6.6	8.7	12.6	11.9	12.6	11.6	8.5	7.7	6.2	6.6
Marshall Islands	No data										22.3	15.5	20.7	15.5	15.5	14.8	15.1
Mauritius	49.6	16.7	20.9	13.7	15.0	16.7	19.6	8.1	7.6	4.8	4.0	4.0	3.5	3.4	5.2	4.6	6.8
Mexico	20.3	18.6	14.0	14.9	16.0	12.8	18.3	9.3	8.0	8.6	8.3	7.1	13.1	7.3	6.4	9.9	9.5
Montenegro	Before secession						3.1	7.2	2.3	2.8	5.4	11.6	15.5	19.0	12.9	29.0	26.8
Panama	26.1	34.8	49.4	26.4	35.4	48.8	53.3	14.0	25.5	13.3	12.3	15.6	18.0	14.4	9.0	13.9	8.3
Paraguay	12.9	14.5	17.7	17.0	21.2	17.7	13.5	11.1	9.0	10.8	7.3	5.3	5.1	4.3	3.9	4.7	5.1
Peru	21.1	18.3	31.5	20.5	20.0	30.0	13.7	32.9	14.1	12.0	14.6	5.1	5.4	8.4	4.1	4.5	5.2
Romania	12.3	13.9	13.4	11.7	9.4	7.6	5.4	4.1	5.2	4.2	5.2	3.4	5.7	4.2	3.9	10.4	8.2
Serbia	0.0	1.1	1.4	2.0	2.2	2.6	4.2	3.5	2.6	3.0	4.3	4.5	6.6	10.2	8.7	9.5	9.6
South Africa	6.8	8.7	6.6	5.3	3.4	5.9	5.5	3.0	4.9	3.9	3.2	3.2	4.9	7.7	3.5	3.4	4.9
St. Lucia	14.8	12.8	9.5	13.9	9.4	12.3	12.3	14.9	15.5	13.6	12.6	12.6	13.1	10.1	9.3	17.8	7.6
St. Vincent and the Grenadines	11.4	11.4	10.2	11.5	15.9	18.2	22.6	16.2	15.5	18.1	18.5	19.1	20.5	18.2	14.4	16.4	11.9
Thailand	20.8	22.4	29.9	23.7	13.9	7.9	6.9	4.1	5.1	3.3	1.5	1.9	1.4	1.6	0.9	1.7	2.9
Tonga	11.2	6.4	7.6	7.2	7.2	6.9	4.9	5.3	5.4	3.7	4.8	4.9	5.2	5.5	7.3	12.8	7.3
Tunisia	37.2	25.6	26.3	25.3	28.1	24.8	29.7	24.8	15.6	18.0	17.9	19.4	19.2	16.1	13.4	17.7	16.6
Turkey	12.8	20.6	15.1	13.3	9.9	8.1	6.2	5.8	5.6	5.7	4.4	4.2	3.8	3.1	4.0	4.1	5.0
Turkmenistan	37.9	33.6	32.2	15.5	12.9	6.4	5.1	4.3	3.7	4.0	3.9	2.4	0.6	0.6	0.5	0.6	0.4
Tuvalu	No data										2.2	2.0	2.3	6.5	7.1		

## References

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<sup>1</sup> <http://www.imf.org/external/np/exr/consult/2016/licdsf/pdf/LICDSFreview.pdf>

<sup>2</sup> Calculated by Jubilee Debt Campaign from cbonds database

<sup>3</sup> For example, since mid-2014, there have been the following falls in currency against the US dollar:

Mozambique metical: down 56%

Malawian kwacha: down 45%

Angolan kwanza: down 41%

Ghanaian cedi: down 36%

Tunisian dinar: down 27%

<sup>4</sup> The figure is a mean unweighted average. The median unweighted average has increased by 49% between 2014 and 2016, from 4.9% of government revenue to 7.3%, indicating that this is a general trend rather than due to particular outliers.

Where they are available, the figures for government external debt payments as a proportion of revenue come from IMF and World Bank Debt Sustainability Assessments conducted for individual countries since the start of 2016. In total these cover 44 countries.

<http://www.imf.org/external/pubs/ft/dsa/lic.aspx?t=0&pg=0>

For the other 78 countries figures for government external debt payments are from the World Bank's International Debt Statistics 2017 and figures for government revenue are calculated from the IMF's World Economic Outlook Database, October 2016.

<http://blogs.worldbank.org/opendata/2017-edition-international-debt-statistics-out>

<http://www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx>

<sup>5</sup> Between 1980 and 2000 GDP per person shrank at an average annual rate of 1.1% a year, the number of people living on less than \$1.25 a day increased from 197 million to 387 million, whilst external government debt increased from 16% of GDP to 44%. The crisis only came to an end when global campaigning for debt cancellation by the Jubilee campaign led to \$130 billion of debt being cancelled for 36 countries between 2000 and 2015. In countries which received debt cancellation, the proportion of children completing primary school had averaged around 45% through the 1980s and 1990s. Since debt cancellation, the rate has increased to 66%. Health expenditure as a proportion of GDP has grown by 50%, and the proportion of births attended by a skilled health professional has grown from 37% in 2000 to 50% in 2012.

<sup>6</sup> <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=636>

<sup>7</sup> Calculated from World Bank. World Development Indicators database.

<http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators>

<sup>8</sup> World Bank. World Development Indicators database. <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators>

<sup>9</sup> <https://www.worldbank.org/en/publication/global-economic-prospects>

<sup>10</sup> <http://www.imf.org/external/np/res/commod/index.aspx>

<sup>11</sup> <https://www.bloomberg.com/quote/DXY:CUR>

<sup>12</sup> The most recent list is from February 2017 <http://www.imf.org/external/pubs/ft/dsa/dsalist.pdf> but since this was produced Lao was moved from moderate to high. Mozambique has not had an official assessment since the secret loans were revealed, but the IMF has indicated it is in debt distress, and it has defaulted.

<sup>13</sup> <https://www.imf.org/external/np/pp/eng/2013/042613.pdf>

<sup>14</sup> <http://jubileedebt.org.uk/reports-briefings/report/the-new-debt-trap>

<sup>15</sup> See <http://www.fmo.org.mz/documentos/Position-paper-Civil-Society-Moz.pdf>

<sup>16</sup> See <http://www.fmo.org.mz/documentos/Position-paper-Civil-Society-Moz.pdf>

<sup>17</sup> <https://www.gov.uk/government/speeches/pm-speech-at-open-government-partnership-2013>

<sup>18</sup> [http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf)

<sup>19</sup> <http://www.un.org/en/ga/69/resolutions.shtml>