

Interest paid by low- and middle- income countries on sovereign external debt repayments from 1970-2023



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Lower income countries have been paying high interest rates on their loans for decades. These interest rates represent lucrative returns for creditors, who include banks, multilateral agencies and governments.

Between 1970 and 2023, we calculate that low- and middle-income countries have paid \$2.7 trillion in interest payments to creditors.

The overwhelming majority of these payments have been to western creditors, making up 82% of total interest payments made between 1970-2023 and totalling \$2.2 trillion. Interest paid to non-western creditors excluding China is \$428 billion, and interest paid to China is \$60 billion.

Creditor grouping	Interest paid by low- and middle- income countries between 1970-2023	% of total interest payments between 1970-2023
Western	2,200,000,000,000	82%
Non-western, excluding China	430,000,000,000	16%
China	60,000,000,000	2%
TOTAL	2,690,000,000,000	100%

Calculations use debt repayment information available on the World Bank Debt Statistics Database.

From the database, we collected interest payments by low- and middle- income countries to all creditors between 1970 and 2023. We then categorised each creditor as 'western', 'non-western excluding China' and 'China'.

For multilaterals where it was unclear, we allocated the category based on majority voting share.

We then calculated the total interest payments, total interest payments per creditor grouping, and the % of payments per creditor grouping.

Where it was unclear where to allocate a payment to a creditor (such as those labelled 'Multiple Lenders'), we allocated it proportionately across all three categories.

The amounts paid represent the actual amounts at the time. If the amounts were calculated in today's prices, the amounts paid in the past would be increasingly higher.

The full dataset is available at: <https://debtjustice.org.uk/wp-content/uploads/2023/09/Interest-payments-by-creditors-1970-2023.xlsx>