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Ratings

Global Debt Leverage:

Near-Term Crisis Unlikely, Even As More Defaults Loom

March 10, 2021

(Editor's Note: This is an update of "Global Debt Leverage: Risks Rise, But Near-Term Crisis Unlikely," published Oct. 27, 2020. On April 16, 2021, additional data appendices were included per readers' interest. The data and opinions expressed in this article are as of March 10, 2021.)

Key Takeaways

- **Record debt burden.** We estimate global debt to have hit a record $201 trillion by end-2020, equivalent to 267% of GDP. But a near-term debt crisis is unlikely given the continuing recovery of the global economy. We project global debt-to-GDP to ease to 258% by end-2021 before steadying at around 255%-256% in 2022-2023. The recovery is predicated on a successful vaccine rollout, availability of credit, and rebounding demand.
- **Still more defaults.** Higher global leverage still means elevated default risk. Defaults may hit levels not seen since 2009. Heavy corporate debt may delay the recovery of credit metrics beyond 2022 for hard-hit sectors, such as airlines and leisure.
- **Market repricing risk.** As the COVID recovery gathers pace, interest rates are beginning to normalize. Investors' reset of risk-return expectations could see financial and real asset repricing, debt servicing costs rise, and funding accessibility dry up. A rapid and volatile reset path is a worry.

High Leverage To Ease In 2021

Debt surge. We estimate global debt-to-GDP leaped 14% to 267% by end-2020. This higher leverage, together with a challenging economic and operating environment, has led us to lower 23% of corporate and sovereign issuer ratings globally (see "COVID-19- And Oil Price-Related Public Rating Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date," published Feb. 24, 2021). However, we expect leverage growth to level off in the coming years as corporates earnings recover, governments rebuild balance sheets, and households reduce new borrowings. We project global debt-to-GDP to ease to 258% by end-2021 before steadying at around 255%-256% in 2022-2023.

Default risk. Default risk remains for corporates especially if cash flows and earnings do not return to pre-pandemic trends before governments begin withdrawing their fiscal and monetary stimulus. We expect speculative-grade default rates could increase further in 2021, after more than doubling in 2020.

Rising bond yields. A normalization of interest rates owing to a strong COVID recovery is natural. That said, the speed and volatility of the path towards normalization is more of a concern. The sharp upward trajectory of longer-term U.S. nominal yields in Q1 2021 is noticeable. Yet the real yield component is also important from a credit perspective. A gradual (but not rapid) rise in real yields could simply reflect improved confidence in the economic outlook (inflation expectations would seem to imply the same). Credit spreads may drift higher as real yields rise, but again this could simply mean more confidence of the future.

Nevertheless, markets have shown a tendency to react strongly to the withdrawal of policy stimulus and this point may be brought closer by the recovery implicit in rising yields. A rapid and volatile reset of investors risk-return expectations could see a sharp repricing of financial and real

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assets (e.g. bonds, real estate), rising debt servicing costs (impacting borrowers who assumed rates would be 'lower for longer') and drying up funding accessibility for some borrowers.

Near-term debt crisis unlikely. Our view is based on our base-case assumption of a continuing, albeit choppy, global economic recovery. The recovery, in turn, is predicated on the widespread rollout of COVID-19 vaccines in 2021, continuing accommodative financing conditions, and adjustments in corporate, government, and household (i.e., economic agents) spending and borrowing (see chart 1).

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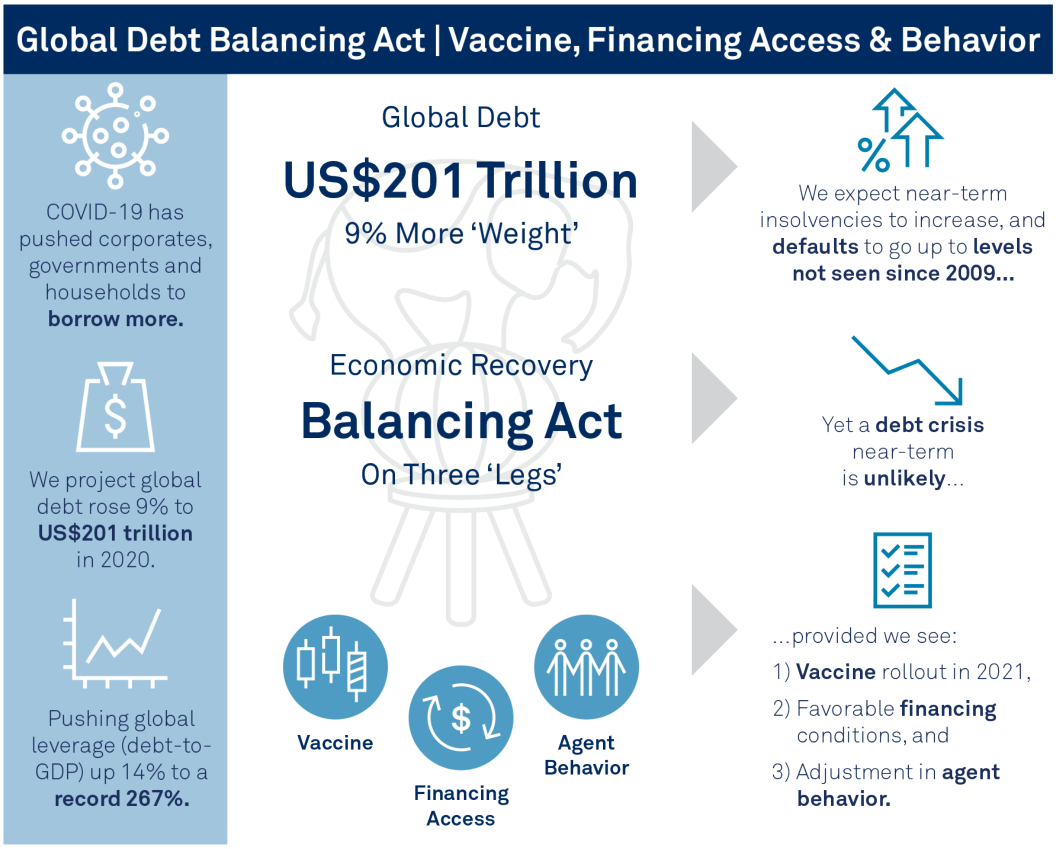
But default rates will rise. Our baseline expectation is for the U.S. trailing 12-month speculative-grade corporate default rate to rise to 7% by end-2021 from 6.6% in December 2020 (see "The U.S. Speculative-Grade Corporate Default Rate Could Reach 7% By December 2021," published Feb. 18, 2021). For Europe, the equivalent expectation is 6.5% by end-2021 from 5.3% in December 2020 (see "The European Speculative-Grade Corporate Default Rate Could Reach 6.5% By December 2021," published Feb. 25, 2021).

Base-case risks. Risks to our base case include disorderly reflation, a spike in policy rates or even wider credit spreads, spread of harder-hitting COVID-19 strains, poor vaccine take-ups, and consumption demand rebounding less than we expect as a result of structural shifts.

Chart 1



Source: S&P Global Ratings. See appendix 1 for sources and notes.

Liquidity Tap Remaining Open

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Benchmark interest rates. Unprecedented fiscal stimulus from governments, combined with massive central bank monetary stimulus, has kept the liquidity tap open for corporates through the bond markets and bank loans. We expect benchmark interest rates to remain low going into 2023.

Major banks will absorb losses. A substantial portion of global debt is funded by banks. We expect most major banks should be able to absorb credit losses, given core earnings (see "Lower And Later: The Shifting Horizon For Bank Credit Losses," published Feb. 2, 2021). For banks globally, we forecast credit losses of about $1.8 trillion for 2020 and 2021. The recovery of banking systems to pre-COVID-19 financial strength will vary significantly across geographies (see "Global Banking: Recovery Will Stretch To 2023 And Beyond," published Sept. 23, 2020).

Continued lending. Banks should largely be able to continue lending, moving back to business as usual by 2023. Regulators' responses to the economic shock have bolstered banks' ability and willingness to lend and support customers.

Credit access risk. Government monetary and fiscal policies have pushed up or supported the prices of financial and real assets. While we expect policy rates to remain low, creditors fearing inflation or reacting to an unexpected adverse event could reset risk-return expectations, resulting in higher servicing cost of debt and reduced funding accessibility.

Economic Recovery Will Shape Leverage Trends

Shape of economic recovery. Naturally, the shape of the post-pandemic recovery will factor into how much and how quickly corporates, governments and households can trim debt, if at all. We forecast real global GDP growth at 5.0% in 2021, 4.0% in 2022 and 3.6% in 2023 (see "Global Economic Outlook: Limping Into A Brighter 2021," published Dec. 4, 2020). There is an upside potential in the forecasts given the momentum of the vaccine rollout. Meanwhile, downside risks include governments imposing lockdowns to fight new waves of COVID-19, avoiding necessary structural changes, or premature fiscal or monetary tightening.

Global leverage trajectory. Global debt-to-GDP has been rising for many years; the pandemic simply exacerbated it (see chart 2). But after the surge in 2020, we expect global leverage to moderate and flatten toward 2023.

Chart 2

Global: COVID-19 Aggravates Debt Rise

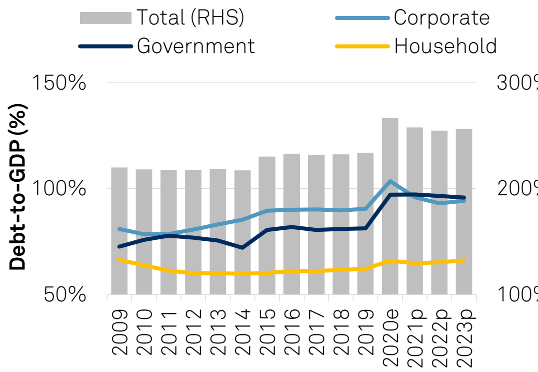


Chart 3

North America: 23% Leap In Government

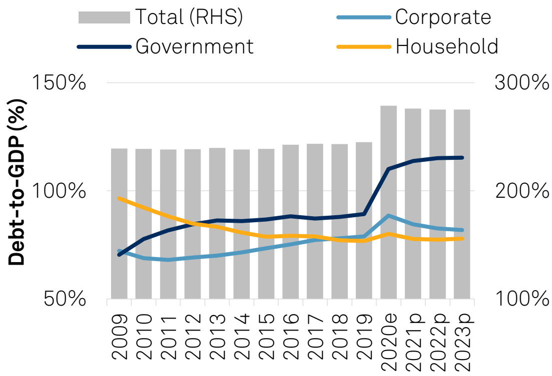


Chart 4

Europe: Up Across The Board In 2020

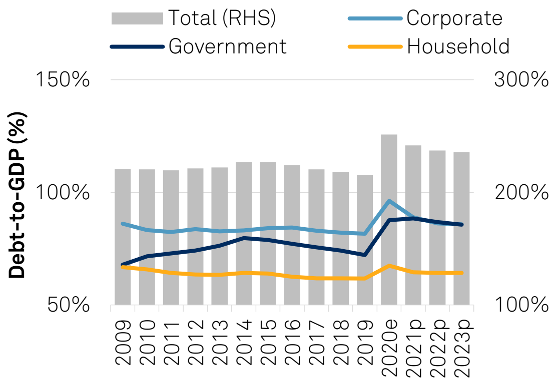
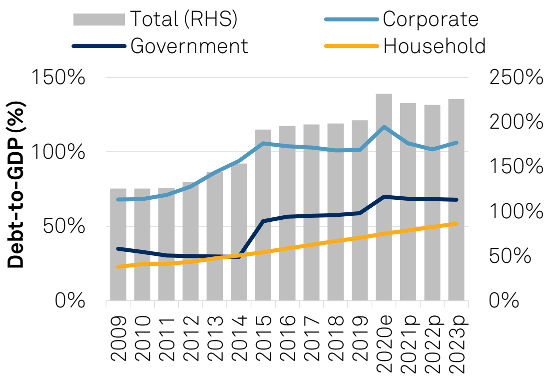


Chart 5

Emerging Markets: Low China Increase Caps Overall Growth



e—estimate. p—projection. See appendix 1 for sources and notes.

Leverage trends vary. The leverage trends among economies vary. The nominal jump in government debt looks to be highest in North America (see chart 3), mostly driven by government debt in the U.S. We see similar leverage patterns for Europe (see chart 4). Although China was hit first, the economic effects have been relatively limited, leading to a comparatively subdued increase in leverage for emerging markets (see chart 5).

Largest leverage hikes in 2020. Our debt-to-GDP projections for corporates, governments and households show that while Europe is estimated to have the biggest percentage-point jump in total debt-to-GDP in 2020 (from 215% to 251%, or 36 percentage points), Latin America will see the largest proportional increase (from 128% to 156%, or 21%) (see table 1).

Table 1

Projected Debt-To-GDP (%) By Region And Borrower Sector, 2019-2023

Geography	Sector	2019	2020e	2021p	2022p	2023p
North America	Corporate	79%	89%	84%	83%	82%
	Government	89%	110%	114%	115%	115%
	Household	77%	80%	78%	77%	78%
	Total	**245%**	**279%**	**276%**	**275%**	**275%**
Europe	Corporate	82%	96%	89%	86%	86%
	Government	72%	88%	88%	87%	86%
	Household	62%	67%	64%	64%	64%
	Total	**215%**	**251%**	**242%**	**237%**	**236%**
Asia-Pacific	Corporate	117%	127%	115%	111%	114%
	Government	88%	99%	96%	95%	94%
	Household	59%	61%	62%	64%	66%
	Total	**264%**	**288%**	**273%**	**270%**	**274%**
Latin America	Corporate	41%	56%	53%	51%	52%
	Government	61%	74%	75%	74%	73%
	Household	26%	26%	26%	27%	27%
	Total	**128%**	**156%**	**154%**	**152%**	**152%**
Emerging Markets	Corporate	101%	117%	106%	102%	106%
	Government	59%	70%	69%	68%	68%
	Household	42%	45%	47%	49%	52%
	Total	**202%**	**232%**	**221%**	**219%**	**226%**
Global	Corporate	91%	104%	96%	93%	94%
	Government	81%	97%	97%	97%	96%
	Household	62%	66%	65%	65%	66%
	Total	**234%**	**267%**	**258%**	**255%**	**256%**

e—estimate. p—projection. See appendix 1 for sources and notes.

Earnings rebound may be weak. The unprecedented fiscal and monetary stimulus—along with lenders' loan forbearance—have stabilized capital markets. However, the stimulus has been less effective in spurring demand, compounding the multiyear downtrend of corporate earnings (see "Next Debt Crisis: Earnings Recession Threat," published Sept. 30, 2019). As debt grows faster than earnings (and thus retained earnings), this heightens corporate default risk. There is also the structural shift in customer behavior, which benefits earnings in some sectors and leading players to the detriment of others.

Government Debt

One-Third Of Sovereigns To Struggle With Leverage

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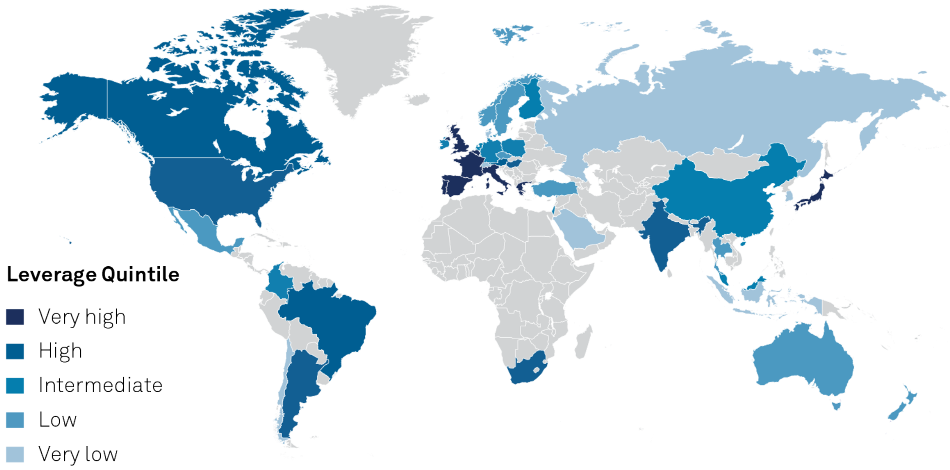
Most sovereigns can stabilize leverage. Over two-thirds of sovereigns should manage to either stabilize debt-to-GDP or set it on a downward path by 2023, though from historically high levels (see chart 6 and "Sizing Sovereign Debt And The Great Fiscal Unwind," published Feb. 2, 2021). But that still leaves around one-third of governments facing rising debt beyond 2023. As the pandemic keeps economies under tight lockdowns, delaying the recovery, further government efforts to sustain the economy will continue to erode fiscal buffers. This could pressure a wider group of sovereign ratings in 2021 and later (see "Sovereign Debt 2021: Global Borrowing Will Stay High To Spur Economic Recovery," published March 1, 2021).

Chart 6

Government Debt-To-GDP (%), 2020e



e—estimate. See appendix 1 for sources and notes.

Different starting conditions. Since different countries entered the crisis with different structural economic conditions, the large increase in debt poses more risks for some (those that already had high debt, as well as less capacity to implement significant and effective monetary and fiscal policies) than for others.

Risks over the long term. Risks to long-term fiscal stability are numerous and include prolonged lockdowns, political resistance to growth-enhancing structural reforms, and premature monetary tightening. The key assumption is that large amounts of new sovereign debt will fund productive activity and help boost national incomes and government revenues in the medium to long term.

Some sovereigns are more exposed to the risk of a spike in interest rates, sudden loss of access to funding, and disappointing GDP growth. Current benign conditions in the financial markets reflect massive liquidity injections and backstops from central banks, huge fiscal stimulus to sustain demand, and an assumption of economic recovery from the pandemic next year. A deterioration in market conditions would likely damage comparatively weak sovereigns.

Emerging markets, likely to benefit from capital flows looking for yield amid low or negative interest rates in the developed world, are more vulnerable to the loss of cheap funding, as many of them rely heavily on foreign-currency funding. This exposes them to the double risk of a sudden rise in interest rates and a depreciation of their own currencies.

Corporate Debt

Some New Debt Was Precautionary

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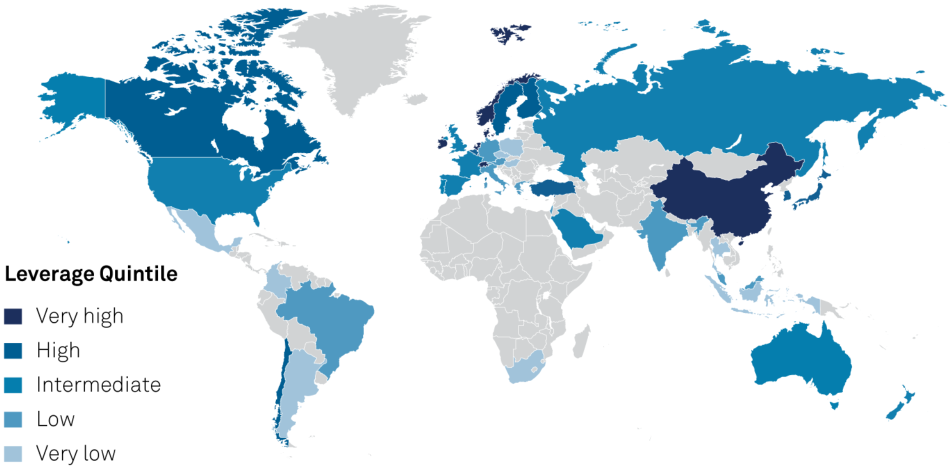
Pandemic debt build-up. Emergency measures by authorities in developed markets helped stabilize financial markets and channel liquidity to corporates, including through a massive increase in corporate debt issuance. Nonfinancial corporate (NFC) debt issuance reached $2.96 trillion globally in 2020—36% more than the total volume in 2019, and a new record high. We project NFC issuance to decrease 4%-14% in 2021 (see "Global Financing Conditions: Bond Issuance Could Decline 3% To $8 Trillion In 2021," published Jan. 28, 2021). Weaker earnings and higher debt combined to raise NFC leverage materially in 2020 (see chart 7).

Chart 7

Corporate Debt-To-GDP (%), 2020e



e—estimate. See appendix 1 for sources and notes.

Recovery and debt. Our views of recovery are stabilizing after several COVID-19 vaccines were approved and as visibility into the nascent vaccine rollout grows (see "COVID-19 Heat Map: Some Bright Spots In Recovery Amid Signs Of Stability," published Feb. 17, 2021). It may take until well into 2022 or, in some cases, 2023 and beyond for many NFC sectors to recover to 2019 credit metrics. Leisure and travel, especially those focused on business and international travel, remain pressures, compounding the impact of higher debt loads for those sectors and in many cases, further delaying a recovery.

How companies used debt raised. Many borrowers have used the debt proceeds to put cash on their balance sheets or to refinance. We estimate that U.S. investment-grade NFCs have kept about three-quarters of funds raised in 2020 through debt issuance on their balance sheets. In Europe, that equivalent proportion is just over 50%. The uncertain outlook in 2021 could lead companies to keep cash for insurance, particularly given the low opportunity cost.

Other companies have used proceeds to counter cash outflows caused by the drop in revenues. Borrowers in sectors hard-hit by the slump—including airlines, hotels, and other travel and leisure segments—may find it more difficult to service their debt. We expect a further increase in defaults that could remain for some time, particularly in these sectors.

Future debt growth. As the global economic recovery picks up, the need to strengthen balance sheets will limit future debt growth, particularly in developed markets. Assuming debt growth remains below nominal global GDP growth, we anticipate a recovery in global NFC debt-to-GDP to around 94% by 2023 from 104% at end-2020. That said, low interest rates will likely keep debt attractive relative to equity, tempering leverage decline in emerging markets.

Households

More Debt-Averse in 2021

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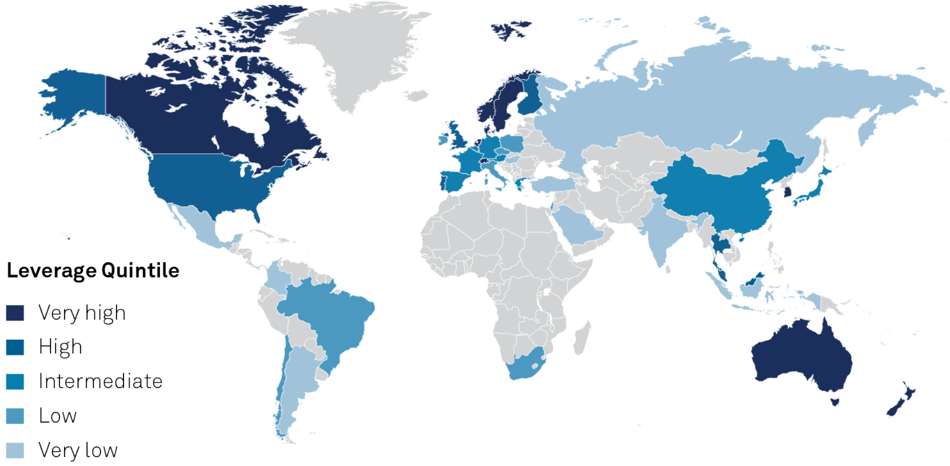
Households raised debt in 2020. Households globally took on more debt in 2020 as they deferred repayments to cope with the loss of some or all of their regular income, even though new household borrowing was sluggish. A key driver of the expected increase in household debt-to-GDP is the decline in GDP. We expect debt to level off as the economic recovery gains momentum and labor markets rebound.

Less new borrowings in 2021 expected. In the aftermath of financial and economic crises, consumers tend to take more cautious fiscal stances and, in any case, find it harder to borrow. However, this time around the process may take longer than usual, especially if the economic recovery fails to gain traction or stalls entirely, or if labor markets don't rebound. Consequently, after some incremental improvement in 2021, we expect the debt-to-GDP ratio to end 2023 at 66%, flat compared with 2020, but with geographical differences (see chart 8). Furthermore, significant fiscal and other support from public authorities, especially for low-income households, will help keep borrowing needs in check.

Chart 8

Household Debt-To-GDP (%), 2020e



e—estimate. See appendix 1 for sources and notes.

Developed markets households most indebted. The most indebted households tend to be those in developed countries, owing to their superior average earning capacity compared to households in most emerging markets.

Related Research

Corporate Ratings

– COVID-19 Heat Map: Some Bright Spots In Recovery Amid Signs Of Stability, Feb. 17, 2021

Default Transition & Recovery

– The European Speculative-Grade Corporate Default Rate Could Reach 6.5% By December 2021, Feb. 25, 2021
– The U.S. Speculative-Grade Corporate Default Rate Could Reach 7% By December 2021, Feb. 18, 2021
– Global Financing Conditions: Bond Issuance Could Decline 3% To $8 Trillion In 2021, Jan. 28, 2021

Financial Institutions

– Lower And Later: The Shifting Horizon For Bank Credit Losses, Feb. 2, 2021
– Global Banking: Recovery Will Stretch To 2023 And Beyond, Sept. 23, 2020

Global Credit Outlook

– Global Economic Outlook: Limping Into A Brighter 2021, Dec. 4, 2020

Next Debt Crisis

– Next Debt Crisis: Earnings Recession Threat, Sept. 30, 2019

Rating Actions

– COVID-19- And Oil Price-Related Public Rating Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date, Feb. 24, 2021

Sovereign Ratings

– Sovereign Debt 2021: Global Borrowing Will Stay High To Spur Economic Recovery, March 1, 2021
– Sizing Sovereign Debt And The Great Fiscal Unwind, Feb. 2, 2021
– Sovereign Risk Indicators, Dec. 15, 2020

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Appendix 1: Assumptions, Data And Approach

This appendix discusses the assumptions, data sources, and approach adopted in the article.

Borrowing, credit, debt	Used interchangeably. Refers to gross debt. Includes loans and debt securities (e.g., bonds).
Corporates	Where debt data for nonfinancial corporations is sourced from the Bank for International Settlements (BIS), it should be noted that the term 'corporation' includes all entities that are capable of generating a profit or other financial gain for their owners, recognized at law as separate legal entities from their owners who enjoy limited liability, and/or set up for purposes of engaging in market production. Consequently, the BIS data may differ from those provided by national or multinational authorities or statistical bodies.
Data sources and assumptions for charts 2-8, tables 1-4	**Debt** – Corporates. For 2009-2019, we sourced "total credit to nonfinancial corporations" data from BIS's long series on credit to the non-financial sector. Data on Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Spain and Sweden are based on ECB's statistics on nonfinancial corporations (consolidated). – Governments. For 2009-2019, we sourced the gross government debt data from our "Sovereign Risk Indicators." – Households. For 2009-2019, we sourced "total credit to households and non-profit institution serving households (NPISH)" data from BIS's long series on credit to the non-financial sector. Please note the BIS and ECB data may not necessarily be the same as the data we use in arriving at issuer ratings. The latter data needs to accord with our ratings methodologies. In addition, we exclude debt of financial institutions because such institutions are intermediaries. **Debt growth** – Corporates. For 2020-2023, we applied growth rates estimated by our analytical teams. – Governments. For 2020-2023, we applied growth rates based on gross government debt projections available in our "Sovereign Risk Indicators," published Dec. 15, 2020. – Households. For 2020-2023, we applied growth rates estimated by our analytical teams. **GDP** We sourced the nominal GDP data from our "Sovereign Risk Indicators." **Global sample** Global refers to a sample of 43 geographies: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong SAR, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom and United States. These geographies are estimated to represent over 80% of world GDP.

Quintile thresholds based on debt-to-GDP 2020 estimates

	Corporate	Government	Household	Total
Very high	144%	113%	95%	318%
High	109%	76%	69%	274%
Intermediate	82%	55%	51%	218%
Low	57%	40%	31%	158%
Very low	15%	5%	5%	82%

Regional classification

- **North America**: U.S. and Canada.
- **Europe:** Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and U.K.
- **Asia-Pacific**: Australia, China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, New Zealand, Singapore, South Korea and Thailand.
- **Latin America:** Argentina, Brazil, Chile, Colombia and Mexico.
- **Emerging Markets**: Latin America; Israel, Poland, Russia, Saudi Arabia, South Africa and Turkey (collectively EM-Europe, Middle-east and Africa); and China, India, Indonesia, Malaysia, Thailand (collectively EM-Asia-Pacific).

Appendix 2: Government Sector Debt-To-GDP

Table 2

Debt-To-GDP (%), Government Sector By Geography, 2019-2023

	2019	2020e	2021p	2022p	2023p
Argentina	88%	102%	102%	82%	67%
Australia	37%	43%	57%	60%	61%
Austria	69%	82%	82%	80%	78%
Belgium	96%	114%	114%	112%	111%
Brazil	76%	91%	95%	98%	100%
Canada	70%	98%	99%	99%	98%
Chile	29%	37%	40%	40%	41%
China	67%	76%	73%	72%	71%
Colombia	50%	65%	68%	66%	64%
Czech Republic	30%	44%	43%	43%	43%
Denmark	33%	40%	42%	40%	40%
Finland	58%	67%	70%	72%	73%
France	96%	114%	112%	109%	108%
Germany	58%	67%	67%	66%	64%
Greece	181%	206%	200%	188%	180%
Hong Kong SAR	4%	5%	6%	6%	7%
Hungary	65%	77%	75%	74%	72%
India	74%	91%	90%	90%	89%
Indonesia	30%	37%	39%	40%	39%
Ireland	57%	67%	69%	67%	65%
Israel	60%	74%	78%	79%	79%
Italy	132%	156%	155%	153%	153%
Japan	211%	239%	236%	239%	240%
Luxembourg	21%	25%	26%	24%	23%
Malaysia	65%	75%	73%	72%	70%
Mexico	43%	51%	51%	51%	51%
Netherlands	47%	56%	60%	59%	58%
New Zealand	32%	43%	58%	64%	69%
Norway	41%	44%	43%	42%	41%
Poland	46%	59%	62%	62%	62%
Portugal	118%	143%	138%	129%	125%
Russia	16%	23%	23%	23%	23%
Saudi Arabia	20%	35%	38%	41%	46%
Singapore	129%	126%	123%	120%	120%
South Africa	65%	84%	90%	94%	98%
South Korea	31%	36%	35%	34%	32%
Spain	93%	117%	117%	112%	111%
Sweden	35%	43%	43%	41%	39%
Switzerland	25%	29%	30%	29%	28%
Thailand	34%	45%	49%	49%	49%
Turkey	33%	40%	39%	38%	38%
United Kingdom	85%	115%	117%	115%	114%
United States	91%	111%	115%	116%	117%
Asia-Pacific	**88%**	**99%**	**96%**	**95%**	**94%**
Europe	**72%**	**88%**	**88%**	**87%**	**86%**
Emerging Markets	**59%**	**70%**	**69%**	**68%**	**68%**
Latin America	**61%**	**74%**	**75%**	**74%**	**73%**
North America	**89%**	**110%**	**114%**	**115%**	**115%**
Global sample	**81%**	**97%**	**97%**	**97%**	**96%**

e—estimate. p—projection. See appendix 1 for sources and notes.

Appendix 3: Corporate Sector Debt-To-GDP

Table 3

Debt-To-GDP (%), Corporate Sector By Geography, 2019-2023

	2019	2020e	2021p	2022p	2023p
Argentina	14%	15%	16%	17%	21%
Australia	74%	83%	76%	73%	71%
Austria	70%	79%	72%	71%	70%
Belgium	123%	140%	128%	125%	124%
Brazil	49%	73%	71%	67%	69%
Canada	117%	129%	123%	122%	120%
Chile	108%	135%	122%	117%	121%
China	149%	156%	138%	132%	138%
Colombia	31%	43%	40%	39%	40%
Czech Republic	50%	57%	53%	50%	49%
Denmark	140%	154%	141%	137%	136%
Finland	116%	128%	118%	116%	116%
France	91%	109%	98%	96%	95%
Germany	51%	58%	53%	52%	52%
Greece	55%	66%	60%	58%	57%
Hong Kong SAR	225%	253%	242%	236%	234%
Hungary	48%	55%	54%	53%	54%
India	52%	63%	56%	54%	59%
Indonesia	23%	26%	24%	23%	24%
Ireland	157%	179%	164%	160%	159%
Israel	69%	73%	69%	67%	68%
Italy	66%	75%	68%	67%	66%
Japan	103%	116%	110%	109%	108%
Luxembourg	223%	252%	230%	225%	223%
Malaysia	69%	81%	75%	72%	75%
Mexico	25%	35%	31%	31%	32%
Netherlands	134%	156%	144%	141%	140%
New Zealand	83%	93%	86%	82%	81%
Norway	140%	161%	154%	150%	146%
Poland	40%	44%	42%	41%	42%
Portugal	86%	104%	94%	91%	90%
Russia	77%	104%	101%	97%	101%
Saudi Arabia	47%	90%	83%	81%	82%
Singapore	124%	148%	135%	131%	129%
South Africa	39%	51%	47%	47%	49%
South Korea	102%	112%	100%	97%	95%
Spain	73%	85%	76%	73%	72%
Sweden	117%	128%	122%	120%	119%
Switzerland	132%	147%	141%	143%	145%
Thailand	47%	57%	52%	51%	52%
Turkey	65%	111%	107%	105%	116%
United Kingdom	72%	90%	85%	79%	78%
United States	76%	85%	81%	79%	79%
Asia-Pacific	**117%**	**127%**	**115%**	**111%**	**114%**
Europe	**82%**	**96%**	**89%**	**86%**	**86%**
Emerging Markets	**101%**	**117%**	**106%**	**102%**	**106%**
Latin America	**41%**	**56%**	**53%**	**51%**	**52%**
North America	**79%**	**89%**	**84%**	**83%**	**82%**
Global sample	**91%**	**104%**	**96%**	**93%**	**94%**

e—estimate. p—projection. See appendix 1 for sources and notes.

Appendix 4: Household Sector Debt-To-GDP

Table 4

Debt-To-GDP (%), Household Sector By Geography, 2019-2023

	2019	2020e	2021p	2022p	2023p
Argentina	5%	5%	6%	6%	6%
Australia	122%	123%	125%	123%	123%
Austria	49%	52%	50%	50%	50%
Belgium	62%	68%	67%	67%	67%
Brazil	34%	33%	34%	36%	37%
Canada	103%	113%	113%	113%	113%
Chile	47%	47%	48%	48%	48%
China	55%	60%	63%	67%	71%
Colombia	29%	30%	31%	31%	32%
Czech Republic	32%	36%	36%	36%	36%
Denmark	109%	117%	113%	113%	112%
Finland	66%	71%	71%	71%	71%
France	62%	67%	63%	63%	63%
Germany	54%	57%	55%	55%	55%
Greece	56%	53%	47%	47%	46%
Hong Kong SAR	81%	89%	83%	85%	87%
Hungary	18%	20%	19%	19%	19%
India	34%	12%	13%	13%	13%
Indonesia	17%	19%	18%	19%	19%
Ireland	38%	40%	39%	39%	38%
Israel	42%	44%	43%	42%	41%
Italy	41%	45%	43%	43%	43%
Japan	61%	64%	62%	62%	62%
Luxembourg	67%	72%	70%	71%	72%
Malaysia	68%	73%	68%	68%	68%
Mexico	16%	18%	18%	17%	17%
Netherlands	101%	104%	100%	99%	99%
New Zealand	97%	103%	106%	106%	106%
Norway	105%	113%	108%	108%	107%
Poland	34%	35%	35%	35%	35%
Portugal	64%	72%	69%	68%	68%
Russia	19%	22%	23%	24%	25%
Saudi Arabia	12%	17%	17%	18%	18%
Singapore	52%	59%	58%	57%	55%
South Africa	34%	32%	30%	30%	30%
South Korea	95%	99%	98%	97%	97%
Spain	57%	63%	59%	59%	58%
Sweden	89%	95%	93%	93%	93%
Switzerland	125%	141%	137%	136%	135%
Thailand	69%	74%	75%	75%	75%
Turkey	15%	19%	19%	19%	20%
United Kingdom	84%	94%	88%	88%	87%
United States	75%	77%	75%	75%	75%
Asia-Pacific	**59%**	**61%**	**62%**	**64%**	**66%**
Europe	**62%**	**67%**	**64%**	**64%**	**64%**
Emerging Markets	**42%**	**45%**	**47%**	**49%**	**52%**
Latin America	**26%**	**26%**	**26%**	**27%**	**27%**
North America	**77%**	**80%**	**78%**	**77%**	**78%**
Global sample	**62%**	**66%**	**65%**	**65%**	**66%**

e—estimate. p—projection. See appendix 1 for sources and notes.

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