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WHY DO DEBT EXIST?



\$ 246.5 TRILLION


**THE WORLD'S DEBT IS IS MORE THAN THREE TIMES
THE SIZE OF THE GLOBAL ECONOMY,**





Introduction

Basic Concepts
Resources
What affects the debt?
Conclusions



Concepts

DEBT

GNP % (gross national product)

GNI

(Gross national income, rent per person)

SOUNDNESS (SOLVENCY)

assets / liabilities

PRIVATE CREDIT SECTOR

GNP % (gross national product)

Soundness: assets / liabilities

POPULATION

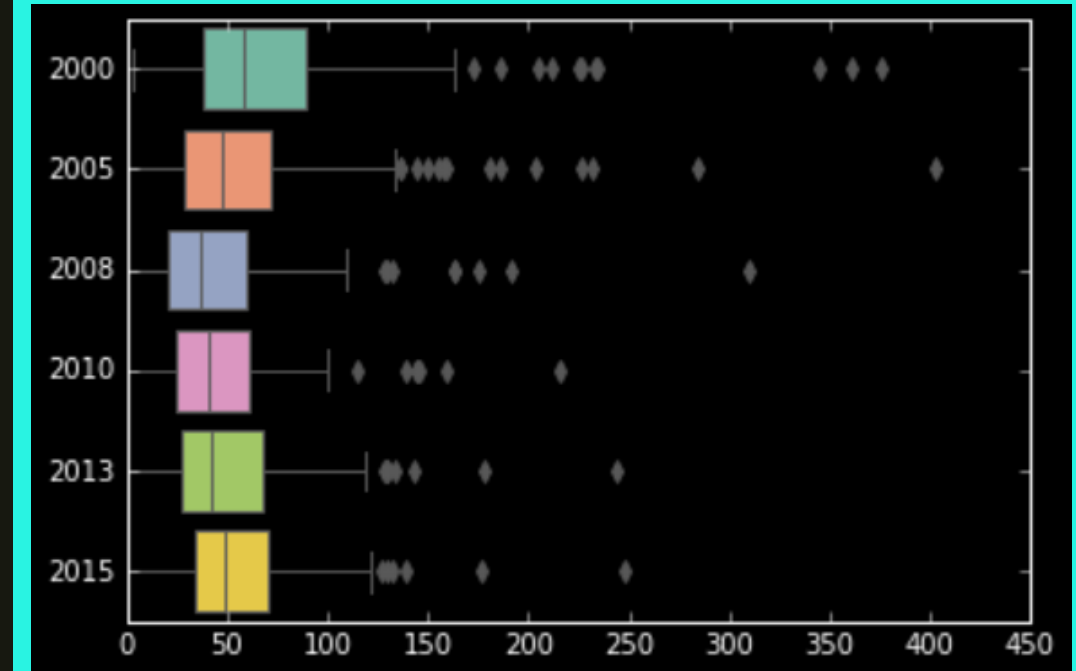
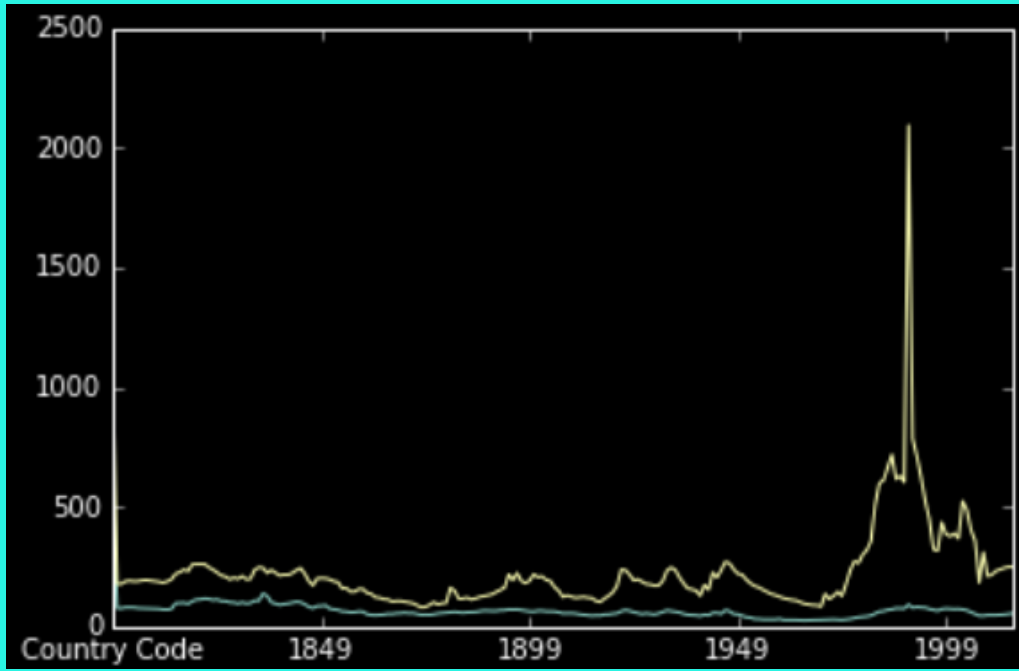


Resources

World bank

International monetary
found

DEBT IN THE LAST YEARS



Country Name	1990
Nicaragua	2092.920000
Guyana	678.088000
Guinea-Bissau	243.953000
Jordan	219.734117
Lao P.D.R.	202.609000
Equatorial Guinea	196.096996
Myanmar	192.060000
Syria	189.756594
Sierra Leone	178.511000
Zambia	177.759000
Congo, Republic of	162.066000

Country Name	2000
São Tomé and Príncipe	376.038000
Liberia	360.491000
Guinea-Bissau	344.374000
Mauritania	234.394075
Guyana	232.975000
Zambia	226.225000
Serbia	224.750811
Sierra Leone	211.177000
Nicaragua	204.871000
Eritrea	185.707000
Seychelles	172.561046
Congo, Republic of	163.223424

Countries with more debt

Countries with less debt

Country Name	2000	2005	2008	2010	2013	2015
Japan	144.0	186.0	192.0	216.0	244.0	248.0
Greece	105.0	107.0	109.0	146.0	178.0	177.0
Lebanon	146.0	181.0	163.0	138.0	133.0	138.0
Italy	105.0	102.0	102.0	115.0	129.0	133.0
Portugal	48.0	63.0	72.0	96.0	129.0	129.0
Eritrea	186.0	159.0	175.0	144.0	128.0	127.0
Jamaica	94.0	122.0	129.0	144.0	143.0	122.0
Cabo Verde	85.0	75.0	57.0	72.0	100.0	121.0
Cyprus	56.0	64.0	45.0	56.0	103.0	109.0
Belgium	108.0	92.0	93.0	100.0	105.0	106.0
Barbados	40.0	47.0	54.0	70.0	94.0	105.0
United States	53.0	65.0	73.0	95.0	105.0	105.0
Singapore	81.0	94.0	94.0	100.0	104.0	105.0
Antigua and Barbuda	111.0	95.0	77.0	91.0	94.0	104.0
Spain	58.0	42.0	39.0	60.0	94.0	99.0

Country Name	2000	2005	2008	2010	2013	2015
Hong Kong SAR	NaN	1.0	1.0	1.0	1.0	0.0
Brunei Darussalam	NaN	0.0	1.0	1.0	2.0	3.0
Saudi Arabia	87.0	37.0	12.0	8.0	2.0	5.0
Afghanistan	NaN	204.0	18.0	8.0	7.0	6.0
Algeria	61.0	29.0	8.0	11.0	8.0	9.0
Estonia	5.0	5.0	4.0	7.0	10.0	10.0
Solomon Islands	55.0	64.0	35.0	29.0	16.0	10.0
Uzbekistan	42.0	28.0	13.0	10.0	8.0	11.0
Kuwait	35.0	14.0	10.0	11.0	6.0	11.0
Nigeria	82.0	19.0	7.0	10.0	11.0	12.0
Equatorial Guinea	31.0	3.0	0.0	8.0	6.0	14.0
Oman	26.0	10.0	5.0	6.0	5.0	15.0
Iran	12.0	14.0	9.0	12.0	15.0	16.0
Russia	56.0	15.0	7.0	11.0	13.0	16.0
Botswana	11.0	8.0	8.0	20.0	18.0	17.0

What do
affect to the
debt?

Questions

1. Debt vs Rent per capita

2. Debt vs Population

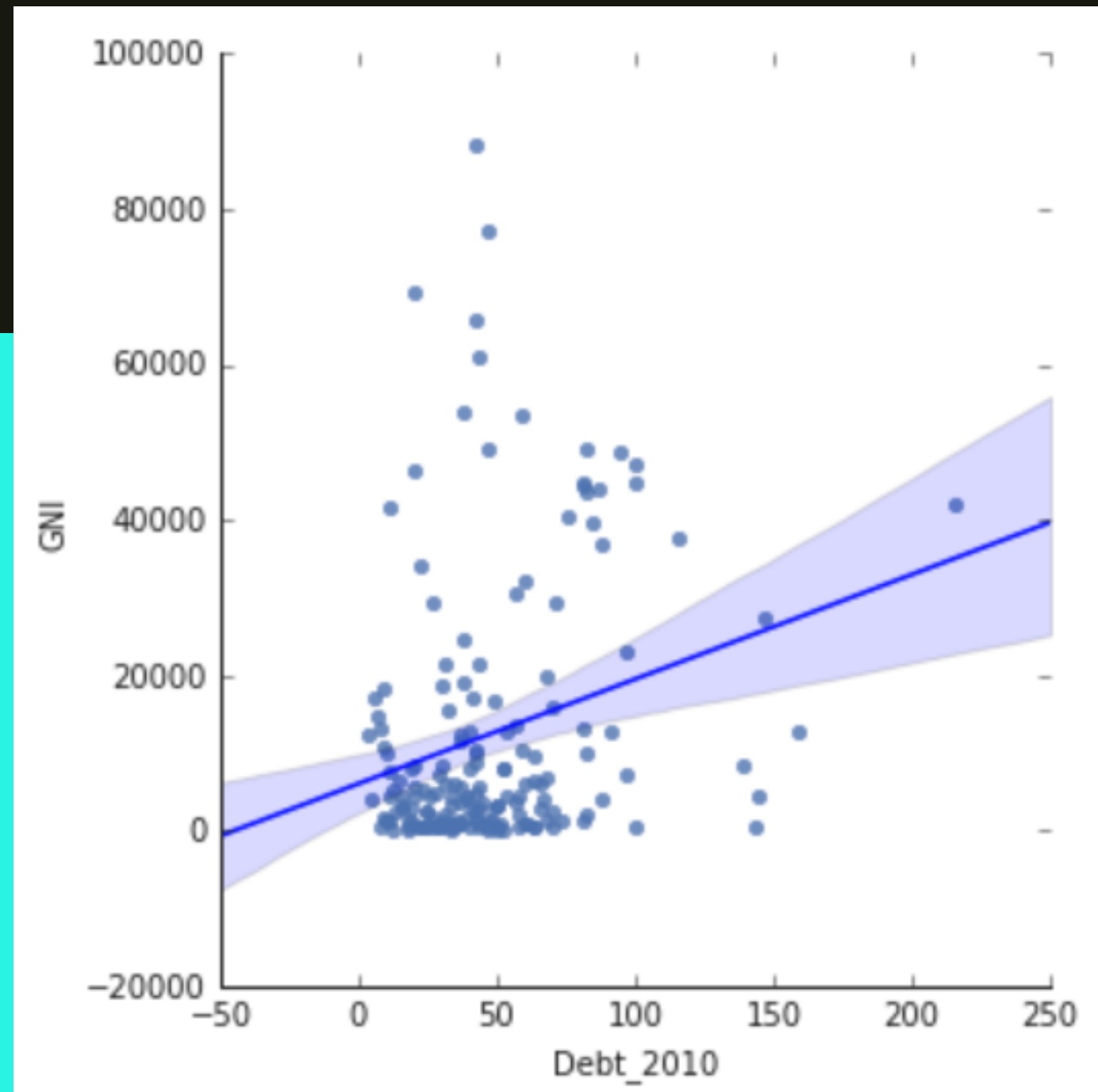
3. Debt vs Private credit

4. Debt vs Soundness

5. Private credit vs Rent per capita

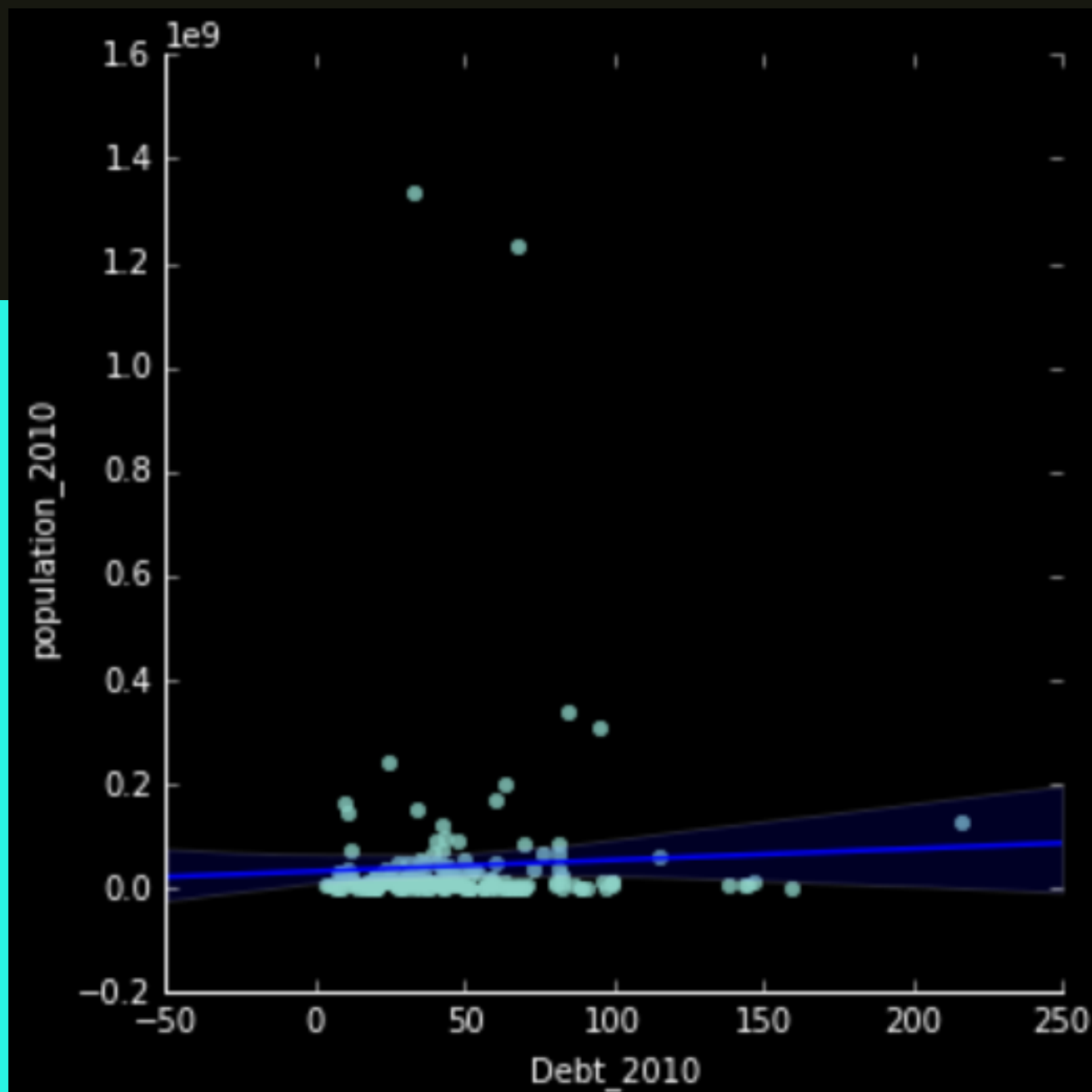
6. Debt vs corruption

Debt vs Rent per capita



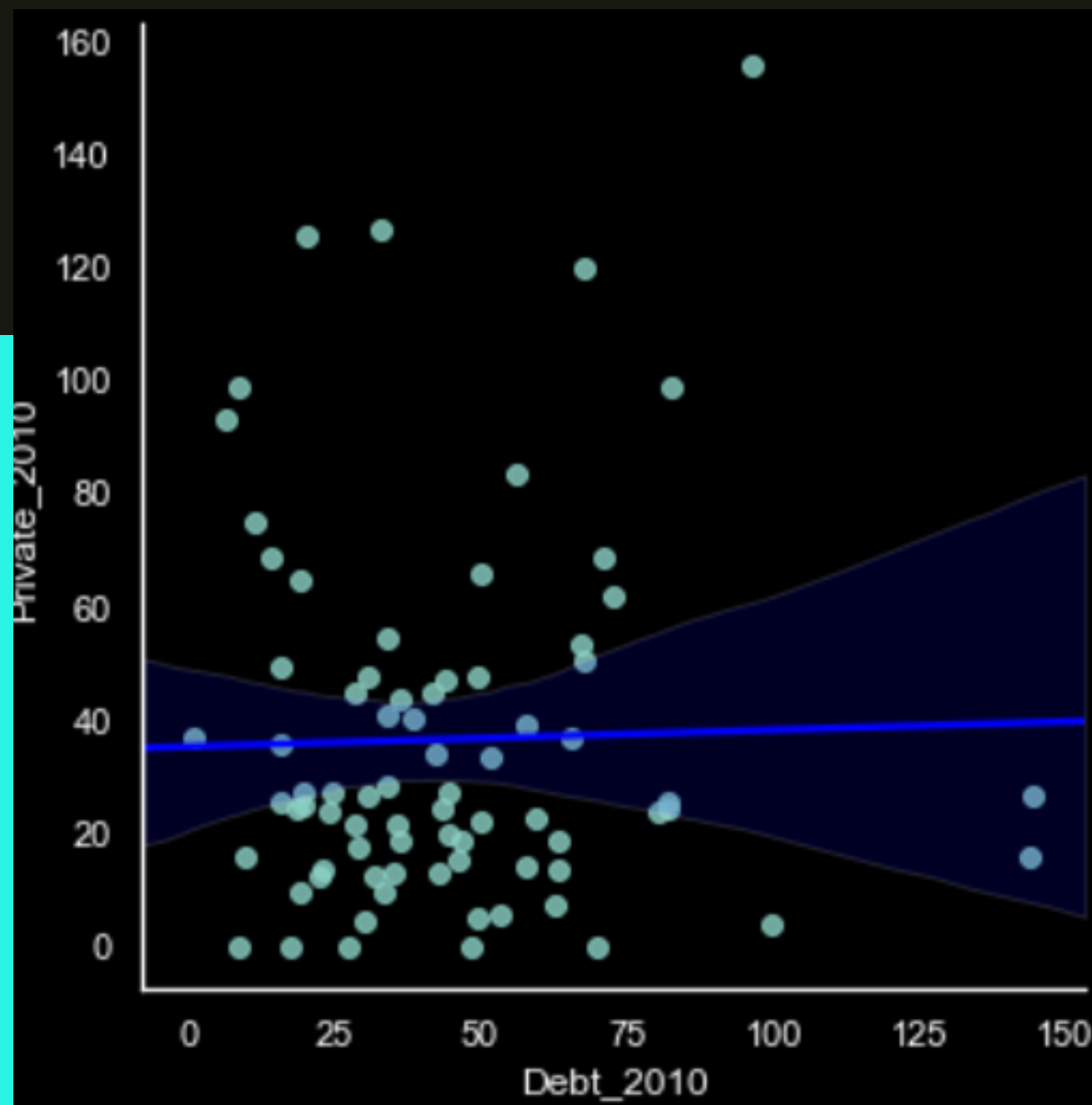
WE CAN SEE A WEAK
RELATION BETWEEN
RENT PER CAPITA AND
THE DEBT. CORR = 0.25.

Debt vs Population



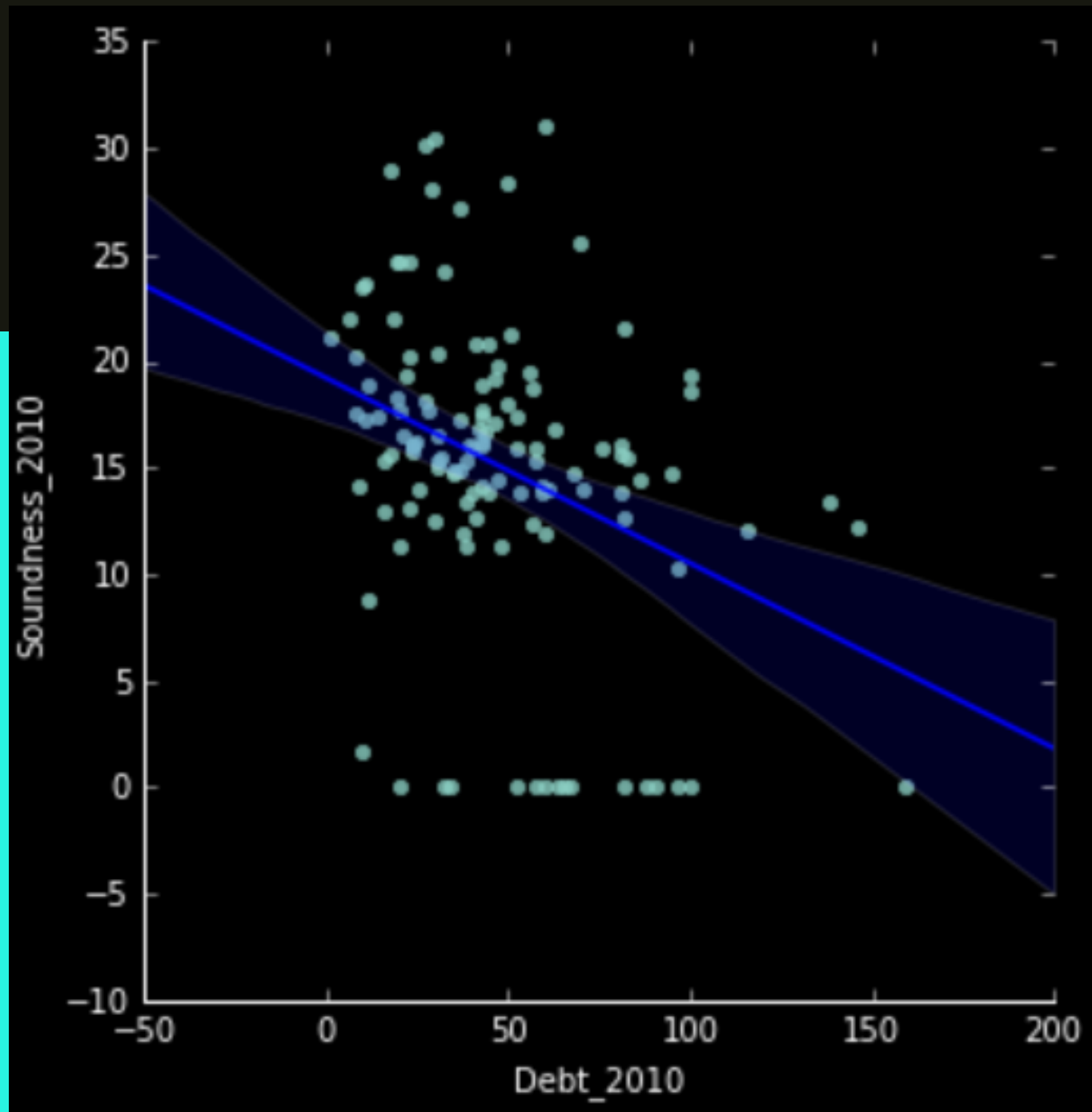
THERE IS NOT
RELATION BEETWEEN
POPULATION AND THE
DEBT.

Debt vs Private credit



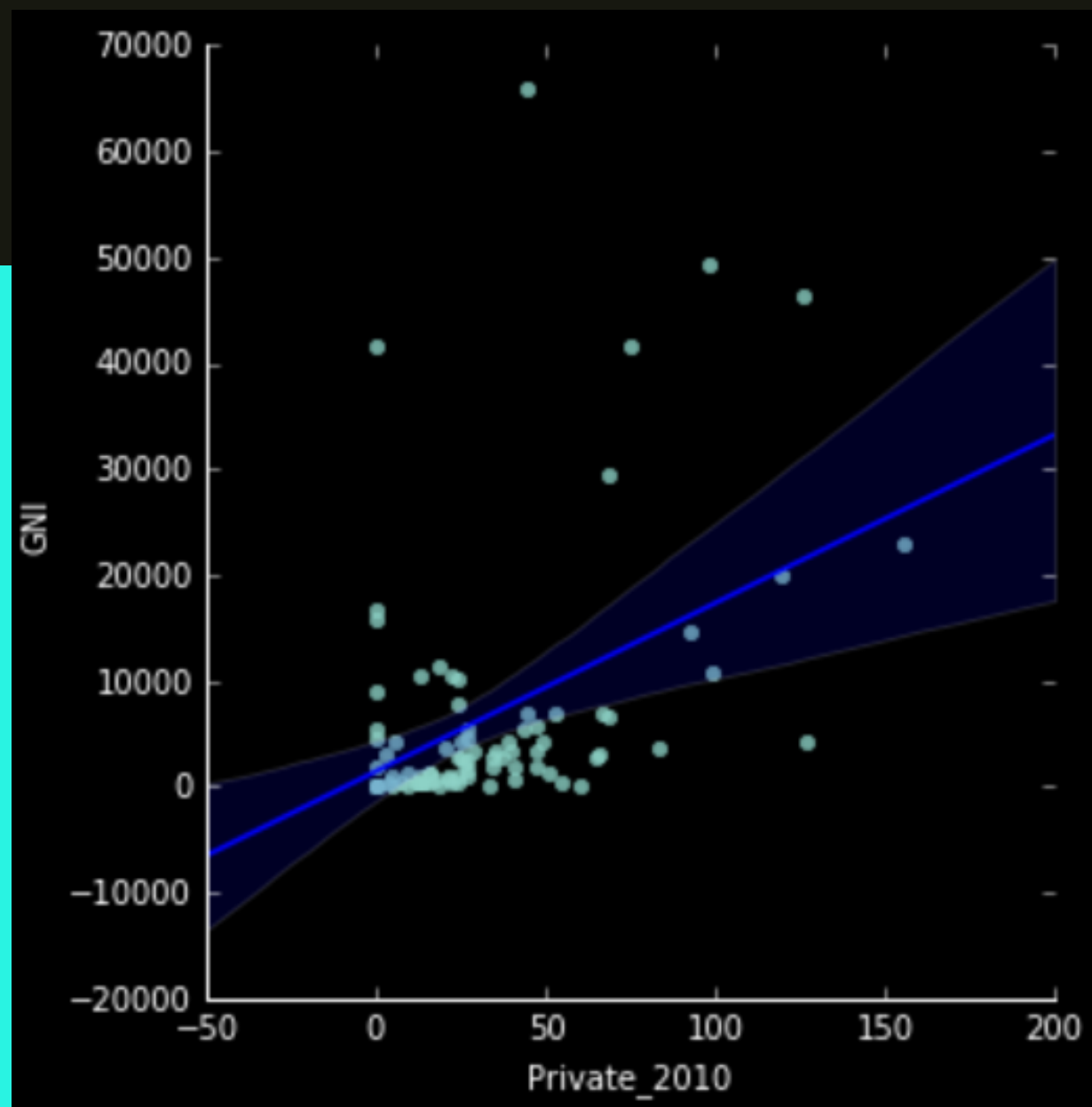
THERE IS NOT
RELATION BEETWEEN
PRIVATE CREDIT AND
THE DEBT.

Debt vs Soundness



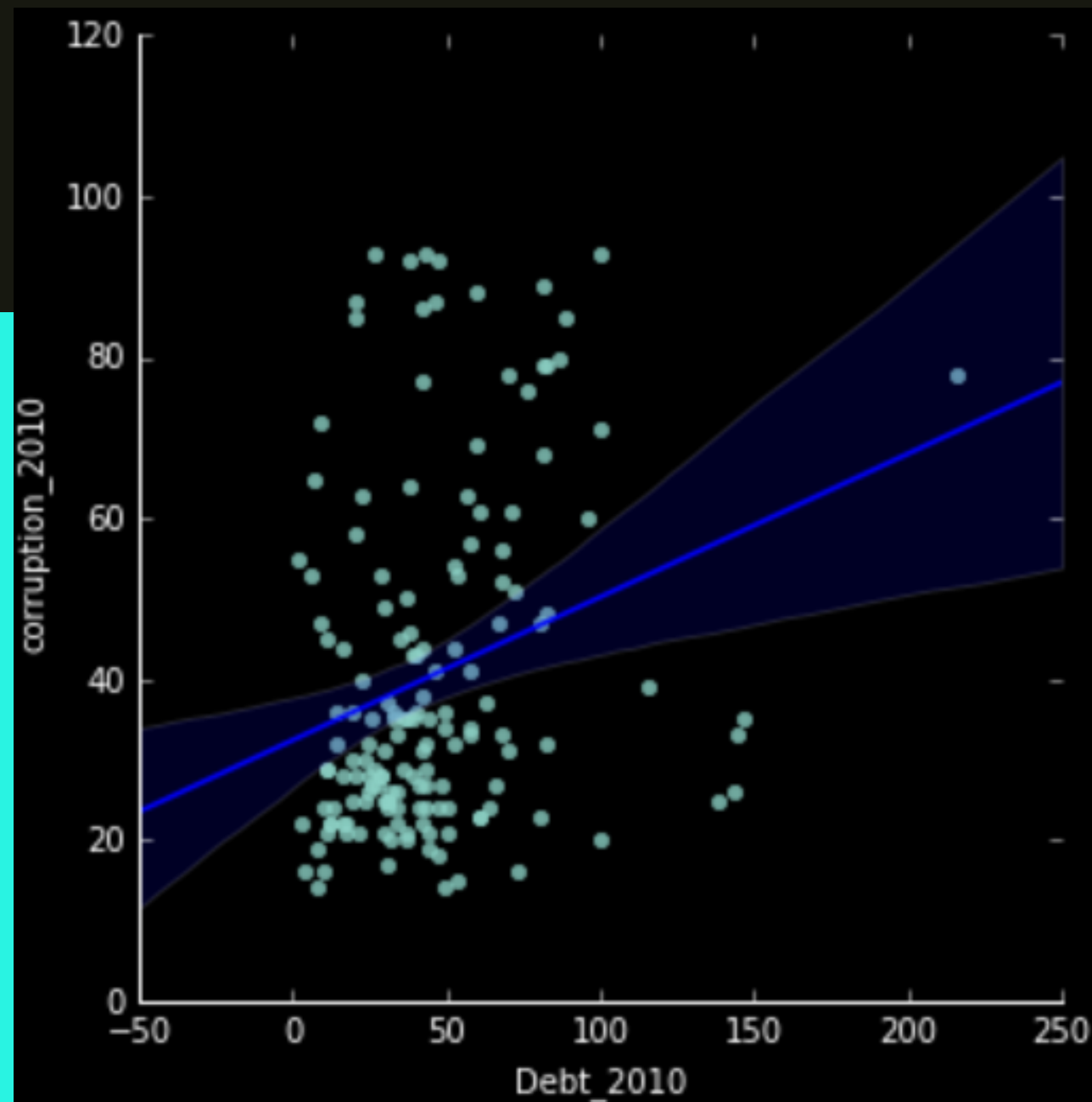
THERE IS NEGATIVE
RELATION BEETWEEN
SOUNDNESS AND
THE DEBT
CORR= -0.35.

Private credit vs Rent per capita



WE CAN SEE RELATION
BETWEEN PRIVATE
CREDIT AND THE RENT.
CORR = 0.45.

Debt vs corruption



WE CAN SEE A WEAK RELATION
BETWEEN PERCEPTION OF
CORRUPTION AND THE DEBT.
 $\text{CORR} = 0.25.$

CONCLUSION

- **Some relation**

- Perception of corruption 0.25
- Soundness -0.35
- Rent per capita 0.25

- **Any relation**

- Population
- Privat credit

- **Debt is influed by so many variables, including the moment of the history and the people who govern.**

“

**"RATHER GO TO BED WITHOUT DINNER THAN
TO RISE IN DEBT."**

- BENJAMIN FRANKLIN

**"THERE ARE TWO WAYS TO CONQUER AND
ENSLAVE A COUNTRY. ONE IS BY THE
SWORD. THE OTHER IS BY DEBT."**

- JOHN ADAMS

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QUESTIONS?
