

Macro Roundup Article

Headline: [The World's Interest Bill Is \\$13trn—And Rising](#)

Article Link: <https://www.economist.com/finance-and-economics/2023/02/19/the-worlds-13trn-interest-bill>

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Tweet: An @EconUS analysis suggests that if rates follow their current trajectory, total interest costs globally will rise from 12% of GDP in 2021 to 17% by 2027. Their analysis covered 58 countries representing 90% of global GDP.

Summary: The Economist has estimated the interest bill for companies, households and governments across 58 countries. Together these economies account for more than 90% of global GDP. In 2021 their interest bill stood at \$10.4T, or 12% of combined GDP. By 2022 it had reached a whopping \$13T, or 14.5% of GDP. Our analysis suggests that, if rates follow the path priced into government-bond markets, the interest tab will hit around 17% of GDP by 2027. Interest costs in America exceeded 20% of GDP during the global financial crisis of 2007-09, the economic boom of the late 1990s and the last proper burst of inflation in the 1980s. Yet an average bill of this size would mask big differences between industries and countries.

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