



THIS IS NOT OIL

Economist.com

Articles by subject : Topics :

DAILY CHART

Government debt

Weighed down

Mar 9th 2009

From Economist.com

Rich countries, especially, are piling up debt

AMERICA, Britain and China are among the many countries that have adopted spend-now-pay-later policies to stave off economic disaster. But giant fiscal stimuluses, tax cuts and bail-outs are weighing heavily on public finances. In a paper prepared for the forthcoming G20 summit, the IMF sets out new forecasts for government debt. Japan's debt burden, which is already the largest of the world's big economies, will reach a sumo-sized 225% of GDP in 2010. Rich countries' debt is set to grow from 83.3% of GDP in 2008 to almost 100% in 2010. Developing economies will see much smaller growth from 35.7% to 37.8% in two years, but these countries also have lower debt tolerance than rich ones.

AFP

G138