

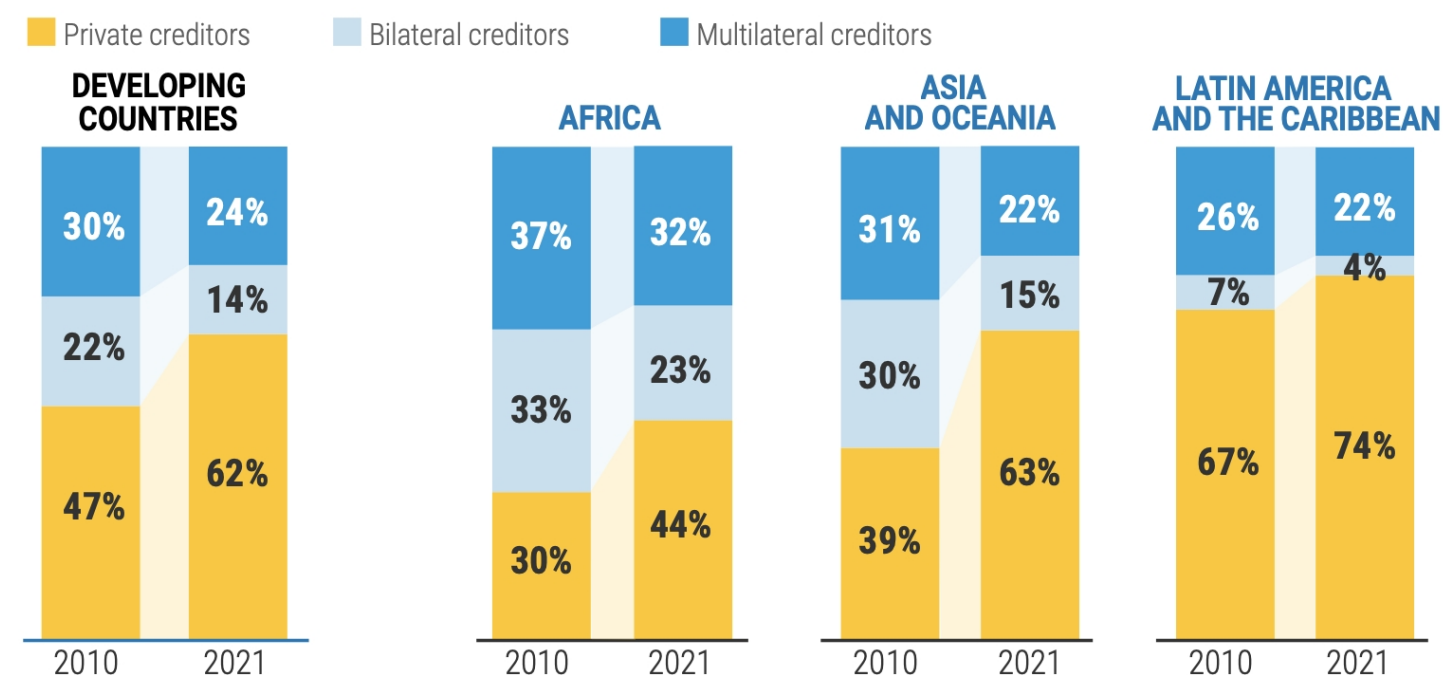
There are no translations available.

A [new report](#) from UNCTAD calculates that public debt worldwide has increased more than fivefold in the past two decades, outpacing global GDP. The many crises that have occurred in recent years, such as COVID-19, the cost-of-living crisis and climate change have contributed to this growth.

Obviously, borrowing means paying interests: money that could otherwise fund public expenditure, in sectors such as health and education, or other important investments needed for development. The UNCTAD report shows that in developing countries, such higher rates are much higher, compared to developed countries. Not surprisingly, Africa is the region in the world where interest on debt is highest.

African States borrow on average at rates that are 4 times higher than those of the United States and eight times higher than those of Germany. What the UNCTAD report shows is that private creditors currently fund about 44 per cent of the Africa's external public debt, while in 2010 this share was only 30 per cent. Borrowing from multilateral creditors (such as the World Bank or the African Development Bank, for instance), as well from bilateral creditors has instead significantly reduced, as shown in the figure below. Private creditors include commercial banks, bondholders, and other private creditors.

Debt by type of creditor as share of external public debt



Source: UN Global Crisis Response Group calculations, based on World Bank International Debt Report 2022.
 Note: External Public and Publicly Guaranteed (PPG) debt.

Debt by type of creditor as share of external public debt, by region, 2010 and 2021. As of 2021, the share of private creditors in external public debt has increased significantly in all regions, while the share of multilateral creditors has decreased. The share of bilateral creditors has also decreased in all regions, except for Africa where it has increased slightly.