



19th November 2021

Non-financial sector debt ratios - International comparisons • 2021 Q2

Private and public debt ratios decline in Q2 2021 as GDP rebounds, but remain well above their pre-covid levels.

Non-financial private sector debt ratio (in % of GDP)

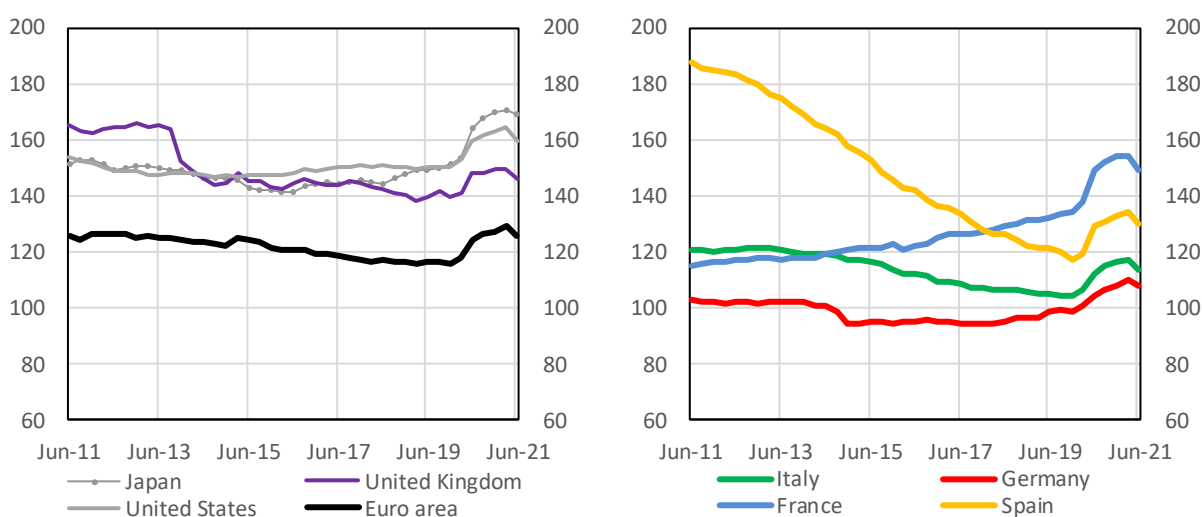
In the second quarter of 2021, the non-financial private sector debt (households and non-financial corporations) stands at 125.9 % of GDP in the euro area, 3.5 points down compared to the previous quarter. This decline is due to the strong growth of nominal GDP in the denominator of the ratio, with debt in the numerator increasing slightly; this effect concerns all countries and sectors (cf. additional information).

Compared to 2019 Q4, the ratio rises by 10.2 points in the euro area. Over this period, the increase differs by country (France +15.2 points in 2021 Q2, Spain +12.9 points, Germany and Italy respectively by +9.3 and +9.2 points) but it does not take into account of the holding of assets.

Outside the euro area, the non-financial private sector debt ratio rises in the other major economies since 2019 Q4 (+17.5 points in Japan, +6.5 in the United Kingdom, and +9.9 in the United States)

Non-financial private sector debt (in % of GDP)

	Dec-19	Sep-20	Dec-20	Mar-21	Jun-21
United States	150,1	161,5	163,4	164,5	160,0
Japan	151,7	167,7	170,1	170,8	169,1
Euro area	115,7	126,3	127,5	129,4	125,9
o/w Germany	98,8	106,7	108,0	109,8	108,1
France	134,1	151,9	154,5	154,0	149,3
Italy	104,3	114,9	116,9	117,6	113,5
Spain	117,5	130,8	133,0	134,2	130,4
United Kingdom	139,7	148,3	149,8	150,0	146,2



*Debt ratio at nominal value for the United Kingdom is calculated by interpolation.



Households debt ratio (in % of GDP and in % of GDI)

	Households debt				
	Dec-19	Sep-20	Dec-20	Mar-21	Jun-21
United States	103,0	109,1	110,8	111,3	108,9
	132,3	129,0	128,9	125,0	127,1
Japan	62,5	65,9	66,6	67,2	66,5
	110,6	110,1	111,9	113,5	115,9
Euro area	57,4	61,1	62,1	62,5	61,2
	94,6	96,5	97,3	97,8	97,9
o/w Germany	53,3	56,7	57,8	58,4	57,9
	86,4	88,6	89,6	90,4	91,0
France	61,1	66,4	67,7	67,9	66,5
	97,2	99,8	100,6	101,0	101,4
Italy	41,1	44,3	45,1	45,5	44,1
	62,1	64,0	64,7	65,3	65,0
Spain	56,9	61,2	62,5	62,8	61,4
	90,7	93,4	94,4	94,7	95,1
United Kingdom	83,6	86,9	88,4	89,1	86,7
	126,8	126,6	127,6	127,6	127,3

Non-financial corporations debt ratio (in % of GDP)

	Non-financial corporations debt (in % of GDP)				
	Dec-19	Sep-20	Dec-20	Mar-21	Jun-21
United States	47,1	52,4	52,6	53,2	51,1
Japan	89,2	101,8	103,5	103,6	102,6
Euro area	58,4	65,3	65,4	67,0	64,7
o/w Germany	45,4	50,1	50,2	51,4	50,2
France	73,0	85,5	86,8	86,1	82,8
Italy	63,2	70,6	71,8	72,1	69,4
Spain	60,5	69,6	70,5	71,4	69,0
United Kingdom	56,0	61,4	61,4	60,9	59,5

Source: Quarterly national financial accounts and Eurostat, Computation: Banque de France



General government sector debt ratio (in % of GDP)

The rebound in nominal GDP allows the general government debt ratio in the euro area to decrease by 1.7 percentage points reaching 98.3% of GDP at the end of the second quarter of 2021. However, debt in the numerator of this ratio continued to increase (cf. additional information). The public debt ratio declines in Germany (-0.2 point of GDP). It also decreases in Spain (-2.5 points in 2021 Q2) and more significantly in France and in Italy (respectively by -3.2 and by -3.3 points).

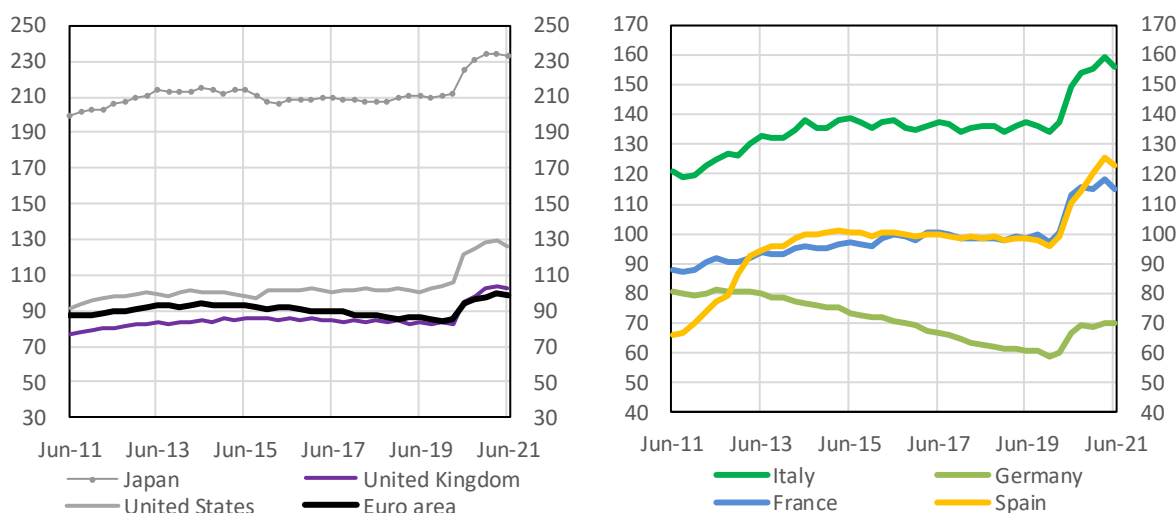
Outside the euro area, the non-financial private sector debt ratio decreases significantly more in the United States and in Japan (respectively by - 3.1 points and - 1.4 point in 2021 Q2) than in the United Kingdom (- 0.7 point).

However, these declines take place in a context where since 2019 Q4, the debt ratios have increased significantly in all countries : more markedly in Spain and in Italy (respectively by +27.3 and +22 points) than in Germany (+10.8 points), France being in an intermediate position (+17.4 points).

Government sector debt (in % of GDP)

	Dec-19	Sep-20	Dec-20	Mar-21	Jun-21
United States	104,0	124,9	128,6	129,6	126,5
Japan	210,9	231,3	234,4	234,6	233,2
Euro area	83,6	96,6	97,3	100,0	98,3
o/w Germany	58,9	69,1	68,7	69,9	69,7
France	97,5	115,4	115,0	118,1	114,9
Italy	134,3	154,2	155,6	159,6	156,3
Spain	95,5	114,1	120,0	125,3	122,8
United Kingdom	83,8	98,6	102,3	103,2	102,5

* "Maastricht" definition NSA (nominal value) for European Union countries.



Additional information

For each sector (NFC, Households and General government), the French debt includes outstanding loans from resident and non-resident MFI (i.e. both loans between resident NFCs and between non-resident NFCs are excluded) and issued securities other than shares at nominal value.

Disseminated data of other countries are less detailed. NFC's net loans are therefore estimated in withdrawing loans assets - mainly loans to resident and non-resident affiliated entities - from loans liabilities.



Breakdown of the increase in households debt ratio (in % of GDP)

	<i>Ratio increase</i>	<i>Debt effect</i>	<i>GDP effect</i>
United States	-2.4	1.8	-4.2
Japan	-0.6	0.4	-1.0
Euro area	-1.2	0.8	-2.1
o/w Germany	-0.6	0.9	-1.4
France	-1.4	1.0	-2.4
Italy	-1.3	0.4	-1.8
Spain	-1.3	1.2	-2.6
United Kingdom	-2.4	1.2	-3.5

Breakdown of the increase in non-financial corporations debt ratio (in % of GDP)

	<i>Ratio increase</i>	<i>Debt effect</i>	<i>GDP effect</i>
United States	-2.1	-0.1	-2.0
Japan	-1.1	0.5	-1.6
Euro area	-2.3	-0.2	-2.2
o/w Germany	-1.1	0.1	-1.2
France	-3.3	-0.2	-3.0
Italy	-2.7	0.1	-2.8
Spain	-2.5	0.4	-2.9
United Kingdom	-1.4	1.0	-2.4

Breakdown of the increase in General government sector debt ratio (in % of GDP)

	<i>Ratio increase</i>	<i>Debt effect</i>	<i>GDP effect</i>
United States	-3.1	1.8	-4.9
Japan	-1.4	2.1	-3.5
Euro area	-1.7	1.7	-3.4
o/w Germany	-0.2	1.6	-1.8
France	-3.2	1.0	-4.2
Italy	-3.3	2.7	-6.0
Spain	-2.5	2.8	-5.3
United Kingdom	-0.7	3.4	-4.2

