

12th May 2023

Non-financial sector debt ratios - International comparisons • 2022 Q4

In 2022, the decrease in private and public debt ratios, under the effect of nominal GDP growth, is less marked in France than in the other countries

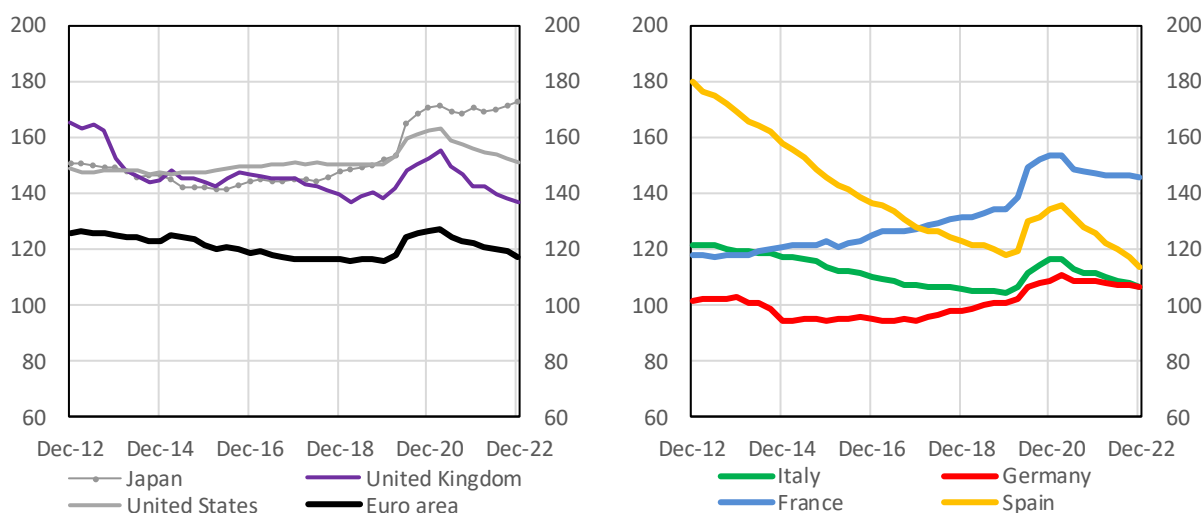
Non-financial private sector debt ratio (in % of GDP)

At the end of 2022, the non-financial private sector (NFPS) debt ratio stands at 117 % of GDP in the euro zone, a decrease of 5.1 points compared to the end of 2021 (after -4.3 points in 2021). Nominal debt continues to rise slightly but significantly less than nominal GDP. Over the year, the decline is very marked in Spain and in Italy (respectively by - 12 points and by - 5.3 points). In contrast, this decline is less significant in Germany (-1.6 point) and in France (-1.4 point in 2022). Outside the euro area, the non-financial private sector debt ratio decreases more in the United Kingdom (- 5.6 points in 2022) than in the United States (- 4.5 points). In contrast, it increases in Japan (+ 2.5 points).

If we consider the net debt of non-financial corporations, i.e. gross debt less the treasury in the asset side, the net debt ratio of French NFCs at the end of 2022 is higher than the largest European countries, but the differences are limited to less than 10 points (40.0% in France compared to 37.3% in Italy, 33.6% in Spain and 30.8% in Germany). Over the last ten years, the ratios of these 4 countries have tended to converge, with little movement during the health crisis, unlike the gross ratios, due to the simultaneous increase in debt and cash. The household debt ratio is relatively stable in 2022 compared to the previous year. For the euro area, it is the highest in France (65% against 57.2% on average in the euro area).

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

	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
United States	162,6	155,8	154,8	154,0	152,6	151,3
Japan	170,6	170,5	169,3	170,3	171,5	173,0
Euro area	126,4	122,1	121,1	119,9	119,5	117,0
o/w Germany	108,8	108,4	107,8	107,0	107,3	106,8
France	153,6	147,2	146,5	146,1	146,6	145,8
Italy	116,4	111,8	109,9	109,0	108,1	106,5
Spain	134,0	125,5	122,1	120,1	117,2	113,5
United Kingdom	152,8	142,4	142,2	139,8	138,5	136,8





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

	Households debt					
	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
United States	108,8	104,7	103,3	103,0	102,4	101,6
	126,3	126,4	130,1	132,3	133,6	133,7
Japan	67,5	67,8	67,7	67,8	67,9	68,2
	108,2	115,7	113,5	114,6	115,1	114,9
Euro area	61,9	59,8	59,1	58,6	58,1	57,2
	96,8	97,0	96,6	96,6	95,7	94,2
o/w Germany	57,0	56,7	56,1	55,8	55,7	55,1
	89,0	91,1	90,9	90,5	89,8	88,3
France	67,2	65,5	65,4	65,3	65,3	65,0
	100,2	101,5	102,0	102,1	101,9	101,1
Italy	44,9	43,3	42,8	42,5	42,3	41,7
	64,3	64,5	64,0	63,8	63,2	62,5
Spain	62,6	58,4	56,8	56,4	54,4	53,0
	91,5	89,2	88,4	88,7	87,4	86,0
United Kingdom	90,8	86,7	85,1	84,2	83,3	82,6
	131,4	130,1	130,4	130,0	129,5	127,8

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

	Non-financial corporations debt (in % of GDP)					
	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
United States	53,7	51,1	51,4	51,0	50,2	49,8
Japan	103,1	102,6	101,6	102,5	103,6	104,8
Euro area	64,5	62,3	62,0	61,3	61,4	59,7
o/w Germany	51,8	51,7	51,7	51,2	51,5	51,7
France	86,4	81,8	81,1	80,9	81,3	80,8
Italy	71,5	68,5	67,1	66,5	65,9	64,7
Spain	71,4	67,2	65,3	63,7	62,9	60,6
United Kingdom	62,0	55,7	57,1	55,6	55,2	54,1

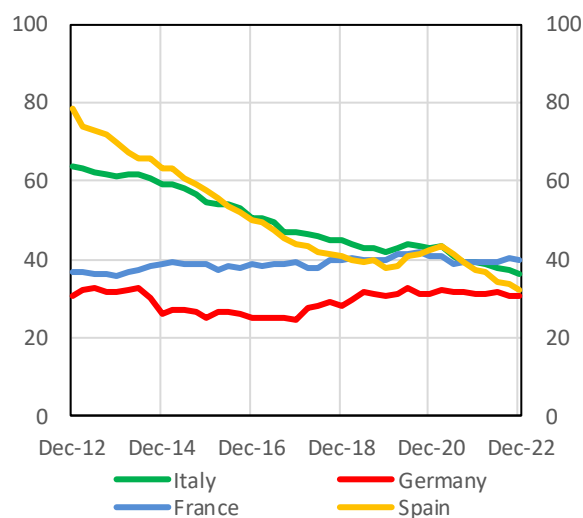
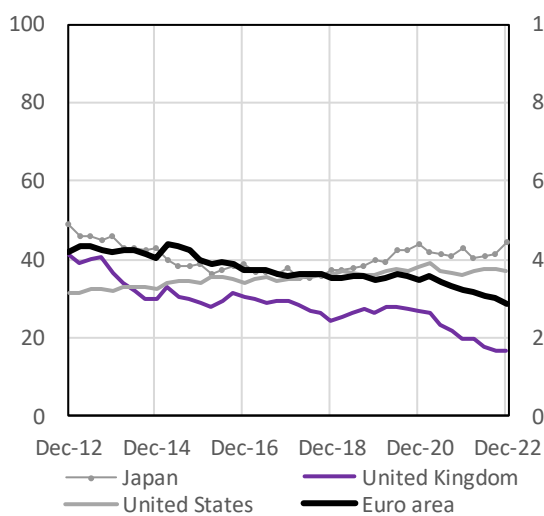
Source: Quarterly national financial accounts and Eurostat, Computation: Banque de France



Net cash debt ratio of non-financial corporations (in % of GDP)

Net cash debt ratio of non-financial corporations (in % of GDP)

	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
United States	38,2	35,9	37,0	37,5	37,6	37,2
Japan	43,3	42,7	40,4	40,8	41,7	44,6
Euro area	33,6	30,9	31,2	30,9	30,7	28,9
o/w Germany	30,3	31,1	31,4	32,2	31,0	30,8
France	41,1	39,4	39,3	39,1	40,3	40,0
Italy	41,9	37,4	37,0	35,6	35,2	33,6
Spain	42,6	39,0	39,1	38,4	38,3	37,3
United Kingdom	23,4	17,7	19,5	18,6	18,8	18,9





General government sector debt ratio (in % of GDP)

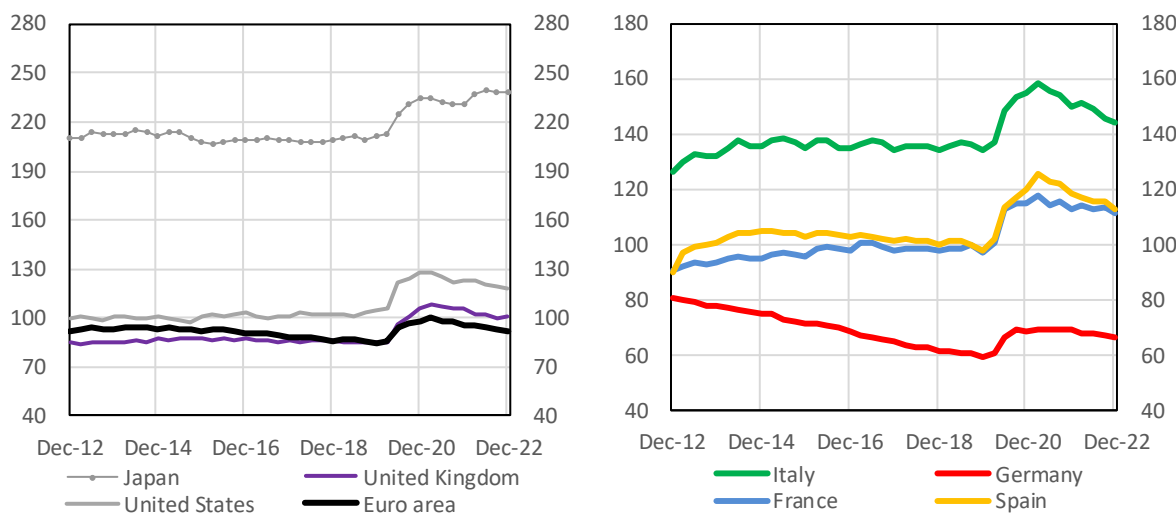
In the euro zone, the general government debt ratio decreases by 3.9 points in 2022 and reaches 96.1% of GDP at the end of the year. The public debt ratio falls significantly in Italy and Spain (respectively - 5.5 points and - 5.1 points). The decrease is less marked in Germany (-3 points) and the reduction is smallest in France (-1.3 point). Similarly to the private sector, this decline is due to the strong growth of nominal GDP in the denominator of the ratio, with debt in the numerator increases of +126 billion euros for France in 2022, +68 for Germany, +77 for Italy and +75 for Spain.

Outside the euro area, the public debt ratio decreases more in the United Kingdom (- 4.9 points) than in the United States (- 4.3 points in 2022). It increases in Japan (+ 6.6 points).

Government sector debt (in % of GDP)

	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
United States	127,7	122,9	122,8	120,3	119,3	118,6
Japan	234,2	231,3	236,8	239,1	238,1	237,9
Euro area	97,3	95,5	95,3	94,3	93,0	91,6
o/w Germany	68,7	69,3	67,9	67,7	67,0	66,3
France	115,0	112,9	114,7	113,2	113,4	111,6
Italy	154,9	149,9	151,4	149,3	145,9	144,4
Spain	120,4	118,3	117,4	116,1	115,6	113,2
United Kingdom	105,6	105,9	102,1	101,9	99,9	101,0

* "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 change in the ratio of the Households debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	-0.8	1.0	-1.8
Japan	0.3	0.6	-0.3
Euro area	-0.8	0.2	-1.1
o/w Germany	-0.6	0.2	-0.9
France	-0.3	0.5	-0.8
Italy	-0.5	0.2	-0.7
Spain	-1.4	-0.3	-1.1
United Kingdom	-0.7	0.8	-1.5

Breakdown of the change in the ratio of the Non-financial corporations debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	-0.4	0.4	-0.9
Japan	1.2	1.6	-0.4
Euro area	-1.6	-0.5	-1.1
o/w Germany	0.2	1.1	-0.8
France	-0.5	0.6	-1.0
Italy	-1.1	0.0	-1.1
Spain	-2.3	-1.1	-1.2
United Kingdom	-1.1	-0.1	-1.0

Breakdown of the change in the ratio of the General government sector debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	-0.7	1.4	-2.1
Japan	-0.2	0.8	-1.0
Euro area	-1.4	0.3	-1.7
o/w Germany	-0.7	0.3	-1.0
France	-1.9	-0.3	-1.5
Italy	-1.5	0.9	-2.4
Spain	-2.4	-0.1	-2.3
United Kingdom	1.1	2.9	-1.8

