

15th May 2024

Non-financial sector debt ratios - International comparisons • 2023 Q4

In 2023, the private debt ratio decreases under the effect of nominal GDP growth while nominal debt rises slightly. Debt levels in France, both for households and for non-financial corporations, remain the largest ones among the main euro area economies

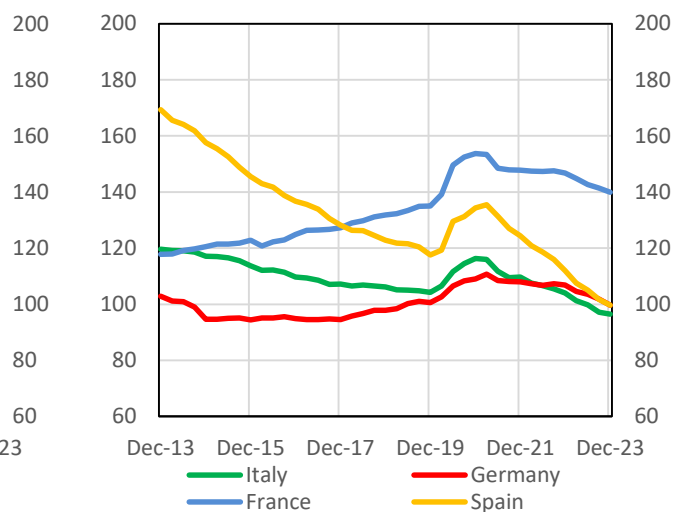
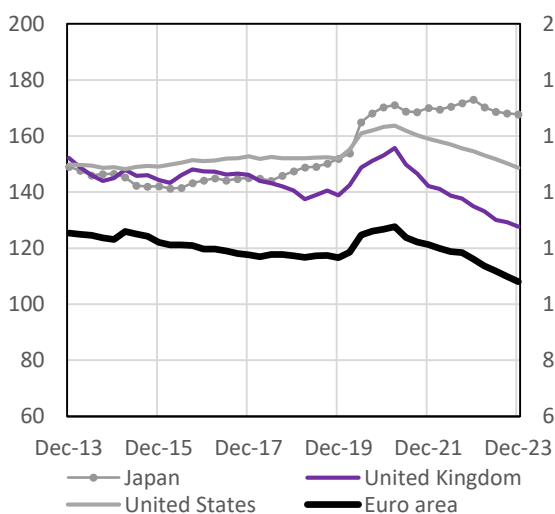
Non-financial private sector debt ratio (in % of GDP)

- In 2023, the non-financial private sector (NFPS) debt ratio decreases in the four areas compared to the end of 2022, by around 5% in the USA and UK, close to 7% in the euro area, but only 3% in Japan
- In the euro area, the private debt ratio stands at 108.1% of GDP in 2023, 8.1 points lower than at the end of 2022. Nominal debt continues to rise but is offset by the increase of nominal GDP. The decline is very marked in Spain (-12.3 pp), and more moderate in Italy, Germany and France (respectively by -7.6 pp, -7.1 pp and -6.9 pp in 2023)
- Household debt falls in 2023, on average and in each of the four major euro area countries, whether in relation to GDP or gross disposable income (GDI). In France, it remains significantly higher than in its neighbors: the debt/GDP ratio is 10 pp higher than in Germany, and respectively by 15 pp and 25 pp higher than in Spain and Italy. The difference in the debt/GDI ratio is even higher: 97%, compared with 84%, 59% and 74% for Germany, Italy and Spain.
- The gross debt ratio of French Non-Financial Corporations stands at 77.5 % of GDP, well above that of other major countries and of the euro area average (54.5%). Regarding the net debt of NFCs, i.e. gross debt less the treasury in the asset side, the gap with the other major countries is narrowing: 39% in France compared with 26.4% on average in the euro area.



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

	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
United States	159,0	154,6	153,1	151,7	150,2	148,6
Japan	170,0	173,0	170,2	168,6	168,1	167,7
Euro area	121,3	116,2	113,7	111,8	109,9	108,1
o/w Germany	108,0	106,8	104,5	103,6	101,8	99,7
France	147,8	146,8	144,9	142,6	141,4	139,9
Italy	109,7	104,0	101,2	99,8	97,2	96,4
Spain	124,4	112,0	107,6	105,0	101,8	99,7
United Kingdom	142,2	135,0	133,1	130,1	129,3	127,7





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

	Households debt					
	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
United States	106,1	103,1	101,7	101,0	100,2	99,6
	129,3	136,4	134,3	132,8	131,6	130,6
Japan	67,7	68,1	67,5	66,9	66,2	65,8
	116,5	116,2	116,2	116,1	117,1	115,7
Euro area	59,5	57,0	55,9	55,1	54,3	53,6
	96,5	94,0	92,0	90,4	89,1	88,0
o/w Germany	56,5	55,0	54,1	53,4	52,8	52,1
	90,9	88,5	86,9	85,5	84,7	83,9
France	66,1	65,7	65,3	64,2	63,3	62,4
	102,2	102,0	100,8	98,8	97,2	97,0
Italy	42,5	40,6	39,6	38,9	38,3	37,8
	63,7	62,0	60,7	59,8	59,1	58,6
Spain	57,6	52,3	50,4	49,9	48,0	46,9
	88,1	84,6	81,6	79,9	76,4	74,2
United Kingdom	87,8	82,9	81,4	80,0	79,6	78,5
	132,9	129,5	126,8	123,9	122,5	120,4

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

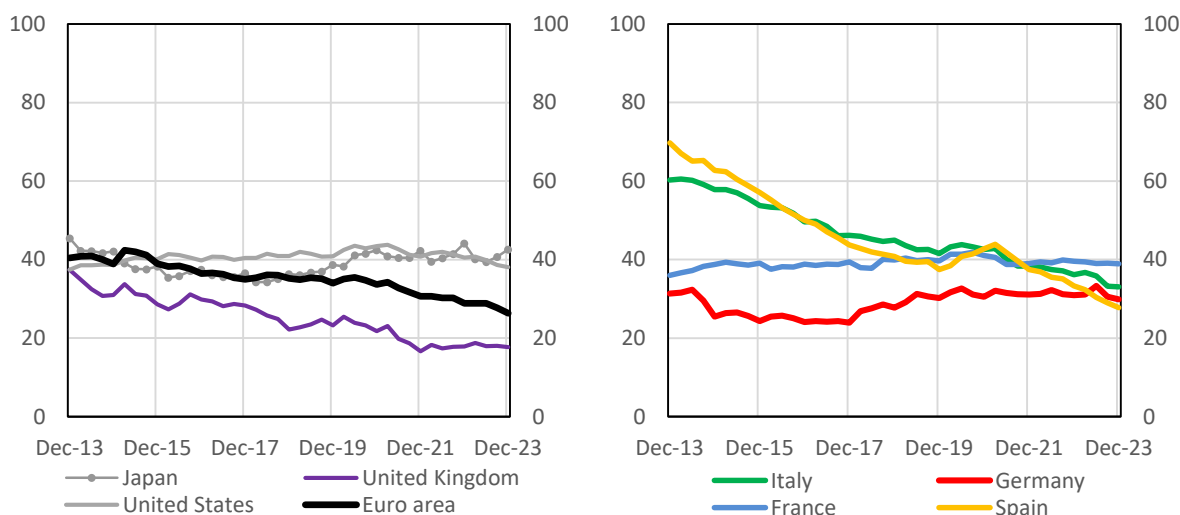
	Non-financial corporations debt (in % of GDP)					
	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
United States	52,9	51,5	51,3	50,7	50,0	49,1
Japan	102,3	104,9	102,7	101,7	101,9	101,9
Euro area	61,8	59,2	57,8	56,7	55,6	54,5
o/w Germany	51,6	51,9	50,5	50,1	49,0	47,5
France	81,7	81,0	79,6	78,4	78,0	77,5
Italy	67,3	63,4	61,6	60,9	58,9	58,6
Spain	66,8	59,8	57,2	55,2	53,8	52,8
United Kingdom	54,4	52,1	51,7	50,0	49,7	49,2

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



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

	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
United States	40,8	40,5	40,7	39,8	38,6	38,1
Japan	42,3	44,1	40,1	39,4	40,7	42,6
Euro area	30,7	28,9	28,9	28,8	27,7	26,4
o/w Germany	31,1	31,0	31,1	33,3	30,5	29,9
France	39,0	39,6	39,4	39,0	39,1	39,0
Italy	38,4	36,1	36,7	35,9	33,2	33,1
Spain	37,5	33,3	32,3	30,4	29,0	27,8
United Kingdom	16,6	17,8	18,8	17,9	18,0	17,7





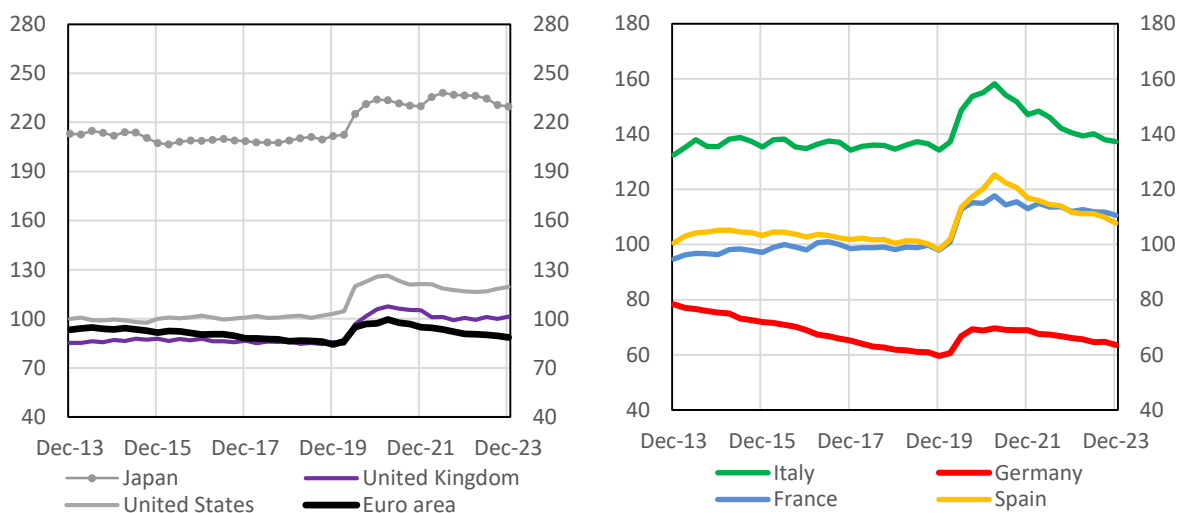
General government sector debt ratio (in % of GDP)

- In the euro zone, the general government debt ratio decreases by 2.2 points in 2023 and reaches 88.6% of GDP at the end of the year. The public debt ratio falls significantly in Italy and Spain (respectively -3.2 pp and -3.9 pp). The decrease is less marked in Germany (-2.5 pp), and the reduction is smallest in France (-1.3 pp). 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 +€148 billion euros for France in 2023, +61 for Germany, +71 for Spain and +105 for Italy.
- The public debt ratio falls in Japan over the year (-6.8 pp). By contrast, it rises in the United Kingdom (+0.8 pp) and even more sharply in the United States (+2.8 pp).

Government sector debt (in % of GDP)

	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
United States	121,2	116,8	116,4	116,7	118,3	119,6
Japan	229,9	236,5	236,3	234,6	230,7	229,7
Euro area	94,8	90,8	90,6	90,1	89,6	88,6
o/w Germany	69,0	66,1	65,6	64,6	64,7	63,6
France	113,0	111,9	112,6	111,8	111,7	110,6
Italy	147,1	140,5	139,3	140,1	137,9	137,3
Spain	116,8	111,6	111,2	111,2	109,8	107,7
United Kingdom	105,2	100,4	99,4	101,1	100,0	101,3

* "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 by deducting loans assets, which mainly covers 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	-0.7	0.7	-1.4
Japan	-0.4	0.4	-0.9
Euro area	-0.7	0.1	-0.8
o/w Germany	-0.7	0.1	-0.8
France	-0.9	0.0	-0.9
Italy	-0.5	0.0	-0.4
Spain	-1.1	-0.2	-0.8
United Kingdom	-1.1	-0.1	-1.0

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	-0.9	-0.2	-0.7
Japan	0.0	1.3	-1.3
Euro area	-1.1	-0.3	-0.8
o/w Germany	-1.5	-0.7	-0.7
France	-0.6	0.5	-1.1
Italy	-0.3	0.4	-0.6
Spain	-1.0	-0.1	-0.9
United Kingdom	-0.5	0.1	-0.6

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	1.3	3.0	-1.7
Japan	-1.0	2.0	-3.0
Euro area	-1.0	0.1	-1.1
o/w Germany	-1.1	-0.1	-1.0
France	-1.1	0.3	-1.4
Italy	-0.6	0.9	-1.5
Spain	-2.1	-0.2	-1.9
United Kingdom	1.2	2.5	-1.3

