

10th August 2023

Non-financial sector debt ratios - International comparisons • 2023 Q1

Private and public debt ratios continue to fall back in 2023 Q1 in the euro area

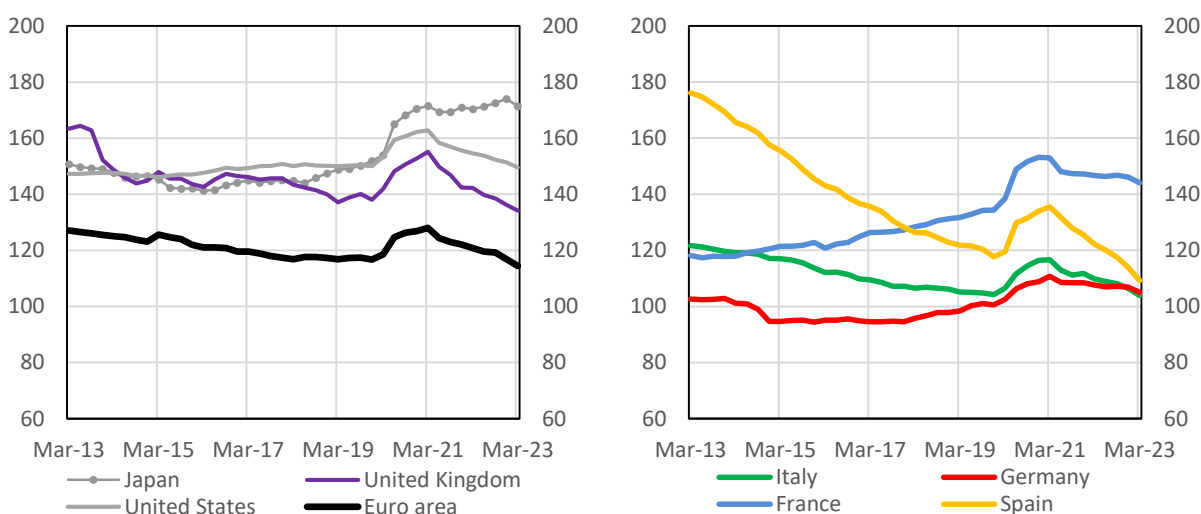
Non-financial private sector debt ratio (in % of GDP)

In the first quarter of 2023, the non-financial private sector debt (households and non-financial corporations) stands at 114.5% of GDP in the euro area, 2.4 points down compared to the previous quarter (after - 2.3 points in 2022 Q4). This decrease in the debt ratios of non-financial corporations and households is due to nominal GDP growth. NFC nominal debt falls slightly, while household debt is almost stable (cf. breakdowns p5). The private debt ratio declines more in Spain (- 4.5 points in 2023 Q1), than in Italy (- 2.5 points) and in Germany (- 1.8 point). The French ratio also falls by 1.9 percentage points and stands at 144.1% of GDP. It remains the largest one among the main euro area economies, both for households and for non-financial corporations (respectively 64.7% and 79.4% of GDP). Outside the euro area, the non-financial private sector debt ratio decreases more in Japan (- 2.5 points) than in the United Kingdom and in the United States (respectively by - 2.1 points and - 1.7 point).

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 remains the highest than the largest European countries, despite falling by 1 percentage point (39.0% in France compared to 37.9% in Spain, 32.8% in Italy and 31.3% in Germany).

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

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
United States	154,6	153,8	152,4	151,3	149,6
Japan	170,4	171,3	172,5	174,0	171,5
Euro area	120,8	119,6	119,2	116,9	114,5
o/w Germany	107,7	107,0	107,2	106,8	105,0
France	146,6	146,3	146,8	146,0	144,1
Italy	109,8	108,9	108,1	106,4	103,9
Spain	122,1	120,1	117,4	113,8	109,3
United Kingdom	142,2	139,8	138,5	136,2	134,1





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

	Households debt				
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
United States	103,9	103,5	102,9	102,4	100,8
	130,8	133,0	134,3	134,9	132,9
Japan	68,0	68,1	68,2	68,5	68,1
	114,0	115,2	115,6	115,4	115,9
Euro area	59,2	58,7	58,2	57,4	56,3
	96,7	96,4	95,6	94,1	92,3
o/w Germany	56,1	55,8	55,7	55,0	54,3
	90,9	90,6	89,6	88,2	86,7
France	65,5	65,4	65,4	65,1	64,7
	101,7	102,0	101,8	101,0	99,8
Italy	42,8	42,5	42,3	41,7	40,8
	64,1	63,9	63,4	62,5	61,1
Spain	56,8	56,4	54,4	53,0	51,1
	88,6	89,0	87,5	86,0	83,1
United Kingdom	85,1	84,2	83,3	82,6	81,4
	130,4	130,0	129,5	127,8	125,5

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

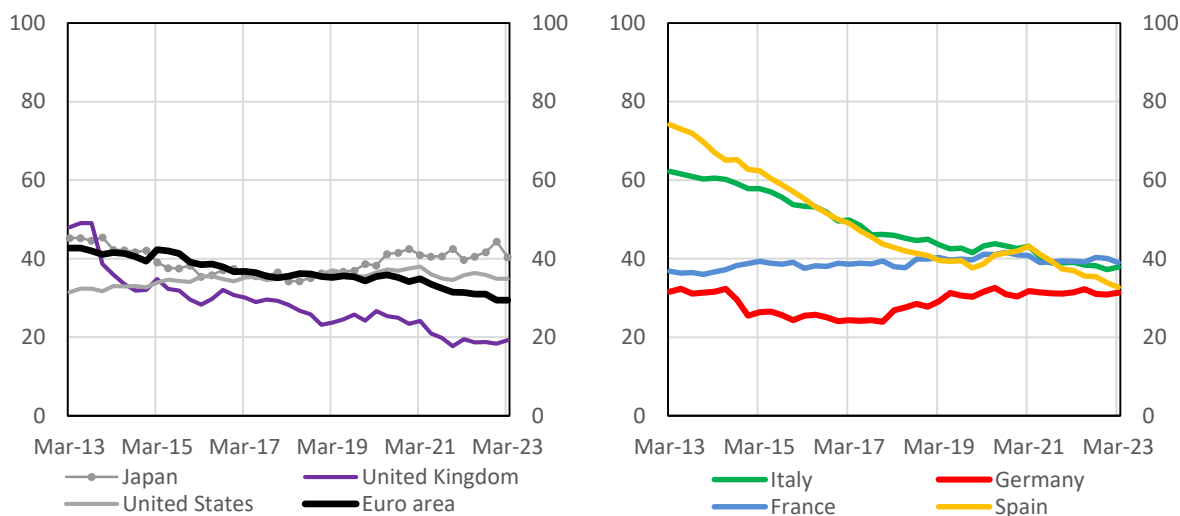
	Non-financial corporations debt (in % of GDP)				
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
United States	50,7	50,3	49,5	49,0	48,8
Japan	102,4	103,2	104,3	105,5	103,3
Euro area	61,6	60,9	61,0	59,5	58,2
o/w Germany	51,6	51,2	51,5	51,8	50,7
France	81,1	81,0	81,4	80,9	79,4
Italy	67,0	66,4	65,8	64,7	63,2
Spain	65,3	63,7	63,1	60,8	58,2
United Kingdom	57,1	55,6	55,2	53,6	52,7

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



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

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
United States	35,8	36,4	35,8	34,9	34,9
Japan	39,7	40,6	41,7	44,4	40,4
Euro area	31,4	31,0	31,0	29,4	29,4
o/w Germany	31,4	32,3	31,0	30,8	31,3
France	39,4	39,2	40,3	40,0	39,0
Italy	39,1	38,3	38,2	37,2	37,9
Spain	37,0	35,6	35,5	33,9	32,8
United Kingdom	19,5	18,6	18,8	18,4	19,2





General government sector debt ratio (in % of GDP)

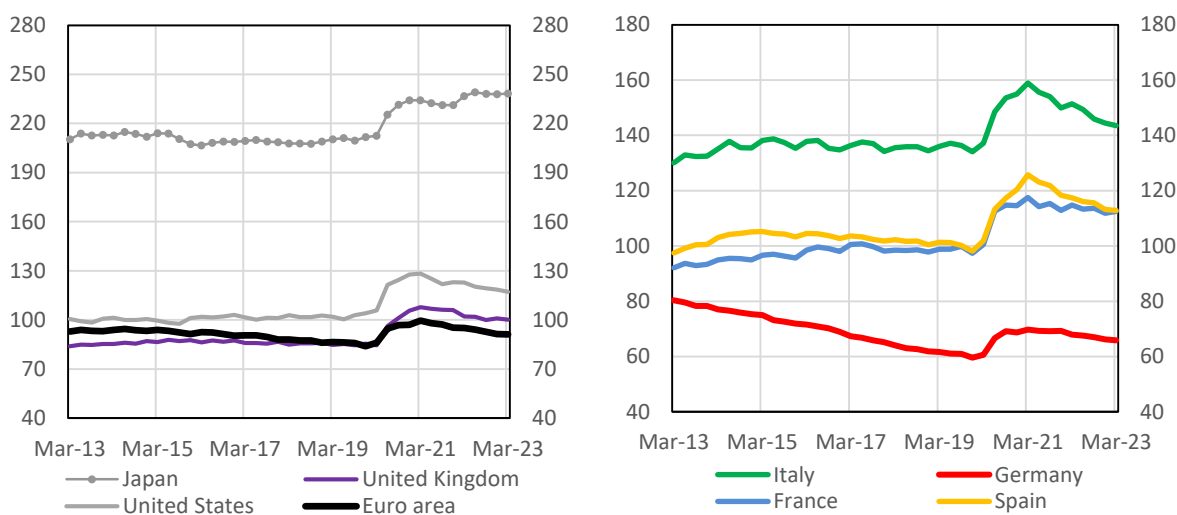
In the first quarter of 2023, in the euro area, the general government debt ratio stands at 91.2% of GDP. This ratio is down slightly compared to the previous quarter (- 0.2 point), with the stock of public debt evolving at a similar pace to GDP (cf. breakdowns p5). The public debt ratio declines more in Italy (- 0.9 point in 2023 Q1), than in Spain and in Germany (respectively - 0.4 point and - 0.3 point). In France, public debt as defined by Maastricht Treaty increases by 63.4 billion €, as debt issues are usually strong in the first quarter of the year. This quarter, France is the only major country in the euro zone where the public debt ratio rises.

Outside the euro area, the public debt ratio decreases more in the United States (- 1.6 point in 2023 Q1) than in the United Kingdom (- 0.8 point). It increases in Japan (+ 0.4 point).

Government sector debt (in % of GDP)

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
United States	122,8	120,3	119,3	118,6	117,0
Japan	236,8	239,1	238,0	237,8	238,2
Euro area	95,0	94,0	92,7	91,4	91,2
o/w Germany	67,9	67,6	67,0	66,2	65,9
France	114,8	113,3	113,6	111,8	112,5
Italy	151,4	149,3	145,9	144,4	143,5
Spain	117,4	116,1	115,6	113,2	112,8
United Kingdom	102,1	101,9	99,9	101,0	100,2

* "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	-1.6	0.2	-1.8
Japan	-0.4	0.3	-0.7
Euro area	-1.1	0.0	-1.1
o/w Germany	-0.7	0.1	-0.8
France	-0.4	0.6	-1.0
Italy	-0.9	-0.2	-0.7
Spain	-1.9	-0.6	-1.3
United Kingdom	-1.2	0.1	-1.3

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	-0.2	0.7	-0.9
Japan	-2.2	-1.2	-1.0
Euro area	-1.3	-0.2	-1.1
o/w Germany	-1.1	-0.3	-0.7
France	-1.6	-0.3	-1.2
Italy	-1.5	-0.4	-1.2
Spain	-2.6	-1.1	-1.5
United Kingdom	-0.9	0.0	-0.9

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	-1.5	0.5	-2.1
Japan	0.4	2.7	-2.3
Euro area	-0.2	1.5	-1.7
o/w Germany	-0.3	0.7	-1.0
France	0.7	2.4	-1.7
Italy	-0.9	1.7	-2.6
Spain	-0.4	2.5	-2.9
United Kingdom	-0.8	0.9	-1.6

