



## Global debt rises by 42% to \$237tn

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### **NIGERIA: -**

Global debt rose to a record \$ 237 tn in the fourth quarter of 2017, more than \$70tn higher from a decade earlier, according to an analysis by the Institute of International Finance.

The global debt climbed by 42 per cent in the fourth quarter from a decade earlier, the report showed .

Among mature markets, household debt as a percentage of Gross Domestic Product hit all - time highs in Belgium , Canada, France, Luxembourg, Norway, Sweden and Switzerland, Bloomberg reported .

That 's a worrying signal, with interest rates beginning to rise globally . Ireland and Italy are the only major countries where household debt as a percentage of the GDP is below 50 per cent .

Still, the ratio of global debt- to - gross domestic product fell for the fifth consecutive quarter as the world 's economic growth accelerated.

The ratio is now around 317 .8 per cent of the GDP , or four percentage points below the high in the third quarter of 2016, according to the IIF .

Among emerging markets, household debt to GDP is approaching parity in South Korea at 94. 6 per cent .

The report did not indicate any figures on debts by African nations .

However, under President Muhammadu Buhari , Nigeria has grown its debt portfolio by N 9. 61tn, according to statistics from the Debt Management Office.

The DMO said Nigeria 's debt stood at N 21.73tn as of December 31, 2017, while the figure as of June 30, 2015 was

N12. 12tn.

This means that within a period of 30 months – July 2015 to December 2017 – the country 's debt rose by N 9 .61tn, or 79.25 per cent .

The DMO said the composition of the debt stock as of the end of 2017 showed that external debt was 26.64 per cent of the portfolio , up from 20.04 per cent in 2016; while the domestic debt was 73.36 per cent , down from 79. 96 per cent in 2016.

Further analysis showed that the domestic debt for the Federal Government was N 12.59tn, while the domestic debt of the states and the Federal Capital Territory was N 3. 35tn.

The external debt of the Federal Government , states and the Federal Capital Territory was N5 .79tn . This puts the total public debt as of December 31, 2017 at N 21.73tn .

According to the DMO , the restructuring of the country 's debt mix has led to an increase in foreign debt in order to minimise the high interest rates of local debts .