



Moody's Investors Service

## Announcement: **Moody's publishes updated Sovereign Country Credit Statistical Handbook**

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Global Credit Research - 24 Nov 2009

New York, November 24, 2009 -- Moody's Investors Service has published today its semi-annual Sovereign Country Credit Statistical Handbook. The publication contains a wealth of historical data on all countries covered by the sovereign risk group, including peer comparisons and forecasts for macroeconomic, fiscal, external, liquidity and monetary indicators.

"As can be seen in our Statistical Handbook, the increase in global sovereign debt is remarkable," says Jaime Reusche, Associate Analyst in Moody's Sovereign Risk Group. "Preliminary estimates suggest that the total stock of sovereign debt will have risen by as much as 45% or \$15.3 trillion from 2007 to 2010, which is over 100 times the inflation-adjusted cost of the Marshall plan," Reusche adds. "Not surprisingly, the G7 countries account for 78% of the increase, as their fiscal accounts have been hit hardest by the crisis."

The deterioration is absolute as well as relative. The ratio of global debt to GDP is forecast to climb to 80% in 2010 from a ten-year low of 63% in 2008. As growth turns negative in 2009 for most countries, the relative debt load becomes harder to bear.

"Despite low interest rates, debt affordability as measured by government interest payments to revenue is deteriorating," says Reusche. "The median for advanced industrial countries is rising from 4.3% in 2007 to a forecast level of 6.1% in 2010."

Even with growth returning to positive territory, for the most part, in 2010, prospects for countries to grow their way out of debt will depend on the strength of the recovery and their ability to realign fiscal balances in the medium term. "Some emerging market sovereigns have proven resilient and managed to contain the effects of the crisis. These are the ordinal winners," concludes Reusche.

These trends and more can be found in the latest version of Moody's Sovereign Country Credit Statistical Handbook. Both the pdf and excel versions of the report are available to research subscribers at [www.moody.com/sovereign](http://www.moody.com/sovereign).

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