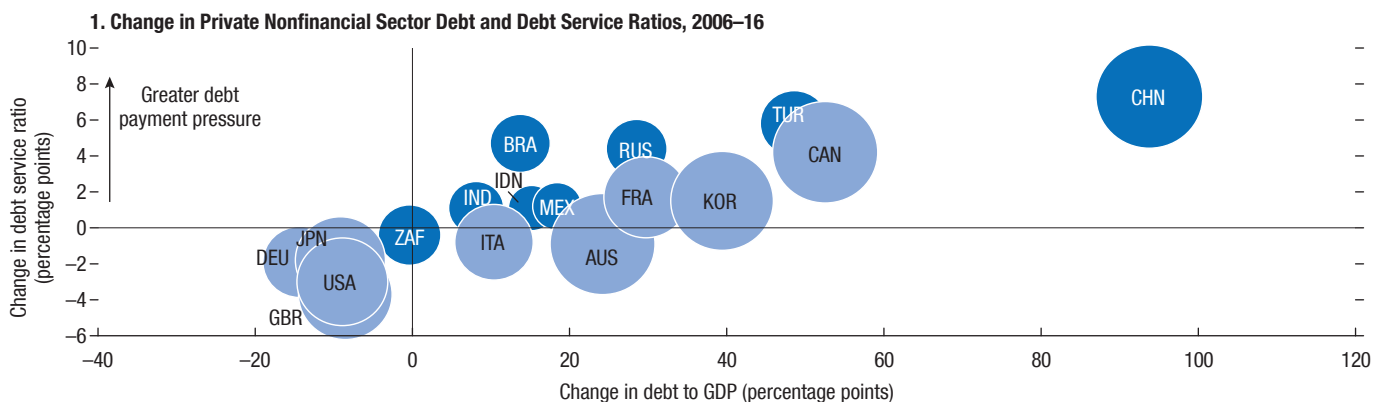
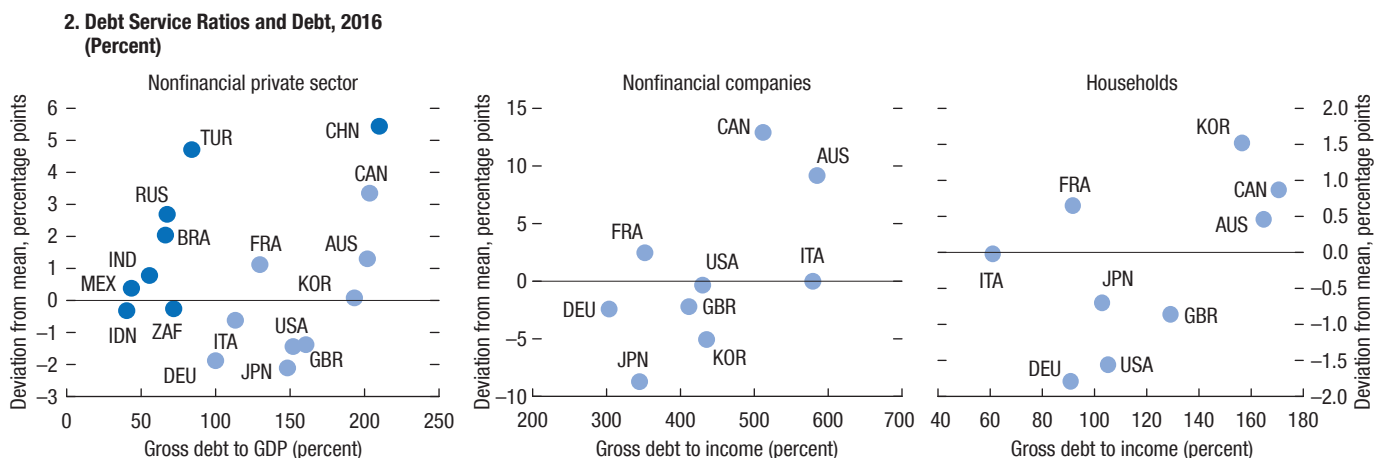


Figure 1.25. Group of Twenty Nonfinancial Private Sector Credit and Debt Service Ratios

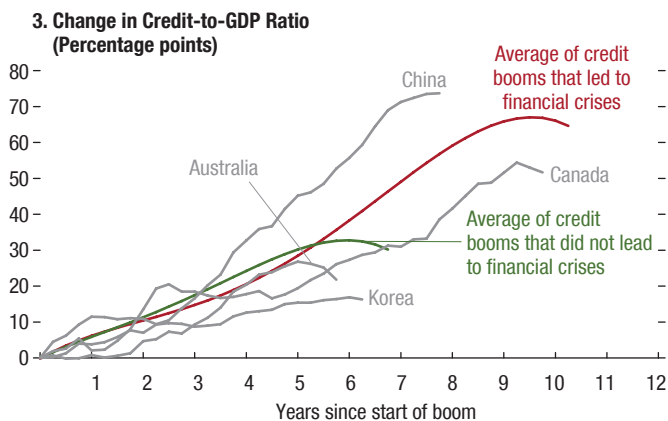
Debt service ratios have increased with higher leverage, despite low interest rates.



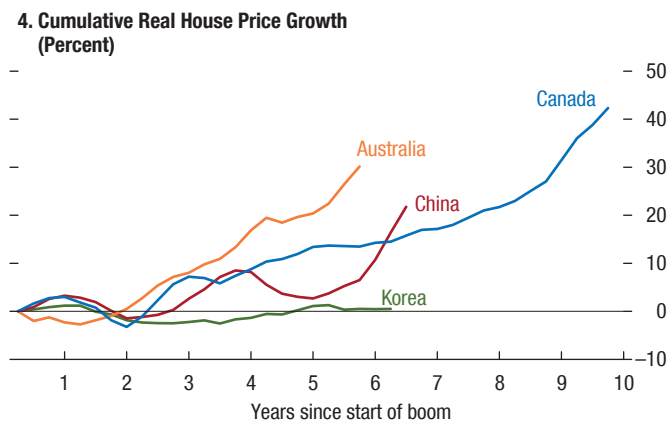
Debt service ratios in some countries are now at high levels ...



... in economies with credit booms ...



... and house price growth.



Sources: Bank for International Settlements; Bloomberg Finance L.P.; national statistical offices; Organisation for Economic Co-operation and Development; and IMF staff calculations.

Note: Debt service ratios are defined as annualized interest payments plus amortizations as a percentage of income, as calculated by the Bank for International Settlements. In panel 1, the size of the circles is proportional to debt to GDP in 2016. In panel 2, income is gross disposable income plus interest payments (plus dividends paid for firms). Panel 3 shows Group of Twenty economies with higher demeaned nonfinancial private sector debt service ratios and debt levels against past booms. Past booms are for a sample of 43 advanced and emerging market economies where the credit-to-GDP gap rose above 10 percent. The start and end dates of the booms are defined as periods when the credit gap was above 6 percent. Financial crisis dates were taken from Laeven and Valencia 2012. Data labels in the figure use International Organization for Standardization (ISO) country codes.