





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| <p> Academic English UK</p> <h2>Global Debt</h2> <p>Lecture Listening<br/>By S. Jackson</p> <p><a href="http://www.academic-englishuk.com/listening-tests">www.academic-englishuk.com/listening-tests</a></p>  |  |
| <h3>Outline</h3> <ul style="list-style-type: none"><li>• A definition of global borrowing.</li><li>• Global borrowing recent data.</li><li>• How countries borrow money to finance their economies.</li><li>• Blanchard's sustainable global debt theory.</li><li>• The present situation.</li><li>• A summary of my key findings</li></ul> <p></p>  |  |
| <h3>Definition<sup>1</sup></h3> <p><i>"Global debt refers to the sum of _____ debt of public and nonfinancial private _____ measured using annual nominal _____ statistical data across _____ countries." (fill in the gaps)</i></p> <ul style="list-style-type: none"><li>• Government borrowing (public debt, government debt, national debt or sovereign debt).</li><li>• Debt-to-GDP ratio: country's debt to its total economic output: GDP.</li></ul> <p><small>Source: World Bank (2020). Finding the Tipping Point [online].</small></p> <p></p> |  |
| <h3>Definition<sup>2</sup></h3> <p>The World Bank (2020), the critical point of public debt is when its debt-to-GDP ratio is _____ or more. (fill in the gap)</p> <p>Debt-to-GDP ratio:</p> <ul style="list-style-type: none"><li>• Japan: 266%</li><li>• The US: 128%</li><li>• UK: 94.9%</li></ul> <p><small>Source: World Bank (2020). Finding the Tipping Point [online].</small></p> <p></p>  |  |

## Recent data trends

- Governments stabilise their economies
- Public and private debt has risen worldwide.

The Economist (2020)

- 2020 US borrowed?
- 2021 UK borrowed?



Source: The Economist (2020). *Public Debt: how much is too much?* [online].

## Global borrowing

- Deficit.
- Government bonds.
- Investment banks.
- Private individuals.
- A country's central bank.
- Foreign governments.
- Established economies.
- **Low-income economies.**



Source: Statista (2022). *Debt as GDP UK 2022* [online].

## Increased borrowing

The Economist (2020)

- Between 2007 – 2017.
- Emerging markets.
- Advanced economies.
- Strict austerity measures (spending cuts and raising taxes).

Source: The Economist (2020). *Public Debt: how much is too much?* [online].




## Public debt sustainable

- International Monetary Fund (IMF).
- Olivier Blanchard.
- “Public debt is sustainable”.
- Italy.
- Critics: big problems.



Olivier Blanchard.

Source: Briançon (2020). *Ex-IMF economist Olivier Blanchard*.

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| <p style="text-align: center;"><b>Present day</b></p> <ul style="list-style-type: none"> <li>• Inflation and interest rates.</li> </ul> <p>Data from <a href="#">Trading Economics (2022)</a></p> <ul style="list-style-type: none"> <li>• USA (2021 / present).</li> <li>• UK (2021 / present).</li> <li>• Increase interest rates.</li> <li>• Higher cost of living (food, travel and energy prices).</li> <li>• Crude oil prices (2021 / present).</li> <li>• Stagflation.</li> </ul> <p>Source: Trading Economics (2022). <i>Inflation Rate - Countries</i>. [online] </p>   |  |
| <p style="text-align: center;"><b>Summary</b></p> <ul style="list-style-type: none"> <li>• Global debt definition.</li> <li>• Global world borrowing.</li> <li>• Global borrowing processes.</li> <li>• Olivier Blanchard (former IMF chief economist).</li> <li>• Inflation, the cost of living and crude oil.</li> <li>• Only time will tell.</li> </ul> <p style="text-align: right;"></p>  |  |
| <p style="text-align: center;"><b>References</b></p> <ul style="list-style-type: none"> <li>• Briançon, P., (2020). <i>Ex-IMF economist Olivier Blanchard: Fiscal cost of virus may reach 'levels unseen'</i> [online]. Available at: <a href="https://www.fn.london.com/articles/ex-imf-economist-olivier-blanchard-fiscal-cost-of-virus-may-reach-levels-unseen-20200518">https://www.fn.london.com/articles/ex-imf-economist-olivier-blanchard-fiscal-cost-of-virus-may-reach-levels-unseen-20200518</a> [Viewed 15.04.2022].</li> <li>• The Economist, (2020). <i>Public Debt: how much is too much?</i> [online]. Available at: <a href="https://www.youtube.com/watch?v=Aa53ywuUuTQ">https://www.youtube.com/watch?v=Aa53ywuUuTQ</a> [Viewed 18.04.2022].</li> <li>• IMF (2020). <i>Oil Prices and Inflation Dynamics: Evidence from Advanced and Developing Economies</i>. [online] Available at: <a href="https://www.imf.org/-/media/Files/Publications/WP/2017/wp17196.ashx">https://www.imf.org/-/media/Files/Publications/WP/2017/wp17196.ashx</a> [Viewed 01.03.22].</li> <li>• Statista (2022). <i>Debt as GDP UK 2022   Statista</i>. [online] Statista. Available at: <a href="https://www.statista.com/statistics/282841/debt-as-gdp-uk/">https://www.statista.com/statistics/282841/debt-as-gdp-uk/</a> [Viewed 17.04.22].</li> <li>• Trading Economics (2022). <i>Inflation Rate - Countries</i>. [online] Tradingeconomics.com. Available at: <a href="https://tradingeconomics.com/country-list/inflation-rate">https://tradingeconomics.com/country-list/inflation-rate</a> [Viewed 16.04.22].</li> <li>• World Bank (2020). <i>Finding the Tipping Point - When Sovereign Debt Turns Bad</i>. <i>SSRN Electronic Journal</i>. [online] Available at: <a href="https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-5391">https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-5391</a> [Viewed 18.04.22].</li> </ul> <p style="text-align: right;"></p> |  |