

3. The foreign debt of the developing countries

In Table 2 are given the World Bank's data and projections on the size and composition of the foreign debt of the LDCs in 1990, together with other information regarding their gross international reserves and the volume of these in terms of the number of months of imports they could "cover".

As is known, the foreign debt of the LDCs (excluding as before the capital surplus oil exporters) has been increasing very rapidly, especially since 1973. The debt outstanding and disbursed in fact increased by an average 21 per cent per annum at current prices (in dollars) in the period 1973-1977¹². Table 2 shows that at the end of 1977 the medium and long term outstanding debt totalled 258 billion dollars, to which must be added 50-60 billion dollars of short term obligations and about 8 billion dollars of outstanding IMF credits. As mentioned earlier there has been a shift in the composition of the medium and long term debt, with a considerable increase in obligations vis-à-vis private creditors, from 47 per cent of the total in 1970 to 60 per cent in 1977. Moreover, in 1977 94 per cent of these obligations were held by the middle income LDCs (see Table 2).

TABLE 2

The developing countries' medium and long term debt outstanding and disbursed at year end, 1970-1990 (billion current US dollars)

	1970	1977	1985	1990
To private creditors				
— low income LDCs	2	10	16	19
— middle income LDCs	30	145	422	752
Total	32	155	438	771
To official creditors, including multilateral				
— low income LDCs	15	39	108	183
— middle income LDCs	21	66	194	324
Total	37	104	302	507
Grand total	68	258	740	1278
At 1975 prices	(113)	(231)	(348)	(449)
Gross international reserves				
— low income LDCs	3	11	23	38
— middle income LDCs	19	92	243	404
Total	22	103	266	441
Reserves in months of import coverage (*)	30	40	33	31

Source and note: as in Table 1 (Table 22 of "World Development Report").

(*) This measure expressed gross international reserves in terms of the number of months of imports they could pay for, with imports at the average level for the year in question.