

External Debt of Developing Countries

Most of the indebted developing countries have witnessed no improvement in their economic conditions since the debt crisis erupted in 1982.<sup>11</sup> In fact, the World Bank reports that the long-term debt of developing countries has almost doubled over the period 1982-1988, increasing to US \$1,020 million from US \$562.58 million. Debt service payments on a cash basis were one-third higher, at US \$131 billion in 1988 than in 1982.

Despite the continued rapid growth in developing country debt, we have also witnessed since 1984 a net resource transfer on long-term debt from developing countries to their creditors. In 1988 alone it is estimated that these debtor countries transferred net resources totalling US \$43 billion to their creditors.

While economic growth in the industrialized countries over the last few years has generally exceeded predictions, growth on a per-capita basis has not resumed in many developing countries. Despite adjustment measures undertaken among the highly-indebted countries (HICs), which<sup>12</sup>

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10. Refers to the ninety-country group plus Poland and Hungary, used for analytical purposes by the World Bank.

11. World Debt Tables, 1988-89 Edition. The World Bank, Washington, D.C. December 1988.

12. Includes Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cote d'Ivoire, Ecuador, Jamaica, Mexico, Morocco, Nigeria, Peru, Philippines, Uruguay, Venezuela and Yugoslavia.