

7 July 2020

Article

National debt levels – A cautionary tale

The IMF's latest forecasts suggest a deeper contraction for 2020 with growth falling by 4.9% in 2020, followed by a muted recovery in 2021



National debt levels – A cautionary tale

Emerging markets in 2020 are expected to see a contraction of 3%. That's the first substantial contraction in this century for this group of economies. But, if we look within the emerging markets world, there are actually stark contrasts. For example, we still see that Asia is doing much better. It is only seen contracting by the IMF by -0.8%. And a lot of that is thanks to stimulus by China, which is still seen growing by 1% this year. Latin America, on the other hand, is seeing a big contraction, especially in Argentina, Brazil and Mexico, with the latter two seeing contractions of around 10%.

[Watch video](#)

Trieu Pham

Emerging Markets Sovereign Debt Strategist

+ 44 20 7767 6746

trieu.pham@ing.com

Disclaimer

"THINK Outside" is a collection of specially commissioned content from third-party sources, such as economic think-tanks and academic institutions, that ING deems reliable and from non-research departments within ING. ING Bank N.V. ("**ING**") uses these sources to expand the range of opinions you can find on the THINK website. Some of these sources are not the property of or managed by ING, and therefore ING cannot always guarantee the correctness, completeness, actuality and quality of such sources, nor the availability at any given time of the data and information provided, and ING cannot accept any liability in this respect, insofar as this is permissible pursuant to the applicable laws and regulations. This publication does not necessarily reflect the ING house view. This publication has been prepared solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice. The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam).