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EUROPE NEWS | SEPTEMBER 2, 2010

By BOB DAVIS

Editors' Deep Dive: Sovereign Debt Watch

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Points of Interest

While worries have mounted over the heavy indebtedness of many rich nations since the global financial crisis, the IMF sees little chance of a default. Unlike countries that have defaulted in the past, these advanced economies pay relatively low interest rates on their debt.

Past Defaults

Average interest rates paid two years before default

Country (year of default) Interest rate, adjusted for inflation

Argentina (2002)	10.0%
Indonesia (1999)	66
Russia (1998)	7.5

Today's Advanced Economies

Projected interest rates, 2010-11

Country Interest rate, adjusted for inflation

Greece	4.0%
Japan	2.4
Spain	3.2
U.K.	2.2
U.S.	1.9

Source: International Monetary Fund

bob.davis@wsj.com

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