



## Emerging economies struggle to service debts as growth stalls and rates rise

The World Bank has issued a stark warning that developing countries face mounting challenges paying back loans as borrowing costs surge and economic expansion slows across the globe.

In its starkest caution yet on emerging market debt sustainability, the multilateral lender stressed the urgent need to accelerate growth to service debts in a higher interest rate environment.

**“When it comes to borrowing, the story has changed dramatically. You need to grow much faster,”** said Ayhan Kose, deputy chief economist at the World Bank. **“If I had a mortgage with a 10% interest rate, I would be worried,”** he added.

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