

# Sovereign Defaults by Creditor Groups in Africa

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## Abstract

A sovereign government typically has several creditors and can choose when to pay off its debt and which creditor to pay in priority. This paper explores the determinants of sovereign default in 52 African countries over the period ranging from 1970–2018. We have built a new data set of sovereign defaults and found that default events vary according to the creditor group, and more specifically that government defaults under different economic and financial conditions. This default depends on whether the loans are coming from banks, bondholders, International Financial Institutions (IFIs), or other sovereign governments. We also provide evidence that bilateral creditors tend to be junior to multilateral creditors and bondholders.

**Keywords:** Sovereign default, Africa, Creditor group, Creditor seniority

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