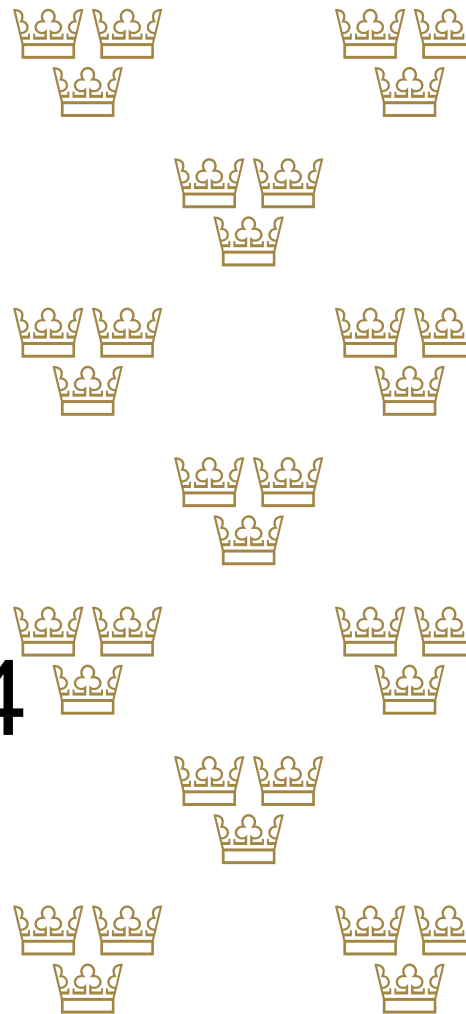


Government surplus this year turns to deficit in 2024

Virtual press conference

26 October 2023





Today's presenters from the Debt Office



Karolina Ekholm
Director general



Erika Färnstrand Damsgaard
*Head of department
Economic Analysis*



Klas Granlund
*Head of department
Debt management*



Debt Office forecast and plan in brief

- From budget surplus this year to deficits in the coming two years
- Total borrowing need up in 2025
- Issuance in government bonds to increase as planned
- Central government debt grows in kronor, but not as % of GDP
- The forecast does not contain a capital contribution to the Riksbank

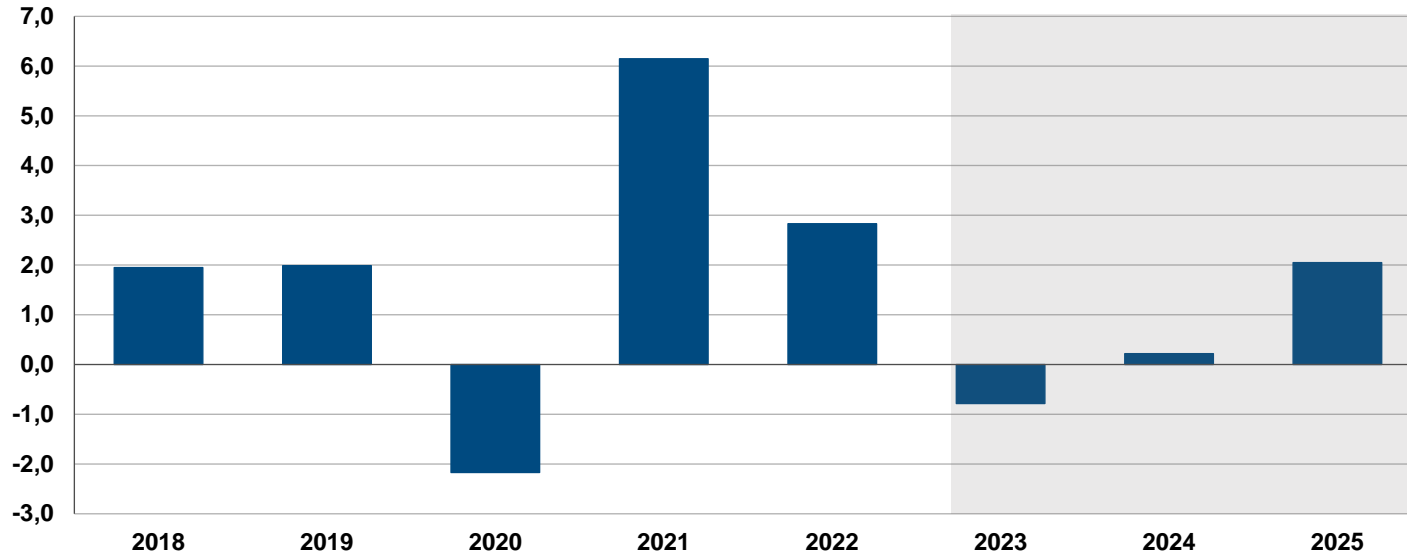




Weak economic growth next year

Swedish GDP growth

Year-on-year percentage change, constant prices



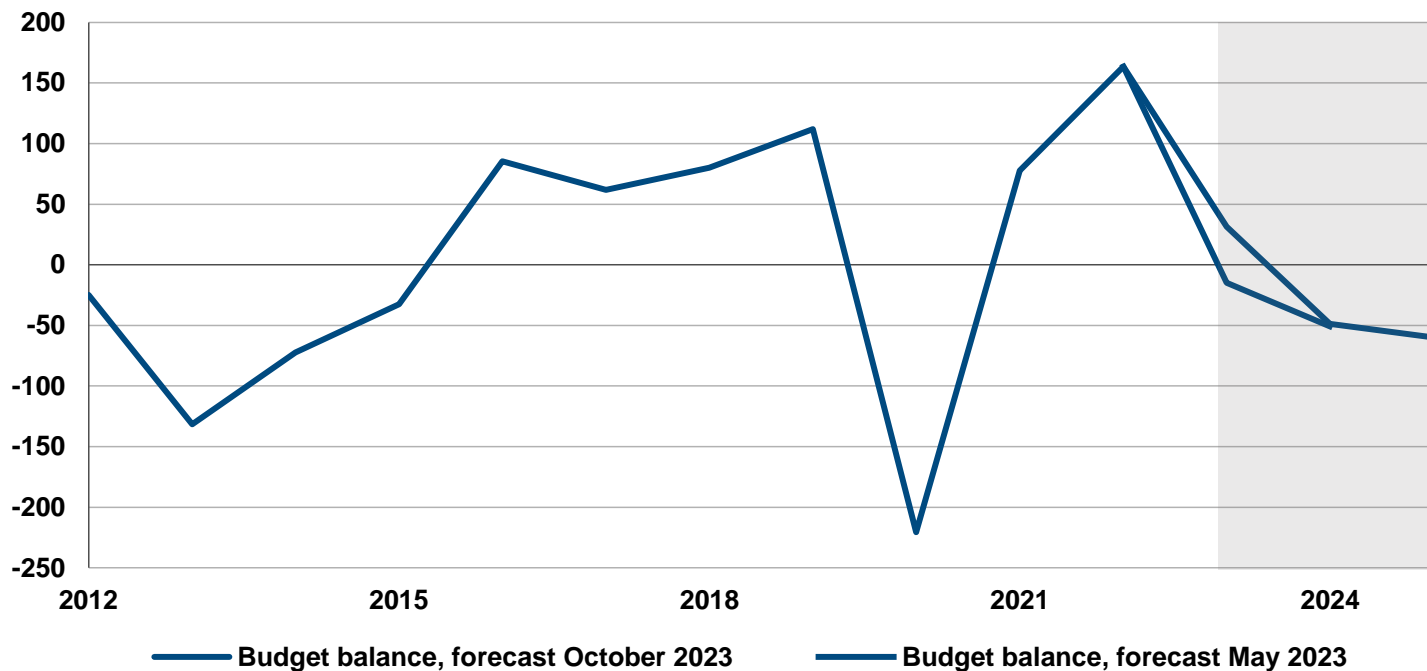
Sources: Statistics Sweden and the Debt Office



Deficits for coming two years

Budget balance

SEK billion

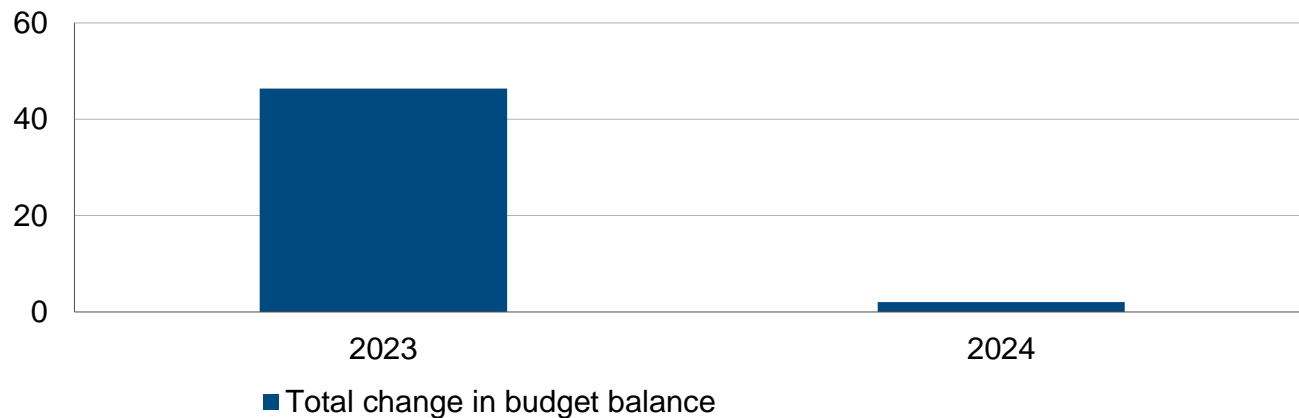




Higher 2023 budget balance forecast

Forecast changes, budget balance

SEK billion





Many factors of uncertainty

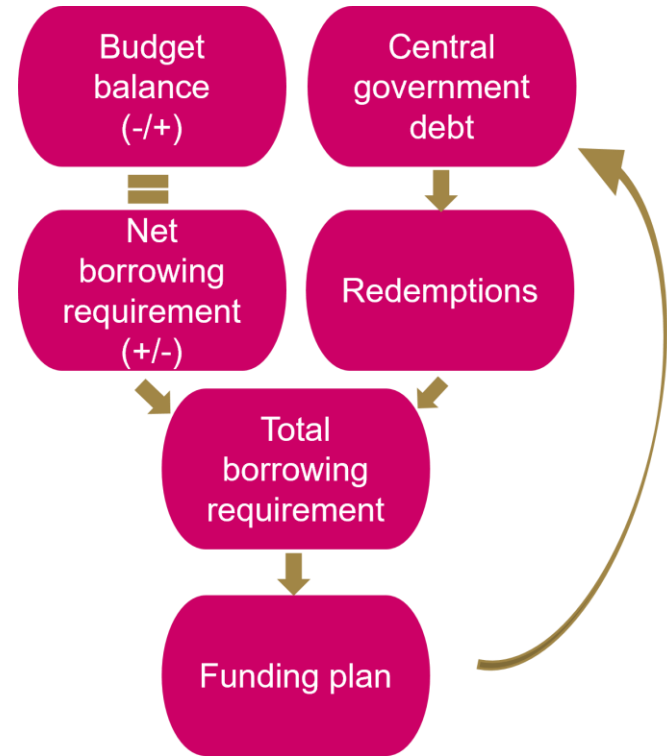
- Geopolitical tensions
- Expenditures
- Capital contribution to Riksbank
- Placements in tax accounts





Financing budget and redemptions

- Net borrowing requirement =
-Budget balance
- Net borrowing requirement +
Redemptions = Total borrowing
requirement
- Funding plan shows how the
Debt Office will borrow
- Outstanding debt changing
based on new funding plan

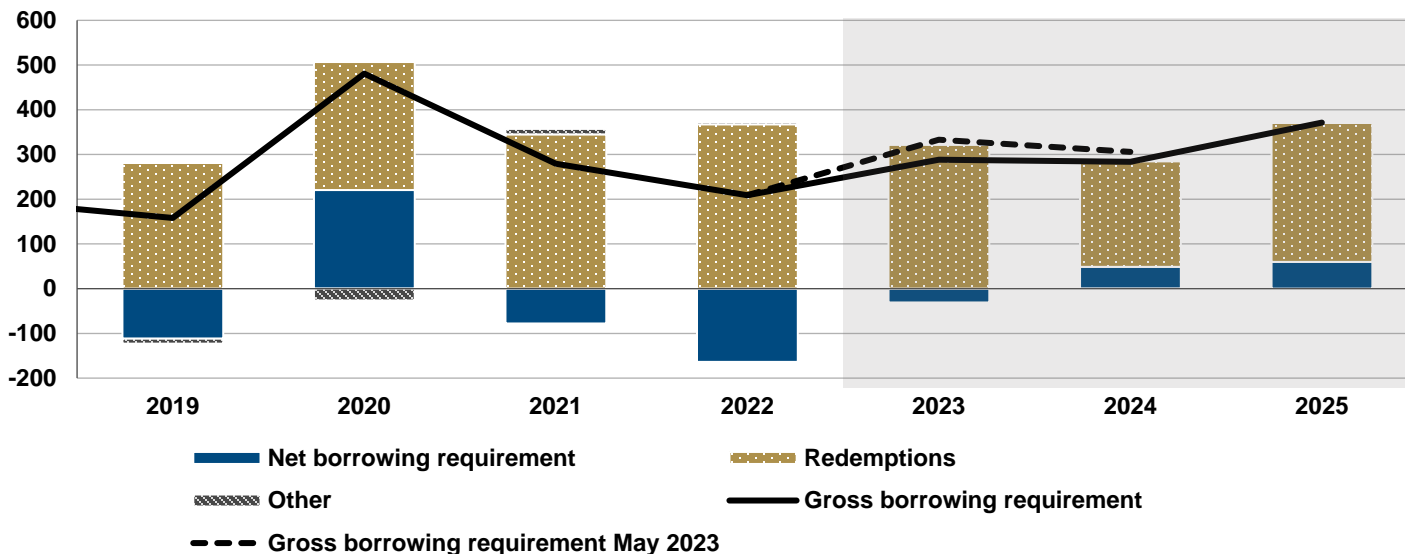




Borrowing need set to increase ahead

Total borrowing requirement

SEK billion



Note: Net borrowing requirement is the budget balance with the opposite sign. The post "Other" includes an adjustment due to the net borrowing requirement being reported by settlement date whereas borrowing is reported by trade date.



T-bills and FX bonds adjusted in plan

Central government funding plan

SEK billion

	2023		2024		2025
	Oct.	(May)	Oct.	(May)	Oct.
Money market funding	235	(259)	193	(237)	281
T-bills	128	(135)	128	(148)	158
Liquidity management	108	(124)	66	(90)	124
Bond funding	53	(74)	90	(69)	90
Nominal government bonds	45	(45)	60	(60)	60
Inflation-linked bonds	9	(9)	9	(9)	9
Foreign currency bonds	0	(21)	22	(0)	22
Total borrowing	288	(333)	284	(306)	372

Increased bond issuance at start of 2024 as planned

New ten-year bond coming in January

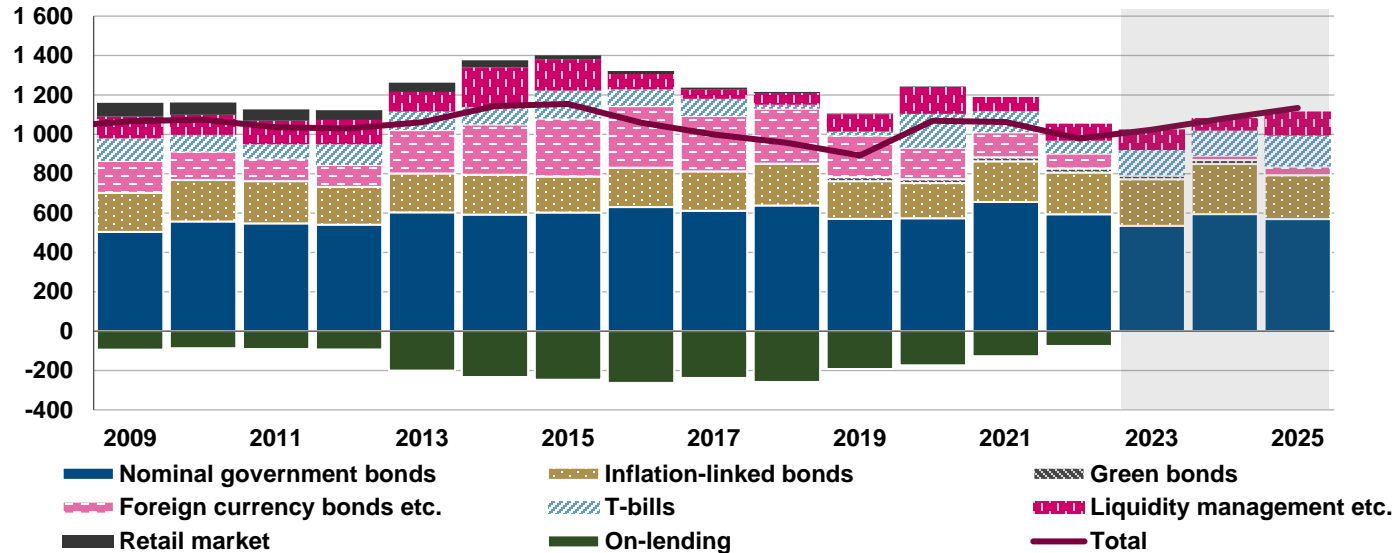
Note: Borrowing in the money market equals the outstanding stock as of year-end. Previous forecast in parentheses.



Nominal government bonds form basis

Central government debt by debt instrument

SEK billion

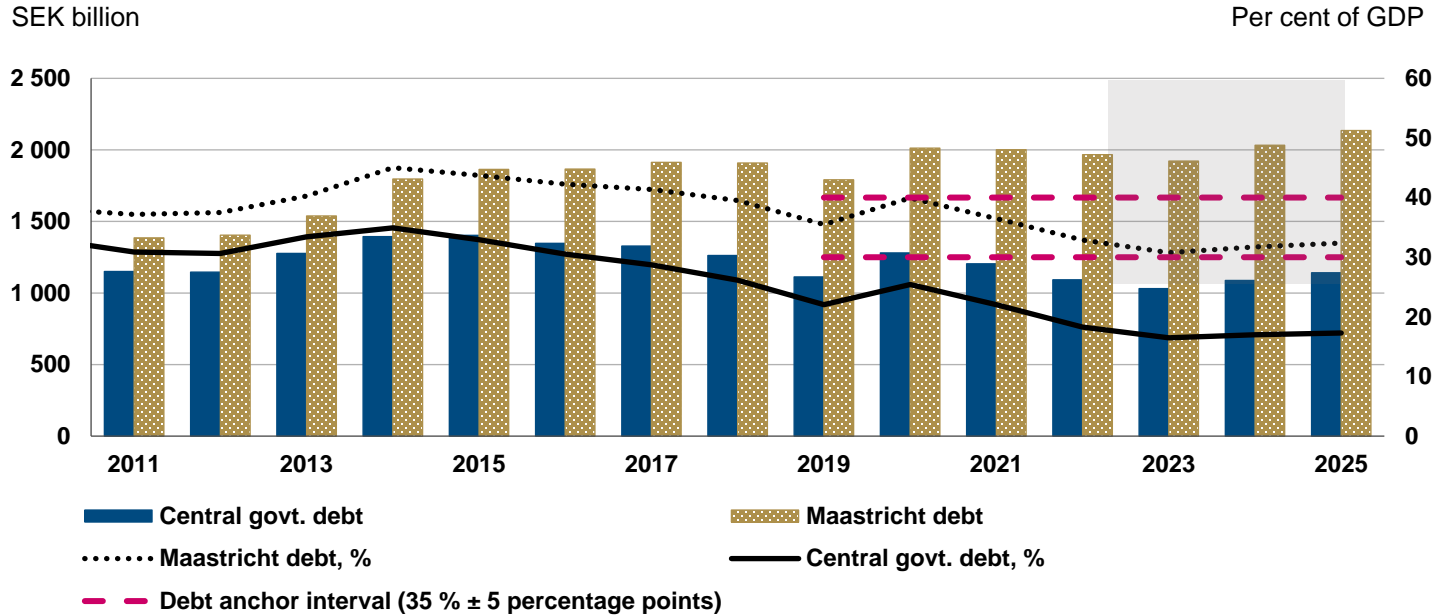


Note: Central government debt including on-lending and assets under management. Outstanding stock at year-end.



Government debt rises but remains low

Central government and public debt



Note: The shares are based on the Debt Office's GDP forecast. Outcome data is from Statistics Sweden.

Sources: Debt Office and Statistics Sweden



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