

# Central government finances grow stronger

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*Central Government Borrowing –  
Forecast and Analysis 2021:1*

*Press conference 24 February 2021*

# Debt Office forecast for 2021–2022 in brief

## Economy

- Recovery of the Swedish economy continues

## Budget balance

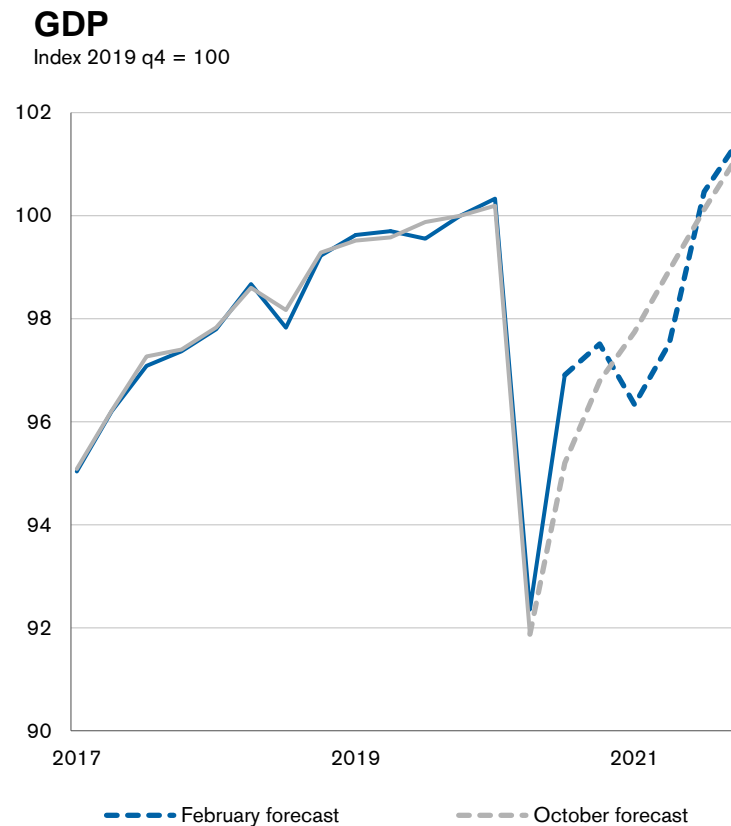
- Government finances boosted by Riksbank's repayment of loans

## Borrowing

- Lower krona borrowing to provide room for foreign currency bonds

# Swedish economy continues on recovery path

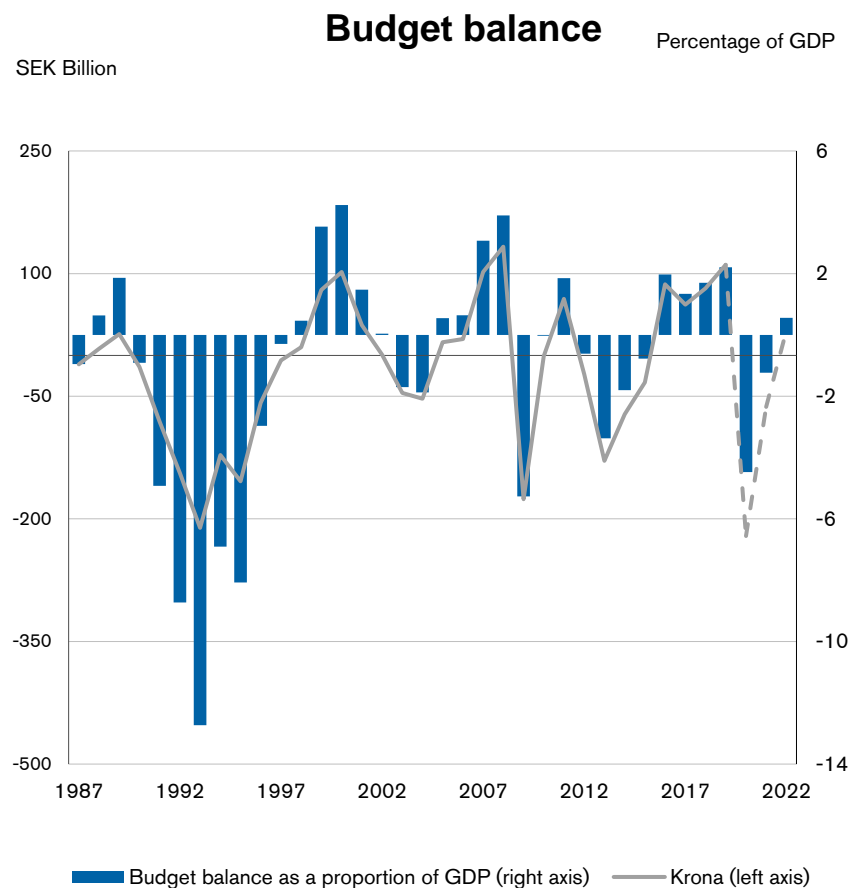
- Uneven recovery in the surrounding world
- The pandemic continues to divide the Swedish economy
- The labour market recovers slowly



Sources: Statistics Sweden and the Debt Office

# Central government finances gradually strengthen

- The economy recovers
- The Riksbank repays its loans
- Increasing capital placements in tax accounts
- Counteracted by expenditure for fiscal policy measures



Sources: Macrobond, Statistics Sweden, Ekonomistyrningsverket and the Debt Office

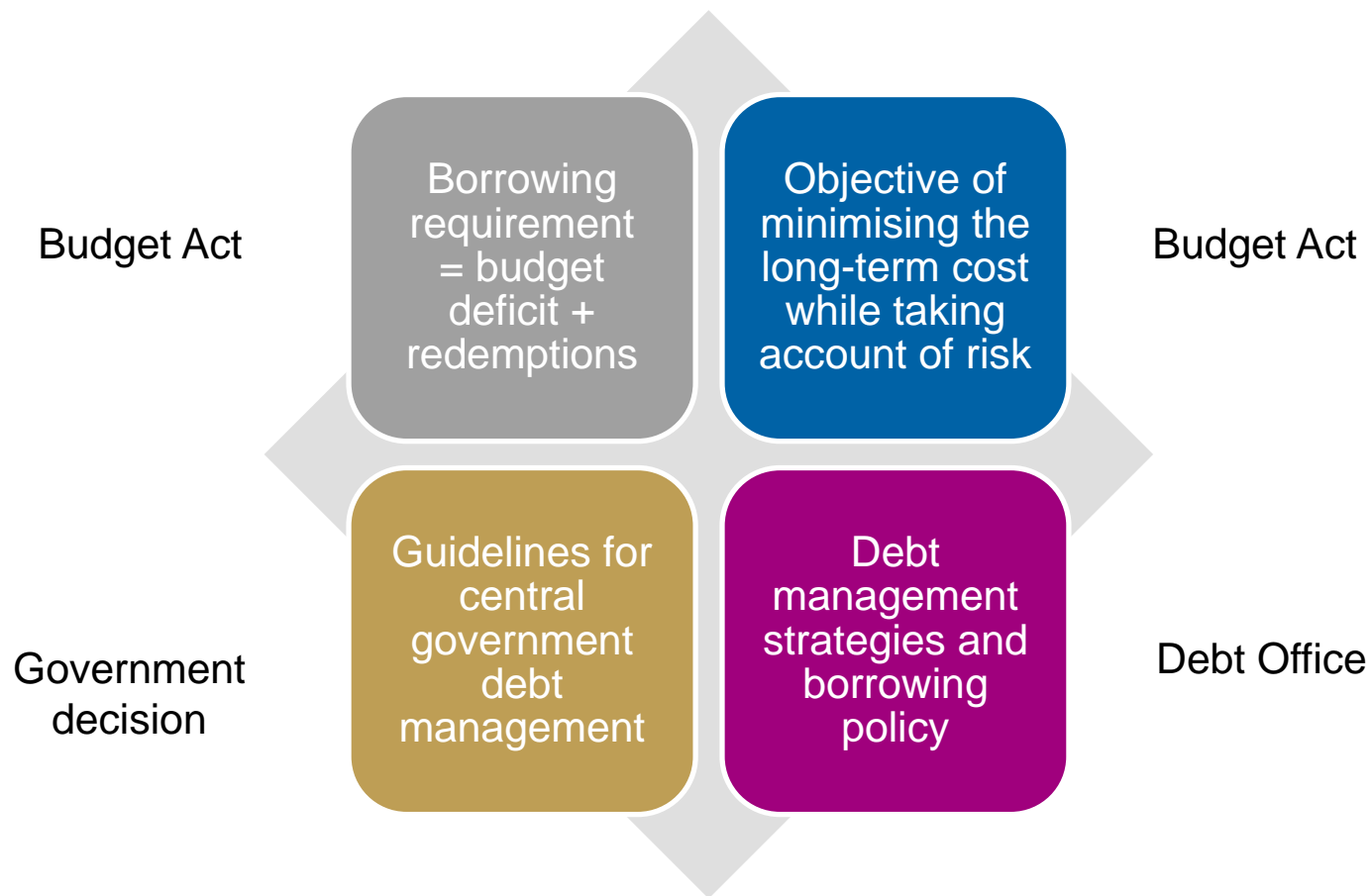
# Recovery – but significant uncertainty prevails

## Risks

- The pandemic remains the largest source of uncertainty
- The transition from crisis to recovery
- Capital placements in tax accounts



# Borrowing plan is based on a stable framework

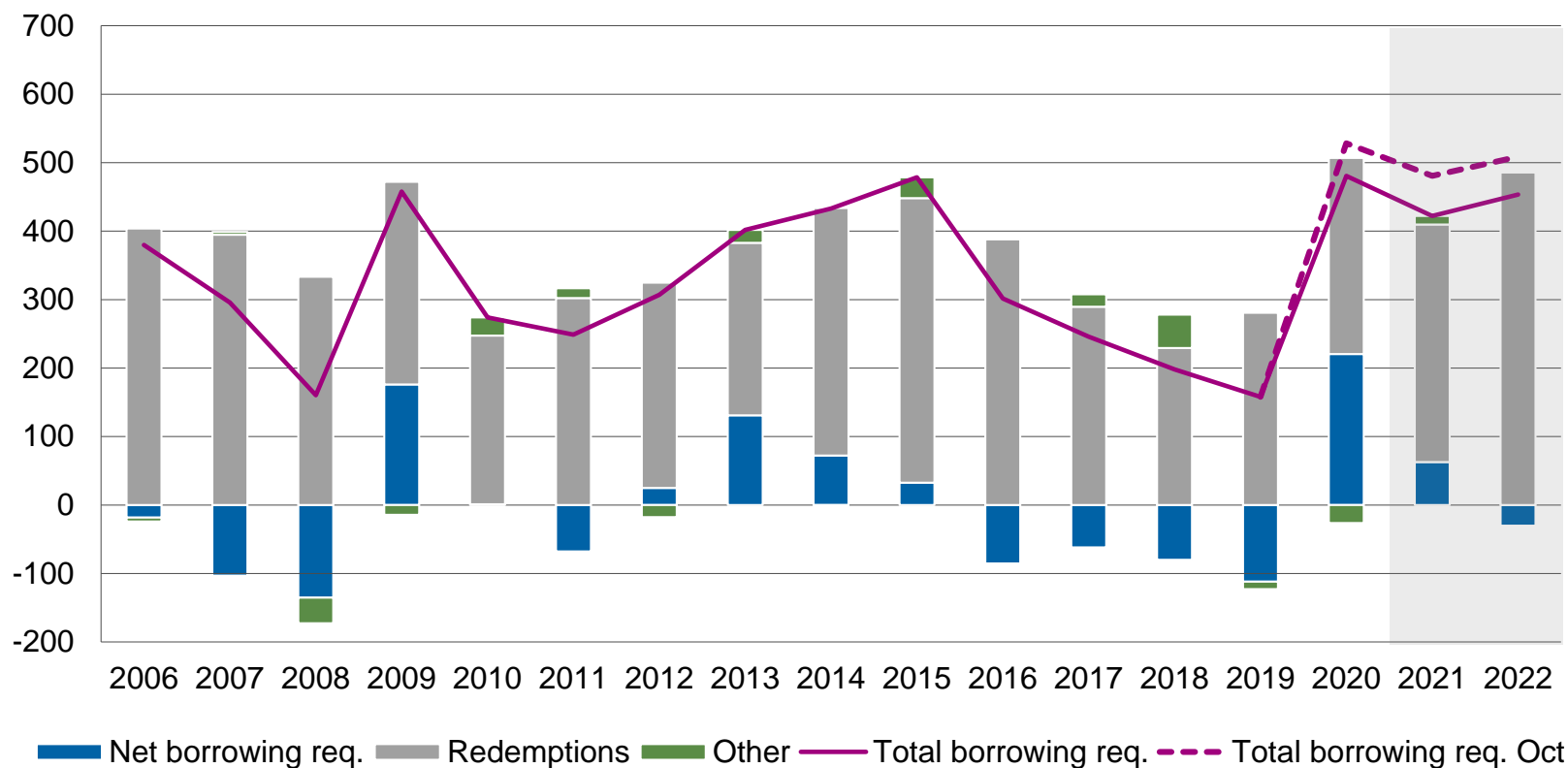


# Smaller borrowing requirement in new forecast

Driven by Riksbank's repayment of loans – small changes otherwise

## Total borrowing requirement

SEK billion



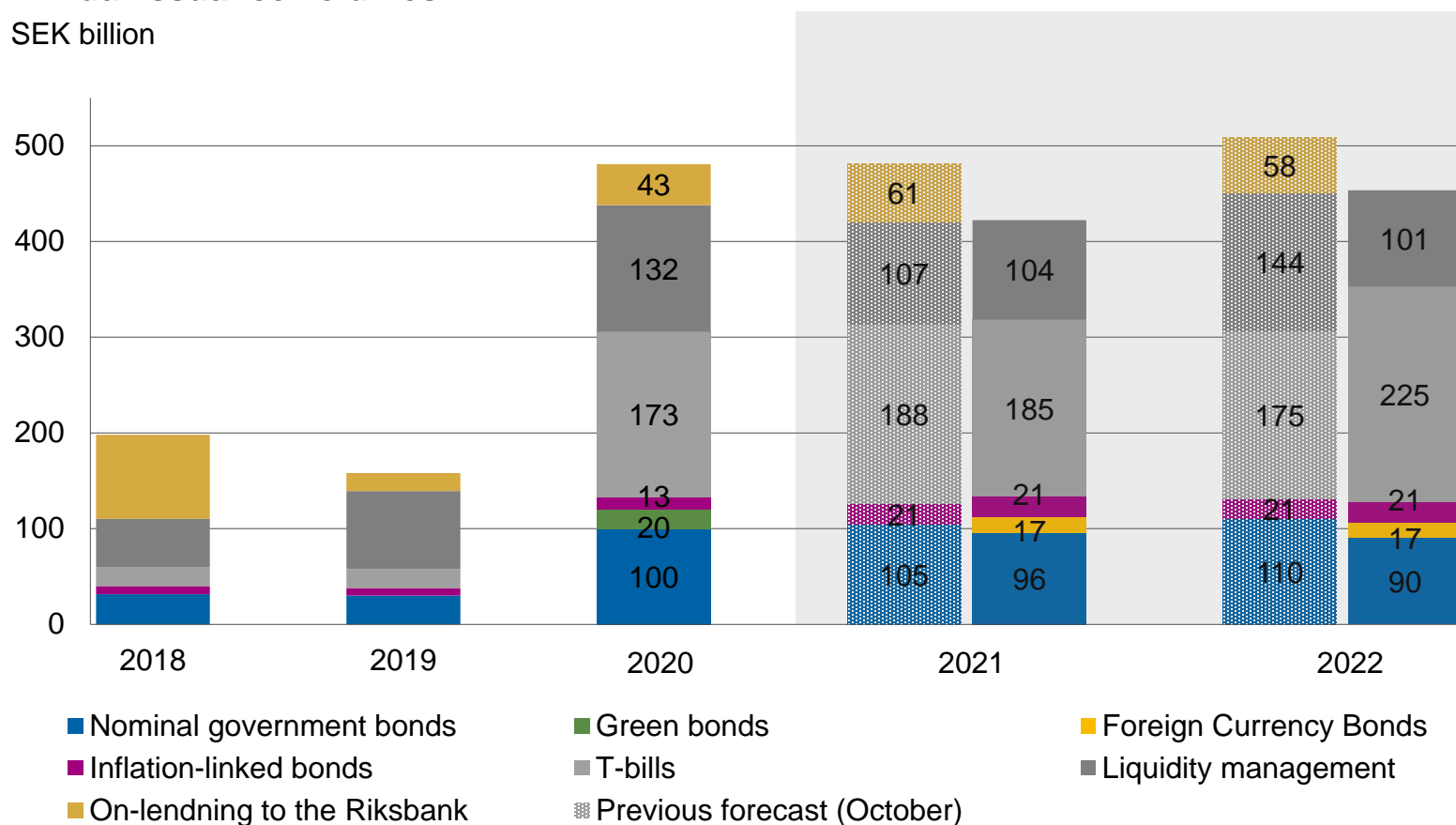
Note: Net borrowing requirement equals budget balance with opposite sign. Dotted line show forecast from October 2020.

# Lower krona funding to provide room for FX bonds

## Foreign currency bonds for international presence – decrease in govt. bonds

### Annual issuance volumes

SEK billion



Note: Borrowing per calendar year. Amounts for T-bills and liquidity management refer to outstanding stock at year-end.



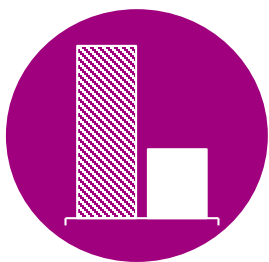
# Good starting point for managing uncertainty



Highest credit rating



Several funding channels



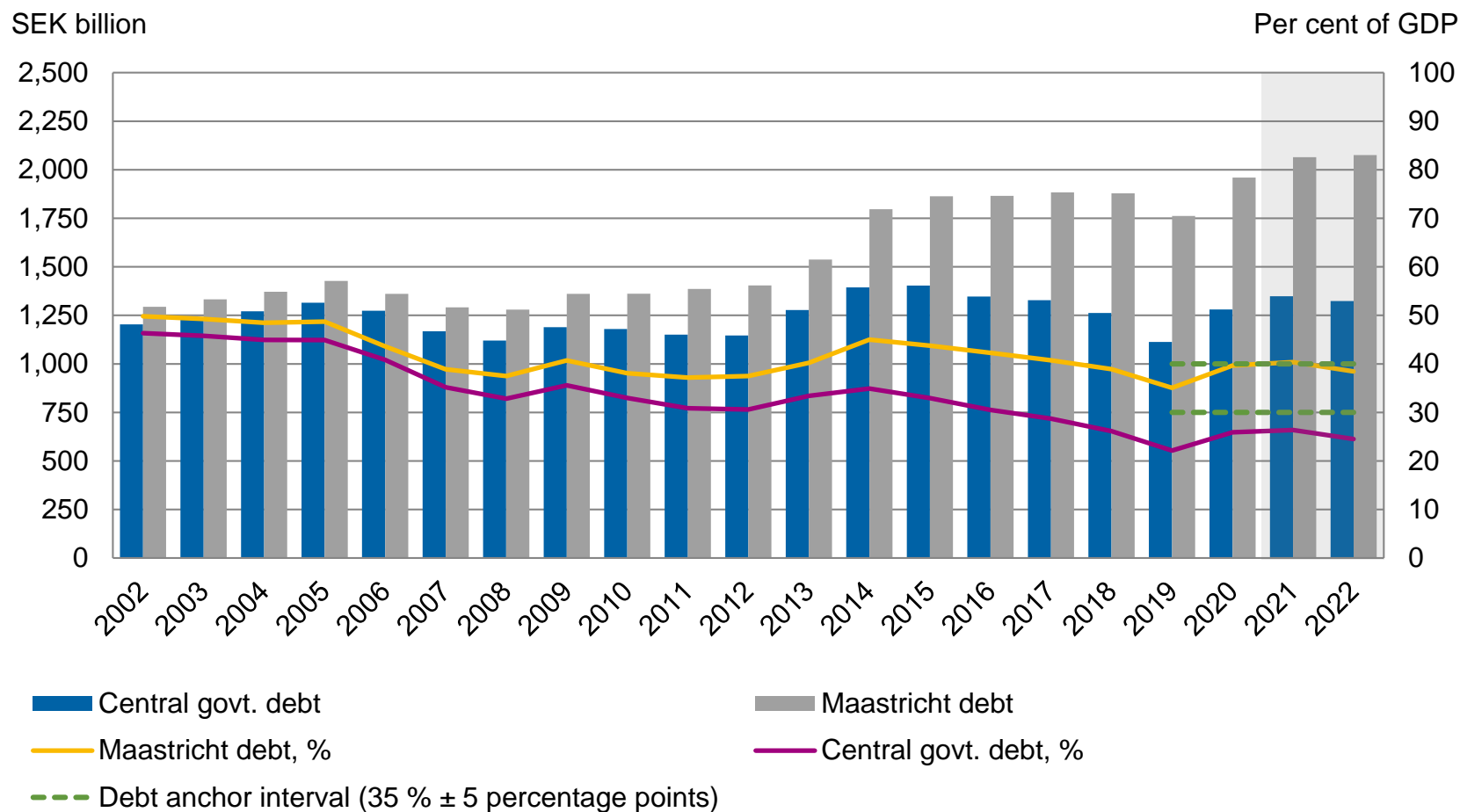
Low government debt



Well-established issuer

# Government debt levels out 2021 and falls 2022

## Central government and public debt

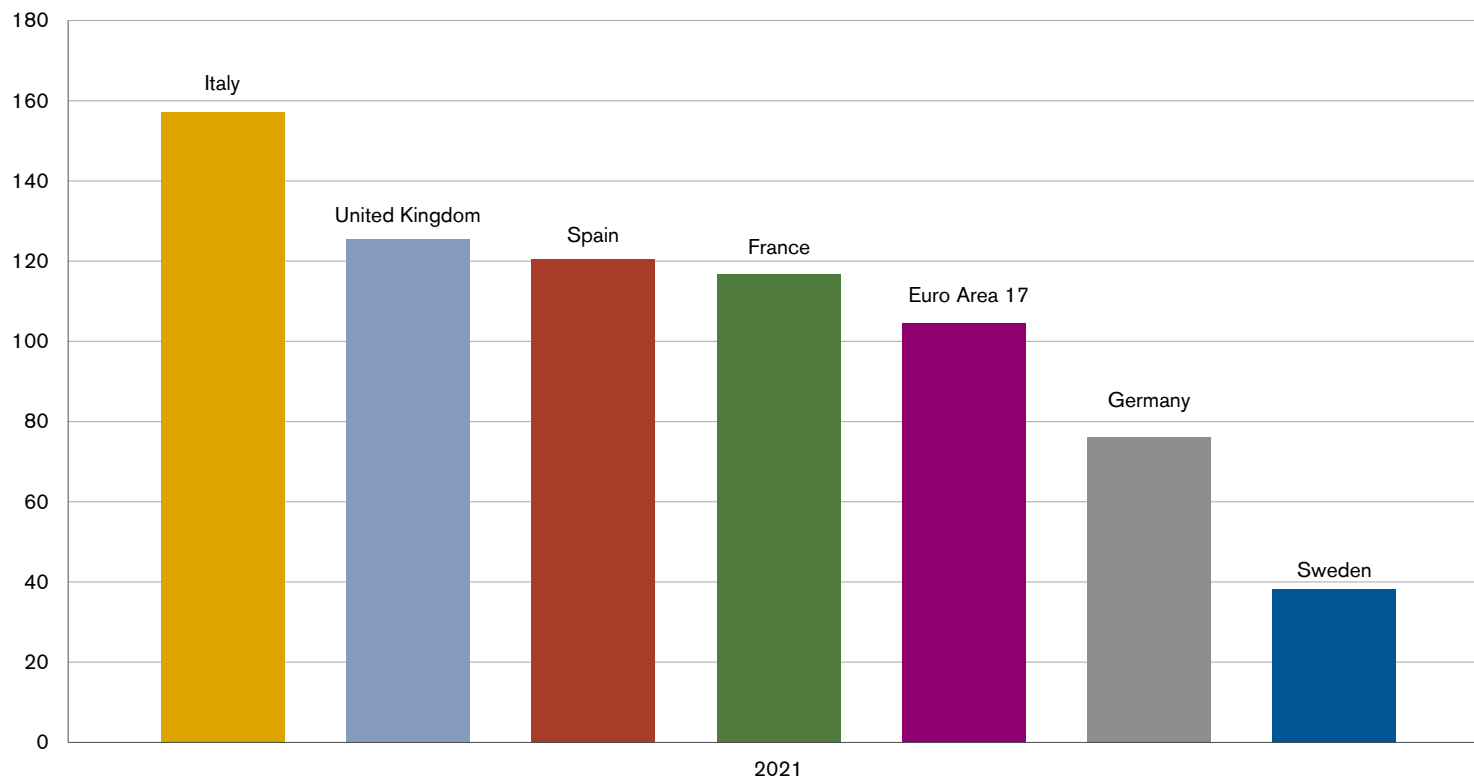


Sources: Debt Office and Statistics Sweden

# Low public debt in international comparison

## Gross public debt, Maastricht criterion, 2021

Percentage share of GDP



Source: OECD Economic Outlook December 2020.

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