RIKSGÄLDEN
SWEDISH NATIONAL DEBT OFFICE

2022-02-24

CENTRAL GOVERNMENT BORROWING

Forecast and analysis 2022:1

The Swedish National Debt Office's assignment

The Debt Office is the Swedish government's financial manager. The mission includes central government borrowing and debt management. The aim is to do this at the lowest possible cost over time while taking account of risk.

In *Central Government Borrowing – Forecast and Analysis*, published three times a year, the Debt Office presents forecasts for the macroeconomic development and the central government finances in the coming two years. On the basis of these forecasts, the Debt Office calculates the borrowing requirement and sets up a borrowing plan that is also included in the report. The Debt Office borrows to cover deficits in the central government budget (the net borrowing requirement) and to repay maturing loans.

On the fifth working day of each month, the central government budget balance for the previous month is published in a press release. The outcome is compared with the forecast from *Central Government Borrowing – Forecast and Analysis* and any deviations are explained. In connection with the monthly outcome, the Debt Office also presents the debt development in the report *Sweden's Central Government Debt*.

Preface

In *Central Government Borrowing – Forecast and Analysis 2022:1*, the Debt Office presents forecasts for central government finances and borrowing for 2022–2023. An assessment of the macroeconomic development is provided in the first section. The next section presents forecasts for the budget balance and the underlying analysis. These forecasts serve as the basis for the borrowing plan, which is discussed in the last section of the report.

The report takes into account developments up to 9 February 2022.

Karolina Ekholm
Debt Office Director General

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Summary

The surprisingly rapid recovery of the Swedish economy last year and continued good growth this year, together with higher prices, contribute to a stronger budget balance than in the previous forecast. This entails a lower borrowing requirement, reduced supply of government securities, and a lower central government debt.

Preliminary figures show that the Swedish economy grew markedly stronger than foreseen last year and is also expected to be at a good level in 2022, after a dip at the beginning of the year. Next year, growth of the economy shifts down to a more historically normal level. The labour market is gradually getting stronger. Higher inflation, signals of tighter monetary policy and geopolitical tensions, however, make for great uncertainty about how the economy will develop.

The forecast of the budget balance is raised for this year and lowered for the next. Together with last year's strong outcome, the changes entail a larger budget surplus for 2021–2023 than in the previous forecast. Income from taxes increases this year compared with the previous forecast – and for next year the reverse is true. The Riksbank's repayment of foreign currency loans contributes to the surplus in both years.

The stronger budget balance means that there is a lower borrowing requirement, and the Debt Office is therefore once again reducing borrowing. Within the short-term borrowing, the stock of treasury bills is reduced and the two longest maturities are being phased out. In addition, the Debt Office is cancelling this year's planned foreign currency bond issuance and lowering the issuance volume of both inflation-linked and nominal government bonds.

Key figures for Sweden's economy, central government finances and borrowing

(Previous forecast in parantheses)	2020	2021		2022		2023	
Swedish economy							
GDP growth (%)	-2.9	5.2	(4.2)	3.2	(3.5)	1.8	(1.8)
Unemployment (% of labour force)	8.3	8.8	(8.8)	7.7	(7.6)	7.0	(7.1)
KPIF inflation (%)	0,5	2.4	(2.2)	3.1	(2.0)	1.8	(1.7)
Government finances							
Budget balance (SEK billion)	-221	78	(22)	139	(94)	90	(107)
Central government net lending (% of GDP)	-2.7	-0.4	(-1.8)	0.2	(0.0)	0.5	(0,7)
Central government debt (% of GDP)	26	22	(23)	19	(21)	16	(18)
Public sector debt (% of GDP)	40	37	(38)	33	(35)	31	(32)
Government borrowing (SEK billion)							
Nominal government bonds	100	83	(83)	46	(50)	40	(50)
Inflation-linked government bonds	13	21	(21)	9	(13)	9	(13)
Green bonds	20	0	(0)	0	(0)	0	(0)
Treasury bills (outstanding year-end)	173	107	(120)	65	(183)	65	(130)
Foreign currency bonds	43	0	(0)	0	(18)	0	(0)

Growth subsides from high level

After a very strong last year, growth of the Swedish economy slows temporarily in the beginning of 2022 before gaining momentum again. Both the surrounding world and Sweden are burdened in the near term by pandemic restrictions, high energy prices, and continued supply disruptions. But the assessment is that these impediments will lessen. The Debt Office is lowering its forecast somewhat for the Swedish economy this year but still expects growth to reach just over 3 per cent. The labour market continues to become stronger and unemployment returns gradually to the pre-crisis level. At the same time, there is great uncertainty about the economic development, not least in light of rising inflation, expectations of increasingly tighter monetary policy and increasing geopolitical tensions.

The Swedish economy grew by 5.2 per cent last year, according to preliminary figures from Statistics Sweden. That is the next-strongest annual figure since 1970 and 1 percentage point above the Debt Office's growth forecast from October. Total growth in 2020 and 2021 has thereby exceeded the forecasts that immediately preceded the pandemic, and Sweden is one of the OECD countries with the most rapid recovery. The labour market has also improved.

Expectations are good for continued high growth numbers in 2022, but in the beginning of the year the increased spread of infection and reintroduced restrictions have had a dampening effect. This is the case both abroad and in Sweden. The main uncertainties are the development of inflation, the speed at which monetary policy is tightened, and geopolitical instability.

Growth in surrounding world pauses briefly

During the end of 2021, the spread of infection increased globally and heightened restrictions on social activity were reintroduced. Therefore, growth among several of Sweden's most important trading partners was dampened, after being high during the third quarter of 2021. The struggle of companies to meet demand along with rising energy prices are also restraining growth.

The Debt Office's assumption is nevertheless that the current economic impact of the pandemic will be relatively small and short-lived and that the supply disruptions will gradually diminish. Several countries such as the UK, Norway, and Denmark have completely or partially removed their restrictive measures, and the world economy is expected to regain momentum during the second quarter. Altogether, growth is assessed to be high this year in countries with which Sweden has a significant amount of trade (see Figure 1). In the slightly longer term, international growth reaches more historically normal levels.

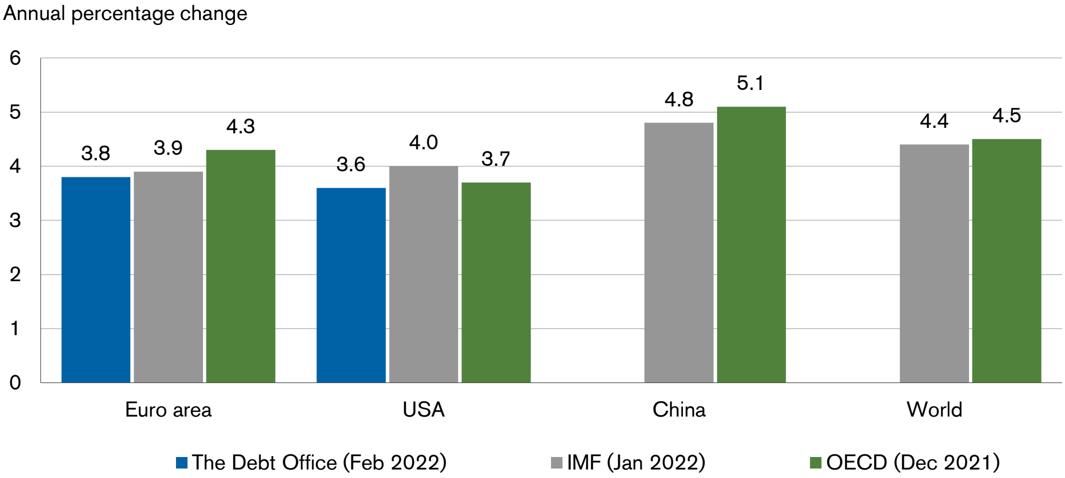
For the euro area, the Debt Office expects growth of almost 4 per cent this year and just over 2 per cent in 2023. The drivers of this are continued expansionary economic policy, a high saving rate providing scope for increased consumption, a good labour market, and high confidence among households and businesses.

The US economy is expected to grow by approximately 3.5 per cent this year to then shift down to just over 2 per cent in 2023. Compared with the previous forecast, however, the Debt Office has adjusted down its expectations for the US slightly. This is in part because the economic policy is expected to become less expansionary and also due to supply problems in both the manufacturing and service sectors.

Supply problems in the US are not only due to delivery interruptions, but also to a surge in demand for labour with many companies having difficulty filling vacancies. The US labour market is approaching the central bank's target of full employment, which has contributed to expectations of a less expansionary monetary policy.

In China, the economy is burdened by problems in the real estate sector and shutdowns in the country as a result of new virus outbreaks. Growth is expected to slow down this year and stay at about the same level in 2023 as well.

Figure 1. International GDP forecasts for 2022

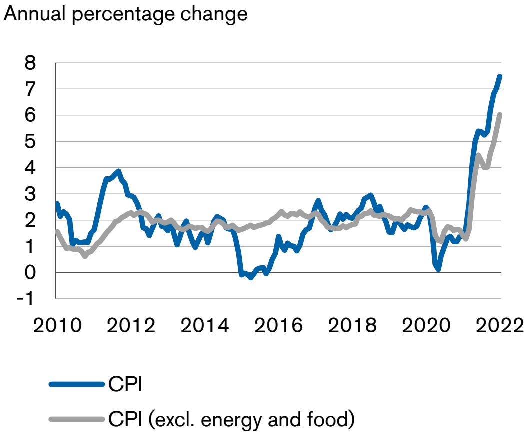


Note: Debt Office's forecasts for the euro area and the US. For China and the world, forecasts from IMF and OECD are used.
Sources: The Debt Office, IMF and OECD.

Higher Inflation in US than Europe

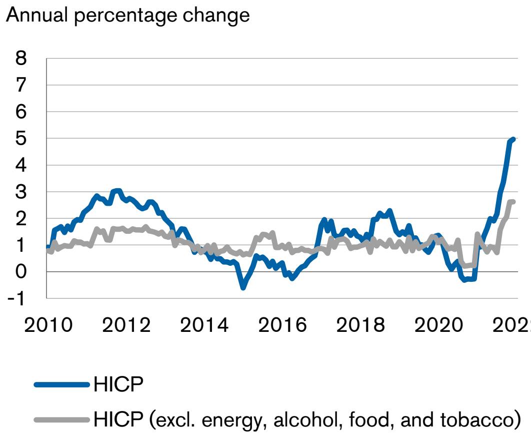
Inflation is high internationally, mainly in the US where there is even significant underlying inflation after adjusting for energy and food prices (see Figure 2). The price increases are largely attributable to the recovery after GDP plummeted in the spring of 2020, but there are also signs that inflationary pressure in the US could be persistently higher. For example, broader price increases have occurred, such as in the form of higher housing costs. In addition, inflation expectations according to questionnaire surveys with a five-year time frame rose sharply in 2021, and the annual rate of wage increases according to several measures was around 4 per cent at the end of 2021. The high inflation means that the Federal Reserve (Fed) is expected to expedite the tightening of monetary policy (see the box below).

Figure 2. Inflation in US



Source: US Bureau of Labor Statistics.

Figure 3. Inflation in euro area



Source: Eurostat.

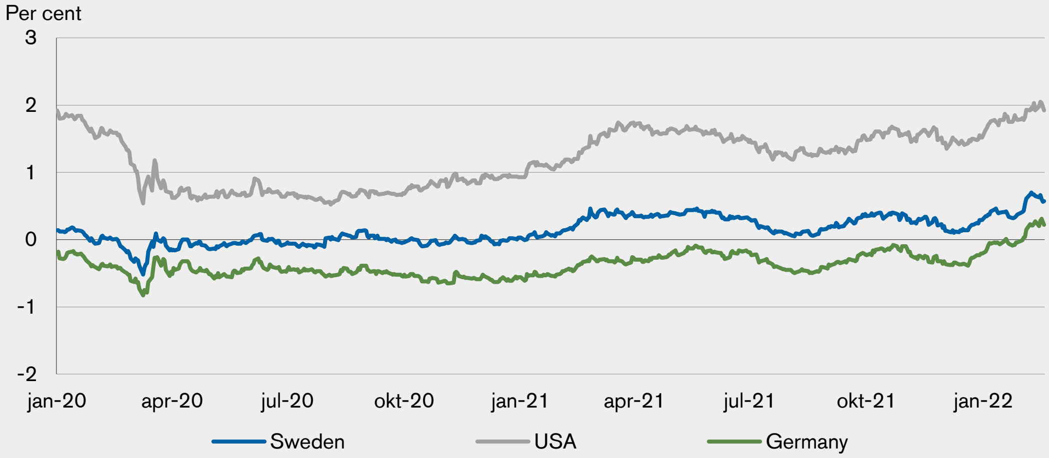
In the euro area, the increase in inflation has not been as extensive as in the US (see Figure 3). The European Central Bank (ECB) has revised up its outlook on inflation and inflation risks, particularly in the short term, but its assessment is that the upswing in inflation will abate during 2022. This is mainly because energy prices are not expected to increase as much but also a result of decreasing supply problems mainly in the manufacturing industry. Inflation expectations have neither risen as much as in the US nor are there any clear signs of increased wage pressure.

Financial conditions remain favourable, but inflation makes its mark

High inflation and expectations of reduced monetary policy stimulus ahead have largely characterised the developments in the financial markets this year, with rising interest rates and falling share prices. Altogether, the financial conditions both in Sweden and internationally are assessed to continue to be favourable and support economic growth.

Bond yields have risen this year (see Figure 4 below). But historically speaking interest rates are still low. The differences in yields between corporate and government bonds have also increased somewhat but remain at relatively low levels. The stock market development, which was strong in 2021, has been negative this year. Among other things, this decline can be explained by concerns of sustained higher inflation and thereby a more rapid tightening of monetary policy and also increased geopolitical tensions.

Figure 4. Yields on 10-year government bonds



Source: Macrobond.

Less expansionary monetary policy ahead

Several central banks have begun to communicate intentions to tighten monetary policy, and the market is pricing higher policy rates. As recently as December, the Fed was expected to hike rates three times this year. Currently, the number of rate hikes priced by the market is around twice that. At the latest monetary policy meeting in January, the Fed clearly communicated that the rate is expected to be raised soon. The Fed is also going to discontinue bond purchases in March and has initiated a discussion about shrinking the balance sheet (mainly by not reinvesting maturing securities).

In Europe, both Norges Bank and the Bank of England have begun the process with raised policy rates. The ECB ruled at its latest monetary policy decision in February to leave the policy rate unchanged at the same time as the central bank is adhering to its plan of discontinuing the Pandemic Emergency Purchase Programme (PEPP) in March of this year. As with the Fed, the market's pricing indicates that the ECB is going to raise the rate faster than what was expected several months ago.

In Sweden, the Riksbank's interest rate path signals that the repo rate will be raised first in the second half of 2024. The market is, however, expecting the Riksbank to start raising the rate already this year. The programme for the purchase of securities initiated in the spring of 2020 expired at the end of last year, but the Riksbank forecasts the carrying out of purchases so that the securities holdings will remain essentially unchanged this year and thereafter gradually decline.

The development of inflation is an important factor for the central banks' actions and for financial markets. If the underlying inflationary pressure is underestimated, the central banks may need to tighten monetary policy faster than expected, which could cause a rapid rise in global interest rates and adjustments in asset prices.

Still good growth in Swedish economy after temporary dip

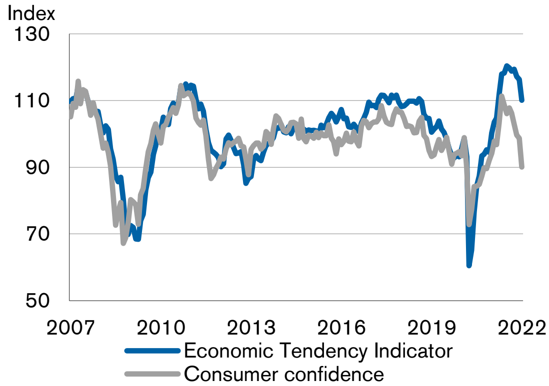
Following the surprisingly quick recovery in Sweden last year, the beginning of 2022 has been characterised by a lull in growth. The slowdown is, however, expected to be transient. In regard to the pandemic, the level of sickness is currently significantly lower and all the restrictions imposed in December and expanded in January were discontinued in February. The Debt Office therefore expects the pandemic's impact on activity in society to be limited. Bottleneck problems are also expected to ease.

Weaker consumer confidence but businesses persevere

The overall indicator picture points to economic activity dampening in an orderly manner. The Purchasing Managers' Index (PMI) has experienced a weakening trend for several months now. However, because of the strong position at the outset, its current levels are still consistent with good expansion both in the service sector and the manufacturing industry. The sub-index for delivery times has fallen back somewhat but remains at very high levels, reflecting the lingering disturbances in global supply chains. Because the sub-index for delivery times is included in the PMI, to some degree the indicator overestimates the strength of the economy.

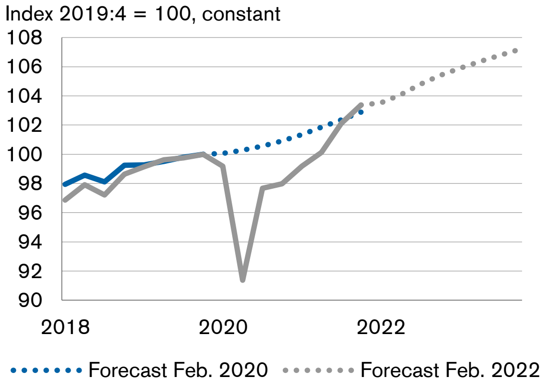
The National Institute of Economic Research's (NIER) Economic Tendency Indicator, which focuses on the attitude among businesses and households, weakened fairly significantly in January. The decrease of just over 6 index points was one of the largest recorded, excluding the plunge in April 2020. However, the Economic Tendency Indicator was also high at the outset, and the current levels still show a situation that the NIER calls "very strong". All sectors except construction and civil engineering contributed to the decrease. Household confidence indicators fell back by just over 8 points. Among households, the mood is currently lower than normal and the level is the lowest in around ten years with the exception of the beginning of the pandemic (see Figure 5).

Figure 5. Economic Tendency Indicator and consumer confidence in Sweden



Note: Seasonally adjusted data. The mean for both indicators is 100 and the standard deviation is 10.
Source: National Institute of Economic Research.

Figure 6. Development of GDP in Sweden



Note: Seasonally adjusted data.
Sources: The Debt Office and Statistics Sweden.

Somewhat lower real GDP forecast for 2022 but higher in current prices

After the Swedish economy grew clearly stronger than expected last year, the Debt Office expects growth of 3.2 per cent in 2022 and 1.8 per cent in 2023 (see Figure 6). Compared with the October forecast, this is 0.3 percentage points lower for this year and unchanged for 2023. The downward revision for 2022 is mainly due to the Omicron wave temporarily suppressing consumption and investment. Table 1 shows the development of the different components of GDP, and Table 2 shows the forecast changes.

Measured in current prices, GDP has been revised up for 2021 and 2022 but down for 2023. The measure of current prices is affected by both volume and price changes and has dominated the revisions in prices since the previous forecast. GDP – and its various components – in current prices are used in the calculations of the budget balance in the next chapter.

Table 1. GDP and its components, constant prices, forecast

Percentage change	2020	2021	2022	2023
GDP	-2.9	5.2	3.2	1.8
Household consumption	-4.7	6.3	3.4	1.7
General gov. consumption	-1.3	2.5	1.6	0.9
Gross fixed cap. formation	-0.3	7.0	5.6	3.4
Change in inventories[1]	-0.7	0.3	0.2	0.0
Export	-4.6	7.0	4.6	4.1
Import	-5.6	8.9	6.1	4.5
Net exports[1]	0.2	-0.5	-0.4	0.0
GDP (calendar adj.)	-3.2	5.0	3.2	2.0

[1] Contribution to GDP growth, percentage points.
Sources: Statistics Sweden and the Debt Office.

Table 2. GDP and its components, constant prices, forecast revisions

Percentage change	2020	2021	2022	2023
GDP	-0.2	1.0	-0.3	0.0
Household consumption	0.0	2.1	-0.8	0.1
General gov. consumption	-0.7	-0.4	-0.1	-0.4
Gross fixed cap. formation	0.1	0.8	-0.3	0.2
Change in inventories[1]	0.0	0.3	0.2	0.0
Export	0.0	-0.3	0.0	0.3
Import	0.1	0.7	0.1	0.2
Net exports[1]	0.0	-0.4	-0.1	0.1
GDP (calendar adj.)	-0.1	1.0	-0.3	0.0

[1] Contribution to GDP growth, percentage points.
Sources: Statistics Sweden and the Debt Office.

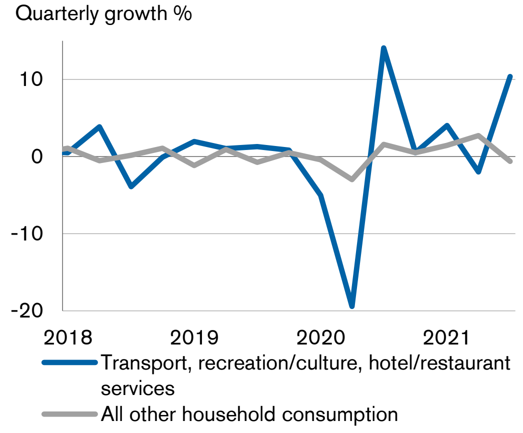
Restrictions during winter temporarily impede consumption

Household consumption last year is calculated to have been at its the strongest in at least 40 years. The combination of high saving and a pent-up need for consumption contributed to the boost in the autumn when restrictions were eased and removed (see Figure 7). For instance, increased consumption of hotel and restaurant services went up by 51 per cent during the third quarter, contributing to 1 percentage point of the increase in GDP. Consumption has now surpassed the level from before the crisis.

During the beginning of 2022, however, the renewed spread of infection has threatened to set back consumption. The Debt Office's assessment is that new restrictions and self-imposed social distancing entail a return to the consumption of close-contact services being temporarily constrained. At the same time, households have been hit by high energy prices, which displaces other areas of consumption. This effect will, however, be partially counteracted by the electricity rebate expected to reach households in the second quarter. Households' plans for large consumer durables purchases have also decreased, indicating that the consumption of goods does not entirely compensate for the weaker consumption of services in the beginning of the year.

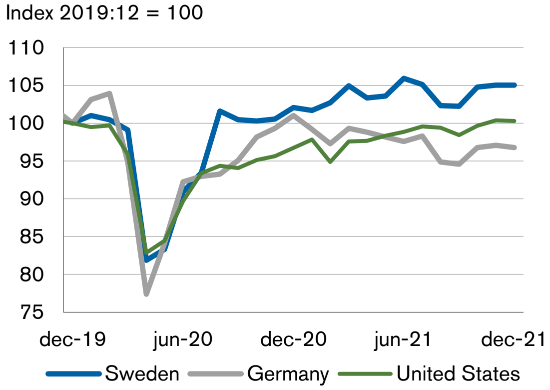
Taken together for 2022–2023, however, this is not a dramatic development. Rather, household consumption is expected to grow in line with the historical average. The labour market is showing resilience at the same time as interest rates remain low. Real disposable income is developing distinctly weaker than in the spring, but buffer saving is high while inflation is expected to fall back during the second half of 2022. Next year, consumption will return to the trend from before the pandemic, according to the Debt Office's forecast. Household consumption, along with investment, are the biggest contributing factors to growth.

Figure 7. Household consumption



Note: Seasonally adjusted data, constant prices.
Sources: Statistics Sweden.

Figure 8. Industrial production



Note: Seasonally adjusted data, constant prices.
Sources: Statistics Sweden and Macrobond.

Continued need for investment in manufacturing and construction

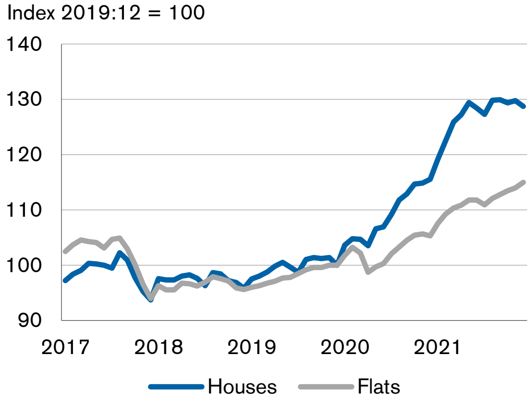
Industry has played a prominent role during the first year of the recovery. Industrial production fell sharply in the acute phase of the pandemic, but since then the upturn in Sweden has been more rapid than in, for example, Germany or the US (see Figure 8). A components shortage combined with somewhat weaker international demand has, however, led to sideways movement in industrial output since last spring.

Regarding the development ahead, the order books are still well-filled despite dampened order intake. In combination with high capacity utilisation, this implies a continued need for investment in industry. The structural adjustments required of climate policy are also expected to contribute to keeping up the level of investment.

Housing construction will be high in the next few years if the price levels persist. In light of rising prices, housing construction has also increased and construction begun on new apartments is now in line with the peak levels of 2017. Housing prices rose most rapidly during the first stage of the pandemic, likely as a reflection of the shift in preferences about living space when working from home became prevalent. In the last half of the year, however, apartments have risen in price, whereas house prices having largely remained the same (see Figure 9).

Altogether, the Debt Office now expects investments to grow by 5.6 per cent this year and 3.4 per cent next year.

Figure 9. Housing prices



Note: Seasonally adjusted data, constant prices.
Sources: Statistics Sweden.

Figure 10. Export order intake

Note: Seasonally adjusted data.
Sources: National Institute of Economic Research

Bottleneck problems ease and export slows slightly

Goods export recovered rapidly in the quarter directly after the drop from the pandemic in the spring of 2020. During most of 2021, however, goods export has moved laterally or even fallen despite fundamentally robust international demand. Persistent delivery problems and components shortages, not least in the motor vehicle industry, have stifled the export of goods. Nevertheless, the latest statistics for foreign trade indicate that the situation has improved and that goods export rose in the fourth quarter.

Swedish export follows a profile similar to that of the export market growth during 2022 and 2023 with a gradual slowdown from 2021 when export is expected to have increased by 7 per cent. Export order intake has, however, fallen back to the historical average according to the National Institute of Economic Research, at the same time as many companies are still reporting delivery problems (see Figure 10). On the other hand, the export order intake according to the Purchasing Managers' Index indicates greater optimism.

The high level of contagion and restrictions that remain in many European countries is, for a period, expected to lead to fewer visitors to Sweden from abroad and thereby temporarily weaker service export. The export of services is expected to subsequently pick up speed once the restrictions are removed and, above all, leisure travel increases again. The decline in business travel is expected to be more structural.

Altogether, the contribution from net export to growth is expected to be negative during 2022 and neutral during 2023.

Labour market continues to strengthen

The recovery of the Swedish labour market continues with increased employment and decreased unemployment. The development will become somewhat weaker, however, in 2022 than the Debt Office forecast in October, in light of the worsened pandemic situation in the beginning of the year. Payroll continues to grow strongly, mainly from an increase in number of hours worked.

Employment is difficult to interpret but demand for labour is great

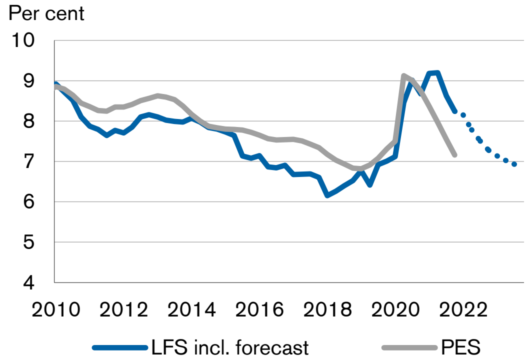
Employment according to Statistics Sweden’s Labour Force Survey (LFS) continues to be at a slightly lower level than it was prior to the pandemic, but these figures are to be interpreted with caution because employment is measured in a new way since January 2021. The National Institute of Economic Research's assessment is that, when taking the time series break into account, employment has recovered and exceeded the levels preceding the pandemic.[1]

The Debt Office assumes that during the beginning of 2022, the increased spread of infection will contribute to weaker growth in employment than in the October forecast. Thereafter, employment growth regains momentum to approach more historical levels further on.

Indicators overall point to continued strong demand for labour in the coming months. Among other things, employment plans within trade and industry are at a high level, even if they have recently fallen back somewhat. Furthermore, the Swedish Public Employment Service's statistics for available positions have increased at the same time as notices of lay-off remain at low levels.

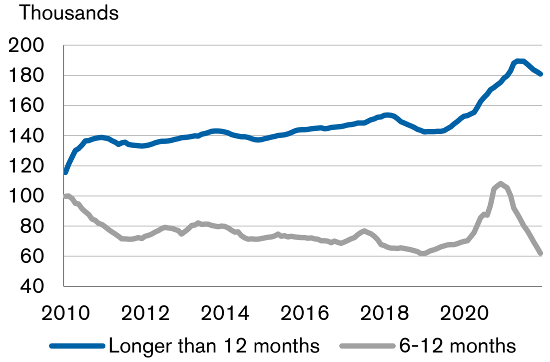
[1] See the Swedish Economy Report for December 2021.

Figure 11. Different measures of unemployment



Note: Quarterly and seasonally adjusted data. LFS is the Labour Force Survey and PES is the Swedish Public Employment Service.
Sources: Statistics Sweden, Swedish Public Employment Service and the Debt Office.

Figure 12. Long-term unemploymenet



Note: Seasonally adjusted data by the Debt Office.

Sources: Swedish Public Employment Service and the Debt Office.

Unemployment falls in periods ahead

Unemployment measured according to the LFS has remained at a high level and reached 8 per cent in December. At the same time, unemployment according to the Swedish Public Employment Service's statistics has decreased markedly and is now back at the level it was before the pandemic (see Figure 11). The LFS captures a larger share of young people who work in close-contact service industries, which may partly explain the higher measurement. On the other hand, the Swedish Public Employment Service's measure better corresponds to the overall state of the economy. Different measures of resource utilisation also show that the economy is operating close to a normal level.

The Debt Office expects unemployment according to the LFS to fall from 8.8 per cent in 2021 to 7.7 per cent in 2022 and 7.0 per cent in 2023, measured as an annual average. Temporarily weaker growth in employment means that unemployment this year will be somewhat higher than the Debt Office forecast in October. At the end of 2023, unemployment is just under 7 per cent, roughly equivalent to the level preceding the pandemic. The decline in unemployment is expected to follow previous patterns of the business cycle and thereby progress somewhat slower than the historic rapid upswing in GDP. The primary reason for this is that long-term unemployment has increased during the pandemic.

Slightly brighter prospects for long-term unemployed

Long-term unemployment – defined as being registered as unemployed for more than 12 months – was already high before the pandemic and has since increased further (see Figure 12). Among those who have been unemployed for shorter periods, there has been a large decline in recent months while the number of people unemployed longer still remains at high levels. The Debt Office's assessment is that the number of long-term unemployed peaked at around 190,000 last year, to subsequently decrease slowly.

Extended periods of unemployment can adversely affect competence and skills, which can lead to others without jobs receiving employment sooner than the long-term unemployed once the economy strengthens. Continued good economic growth in the coming years will be important for long-term unemployment to be able to decrease. Of particular importance is the recovery in industries where people with a weak connection get their first jobs, such as hotels and restaurants, and transport and communication.

Payroll developing relatively strongly

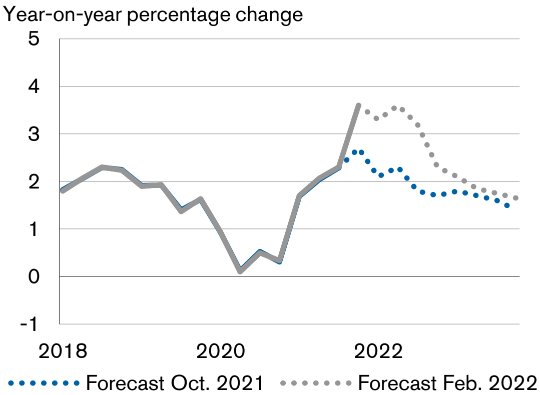
After the weak development during 2020, payroll is assessed to have grown notably last year. The Debt Office expects payroll to grow by just over 5 per cent for 2022 as well, to then shift down to 3.8 per cent in 2023, which is in line with the average during the 2000s. The payroll trend is marginally stronger than in the Debt Office's assessment from October.

It is mainly the hours worked driving the development of payroll, rather than hourly wages. The strong labour market implies that the sharp drop in hours worked during the acute phase of the pandemic is reversed primarily in 2021 and 2022. Wage development is assessed to remain at the same moderate 2.6 per cent on average this year and the next.

High inflation during most of 2022

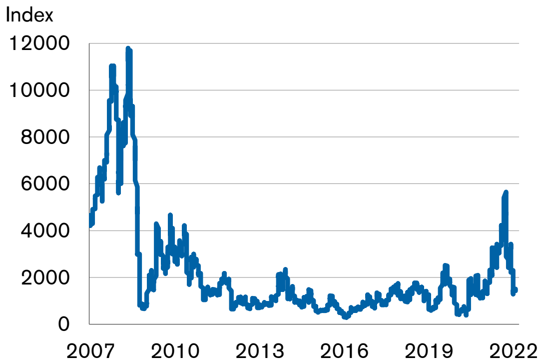
Even inflation in Sweden rose sharply during 2021. In December, CPIF-inflation exceeded 4 per cent thereby reaching the highest level since 1993. Rising electricity and fuel prices are important factors behind the increase. But even though electricity prices appear to have reached their peak and, according to futures pricing, are expected to go down, inflation is likely to remain elevated during the first half of the year. Thereafter, it is expected to fall back below the target already by the end of 2022 (see Figure 13).

Figure 13. Swedish inflation



Note: Data are quarterly averages.
Sources: Statistics Sweden and the Debt Office.

Figure 14. Price of sea freight



Note: Index with average shipping prices for "dry bulk materials" for more than 20 routes.
Sources: Baltic Exchange.

Core inflation remains at modest levels but there is an upward trend and much to indicate that it will continue in that direction. According to the National Institute of Economic Research's indicator, the proportion of retail companies planning to raise prices is at its highest level since the measurements began in 1996. The Purchasing Managers' Index shows elevated price pressure on input goods in both industry and the service sector. The increase in freight prices last autumn has, however, been reversed (see Figure 14). Altogether, the Debt Office's assessment is that CPIF inflation will end up at 3.1. per cent this year and 1.8 per cent in 2023. This can be compared with 2.0 per cent and 1.7 respectively from the previous forecast. The uncertainty in regard to inflation is great (see further in the risk section below).

Downside risks dominate

The course that the pandemic will take remains uncertain, yet no longer mainly in regard to the situation in Sweden. In the near future, the greatest pandemic-related risk is instead considered to be in relation to how the virus progresses in China and the policy responses the authorities choose to take. A larger outbreak could lead to more serious shutdowns than we have seen so far and larger economic disturbances in a nation that has long been the primary growth engine of the world economy.

The political and security developments in the vicinity of Sweden also pose a challenge to the recovery, both in the short and long term. The experience from history is that geopolitical conflicts rarely lead to anything other than temporary moderate effects on the real economy. This time, though, the conflict with Russia regarding the situation in Ukraine involves direct connections to Europe's energy supply. Substantial disturbances to the energy supply could have major consequences for energy prices, financial markets and the real economy even in Sweden.

Aside from higher energy prices, rising food prices could contribute to long-lasting inflation. Grocery prices have so far not gone up in Sweden as they have in, for example, the US, but significant price increases could occur in Sweden too. This could be a consequence of the growing proportion of agricultural products used for biofuel and the rising price of synthetic fertiliser. A development involving higher grocery prices might contribute to a more long-term period of high inflation, higher inflation expectations and tighter monetary policy as a result.

Inflation risks have thereby increased, particularly in the short term. If inflation remains at higher levels than expected and demand for labour continues to be strong, this could result in requirements for compensatory wage increases. In the first half of 2023, contracts are expiring for around 3 million wage earners. Given that the focus is on real wage development, the high inflation may entail considerable nominal wage increases, which in turn further affect inflation through increased costs for companies. Such a development could lead to the Riksbank having to respond with interest rate hikes and consequently lower growth.

More and more countries are moving increasingly further with plans for normalising monetary policy and discontinuing various economic-policy crisis measures. The balance of the phase-out is crucial. If phasing out occurs too fast, recovery may be interrupted. If it is too slow, the economy could overheat. A protracted period of lingering stimulus could also contribute to increased financial imbalances through rising asset prices and continued higher indebtedness.

The impact of the various crisis-related economic stimulus measures is likely a contributor to why the actual economic development during the recovery has been surprisingly strong. In addition to the possibility of upcoming economic policy becoming more expansionary than expected, there is one of underestimating the power of the recovery this time as well. Specifically, potential contributing factors might now be the reopening, removal of restrictions, and diminishing bottleneck problems yielding greater positive effects than foreseen.

Larger surplus in central government budget

The central government budget surplus grew larger than expected last year and continues to increase this year, driven by higher tax income and dividends from state-owned enterprices. Although the surplus becomes lower next year, central government finances in the 2021–2023 period are markedly stronger than in the previous forecast. The surplus is in part due to the macroeconomic development but also to the Riksbank repaying foreign currency loans raised by the Debt Office on its behalf. Central government net lending, which is not affected by the Riksbank's loans, gradually strengthens and also shows a surplus.

The central government budget balance developed stronger than expected during the end of last year, ending up at SEK 78 billion. The rapid economic recovery last year also helps strengthen the budget balance this year. The Debt Office's new forecast shows that the surplus grows to SEK 139 billion this year before decreasing to SEK 90 billion in 2023 (see Table 1 and Figure 1). Compared with the October forecast, this is SEK 45 billion higher this year and SEK 17 billion lower next year. A higher budget balance creates a correspondingly lower borrowing requirement. For the years 2021–2023, the net borrowing requirement decreases by SEK 84 billion compared with the previous forecast.

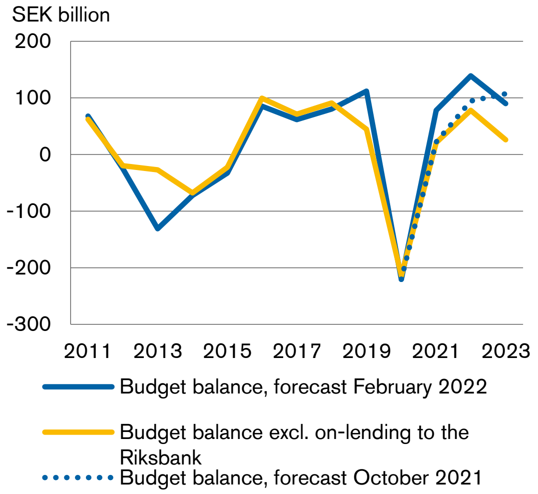
Table 1. Central government budget forecast, 2022–2023

SEK billion	**2021**	**2022**		**2023**	
	Outcome	**Feb**	**(Oct)**	**Feb**	**(Oct)**
Primary balance[1]	3	93	(47)	40	(61)
Debt Office net lending[2, 3]	74	61	(57)	56	(51)
of which on-lening to the Riksbank	57	61	(61)	64	(64)
Interest payments[3]	1	-14	(-10)	-6	(-4)
Budget balance[4]	**78**	**139**	**(94)**	**90**	**(107)**
Budget balance excl. on-lending to the Riksbank	**21**	**78**	**(33)**	**26**	**(44)**
Central government net lending[5]	**-21**	**14**	**(-3)**	**27**	**(39)**

[1] The primary balance is the net of income and expenditure excluding interest payments and net lending by the Debt Office.
[2] Net lending by the Debt Office mainly comprises the net of government agencies' loans and deposits in the central government's internal bank.
[3] The table shows the net lending and interest on central government debt in terms of how they affect the budget balance. The signs are therefore reversed compared with that shown in Tables 4 and 5.
[4] The budget balance with the opposite sign is the central government net borrowing requirement.
[5] The figure for central government net lending in 2021 is a forecast since the outcome has not yet been published.

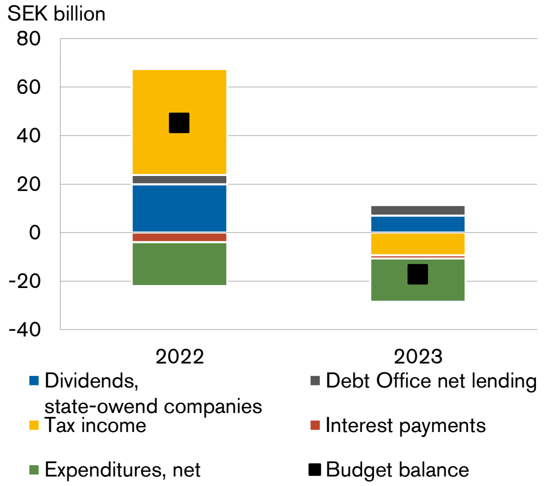
During the forecast period the central government budget balance is largely affected by the loans raised by the Debt Office for financing the Riksbank's foreign exchange reserves (see Table 1 and Figure 1). The reduced on-lending has a significantly positive effect on the Debt Office's net lending to government agencies and other parties. This effect is the same as in the previous forecast, amounting to just over SEK 60 billion per year. But even excluding the on-lending, the budget balance shows a surplus in 2022 and 2023. Interest on central government debt continues to have a minor impact on the budget balance.

Figure 1. Budget balance – outcome and forecast



Source: The Debt Office.

Figure 2. Forecast changes, budget balance



Note: The table shows changes is terms of the budget balance. A positive amount means that the budget balance improves and vice versa.
Source: The Debt Office.

The budget balance now appears to be getting stronger this year than in the previous forecast as a result of several factors. Large tax bases and GDP were at a higher level at the beginning of 2022 after stronger outcomes than expected at the end of last year along with growth this year being revised up in nominal terms because of rising prices. This boosts the income from taxes. The Debt Office also assumes a larger inflow of capital placements in tax accounts this year. At the same time, dividends from state-owned companies are significantly higher than in the previous forecast. Expenditure is also revised up, although not to the same extent as income. The upward revision is due among other things to higher expenditure for social insurance and other new fiscal policy measures. The forecast changes are shown in Figure 2 and Table 2.

The downward revision of the budget balance in 2023 is, among other things, due to the Debt Office's forecast assumption of an outflow of capital placements in tax accounts, as a result of expectations of higher short-term market rates. Other revisions include a raised forecast for unfunded fiscal policy measures (see the post Other in Table 2). Fiscal policy and the related forecast assumptions are described in the box on page 24.

Net lending by the Debt Office contributes SEK 4 billion more to the budget balance both this year and the next than in the previous forecast, as a result of an increase in deposits mainly from Svenska Kraftnät.

Table 2. Major forecast changes in the budget balance

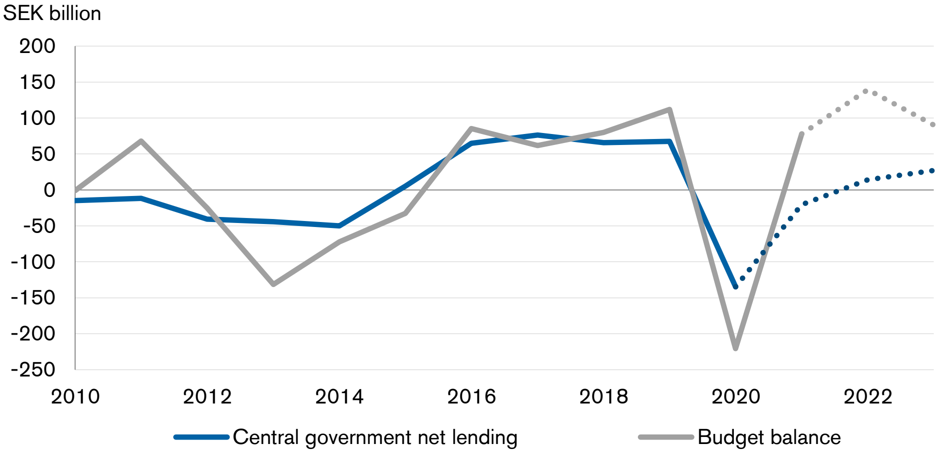
SEK billion	2022	2023
Budget balance, forecast October 2021	**94**	**107**
Primary balance	**46**	**-20**
Tax income excluding capital placements in tax accounts	34	1
Capital placements in tax accounts	10	-10
Dividends	20	7
Government grants to local governments	-4	-4
Labour market	2	2
Social incurance	-7	1
Other	-10	-16
Debt Office net lending	**4**	**4**
Interest payments	**-4**	**-1**
Budget balance, forecast February 2022	**139**	**90**

Note: The table shows changes is terms of the budget balance compared with the forecast in October 2021. A positive amount means that the budget balance improves and vice versa.

Central government net lending shows gradually larger surplus

Central government net lending is expected to be SEK 14 billion this year and SEK 27 billion next year (see Table 1 and Figure 3). This corresponds to 0.2 per cent and 0.5 per cent of GDP, respectively. Compared with the previous forecast, that is an improvement of 0.2 percentage points for 2022 and a corresponding deterioration for 2023.

Figure 3. Central government net lending and budget balance



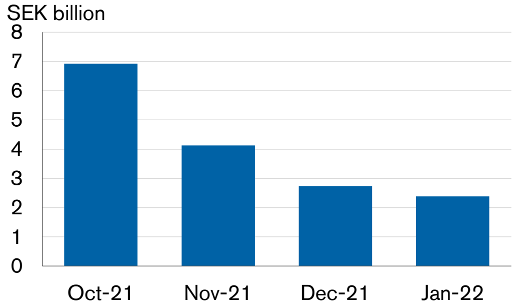
Sources: National Institute of Economic Research and the Debt Office.

Central government net lending normally develops more evenly than the budget balance. The biggest difference between the budget balance and central government net lending is due to the loans that the Riksbank is repaying to the central government. These improve the budget balance but not the net lending. Other differences are due to accrual effects on taxes such as the deferral of tax payments via respites and capital placements in tax accounts.

Significantly higher tax income this year but lower next year

Income from taxes this year is assessed to be greater than previously expected before going down next year. The upward revision this year is partly due to the higher tax outcome than in the previous forecast (Figure 4). But also the stronger macroeconomic development in current prices contributes to, among other things, consumption and corporate taxes becoming higher. The Debt Office also assumes a larger inflow of capital placements in tax accounts, which is included in supplementary tax (see Table 3). Next year, supplementary tax instead becomes lower.

Figure 4. Central government tax income difference between outcome and forecast



Sources: Swedish Tax Agency and the Debt Office.

Table 3. Income from taxes, change from previous forecast

SEK billion	2022	2023
Payroll taxes	0	-2
Consumption taxes	12	3
Corporate taxes	13	8
Supplementary taxes	19	-19
Total change	**44**	**-9**

Note: The table shows changes in terms of the budget balance.

Higher income from consumption and corporate taxes

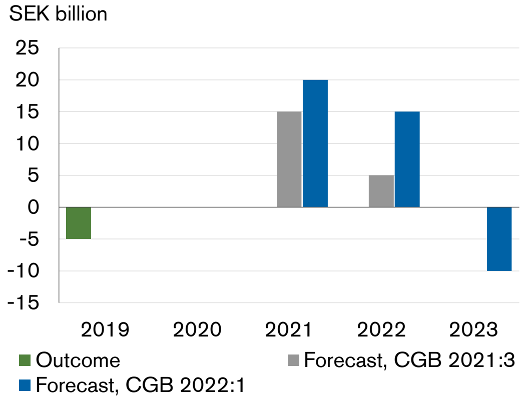
Income from tax on consumption, mainly VAT and excise duties, is particularly revised up this year. This is due to both higher outcomes than expected and stronger growth this year for household consumption in nominal terms. Next year, GDP growth wanes slightly faster than in the previous forecast, which dampens the development of consumption taxes. Lower tax on fuel keeps the development of excise duties down slightly in the forecast period.

Income from corporate taxes is expected to become higher this year and the next compared with the previous forecast. This is because outcomes have been somewhat higher and a new “risk tax” for banks is being introduced this year. After a strong profit development in 2021, profits are assessed to grow at a slower rate in 2022 and 2023.

Underlying demand will likely remain good for many companies, but profit margins could be lower in periods ahead. Although delivery problems for manufacturing companies are expected to abate, costs are going up for many input goods and for energy. The impact from increased profits for companies that benefit most from a reopening of society is assumed to be less significant considering that the service sector accounts for a relatively small share of the total profits.

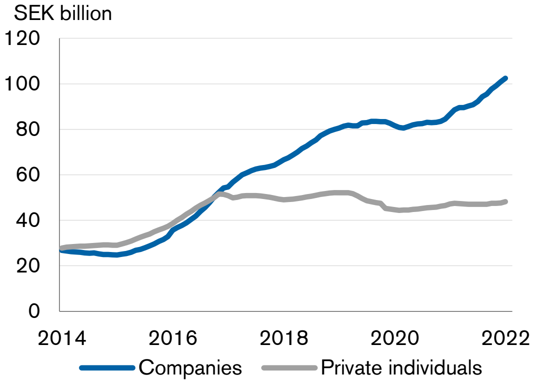
Payroll taxes, which among other things comprise income tax and employers' contributions, are unchanged this year from the previous forecast but somewhat lower next year. Despite the assumption of a slightly stronger payroll development than in the previous forecast, and thereby also in tax on earned income, disbursements to the pension system and increased municipal funds keep payroll taxes overall from changing much during the forecast period.

Figure 5. Net flow of capital placements in tax account



Note: The figure displays the net flow of extra deposits in tax accounts. For 2019 and 2020 outcomes according to the Swedish National Financial Management Authority are shown.
Sources: Swedish National Financial Management Authority, Swedish Tax Agency and the Debt Office.

Figure 6. Total balance in tax accounts



Note: 12-months moving average.
Sources: The Swedish Tax Agency and the Debt Office.

Supplementary tax fluctuates in part with capital placements in tax accounts

The impact of supplementary tax on tax income moves in different directions during the forecast period. Income from supplementary taxes is higher this year than in the previous forecast but lower next year. An assumption of higher earned income and capital gains in 2021 leads to increased deposits from private individuals for covering deficits in their tax accounts this year. At the same time, companies' capital placements in tax accounts are assumed to increase further.

The downward revision for next year is linked to the assumption that surpluses for companies in connection to taxation will be higher than in the previous forecast, which means there will be a higher level of outgoing payments from tax accounts. In addition, rising interest rates are assumed to lead to an outflow of capital placements from tax accounts. These effects are, however, attenuated by the fact that higher capital gains in 2022 lead to increased deposits in tax accounts in order to cover deficits.

The Debt Office's assessment is that capital placements in tax accounts will go up by an additional SEK 10 billion this year (see Figure 5). Continued low interest rates for some time to come, a good profit development among companies, and a large amount of capital in circulation in the financial markets imply an increase in placements in tax accounts during

2022. Companies' balances in tax accounts have continued the upward trend since the previous forecast. Figure 6 shows the development of the total balance in tax accounts.

An increasing interest rate eventually leads to a change in the incentives to place capital in tax accounts. Next year, the Debt Office assumes that capital placements will decrease by SEK 10 billion, although not until the second half of the year. The Debt Office assumes that the interest rate increase will be gradual. Slow increases in the repo rate and a protracted reduction of the Riksbank's securities holdings contribute to maintaining a low interest rate situation (see the box on financial conditions on page 7). At the same time, it remains difficult to find placement alternatives to tax accounts for all the capital in the fixed income markets that is to be invested.

The Debt Office estimates that capital placements will amount to around SEK 90 billion at the end of 2022, to subsequently decrease to SEK 80 billion at the end of 2023.

Raised forecast for dividends from central government shares

Dividends from central government shares are expected to increase by SEK 20 billion this year and SEK 7 billion next year, compared with the previous forecast. The upward revision is mainly due to a significantly higher dividend from Vattenfall than expected. Even for 2023, the assessment is that Vattenfall's dividend will be higher.

Vattenfall reported a record-high net income for 2021. A large part of this is due to compensation for the decommissioning of German nuclear power and divestment of a German electrical grid. The underlying operating profit is strong and can be expected to remain so, because of among other things higher energy prices. LKAB is also expected to increase its dividends both this year and the next as a result of an improvement in net income. Forecasts for dividends from central government shares can be found in Table A5 in the Appendix.

Fiscal policy contributes to an increase in expenditure

Central government expenditure is higher both this year and the next than in the previous forecast (see Figure 2). This is largely due to announced fiscal policy, even if several of the initiatives are neutral for the budget balance. The budget that was passed instead of the Government's alternative does not notably affect the Debt Office's forecast of the budget balance (see the box on the next page). However, taxes and expenditure are affected separately. For example, expenditure for government grants to local governments increases both this year and the next, primarily as compensation to municipalities for a change in tax revenue following the Riksdag's decision to lower the tax for pensioners (see Table 2).

During the beginning of this year, a number of extra amending budgets have also been presented. These include an extension of certain pandemic-related measures this year and a special rebate to households for temporarily high electricity prices. For next year, the Debt Office assumes that the unfunded fiscal policy will be SEK 10 billion higher than in the previous forecast (see the box on the next page).

Expenditure for social insurance is also higher this year than in the previous forecast, among other things because of increased expenses for high sick-pay cost compensation. This is in spite of the fact that expenditure for the proposed family week in the Budget Bill was not approved. Next year, social insurance expenditure will be slightly lower instead.

Labour market expenditure is somewhat lower both this year and the next as a result of lower expenditure for both the unemployment benefit and labour market policy measures. The number of unemployed registered with the Swedish Public Employment Service is lower than in the previous forecast, as is the number of participants in labour market programmes.

Decided budget and new measures in extra amending budgets

In the autumn of 2021, the Riksdag decided on the central government budget in accordance with a collective proposal from the Moderate Party, the Christian Democrats, and the Sweden Democrats. The budget that was passed is largely based on previous proposals in the Budget Bill for 2022, with certain changes. Since then, three extra amending budgets have been presented.

The extent of the new unfunded measures in the decided budget is in line with the Government's proposal, at around SEK 74 billion, but the distribution between expenditure increases and tax reductions has changed. Compared with the Government's proposal, expenditure for the central government will be approximately SEK 5 billion lower and tax reductions will be around SEK 5 billion greater.

Changes after the new budget

Examples of the changes in the budget, compared with the Government's proposal, are increases of both the earned income tax credit for low and middle-income earners and the basic deduction for people over 65, and a reduction of the fuel tax. Financing the reforms is possible as a result of, among other things, the fact that neither the enhancement of the earned income deduction nor the introduction of the family week are being carried out.

Another effect of the newly passed budget is that the recovery plan submitted for receiving grants from the EU's recovery fund must be revised and resubmitted to the EU. The Debt Office's forecast assumption is that this will occur this year, and it expects SEK 12 billion to be received in December this year and a further SEK 10 billion next year. The assumption is unchanged since the previous forecast.

Initiatives in amending budgets not fully utilised

In addition to the measures in the budget that was passed for 2022, additional measures in the three extra amending budgets have been announced. In the first of these, the Government presented measures for reducing the spread of infection, securing healthcare resources for testing and vaccination, and mitigating the pandemic's impact on businesses and jobs. Among other things, this contains extensions of the reorientation support, crisis support for culture and sports, and the reinstitution of compensation for sick-pay costs. The second amending budget contains expanded opportunities for tax respites, while the third includes a rebate for electricity prices, the removal of the qualifying period for short-time working, and an extended time frame for tax respites.

Altogether, the three extra amending budgets contain initiatives of around SEK 28 billion. Of these, the Debt Office assumes that approximately SEK 18 billion will be used. The Debt Office's assumption is that the majority of the measures will be utilised to a lesser extent than for which they have been budgeted – mainly the initiatives that are pandemic-related.

For next year, the Debt Office assumes a scope of SEK 40 billion for unfunded fiscal reforms, which is SEK 10 billion more than in the previous forecast. This is motivated by among other things an improved budget situation.

Debt Office net lending has positive effect in 2022 and 2023

Net lending by the Debt Office to agencies and other parties has a positive impact on the budget balance both this year and the next (see the box on page 26 for a description of the effect of net lending by the Debt Office on central government finances). This is essentially due to the Riksbank repaying loans as they mature, which were raised on its behalf by the Debt Office for financing the foreign exchange reserves. In total, SEK 61 billion in loans are being paid back by the Riksbank in February, March and October this year. Next year, loans to the Riksbank mature for altogether SEK 64 billion in February and April. In March of this year, the Swedish Export Credit Corporation is to repay a loan of SEK 10 billion issued by the Debt Office.

Net lending by the Debt Office was almost SEK 14 billion lower in 2021 than in the Debt Office's October forecast. The lower outcome is mostly due to an increase in deposits from Svenska Kraftnät. The 2022 forecast of net lending is revised down mainly because the inflow of capacity revenue is expected to continue to contribute to a high level of deposits from Svenska Kraftnät. The Nuclear Waste Fund is, on the other hand, expected to reduce its cash balance at the Debt Office, which means there will be a lower level of deposits. Altogether, net lending is revised down by SEK 4 billion compared with the previous forecast.

In 2023 as well, net lending is expected to be approximately SEK 4 billion lower than in the October forecast, mainly because of increased deposits from Svenska Kraftnät.

Altogether, net lending by the Debt Office is expected to amount to SEK -61 billion in 2022 and SEK -56 billion in 2023 (see Table 4).

Table 4. Net lending by the Debt Office per year

SEK billion	2021	2022	2023
Lending, of which	**-33**	**-51**	**-46**
Swedish Board of Student Finance	12	12	12
Swedish Transport Administration	-2	4	1
State-owned companies	0	-8	0
On-lending to the Riksbank	-57	-61	-64
Other	13	3	4
Deposits, of which	**41**	**10**	**10**
Swedish Board of Student Finance, credit res etc.	1	2	2
Resolution reserve	4	4	4
Premium pension system, net[1]	4	-3	-5
Other	32	7	8
Net lending	**-74**	**-61**	**-56**
Net lending excluding on-lending to the Riksbank	**-17**	**0**	**8**

[1] Premium pension refers to the net of paid-in pension fees, disbursement of funds and other management costs.

Debt Office net lending – a special expenditure item

Net lending by the Debt Office to government agencies and other parties is an item on the expenditure side of the central government budget. This means that increased net lending by the Debt Office weakens the budget balance. This can also be expressed by saying that the net borrowing requirement increases.

Net lending to government agencies and other parties is not financed by appropriations and does not come under the expenditure ceiling. It consists of the change in all lending and depositing in the central government's internal bank (treasury), at the Debt Office. Net lending covers ongoing central government activities – such as student loans, deposits in the premium pension system and lending to infrastructure investments – as well as items such as on-lending to the Riksbank and other countries. These items may be decided at short notice, and they can contribute to strong variations in net lending from year to year.

Net lending by the Debt Office affects the budget balance and central government debt. In contrast, central government net lending is only affected by certain parts of the Debt Office's net lending. For example, the payment and amortisation of student loans affect net lending by the Debt Office but not central government net lending.

Interest payments on central government debt remain low

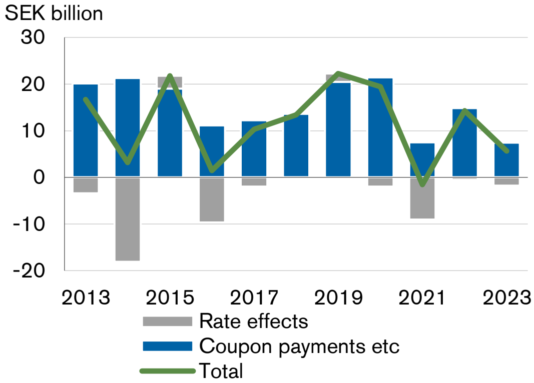
Interest payments on the central government debt are expected to be low during the forecast period as the gradual decline in market rates over a long period has an impact on the stock of outstanding bonds. This year, interest payments are expected to amount to just over SEK 14 billion, and in 2023 to just under SEK 6 billion (see Table 5).

The forecast for the current year is revised up by SEK 4 billion. This is mainly the result of large realised foreign exchange losses. For 2023, interest rate payments go up by just over SEK 1 billion compared with the previous forecast.

Table 5 interest payments on central government debt

SEK billion	2022	2023
Interest on loans in SEK	8.8	5.4
Interest on loans in foreign currency	-0.5	-0.6
Realised currency gains and losses	5.9	0.8
Interest payments	**14.3**	**5.7**

Figure 7. Interest rate payments 2013-2023



Source: The Debt Office.

Between 2022 and 2023, interest payments decrease by around SEK 9 billion (see Figure 7). This is mainly due to a bond with a relatively high nominal yield maturing in 2022. The coupon payments will therefore be somewhat lower next year. This year, the Debt Office is also paying out inflation compensation for an inflation-linked bond that is maturing. In 2023, no inflation-linked bonds are maturing and the corresponding effect does not occur. The realised foreign exchange losses are also lower in 2023. The decrease between the years is somewhat counteracted by the fact that a lower volume of bonds is expected to be issued at a premium. The premium arises when the coupon on the bond being issued is higher than the market rate at the time of sale.

The Debt Office uses cut-off rates in calculating central government interest payments and in measuring the Riksbank's foreign currency loans. The cut-off date for this forecast was 31 January 2022.

Difficult to assess effects of rising prices on budget balance

Since the previous forecast, uncertainty about the pandemic and its impact on the budget balance has decreased. At the same time, other risks have emerged in regard to the economic development, as mentioned in the previous chapter. One of these is inflation, which also affects the budget balance. This pertains not least to energy prices.

If inflation were to grow higher than forecast, the direct effects could include higher tax income from, for example, VAT. On the other hand, central government expenditure is affected via the purchase of goods and services and higher inflation compensation for inflation-linked bonds. If inflation were to become lower than forecast, the opposite would occur. Inflation also affects the uncertainty about the interest rate trend and thereby among other things capital placements in tax accounts. Altogether, it is very difficult to assess the net effect that a change in the rate of inflation would have on the budget balance.

Higher energy prices affect the budget balance in different ways, beyond the effects of increased inflation. Among other things, higher deposits from Svenska kraftnät are expected both this year and the next, as well as a significantly higher dividend from Vattenfall this year. Even next year, dividends are expected to be somewhat higher. At the same time, central government expenditure will increase because of a one-off rebate to households as compensation for high electricity prices to households. The Debt Office's forecast is that the high energy prices are temporary and will taper off in periods ahead. Nevertheless, the uncertainty is great, not least given the potential for prolonged geopolitical tensions to keep energy prices elevated longer than assumed in this forecast.

As previously, the assessment of deposits in, and withdrawals from, tax accounts are associated with great uncertainty. The available statistics on deposits in tax accounts are difficult to interpret because they do not provide a distinction between the amounts for taxes and those for placements of capital. Given the size of the current stock of capital placements, deviations from the forecast could be relatively large.

Lower borrowing in all government securities

The new forecast for the budget balance contains a lower central government borrowing requirement. The Debt Office is therefore refraining from the planned bond issuance in foreign currency this year and reducing the borrowing in all types of government securities. The largest reduction is in treasury bill borrowing, where the outstanding stock is lowered and the two longest maturities are being phased out. The Debt Office is also lowering the issuance volume of inflation-linked and nominal government bonds. Altogether, the central government debt decreases in 2022 as well as 2023, measured both in Swedish kronor and as a share of GDP.

The stronger outcome of the budget balance last year and the revision of the forecasts for 2022 and 2023 altogether entail a decrease of SEK 84 billion in the net borrowing requirement compared with the previous forecast. The total borrowing requirement, which also includes the refinancing of loans, drops even more – by SEK 224 billion in total for the three years (see Figure 1). This is due to the volume of maturing instruments falling when treasury bill borrowing decreases. The total borrowing requirement is expected to be SEK 228 billion in 2022 and SEK 252 billion in 2023. Table 1 and Figure 2 show how the borrowing requirement is financed.

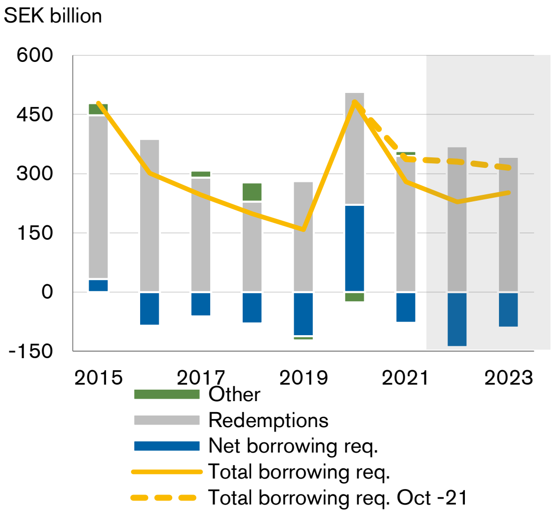
Table 1. Borrowing plan

SEK billion	2021		2022		2023
	Outcome	Feb	(Oct)	Feb	(Oct)
Money market funding	**176**	**173**	**(250)**	**203**	**(252)**
T-bills	107	65	(183)	65	(130)
Liquidity management	68	108	(68)	138	(122)
Bond funding	**103**	**55**	**(80)**	**49**	**(63)**
Nominal government bonds	83	46	(50)	40	(50)
Inflation-linked bonds	21	9	(13)	9	(13)
Green bonds	0	0	(0)	0	(0)
Foreign currency bonds	0	0	(18)	0	(0)
on behalf of the Riksbank	0	0	(0)	0	(0)
Central Government	0	0	(18)	0	(0)
Total gross borrowing	**279**	**228**	**(330)**	**252**	**(315)**

[1]Borrowing in the money market corresponds to outstanding stock at year-end. The previous forecast is in parentheses.
[2]Comprises commercial paper in foreign currency, T-bills sold continually (tap issues), loans in the deposit market, and liquidity from market-maintaining repos.

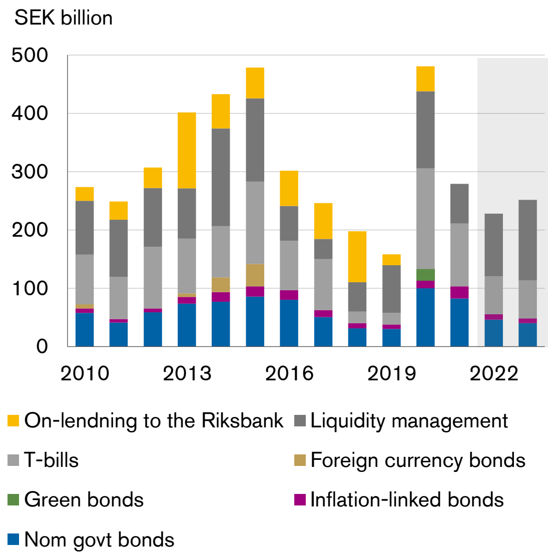
In the new borrowing plan, the Debt Office is primarily reducing the volume of treasury bills and cancelling the planned bond issuance in foreign currency. However, the supply of nominal government bonds also needs to be reduced, and the issuance volume will therefore be lowered to SEK 2 billion per auction starting in August. The inflation-linked bond borrowing is being reduced as well, but as previously this is done to steer the share of inflation-linked debt towards the target. The policy for using different debt instruments is described in the box on page 31. As in the previous forecast, the plan does not contain any new green bonds.

Figure 1. Gross borrowing requirement



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. See more detailed information in Table A6 of the Appendix.
Source: The Debt Office.

Figure 2. Borrowing by instrument



Note: Borrowing per calendar year. The amount of treasury bills and liquidity management instruments refers to outstanding stock at year-end.
Source: The Debt Office.

The Debt Office bases the borrowing plan on the forecast of the budget balance and the guidelines for debt management, but it also needs to take into account the preconditions affecting borrowing and liquidity management. In the current plan, this entails, for example, retaining a relatively large volume within the liquidity management operations, given the uncertainty about the net borrowing requirement and the prevailing liquidity surplus in the banking system (see page 35). Doing so enables the Debt Office to maintain the necessary flexibility for managing unexpected fluctuations in the borrowing requirement when the stock of T-bills decreases. Within the long-term borrowing, the Debt Office strives to keep the supply of government bonds stable, not least when market liquidity is strained (see the box on page 34). However, with a decreasing borrowing requirement, bond borrowing also needs to be adjusted down slightly. If the borrowing requirement were to become larger than forecast, the Debt Office is prepared for increasing borrowing in all types of debt instruments.

Lower supply of government bonds and longer time between maturities

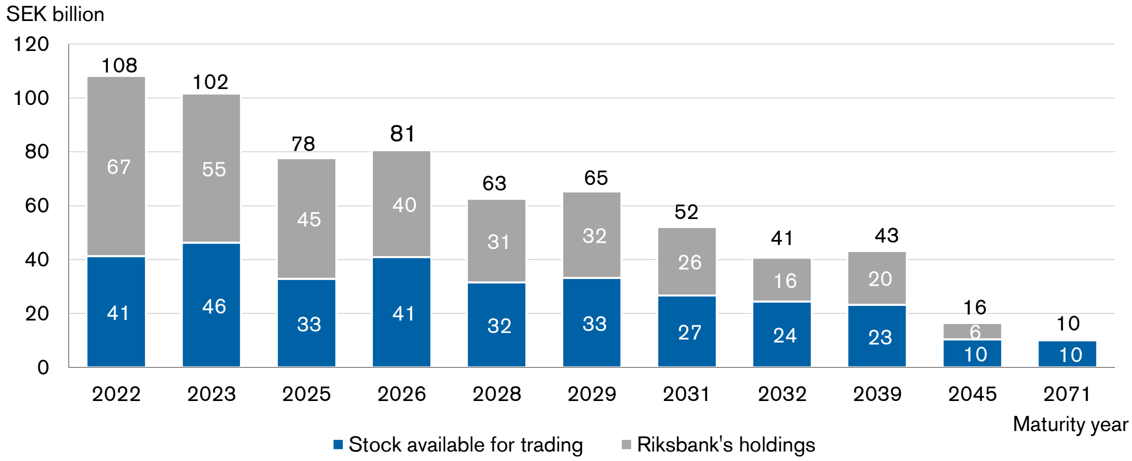
Issuance of nominal government bonds will be reduced from the current SEK 2.5 billion per auction to SEK 2 billion per auction after the summer of 2022 and remain at this level throughout the forecast period. Thereby, the annual issuance volume of nominal government bonds will be SEK 46 billion for 2022 and SEK 40 billion in 2023, which can be compared with SEK 83 billion in 2021. In the years preceding the pandemic, the annual volume was down to SEK 30 billion at its lowest.

As in the October forecast, the majority of auctions are planned for the ten-year segment. Additionally, issues are planned for the two-year and five-year reference bonds (see Table 3). There is also some room for issuing other bonds.

The date for issuing a new ten-year bond has been pushed forward to May and the maturity date postponed until November 2033. The Debt Office thus plans to increase the time between bond maturities to 18 months, from the current approximate 12 months. In light of a decreasing borrowing requirement, the Debt Office's assessment is that a wider gap between maturities will help promote liquidity. By adding issuance into a smaller number of bonds, the outstanding volume of each individual bond is kept larger (see the borrowing policy on page 31).

After the introduction, the Debt Office intends to build up the outstanding volume by reserving the two subsequent auctions for the new ten-year bond. The volume of these auctions will be increased to SEK 5 billion each. Thereafter, only one switch auction will be offered (see Table 2 for important dates).

Figure 3. Outstanding stock of nominal government bonds and the Riksbank's holdings



Source: The Debt Office and the Riksbank.

Table 2. Important dates

Date	Time	Activity
4 May	11.00	Introduction of SGB 1065
5 May	09.30	Terms for switch to SGB 1065
18 May	11.00	Larger auction volume SGB 1065
24 May	09.30	Borrowing forecast 2022:2
1 Jun	11.00	Larger auction volume SGB 1065
2 Jun	11.00	Switch to SGB 1065

Table 3. Reference bonds

Date of change	2-year	5-year	10-year
Current	1057	1059	1056
2022-06-15	1058	1060	
2022-12-21			1065

The reference bond in the electronic interbank market is the bond that is closest to two, five or ten years in term to maturity. Reference bonds are changed on the IMM (International Money Market) dates: the third Wednesday in March, June, September and December.

The date of change of reference bonds refers to the settlement date.

Borrowing policy forms basis of issuance planning

The Debt Office maintains a borrowing policy for, among other things, which types of debt instruments are used and how priorities are made between the instruments and between different maturities.

Nominal government bonds are most important source of funding

Nominal government bonds are the Debt Office's largest and most important funding source. These are therefore prioritised over other instruments in the borrowing. The Debt Office offers regular issues through auctions according to a pre-determined borrowing plan. Selling smaller volumes on many occasions reduces the risk of needing to borrow large volumes at times when market conditions are unfavourable. At the same time, investors are offered continual access to government bonds via the primary market.

An important part of the strategy for minimising borrowing costs over the long term is to act in a predictable manner and build up sufficient volume in certain prioritised maturities in order to ensure good liquidity. This means that the Debt Office adjusts the borrowing in government bonds to short-term conditions in the market only to a limited extent.

The Debt Office also endeavours to maintain relatively even maturities (redemptions) in its stock of bonds, in terms of both size and time, in order to avoid excessive refinancing needs in individual years.

Inflation-linked bonds are complement to nominal bonds

By issuing inflation-linked bonds, the Debt Office can attract investors who want to protect themselves against inflation. The inflation-linked bond issuance should be large enough to enable good liquid trading conditions in these bonds, yet not so large that it crowds out nominal bonds and worsens liquidity conditions in that market.

For inflation-linked bonds as well, the Debt Office also regularly issues by auction and strives for even maturities. In order to facilitate reinvestment at maturity, the Debt Office strives to limit the outstanding volume of maturing bonds by offering switches to longer bonds.

Bonds in foreign currency contribute to borrowing preparedness

In the international capital market, the Debt Office is able to reach a larger group of investors and borrow large amounts in a short span of time. There are therefore reasons for issuing bonds in foreign currency even when the borrowing requirement is low in order to maintain the preparedness to borrow large amounts when necessary. The Debt Office also issues securities with shorter maturities in foreign currency.

Because the Debt Office is a small player in the international capital market, as opposed to the Swedish krona market, there are greater opportunities for flexibility and adapting the borrowing according to prevailing market conditions in the international arena.

Treasury bills are used to balance fluctuations in borrowing need

Using T-bills, the Debt Office can borrow in short maturities in the Swedish krona market. Treasury bills are issued regularly through auctions and can also be sold through tap issues within the liquidity management operations. T-bills are used primarily to balance fluctuations in the borrowing requirement. This helps maintain stability in government bond borrowing.

Borrowing in inflation-linked bonds continues to decrease

The issuance volume of inflation-linked bonds will be lowered from SEK 750 million to SEK 500 million per auction starting in March 2022. The total volume will thereby become SEK 9.25 billion in 2022 and SEK 8.5 billion in 2023.

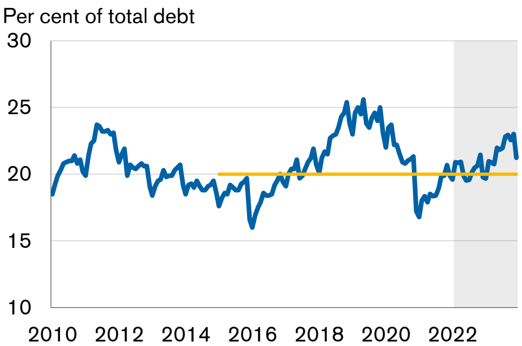
The Debt Office is adjusting the issuance volume of inflation-linked bonds in order to steer the share of inflation-linked debt towards the long-term target of 20 per cent of the central government debt. Several factors affect the development of the inflation-linked debt share such as issuance volume, planned switches, inflation-linked bonds maturing, and the size of the central government debt. The continual market-maintaining switches also affect the share.

The share of inflation-linked debt was under the long-term target for most of 2021. This is partly a result of the stock of inflation-linked bonds decreasing after a bond matured but also because the central government debt grew in connection with the pandemic. At the end of the year, the inflation-linked debt share returned to the target and will remain there during 2022 as maturities, borrowing, and the reduction in debt counterbalance each other. Next year, however, the share is slightly above the target because there are no maturing inflation-linked bonds at the same time as the debt goes down and the borrowing remains unchanged. The next inflation-linked bond maturity occurs first in 2025 after which there are maturities several years in a row, which contribute to the inflation-linked debt share decreasing again.

Changed terms for continual switches of inflation-linked bonds

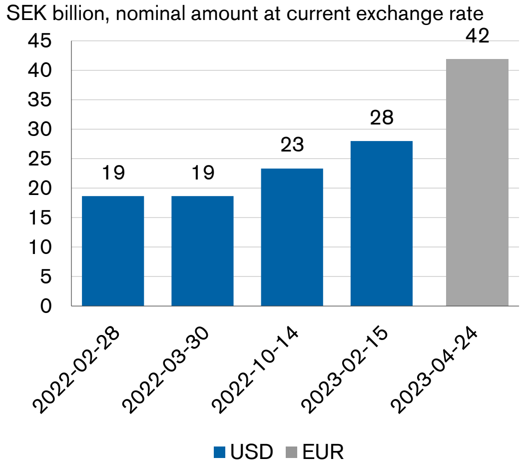
The continual switches of inflation-linked bonds play an important role in the functioning of the market by supporting liquidity. But considering that the issuance volume of inflation-linked bonds is being lowered, the volume of the market-maintaining switches must also be reduced to mitigate the risk of these having an excessive impact on the inflation-linked debt's maturity profile. Starting 7 March 2022, the Debt Office is therefore going to reduce the volume from the current SEK 250 million to SEK 150 million per week and primary dealer. By limiting the volume of switches, the Debt Office is endeavouring to, over the long term, control the size of the outstanding loans and the maturity profile of the stock of inflation-linked bonds.

Figure 4. Share of inflation-linked debt



Note: The forecast shows figures for the end of each month while the outcome shows the monthly average. The yellow line shows the long-term objective for the share of inflation-linked debt. The share is calculated at the nominal amount using the current exchange rate including accrued inflation compensation.
Source: The Debt Office.

Figure 5. Maturing on-lending to the Riksbank



Note: Nominal amount, original exchange rate.
Source: The Debt Office.

No bond borrowing in foreign currency

In order to maintain a presence in the international capital market, the Debt Office intends to issue a certain volume of bonds in foreign currency over time. In the previous forecast, the Debt Office planned to issue a foreign currency bond in 2022, but as the borrowing requirement is once again decreasing, it is prioritising the borrowing in Swedish kronor and therefore cancelling the foreign currency bond. Currently, there are no plans for a bond in foreign currency in 2023 either. The Debt Office can also issue commercial paper in foreign currency within the liquidity management operations.

The borrowing in foreign currency does not affect the currency exposure of the central government debt, because the Debt Office manages the currency exposure with derivatives.

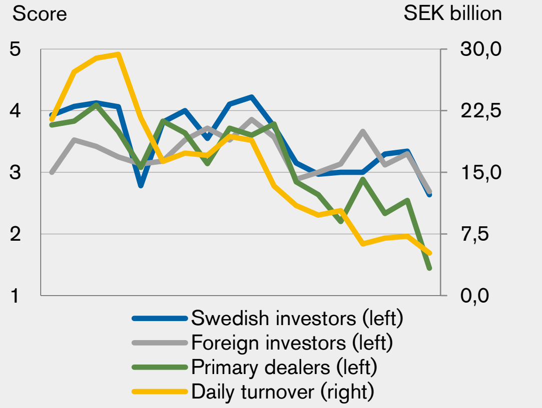
Worsened liquidity in government securities market

In an annual questionnaire survey, the Debt Office lets market participants rate liquidity in the government securities market in terms of volume, spread (the difference between the bid and ask price) and price transparency. Liquidity refers to the possibility of carrying out a transaction swiftly, at a reasonable cost and with a minor impact on prices. A well-functioning market with good liquidity is an important factor for attracting investors and keeping down the cost of the central government debt. If liquidity deteriorates too much, there is a risk that some investors will leave the market.

The results of the survey conducted at the end of 2021 show that market participants collectively experienced a deterioration in liquidity compared with 2020 (see Figure 6). For nominal government bonds, primary dealers as well as Swedish and foreign investors now consider the liquidity to be unsatisfactory (a score lower than 3) in terms of both volume and spread. The liquidity of inflation-linked bonds was judged to still be unsatisfactory, and primary dealers and foreign investors lowered their scores from 2020.

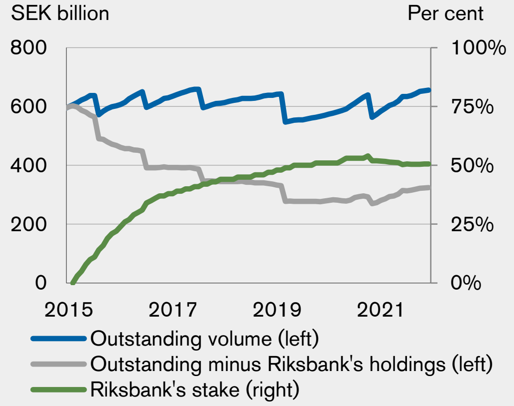
The most frequent reason for the low rating of liquidity is the impact on the market from the Riksbank's purchases of government bonds in combination with the Debt Office's declining supply. Another aspect raised is that regulations have caused primary dealers to stop maintaining inventories in the same way as before.

Figure 6. Perceived liquidity and daily turnover of nominal government bonds



Note: Scores for liquidity in terms of volume in the survey by Kantar Prospera. A scale of 1 to 5 in which 4 and over is considered excellent, lower than 3 unsatisfactory. Sources. The Debt Office and the Riksbank.

Figure 7. Outstanding volume of nominal government bonds and the Riksbank's holdings



Note: The Riksbank's stake is shown in per cent on the right. Outstanding volume including and excluding the Riksbank's holdings is shown on the left. Sources: The Debt Office and the Riksbank.

The report Central Government Debt Management – a Basis for Evaluation 2021 contains more information about the survey, which also measures the market participants' confidence in the Debt Office's strategies and actions. The survey results are also published in Swedish on riksgalden.se.

Decrease in T-bill stock and move to shorter maturities

The Debt Office is reducing the number of outstanding treasury bills from six to four maturities. The planned issuance volume will be SEK 5 billion per auction until the end of May 2022 and thereafter primarily SEK 10 billion. The T-bills that will be issued will have maturities of three and six months. This means that there will be no issuance in the longer maturities of nine and twelve months. The issues of treasury bills are planned on the basis of the maturity policy described in the box below.

The Debt Office expects the stock of treasury bills to decrease to SEK 65 billion at the end of 2022 and remain at the same level at the end of 2023. This can be compared with SEK 183 billion and SEK 130 billion respectively in the previous forecast (see Figure 8).

Return to earlier maturity policy for treasury bills

The Debt Office, starting June 2020, increased the number of outstanding maturities in treasury bills to meet a growing borrowing requirement. The change meant that the number of T-bills increased from four to six with the longest maturities being nine and 12 months. Now that the borrowing requirement is decreasing, the Debt Office will return to the previous policy.

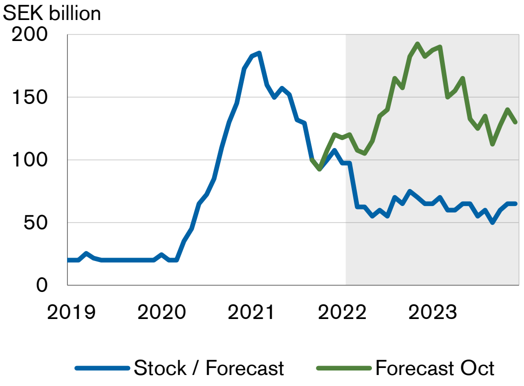
Starting in June, the Debt Office intends to issue only treasury bills with a maturity of up to six months. This entails a gradual return to the number of outstanding T-bills being four. The issues will continue at the current frequency, which is every other week.

The policy involves the Debt Office issuing a new six-month bill maturing on an IMM date (the third Wednesday in March, June, September, and December). In the other months, a new three-month bill is introduced.

The Debt Office also continually issues treasury bills on a discretionary basis (tap issues) within the liquidity management operations. This applies to T-bills with the two shortest maturities and with tailored maturities (liquidity bills).

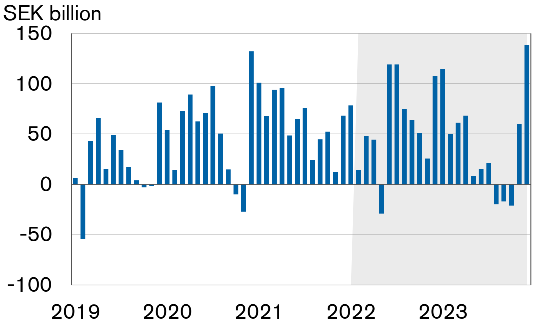
The borrowing requirement remaining after the regular issues of treasury bills and government bonds is financed within the liquidity management operations. These activities include for example the Debt Office issuing T-bills continually (tap issues) and commercial paper in foreign currency. The volume of liquidity management instruments in the plan is higher now than in the previous forecast to maintain room for managing deviations from the forecast. The borrowing within liquidity management is continually adjusted to the development of the budget balance and the regular borrowing.

Figure 8. Stock of T-bills



Source: The Debt Office.

Figure 9. Liquidity managment



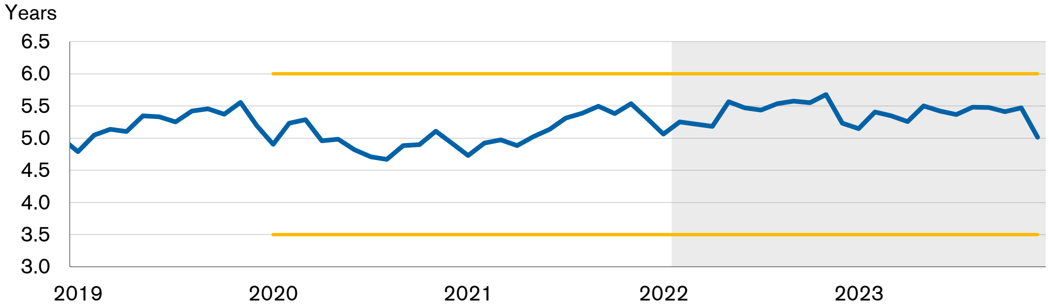
Note: Nominal amount incl. assets under management. Positive amounts indicate borrowing requirement, negative amounts indicate a cash surplus.
Source: The Debt Office.

Increased use of interest rate swaps to adjust maturity

In recent years, the Debt Office has not needed to adjust the duration of the central government debt with the aid of interest rate swaps in order to meet the guidelines, but it has still carried out a small volume in order to maintain competence and market presence. Now the need to use the swaps has returned because with the new borrowing plan, in which the short-term borrowing is reduced more than the long-term borrowing, the duration of the nominal krona debt is approaching the upper limit of the steering interval.

This year, the Debt Office expects an unchanged volume of SEK 5 billion in interest rate swaps, but the average maturity is being extended to around seven years. The Debt Office plans to include swaps in maturities of up to 12 years. For 2023, the volume of swaps is expected to increase to SEK 10 billion at an average maturity of around seven years. The swaps are spread out relatively evenly over the yield curve, taking into account flexibility from a business point of view in terms of timing and maturity. The Debt Office may deviate from the planned volume if conditions change during the year.

Figure 10. Central government debt duration



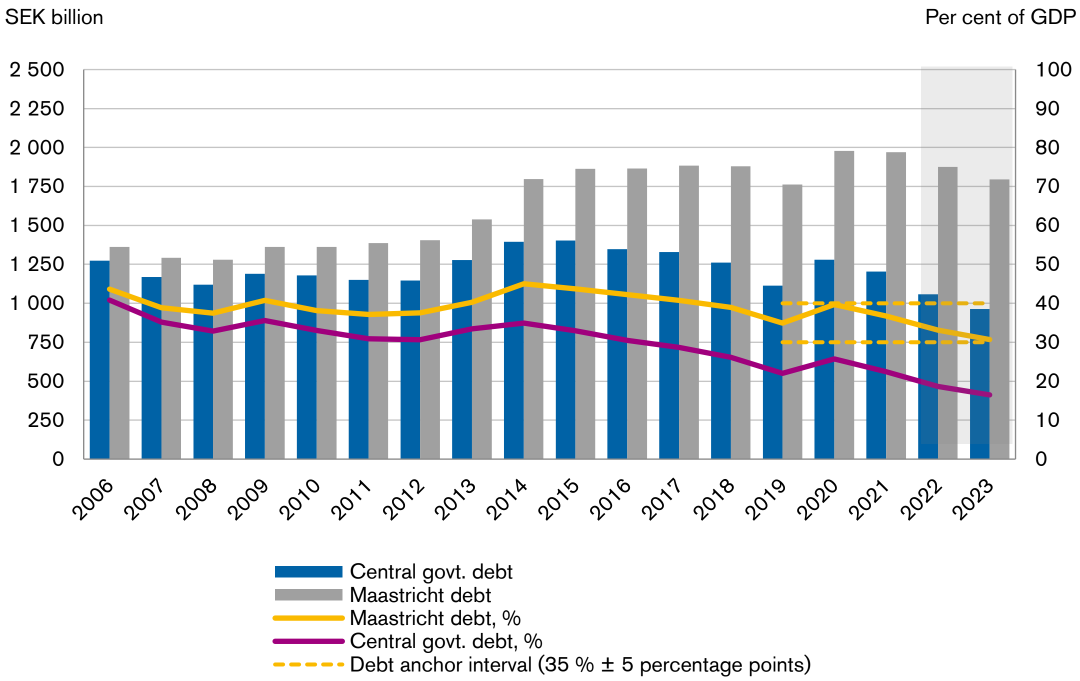
Note: Term to maturity is measured using the Macaulay duration. The forecast shows figures for the end of each month while the outcome shows the monthly average. The yellow lines indicate the steering interval in the Government's guidelines for debt management.
Sources: The Debt Office.

Central government debt continues to decrease

The central government debt continues to decrease this year and the next. At the end of 2021, the debt amounted to SEK 1,204 billion, corresponding to 22 per cent of GDP. It is now expected to decrease to SEK 1,057 billion in 2022 and SEK 964 billion in 2023 (see Figure 11 and Table 4). It thereby ends up at 16 per cent of GDP at the end of the forecast period.

The Maastricht debt is expected to decrease from 37 per cent of GDP at the end of 2021 to 33 per cent in 2022 and 31 per cent in 2023. The Maastricht measure includes the consolidated debt for the entire public sector and is used in international comparisons (see the box below). This is also the measure referred to for the debt anchor of 35 per cent of GDP (±5 percentage points) in the fiscal policy framework.

Figure 11. Government debt – development over time



Sources: The Debt Office and Statistics Sweden.

Different measures of government debt in statistics

There are different ways of measuring government debt. The Debt Office reports the *central government unconsolidated debt*. This measure shows the central government gross debt and includes all loans raised by the Debt Office on behalf of the central government, irrespective of who owns the claims on the state. The debt is reported at its nominal terminal value according to the principles applied in the EU.

Some government agencies own government bonds and treasury bills. This kind of intragovernmental ownership is deducted in the *central government consolidated debt*. That measure provides an overall picture of the financial position of the central government and is used in the Budget Bill and the annual report for the central government. The central government consolidated debt is calculated by the Swedish National Financial Management Authority (ESV).

One debt measure often used in international comparisons is *general government consolidated gross debt*, which is also called the Maastricht debt. This debt covers the whole of the public sector, i.e. including municipalities, regions and the pension system. Its calculation is based on conditions in the Maastricht Treaty. According to the EU's criterion, the Maastricht debt must not exceed 60 per cent of GDP.

The Maastricht debt is also the measure used in Sweden's budgetary framework and which forms the basis of the debt anchor of 35 per cent that the Riksdag (Parliament) decided will be in force as of 2019. General government consolidated gross debt is published by Statistics Sweden.

Table 4. From net borrowing requirement to central government debt

SEK billion	2019	2020	2021	2022	2023
Net borrowing requirement	-112	221	-78	-139	-90
Business day adjustment etc. [1]	-15	-25	7	0	0
Net borrowing per business day	**-127**	**196**	**-71**	**-139**	**-90**
A. Net amount including money market assets	**1 033**	**1 229**	**1 159**	**1 020**	**929**
Inflation compensation	26	18	24	26	29
Exchange rate effects	26	-4	6	7	0
B. Net amount to current exchange rate incl. inflation compensation	**1 085**	**1 243**	**1 189**	**1 052**	**959**
Assets under management	28	38	15	5	5
C. Central government debt	**1 113**	**1 280**	**1 204**	**1 057**	**964**
Assets under management	-28	-38	-15	-5	-5
On-lending	-193	-174	-127	-67	0
D. Central government debt incl. on-lending and assets under management	**893**	**1 069**	**1 063**	**986**	**959**
Nominal GDP	5 049	4 985	5 367	5 664	5 848
C. Central government debt, % of GDP	22	26	22	19	16
D. Central government debt incl. on-lending and money market assets, % of GDP	18	21	20	17	16

[1] A difference occurs as borrowing is reported by business date while net borrowing requirement is reported by settlement date.

Appendix

Budget balance tables

Table A1. Central government net lending

SEK billion	2019	2020	2021	2022	2023
Budget balance	**112**	**-221**	**78**	**139**	**90**
Delimitations	**-51**	**43**	**-71**	**-77**	**-71**
Sale of limited companies	0	0	0	0	0
Extraordinary dividends	0	0	0	-12	0
Parts of Debt Office's net lending	-67	31	-72	-59	-54
Other	16	13	2	-6	-17
Accruals	**7**	**42**	**-28**	**-48**	**8**
Taxes	0	34	-20	-48	9
Interest payments etc.	7	9	-8	0	-1
Central government net lending	**68**	**-135**	**-21**	**14**	**27**
Per cent of GDP	**1.3**	**-2.7**	**-0.4**	**0.2**	**0.5**

Table A2. Budget balance forecast per month

SEK billion	Primary balance	Net lending	Interest on government debt	Budget balance
Feb-22	52.8	20.8	0.6	74.2
Mar-22	-12.6	34.5	-2.1	19.9
Apr-22	-11.3	3.3	0.6	-7.4
May-22	76.4	-1.9	-2.1	72.3
Jun-22	-25.5	6.1	-8.3	-27.6
Jul-22	-1.2	5.7	0.4	4.9
Aug-22	26.5	4.7	0.5	31.7
Sep-22	3.1	2.6	-0.1	5.6
Oct-22	-6.5	25.5	0.6	19.6
Nov-22	25.4	4.4	-2.7	27.1
Dec-22	-35.9	-44.0	-1.6	-81.5
Jan-23	-13.1	2.6	1.1	-9.4

Table A3. Budget balance changes between years, effect on budget balance

SEK billion	2019	2020	2021	2022	2023
Budget balance, level	**112**	**-221**	**78**	**139**	**90**
Change from previous year	32	-333	298	62	-49
Primary balance	**-33**	**-239**	**176**	**90**	**-52**
Income from taxes	2	-72	191	72	-41
Grants to local governments	-9	-38	5	-3	7
Labour market	7	-7	-4	0	4
Social insurance	-5	-26	-1	14	3
Sales of state-owned assets	-2	0	0	0	0
State share dividends	0	4	-1	24	-13
EU contribution	0	-11	-2	2	5
Other	-27	-88	-13	-19	-18
Debt Office's net lending excl. on-lending	**-5**	**-23**	**38**	**-17**	**-8**
On-lending	**78**	**-73**	**63**	**5**	**2**
Interest on government debt	**-9**	**3**	**21**	**-16**	**9**

Table A4. Budget balance forecast comparison, SEK billion

SEK billion	Budget balance	Sale of state assets	Adjusted budget balance
Debt Office (24 February)			
2022	139	0	139
2023	90	0	90
Government (20 September)			
2022	53	5	48
2023	116	5	111
NIER (21 December)			
2022	100	0	100
2023	147	0	147
ESV (17 November)			
2022	83	0	83
2023	136	0	136

Table A5. State share dividends

SEK billion	2021	2022	2023
Akademiska hus AB	2.1	2.8	2.8
LKAB	5.9	9.0	9.0
Telia Company AB	3.2	3.3	3.4
Vattenfall AB	4.0	23.4	10.0
Sveaskog AB	0.9	1.3	1.3
Other companies	1.3	1.5	1.7
Total	**17.4**	**41.3**	**28.2**

Borrowing tables

Table A6. Total borrowing requirement, gross

SEK billion	2019	2020	2021	2022	2023
Net borrowing requirement	**-112**	**221**	**-78**	**-139**	**-90**
Business day adjustment etc.[1]	**-15**	**-25**	**7**	**0**	**0**
Retail borrowing & collateral, net[2]	**4**	**-2**	**5**	**-2**	**0**
Money market redemptions[3]	**70**	**101**	**305**	**176**	**173**
T-bills	20	20	173	107	65
Liquidity management	50	81	132	68	108
Bond redemptions, net switches and buy-backs	**211**	**185**	**40**	**193**	**170**
Nominal government bonds	99	96	0	109	103
Inflation-linked bonds	25	19	-1	23	3
Green bonds	0	0	0	0	0
Foreign currency bonds[4]	87	70	41	61	64
Total gross borrowing requirement	**158**	**481**	**279**	**228**	**252**

[1] A difference occurs as borrowing is reported by business date while net borrowing requirement is reported by settlement date.
[2] Net change in retail borrowing and collateral.
[3] Initial stock maturing within 12 months. Liquidity management is net, including assets under management. Commercial paper is included in Liquidity management.
[4] Calculated with the original issuance exchange rate.

Table A7. Net borrowing requirement and net borrowing

SEK billion	2019	2020	2021	2022	2023
Net borrowing requirement	-112	221	-78	-139	-90
Business day adjustment[1]	-15	-25	7	0	0
Net borrowing	**-127**	**196**	**-71**	**-139**	**-90**
Retail funding & collateral, net	**-4**	**2**	**-5**	**2**	**0**
Net money market funding	**31**	**203**	**-129**	**-3**	**30**
T-bills	0	153	-65	-42	0
Commercial paper	0	31	-31	0	0
Liquidity management	31	19	-32	39	30
Net bond market funding	**-154**	**-9**	**63**	**-138**	**-121**
Nominal government bonds	-69	4	83	-63	-63
Inflation-linked bonds	-17	-6	22	-14	6
Green bonds	0	20	0	0	0
Foreign currency bonds	-68	-27	-41	-61	-64
Total net borrowing	**-127**	**196**	**-71**	**-139**	**-90**

[1] A difference occurs as borrowing is reported by business date while net borrowing requirement is reported by settlement date.

Market information

Nominal government bonds, auction dates

Announcement date	Auction date	Settlement date
02-Mar-22	09-Mar-22	11-Mar-22
16-Mar-22	23-Mar-22	25-Mar-22
30-Mar-22	06-Apr-22	08-Apr-22
13-Apr-22	20-Apr-22	22-Apr-22
27-Apr-22	04-May-22	06-May-22
11-May-22	18-May-22	20-May-22
25-May-22	01-Jun-22	03-Jun-22
05-May-22	02-Jun-22*	07-Jun-22

*Exchange auction

Nominal gov. bonds, outstanding volume

Maturity date	Coupon %	Bond no.	SEK million
01-Jun-22	3.50	1054	108 131
13-Nov-23	1.50	1057	101 635
12-May-25	2.50	1058	77 626
12-Nov-26	1.00	1059	80 664
12-May-28	0.75	1060	62 513
12-Nov-29	0.75	1061	65 339
12-May-31	0.125	1062	52 140
01-Jun-32	2.25	1056	40 750
30-Mar-39	3.50	1053	43 213
24-Nov-45	0.50	1063	16 472
23-Jun-71	1.375	1064	10 000
Total nominal government bonds			658 483

Note: Outstanding volume on 31 January 2022

Inflation-linked bonds, auction dates

Announcement date	Auction date	Settlement date
10-Mar-22	17-Mar-22	21-Mar-22
24-Mar-22	31-Mar-22	04-Apr-22
21-Apr-22	28-Apr-22	02-May-22
05-May-22	12-May-22	16-May-22
02-Jun-22	09-Jun-22	13-Jun-22

Inflation-linked bonds, outstanding volume

Maturity date	Coupon %	Bond no.	SEK million
01-Jun-22	0.25	3108	22 495
01-Jun-25	1.00	3109	35 303
01-Jun-26	0.125	3112	31 258
01-Dec-27	0.125	3113	22 736
01-Dec-28	3,50	3103	1
01-Dec-28	3.50	3104	27 846
01-Jun-30	0.125	3114	18 156
01-Jun-32	0.125	3111	21 266
01-Jun-39	0.125	3115	3 609
Total inflation-linked bonds			182 670

Note: Outstanding volume on 31 January 2022

Treasury bills, auction dates

Announcement date	Auction date	Settlement date
09-Mar-22	16-Mar-22	18-Mar-22
23-Mar-22	30-Mar-22	01-Apr-22
06-Apr-22	13-Apr-22	19-Apr-22
20-Apr-22	27-Apr-22	29-Apr-22
04-May-22	11-May-22	13-May-22
17-May-22	24-May-22	27-May-22
01-Jun-22	08-Jun-22	10-Jun-22
15-Jun-22	22-Jun-22	27-Jun-22
29-Jun-22	06-Jul-22	08-Jul-22

Treasury bills, outstanding volume

Maturity date	SEK million
16-Feb-22	17 500
16-Mar-22	50 000
20-Apr-22	10 000
15-Jun-22	10 000
21-Sep-22	5 000
21-Dec-22	4 983
Total T-bills	97 483

Note: Outstanding volume on 31 January 2022

Rating

Rating company	Debt in SEK	Foreign currency debt
Moody's	Aaa	Aaa
Standard & Poor's	AAA	AAA
Fitch	AAA	AAA

Primary dealers

Primary dealer	Government bonds	Inflation-linked bonds	T-bills	Telephone no.
Barclays	•			+44 203 555 1907
Danske Markets	•	•	•	+46 8 568 808 44
Handelsbanken Markets	•	•	•	+46 8 463 46 50
Nordea Markets	•	•	•	+46 8 407 94 88
SEB	•	•	•	+46 8 506 231 51
Swedbank	•	•	•	+46 8 700 99 00

Contact

Mårten Bjellerup, Chief Economist, +46 8 613 46 61
Johan Bergström, Acting Head of Debt Management, +46 8 613 45 68

Next report

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The Swedish National Debt Office is the central government financial manager and the national resolution and deposit insurance authority. The Debt Office thus plays an important role in the Swedish economy as well as in the financial market.

RIKSGÄLDEN
SWEDISH NATIONAL DEBT OFFICE

Visit: Olof Palmes gata 17 | Postal: SE-103 74 Stockholm, Sweden | Phone: +46 8 613 45 00
E-mail: riksgalden@riksgalden.se | Web: riksgalden.se