RIKSGÄLDEN
SWEDISH NATIONAL DEBT OFFICE

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Sweden's borrowing need remains high despite stronger economy

The new forecast from the Swedish National Debt Office shows stronger central government finances than previously expected, but there will continue to be large budget deficits in the coming two years. In addition, the need for refinancing grows in 2028. The supply of government bonds will therefore be increased as planned.

The Debt Office expects a budget deficit of SEK 139 billion for 2026, SEK 174 billion for 2027, and SEK 141 billion for 2028. The forecast does not include the foreign currency loans equivalent to SEK 200 billion that the Riksbank announced it plans to raise via the Debt Office starting next year. This on-lending to the Riksbank would weaken the budget balance and increase the central government debt correspondingly in the forecast period.

"Tax income is increasing as the economy grows more rapidly, yet not enough to cover expenditure. This means that we expect to have deficits to finance in all three forecast years and that the central government debt will grow," says Debt Office Director General Karolina Ekholm. "We are also prepared to contribute to financing the Riksbank's foreign exchange reserves in accordance with the plan it has presented. That borrowing would cause the central government debt to increase further. At the same time, it would correspond to an asset for the central government in the form of a claim on the Riksbank."

The overall budget deficit for this year and next year (excluding the loans to the Riksbank) is smaller than in the previous forecast from May, which did not include 2028. The assumption of fiscal policy measures in 2027 is the same in the new forecast as previously, given that no new budget bill was in place when the forecast was made.

The Debt Office expects GDP to grow by 2.9 per cent this year, 2.4 per cent in 2027, and 1.5 per cent in 2028. Inflation is expected to rise next year, while unemployment goes down gradually.

Supply of government bonds gradually increases

The new budget forecast entails a smaller net borrowing requirement than previously expected for 2026 and 2027. The Debt Office is therefore reducing the short-term borrowing and refraining from issuing the foreign currency bond planned for next year. If the Riksbank implements the funding change for the foreign exchange reserves, the Debt Office's foreign currency borrowing will increase sharply.

As previously, the Debt Office plans to increase the issuance volume of nominal government bonds from just below SEK 220 billion for 2026 to SEK 240 billion for 2027. The plan contains a subsequent increase to SEK 264 billion for 2028, when several bonds reach maturity and must be refinanced. The next new ten-year government bond will be introduced through syndication in April 2027.

The plan for inflation-linked bond borrowing remains unchanged with an issuance volume of SEK 6 billion per year.

Debt continues to go up from low level at outset

The Debt Office expects the central government debt to grow from SEK 1,244 billion at the end of 2025 to SEK 1,666 billion at the end of 2028. This is an increase from 19 per cent to 22 per cent of GDP. With the announced foreign currency borrowing for the Riksbank included, the central government debt would be 25 per cent of GDP in 2028.

According to the Debt Office's forecast, the general government debt (Maastricht measure) increases from 35 per cent to 38 per cent of GDP. It thereby remains within the range of the debt anchor in the fiscal policy framework, which is 35 per cent ± 5 percentage points. With the on-lending to the Riksbank included, the Maastricht debt would be just above 40 per cent of GDP.

The impact on central government finances from the Riksbank's announced funding change for the foreign exchange reserves is described in an in-depth section in the central government borrowing report.

Debt Office's forecast – key figures

Key figures from Central Government Borrowing 2026:2 report.

Central government borrowing (SEK billion)

Debt instrument	Outcome 2025	Forecast 2026	26:1 2026	Forecast 2027	26:1 2027	Forecast 2028
Nominal government bonds	118	219	220	240	240	264
Inflation-linked bonds	6	6	6	6	6	6
Foreign currency bonds	41	22	19	0	19	0
T-bills, stock at year-end	173	243	238	173	233	225
Liquidity management instruments, stock at year-end	137	110	173	136	151	138

Note: 26:1 refers to the previous forecast published in May 2026.

Central government finances (SEK billion, unless otherwise stated)

Key figure	Outcome 2025	Forecast 2026	26:1 2026	Forecast 2027	26:1 2026	Forecast 2028
Budget balance (with the opposite sign, the net borrowing requirement)	-102	-139	-196	-174	-208	-141

Central govt. debt	1,244	1,378	1,430	1,545	1,633	1,666
Central govt. debt (% of GDP)	19	20	21	21	23	22
General govt. debt (% of GDP)	35	36	37	38	39	38

Note: 26:1 refers to the previous forecast published in May 2026.

Swedish economy (Annual percentage change, unless otherwise stated)

Key figure	Outcome 2025	Forecast 2026	26:1 2026	Forecast 2027	26:1 2027	Forecast 2028
GDP growth	1.4	2.9	1.9	2.4	2.5	1.5
Unemployment (% of labour force)	8.8	8.7	8.6	8.2	8.2	7.6
CPIF inflation	2.6	1.4	1.2	2.3	1.4	2.1

Note: 26:1 refers to the previous forecast published in May 2026.

Report: Central Government Borrowing – forecast and analysis 2026:2

A digital presentation of the report is available at Riksgälden Play at http://www.riksgalden.se, in Swedish.

Contacts

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About the Swedish National Debt Office

The Swedish National Debt Office is the central government financial manager. We secure Sweden's economy and ensure that the financial system remains stable.

www.riksgalden.se

Attachments

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