

Sweden increases borrowing to cover budget deficits

Sweden needs to increase central government borrowing to fund large budget deficits both this year and the next. The Debt Office is therefore further raising the annual issuance volume of government bonds slightly and will begin to hold more frequent auctions. The central government debt continues to rise, albeit from a low level.

The Swedish National Debt Office's new forecast of the budget balance indicates a deficit of SEK 196 billion for 2026 and SEK 208 billion in 2027. These are greater deficits than in the previous forecast from November, due to new fiscal policy measures, higher net lending by the Debt Office, and the war in the Middle East's adverse effects on the Swedish economy. The Debt Office is lowering its forecast for GDP growth this year from 2.7 per cent to 1.9 per cent.

"The budget deficit grows rapidly this year as the result of, among other things, increased defence spending, tax cuts, and new fiscal policy measures to mitigate the impact of the war in the Middle East on the Swedish economy. We expect a temporary halt in the economic recovery, but the developments of course come with great uncertainty due to the geopolitical situation," says Debt Office Director General Karolina Ekholm.

Government debt rises from low starting point

The deficits cause the central government debt to increase from SEK 1,244 billion at the end of 2025 to SEK 1,633 billion at the end of 2027. This means that the debt ratio will rise from 19 to 23 per cent of GDP. The general government debt (Maastricht measure) increases from 35 to 39 per cent of GDP. It thereby approaches the upper limit of the range for the debt anchor in Sweden's fiscal policy framework, although it remains low by international comparison.

More frequent auctions of government bonds

In the new borrowing plan, the annual supply of nominal government bonds is marginally higher this year and somewhat further raised in 2027, compared with the previous plan. The Debt Office will also hold more frequent bond auctions – every Wednesday instead of every other Wednesday – as of 17 June. The volume per auction will then be SEK 5 billion. That will result in an annual volume of SEK 220 billion for 2026. The plan for 2027 contains an increase to SEK 240 billion.

The Debt Office still plans to issue a foreign currency bond per year in 2026 and 2027. The planned inflation-linked bond borrowing is also unchanged.

Debt Office's forecast – key figures

Key figures from *Central Government Borrowing – Forecast and Analysis 2026:1*.

Central government borrowing (SEK billion)

Debt instrument	Outcome 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027

Nominal government bonds	118	220	216	240	220
Inflation-linked bonds	6	6	6	6	6
Foreign currency bonds	41	19	19	19	19
T-bills, stock at year-end	173	238	250	233	243
Liquidity management, stock at year-end	137	173	142	151	132
Note: 25:2 refers to the previous forecast published in November 2025.					

Central government finances (SEK billion, unless otherwise stated)

Key figure	Outcome 2025	Forecast 2026	25:2 2026	Forecast 2027	25:1 2026
Budget balance (with the opposite sign, the net borrowing requirement)	-102	-196	-173	-208	-194
Central govt. debt	1,244	1,430	1,406	1,633	1,591
Central govt. debt (% of GDP)	19	21	21	23	22
General govt. debt (% of GDP)	35	37	37	39	38
Note: 25:2 refers to the previous forecast published in November 2025.					

Swedish economy (Annual percentage change, unless otherwise stated)

Key figure	Outcome 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
GDP growth	1.5	1.9	2.7	2.5	2.5
Unemployment (% of labour force)	8.8	8.6	8.4	8.2	7.8
CPIF inflation	2.6	1.2	0.8	1.4	1.7
Note: 25:2 refers to the previous forecast published in November 2025.					

Report: Central Government Borrowing – Forecast and Analysis 2026:1

The Debt Office is holding an online presentation of the report today, 28 May, at 10:00 a.m. (in Swedish). Follow the live stream at our website [riksgalden.se](https://www.riksgalden.se).

For further information or interview requests, contact the Debt Office's press function at press@riksgalden.se or by phone at +46 (0) 8 613 47 01.

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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.

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Attachments

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