

Debt Office proposes unchanged steering of debt maturity and composition

Today, the Swedish National Debt Office is submitting to the Government its annual proposed guidelines for central government debt management. The Debt Office proposes no changes to the steering of the debt's composition or term to maturity. However, the proposal contains adjustments to the guidelines on refinancing risk and on evaluation.

In accordance with the Budget Act, the Government is to decide on the guidelines by 15 November. Before this decision is made, the Riksbank is also given the opportunity to provide an opinion on the Debt Office's proposal. The guidelines govern, among other things, which types of debt the central government debt shall be composed of and what its term to maturity shall be. The guidelines also state how the debt management is to be evaluated.

"Although we are in a transition from a long period of budget surpluses and shrinking central government debt, to deficits and a growing debt, our analysis currently provides no clear grounds for altering the steering of the debt's composition or term to maturity," says Klas Granlund, head of debt management at the Debt Office.

No compelling reason to change steering

The Debt Office proposes leaving the steering of the composition of the central government debt unchanged. In recent years, the Government has decided that the foreign currency exposure of the debt is to be gradually phased out and that the outstanding inflation-linked debt is to decrease. These changes are currently being implemented.

The Debt Office does not propose any change to the steering interval for the term to maturity of the central government debt either. Neither developments regarding term premia nor a new analysis of how the term to maturity affects expected cost and risk have provided grounds for altering the maturity steering. The central government debt's term to maturity, measured as average time to refixing (ATR), shall thereby be within the range of 3.5 to 6 years. The Debt Office targets the middle of that range in its borrowing plans.

More accurate point on refinancing risk

The Debt Office proposes a change to the guideline point on refinancing risk because the current wording could be misinterpreted. The change is the removal of a subordinate clause about the refinancing risk being managed by, among other things, issuing instruments with more than twelve years to maturity.

Developed analysis in proposal and evaluation

In this year's proposed guidelines, the Debt Office also reports on the assignment from the Government regarding how the evaluation of central government debt management can be

developed. Sweden has a clear evaluation process and transparent reporting of costs and risks. The balance between cost and risk could nevertheless be evaluated in even further detail. The Debt Office therefore presents methods for providing clearer and more in-depth analysis on the overall trade-off between cost and risk.

The analysis method used in the guidelines proposal is also described in a new Focus Report on a framework for analysing cost and risk for central government debt management.

Central government debt management – Proposed guidelines 2026

Focus report: Framework for analysing cost and risk for central government debt (In Swedish, an English-language version of the report will be available soon)

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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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