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UPDATE TO THE CENTRAL GOVERNMENT BORROWING STRATEGY 2020

The government's net financing requirement is increased by kr. 70 billion

According to the Economic Survey from August, the net financing requirement in 2020 is expected to be kr. 248 billion, corresponding to an increase of kr. 70 billion compared to the estimate in May. The increase primarily reflects an additional deferral of tax and VAT payments, which moves a large part of the government's revenues to the 1st half of 2021.

Target for issuance of government bonds remains unchanged

The target for issuance of government bonds in 2020 is maintained at kr. 125 billion at market value. This reflects the fact that a significant part of the increased borrowing requirement is temporary, as well as the aim of securing a stable and predictable bond issuance in 2020.

Increased issuance of T-bills and CP

Given that the increased borrowing requirement primarily reflects temporary liquidity shifts, it will be covered by short-term issuances, T-bills and commercial papers, CP. With the current estimate for the government's borrowing requirement, the outstanding amount of T-bills is expected to be kr. 80-100 billion at the end of 2020, while the outstanding amount of CP will depend on the realised borrowing requirement in the rest of the year. The strategy is still to reduce the short-term issuances as the temporary measures are phased out.

All other aspects of the strategy announced on 12 June 2020 remain unchanged, cf. Central government borrowing strategy in the 2nd half of 2020 ([link](#)).

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