

MNI 2026 Swedish Budget Preview

Emil Lundh, September 17, 2025

Key Links

- [Swedish Government budget announcements](#)
- [NDO May 2025 Borrowing Report](#)

The Swedish 2025 budget bill will be presented in full on Monday (Sep 22), the day before the Riksbank decision. In total, SEK80bln of unfunded reforms are set to be presented, excluding defence spending/military aid to Ukraine. The Government has been announcing details of the budget over the past few weeks – we estimate just over SEK60bln (out of SEK80bln) has been announced so far.

- The most significant unfunded reforms include a temporary reduction in food VAT (SEK15.9bln in 2026), a reduced tax on work and pensions (SEK21.4bln in 2026), a reduced electricity tax (SEK6.5bln in 2026) and a temporary reduction in employer contributions for the hiring of young people (SEK6.1bln in 2026).
- There are broadly two channels for markets to consider with respect to the budget: The impact on Riksbank (i.e. monetary) policy and the impact on National Debt Office/NDO (i.e. issuance) plans.

Autumn Budget Figures and Policies (SEKbln)	2026	2027	2028
Total announced for 2026 budget (ex-defence/Ukraine aid)	80.0		
Total of currently announced measures	62.7	72.7	46.5
Food package (temporary reduction in food VAT to 6% from 12%), April 2026 - December 2027	15.9	21.3	
Reduced tax on work and pensions, Jan 2026 onwards	21.4	21.4	21.4
Reduced electricity tax throughout the country, Jan 2026 onwards	6.5	6.6	6.7
Temporary reduced employer contributions for young people, April 2026 - September 2027	6.1	5.6	
Other	12.8	17.9	18.4

Riksbank: The changes to food/electricity taxes will have a direct impact on inflation rates next year. However, Riksbank Governor Thedéen in a recent interview with DI played down the impact this will have on the central bank's reaction function: "These are prices down one year and prices up another. Then it is reasonable to see it through"...."That said, we need to keep an eye on any second-hand effects, for example Via indexation, rent negotiations and other things. That could at the margin also bring down the underlying inflation. But I think that the effects are quite small".

See below for some sell-side estimates on the inflation impact:

- Nomura now estimate average CPIF inflation at 1.2% in 2026 from 1.9% prior.
- Nordea expect the changes to reduce CPIF by 0.9pp from April 2026. They also expect an extension of the tax deduction for renovation of domestic buildings (ROT), which was announced earlier this year. If implemented, this would cost SEK7bln next year and lower CPIF by another 0.15pp.
- SEB also estimate CPI will be lowered by around 1pp if policy changes are fully passed onto consumers.

Instead, the growth impulse from the SEK80bln in unfunded reforms will be more important to the Riksbank's rate path projections. Thedéen noted that the Riksbank had assumed SEK50-60bln of reforms in its June MPR projections. The estimated growth impulse will depend crucially on estimates of fiscal multipliers, and the lag with which they have an impact on GDP.

- Overall, we think fiscal policy will push up the September MPR rate path, but the impact will be concentrated from the second half of 2026 onwards. That means fiscal policy doesn't necessarily need to stand in the way of another rate cut this year.
- MNI's full Riksbank preview will be released early next week. It is set to be a very close call between a hold and a 25bp cut.

National Debt Office: In its May borrowing report, the NDO pencilled in unfunded reforms of just SEK35bln for 2026, significantly below the SEK80bln announced by the government. Alongside increased support to Ukraine and higher defence spending, this means an upward revision to the 2026 borrowing requirement (and by extension issuance needs) in the November 27 borrowing report is inevitable.

- In the May report, the NDO estimated a net borrowing requirement of SEK89bln for 2026. Under these assumptions, bond issuance would total SEK171bln (SEK146bln of nominals, SEK6bln of linkers and SEK19mln of foreign currency bonds).
- SEB believe the announced measures for 2026 could lift bond supply by SEK35bln relative to the existing projections.
- Meanwhile, Handelsbanken expect the 2026 borrowing requirement to increase by SEK70bln. This may lead to an upward revision to nominal bond issuance of around SEK30bln, which would have to be absorbed either by another rise in auction sizes or an increase in the number of syndications.

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