



HM Treasury

# Managing UK Sovereign Exposure

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**Richard Hughes**

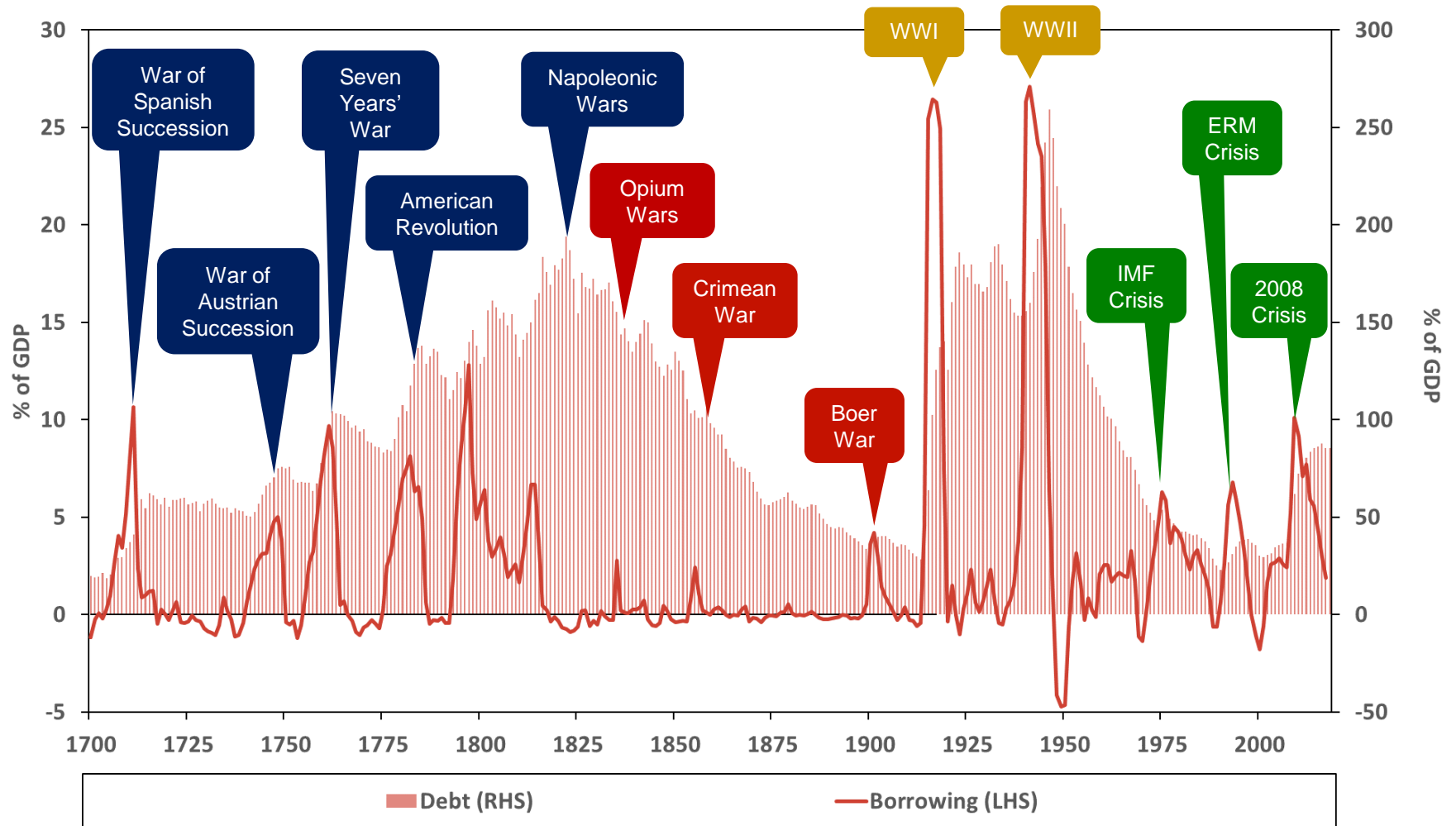
Director of Fiscal Policy

**IMF Sovereign Debt Conference**

**Washington, DC**

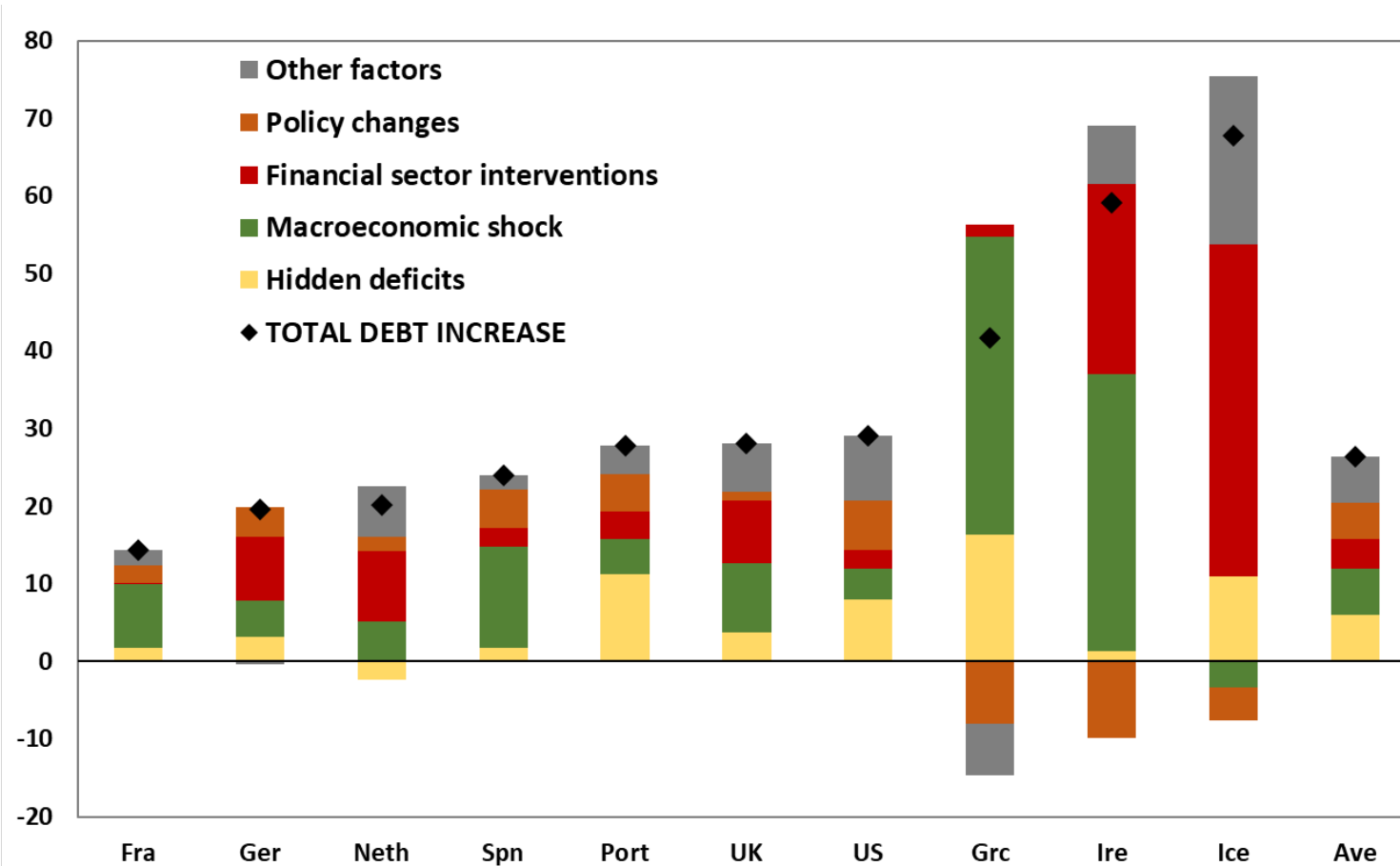
**13-14 September 2018**

# UK Government Borrowing and Debt, 1700-2018



# Sources of Sovereign Debt Shocks Post 2008

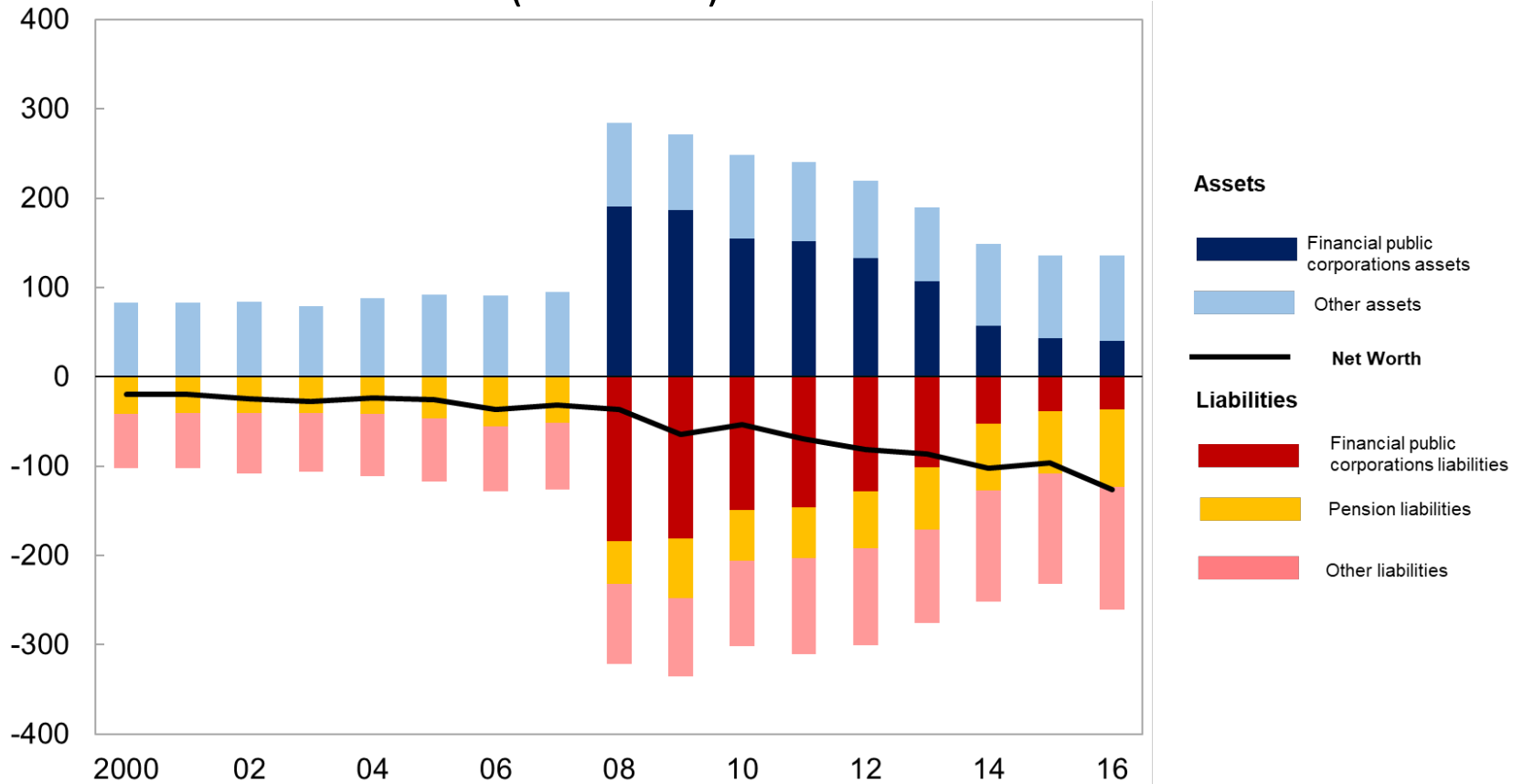
Sources of Unanticipated Increase in Government Debt: 2007-10  
(Percent of 2010 GDP)



Source: IMF (2012)

# UK Public Sector Balance Sheet

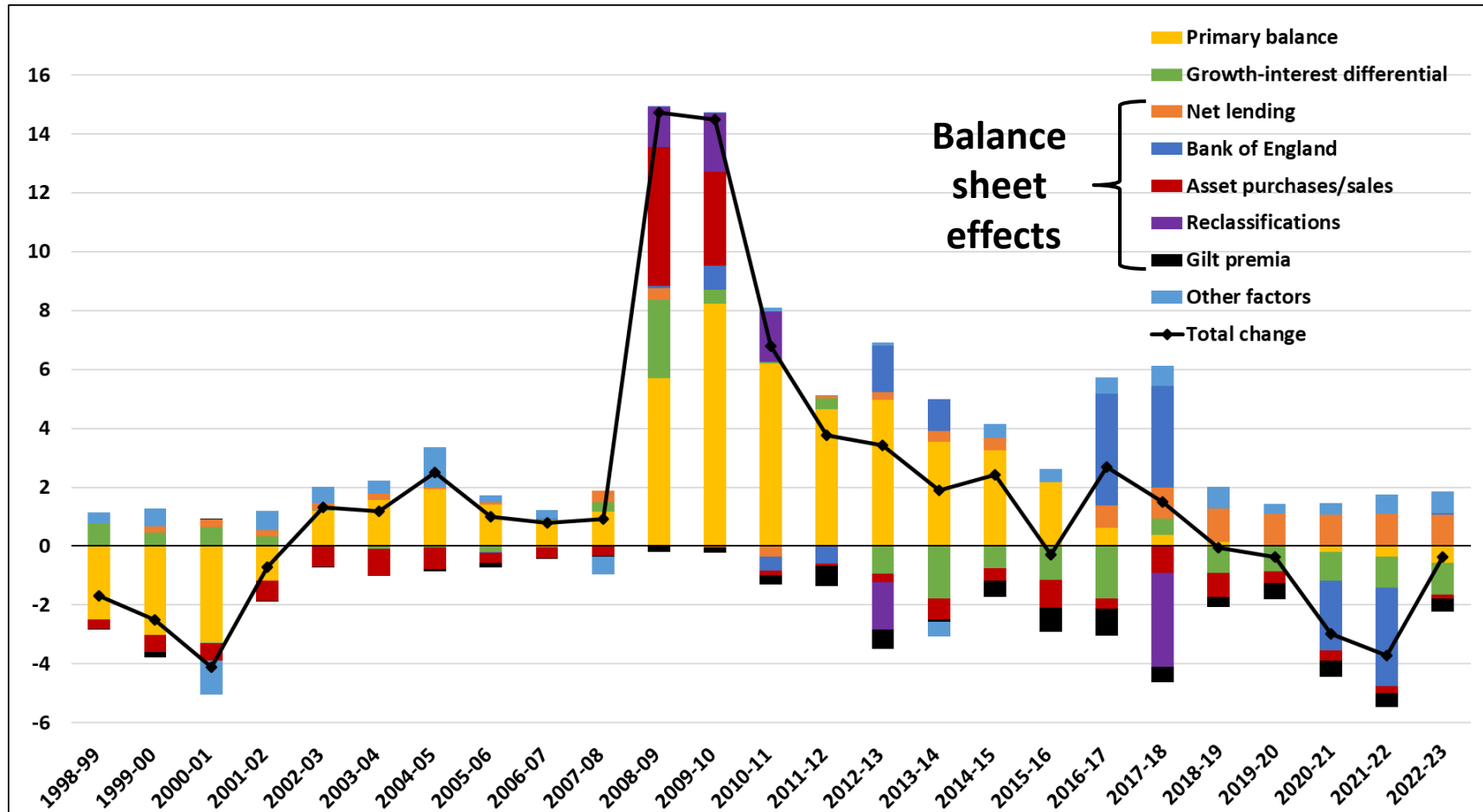
## UK Public Sector Assets, Liabilities, and Net Worth (% of GDP)



Source: IMF (2018)

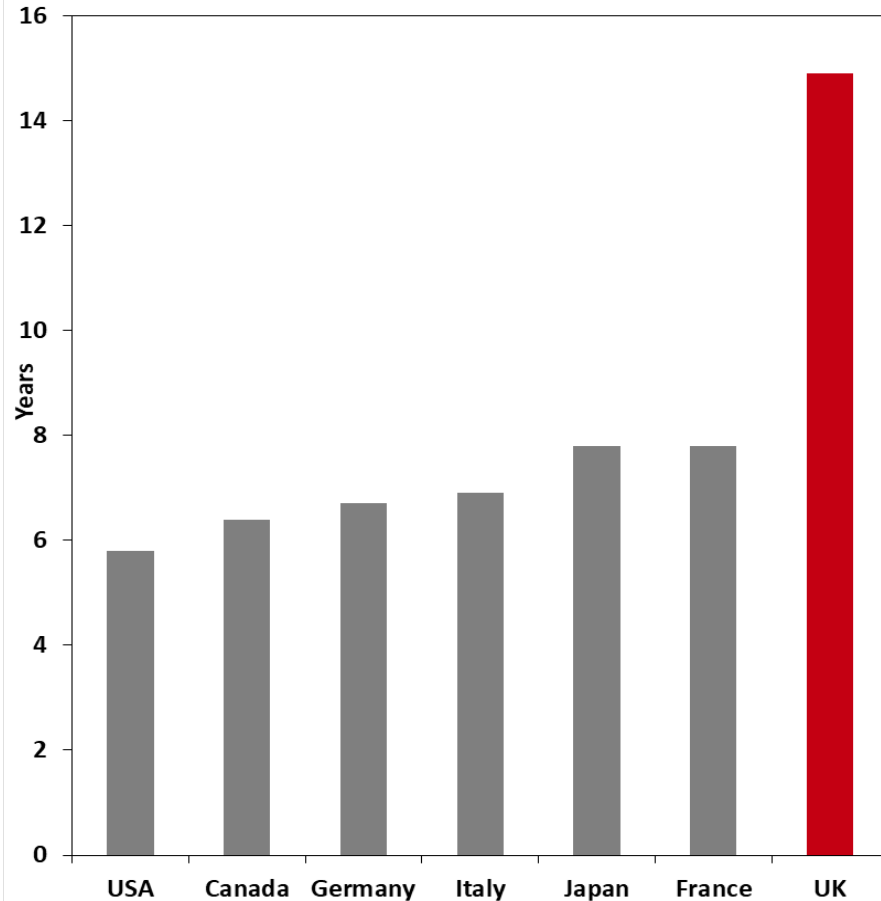
# UK Debt Dynamics Pre and Post 2008

## Sources of year-on-year change in debt-to-GDP ratio (% of GDP)

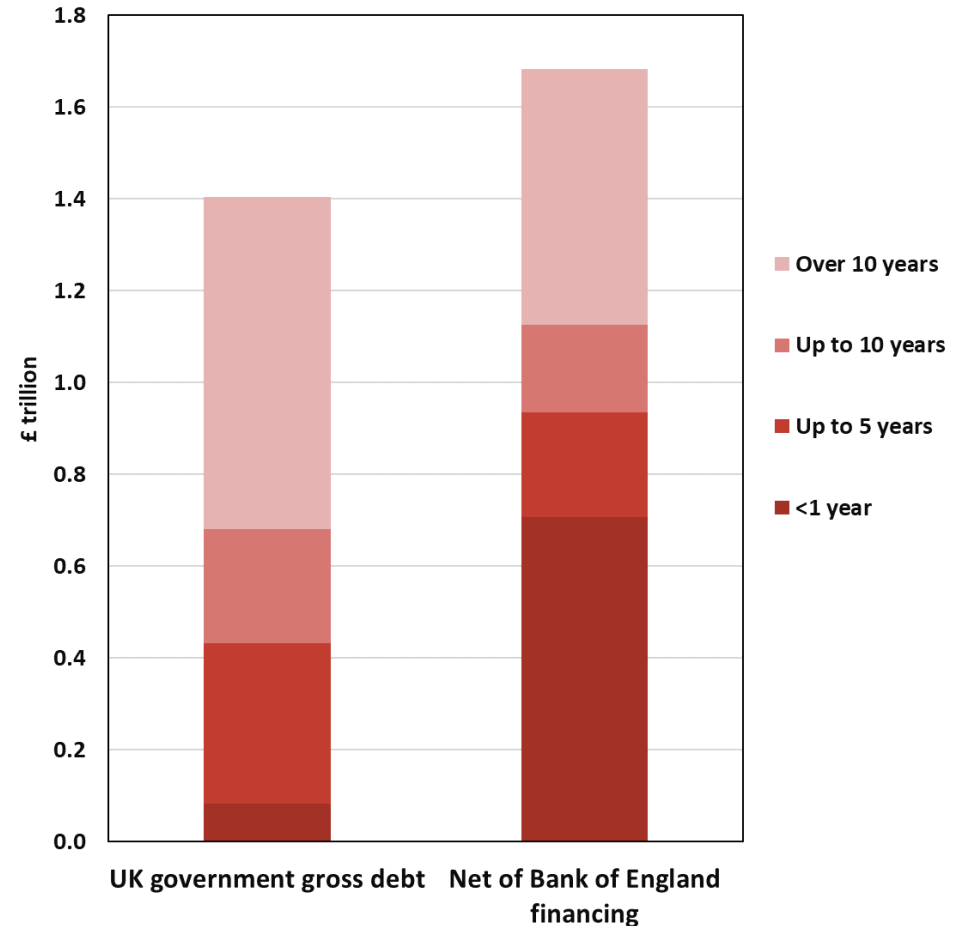


# Maturity of UK Government Debt Stock

## Average Maturity of Government Debt: (G7 Countries, Latest Year)

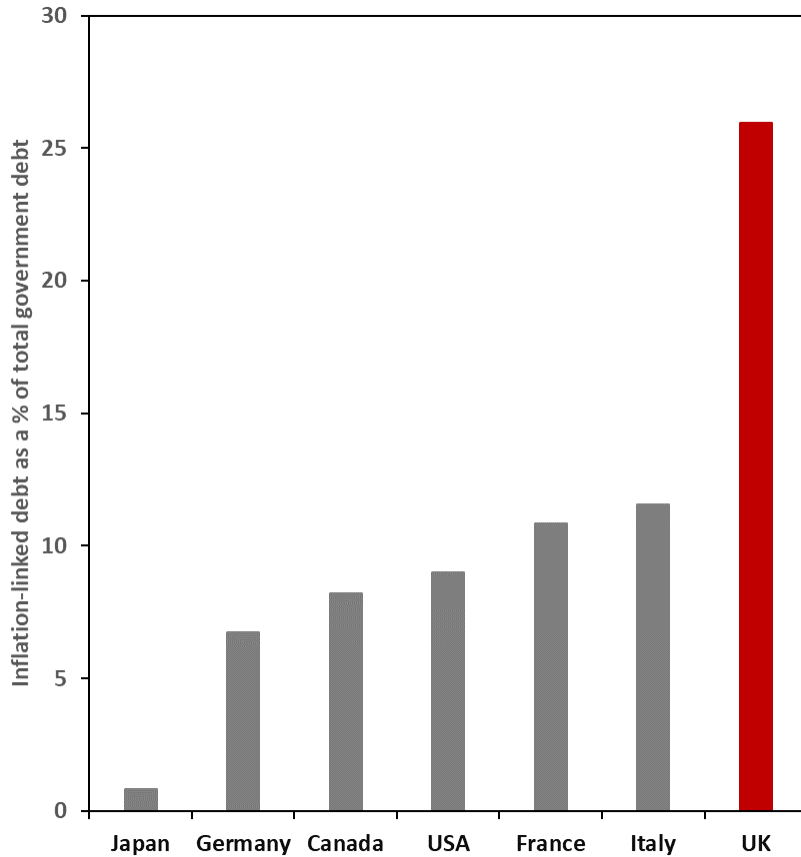


## Maturity of UK Government Debt: (Pre and Post Quantitative Easing)

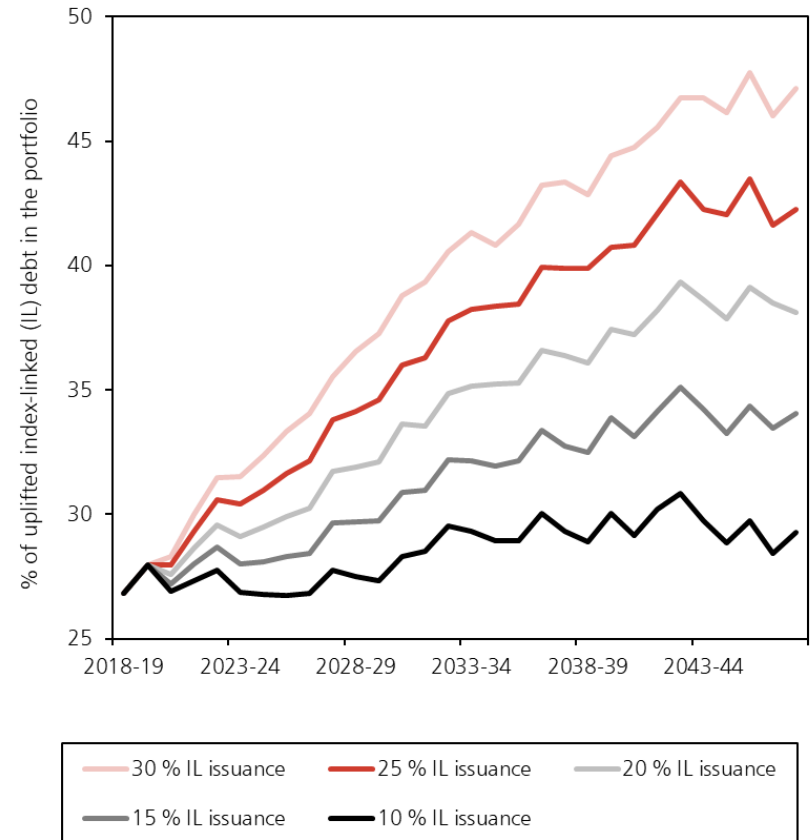


# Inflation-linked Government Debt

## Share of Inflation-Linked Debt (G7 Countries, Latest Year)

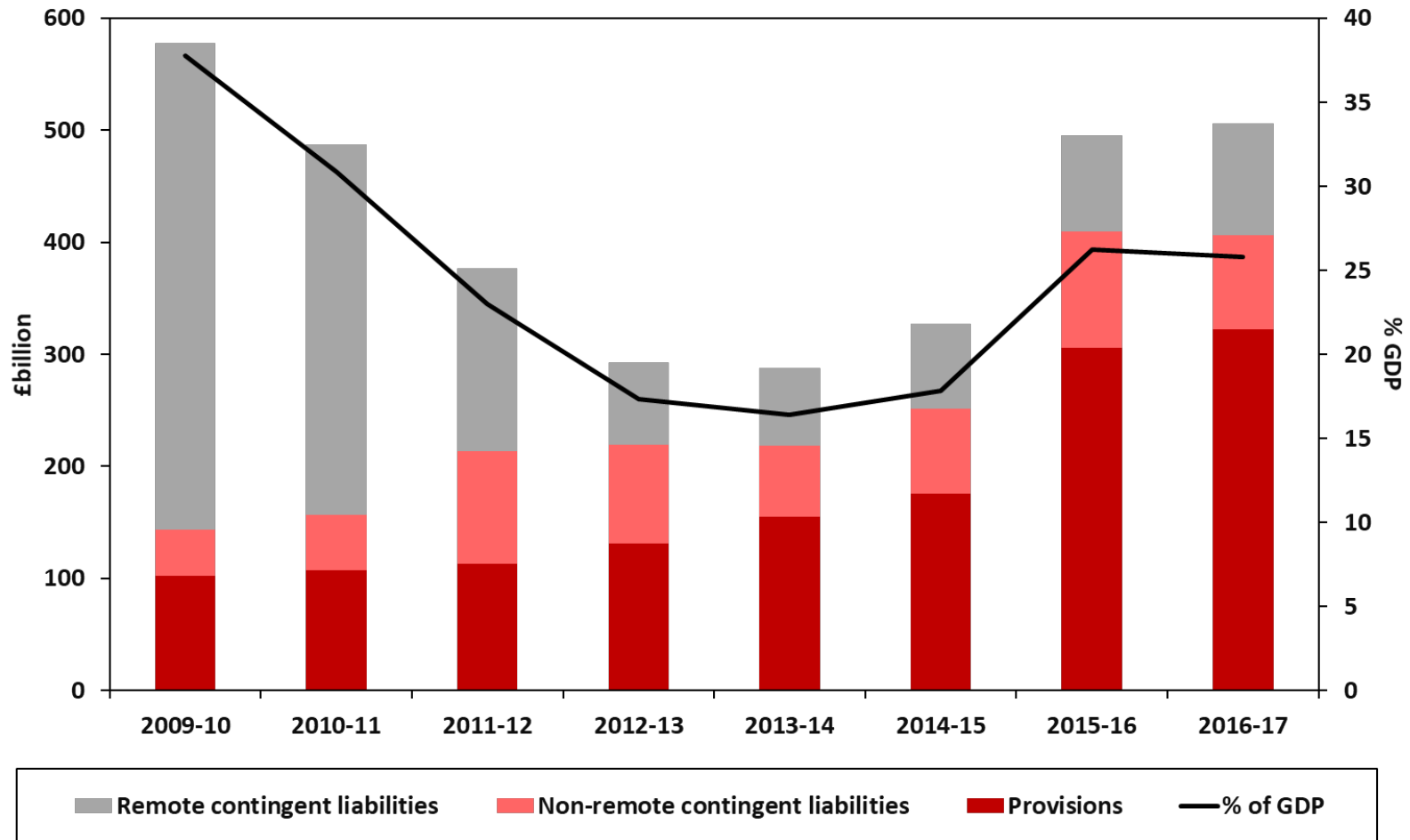


## UK Inflation-Linked Debt Stock under Alternative Issuance Assumptions



# UK Government's Contingent Liabilities

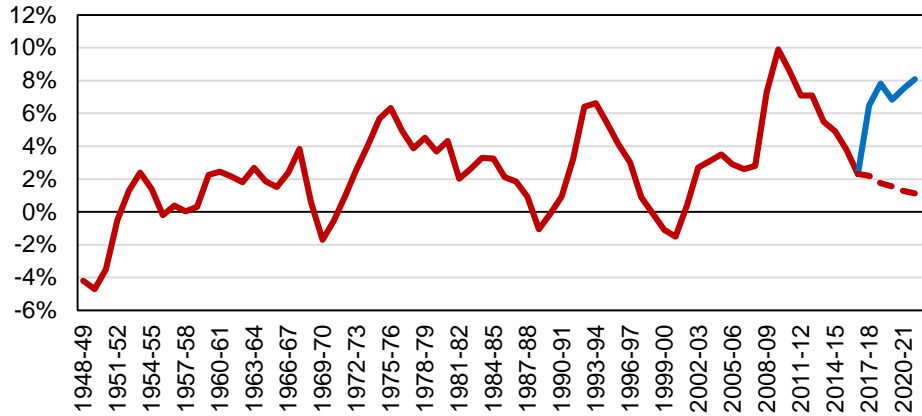
## Profile of UK Government Contingent Liabilities



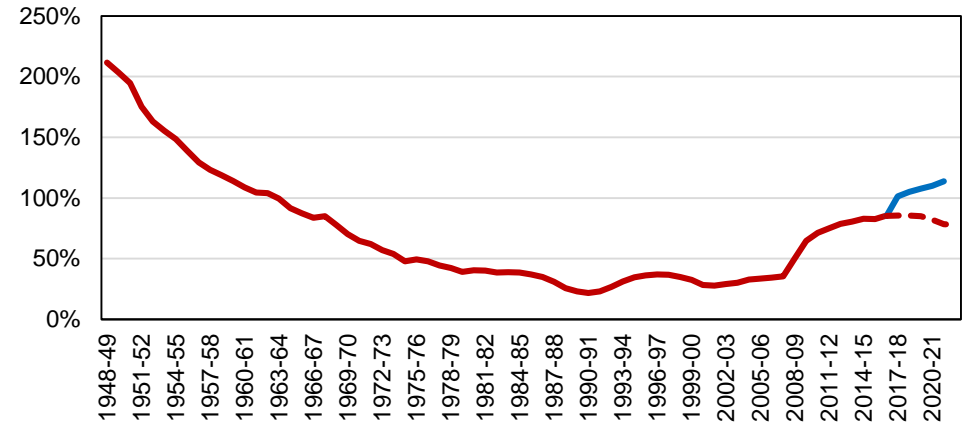


# OBR Fiscal Risks Report 2017: Fiscal Stress Test

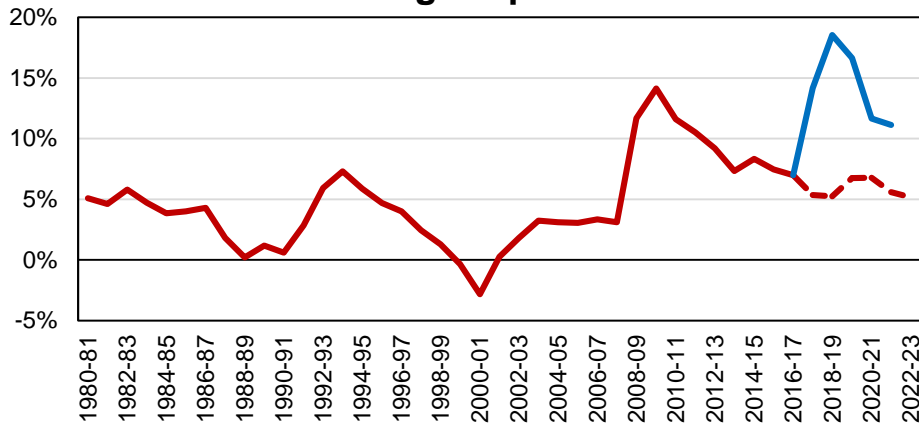
## Public Sector Net Borrowing % GDP



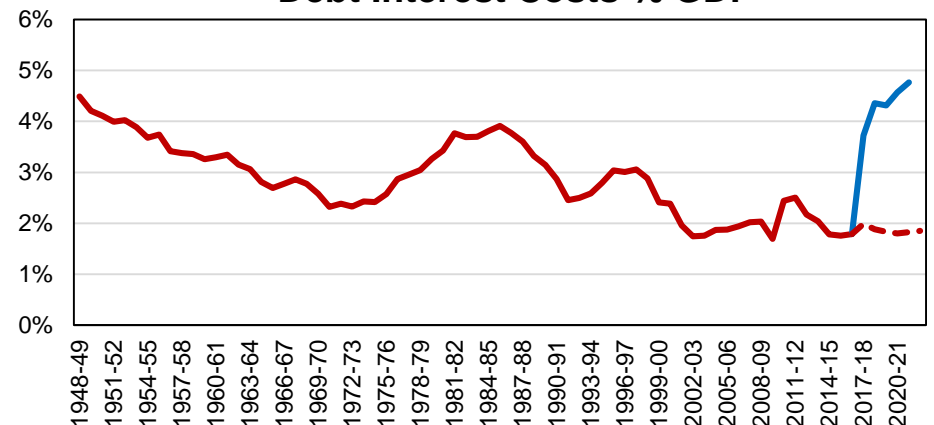
## Public Sector Net Debt % GDP



## Gross Financing Requirement % GDP



## Debt Interest Costs % GDP



— Spring Statement 18

— FRR stress test scenario

# HM Treasury's Managing Fiscal Risks 2018



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