



BRIEFING PAPER

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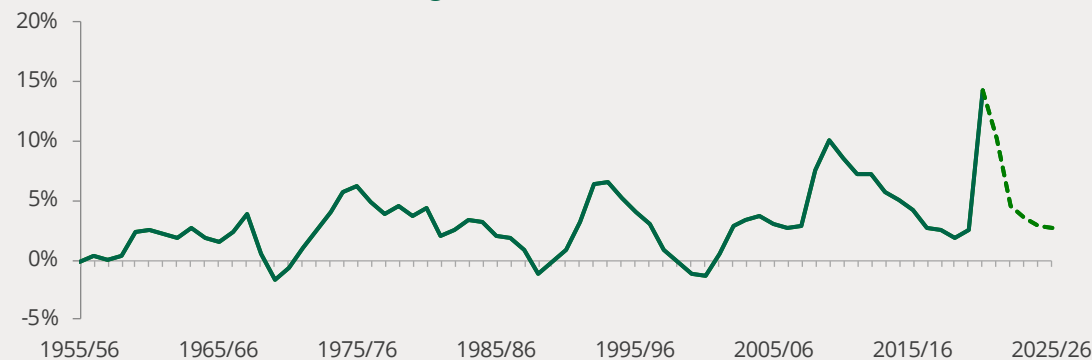
Government borrowing, debt and debt interest: historical statistics and forecasts

By Matthew Keep

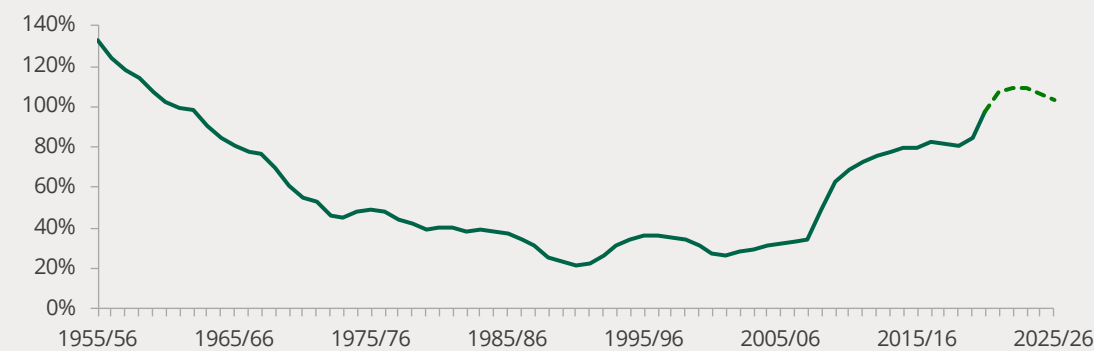
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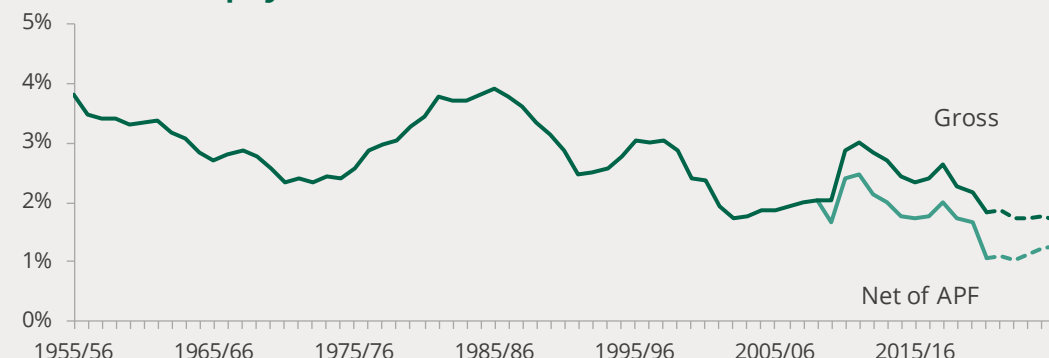
Public sector net borrowing, % GDP



Public sector net debt, % GDP



Debt interest payments, % GDP



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Summary and introduction

This is a purely statistical note on public sector borrowing (often referred to as the budget deficit), public sector debt and government debt interest payments.

Other Library briefings discuss borrowing and debt further: [The budget deficit: a short guide](#) provides some key definitions, whilst [public finances](#) discusses recent outturns and forecasts. The Library briefing [Coronavirus: Economic impact](#) discusses borrowing, debt and debt interest during the pandemic.

Borrowing and debt data are available back to the 1920s the OBR's [public finances databank](#). The data are in the sheet called 'Public finances since 1920'.

Next updates:

Outturn data: Office for National Statistics. Public sector finances release, 22 June 2021

Forecasts: Office for Budget Responsibility, autumn 2021

Gross debt and net debt interest

After 2007/08 two measures of debt interest are shown: gross debt interest and net debt interest. The net figure includes the impact that the Bank of England's [quantitative easing](#) has had on debt interest payments made by the government.

The Asset Purchase Facility (APF) was set up for the Bank of England (BoE) to carry out quantitative easing, which aimed to stimulate the economy. The BoE bought government bonds through the APF from private investors such as pension funds and insurance companies to get money into the economy.

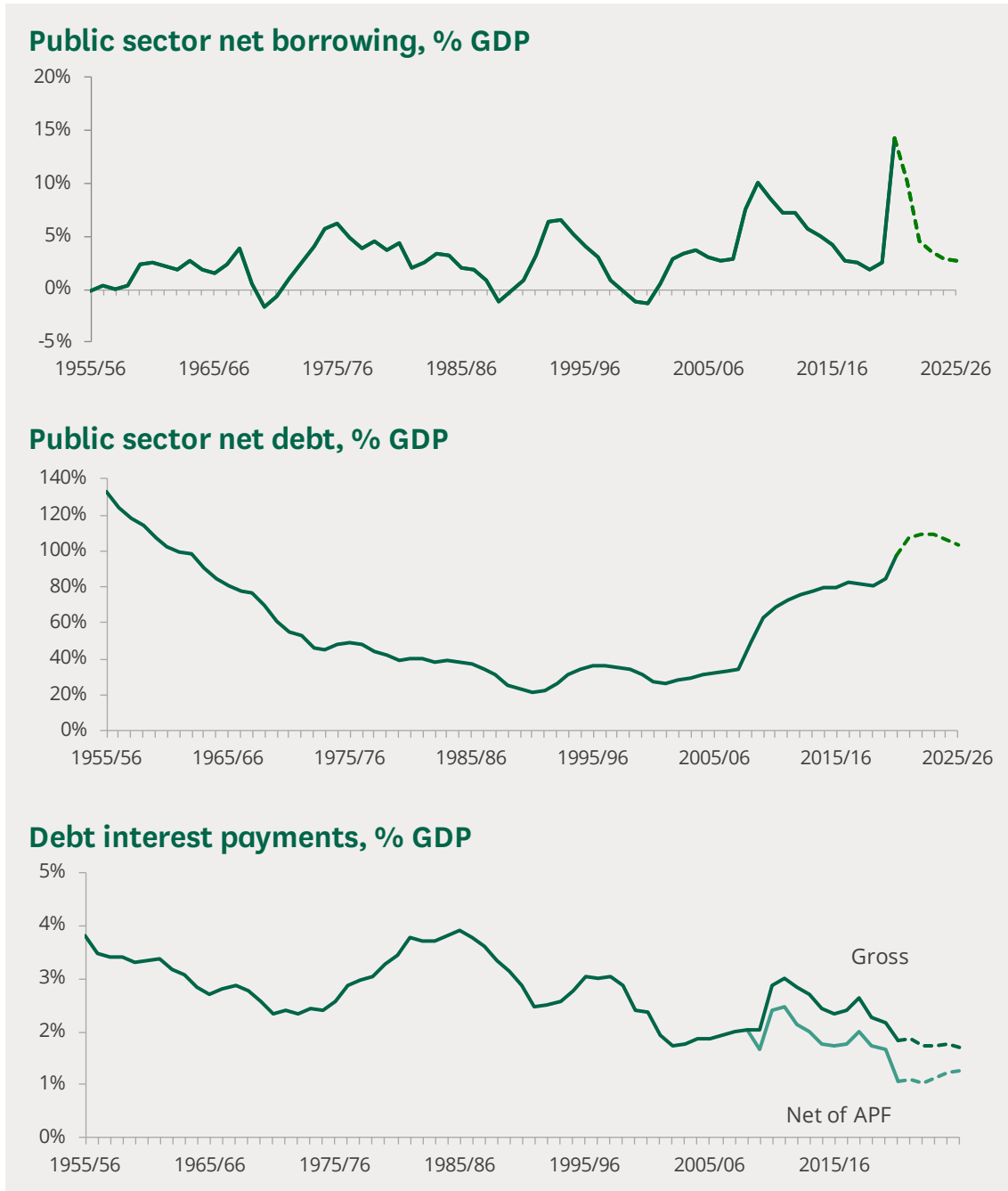
The APF finances the purchases through a loan provided by the Bank. The interest rate the APF pays on the loan is [Bank Rate](#),¹ which is the headline rate of interest set by the Bank's Monetary Policy Committee.

While the government bonds remain in the APF it means that government net debt interest is lower than it otherwise would have been. This is because the BoE is in the public sector. When central government makes debt interest payments to the APF (for the government bonds it holds) the payments are interest receipts (income) for the APF and at the public sector level the two payments are precisely offset. The interest payment is essentially a transfer within the public sector and the net effect is £0. In terms of public sector debt interest all that remains is the interest that the APF pays on its loan from the Bank, which is set at Bank Rate.

Bank Rate is generally lower than the interest paid on government bonds. So, when the APF purchases government bonds the overall effect for the public sector is as though the bonds have been refinanced at the lower Bank rate (rather than paying the relevant rate of interest due on the government bonds).

¹ The Bank finances the loan by issuing additional commercial bank reserves (on which the commercial banks earn Bank Rate).

1. Borrowing, debt and debt interest: Charts



2. Borrowing, debt and debt interest: Table

Public sector finance statistics

	Public sector net borrowing (a)		Public sector net debt (a)		Debt interest payments (b)			
					Gross		Net of APF	
	£ bn	% GDP	£ bn	% GDP	£ bn	% GDP	£ bn	% GDP
1946/47	0.6	6.4%	...	252%	0.5	...	...	...
1947/48	0.1	0.7%	...	230%	0.5	...	...	...
1948/49	-0.5	-4.3%	...	211%	0.5	...	...	...
1949/50	-0.6	-4.8%	...	205%	0.5	...	...	...
1950/51	-0.5	-3.7%	...	186%	0.5	...	...	...
1951/52	-0.1	-0.5%	...	169%	0.6	...	...	...
1952/53	0.2	1.3%	...	159%	0.6	...	...	...
1953/54	0.4	2.5%	...	153%	0.7	...	...	...
1954/55	0.3	1.5%	...	143%	0.7	...	...	...
1955/56	0.0	-0.2%	...	132%	0.7	3.8%	...	...
1956/57	0.1	0.4%	...	124%	0.7	3.5%	...	...
1957/58	0.0	0.0%	...	118%	0.8	3.4%	...	...
1958/59	0.1	0.3%	...	114%	0.8	3.4%	...	...
1959/60	0.6	2.3%	...	108%	0.8	3.3%	...	...
1960/61	0.7	2.5%	...	102%	0.9	3.3%	...	...
1961/62	0.6	2.2%	...	99%	0.9	3.4%	...	...
1962/63	0.5	1.8%	...	98%	0.9	3.2%	...	...
1963/64	0.9	2.7%	...	91%	1.0	3.1%	...	...
1964/65	0.7	1.9%	...	84%	1.0	2.8%	...	...
1965/66	0.6	1.5%	...	81%	1.0	2.7%	...	...
1966/67	1.0	2.4%	...	78%	1.1	2.8%	...	...
1967/68	1.6	3.9%	...	77%	1.2	2.9%	...	...
1968/69	0.3	0.6%	...	70%	1.3	2.8%	...	...
1969/70	-0.9	-1.7%	...	61%	1.3	2.6%	...	...
1970/71	-0.3	-0.6%	...	55%	1.3	2.3%	...	...
1971/72	0.6	1.0%	...	53%	1.5	2.4%	...	...
1972/73	1.9	2.6%	...	47%	1.7	2.3%	...	...
1973/74	3.4	4.1%	...	45%	2.0	2.4%	...	...
1974/75	5.6	5.7%	52.1	48%	2.4	2.4%	...	...
1975/76	7.7	6.3%	64.7	49%	3.1	2.6%	...	...
1976/77	7.0	4.9%	73.6	48%	4.1	2.9%	...	...
1977/78	6.4	3.9%	79.5	44%	4.9	3.0%	...	...
1978/79	8.7	4.5%	88.6	42%	5.9	3.0%	...	...
1979/80	8.5	3.7%	98.2	39%	7.6	3.3%	...	...
1980/81	11.5	4.3%	113.8	40%	9.2	3.4%	...	...
1981/82	6.0	2.0%	125.2	40%	11.2	3.8%	...	...
1982/83	8.5	2.6%	132.5	39%	12.1	3.7%	...	...
1983/84	11.8	3.3%	143.6	39%	13.2	3.7%	...	...
1984/85	12.5	3.2%	157.0	39%	14.7	3.8%	...	...

Public sector finance statistics/forecasts

	Public sector net borrowing (a)		Public sector net debt (a)		Debt interest payments (b)			
	£ billion	% GDP	£ billion	% GDP	Gross		Net of APF	
					£ billion	% GDP	£ billion	% GDP
1985/86	9.0	2.1%	162.5	37%	16.6	3.9%	...	...
1986/87	8.4	1.8%	167.8	35%	17.2	3.8%	...	...
1987/88	4.7	0.9%	167.4	31%	18.4	3.6%	...	...
1988/89	-6.0	-1.1%	153.7	26%	19.0	3.3%	...	...
1989/90	-0.6	-0.1%	151.9	23%	19.8	3.1%	...	...
1990/91	6.2	0.9%	151.1	22%	19.5	2.9%	...	...
1991/92	23.0	3.2%	165.8	23%	17.5	2.5%	...	...
1992/93	47.1	6.4%	201.9	27%	18.4	2.5%	...	...
1993/94	51.6	6.6%	249.8	31%	20.1	2.6%	...	...
1994/95	43.8	5.3%	290.0	35%	22.8	2.8%	...	...
1995/96	35.3	4.1%	322.1	36%	26.1	3.0%	...	...
1996/97	27.7	3.0%	347.0	37%	27.6	3.0%	...	...
1997/98	9.0	0.9%	350.1	36%	29.4	3.1%	...	...
1998/99	-1.2	-0.1%	348.9	34%	28.9	2.9%	...	...
1999/00	-11.5	-1.1%	338.8	31%	25.2	2.4%	...	...
2000/01	-15.8	-1.4%	307.0	27%	26.2	2.4%	...	...
2001/02	5.5	0.5%	314.0	27%	22.3	1.9%	...	...
2002/03	34.1	2.8%	348.0	28%	20.9	1.7%	...	...
2003/04	41.7	3.3%	381.3	29%	22.3	1.8%	...	...
2004/05	49.1	3.7%	435.6	32%	24.8	1.9%	...	...
2005/06	44.2	3.1%	474.4	33%	26.5	1.9%	...	...
2006/07	39.9	2.7%	509.5	33%	28.8	1.9%	...	...
2007/08	45.0	2.9%	543.5	34%	31.5	2.0%	...	...
2008/09	117.3	7.5%	755.6	49%	31.8	2.0%	31.8	2.0%
2009/10	157.7	10.1%	995.3	63%	31.8	2.0%	26.2	1.7%
2010/11	139.9	8.6%	1,138.6	69%	46.8	2.9%	39.1	2.4%
2011/12	121.6	7.3%	1,235.0	73%	49.9	3.0%	41.2	2.5%
2012/13	124.9	7.2%	1,341.3	76%	49.1	2.8%	37.0	2.1%
2013/14	104.9	5.8%	1,441.1	78%	48.9	2.7%	36.3	2.0%
2014/15	96.4	5.1%	1,526.1	80%	45.4	2.4%	33.0	1.8%
2015/16	80.7	4.2%	1,574.6	80%	45.2	2.3%	33.5	1.7%
2016/17	54.0	2.7%	1,692.3	83%	48.8	2.4%	35.6	1.8%
2017/18	53.7	2.6%	1,742.0	82%	55.1	2.6%	41.6	2.0%
2018/19	38.2	1.8%	1,765.4	80%	48.9	2.3%	37.6	1.7%
2019/20	57.2	2.6%	1,797.7	84%	48.1	2.2%	36.7	1.7%
2020/21	300.3	14.3%	2,137.5	97%	38.7	1.8%	22.3	1.1%
2021/22	233.9	10.3%	2,502.9	107%	42.6	1.9%	24.8	1.1%
2022/23	106.9	4.5%	2,630.6	109%	41.1	1.7%	24.5	1.0%
2023/24	85.3	3.5%	2,747.2	110%	42.9	1.7%	27.7	1.1%
2024/25	74.4	2.9%	2,761.1	106%	44.9	1.8%	31.1	1.2%
2025/26	73.7	2.8%	2,804.3	104%	45.5	1.7%	33.7	1.3%

Notes: (a) borrowing and debt figures exclude public sector banks

(b) central government gross debt interest payments

Sources: Office for National Statistics and Office for Budget Responsibility

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