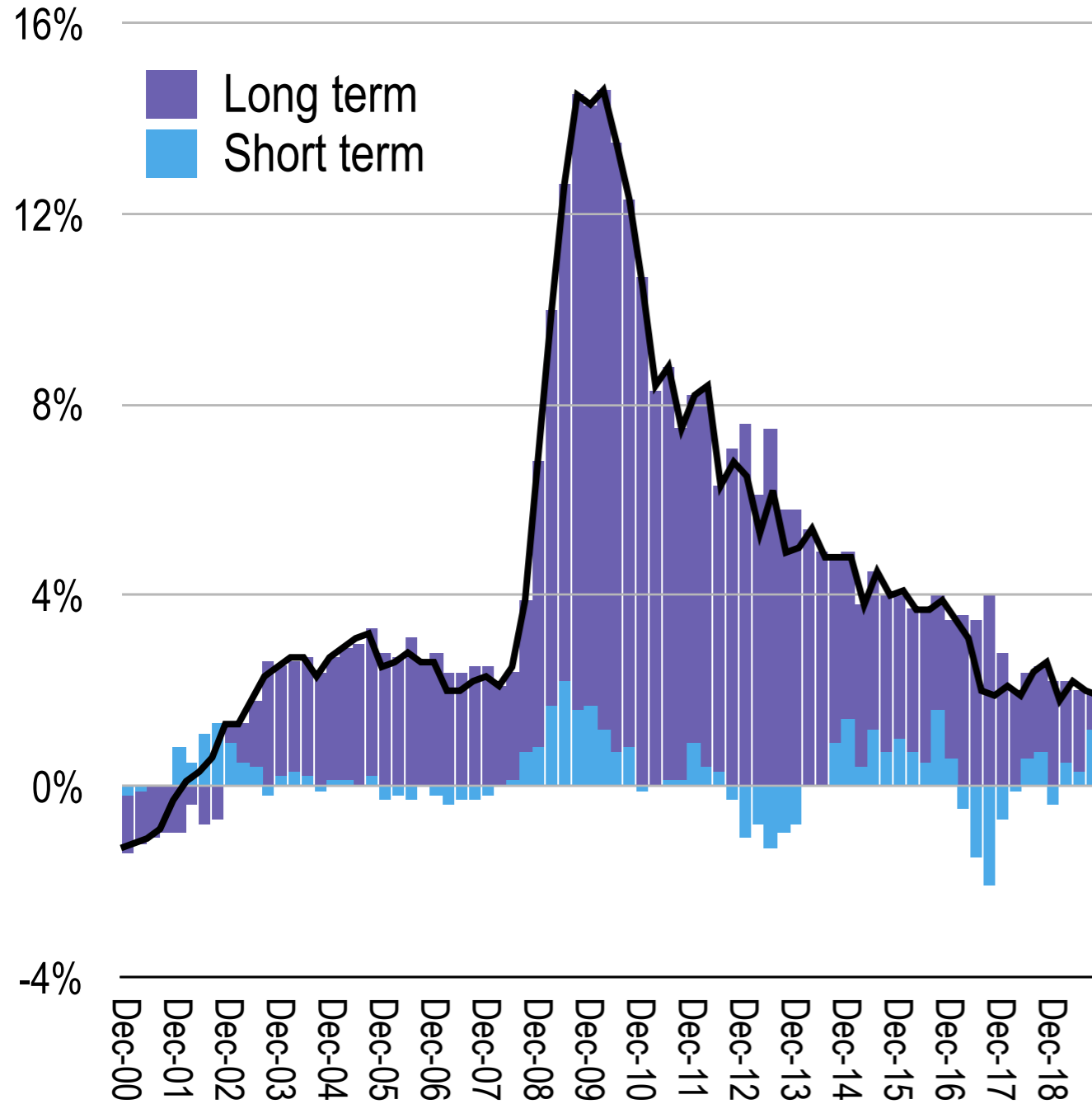


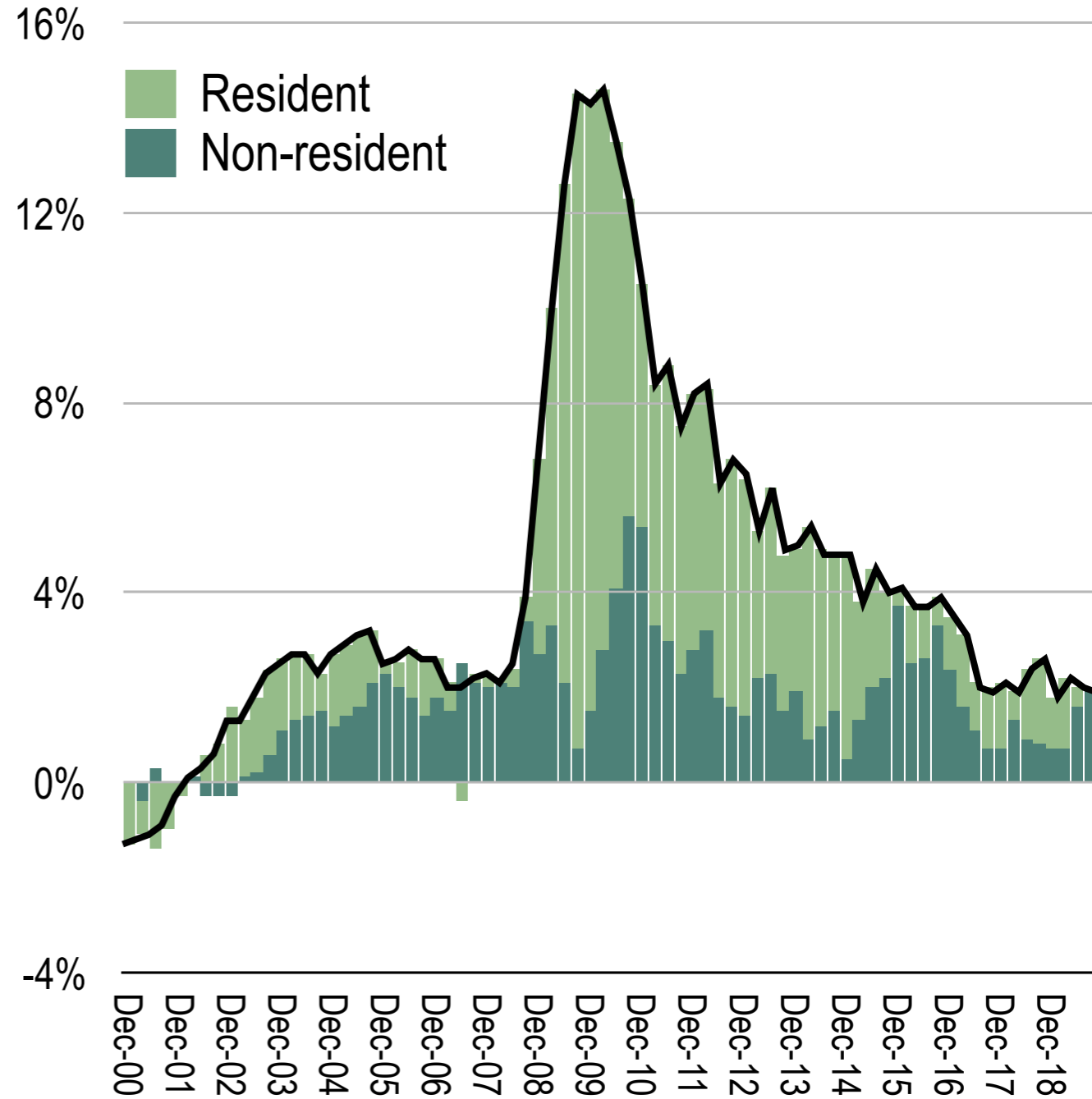
United Kingdom: Fiscal policy and debt to manage Brexit

February 2020

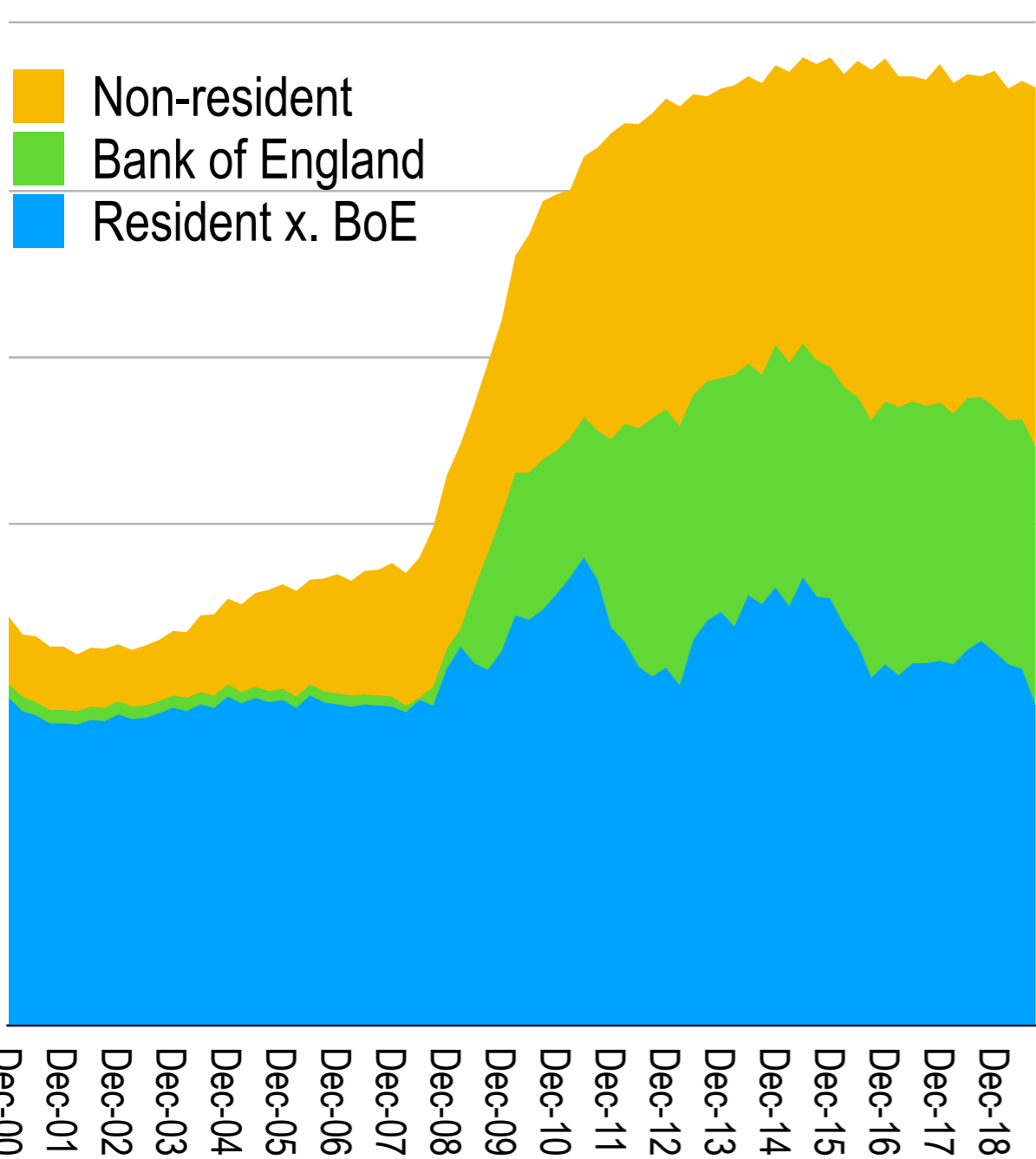
United Kingdom: Central government securities issuance (4Q sum, %GDP)



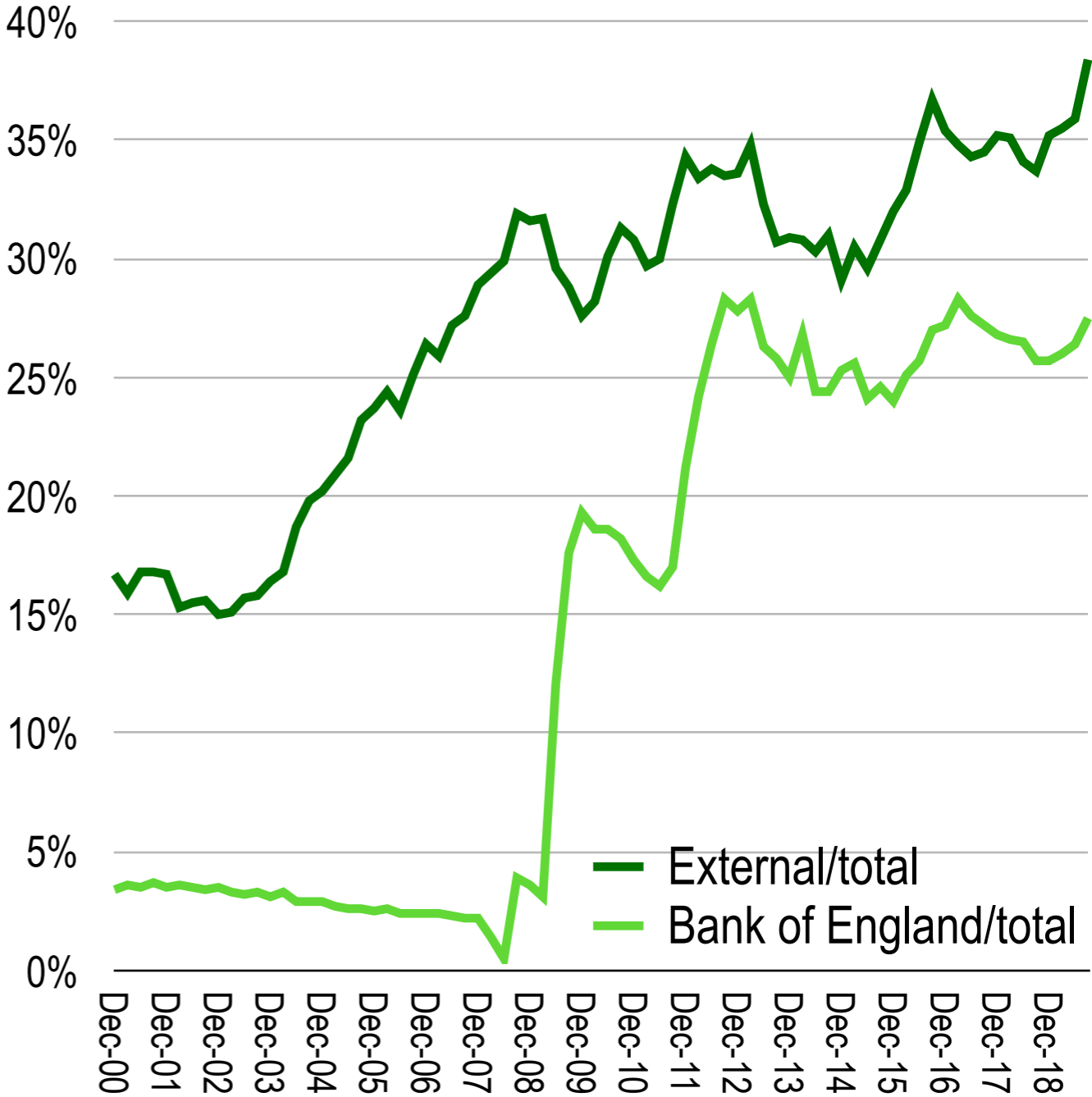
United Kingdom: CG securities purchased by resident and non-resident (4Q sum, %GDP)



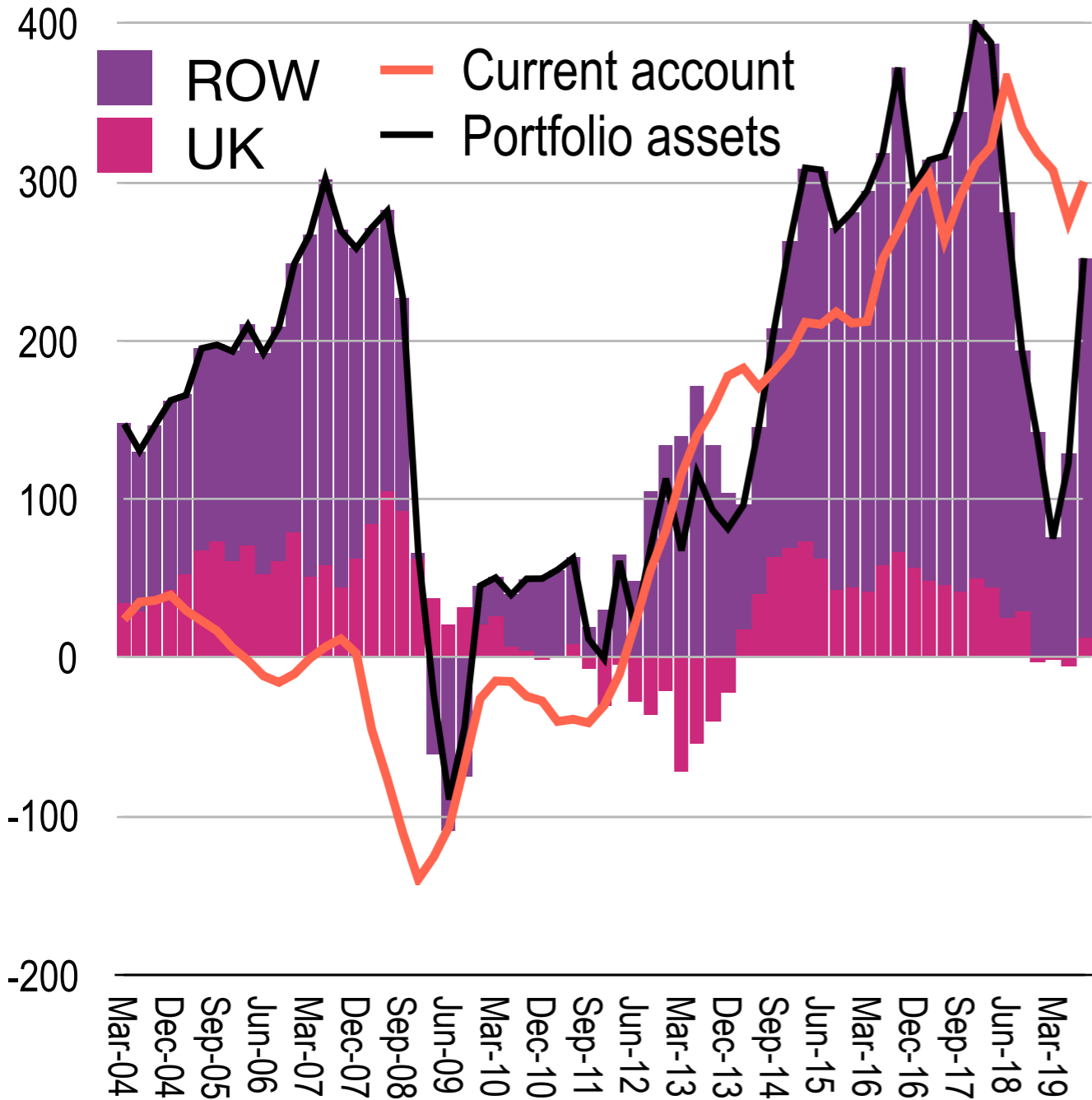
United Kingdom: General government debt to GDP by holder (%GDP)



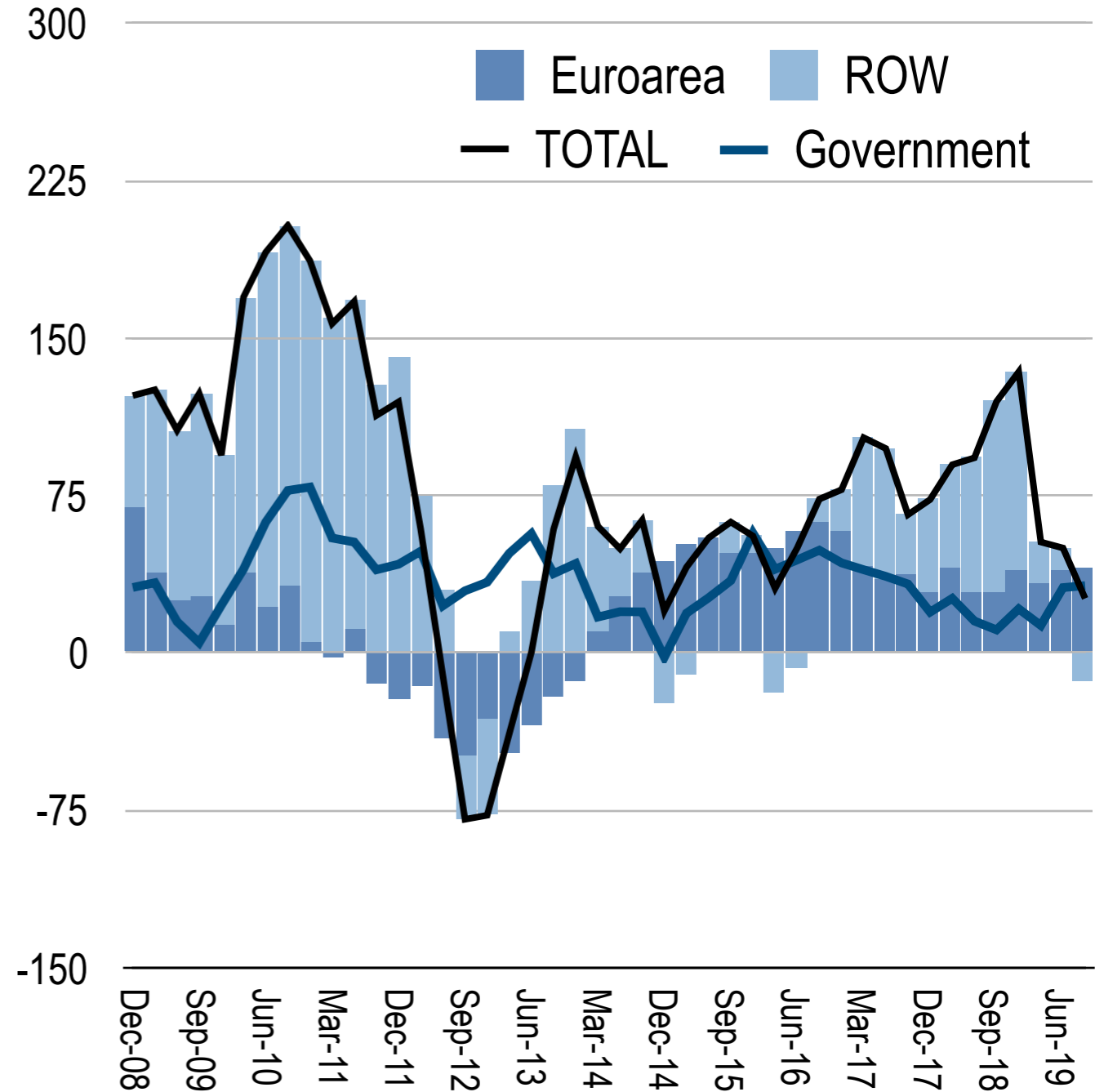
United Kingdom: External and Bank of England share of total general government debt (%)



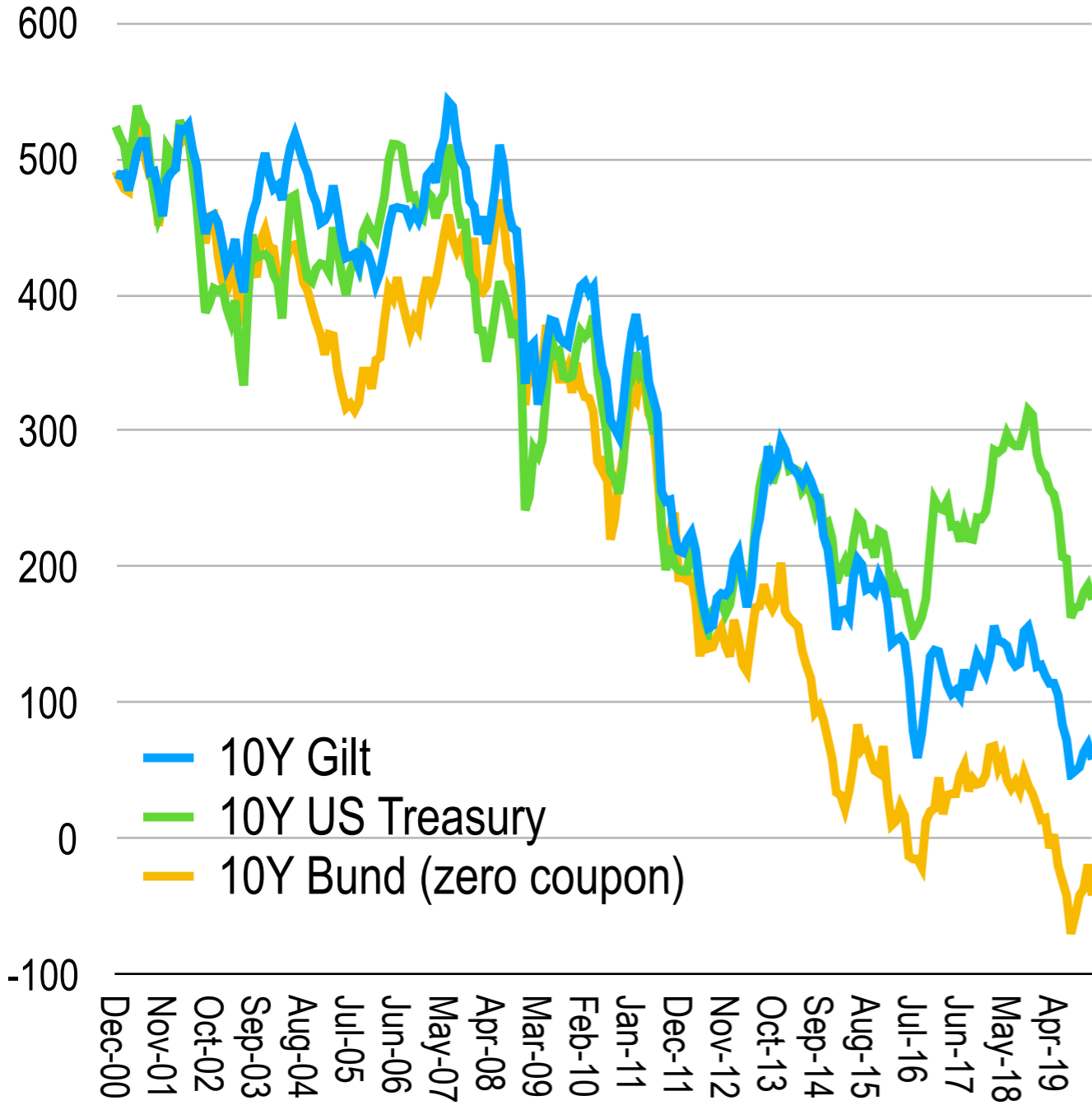
Euroarea: Portfolio asset accumulation and current account balance (4Q sum, GBP billions)



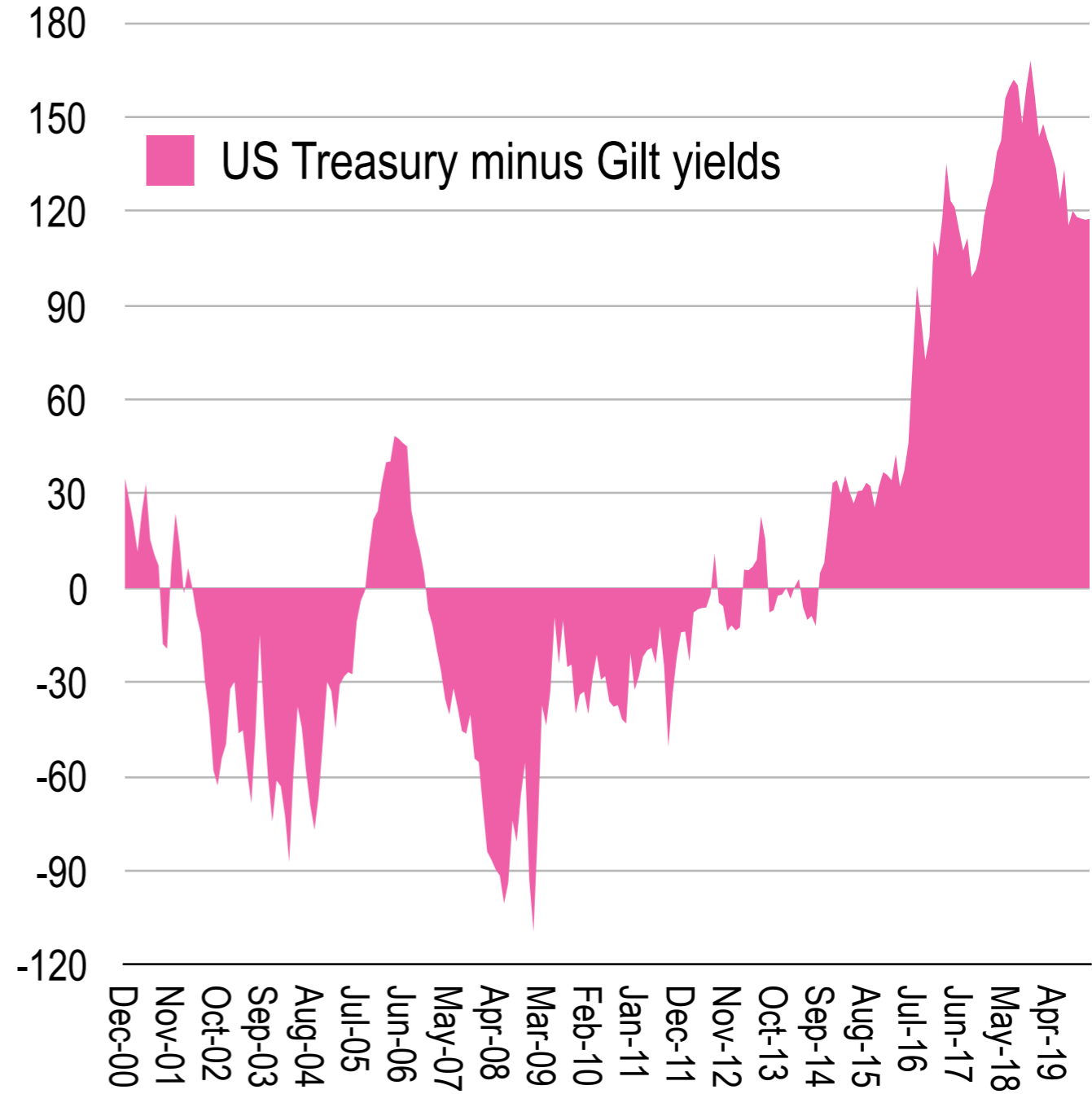
United Kingdom: Long-term portfolio debt inflows to all sectors (4Q sum, GBP billions)



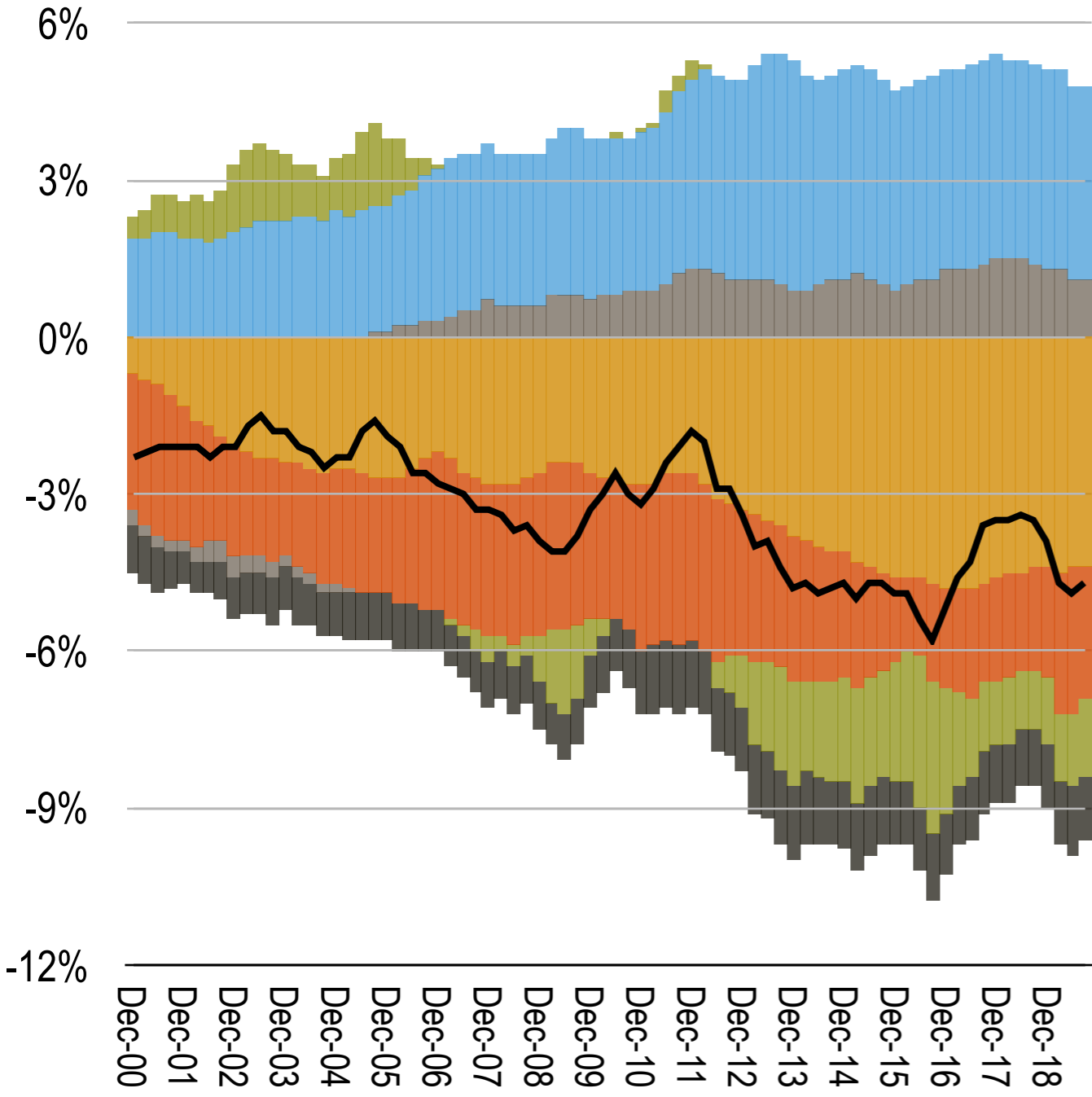
Germany, UK, and US: 10 year government yields (bps)



Gilt yields have been driven substantially below their US equivalent (bps)

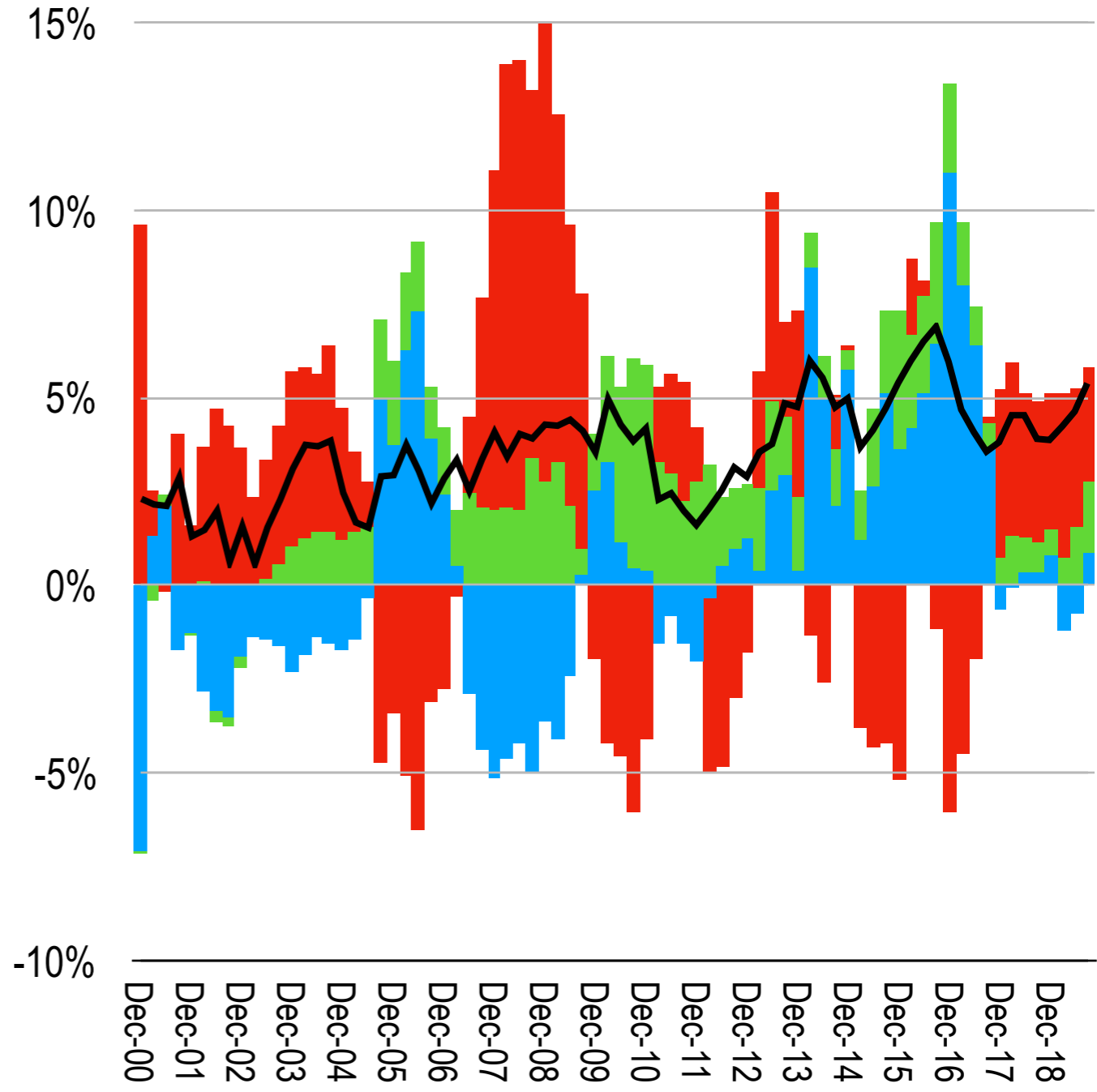


United Kingdom: Current account balance decomposed (4Q sum, %GDP)



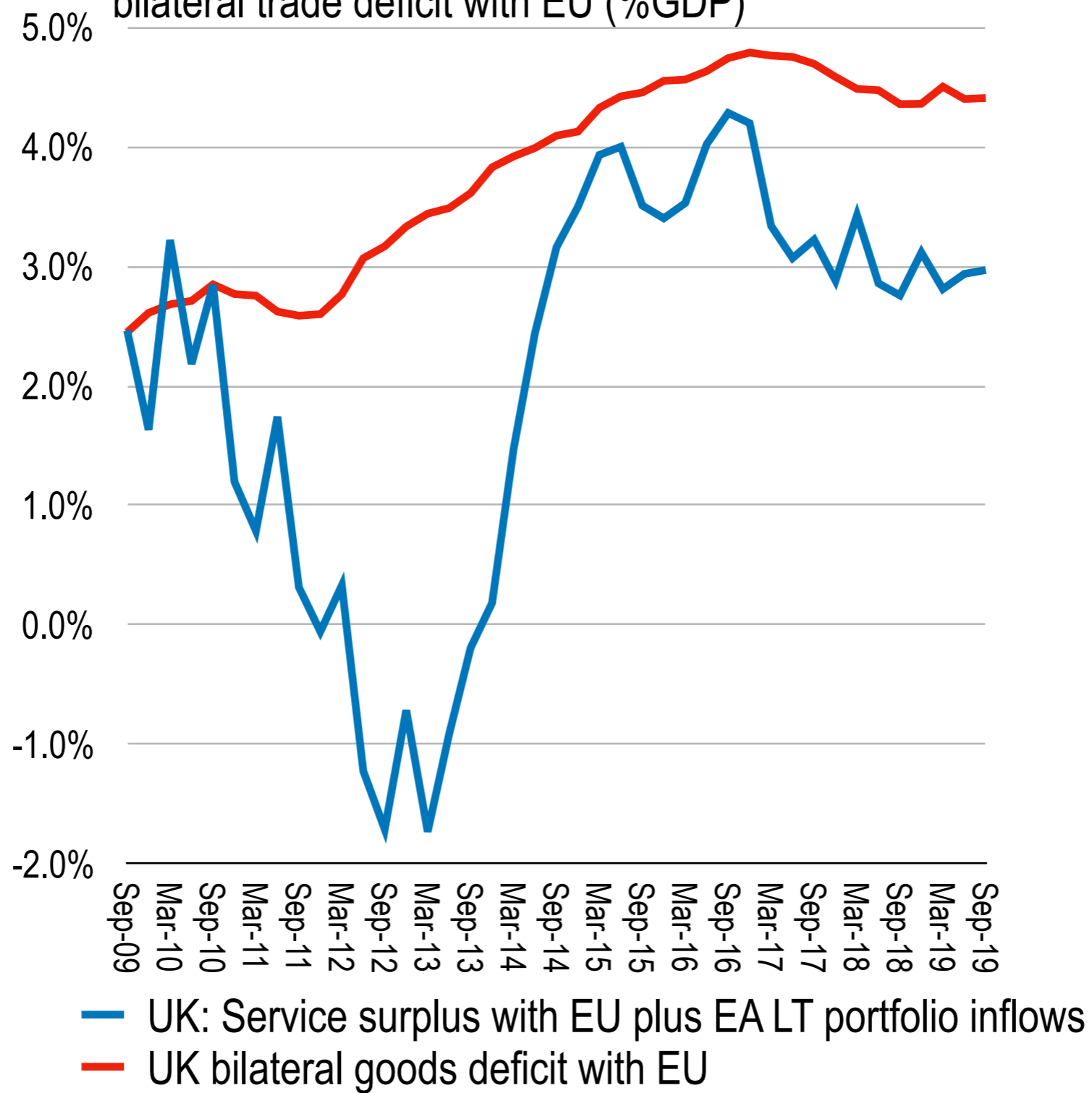
- Goods balance EU
- Goods balance ROW
- Service balance EU
- Service balance ROW
- Primary income
- Secondary income

United Kingdom: External financial account net inflows decomposed (4Q sum, %GDP)



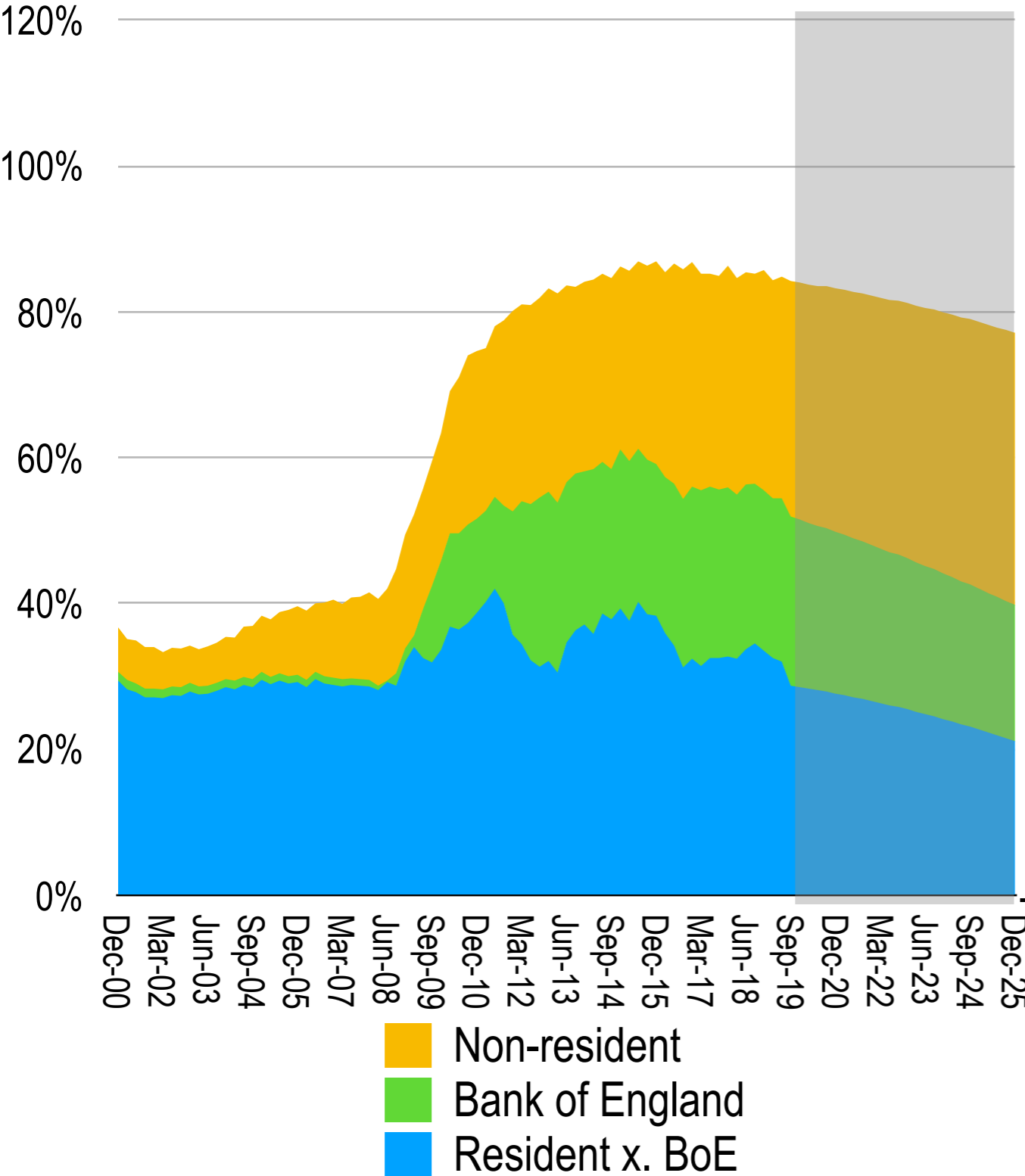
- Net portfolio (ex. Gov.) and other investment
- Government portfolio liabilities
- Net FDI

United Kingdom: Bilateral EU service surplus balance plus EA portfolio inflows covers most of bilateral trade deficit with EU (%GDP)

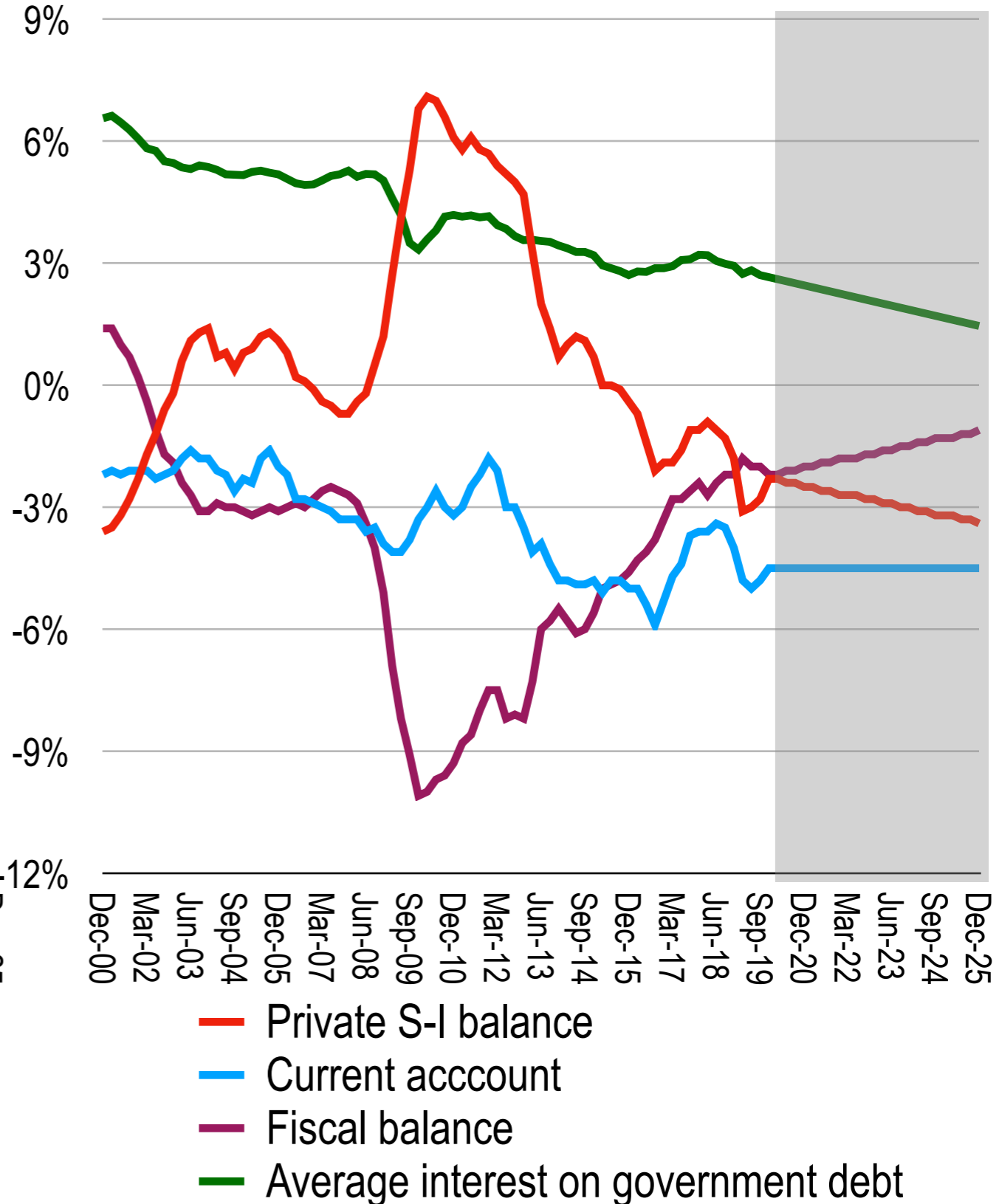


Scenario 1: Zero primary balance, 2% of GDP non-resident inflows to government debt, no new BoE Asset Purchase Facility purchases, decrease in average interest rate

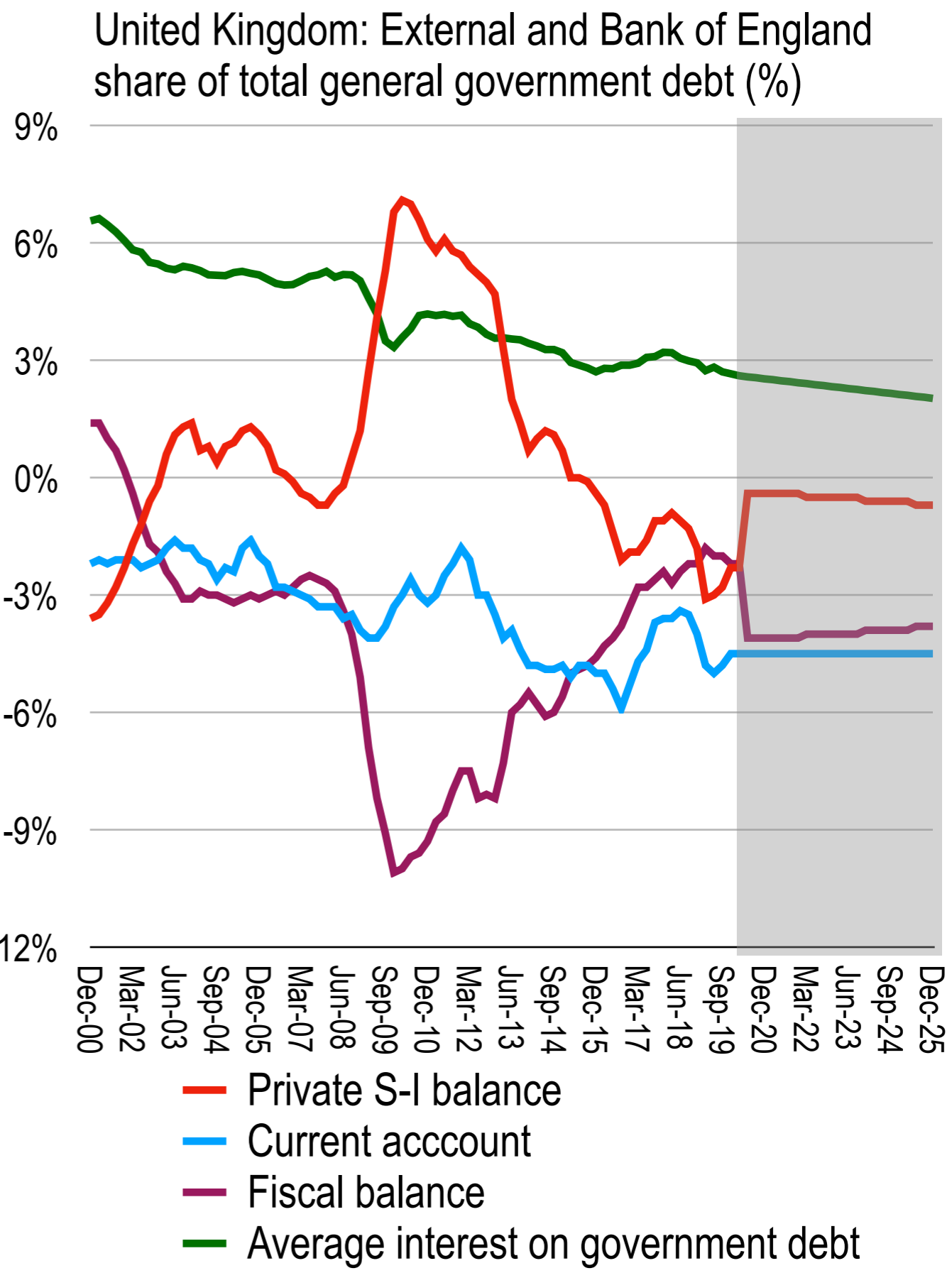
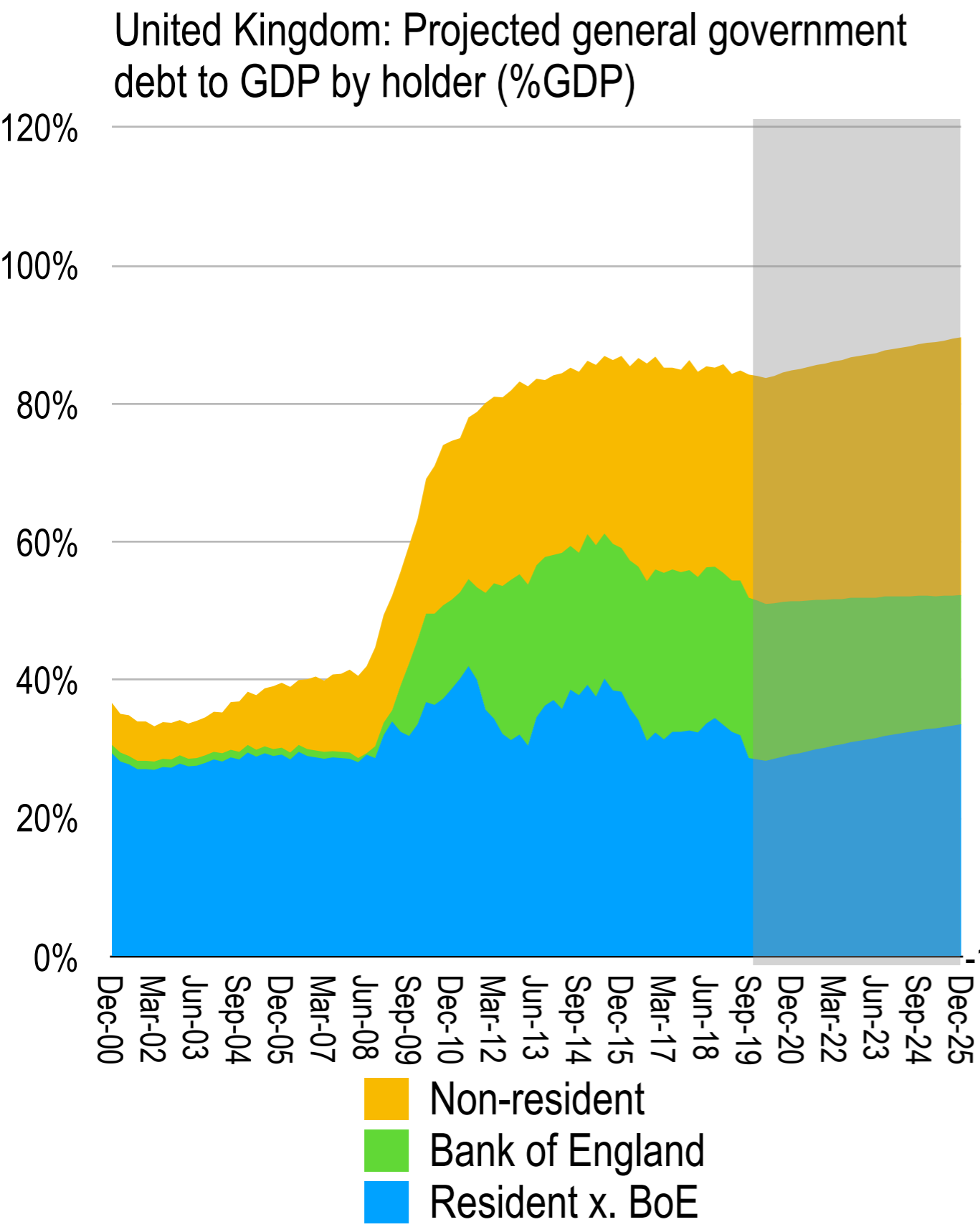
United Kingdom: Projected general government debt to GDP by holder (%GDP)



United Kingdom: External and Bank of England share of total general government debt (%)



Scenario 2: 2% primary deficit, 2% of GDP non-resident inflows to government debt, no new BoE Asset Purchase Facility purchases, average interest on gov. debt decreases at slower pace



Scenario 3: 4% primary deficit for 3 years, 2% for 1 year, then 1%; 2% of GDP non-resident inflows to government debt, no new BoE Asset Purchase Facility purchases, interest rate unchanged

