

DMO Screen announcement for 3.30pm Thursday 20 April 2000

REVISED GILT FINANCING ARITHMETIC

There is no change to the volume of planned gilt sales in 2000-01 following the publication this morning in the ONS/HM Treasury Press Release "Public Sector Finances March 2000 First Release" of the preliminary outturn for the CGNCR in 1999-2000.

The preliminary outturn shows a CGNCR surplus of £9.2 billion (£3.4 billion higher than the Budget estimate) contributing to a reduction in the 2000-2001 financing requirement to £7.9 billion. However, the gilt sales requirement remains unchanged at £12.2 billion as a result of the implementation of some of the contingencies outlined in paragraph 8 the DMO remit. The contingencies implemented involve a reduction in the following planned levels of short-term debt in 2000-01:

- A reduction of £2 billion in the planned end-year level of the Ways and Means facility at the Bank of England (to £15 billion).
- A reduction of £1.3 billion in the planned end-year level of the Treasury bill stock (to £8.7 billion).

Spectrum Auction

The outturn for the 1999-2000 cash requirement, together with the proceeds from the 3G spectrum auction, is likely to imply a significant reduction in the Government's future financing requirement. With the spectrum auction still running and with uncertainty over the timing of the receipts it is too early to revise the gilt remit. HM Treasury expects to revise the remit once the size and timing of spectrum receipts is clear.

The DMO is publishing below revised gilt financing arithmetic for the record.

Gilt financing arithmetic* (£ billion)

* figures may not sum due to rounding.

1999-2000

	Budget	20 April
CGNCR	-5.8	-9.2
Financing of reserves	2.2	2.2
Redemptions	14.9	14.8
Residual from 1998-99	-4.1	-4.1
Financing requirement	7.2	3.7
National Savings contribution	-1.0	-1.1
Change in Short term debt	-5.7	-8.8
Gilt sales required	13.8	13.6
Gilt sales**	13.8	13.6

** net of secondary market purchases

2000-2001

CGNCR	-4.9	-4.9
Financing of reserves	3.5	3.5
Redemptions	18.6	18.6
Debt buy-backs	3.5	3.5
Residual from 1999-2000	-9.5	-12.8
Financing requirement	11.2	7.9
<i>Less</i>		
National Savings contribution	-0.8	-0.8
DMO cash deposit at Bank	-0.2	-0.2
<i>Plus contingencies:</i>		
Repayment of Ways and Means	-	2.0
Reduction in planned Treasury bill stock	-	1.3
Gilt Sales required	12.2	12.2

Figures may not sum due to rounding