

ISSUE

Issuer: The Government of the Faroe Islands
Nominal value: DKK 1,320 Million
Expected date of issue: 22.05.2025

Descriptive information: Key Figures of the Faroese economy

Outstanding Bonds	Annual Coupon	Maturity	Issued amount (DKKm)	Outstanding amount End of 2024 (DKKm)	Outstanding amount End of 2025 (DKKm)
DK0030539705	3,624%	1-Jul-39	900	900	1.250
FO-LB 250602	0,125%	2-Jun-25	1.645	1.645	0
FO-LB 260619	3,625%	19-Jun-26	900	900	900
FO-LB 240529	3,250%	24-May-29	1.100	1.100	1.100
NOK Blt *)	1,810%	3-May-32	448	448	448
FOLB XX05XX	x,xx%	xx- May-xx	1.320	0	1.320
Total Outstanding Bonds				4.993	5.018

*) NOK 550 million Bond Issue (Coupon 2,70%) swapped to DKK.

Economic growth (DKKm)	2019	2020	2021	2022	2023	est. 2024
Nominal GDP	21.785	21.405	23.040	25.239	26.920	27.700
Nominal growth (%)		-1,7	7,6	9,5	6,7	2,9
GDP in constant prices(2010prices)	18.475	18.173	19.173	19.855	20.349	
Real growth (%)		-1,6	5,5	3,6	2,5	

In february 2022 GDP numbers have been revised back to 1998.

In february 2023 Statistics Faroe Island started to publish GDP in constant prices.

Trade Balance (DKKm)	2019	2020	2021	2022	2023	2024
Trade Balance	1.292	237	806	604	938	2.143
Trade Balance, Ships and airplanes excl.	1.768	436	979	1.359	2.067	2.443

Note: Exports fob and Import cif.

Current Account (DKKm)	2019	2020	2021	2022	2023	2024
Current Account	2.208	1.292	1.635	1.193	1.298	
In % of GDP	10,1	6,0	7,1	4,7	4,8	

Central Government financial assets and liabilities (DKKm)

(DDKm)	2019	2020	2021	2022	2023	2024
ASSETS						
Securities and deposits ¹⁾	3.477	4.729	3.849	3.481	4.134	4.912
Others in circulation	644	717	753	725	763	738
Financial assets	2.126	2.284	2.391	2.421	2.537	2.574
Total assets	6.247	7.730	6.993	6.627	7.434	8.224
LIABILITIES						
Bond loans	3.817	5.419	4.039	3.541	4.025	5.024
Other debt	1.068	1.061	1.279	1.192	1.574	1.387
Total debt	4.885	6.480	5.318	4.733	5.599	6.411
Net assets	1.362	1.250	1.675	1.894	1.835	1.813
Net debt²⁾	-1.408	-1.751	-1.469	-1.252	-1.465	-1.499
Net debt in % of GDP	6	8	6	5	5	5

Source: Føroya Gjaldstova

1) Including liquidity for appropriations transferred from previous years. 2) Securities and deposits minus bond debt

Central Government Accounts (DKKm)	Realized 2021	Realized 2022	Realized 2023	Realized 2024 ¹⁾	Budget 2025 ²⁾
Taxes, direct	3.058	3.376	3.772	3.848	3.934
Taxes, indirect	2.939	2.998	2.949	3.234	3.175
Transfers from Denmark	700	707	693	665	634
Sales of goods and services	950	979	1.060	1.032	895
Revenue from fees	675	807	855	841	819
Other	41	57	47	64	58
Operating revenues, ex. interest	8.363	8.924	9.376	9.684	9.515
Personel cost	-2.791	-2.917	-3.069	-3.290	-3.587
Transfers to individuals	-2.143	-2.244	-2.402	-2.540	-2.570
Other transfers	-585	-685	-738	-749	-620
Purchase of goods and services	-1.904	-1.959	-2.093	-2.106	-2.042
Other expenses	-587	-521	-806	-752	-539
Operating expenses, ex. interest	-8.010	-8.326	-9.108	-9.437	-9.358
Primary Operating Balance	353	598	268	247	157
Interest income and dividends	408	-129	384	383	282
Interest expenses	9	279	-167	-167	-139
Operating Balance	770	748	485	463	300
Sale of fixed assets	23	38	11	27	33
Sales of shares	-	-	12	-	-
Repayments of loans, domestic	18	14	16	14	13
Capital revenues from Denmark	-	-	-	-	-
Total capital revenues	41	52	39	41	46
Construction of fixed capital ³⁾	-438	-471	-630	-524	-343
Acquisition of fixed capital	-14	-20	-57	-23	-15
Injection of cap. into publ. Ltd.'s	-50	-54	-50	-50	-100
Net lending, domestic	-6	-6	-8	-6	-8
Total capital expenses	-508	-551	-745	-603	-466
Budget surplus/deficit	303	249	-221	-99	-120
Debt repayment	-1.600	-1.300	-550	-1.100	-1.645
Gross financing surplus/deficit	-1.297	-1.051	-771	-1.199	-1.765
New borrowing	-	1.100	900	1.100	2.570
Net financing surplus/deficit	-1.297	49	129	-99	805

1) As of May 8th 2025

2) Government Budget Act as approved by the parliament in December 2024.

3) At the beginning of the fiscal year 2025, appropriations transferred from previous years are estimated to DKK 280 m.

Population and labour force	2019	2020	2021	2022	2023	2024
Population by end of year	52.080	52.843	53.527	54.000	54.372	54.625
Employees	28.357	28.375	28.830	29.337	29.478	29.966
Unemployment rate in % (Oct.)	0,8	1,3	0,8	0,7	0,8	0,9

Consumer Price Index	2019	2020	2021	2022	2023	2024
CPI in % (average infl. rate)	1,3	0,3	2,7	7,7	4,7	2,0

Comments

Political status:

The Faroe Islands are a self governing area within the Kingdom of Denmark.
The Faroe Islands are in monetary union with Denmark.

Credit rating:

March 4th 2008 Moody's Investors Service assigned The Faroese Government a first time rating of Aa2 and stable outlook.
April 18th 2011 Moody's downgraded the long-term issuer rating of the Faroese Government to Aa3 with negative outlook
July 31st 2015 Moody's restated the rating Aa3, but changed the outlook to neutral.
August 16th 2019 Moody's upgraded the long-term issuer rating of the Faroese Government to Aa2 with stable outlook

Government reserve liquidity:

According to Faroese parliament act, the Faroese Government always holds a reserve liquidity of 15% of GDP.
The Government can draw on the reserve liquidity, but in case it uses this possibility, it is expected to restore the reserve liquidity within reasonable time.

