



# Quarterly Outlook

March 2024

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## Funding and Issuance

### Funding need

The DSTA updated its funding need for 2024 and expects a cash deficit that is € 11.2 billion higher than communicated at the beginning of the year. This brings the total estimated funding need for 2024 to € 88.0 billion.

This increase is mainly driven by the loan facility to TenneT (expected to be € 13.1 billion in 2024). Any further updates of the 2024 estimated funding need will be provided in the next Quarterly Outlook in June. If circumstances warrant an earlier update, this will be communicated accordingly.

Estimated funding need 2024	Amount (€ bn.)	Change since January 2024 (in € bn)
Capital market redemptions 2024	32.8	-
Net money market ultimo 2023 (excluding cash collateral)	25.5	-
Cash deficit 2024*	29.7	11.2
<b>Total borrowing requirement 2024</b>	<b>88.0</b>	<b>11.2</b>

\*A cash deficit is shown as a positive number because it increases the total borrowing requirement

### Call on the capital and money markets

Due to uncertainty in the funding need and in line with the funding policy of the DSTA, the increase of the borrowing requirement will be financed by increasing the call on the money market. The expected issuance on the capital market for 2024 will remain unchanged at around € 40 billion.

### DSL issuance calendar second quarter 2024

As recently announced, the DSTA will reopen the 30-year DSL 15 January 2054 by means of a DDA on 16 April 2024 with a target volume of € 4 to 5 billion. Later in April, the DSTA will reopen the 10-year DSL 2034, which was issued earlier this year. The DSLs to be auctioned at the remaining auction slots in the second quarter remain to be determined. At least six days prior to the auction, the DSTA will announce which DSL will be issued. The DSTA reserves the right to add an auction or, alternatively, alter or remove an auction from the issuance calendar. Any such change will be announced in a timely manner through a press release.

## DSL calendar second quarter 2024

Auction date	Details	Target volume (€ bn.)
16 April 2024*	DDA of the DSL 15 January 2024	4-5
30 April 2024*	Reopening of the DSL 15 July 2024	2-2.5
14 May 2024	Tap of an existing DSL	To be announced**
28 May 2024	Tap of an existing DSL	To be announced**
11 June 2024	Tap of an existing DSL	To be announced**
25 June 2024	Tap of an existing DSL	To be announced**

\* The two auctions in April deviate from the regular pattern of the DSTA and are on the third and fifth Tuesday.

\*\* Target volume and other details will be announced at a later stage, at the latest on the Wednesday preceding the auction date (t-6).

## DTC issuance calendar second quarter 2024

As usual, the DSTA will have regular money market issuances through its DTC programmes. The schedule for the second quarter of 2024 generally follows the regular pattern where auction dates typically contain both a shorter-dated programme and a longer-dated programme. DTC auctions are held on the first and third Mondays of the month. Two exceptions are the first auction in April and the second auction in May, where the auctions will take place one day later, on Tuesday, due to public holidays. Further details of the auction will be announced on the Wednesday prior to the relevant auction. The DSTA reserves the right to add a DTC programme or, alternatively, alter or remove it from the issuance calendar. Any such change is announced in a timely manner through a press release.

## DTC calendar second quarter 2024

Auction date*	Settlement date	Shorter-dated programme	Longer-dated programme
2 April 2024**	4 April 2024	30 July 2024	27 September 2024
15 April 2024	17 April 2024	27 June 2024	27 September 2024
6 May 2024	8 May 2024	29 August 2024	30 October 2024
21 May 2024**	23 May 2024	30 July 2024	30 October 2024
3 June 2024	5 June 2024	27 September 2024	28 November 2024
17 June 2024	19 June 2024	29 August 2024	28 November 2024

\* Auction details will be announced on Wednesday prior to the auction (t-5).

\*\* Auction on a Tuesday, due to public holiday on the previous day.

## Economic Outlook

### Rising economic growth for the Dutch economy

After several quarters of slightly negative economic growth, the Dutch economy is estimated to have experienced positive GDP growth again in Q4 2023. According to preliminary figures from Statistics Netherlands (Centraal Bureau voor de Statistiek, CBS), GDP grew by 0.3% in the fourth quarter of 2023 compared to the previous quarter. This growth was to a large extent driven by surging household consumption. Overall, the economy grew by 0.1% during 2023 as compared to 2022. The slight growth was mainly a result of higher government consumption, as well as greater investment by households. Meanwhile, the balance of trade contributed negatively to GDP growth, with -1.3% for exports and -0.8% for imports.

According to the Central Economic Plan 2024 published on 22 February, The Netherlands Bureau for Economic Policy Analysis (Centraal Planbureau, CPB) expects the economy to grow by 1.1% in 2024 and 1.6% in 2025. This represents faster growth when compared to 2023, but is a more moderate figure relative to the years 2022 and 2021. The CPB describes this development as a normalisation of economic growth in the context of an overheated economy. In earlier years, rapid catch-up growth after the pandemic, as well as elevated inflation, led to high GDP growth. For 2024, the CPB projects household consumption, government consumption and increasing exports to contribute positively to economic growth. On the other hand, investment is expected to further decline on the back of higher interest rates.

### Further reduction of inflation

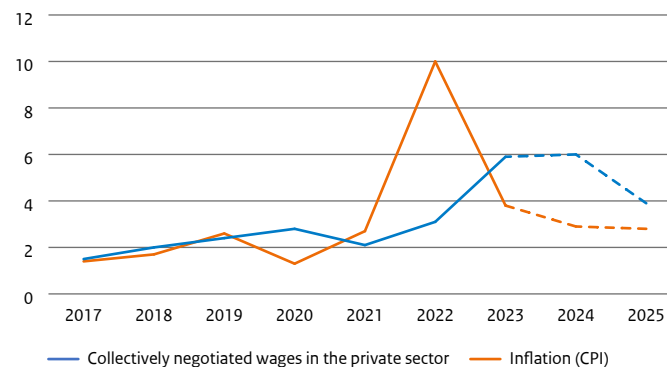
After historically high figures were reported in 2022, HICP inflation decreased substantially to 4.1% in 2023. This was mainly driven by rapidly declining energy prices. In 2024, inflation is expected to further decrease to 2.7% according to the CPB. The persistence of this downward trend, even after the discontinuation of the energy price cap for consumers and smaller enterprises, is a result of consumer energy prices decreasing to levels below the cap. Additionally, a decline of core inflation is expected, which the CPB attributes to firms adapting to the energy price shock. On the other hand, the tight labour market continues to exert an upward pressure on inflation.

### Labour market persistently tight

The Dutch labour market continues to show signs of tightness, as unemployment remained relatively low at 3.5% in 2023. The CPB expects unemployment to increase to 3.7% in 2024 and 3.9% in 2025. The economic challenges of the past year and expected moderate growth may give rise to more bankruptcies and layoffs. This effect is expected to be relatively mild however, since many vacancies are still left unfulfilled in the economy.

Additionally, the tight labour market is reflected by a higher growth in wages, which is expected to be 6% in 2024 (Figure 1). Since the inflation shock in 2022, collectively negotiated wages have not increased to the same extent across all sectors. The CPB expects wage growth to remain high in 2024. This increase in wages compensates workers for the purchasing power decline as a result of the high inflation in previous years. Since this effect is likely to dissipate over time, it is expected that wage growth will ease in 2025, at 3.9%. Nevertheless, this would still be above the projected inflation rate.

Figure 1: Collectively negotiated wages and inflation (CPI)



Source: CPB, February projections 2024 (Central Economic Plan 2024)

### Expected recovery of purchasing power

After a substantial decline in purchasing power occurred in the years 2022 and 2023, the CPB is expecting a strong recovery in 2024. Partly as a result of lower inflation, as well as higher wages that caught up to inflation with a lag, median purchasing power is expected to increase by 2.7% in 2024.

Nevertheless, a consecutive rise of purchasing power in 2025 is not predicted. This implies that purchasing power will likely return to similar levels as in 2021, which was before inflation started to increase sharply.

However, this scenario is not uniformly applicable across all income groups. According to the CPB, targeted government policies have effectively reduced structural poverty levels.

Table 1: Key economic figures for the Netherlands (annual percentage change, unless specified otherwise)

Key economic figures, growth (%)	2022	2023*	2024*	2025*
GDP	4.3	0.1	1.1	1.6
Household consumption	6.6	0.4	2.7	2.4
Government consumption	1.6	2.6	3.2	0.9
Investment (including inventories)	1.0	-0.7	-3.1	2.3
Exports	4.5	-1.2	0.6	2.5
Imports	3.8	-0.7	1.1	3.0
Unemployment (% of labour force)	3.5	3.5	3.7	3.9
Inflation (HICP)	11.6	4.1	2.7	2.5

\* Estimated

Source: CPB, February projections 2024 (Central Economic Plan 2024)

## Budgetary Outlook

### Increasing government deficit

CPB projections indicate the Dutch budget deficit to be 0.6% in 2023, exceeding the 2022 levels to a small extent. However, the magnitude of this deficit is lower than initially expected. This can be attributed to under-investment, lower than anticipated costs of the energy price cap and incidental windfalls from a taxation perspective.

A larger deficit is expected for 2024 at 2.1%, which is mainly due to rising government consumption. This can be partly attributed to expenses on budget funds, such as the Climate Fund, as well as financial and military support for Ukraine. Additionally, spending on social security is increasing, as well as healthcare expenditure. On the other hand, a relative decrease in the overall tax burden is expected because of lower corporation and dividend tax revenues than in 2023. These factors also contribute to the projected budget deficit for 2025, which is expected to be slightly lower at 2.0%. As a result of these budget deficits the EMU-debt ratio is expected to increase slightly to 46.8% in 2024, while a further deterioration is foreseen at 48.1% in 2025.

The outlined budget deficit is derived from projections made by the CPB, released in February 2024. In alignment with the yearly budgeting cycle, the government is scheduled to issue the Spring Budget memorandum by the end of May. This document will elaborate on the (caretaker) government's updated strategies as well as recent additional budgetary developments such as the loan to Tennet, potentially impacting the budget for 2024 and 2025.

Table 2: Budgetary figures the Netherlands as % of GDP

GDP (%)	2022	2023*	2024*	2025*
EMU-balance	-0.1	-0.6	-2.1	-2.0
EMU-debt	50.1	46.5	46.8	48.1

\* Estimated

Source: CPB, February 2024 (Central Economic Plan 2024)

### Political developments following the elections at the end of 2023

The four parties who have the most seats in the House of Representatives (*Tweede Kamer*) are currently negotiating to form a new government. The relevant parties are the PVV (*Partij voor de Vrijheid*), VVD (*Volkspartij voor Vrijheid en Democratie*), NSC (*Nieuw Sociaal Contract*) and BBB (*BoerBurgerBeweging*). During the formation of the new government, the current caretaker government remains in position and, among other duties, prepares the Spring Budget memorandum.

### Budgetary impact of new coalition to be assessed in due course

The actual budgetary impact of the plans of the new government can only be thoroughly analysed once the government is formed. The CPB will assess the budgetary impact of a new coalition program using the macroeconomic indicators applicable at the time.

# Climate Outlook

## Climate change mitigation

### Share of renewable energy increased by 21% in 2023

The production of electricity from renewable sources has increased by 21% in 2023, compared to 2022 ([Statistics Netherlands, Centraal Bureau voor de Statistiek, CBS](#)). Electricity from fossil sources, on the other hand, decreased by 12% over the same period. This brings the total share of the electricity production in 2023 from renewable sources to 48%, up from 41% a year earlier.

Within renewable electricity production, solar was up by 24% and wind by 34%. Electricity generation from coal and natural gas decreased by 38% and 4%, respectively. This was partly due to the availability of cheaper wind and solar energy. 2023 is the second year in a row that more net electricity has been exported than imported by the Netherlands.

### GHG emissions in 2023 further reduced

Greenhouse gas (GHG) emissions were 6% lower in 2023 than in 2022, mainly due to the electricity sector emitting 22% less GHG. Compared to 1990-levels, GHG emissions are 34% lower. According to the Climate Act GHG emissions in 2030 must be reduced by 55% compared to 1990 levels.

### Subsidy for sustainable energy production available again in 2024

In September 2024, the Sustainable Energy Production and Climate Transition Scheme (SDE++) will be opened again ([Dutch Central Government, Rijksoverheid](#)). The SDE++-subsidy is the most important scheme through which the Dutch government supports large-scale sustainable (energy) projects. Companies, local authorities and non-profit organisations can apply. An opening budget of € 11.5 billion is available for 2024. If the full budget is requested and realised, this is expected to result in a CO<sub>2</sub> saving of approximately 4.7 megatonnes in 2030. This is a greater than expected CO<sub>2</sub> saving compared with the previous year, because a higher opening budget is available this year.

The SDE++ will be open again in 2024 for most categories that were also eligible in 2023. These include sun, wind, geo- and aquathermal energy, electric boilers, hydrogen and CCS. Following recommendations from the Netherlands Environmental Assessment Agency (PBL), several new categories will also be introduced this year, including: solar energy that requires a minor roof adjustment and a new category of heat pump for greenhouse horticulture. Two new categories are also being opened up for technologies with a lower grid impact: the process-integrated heat pump and thermal storage for high-temperature heat.

## Outstanding debt

### DSL outstanding at the end of February 2024

ISIN code	Loan	Amount in EUR
NL0010733424	2,00 pct DSL 2014 due 15 July 2024	17,365,132,000
NL0011220108	0,25 pct DSL 2015 due 15 July 2025	19,925,159,000
NL0015000QL2	0,00 pct DSL 2022 due 15 January 2026	14,808,000,000
NL0011819040	0,50 pct DSL 2016 due 15 July 2026	18,964,051,000
NL0015031501	0,00 pct DSL 2020 due 15 January 2027	15,762,000,000
NL0012171458	0,75 pct DSL 2017 due 15 July 2027	17,705,926,000
NL0000102317	5,50 pct DSL 1998 due 15 January 2028	13,027,967,851
NL0012818504	0,75 pct DSL 2018 due 15 July 2028	19,331,941,000
NL0015000LS8	0,00 pct DSL 2021 due 15 January 2029	12,582,000,000
NL0013332430	0,25 pct DSL 2019 due 15 July 2029	12,215,587,000
NL0015001DQ7	2,50 pct DSL 2023 due 15 January 2030	10,186,000,000
NL0014555419	0,00 pct DSL 2020 due 15 July 2030	14,038,462,000
NL00150006U0	0,00 pct DSL 2021 due 15 July 2031	15,064,805,000
NL0015000RP1	0,50 pct DSL 2022 due 15 July 2032	13,615,815,000
NL0010071189	2,50 pct DSL 2012 due 15 January 2033	15,507,900,000
NL0015001AM2	2,50 pct DSL 2023 due 15 July 2033	12,159,993,000
NL0015001XZ6	2,50 pct DSL 2024 due 15 January 2034	6,000,584,000
NL0000102234	4,00 pct DSL 2005 due 15 January 2037	17,977,427,000
NL0015000B11	0,00 pct DSL 2021 due 15 January 2038	12,491,052,000
NL0013552060	0,50 pct DSL 2019 due 15 January 2040*	15,690,370,000
NL0009446418	3,75 pct DSL 2010 due 15 January 2042	18,839,910,000
NL0015001RG8	3,25 pct DSL 2023 due 15 January 2044*	6,981,953,000
NL0010721999	2,75 pct DSL 2014 due 15 January 2047	20,510,187,000

ISIN code	Loan	Amount in EUR
NL0015614579	0,00 pct DSL 2020 due 15 January 2052	17,799,724,000
NL00150012X2	2,00 pct DSL 2022 due 15 January 2054	8,633,754,000
<b>Total</b>		<b>367,185,699,851</b>

\* Green Bond

### DTC outstanding at the end of February 2024

ISIN code	DTC	Amount in EUR
NL0015001OM3	DTC 2024-03-27	6,240,000,000
NL0015001S60	DTC 2024-04-29	6,010,000,000
NL0015001VO4	DTC 2024-05-30	4,300,000,000
NL0015001WE3	DTC 2024-06-27	2,480,000,000
NL0015001YC3	DTC 2024-07-30	2,550,000,000
<b>Total</b>		<b>21,580,000,000</b>

### Outstanding public debt at the end of February 2024

Outstanding public debt	Amount in EUR
Cash	241,497,530
Cash in foreign currency	-
DSL outstanding	367,185,699,851
DTC outstanding	21,580,000,000
CP outstanding in EUR	-
CP outstanding in foreign currency	4,613,560,881
Private Loans outstanding	18,151,209
Private Loans outstanding in foreign currency	148,583,255
<b>Total outstanding</b>	<b>393,787,492,725</b>
Cash collateral	227,144,962
<b>Total outstanding including cash collateral</b>	<b>394,014,637,687</b>



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**The cut-off date is  
21 March 2024**  
(unless mentioned  
otherwise)