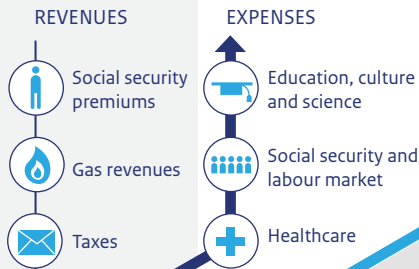


# The Dutch national debt

## What is the origin of the national debt?

If government expenditure is higher than its revenue, it has to borrow money to cover the deficit, and a national debt results.



## What are the costs of the national debt?

On each State Loan the State pays a certain fixed annual interest up to the end date of the loan.

This interest is money the State cannot spend on other things. Therefore it is important to aim for a lower national debt.

Over the last couple of years, the national debt has risen considerably which was partly due to the financial crisis.

On the other hand, interest rates the Dutch State has to pay have been falling, which was partly due to the fact that investors consider Dutch State Loans to be very safe.

Due to the combination of a higher national debt and fallen interest rates, interest costs have remained relatively stable. When interest rates rise, interest costs will rise even more due to the increased debt.

## Who manages the national debt?

The Minister of Finance is responsible for the national debt. The Dutch State Treasury Agency (DSTA) manages and finances the national debt on behalf of the Minister.

## How does the DSTA finance the national debt?

The DSTA collects money by issuing Dutch State Loans to investors. These loans are certificates indicating that the State owes money to the owner.

In order to obtain the lowest price, the DSTA auctions the loans on a regular basis.

## Who buys these State Loans?

