



Dutch State Treasury Agency
Ministry of Finance

Outlook 2023

The Hague,
16 December 2022



Dutch State Treasury Agency
Ministry of Finance

Outlook 2023

Kim Baert, Senior Legal Counsel
Koen Hendriks, Senior Dealer



Dutch State Treasury Agency
Ministry of Finance

Today's programme

Introduction

Sigrid Kaag (Minister of Finance) & Saskia van Dun (Agent)

Keynote speech

Pieter Hasekamp (Director, Netherlands Bureau for Economic Policy Analysis (CPB))

Looking back on 2022 and Primary Dealer awards 2022

Martin Heerma (Deputy Agent)

Outlook and funding plan 2023

Saskia van Dun (Agent)

Closing remarks

Christiaan Rebergen (Treasurer-General)

Networking drinks

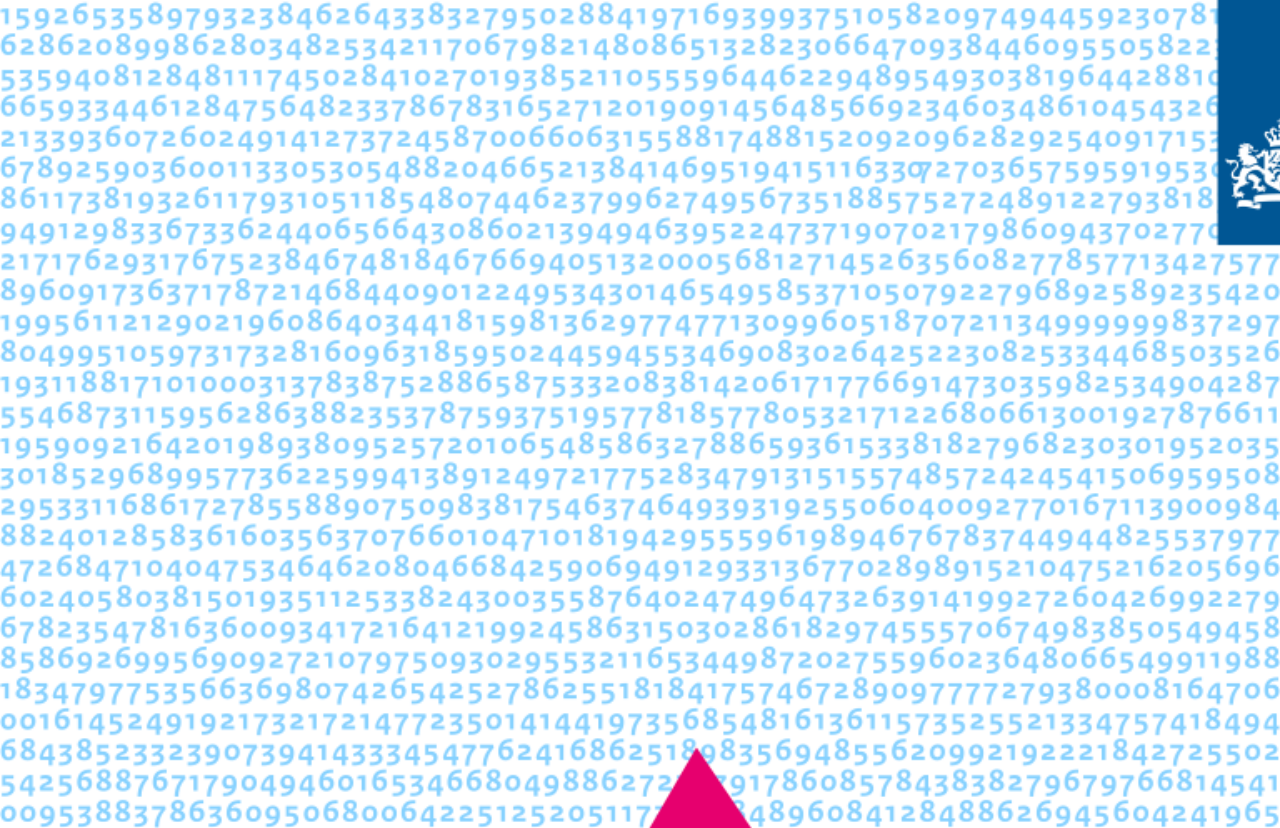






Keynote speech by Pieter Hasekamp

Director of the Netherlands Bureau for Economic Policy Analysis (CPB)



CPB Netherlands | Bureau for Economic Policy Analysis

The Netherlands: from bail out society to agile economy?

Pieter Hasekamp, director CPB

Dutch State Treasury Agency, Dec. 16th
2022

www.cpb.nl/en | [@CPBnl_uk](https://twitter.com/CPBnl_uk)

Contents

- Introducing CPB
- A resilient economy
- Effects of energy crisis
- Future proof?



First director:
Jan Tinbergen

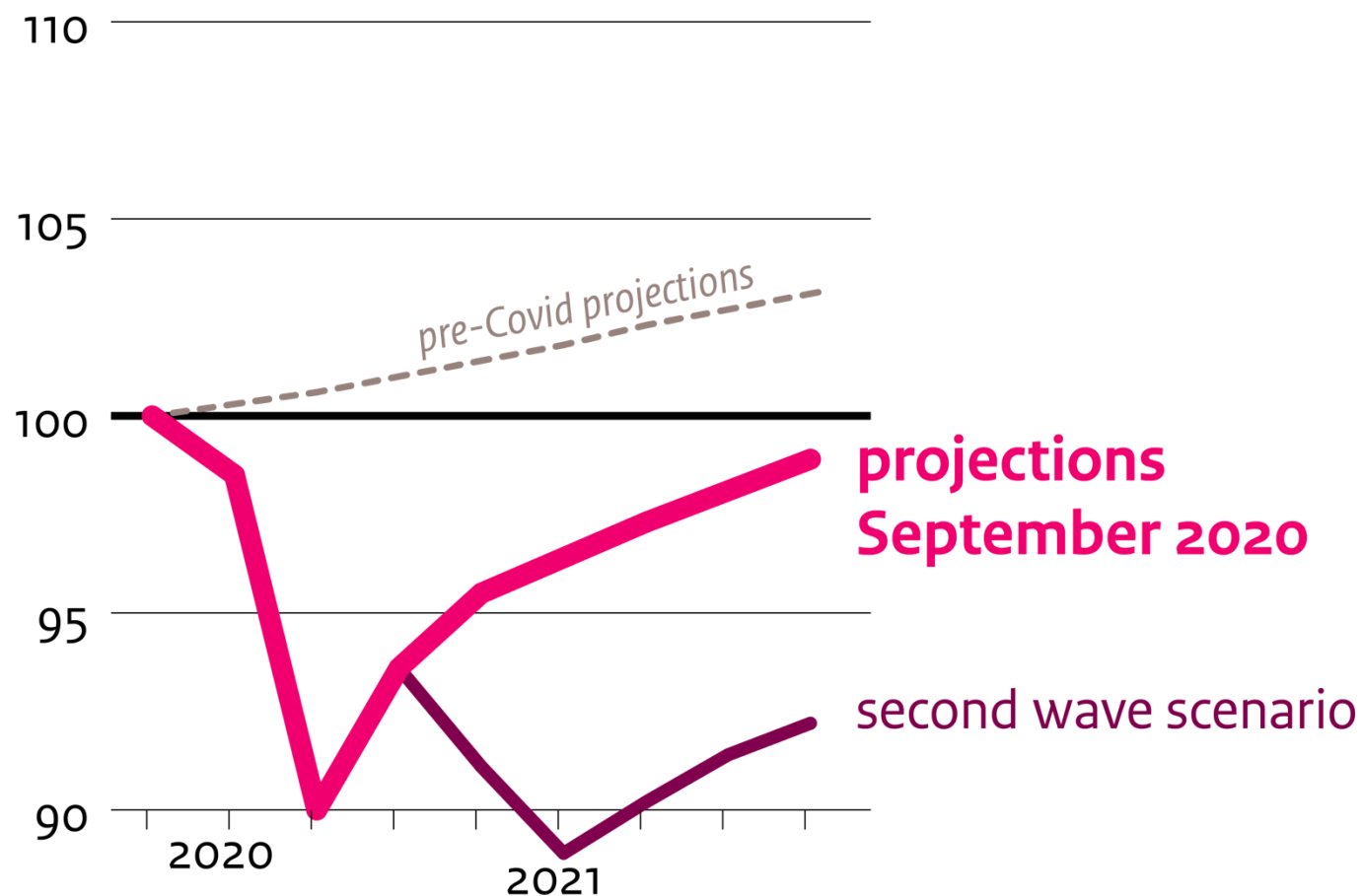
CPB: a central role since 1945

- Mission: champion evidence-based policy making
- Independent by law, reputation is key
- Staff of 100 economic researchers
- Economic projections and policy analyses/ research
- Objective assessment of election manifestos and coalition agreements
- Independent Fiscal Institute and Productivity Board

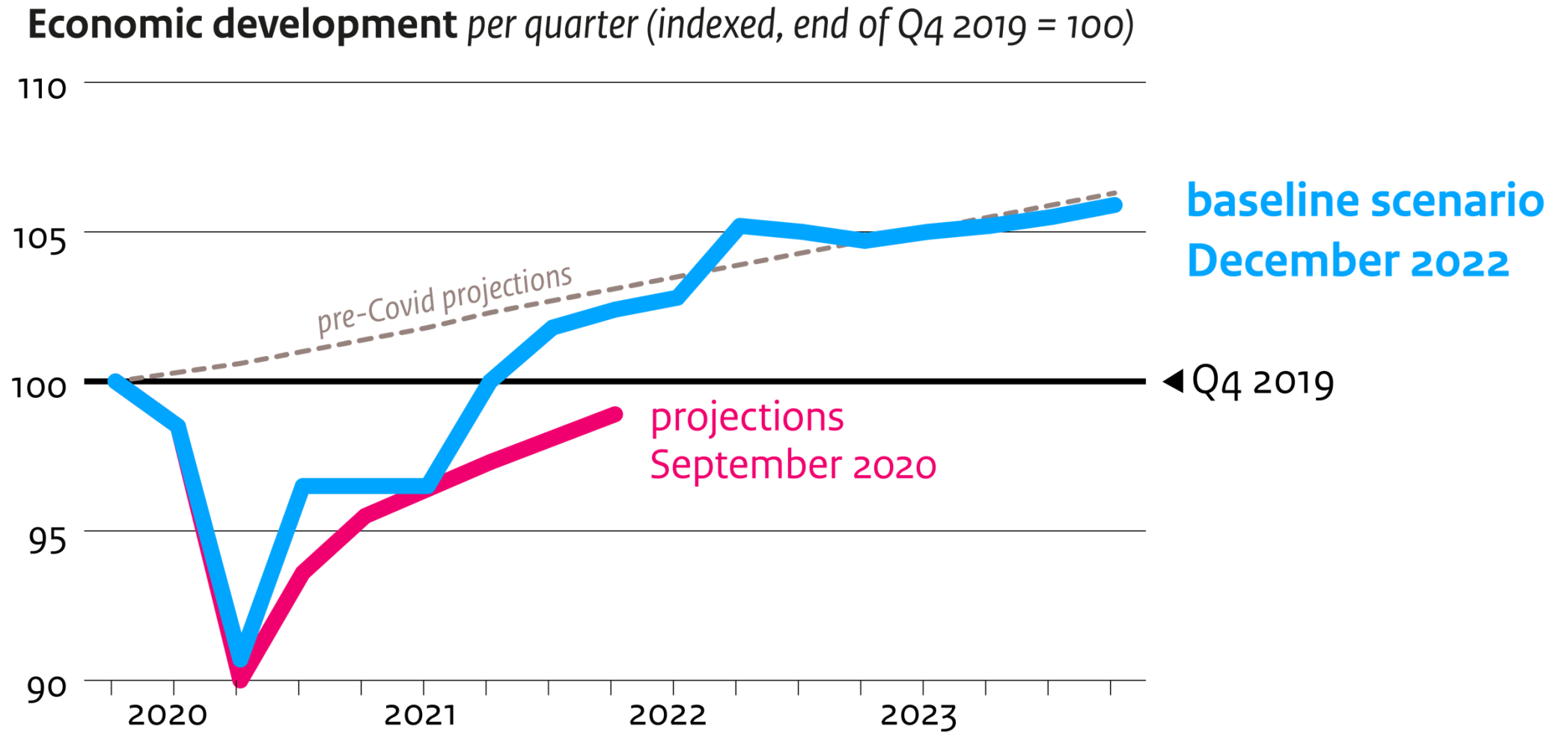
Economic resilience

What we projected during the covid crisis

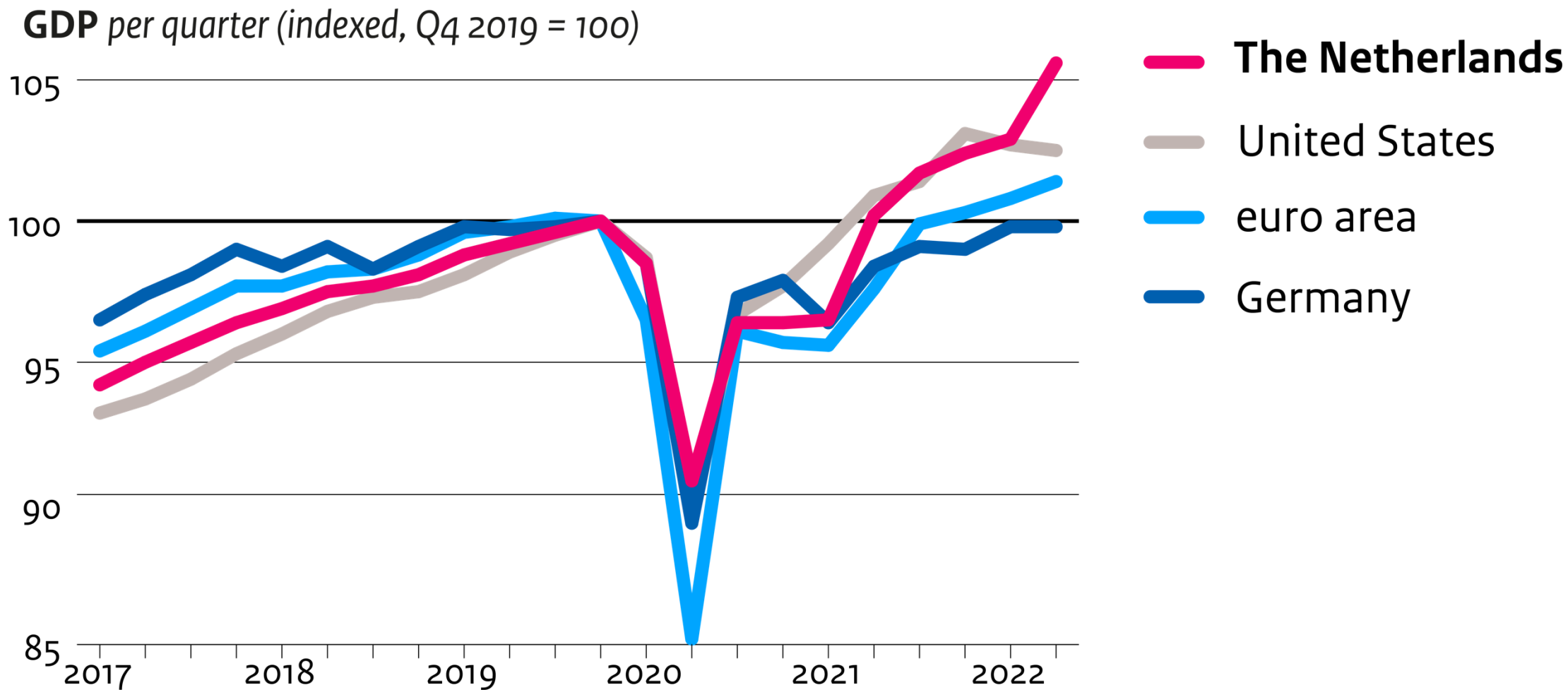
Economic development per quarter (indexed, end of Q4 2019 = 100)



What we expect to see now



The Dutch economy in comparison



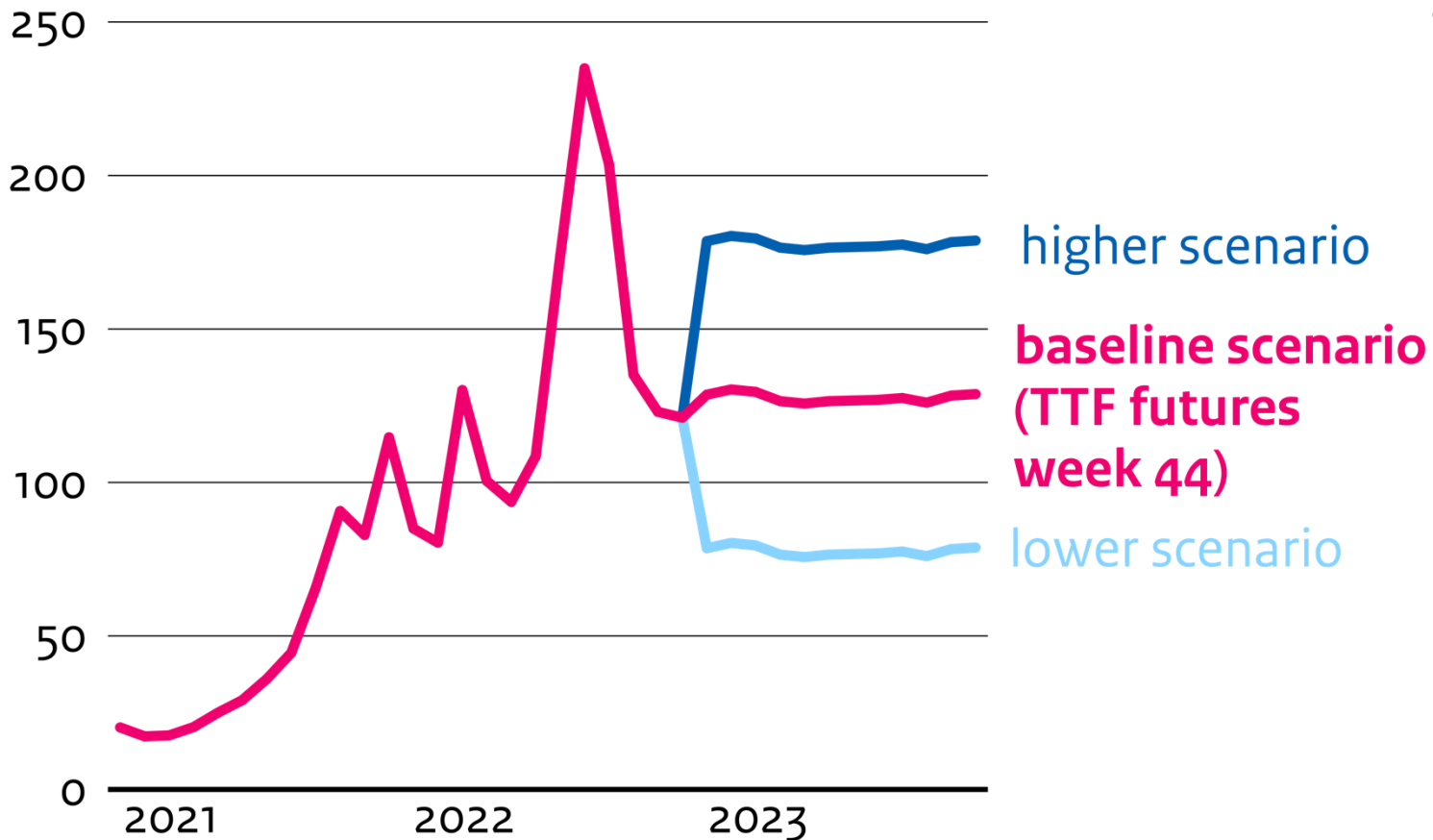
Reasons to be cheerful

- Strong export sector, service economy but low dependency on tourism
- Built up buffers since 2008 financial crisis
- High degree of digitalisation
- Quick and broad government support
 - Too broad?
- Flexible labour market
- But: specific sectors and groups of workers still paid a price

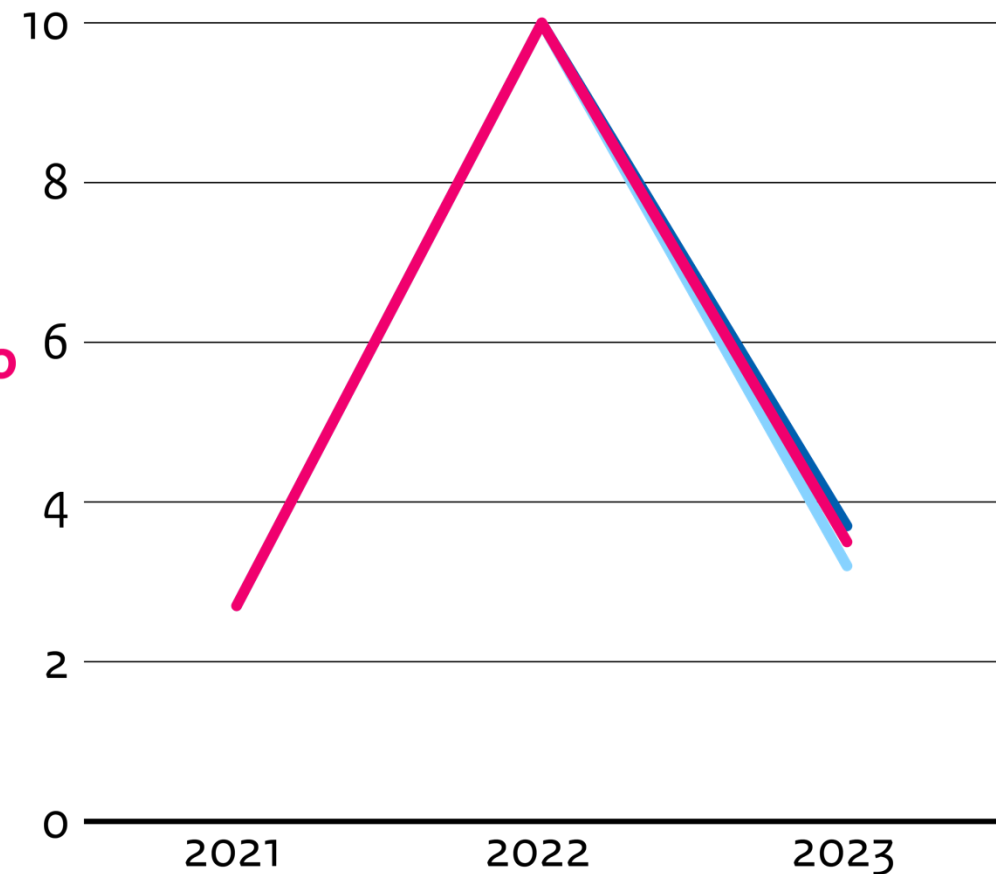
Warning: new crisis detected

Energy crisis has a significant impact

Gas market price development, in € per Mwh

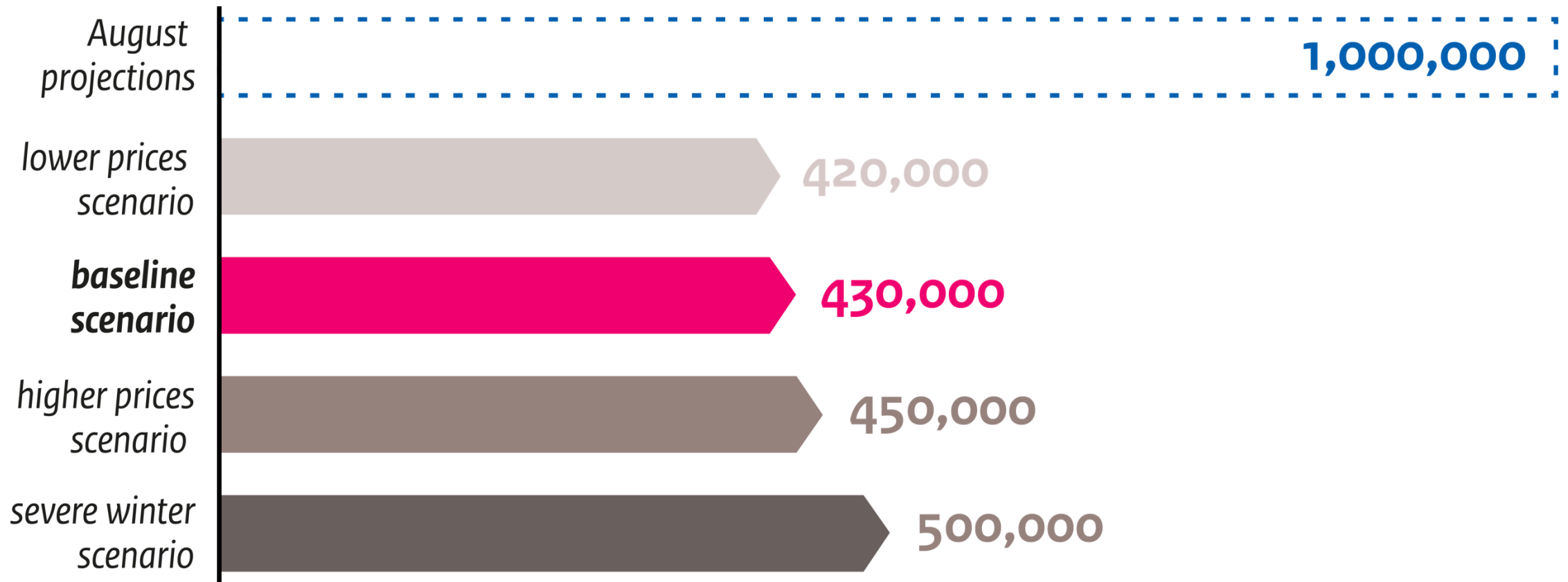


Consumer price index, in %

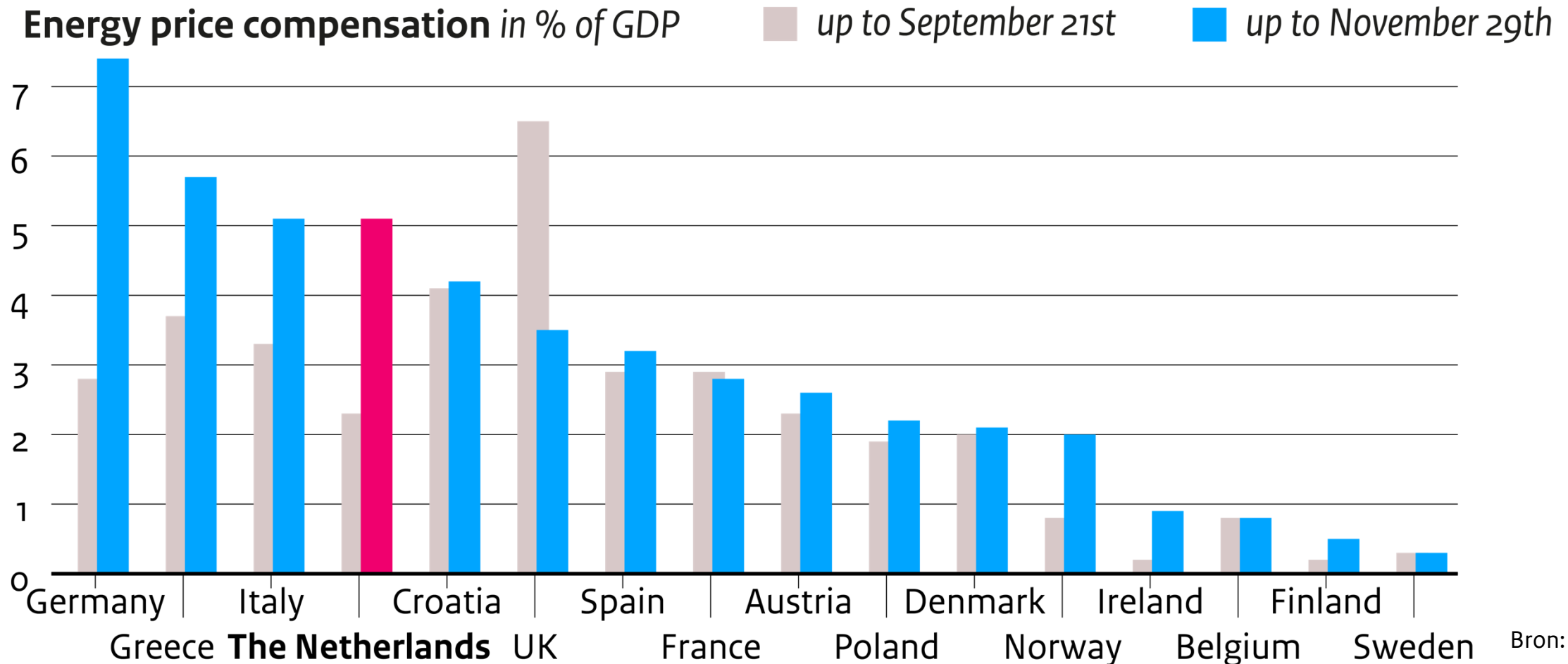


Government tackles cost of living crisis...

Number of households at risk, 2023

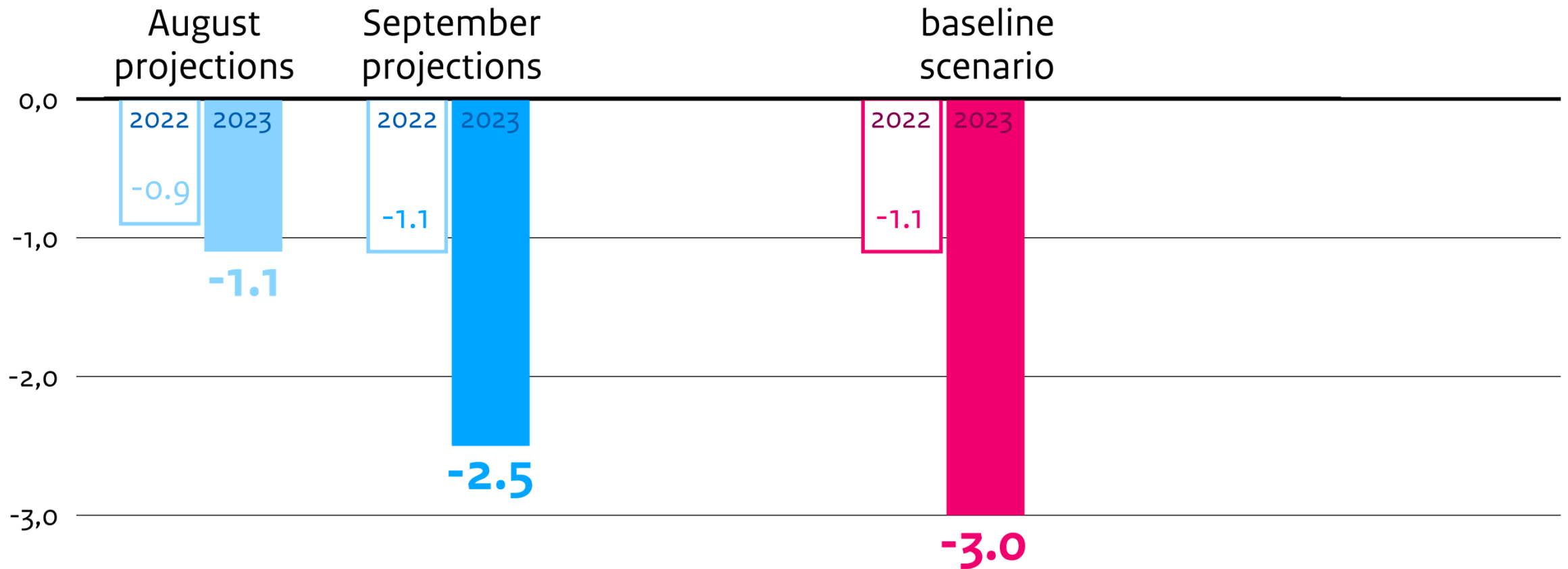


...by bailing out the burghers...



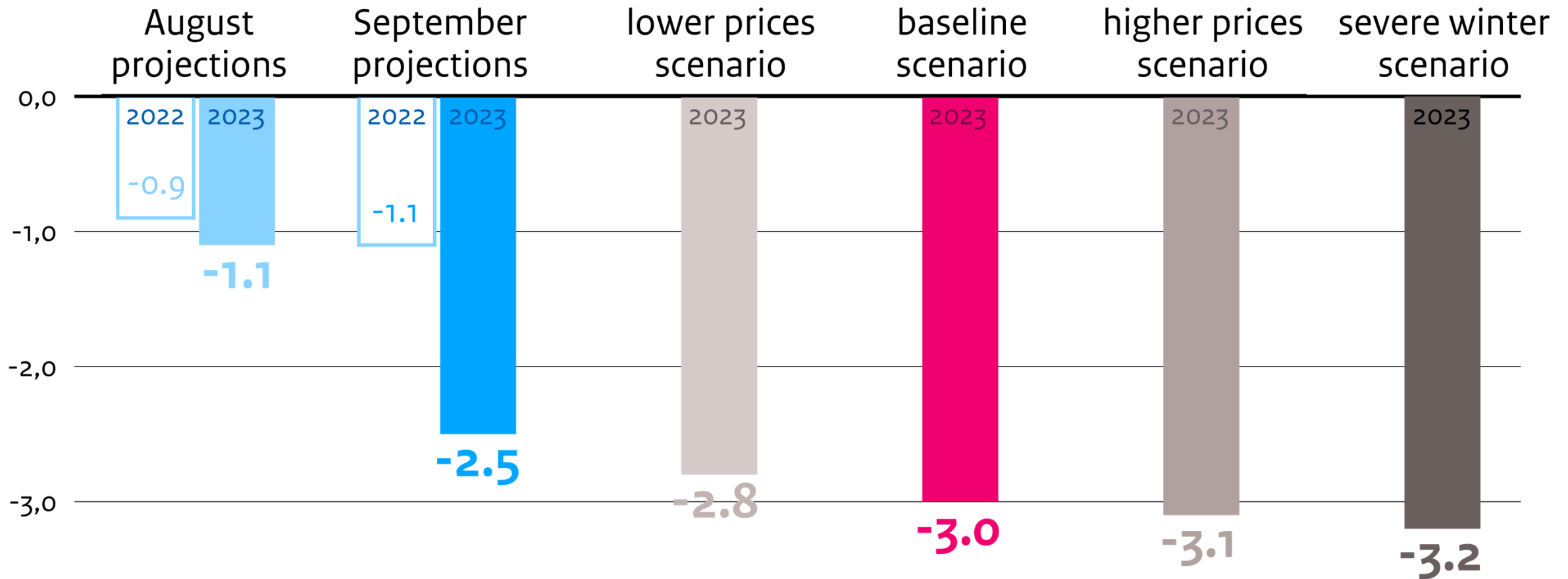
... but at a cost...

Dutch EMU balance, in % of GDP

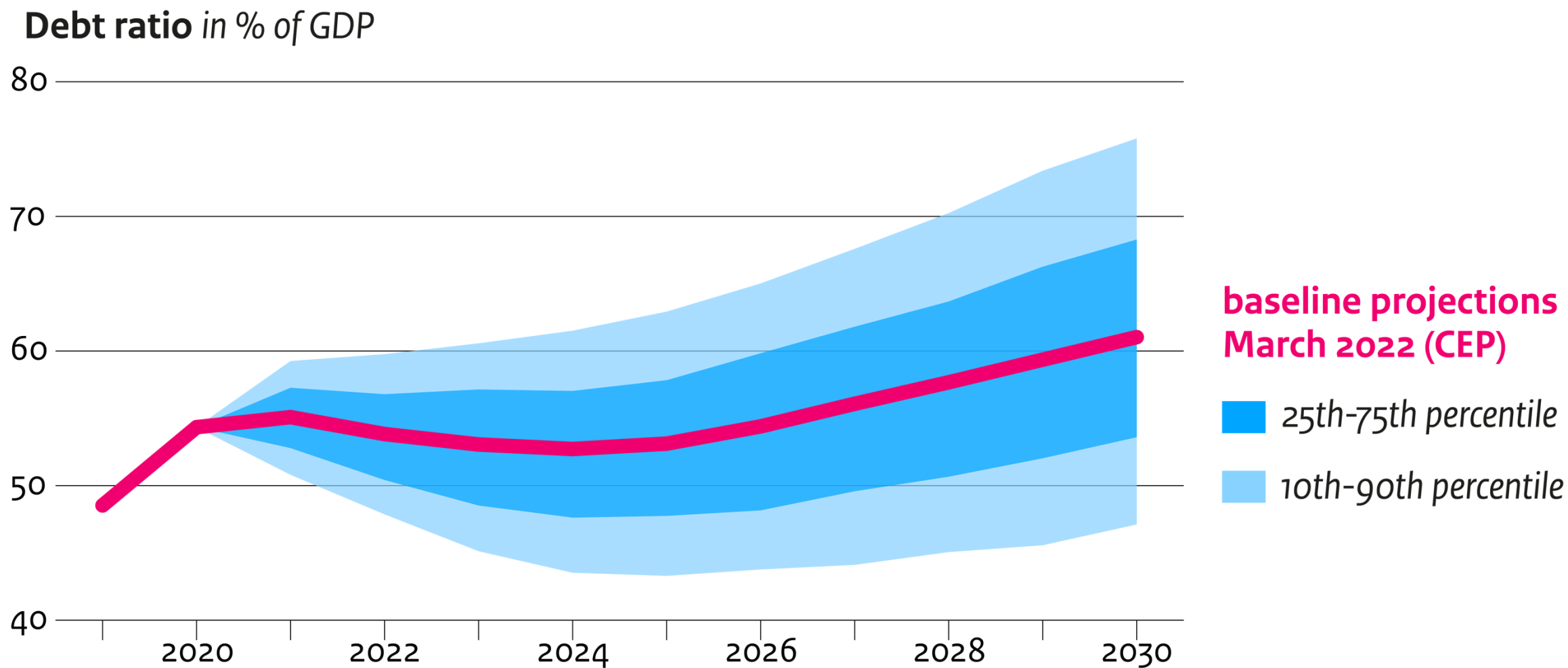


... although it looks surprisingly hedged

Dutch EMU balance, in % of GDP

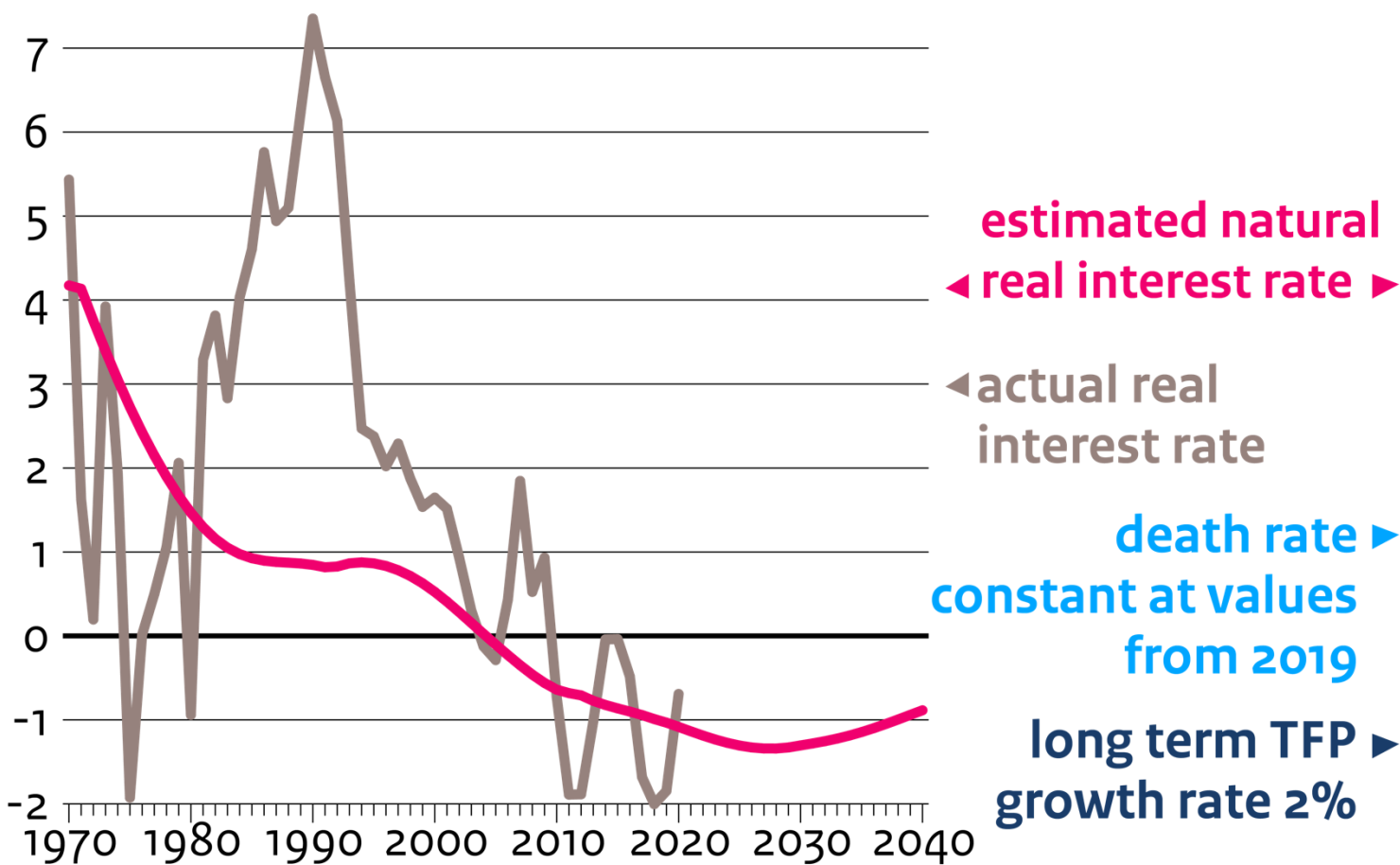


Debt looks sustainable in the near future...

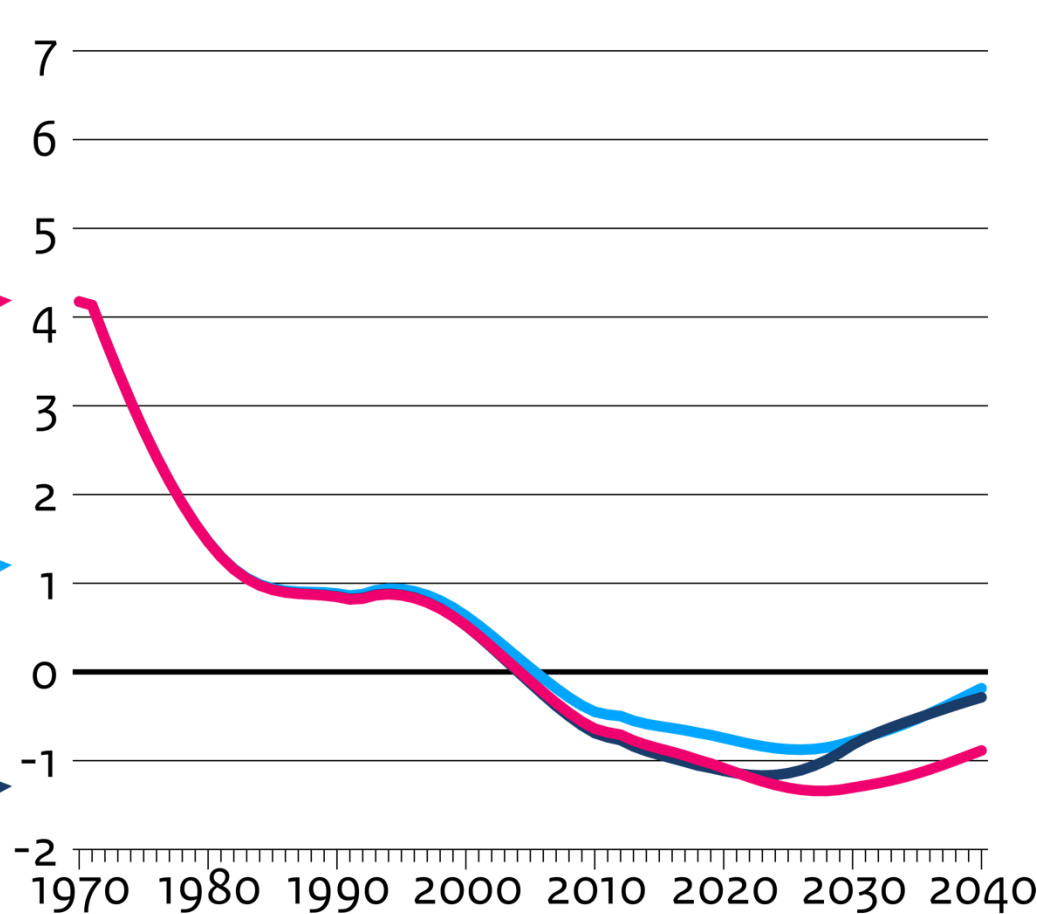


... but ultimately it all depends on the interest rate

Natural vs. actual real rate of interest, in %

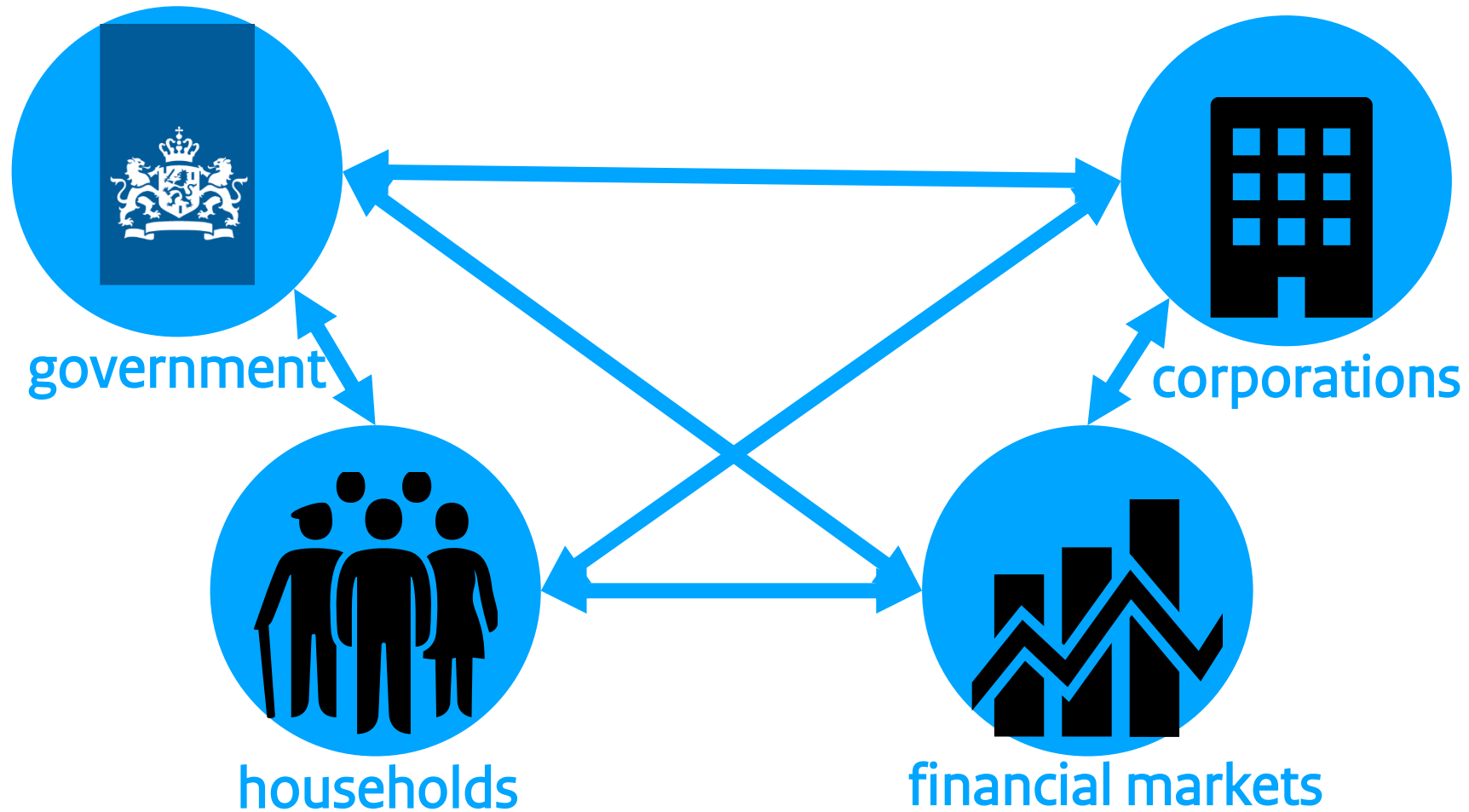


Natural rate of interest, scenarios



How to improve economic agility

From a bail out society to planning ahead?



Challenges

- Inequality (of opportunities): labour market & education
- Buffers / resilience (tax system!)
- Spatial planning (housing, environmental constraints)
- Climate and energy transition
- Innovation and competitiveness
- European integration





Thank you for your attention

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Q&A

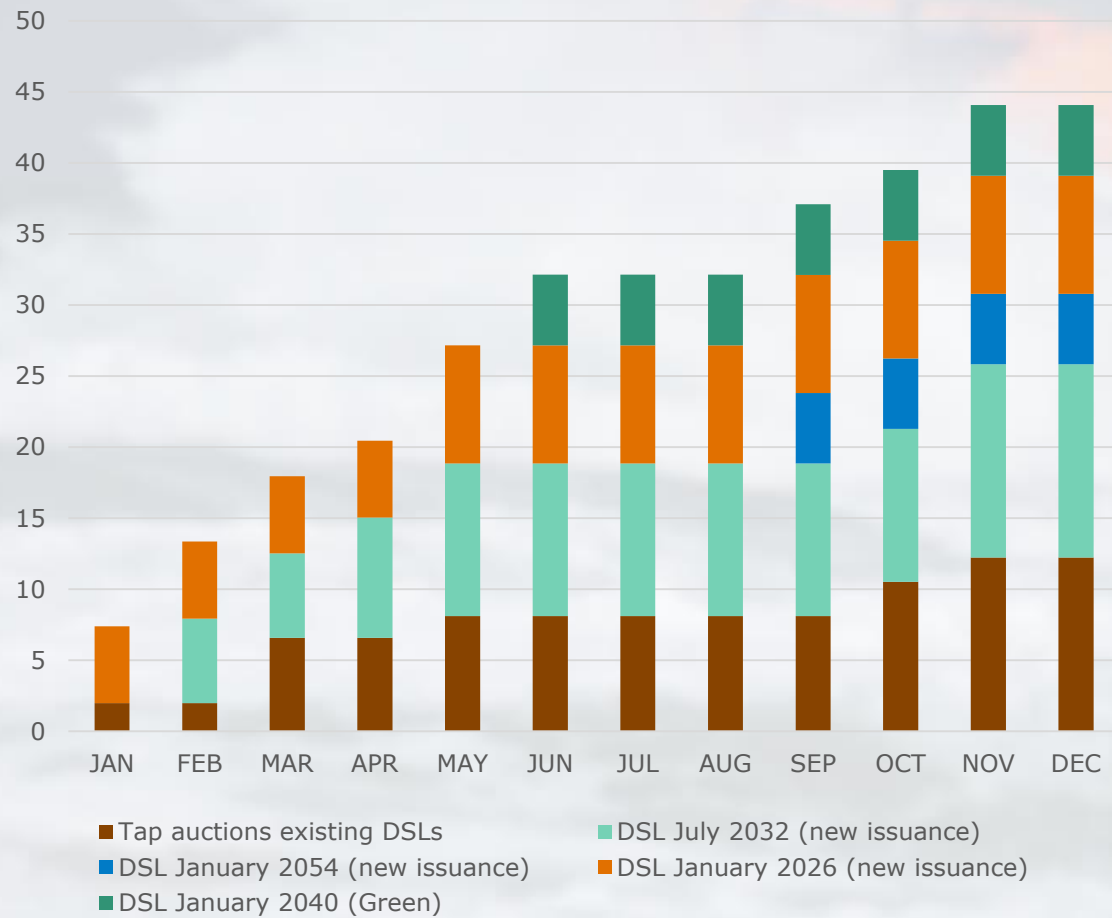


Looking back on 2022
Martin Heerma, Deputy Agent

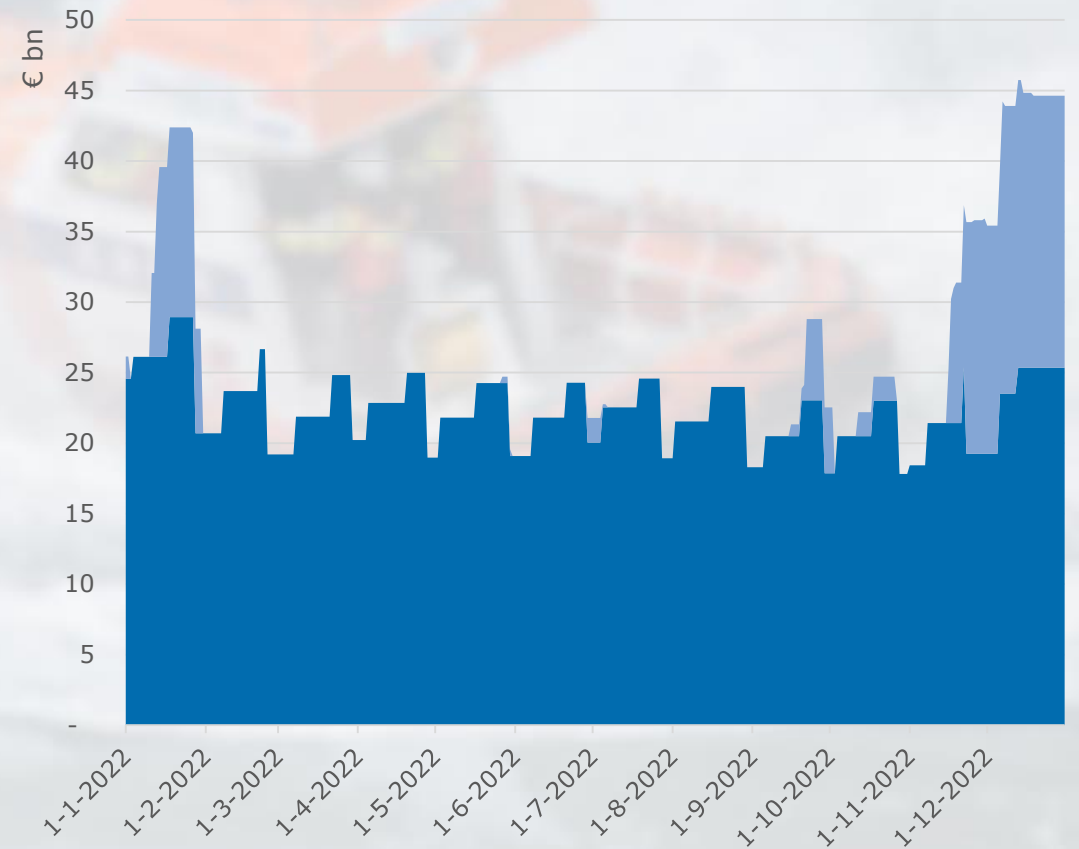


DSL, DTC and CP issuance in 2022

Capital market issuance



Outstanding volumes DTC and CP





Primary dealer awards 2022



DSTA Global Commercial Paper Award

CP Market



Rabobank





DSTA Dutch Treasury Certificate Award

DTC Market



Rabobank





DSTA Dutch State Loan Award

DSL Market



ABN·AMRO





Primary Dealers for 2023





Outlook and funding plan 2023

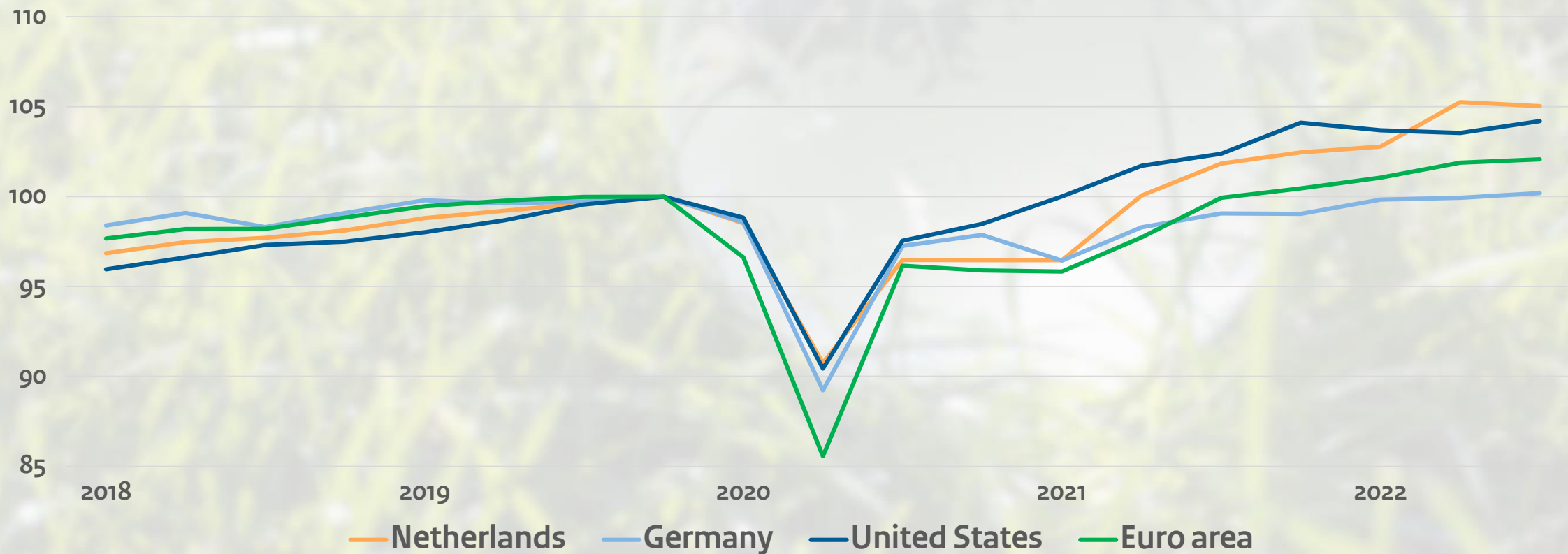
Saskia van Dun, Agent





Economic outlook

Strong performance in 2022, but growth slows down in 2023



Source: OECD, November 2022



Budgetary outlook

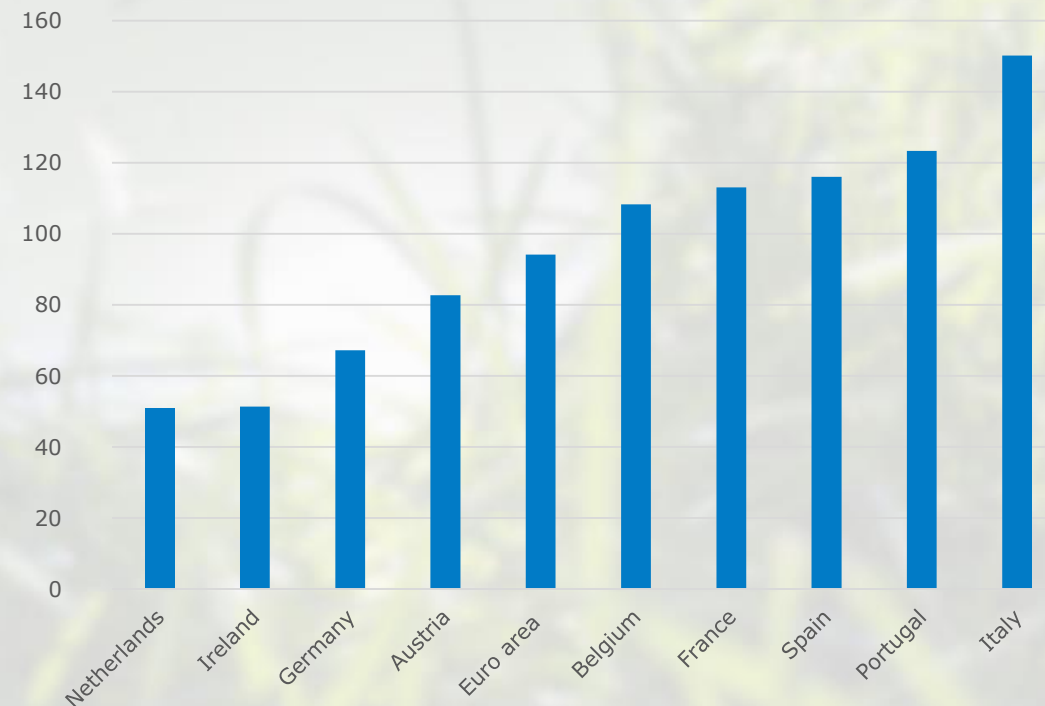
Increased budget deficit in 2023 due to energy measures

	2021	2022	2023*
Budget deficit (EMU-balance)	-2.5	-1.0	-3.0
Debt to GDP ratio (EMU)	52.1	50.4	49.5

Source: Ministry of Finance, November update of Budget Memorandum, 21 November 2022

*Forecast for 2023 is based on Ministry of Finance, Budget Memorandum – 20 September 2022. However, these numbers do not include some of the more recently announced energy support measures.

Government gross debt-to-GDP ratio
(in %) for Q2 2022



Source: Eurostat, November 2022





Climate outlook

More climate measures necessary to meet ambitious target

- Target 2030: **at least 55% GHG-reduction** by aiming for 60% reduction
- The independent Netherlands Environmental Assessment Agency annually projects the impact of current policy:
 - The most recent publication projects a GHG reduction of 39%-50% in 2030, therefore more climate mitigating measures needed
 - Additional measures to be announced in Spring 2023 by the minister for Climate and Energy Policy



Funding need 2023

Funding need	(€ billion)
Capital market redemptions 2023	31.6
Money market ultimo 2022	36.3
Aggregate cash deficit	33.6
<ul style="list-style-type: none">• Deficit based on 2023 Budget Memorandum	26.3
<ul style="list-style-type: none">• Indicative impact energy price measures and price adjustment for (semi)collective sector	7.3
Total funding need 2023	101.5

Top: Top News

NETHER 0 01/15/2052 REGS Corp

NETHER 0 01/15/52 € 149.036 -138 48.821 / 49.251 2,488 / 2,457

At 10:57 Source: BGM

Main Menu of Bloomberg Functions > Credit > Analyze NETHER 0 01/15/2052 REGS Corp

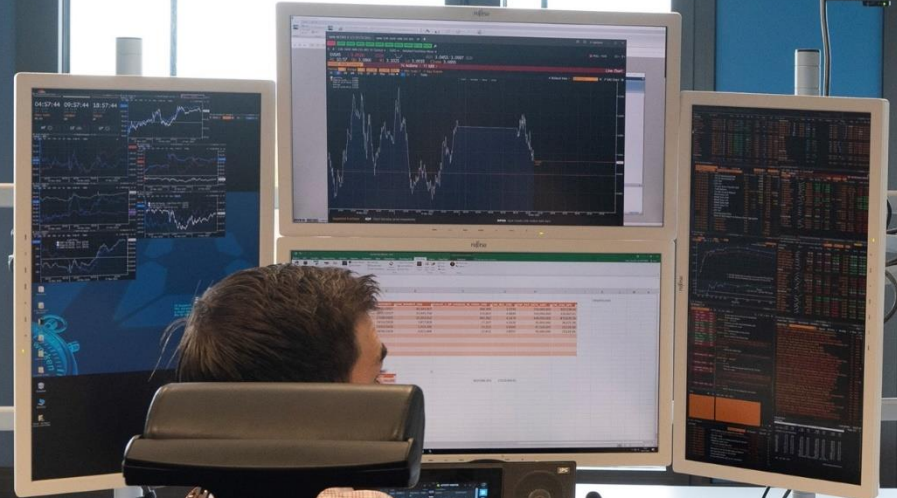
- 1 Price Discovery >
- 2 FXP FI Price Discovery
- 3 ALLQ All Quotes
- 4 Analytics >
- 5 YRS Yield and Spread Analysis
- 6 Relative Value >
- 7 FIRM Fixed Income Relative Value
- 8 CWRB Comparable Analysis
- 9 Hedging >
- 10 FING Fixed Income Hedging
- 11 FHR Fixed Income Hedge Ratios
- 12 Scenarios >
- 13 FHC FI Horizon Analysis
- 14 FISA FI Scenario Analysis
- 15 Descriptive >
- 16 DS Security Description
- 17 HFD HFD Descriptive Data
- 18 Financing >
- 19 RRA Repo/Reverse Repo Analysis
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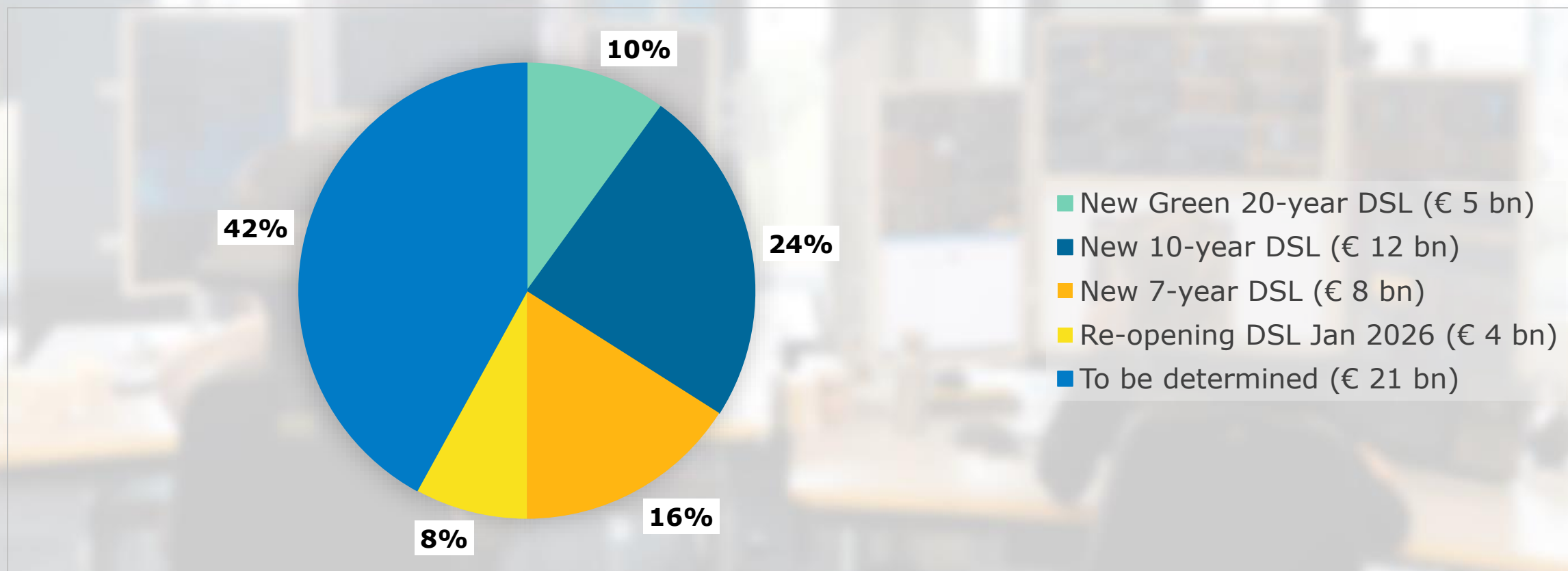
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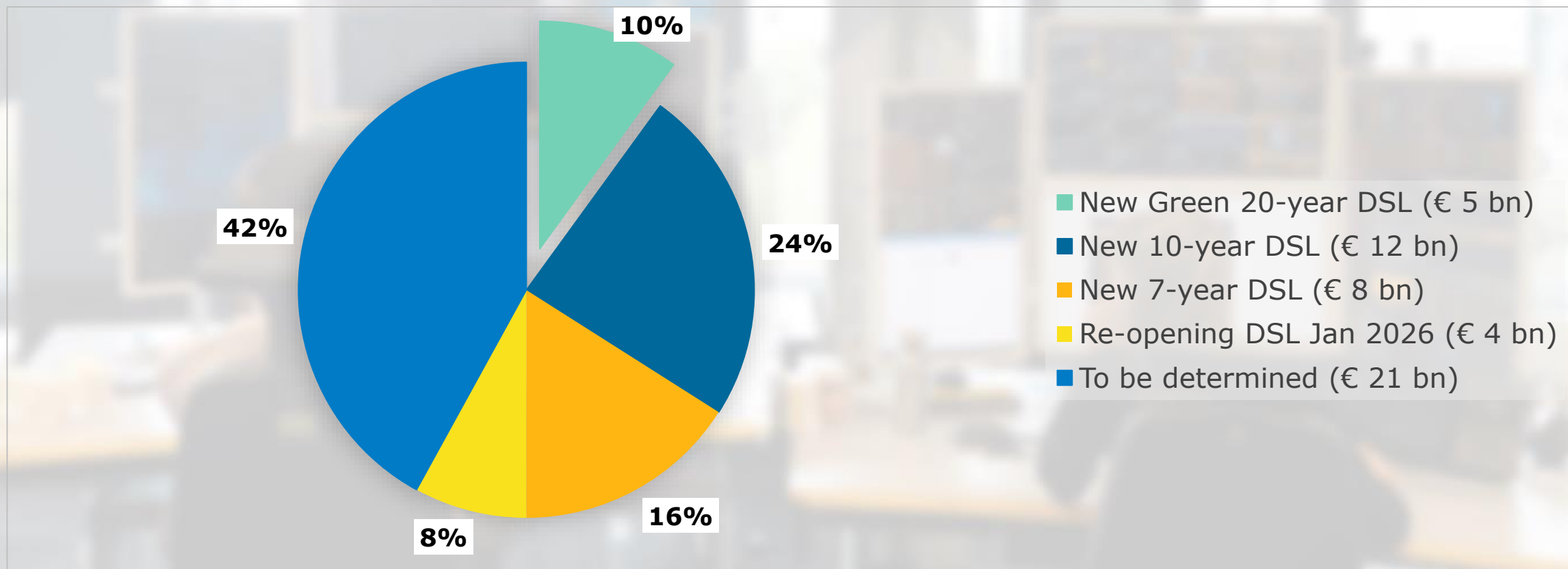


Capital market issuance in 2023: *€ 50 billion nominal*



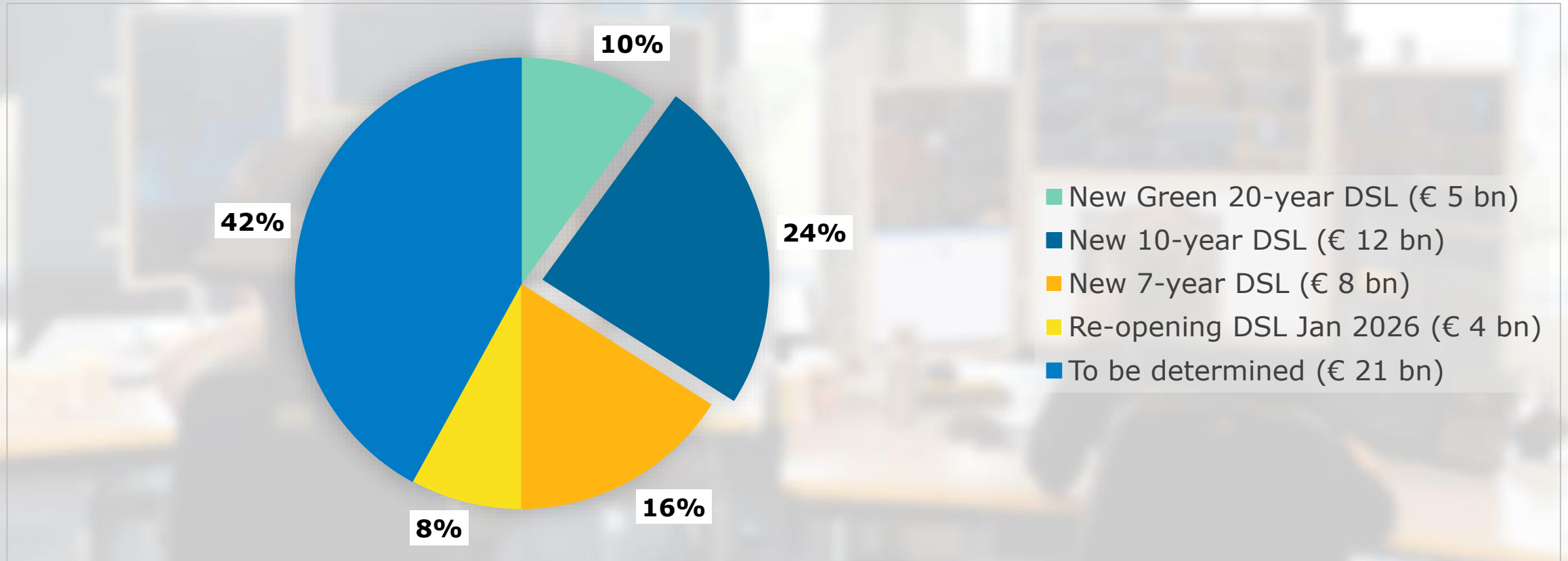


Capital market issuance in 2023: *New Green 20-year DSL*



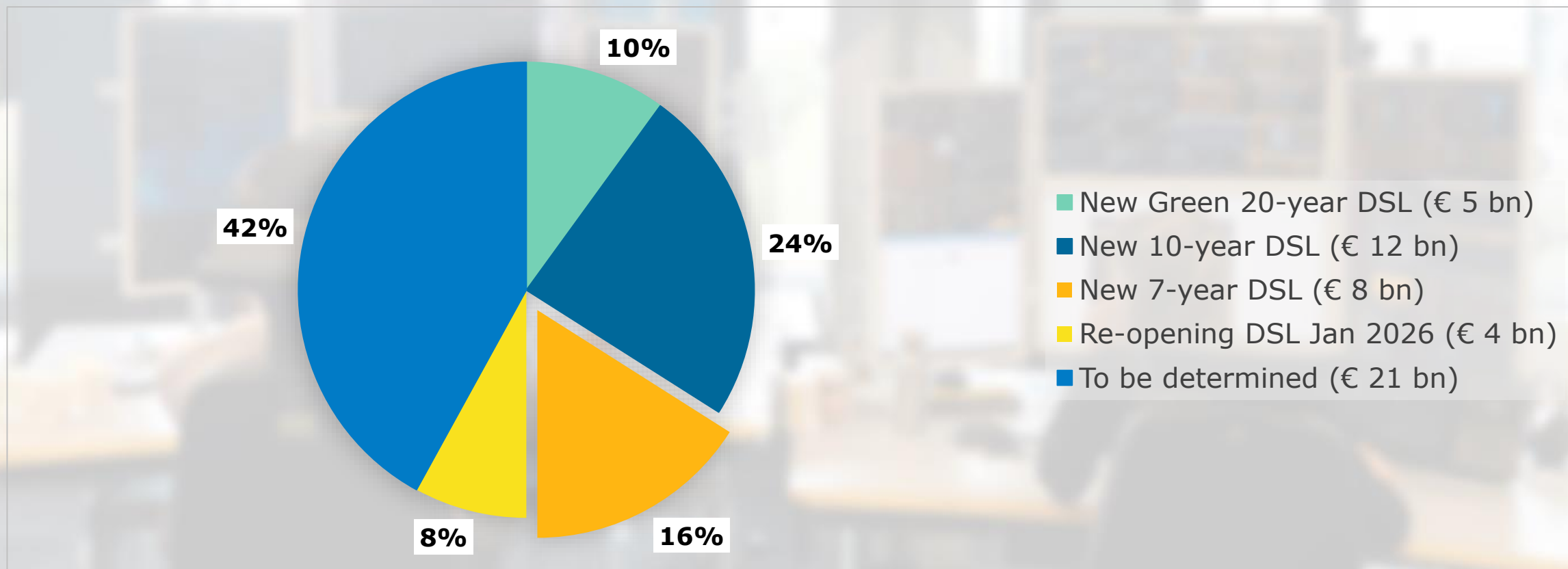


Capital market issuance in 2023: *New 10-year DSL*





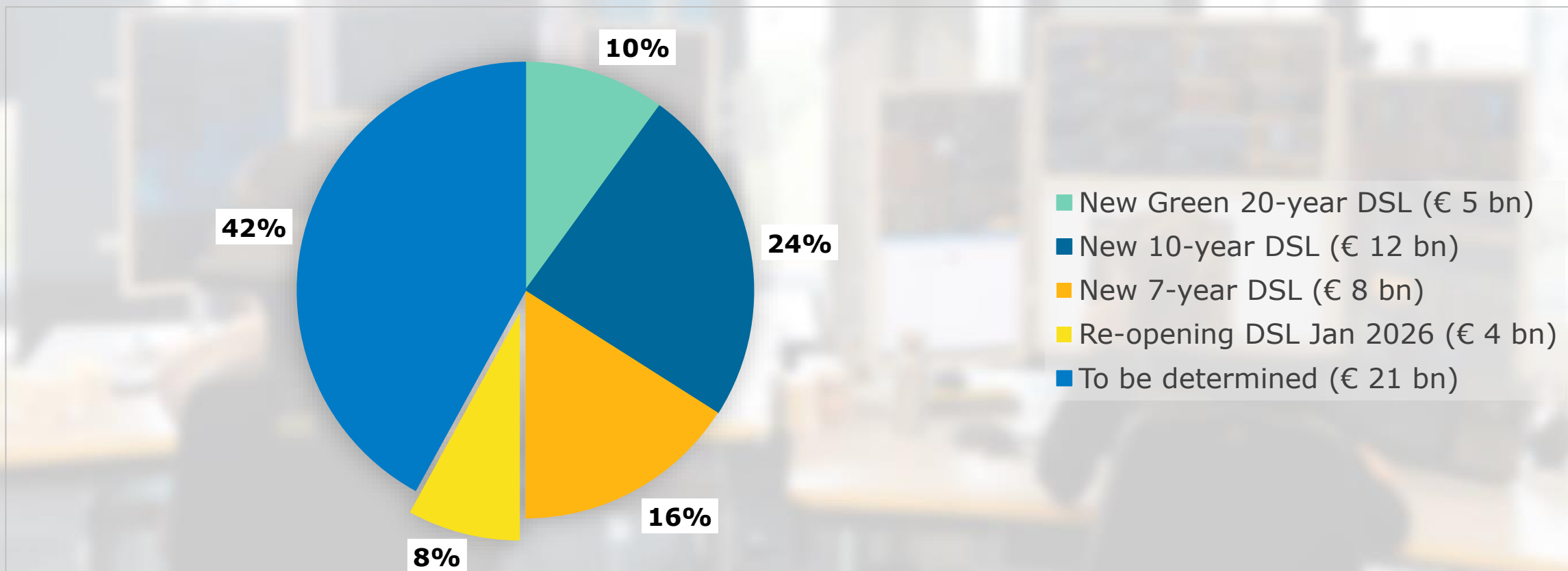
Capital market issuance in 2023: *New 7-year DSL*





Capital market issuance in 2023:

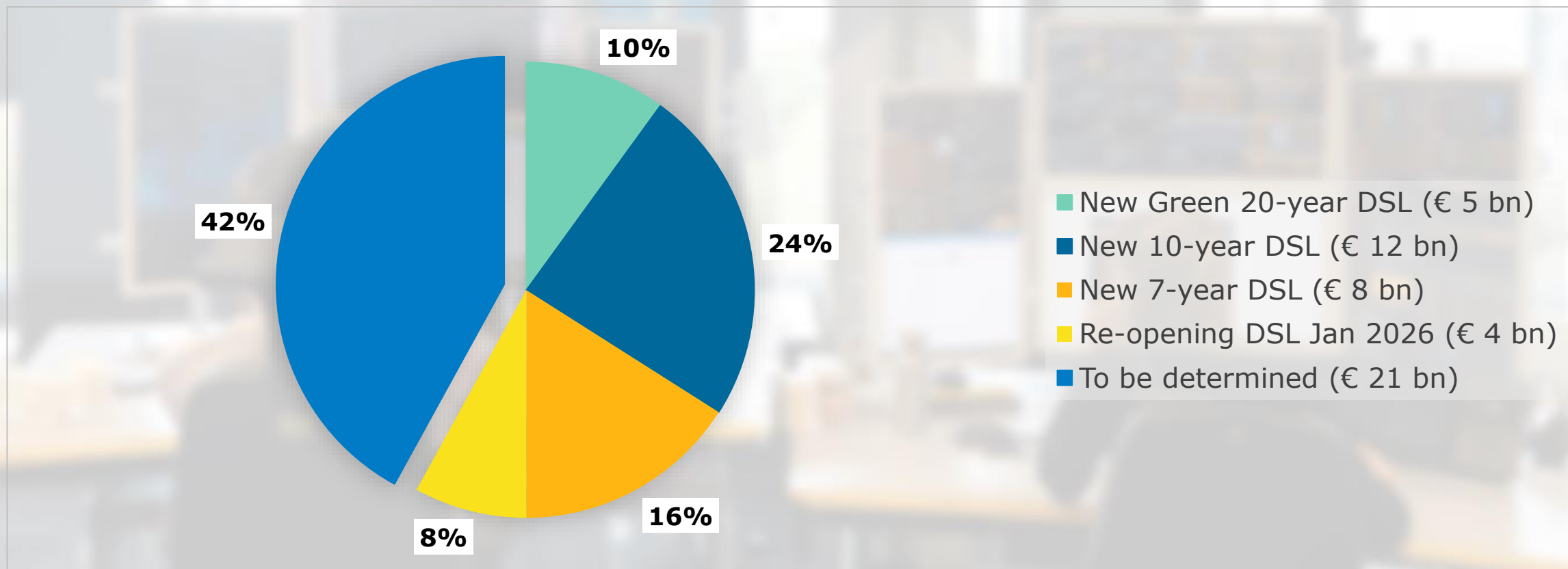
Re-opening of the DSL January 2026





Capital market issuance in 2023:

€ 21 billion to be determined





Policy framework debt management

2020-2025

	Realisation 2022 (forecast)	Target 2023
Average maturity (end of year)	<i>8.1 years</i>	<i>A minimum of 7.9 years</i>
12-month refixing amount average of year (% of State debt)	<i>16.0%</i>	<i>At most 25%</i>

Source: DSTA, positions as of 1 December 2022





DSL issuance calendar Q1 2023

Auction date	Details**	Target volume (€ billion)
10 January 2023	Tap of the DSL 15 January 2026	2.5 – 3.5
24 January 2023	Tap of an existing DSL	To be announced*
2 auctions in February	<i>The following bonds are scheduled to be launched in February 2023</i>	
	New 10-year bond: DSL 15 July 2033	4 - 6
	Tap of an existing DSL	To be announced*
14 March 2023	Tap of an existing DSL	To be announced*
28 March 2023	Tap of an existing DSL	To be announced*

* Target volume and other details will be announced at a later stage



DTC issuance calendar Q1 2023

Auction date	Settlement date	Shorter-dated programme	Longer-dated programme
9 January 2023	11 January	30 March	30 May
16 January 2023	18 January	27 April	29 June
6 February 2023	8 February	30 May	28 July
20 February 2023	22 February	27 April	28 July
6 March 2023	8 March	29 June	30 August
20 March 2023	22 March	30 May	30 August





Advisors for 2023

> Green 20-year advisors:



Rabobank

> 10-year DDA advisors:





Dutch State Treasury Agency
Ministry of Finance

Q&A



Closing remarks

Christiaan Rebergen, Treasurer-General





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Outlook 2023

Thank you for joining us today

You can read the publication at DSTA.nl/english