



Quarterly Outlook

June 2024

www.dsta.nl

dsta@minfin.nl

dsta@bloomberg.net

X: @DSTA_nl

Funding and Issuance

Funding need

The DSTA has updated its funding need for 2024 and expects a cash deficit that is € 9.4 billion lower than as communicated in the previous quarterly update. This brings the estimated funding need for 2024 to € 78.6 billion. The decrease is mostly due to underspending and, to a lesser extent, higher than expected tax revenue. Further updates of the estimated funding need, if any, will be provided in the Quarterly Outlook for the fourth quarter, unless circumstances warrant an earlier update.

| Estimated funding need 2024 | Amount (in €bn) | Change since last update (in €bn) |
|--|-----------------|-----------------------------------|
| Capital market redemptions 2024 | 32.8 | - |
| Net money market ultimo 2023 (excluding cash collateral) | 25.5 | - |
| Cash deficit 2024* | 20.3 | -9.4 |
| Total borrowing requirement 2024 | 78.6 | -9.4 |

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

Call on the capital and money markets

The expected issuance on the capital market for 2024 will remain unchanged at around € 40 billion. Fluctuations in the funding need continue to be absorbed in the call on the money market.

DSL issuance calendar third quarter 2024

The DSTA will reopen the 20-year Green Bond DSL 15 January 2044 on the second Tuesday of July. The reopening will be for a targeted amount of € 1.5 to 2 billion. Later in September, the DSTA will reopen one existing DSL, which remains 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 is announced in a timely manner through a press release.

DSL calendar third quarter 2024

| Auction date | Details | Target volume (in €bn) |
|-------------------|---------------------------|------------------------|
| 09 July 2024 | Green DSL 15 January 2044 | 1.5 - 2 |
| 10 September 2024 | Tap of an existing DSL | To be determined* |

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

DTC issuance calendar third quarter 2024

As usual, the DSTA will have regular money market issuances through its DTC programmes. The schedule for the third quarter of 2024 generally follows the regular pattern where auction dates typically contain both a shorter-dated programme and a longer-dated programme. Auctions are held on the first and third Mondays of the month, except for the first Monday in July, where no auction is scheduled. Further details of the auctions 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 third quarter 2024

| Auction date* | Settlement date | Shorter-dated programme | Longer-dated programme |
|--------------------------|-------------------|-------------------------|---------------------------|
| 15 July 2024 | 17 July 2024 | 30 October 2024 | <i>To be determined**</i> |
| 5 August 2024 | 7 August 2024 | 27 September 2024 | 30 January 2025 |
| 19 August 2024 | 21 August 2024 | 28 November 2024 | 30 January 2025 |
| 2 September 2024 | 4 September 2024 | 30 October 2024 | 27 February 2025 |
| 16 September 2024 | 18 September 2024 | 30 January 2025 | 27 February 2025 |

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

**Additional programme will be added to the auction based on the funding need.

Economic Outlook

Slight economic contraction and stabilising inflation

In the first quarter of 2024, the Dutch economy is estimated to have experienced a slight GDP contraction of -0.1% compared to the last quarter of 2023, according to Statistics Netherlands (Centraal Bureau voor de Statistiek, [CBS](#)). This slowdown was mainly driven by a decline in the exports of goods and a greater decrease in inventories. On the other hand, household consumption grew with 0.7% compared to the previous quarter; while public consumption and investments in fixed assets grew with 0.6% and 0.4%, respectively.

For the near future the Dutch economy is set for a moderate growth path, according to the Dutch Central Bank (De Nederlandsche Bank, [DNB](#)). Economic growth is projected to increase from 0.2% in 2023 to 0.5% in 2024, followed by 1.3% in 2025 and 2026. GDP growth in 2024 is domestically driven by government and household spending. Household spending is stimulated by a significant increase in real wages of 6.0% in 2024 and rising house prices since mid-2023. On the other hand, unemployment is expected to rise slightly, from 3.6% in 2023 to 4.0% in 2026.

The inflation figures since the start of 2024 show that inflation has come down rapidly from the peak in 2023 ([CBS](#)), but it is expected that approaching 2% will take more time. Both CPB and DNB project that inflation will remain above 2% in 2024 and 2025. DNB projects that inflation will decrease to slightly below 2% in 2026. Inflation has come down after digesting the energy price shock. A slight period of deflation even occurred in the fall of 2023, after which inflation increased again to 3.0% in January 2024. Since then it has come down slightly, but has remained quite persistently above 2.5%. The increase in inflation in May 2024 can mainly be attributed to price increases in services and energy. The eurozone average has also increased from 2.4% in April to 2.6% in May 2024.

Year-on-year HICP inflation for the Netherlands



Budgetary Outlook

Additional expenditures covered by windfalls

The Spring Budget Memorandum (*Voorjaarsnota*) published in April outlines additional funds for Ukraine, local governments and defense.¹ An extra €4.4 billion is proposed to be available for military and humanitarian aid to Ukraine for the period until 2026. Furthermore, local governments will receive additional funds to support their responsibilities. An additional one-time allocation of €500 million in 2028 will be provided to enhance air defense and ammunition for the armed forces. These additional expenses are covered by windfalls, such as in the implementation of policies for several ministries.

For the coming years, the EMU deficit is projected to remain either below or at 3.0%. The larger projected deficit for 2026 (4.0%) is a result of an incidental conversion concerning military pensions. The EMU-debt is projected to increase to 55% in 2029, which would still be below the 60% threshold set by the member states of the European Monetary Union.

Projected budgetary figures the Netherlands as % of GDP

| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|-------------|------|------|------|------|------|------|
| EMU-balance | -2.5 | -2.8 | -4.0 | -2.6 | -3.0 | -3.0 |
| EMU-debt | 47.2 | 49.3 | 51.4 | 52.3 | 53.7 | 55.0 |

Source: Spring Budget Memorandum 2024

Coalition agreement implications

In May 2024, a principal agreement (*Hoofddlijnenakkoord*) was presented by the four political parties that will take part in the new coalition government. This is a preliminary framework, which sets out the main priorities and policy

¹ This document updates the 2024 Budget and provides a forecast for future years. By outlining the projections for the coming years, the Spring Budget Memorandum offers insights into the anticipated trajectory of the Dutch state debt.

directions, to guide the new government for the term 2024 to 2028. The parties commit to a maximum budget deficit of 2.8% and to maintain the EMU-debt below 60% of GDP.

The Netherlands Bureau of Economic Policy Analysis (Centraal Planbureau, [CPB](#)) has analysed the budgetary and economic impact of this agreement. The analysis is based on various assumptions, and many measures still need further elaborations and clarification. Hence, the estimates may change if the implementation details differ from the initially assumed policy proposals. Additionally, DNB has published projections about the economic implications of the agreement (see the paragraph Economic Outlook). The outcome of the two forecasts deviates on certain points due to different underlying assumptions. The information below refers to the CPB assessment.

Economic growth is projected to be 0.1% higher than the baseline estimates as a result of the agreement, with yearly projected GDP growth of 1.4% over the period 2025 to 2028. Median purchasing power increases with 0.2%, while the number of people living in poverty decreases with 0.7%. Improving purchasing power leads to higher consumption, which positively contributes to economic growth. Inflation is set to increase by 0.1%. Unemployment declines by an additional 0.3% in 2028, although public employment is set to decrease because of lower spending on education and public governance.

The CPB projections indicate a structural improvement of the EMU-balance of 0.6% in 2028 compared to the baseline model. Additionally, the structural EMU-debt is set to improve by 0.4%. In the short term, extra spending in 2025 would result in an one-off deterioration of the budget deficit by 0.7% in that respective year. After the new government is formed the principal agreement will be further elaborated into a more detailed coalition action plan.

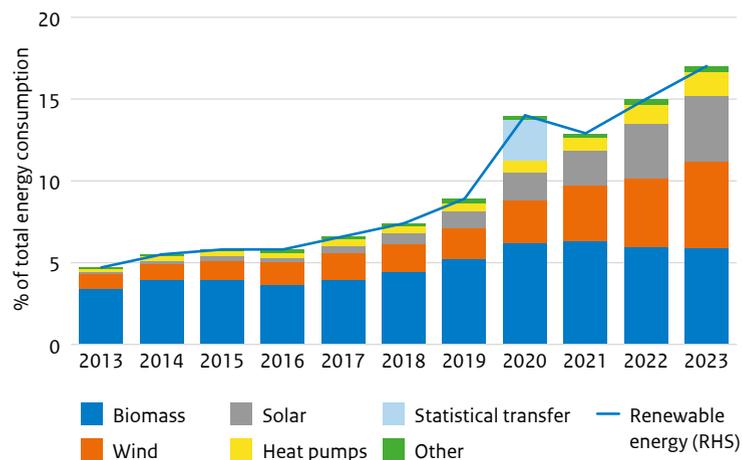
Climate Outlook

Energy from renewable sources rises to 17%

The usage of renewable sources for electricity consumption continues to increase, to 17% in 2023. This is up from 15% over 2022, which can mainly be attributed to an increase in both solar (17% increase) and wind (25% increase) energy. This is according to provisional figures by Statistics Netherlands ([CBS](#)).

In 2013 a target was set for 16% renewable energy consumption in 2023, a target which has thus been achieved. Last year, it was agreed at the EU level that for 2030 the target is to achieve 42,5% renewable energy consumption. Most recent data, over 2022, show the EU average for renewable energy consumption at 23%, up from 18,4% in 2017.

Share of renewable energy



Source: [CBS](#)

DSTA publishes 2023 Green Bond Report

The DSTA has released its fifth annual Green Bond Report at the end of May ([press release](#)). This report provides insights into the DSTA's Green Bond issuance and its impact through an allocation and impact report. By publishing the Green Bond Report, the State of the Netherlands demonstrates its continued commitment towards the existing climate goals. This is the first year in which the DSTA reports on two green bonds, on a bond-by-bond basis. As all proceeds to our first green bond, the Green DSL 2044, were fully allocated, this report thus only relates to the Green DSL 2044 first issued in October 2023.

Just over five years ago, the DSTA was the first AAA sovereign to issue a green bond. Currently, the outstanding amount of Green DSLs is nearly € 23 billion. The DSTA has issued two Green Dutch State Loans which adhere to a very large extent to the EU taxonomy.

Spatial adaptation in a changing climate

Climate change has a profound impact on the use of available space, e.g. measures to keep the Netherlands safe from flood risks take up space (Raad voor de Leefomgeving en Infrastructuur, [RLI](#)). The Council for the environment and infrastructure has published a report in which it shows how the government can effectively incorporate climate change in its spatial adaptation policy. The main recommendations are i) to take climate change into consideration as much as possible for choices how to use available space, ii) to make flexibility the norm for spatial adaptation, iii) to strengthen the available instruments for incorporating climate change in spatial adaptation and iv) to take major decisions in a timely manner.

Outstanding debt

DSL outstanding at the end of May 2024

| ISIN code | Loan | Amount in EUR |
|--------------|--|----------------|
| NL0010733424 | 2,00 pct DSL 2014 due 15 July 2024 | 17,150,132,000 |
| NL0011220108 | 0,25 pct DSL 2015 due 15 July 2025 | 19,925,159,000 |
| NL0015000QL2 | 0,00 pct DSL 2022 due 15 January 2026 | 11,736,000,000 |
| 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 | 16,476,000,000 |
| NL0013332430 | 0,25 pct DSL 2019 due 15 July 2029 | 12,215,587,000 |
| NL0015001DQ7 | 2,50 pct DSL 2023 due 15 January 2030 | 12,236,000,000 |
| 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 July 2034 | 8,929,584,000 |
| NL0000102234 | 4,00 pct DSL 2005 due 15 January 2037 | 17,977,427,000 |
| NL0015000B11 | 0,00 pct DSL 2021 due 15 January 2038 | 14,116,052,000 |
| 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* | 7,135,953,000 |
| 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 | 13,633,613,000 |
| Total | | 379,550,558,851 |

* Green Bond

DTC outstanding at the end of May 2024

| ISIN code | DTC | Amount in EUR |
|--------------|----------------|-----------------------|
| NL0015001WE3 | DTC 2024-06-27 | 4,770,000,000 |
| NL0015001YC3 | DTC 2024-07-30 | 5,280,000,000 |
| NL0015001Z53 | DTC 2024-08-29 | 3,950,000,000 |
| NL00150021D5 | DTC 2024-09-27 | 2,860,000,000 |
| NL00150022Y9 | DTC 2024-10-30 | 3,050,000,000 |
| Total | | 19,910,000,000 |

Outstanding public debt at the end of May 2024

| Outstanding public debt | Amount in EUR |
|--|------------------------|
| Cash | 648,365,463 |
| Cash in foreign currency | - |
| DSL outstanding | 379,550,558,851 |
| DTC outstanding | 19,910,000,000 |
| CP outstanding in EUR | - |
| CP outstanding in foreign currency | - |
| Private Loans outstanding | 18,151,209 |
| Private Loans outstanding in foreign currency | 142,641,647 |
| Total outstanding | 400,269,717,170 |
| Cash collateral | -38 |
| Total outstanding including cash collateral | 400,269,717,132 |

Dutch State Treasury Agency
Ministry of Finance
PO Box 20201
2500 EE The Hague
The Netherlands

www.dsta.nl
dsta@minfin.nl
dsta@bloomberg.net
X: @dsta_nl

Agent
Saskia van Dun

Deputy Agent
Karen van der Wiel

**Cash Management, Issuance
and Trading**
Justin Heydenrijk

Policy and Risk Management
Karen van der Wiel

Treasury and Debt Operation
Bharti Girjasing

**Controlling, Accounting and
Reporting**
Diederik van Leeuwen

Additional online information
on DSLs, DTCs and CP can be
obtained from:
Bloomberg – dsta

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