



Quarterly Outlook

September 2024

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Funding and Issuance

Funding need

On 17 September 2024, the Dutch government presented the 2025 Budget Memorandum (*Miljoenennota*). Having taken these figures into account, the DSTA has updated its funding need for 2024 and expects a cash deficit that is approximately € 8 billion lower than previously communicated in the third Quarterly Outlook and € 5 billion lower than anticipated in the Outlook for this year, presented in December 2023. The decrease compared to the 2024 Outlook is mostly due to underspending, as well as higher than expected tax revenues. The estimated funding need for 2024 has therefore been adjusted to € 70.7 billion.

Estimated funding need 2024	Amount (€ bn.)	Change since last update (€ bn.)
Capital market redemptions 2024	32.8	-
Net money market ultimo 2023 (excluding cash collateral)	25.5	-
Cash deficit 2024*	12.4	-7.9
Total borrowing requirement 2024	70.7	-7.9

*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 fourth quarter 2024

The DSTA will reopen the 10-year benchmark bond DSL 15 July 2024 on the second Tuesday of October. On the second Tuesday of November, the DSTA will reopen one existing DSL. The exact DSL 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 on the issuance calendar. Any such change is announced in a timely manner through a press release.

DSL calendar fourth quarter 2024

Auction date	Details	Target volume (€ bn.)
8 October 2024	DSL 15 July 2024	To be determined*
12 November 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 fourth quarter 2024

As usual, the DSTA will have regular money market issuances through its DTC programmes. The schedule for the fourth quarter of 2024 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. One exception is the second DTC auction in December, where the auction date is one week earlier due to the end-of-year period. 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 on the issuance calendar. Any such change is announced in a timely manner through a press release.

DTC calendar fourth quarter 2024

Auction date*	Settlement date	Shorter-dated programme	Longer-dated programme
07 October 2024	9 October 2024	28 November 2024	28 March 2025
21 October 2024	23 October 2024	30 January 2025	28 March 2025
4 November 2024	6 November 2024	27 February 2025	29 April 2025
18 November 2024	20 November 2024	30 January 2025	29 April 2025
2 December 2024	4 December 2024	28 March 2025	28 May 2025
9 December 2024**	11 December 2024	27 February 2025	28 May 2025

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

** Auctions are held on the first and third Mondays of the month. One exception is the second DTC auction in December, where the auction date is one week earlier due to the end-of-year period.

Exemption buyback facility

Currently the DSTA can buyback DSLs that mature within a period of up to T+24 months, which enables it to manage its cash position more effectively and to adjust its redemption profile for the next 24 months. As a temporary exemption, the DSTA reserves the right to repurchase DSLs maturing 15 January 2027.

Economic Outlook

Strong recovery after period of headwind

In the second quarter of 2024 the Dutch economy displayed a rebound after four quarters of low or negative growth. Statistics Netherlands (*Centraal Bureau voor de Statistiek*, CBS) recorded a quarter-on-quarter (QoQ) growth rate of 1.0%, significantly above analyst expectations of 0.3%. This quarterly growth was significantly spurred by the exports sector (+1.3%), investments (+0.4%) and government expenditures (+1.0%). Household spending on the contrary showed a contraction of 1.0%, thereby undoing the growth in spending of 0.7% that was realized in the first quarter of 2024.

Swift rebound in housing prices

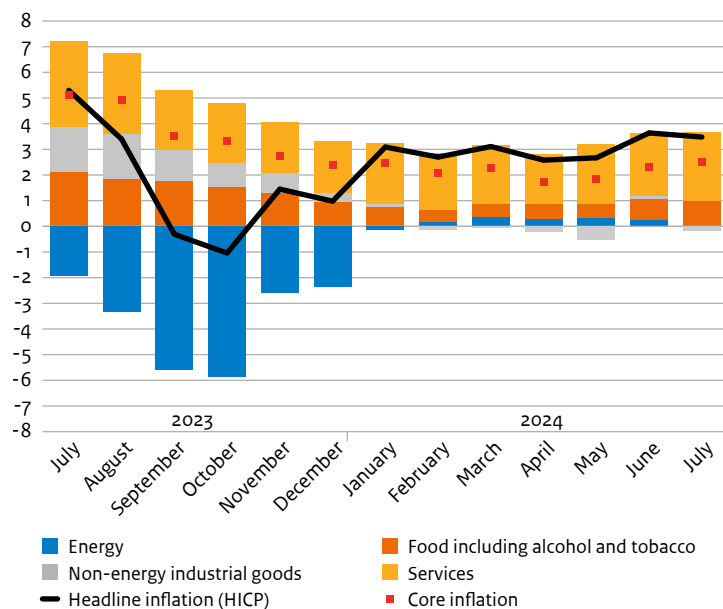
The rebound in the Netherlands is accompanied by some challenges. Due to high domestic demand the Dutch labour market is still in a tight spot, with a vacancy-to-unemployment rate of 107:100. The housing market has recovered quickly from the interest rate increase and nominal house prices are at an all-time high of € 457,320. In the recently published Policy Agenda (*Regeerprogramma*), the Dutch government has allocated a total of € 5 billion to support house building projects until 2029.

European harmonized inflation data shows that the Netherlands has seen an annualized consumer price increase of 3.5% in July, compared to 3.4% in June. The inflation is currently higher than economic peers in the Eurozone. Underlying numbers indicate that services (+2.7%) and food (+1%) are the main drivers of the elevated inflation levels.

Growth picks up in 2025

In September the Netherlands Bureau for Economic Policy Analysis (*Centraal Plan Bureau, CPB*) published the *Macro Economische Verkenning 2025*, thereby looking ahead to the economic situation in 2025. Economic growth is expected to expand by 0.6% in 2024 and by 1.5% by 2025 due to resurgent world trade and increased wages. The CPB forecasts a wage growth of 6.6% and 4.3% for 2024 and 2025 respectively. At the same time, inflation can remain elevated as higher wages increase production costs. Inflation is estimated to be 3.6% in 2024 and 3.2% in 2025. As a result, purchasing power is expected to increase by 2.5% in 2024 and by 0.7% in 2025.

Headline and core inflation (in %) and the contribution of components to headline inflation (in percentage points)



Source: CBS

Budgetary Outlook

New government announces 2025 budget

On 17 September the 2025 Budget Memorandum was presented by the Dutch government, as traditionally done on the third Tuesday of September. This first Budget Memorandum from the new cabinet is built on the principles of robust public finances that are allocated efficiently.

The 2025 budget is in line with the Policy Agenda that was published on 13 September. A tax rate reduction in 2025 is specifically aimed at relieving middle-income families, resulting in a €4.5 billion decrease in tax revenues. Increased expenditures related to the childcare benefits scandal (*toeslagenaffaire*) and to capital tax repayments are covered by budgetary and payroll tax adjustments. On the other hand, higher wages lead to an increase in income tax revenues of approximately €17 billion.

Public debt expected to remain stable

Mainly due to underspending of public funds, positive adjustments are made to the expected deficit for the current year. The budget deficit is projected at 1.6% in 2024, which is 0.9 percentage points below the expected deficit from the 2024 Spring Memorandum (*Voorjaarsnota*). In 2025, the deficit is expected to increase to 2.8%, equal to the expected deficit in the 2024 Spring Memorandum. The EMU-debt-to-GDP level is estimated to be 44.2% in 2024, and to increase to 46.6% the following year. This is below the EU average, which was 81.7% in 2023.

GDP (%)	2023	2024	2025
EMU-balance	-0.4	-1.6	-2.8
EMU-debt	45.1	44.2	46.6

Extension of loan facility to TenneT

In the 2025 Budget Memorandum, an extension of the loan facility to TenneT was announced. This comprises an additional €2 billion in 2025 and €17 billion in 2026.

TenneT will not need to make use of the additional loan facility if structural solutions for its funding need are implemented in a timely manner. If an earlier update is warranted, this will be communicated accordingly.

Climate Outlook

Principal Agreement implications

In May 2024, the four political parties that form the current coalition government introduced a Principal Agreement (*Hoofdlijnenakkoord*). This preliminary framework outlines the key priorities and policy directions that will guide the government from 2024 to 2028. The Netherlands Environmental Assessment Agency (*Planbureau voor de Leefomgeving*, PBL) has since published a reflection on this Agreement, finding the starting position on climate policies to have deteriorated.

The measures in the Principal Agreement, as confirmed in the recent Policy Agenda, build on existing climate policies. The 2023 Climate and Energy Outlook (*Klimaat- en Energieverkenning 2023*) indicated that the goal of a 55% reduction in greenhouse gases (GHG) by 2030 compared to 1990 could come within reach. However, policies would need to be swiftly implemented and external factors need to be favourable. The fall of the Rutte IV cabinet has led to some measures being declared controversial or reversed. Additionally, delays in policy development have occurred, increasing the challenge for the new cabinet to meet these goals.

The set of proposed measures in the Principal Agreement, combined with the starting position, present challenges to achieve the 55% reduction target in GHG by 2030. Some of these new proposals may have a positive contribution to achieving these goals, such as the expansion of the tailored approach for the industry and the government's ambition to address grid congestion. However, other proposals move the goals further out of reach, such as the reversal of the increase in the CO₂ levy and the removal of the requirement to install a heat pump when replacing a heating system.

4% reduction in greenhouse gas emissions

GHG emissions in Q1 2024 were 4% lower compared to Q1 2023, primarily driven by a significant 17% reduction in emissions from the electricity sector. The electricity sector used less coal because of an increase in production of wind and solar energy. However, emissions from agriculture increased by 3% due to an increase in the use of gas. The reason is a drop in the price of natural gas. These findings are based on provisional quarterly figures on GHG emissions, reported by Statistics Netherlands and the National Institute for Public Health and the Environment (*Rijksinstituut voor Volksgezondheid en Milieu*, RIVM), following Integrated Pollution Prevention and Control (IPCC) guidelines.



Outstanding debt

DSL outstanding at the end of August 2024

ISIN code	Loan	Amount in EUR
NL0011220108	0,25 pct DSL 2015 due 15 July 2025	19,925,159,000
NL0015000QL2	0,00 pct DSL 2022 due 15 January 2026	11,711,000,000
NL0011819040	0,50 pct DSL 2016 due 15 July 2026	17,225,051,000
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
NL0015000L58	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	10,863,584,000
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	9,252,953,000
NL0010721999	2,75 pct DSL 2014 due 15 January 2047	20,510,187,000
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		364,687,426,851

* Green Bond

DTC outstanding at the end of August 2024

ISIN code	DTC	Amount in EUR
NL00150021D5	DTC 2024-09-27	5,340,000,000
NL00150022Y9	DTC 2024-10-30	4,550,000,000
NL00150024A5	DTC 2024-11-28	5,250,000,000
NL00150026M5	DTC 2025-01-30	2,570,000,000
Total		17,710,000,000

Outstanding public debt at the end of August 2024

Outstanding public debt	Amount in EUR
Cash	4,046,947,000
Cash in foreign currency	-
DSL outstanding	364,687,426,851
DTC outstanding	17,710,000,000
CP outstanding in EUR	-
CP outstanding in foreign currency	2,448,139,709
Private Loans outstanding	18,151,209
Private Loans outstanding in foreign currency	134,060,135
Total outstanding	389,044,724,904
Cash collateral	-
Total outstanding including cash collateral	389,044,724,904



Save the date!

Launch of the DSTA's Outlook 2025
Friday 13 December 2024

Invitations will be sent out in November

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

**The cut-off date is
20 September 2024**
(unless mentioned
otherwise)