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Belgium's 2011 funding strategy

Press release from the Belgian Debt Agency

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The Minister of Finance, Didier Reynders announces:

The Treasury expects its 2011 gross borrowing requirements to amount to €41.12 billion. This represents a decrease of €3.74 billion compared to the estimated 2010 borrowing requirements (€44.86 billion), which are heavily influenced by the large amount of buybacks involving OLOs coming to maturity in 2011 (€6.50 billion).

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In establishing this estimate, the Treasury assumed that the 2011 cash budget deficit would amount to €14.94 billion. These include an estimated €1.28 billion of financing for the Hellenic Republic.

Redemptions of medium- and long-term debt would amount to €23.98 billion, including €1.53 billion of redeeming Treasury Bonds for the Silver Fund.

The Treasury also plans to buy back bonds maturing in 2012 for an amount of €2.19 billion.

The Belgian Debt Agency plans to issue €35.73 billion of medium-and long-term instruments.

OLO issuance is expected to amount to €34.00 billion, significantly less than the amount of €40.85 billion issued in 2010. As in 2010, it is likely that three new OLO benchmarks will be issued in 2011.

The Treasury also plans to issue €4.00 billion via its EMTN-program or other alternative funding instruments.

Finally, debt instruments for private investors are expected to provide for €0.20 billion of funding.

As for short-term funding, the outstanding amount of Treasury Certificates is expected to remain the unchanged at year end 2011.

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