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Special topic :

Evolving inflation measures

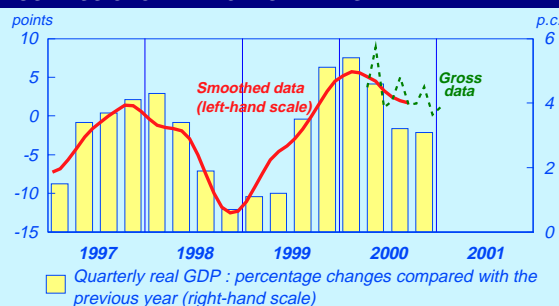
CONSENSUS FORECAST

	1999		2000 p			2001 p		
	Belgium	Euro area ³	Belgium Consensus	Belgium Previous consensus	Euro area ³	Belgium Consensus	Belgium Previous consensus	Euro area ³
Real GDP¹	2.7	2.5	3.9	3.8	3.5	2.9	2.9	3.2
Employment¹	1.3	1.8	1.7	1.3	1.8	1.2	1.2	1.5
Consumer prices¹	1.1	1.1	2.7	2.6	2.4	1.7	2.0	2.1
Current account²	3.9	0.4	4.0	4.1	- 0.1	4.2	4.1	- 0.2
General government balance^{2*}	-0.7	-1.3	0.0	0.2	- 0.8	0.3	0.3	- 0.7
Primary balance^{2*}	6.5	3.0	6.9	7.0	3.3	6.8	6.7	3.2
Public debt^{2*}	116.4	72.1	111.0	109.8	70.9	106.2	104.8	68.8

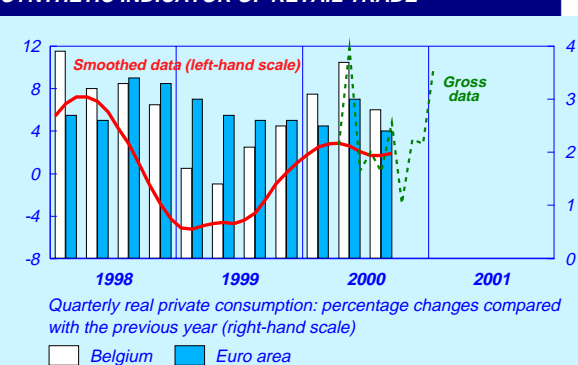
¹ P.c. change. ² In p.c. of GDP. ³ European Commission (forecast available since November 2000; next publication in Spring 2001).
 * Excluding the proceeds of the anticipated auction of UMTS licences.

MACROECONOMIC DEVELOPMENTS

BUSINESS CYCLE INDICATOR AND GDP



PRIVATE CONSUMPTION AND SYNTHETIC INDICATOR OF RETAIL TRADE



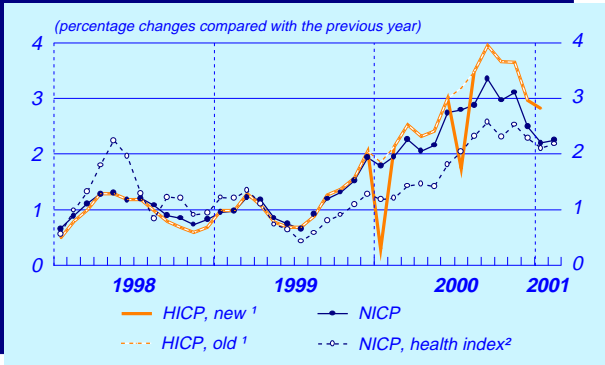
According to the latest estimates, the Belgian economy grew by a solid 3,9 % in 2000. In the first half of 2000 the buoyant domestic and export demand combined to lift real GDP 5 % higher than in the same period of 1999. In the third quarter of 2000, however, both domestic and foreign demand lost momentum, mainly due to the rise in oil prices. In the last months of 2000 the weakness of external demand persisted, but domestic demand showed renewed vigour. As a result, the year-on-year growth rate of real GDP held up surprisingly well in the fourth quarter and still amounted to 3,1 %. The first indicators of economic activity in 2001 provide a mixed picture. The NBB leading indicator rose slightly in January thanks to an increase in confidence in retail trade and a rise in foreign and domestic orders in the manufacturing sector. Employment prospects, however, deteriorated somewhat in manufacturing and in the building sector.

All in all, according to the consensus forecasts, growth of Belgian real GDP is expected to decelerate from 3,9 % in 2000 to 2,9 % in 2001, mainly due to net exports. Domestic demand is expected to hold up rather well and expand by 2,9 % in 2001. Private consumption, in particular, should continue to boost economic growth as real household disposable income is expected to grow by 3,0 %, in the wake of a healthy rise in employment, reasonable wage growth, personal tax cuts and a cooling-off of inflation.

The decline in oil prices already caused the headline inflation rate to fall back from 3,9 % in September 2000 to 2,8 % in January 2001. According to the consensus forecasts, this disinflationary trend will continue in the coming months, so that the average inflation rate will amount to only 1,7 % in 2001, as compared to 2,7 % in 2000. Against this background, the budgetary accounts of general government, which were in balance in 2000, for the first time in more than fifty years, are expected to improve further in 2001. The consensus forecast expects for a budgetary surplus of 0,3 % of GDP.

EVOLVING INFLATION MEASURES

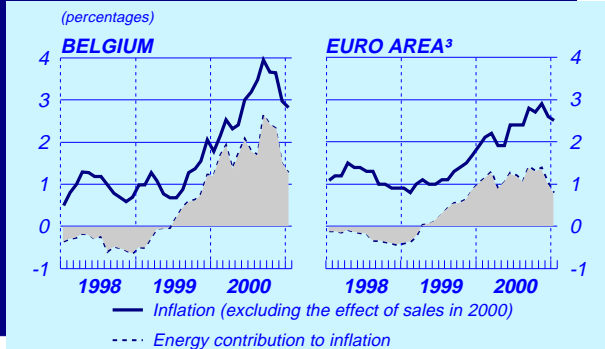
INFLATION MEASURES IN BELGIUM



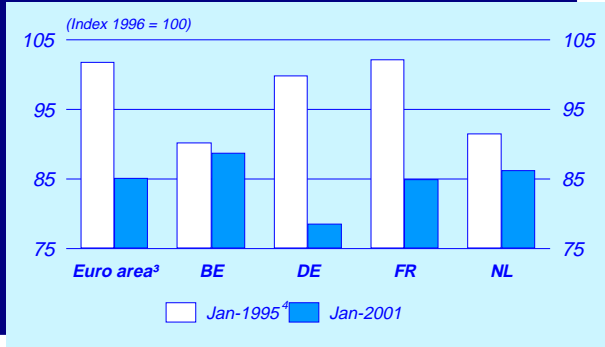
HICP WEIGHTS

	BELGIUM		EURO AREA ³	
	2000	2001	2000	2001
Overall index	1000	1000	1000	1000
Processed food	128	119	127	124
Unprocessed food	89	79	83	80
Industrial goods excluding energy	340	323	325	321
Energy	118	110	90	95
Services	325	369	375	380

ENERGY COMPONENT CONTRIBUTION TO INFLATION (HICP)



HICP - TELEPHONE AND TELEFAX EQUIPMENT AND SERVICES



Inflation can be measured in various ways. The most commonly used measures are the National Index of Consumer Prices (NICP) and the Harmonised Index of Consumer Prices (HICP). HICPs were initiated by the European Commission, in order to allow an international comparison of consumer price inflation between European countries which used to apply different techniques and conventions for their own NICPs. Unlike the Belgian NICP, based on fixed 1996 weights, the HICPs are annually chained indices, which means that the weighting schemes can be revised each year (in January), allowing to reflect more swiftly changes in the consumer basket. Moreover, with a view of a further harmonisation of the indices, a number of improvements were introduced, applying to the index from January 2000 onwards. The more important changes were the extension of the product coverage in the areas of health, education, welfare services and insurance, and the harmonisation of the geographical coverage, including in the HICP outlays of non-resident visitors within each country, and excluding outlays of residents abroad. In January 2001, the coverage was extended further to hospital and additional welfare services, and the weighting of the various components was updated. For Belgium, the weights of services increased while the weights of other components were somewhat reduced. Changes for the euro area were similar, except for an increase in the weight for the energy component, but on a smaller scale. Finally, the methods for price measurement had to be further harmonised. This means in particular that "price reductions" and "sales" had to be introduced in the HICP if this had not been done yet, as in Belgium. "Sales-prices" are now reflected in the Belgian HICP for January and July, starting back in January 2000. However, since historical data have not been modified, annual percentage changes for 2000 display major swings.

The above-mentioned changes in the HICP increased the divergence between the NICP and the HICP in Belgium. However, the fact that Belgian harmonised inflation has been higher than the euro area average since the beginning of 2000 is, to a large extent, due to the weight and composition of the energy component of inflation. Crude oil price movements, upwards as well as downwards, have a larger impact on Belgian inflation than within the euro area because of lower fixed-amount taxes on domestic heating oil and because of higher HICP weights for energy products sensitive to crude oil prices changes, such as domestic heating oil and fuel for personal transport equipment. In 2001, given the fact that the weights of the energy components sensitive to oil prices changes have been revised upwards for the euro area and downwards for Belgium, the divergence between Belgian and euro area inflation should decrease. Lower crude oil price changes should also contribute to reduce the divergence.

Among other differences between Belgium and the euro area, the rate of implementation of products market reforms for which Belgium seems to be somewhat lagging behind, may be pointed out. Although the price effect of market reforms is generally hard to isolate from other price determinants, liberalisation of the telecommunication and energy markets can bring about substantial price decreases, if structural reforms are timely implemented.

Source: Eurostat.

¹ The "new" HICP for Belgium, includes sales in 2000 and 2001.

² The Health index, defined as total inflation excluding tobacco, alcoholic beverages and transport fuels, is used for the indexation of wages.

³ Twelve countries, including Greece, for the whole period.

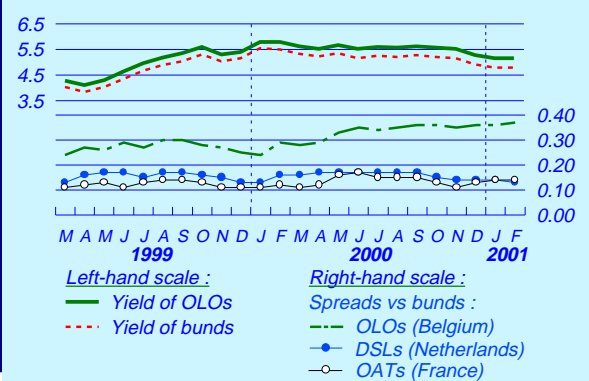
⁴ Except for France and the euro area: January 1996.

GOVERNMENT SECURITIES MARKET

PRIMARY MARKET (billions of euros)

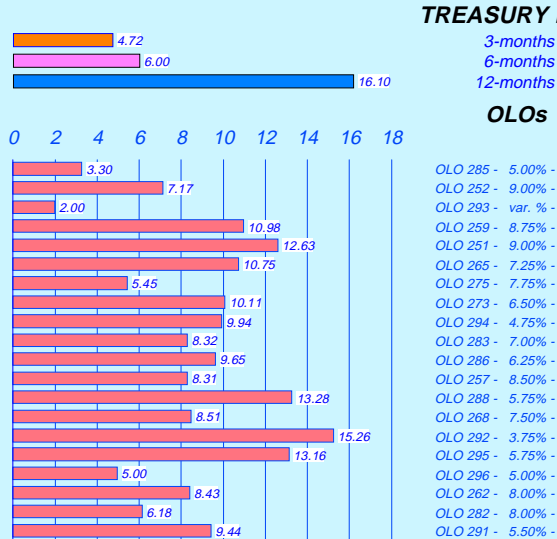
OLOs				TREASURY BILLS				
Gross issues		Net issues		Net issues				
2000	2001	2000	2001	2000	2001	2000	2001	
J	4.986	5.345	J	4.506	5.345	J	1.790	-0.187
F	0.199	0.652	F	-0.009	0.023	F	0.831	1.444
M	4.752		M	3.884		M	2.690	
A	1.571		A	0.583		A	-1.368	
M	0.031		M	0.003		M	-1.171	
J	3.774		J	2.927		J	1.030	
J	1.185		J	0.137		J	-0.811	
A	4.925		A	0.349		A	0.262	
S	3.704		S	3.007		S	-0.558	
O	0.389		O	0.013		O	-1.502	
N	5.535		N	3.230		N	-0.699	
D	0.876		D	-3.558		D	-3.977	

BENCHMARK 10-YEAR BOND YIELDS (p.c.)

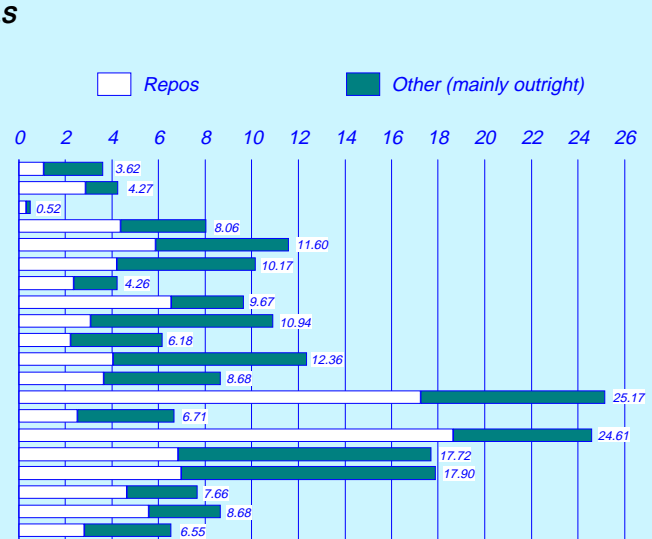


OUTSTANDING AMOUNT AND TURNOVER (billions of euros)

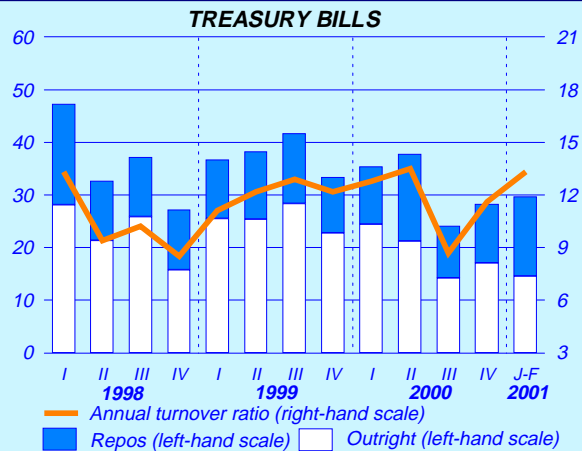
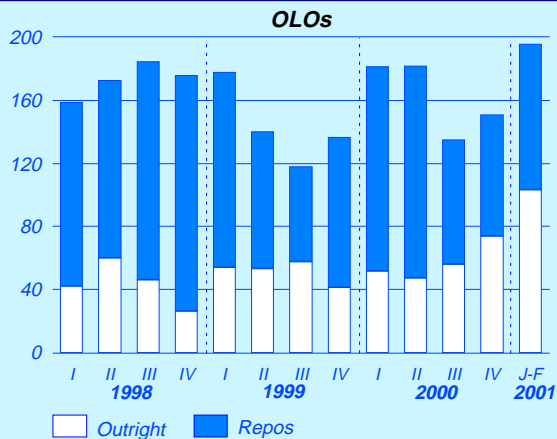
OUTSTANDING AMOUNT AT 28 FEBRUARY 2001



TURNOVER IN FEBRUARY 2001



SECONDARY MARKET ACTIVITY (billions of euros, standardised monthly averages)



TREASURY HIGHLIGHTS

1. Bond market

The Kingdom syndicated 5 billion euros of its new 10-year benchmark bond (5.00 p.c. OLO 36, due 28.09.2011) with a yield spread of 40 basis points vis-à-vis the Bund maturing January 2011. This pricing was attractive for the Kingdom, as it came 3 basis points through the interpolated OLO curve.

The allocation of the bonds was as follows :

- Belgium 12.19 p.c.
- Euro non-Belgium 57.4 p.c.
- Europe non-Euro 21.59 p.c.
- Other 8.82 p.c.

The deal was approximately 3.5 times oversubscribed. The Kingdom however is committed to keep the auction size at attractive levels for investors.

The liquidity of the issue is being ensured by its initial size, its listing on electronic platforms such as MTS Belgium and Euro-MTS and by subsequent auctions.

The syndication included all primary dealers, while recognized dealers joined forces in the selling group.

2. Bill market

As from April 2, Treasury certificates will be quoted on MTS Belgium. Market makers will be required to quote for minimum amounts (10 million euros) and a maximum spread (4 basispoints) on the three benchmark lines (3, 6 and 12 month) together with the former three benchmark lines.

3. UMTS licences

The auctioning procedure of UMTS licences has ended on 2 March 2001. Three licences have been attributed, for a total amount of 450,2 million euros.

OLO AUCTION AND EXCHANGE OFFER DATES

Month	Date	Settlement	Auction	Exchange Offers			
March 2001	26	29	Auction				
April 2001	2	5		Code 252	OLO 7	9.00 %	27 June 2001
May 2001	7	10		Code 252	OLO 7	9.00 %	27 June 2001
	28	31	Auction				
June 2001	11	14		Code 276	Phil. XIV	8.00 %	5 December 2001
July 2001	2	5		Code 276	Phil. XIV	8.00 %	5 December 2001
	30	2-Aug	Auction				

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This publication is also available on the internet site www.nbb.be, as well as the Report 2000 of the National Bank of Belgium. Information on the Belgian government debt can be found on the site of the Treasury: www.treasury.fgov.be/interdette. General information on the Belgian government's action can be found on the site www.fgov.be.