

BELGIAN PRIME NEWS

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Special topic :

A successful start to trading on MTS Belgium

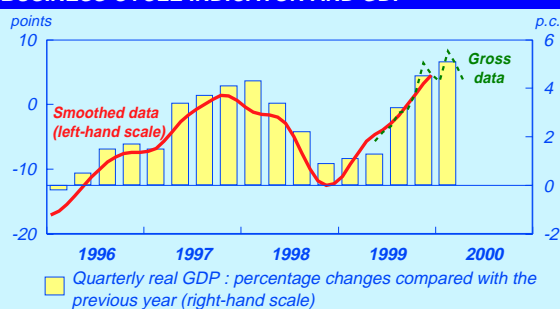
CONSENSUS FORECAST

	1999		2000 p			2001 p	
	Belgium	Eur 11 ³	Belgium Consensus	Belgium Previous consensus	Eur 11 ³	Belgium Consensus	Eur 11 ³
Real GDP¹	2.5	2.3	3.9	3.4	3.4	3.1	3.1
Employment¹	0.6	1.4	1.5	1.1	1.4	1.4	1.3
Consumer prices¹	1.1	1.2	2.0	1.8	1.8	1.6	1.8
Current account²	4.0	0.5	3.8	4.0	0.4	3.9	0.6
General government balance²	-0.7	-1.2	-0.2	-0.5	-0.9	0.2	-0.8
Primary balance²	6.4	3.1	6.6	6.1	3.1	6.5	3.1
Public debt²	114.3	72.3	109.2	110.8	70.5	104.4	68.2

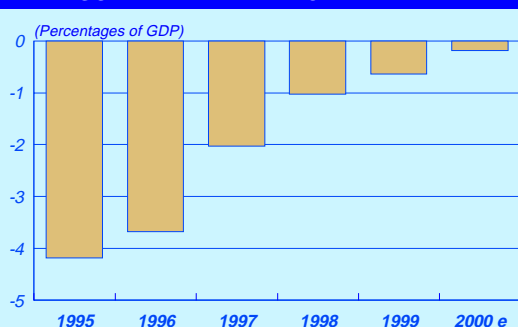
¹ P.c. change. ² In p.c. of GDP. ³ Forecast from the European Commission (available since March 2000; next publication in autumn 2000).

MACROECONOMIC DEVELOPMENTS

BUSINESS CYCLE INDICATOR AND GDP



GENERAL GOVERNMENT BALANCE



According to the National Accounts Institute, the economy grew by 5.1% in the first quarter compared to the corresponding period a year earlier. The National Bank of Belgium's business cycle indicator although it fell for the second month in succession in April 2000, remains at a very high level. The consensus estimate for GDP growth in 2000 has therefore been revised upwards to 3.9% (well above last year's economic growth of 2.5%). Owing to the economic upswing and the depreciation of the exchange rate of the euro, export orders climbed to near-record levels, indicating a probable expansion of about 10% in actual exports. The value of exports to countries outside the EU increased by 35.6% in the January-February 2000 period compared to the corresponding period of the previous year. Meanwhile, consumer survey data and strong car sales reflect healthy consumption at the beginning of this year because of rising net income, a falling unemployment rate (from 9.2% in August 1999 to 8.5% in April 2000) and better prospects for the tax burden. A rebound in orders for capital goods gives promise of a recovery in business investment in the coming months. Finally, industrial production rose on a quarter to quarter basis by a seasonally adjusted 0.9% in the first quarter.

The weakness of the euro and the high oil prices pushed the inflation rate up to 2.2% in May 2000. This is well below the level of inflation observed during the previous oil crises. Excluding energy prices, inflation remained subdued at 1.4%.

Last year, the general government balance improved, showing a deficit of only 0.7% of nominal GDP compared to 1% in 1998. According to our consensus estimate this positive trend will continue in 2000.

SPECIAL TOPIC

A SUCCESSFUL START TO TRADING ON MTS BELGIUM

Operations on MTS Belgium, the company in charge of organising and managing the new screen-based electronic trading system for the secondary market in Belgian government securities, began successfully on 5 May.

MTS Belgium is incorporated under Belgian law and operates under the supervision of the Banking and Finance Commission and the Securities Regulation Fund. Shares in the company are held by the Primary Dealers in Belgian securities and by MTS S.p.A.; the Kingdom of Belgium will soon become a shareholder, subject to parliamentary approval.

MTS S.p.A is the company that manages the electronic platform, known as "Telematico", used for electronic trading in European sovereign debt. The "Telematico" platform is rapidly emerging as the preferred electronic trading vehicle for European sovereign debt, and is currently the only electronic platform serving the wholesale European government bond market. The MTS market model allows the use of a common trading platform, while corporate governance and market supervision continue to be entrusted to the domestic financial community. The objective of MTS is to increase the efficiency, transparency and liquidity of the entire secondary market.

The Belgian government bond market currently represents over 7 % of the euro area's leading bond indicators. A total of 16 securities (see list) with a total outstanding amount of EUR 126 billion are currently traded on MTS Belgium, representing all fixed-rate OLO lines outstanding with a remaining life to maturity of over 1.25 years.

Liquidity in the system is ensured by the 16 major financial institutions (see list) participating in the MTS Belgium system in the capacity of market-makers and shareholders of the company. It is envisaged that in the near future the system will be opened up to non-shareholder institutions, which could participate either as market-makers or as market-takers.

Securities listed on MTS Belgium

8.75% - 25 June 2002	BE0000259656
9% - 28 March 2003	BE0000251570
7.25% - 29 April 2004	BE0000265711
7.75% - 15 October 2004	BE0000275819
6.50% - 31 March 2005	BE0000273798
4.75% - 28 September 2005	BE0000294034
7% - 15 May 2006	BE0000283896
8.50% - 1 October 2007	BE0000257635
6.25% - 28 March 2007	BE0000286923
5.75% - 28 March 2008	BE0000288945
7.50% - 29 July 2008	BE0000268749
3.75% - 28 March 2009	BE0000292012
5.75% - 28 September 2010	BE0000295049
8% - 24 December 2012	BE0000262684
8% - 28 March 2015	BE0000282880
5.50% - 28 March 2028	BE0000291972

List of market-makers on MTS Belgium

ABN AMRO Bank N.V.	Goldman Sachs International
Artesia Banking Corporation	JPMorgan Securities Ltd. London
Banque Bruxelles-Lambert	KBC Bank N.V.
Barclays Capital	Morgan Stanley and Co. International
Banque Générale du Luxembourg	Paribas
CDC-Marchés	Société Générale
Dexia Capital Markets	Warburg Dillon Read
Deutsche Bank	Fortis Bank

For the moment the turnover is accounted for by 15 institutions; the remaining one will join them as soon as it is technically ready. EUR 10 million is the minimum trading quantity for benchmarks, while a minimum of 5 million will be applicable for the other securities. The maximum bid/offer spread for benchmarks will range from 5 bp for OLOs with a remaining period to maturity of less than 3.5 years, to 20 bp for OLOs with a remaining period to maturity of over 13.5 years. In the latter case minimum amounts of EUR 5 and 2.5 million will apply instead of 10 and 5 million.

Market liquidity is now the major element of differentiation between sovereign issuers in the euro area, which owing to competition and budgeting discipline have become very similar in terms of market organisation and quality of signature. Liquidity is a key determinant of market spreads. MTS Belgium is operating as a quote driven system on a wholesale professional trading platform. A further enhancement of the liquidity of the Belgian government securities market is expected.

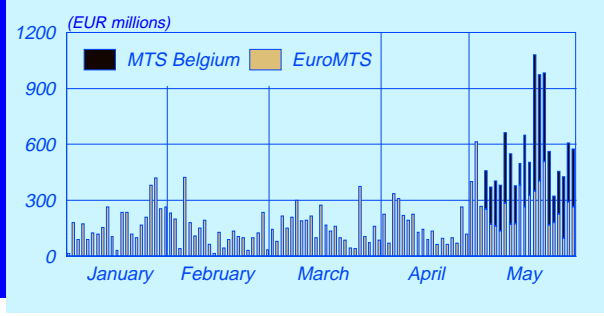
Settlement of the securities listed on MTS Belgium is carried out by the National Bank of Belgium.

In the week 22–26 May an average daily volume of EUR 363 million was traded, while daily turnover amounted to EUR 318 million from the launch of the system, with a peak of EUR 730 million. By way of comparison, the current average daily turnover of OLOs in the National Bank of Belgium's clearing system ranges between EUR 1.8 and 2.4 billion, counting only outright purchases and sales, thus excluding repos.

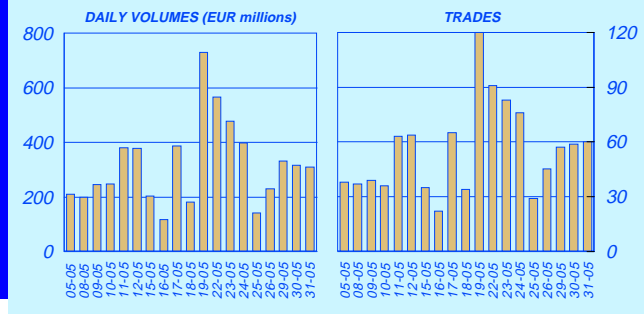
MTS Belgium benefits from MTS's ten years of expertise in electronic bond trading and this technology is being gradually and successfully adopted by other electronic platforms throughout Europe.

"The creation of MTS Belgium is a major step in the further enhancement of the transparency, efficiency and liquidity of the Belgian government securities market. It will benefit all market participants and ultimately the State, whose financing costs should be reduced", said Mr Didier Reynders, Minister of Finance.

DAILY TRADING VOLUMES OF BELGIAN GOVERNMENT BONDS (Jan. - May 2000)



MTS BELGIUM (summary activity May 2000)

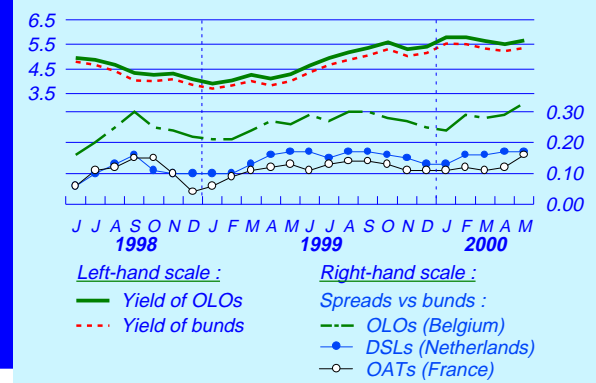


GOVERNMENT SECURITIES MARKET

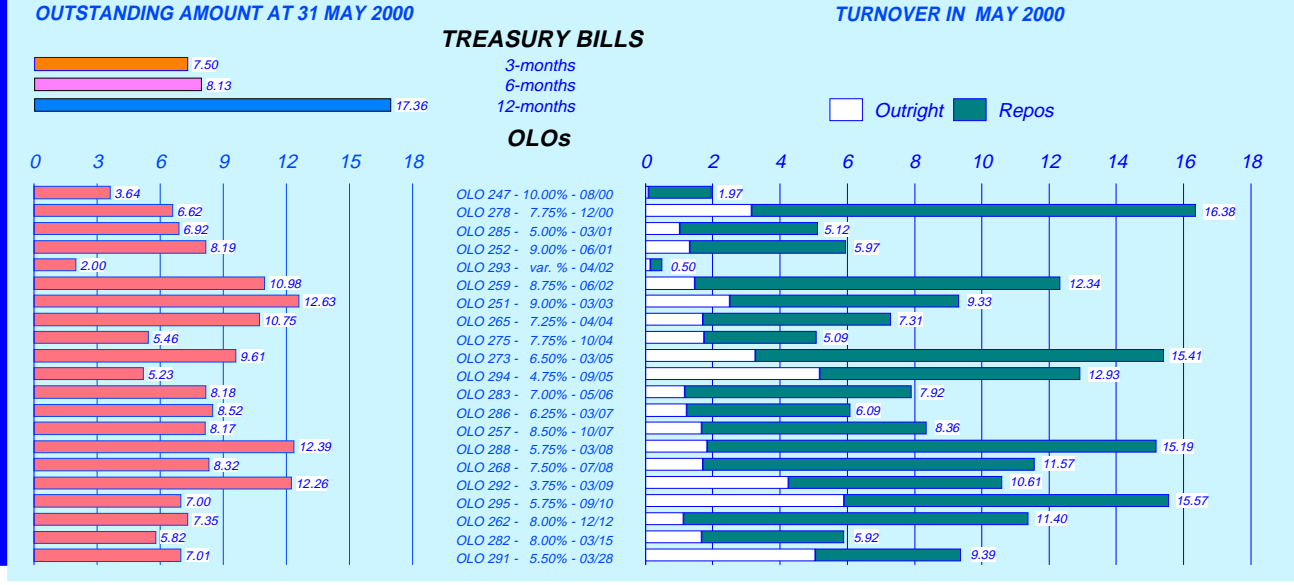
PRIMARY MARKET (billions of euros)

OLOs		TREASURY BILLS	
Gross issues	Net issues	Net issues	
1999	2000	1999	2000
J	3.811	J	3.962
F	8.154	F	-1.587
M	1.147	M	-0.196
A	5.427	A	-1.524
M	0.686	M	0.116
J	1.879	J	0.850
J	2.876	J	1.466
A	0.441	A	0.104
S	3.905	S	-2.533
O	1.636	O	-1.986
N	0.889	N	-1.992
D	1.449	D	-3.486

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

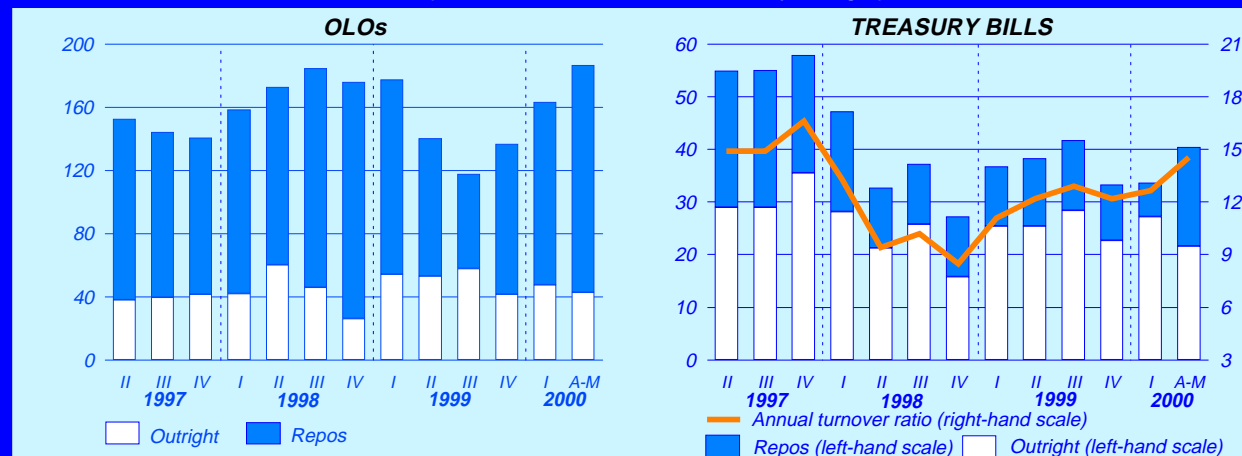


OUTSTANDING AMOUNT AND TURNOVER (billions of euros)



GOVERNMENT SECURITIES MARKET (continuation)

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



TREASURY HIGHLIGHTS

- At the OLO auction of 29 May, the Treasury inaugurated its new Bloomberg based electronic auction system which provides secured transmission, fast bids and allocation treatment and individualised auction results.
- The Dutch and French version of the Annual Report 1999 can be obtained from D. Deletrain, tel. 32 2 233 73 96; fax. 32 2 233 71 14, email didier.deletrain@minfin.fed.be. The English version will be available by the end of July.

OLO AUCTION AND EXCHANGE OFFER DATES

Month	Date	Settlement	Auction	Exchange Offers		
June	26	29		Code 285	OLO 25	5.00 % 28 March 2001
July	3	6		Code 247	OLO 3	10.00 % 2 Aug. 2000
				Code 278	OLO 21	7.75 % 22 Dec. 2000
	31	3 Aug.	Auction			
August	7	10		Code 285	OLO 25	5.00 % 28 March 2001
	28	31		Code 252	OLO 7	9.00 % 27 June 2001
September	4	7		Code 278	OLO 21	7.75 % 22 Dec. 2000
	25	28	Auction			
October	2	5		Code 285	OLO 25	5.00 % 28 March 2001
	30	2 Nov.		Code 252	OLO 7	9.00 % 27 June 2001
November	6	9		Code 278	OLO 21	7.75 % 22 Dec. 2000
	27	30	Auction			
December	4	7		Code 285	OLO 25	5.00 % 28 March 2001
	18	21		Code 252	OLO 7	9.00 % 27 June 2001

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 Bank Brussels Lambert
 Barclays Capital
 Dexia Bank
 Fortis Bank
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This publication is also available on the internet site www.nbb.be.

Information on the Belgian government debt can be found on the site of the Treasury: www.treasury.fgov.be/interdette