



# France Trésor

n° 127

December 2000

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## French government debt news

### Completion of the debt buy-back programme

France Trésor has wrapped up its debt buy-back programme of EUR 10 bn. By 23 November, the Treasury had repurchased EUR 9.65 bn worth of OATs (EUR 1.4 bn with maturities in 2001, EUR 2.6 bn with maturities from 2002 to 2005, EUR 3.65 bn from 2007 to 2009 and EUR 2 bn from 2025 to 2029). As announced, reversed auctions were used for 85% of the programme (EUR 8.5 bn). Private transactions were used for the remainder. Debt service for 2000 was raised by FRF 1.58 bn and for 2001 was lowered by FRF 4 bn after stripping out the impact of financing the buy backs.

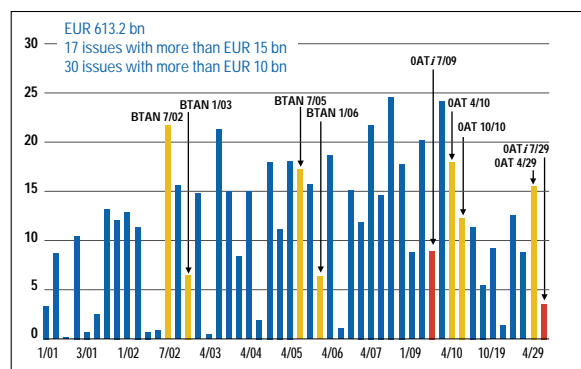
### The government funding programme for 2001 and the new Debt Management Agency

On 6 December, Mr Laurent Fabius, the Minister of the Economy, Finance and Industry, announced the outline of the government funding programme for 2001 (see the attached data sheet). Net medium and long-term issues will amount to EUR 78 bn, reflecting a gross issuing programme of about EUR 80 bn (significantly down from the gross amount of EUR 90 bn issued in 2000) and debt repurchase of EUR 2.1 bn by *Caisse d'Amortissement de la Dette Publique* (CADEP). This will be financed partly from the proceeds of the UMTS licences to be sold next year.

Scheduled to be operational by the end of December 2000, the Debt Management Agency will pursue a more active debt and cash management strategy. The Agency can inter alia be expected to conduct additional repurchase and/or exchange transactions in 2001, market conditions permitting. It will moreover build up an interest-rate swap portfolio.

### French government negotiable debt outstanding on December 7, 2000

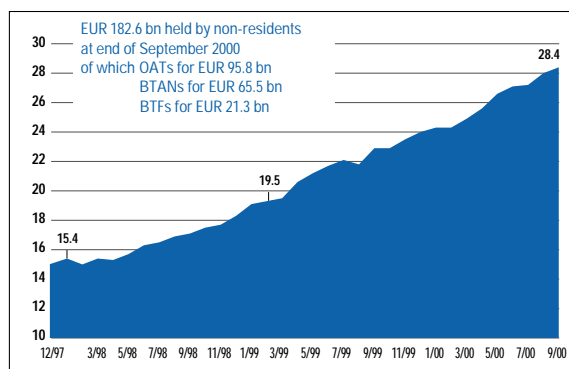
EUR billion



Source: France Trésor

### Non-resident holdings of French government negotiable debt securities

as a % of negotiable debt outstanding



Source: Balance of payments

## Auction calendar

11/12/2000	Settlement on	18/12/2000	Settlement on	21/12/2000	Settlement on	26/12/2000	Settlement on	2/1/2001	Settlement on	4/1/2001	Settlement on
<b>BTF</b>		<b>BTF</b>		<b>BTAN</b>		<b>BTF</b>		<b>BTF</b>		<b>OAT</b>	
13 W.	14/12/2000	13 W.	21/12/2000	2 years	27/12/2000	13 W.	28/12/2000	13 W.	4/1/2001		9/1/2001
<b>BTF</b>		<b>BTF</b>		<b>BTAN</b>		<b>BTF</b>		<b>BTF</b>			
27 W.	14/12/2000	50 W.	21/12/2000	5 years	27/12/2000	25 W.	28/12/2000	n.c.	4/1/2001		

Source: France Trésor

## Last auctions OATs and BTANs

EUR million

	OAT October 2010 5.50%	OAT April 2029 5.50%	BTAN 2 years January 2003 5.00%	BTAN 5 years January 2006 5.00%
<b>Auction date</b>	7/12/00	7/12/00	16/11/00	16/11/00
<b>Settlement date</b>	12/12/00	12/12/00	21/11/00	21/11/00
<b>Volume announced</b>	from 2 500 to 3 000		from 3 500 to 4 000	
<b>Amount bid</b>	7 673	1 853	11 950	7 843
<b>Amount served</b>	<b>2 050</b>	<b>488</b>	<b>1 425</b>	<b>2 466</b>
Of which non competitive offers	43	88	0	83
<b>Bid-to-cover ratio</b>	3.74	3.80	8.39	3.18
<b>Stop price</b>	103.38%	98.83%	99.95%	99.73%
<b>Weighted average rate</b>	5.05%	5.58%	5.02%	5.05%
<b>Previous auctions</b>	2/11/00	2/11/00	21/9/00	19/10/00
<b>Weighted average rate</b>	5.31%	5.70%	5.11%	5.13%

Source: France Trésor

## Last auction BTFs

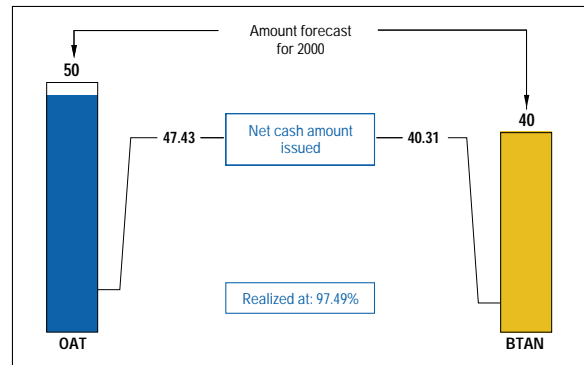
EUR million

	BTF 4 to 8 W.	BTF 13 W.	BTF 24 to 29 W.	BTF 40 to 52 W.
6/11/2000	Average amount	1 123	601	
	Weighted average rate	4.88%	5.03%	
13/11/2000	Average amount	939	618	
	Weighted average rate	4.86%	4.98%	
20/11/2000	Average amount	925	606	
	Weighted average rate	4.81%	4.99%	
27/11/2000	Average amount	943	538	
	Weighted average rate	4.81%	4.98%	
4/12/2000	Average amount	1 030	636	995
	Weighted average rate	4.71%	4.75%	4.86%

Source: France Trésor

## Long- and medium-term financing over the year December 7, 2000

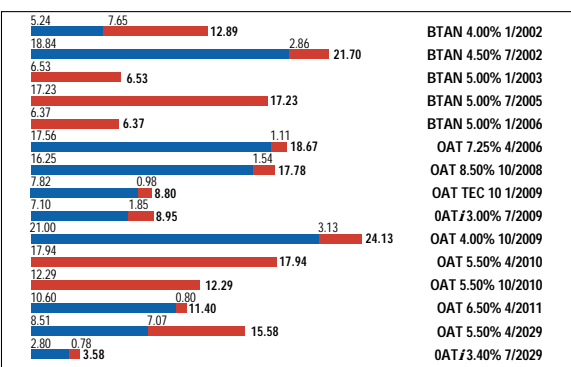
EUR billion



Source: France Trésor

## BTANs and OATs 2000 issues and cumulative total December 7, 2000

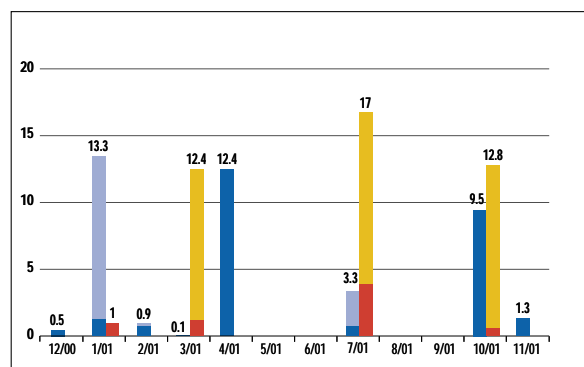
EUR billion



Source: France Trésor

## OATs and BTANs : indicative repayment schedule December 7, 2000\*

EUR billion



Source: France Trésor

\* Including reverse auctions

## French government debt

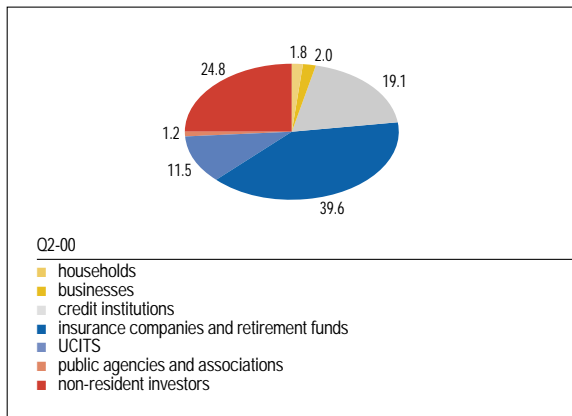
EUR billion

	1995	1996	1997	1998	1999	2000 November
<b>Negotiable debt</b>	431	474	515	560	583	611
<b>Long-term debt</b>	270	308	331	363	395	416
of which OAT	252	293	329	363	395	416
<b>Short &amp; medium-term</b>						
<b>Treasury notes</b>	160	166	184	197	188	195
of which BTF	45	41	41	47	34	43
of which BTAN	116	125	143	150	154	152
<b>Non-negotiable debt</b>	65	66	63	53	71	nc
<b>Total government debt</b>	496	540	577	613	654	nc
% of GDP	42.0%	44.5%	46.0%	47.1%	48.7%	nc
Average life	6 years	6 years	6 years	6 years	6 years	6 years
of negotiable debt	95 days	47 days	57 days	93 days	99 days	87 days

Source: SROT on 31/12/95, 96, 97, 98 and 99

## OAT ownership by type of holder

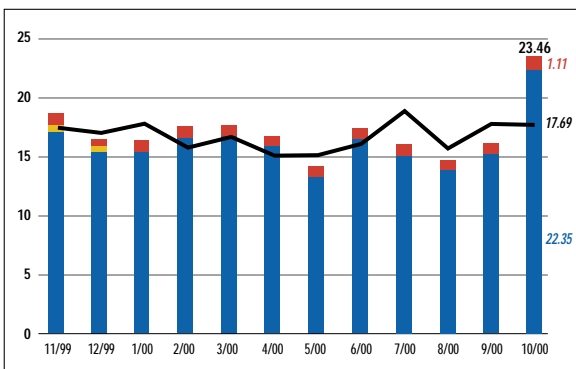
ownership structure in %



Source: These figures come from a Banque de France's survey; the percentage of non-resident holdings is compatible with the more exhaustive figures coming from the balance of payments (see page 1).

## Turnover on the 5 most liquid OATs and the 4 most liquid BTANs

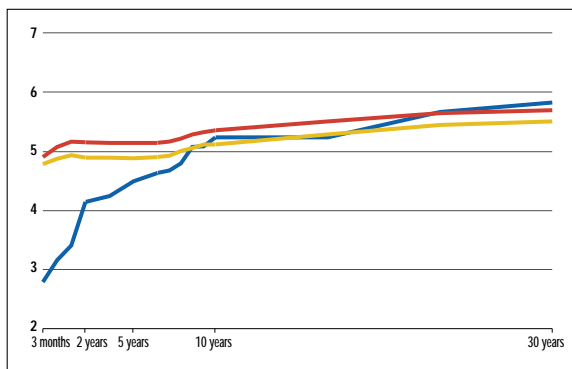
daily average (EUR billion)



\* Clearstream International's statistics no longer available as from January 2000

## French government yield curve

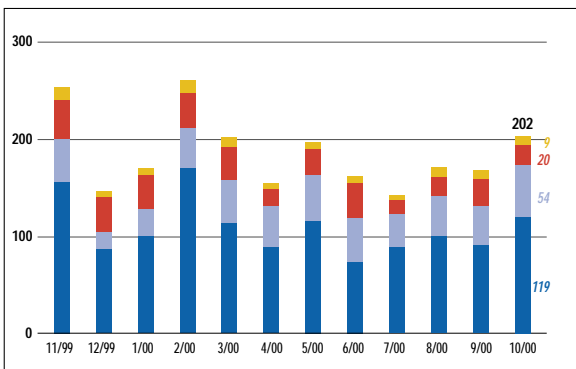
monthly average in %



Source: Bloomberg

## Primary dealers, monthly fixed-rate repo transactions

EUR billion

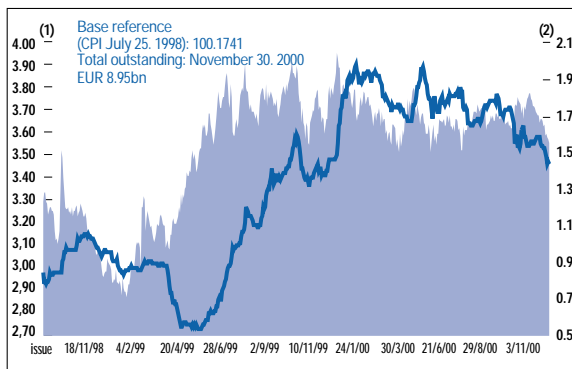


Source: Primary dealers

## Real yield of the OAT / 3% 07/2009

in %

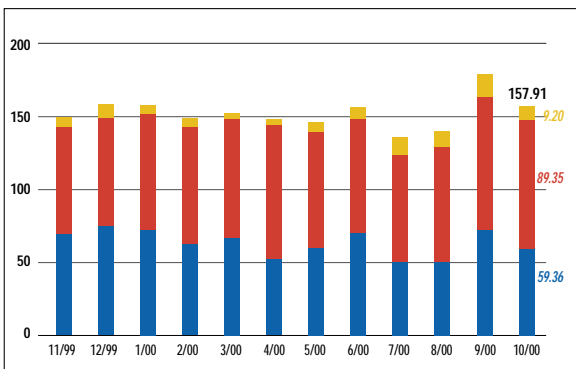
indicative daily quote on the secondary market



Source: France Trésor

## Primary dealers, repo outstanding at end of month

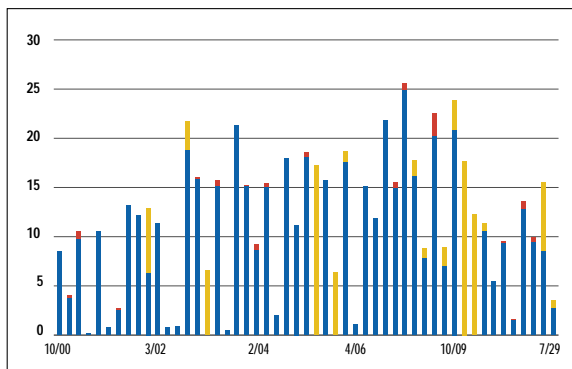
EUR billion



Source: Primary dealers

## Buy Backs impact on liquidity

EUR billion



Source: France Trésor

f o c u s

### Positive outlook for euro bond markets

**T**he benchmark 10-year OAT yield had been fluctuating within a 5.20%-5.60% range since the end of February. Two conflicting factors – inflation on the one hand and the economic slowdown and falling stock markets on the other – were neutralising each other, resulting in a directionless trend.

A comparison of inflation data at end-February and end-November shows that headline inflation in the euro zone climbed from 2.0% to 2.7% while core inflation increased from 1.0% to 1.5%. Even if one chooses to focus on core inflation, which we consider more pertinent than headline inflation when analysing bond yields, inflation has picked up speed.

In this seemingly negative context, the reasonable performance of OATs and indeed government bonds throughout the euro zone was made possible by two main factors: first, the market was convinced that the ECB's significant tightening cycle combined with the third oil price shock would bring about an economic slowdown; secondly, starting early August, the slowdown in the euro zone became increasingly evident and more widely acknowledged by the market. The downward revision of growth and corporate earnings forecasts in the euro zone and internationally triggered the world stock market correction. As usual in similar circumstances, the combination of an economic slowdown and a stock market correction put downward pressure on government bond yields: competition from stock markets and large corporate issuance programmes gave way to risk aversion and flight to quality, thereby bringing down long-term bond yields and helping to limit the decline in stock market indices.

On Thursday 30 November, the yield on the 10-year OAT broke out of the lower end of its 5.20%-5.60% range. But we do not expect the movement to last very long. Oil prices remain on an upward trend; somewhat excessive investor pessimism is likely to deepen further; the scaling back of international growth and corporate results is not over yet and stock market indices could well fall further. Given this situation, nominal government yields could well test new lows, like at end-1998 and early 1999, resulting in unusually low real yields (a nominal 10-year euro yield of 4.90% would correspond to a real yield of only 3.20% assuming core inflation of 1.70% at year-end).

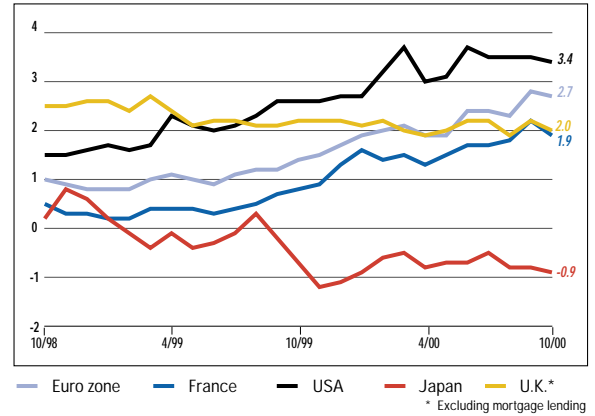
However, bond yields will probably not be able to remain so low for very long even if their increase remains moderate over the medium term. Once the price of oil has peaked, the world economy starts to pick up and investor confidence gradually returns, 10-year OAT yields will probably return to a 5.20%-5.60% range which is consistent with sustained growth and moderate inflation.

Antoine BRUNET, chief strategist, HSBC CCF

December 7, 2000

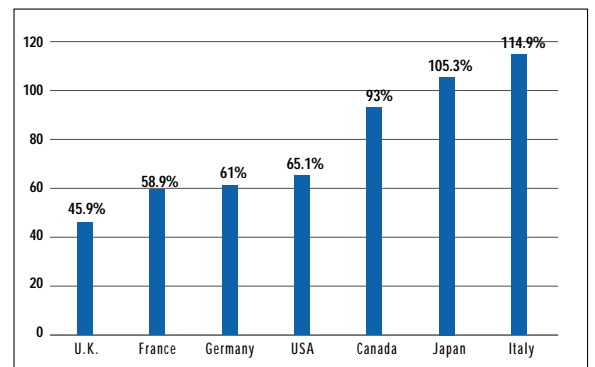
## Consumer prices

year on year % change



## General government debt in 1999

as a % of GDP



Source: OECD estimates, June 2000; Maastricht definition for European countries (new ESA 95)

## Timetable for the release of French economic indicators and for auctions

December 2000	
<b>4 BTF auction</b>	<b>21 BTAN auction</b>
5 Household confidence survey: November survey	21 Wages: final statistics Q3-2000
<b>7 OAT auction</b>	21 Household consumption of manufactured goods in November
7 Gross foreign exchange reserves in November	22 Consumer prices: final index for November
<b>11 BTF auction</b>	<b>26 BTF auction</b>
12 Consumer prices: provisional index for November	27 New building starts in November
14 Balance of payments in September	27 Industrial sales prices: November index
15 Payroll employment: final results Q3-2000	28 Industrial trends: monthly survey in December
15 Foreign trade in October	29 Job seekers in November
<b>18 BTF auction</b>	29 Net foreign exchange reserves in November
20 Industrial output in October	
January 2001	
<b>2 BTF auction</b>	19 Industrial output in November
4 Household confidence survey: December survey	<b>22 BTF auction</b>
<b>4 OAT auction</b>	23 Household consumption of manufactured goods in December
8 Gross foreign exchange reserves in December	24 Consumer prices: final index for December
<b>8 BTF auction</b>	<b>29 BTF auction</b>
12 Quarterly National Accounts Q3-2000: final results	30 New building starts in December
12 Balance of payments in October	30 Industrial trends: monthly survey in January
12 Consumer prices: provisional index for December	31 Job seekers in December
12 Housing starts: index Q3-2000	31 Industrial sales prices: December index
<b>15 BTF auction</b>	31 Net foreign exchange reserves in December
16 Foreign trade in November	
<b>18 BTAN auction</b>	

## Macro-economic forecast

Real growth rate, n-1 prices

	1999*	2000**	2001**
GDP growth in France	2.9	3.4	3.3
GDP growth in the euro zone	2.3	3.4	3.4
Household consumption	2.3	2.7	3.5
Investment	7.2	6.1	4.7
of which: business investment	7.7	6.6	6.9
of which: household housing investment	8.2	6.2	0.9
Exports	3.8	12.2	7.7
Imports	3.8	12.6	7.6
Consumer prices	0.7	1.4	1.2
Public deficit (as a % of GDP)**	-1.8	-1.4	-1.0
Public debt (as a % of GDP)	58.9	58.4	57.2

\* Quarterly National Accounts Q3-2000 First results

\*\* Source: National Economic Commission, September 2000 (median scenario for 2001)

\*\*\* For 2001, excl UMTS receipts (incl. UMTS : +0.1)

## Recent economic indicators

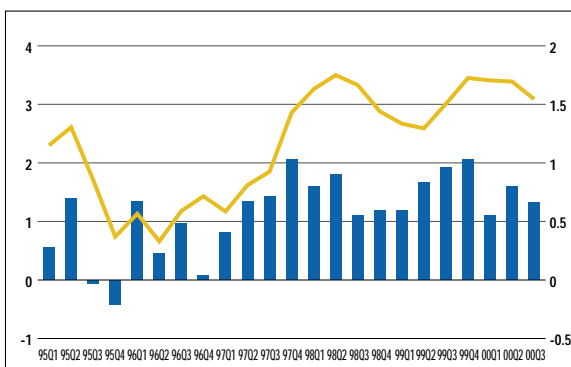
Industrial output*, year-on-year	4.3%	09/2000
Household consumption*, year-on-year	3.3%	10/2000
Unemployment rate (ILO), in %	9.4%	10/2000
Inflation, year-on-year	1.9%	10/2000
Inflation, excl. tobacco, year-on-year	1.9%	10/2000
<i>Seasonally-adj. FOB/FOB data (EUR bn)</i>		
Trade balance, 1999	16.61 (+1.24% of GDP)	09/2000
Trade balance, cumulative, 2000	3.41	09/2000
Current account balance, 1999	35.24 (+2.62% of GDP)	08/2000
Current account balance, cumulative, 2000	21.47	08/2000
10-year interest rate (OAT)	5.160%	at 30/11/2000
3-month interest rate (Euribor)	5.051%	at 30/11/2000
EUR/\$	0.8684	at 30/11/2000
EUR/Yen	96.44	at 30/11/2000

Source: INSEE, Ministry of the Economy, Finance and Industry and Banque de France

\* manufactured goods

## Gross Domestic Product

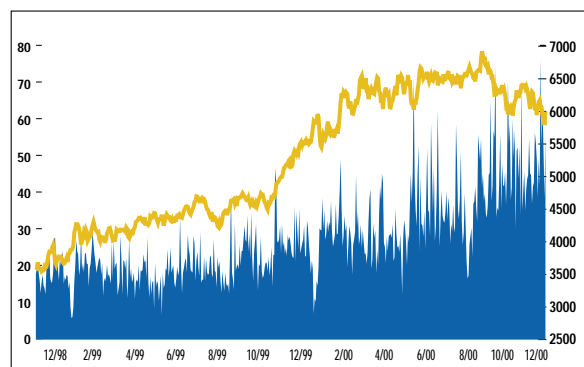
in %



— Year-on-year basis (left-hand scale)  
 ■ Quarterly growth rate (right-hand scale)

Source: INSEE, Quarterly National Accounts (95 prices)

## The French financial market: change in the CAC 40 index



— Index (index value) (right-hand scale)  
 ■ Traded volume (millions of securities traded per day) (left-hand scale)

Source: Bloomberg

## Government budget monthly position

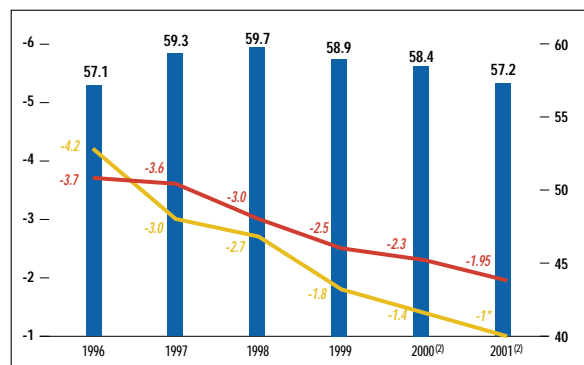
FRF billion

	end-of-October level				
	1998	1999	1998	1999	2000
<b>General budget</b>					
balance	- 252.3	- 215.3	- 208.3	- 161.4	- 148.2
- expenditure	1 650.7	1 709.8	1 357.9	1 406.8	1 415.8
- revenue	1 398.4	1 494.5	1 149.6	1 245.4	1 267.6
<b>Balance of special</b>					
Treasury accounts	4.8	9.3	- 47.9	- 42	- 35.7
<b>General budget</b>					
outturn	- 247.5	- 206.0	- 256.2	- 203.4	- 183.9

Source: Ministry of the Economy, Finance and Industry, Budget Directorate  
 For more information: <http://www.francetresor.gouv.fr/indicateurs/budget>

## Public finance

as a % of GDP



— General government deficit (1) (left-hand scale)  
 — Central government deficit (1) (left-hand scale)  
 ■ General government debt (right-hand scale)

Source: (1) INSEE, 1999 National Accounts (ESA 95)

(2) For 2000 and 2001, National Economic Commission forecasts, September 2000.

\* For 2001, excl UMTS receipts (incl. UMTS : +0.1)

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### France Trésor monthly bulletin

Available in French, English, German and Japanese  
 Publication Manager: Michel Le Clainche  
 Editor: France Trésor - Bureau A1

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## Dettes négociables de l'État French Government Negotiable debt outstanding OAT au 30 novembre 2000 / OAT at November 30, 2000

CODE ISIN SICOVAM	Libellé de l'emprunt/Bond	Encours	CODE ISIN SICOVAM	Libellé de l'emprunt/Bond	Encours
FR000057013 7	<b>Échéance / Maturity 2001</b> V OAT TIME 25 janvier 2001	<b>14 776 795 857</b> EUR	FR000057067 3	<b>Échéance / Maturity 2009</b> V OAT TEC 10 25 janvier 2009	<b>62 084 140 194</b> EUR
FR000057014 5	OAT 9,50% 25 janvier 2001	3 386 478 028	FR000057143 2	OAT 4% 25 avril 2009 <i>(encours démembrés/stripped bonds)</i>	8 807 044 498 20 200 258 390 <i>(147 000 000)</i>
FR000057015 2	OAT 10% 26 février 2001	158 673 000	FR000057142 4	V OAT/3% 25 juillet 2009	8 942 850 355
FR000057017 8	OAT 7,50% 25 juillet 2001	2 534 697 583	FR000071869 5	V OAT/3% 25 juillet 2009 particuliers août 2000	1 718 460
FR000057019 4	<b>Échéance / Maturity 2002</b> OAT 8,50% 15 mars 2002	<b>17 218 861 326</b> EUR	FR000071870 9	V OAT/3% 25 juillet 2009 particuliers septembre 2000	1 843 836
FR000057022 8	OAT 6,75% 25 avril 2002 <i>(encours démembrés/stripped bonds)</i>	742 606 500 875 928 000 <i>(47 910 000)</i>	FR000071877 2	V OAT/3% 25 juillet 2009 particuliers octobre 2000	784 078
FR000057024 4	OAT 8,50% 25 novembre 2002	15 600 326 826	FR000071879 1	V OAT/3% 25 juillet 2009 particuliers novembre 2000	1 503 539
FR000057027 7	<b>Échéance / Maturity 2003</b> OAT 8,50% 25 avril 2003 <i>(encours démembrés/stripped bonds)</i>	<b>30 300 797 652</b> EUR 14 814 026 287 <i>(2 050 100 000)</i>	FR000071861 9	OAT 4% 25 octobre 2009 <i>(encours démembrés/stripped bonds)</i>	24 128 137 038 <i>(189 000 000)</i>
FR000057028 5	OAT 8% 25 avril 2003 <i>(encours démembrés/stripped bonds)</i>	498 616 500 <i>(184 630 000)</i>	FR000071866 0	<b>Échéance / Maturity 2010</b> OAT 5,50% 25 avril 2010 <i>(encours démembrés/stripped bonds)</i>	<b>28 182 463 042</b> EUR 17 692 229 581 <i>(55 000 000)</i>
FR000057030 1	OAT 6,75% 25 octobre 2003 <i>(encours démembrés/stripped bonds)</i>	14 988 154 865 <i>(1 038 550 000)</i>	FR000071868 1	OAT 5,50% 25 avril 2010 particuliers mai 2000	56 451 062
FR000057032 7	<b>Échéance / Maturity 2004</b> OAT 8,25% 27 février 2004	<b>36 528 606 841</b> EUR	FR000071865 0	OAT 5,50% 25 avril 2010 particuliers juin 2000	66 426 273
FR000057036 8	OAT 5,50% 25 avril 2004 <i>(encours démembrés/stripped bonds)</i>	8 380 671 358 15 005 796 930 <i>(184 610 000)</i>	FR000071869 5	OAT 5,50% 25 avril 2010 particuliers juillet 2000	72 937 626
FR000057034 3	OAT 6% 25 avril 2004 <i>(encours démembrés/stripped bonds)</i>	1 953 143 000 <i>(275 300 000)</i>	FR000071868 9	OAT 5,50% 25 avril 2010 particuliers août 2000	55 674 810
FR000057040 0	OAT 6,75% 25 octobre 2004 <i>(encours démembrés/stripped bonds)</i>	11 188 995 553 <i>(1 100 380 000)</i>	FR000071870 2	OAT 5,50% 25 octobre 2010 <i>(encours démembrés/stripped bonds)</i>	10 165 137 516 <i>(37 500 000)</i>
FR000057043 4	<b>Échéance / Maturity 2005</b> OAT 7,5% 25 avril 2005 <i>(encours démembrés/stripped bonds)</i>	<b>33 774 246 330</b> EUR 18 072 406 569 <i>(1 976 080 000)</i>	FR000071872 3	OAT 5,50% 25 octobre 2010 <i>(encours démembrés/stripped bonds)</i>	10 165 137 516 <i>(37 500 000)</i>
FR000057046 7	OAT 7,75% 25 octobre 2005 <i>(encours démembrés/stripped bonds)</i>	15 701 839 761 <i>(2 418 490 000)</i>	FR000071811 9	OAT 5,50% 25 octobre 2010 particuliers novembre 2000	73 606 174
FR000057049 1	<b>Échéance / Maturity 2006</b> OAT 7,25% 25 avril 2006 <i>(encours démembrés/stripped bonds)</i>	<b>46 753 093 816</b> EUR 18 672 039 415 <i>(770 910 000)</i>	FR000057073 1	<b>Échéance / Maturity 2011</b> OAT 6,50% 25 avril 2011 <i>(encours démembrés/stripped bonds)</i>	<b>11 396 367 920</b> EUR 11 396 367 920 <i>(234 970 000)</i>
FR000057050 9	OAT 7% 25 avril 2006 <i>(encours démembrés/stripped bonds)</i>	1 091 244 000 <i>(393 650 000)</i>	FR000057078 0	<b>Échéance / Maturity 2012</b> OAT 8,50% 26 décembre 2012	<b>5 485 697 339</b> EUR 5 485 697 339
FR000057053 3	OAT 6,50% 25 octobre 2006 <i>(encours démembrés/stripped bonds)</i>	15 102 140 991 <i>(469 510 000)</i>	FR000057092 1	<b>Échéance / Maturity 2019</b> OAT 8,50% 25 octobre 2019 <i>(encours démembrés/stripped bonds)</i>	<b>9 426 095 284</b> EUR 9 224 392 893 <i>(4 772 810 000)</i>
FR000057054 1	V OAT TEC 10 25 octobre 2006	11 887 669 410	FR000057095 4	ÉTAT 9,82% 31 décembre 2019	201 702 391
FR000057057 4	<b>Échéance / Maturity 2007</b> OAT 5,50% 25 avril 2007 <i>(encours démembrés/stripped bonds)</i>	<b>36 408 826 908</b> EUR 21 771 775 424 <i>(223 820 000)</i>	FR000057104 4	<b>Échéance / Maturity 2022</b> OAT 8,25% 25 avril 2022 <i>(encours démembrés/stripped bonds)</i>	<b>1 408 940 490</b> EUR 1 408 940 490 <i>(1 014 300 000)</i>
FR000057059 0	OAT 5,50% 25 octobre 2007 <i>(encours démembrés/stripped bonds)</i>	14 637 051 484 <i>(434 950 000)</i>	FR000057108 5	<b>Échéance / Maturity 2023</b> OAT 8,50% 25 avril 2023 <i>(encours démembrés/stripped bonds)</i>	<b>12 544 195 903</b> EUR 12 544 195 903 <i>(8 989 910 000)</i>
FR000057063 2	<b>Échéance / Maturity 2008</b> OAT 5,25% 25 avril 2008 <i>(encours démembrés/stripped bonds)</i>	<b>42 367 093 494</b> EUR 24 582 932 367 <i>(63 380 000)</i>	FR000057115 0	<b>Échéance / Maturity 2025</b> OAT 6% 25 octobre 2025 <i>(encours démembrés/stripped bonds)</i>	<b>8 826 928 118</b> EUR 8 826 928 118 <i>(2 866 610 000)</i>
FR000057066 5	OAT 8,50% 25 octobre 2008 <i>(encours démembrés/stripped bonds)</i>	17 784 161 127 <i>(3 376 480 000)</i>	FR000057122 6	<b>Échéance / Maturity 2028</b> OAT zéro coupon 28 mars 2028 <i>(non offerte à la souscription)</i>	<b>46 232 603</b> EUR 46 232 603
			FR000057121 8	<b>Échéance / Maturity 2029</b> OAT 5,50% 25 avril 2029 <i>(encours démembrés/stripped bonds)</i>	<b>18 678 880 762</b> EUR 15 089 880 762 <i>(1 286 190 000)</i>
			FR000071864 3	V OAT/3,40% 25 juillet 2029	3 589 000 000

**Durée de vie moyenne des obligations :**  
**8 ans et 117 jours**

Average maturity of OATs:  
**8 years and 117 days**

**OAT/** : OAT indexée sur l'inflation.  
**TRA** : taux révisable, en fonction des taux de rendement des emprunts d'État à taux fixe d'échéance supérieure à 7 ans, publiés par la Caisse des dépôts et consignations.  
**TME** : moyenne arithmétique des taux de rendement moyens mensuels des emprunts d'État à taux fixe d'échéance supérieure à 7 ans sur l'année précédant la date de mise en paiement du coupon.  
**TEC 10** : taux de l'échéance constante à 10 ans.

**Total général**

**416 208 263 879 EUROS**

encours démembrés/stripped bonds

**34 602 040 000 EUROS**

en % des lignes démembrables

**10,25 %**

as a % of strippable bonds

**OAT/** : inflation-indexed OAT.  
**TRA** : variable rate based on the yields of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years, as published by the CDC.  
**TME** : the coupon rate is the arithmetic mean of the monthly average of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years. The coupon rate is fixed every January based on the previous calendar year.  
**TEC 10** : 10-year constant maturity Treasury.

## BTAN au 30 novembre 2000 Treasury notes at November 30, 2000

CODE ISIN	Libellé de l'emprunt / Bond	Encours	
	<b>Échéance / Maturity 2001</b>	<b>36 510 119 105</b>	<b>EUR</b>
FR0100059551	BTAN 5,75% 12 mars 2001	10 499 167 038	
FR0100059569	BTAN 6% 16 mars 2001	731 023 000	
FR0100877812	BTAN 3% 12 juillet 2001	13 152 000 000	
FR0100059577	BTAN 5,50% 12 octobre 2001	12 127 929 067	
	<b>Échéance / Maturity 2002</b>	<b>45 966 815 874</b>	<b>EUR</b>
FR0101465831	BTAN 4% 12 janvier 2002	12 890 000 000	
FR0100059585	BTAN 4,75% 12 mars 2002	11 380 471 532	
FR0100059593	BTAN 4,50% 12 juillet 2002	21 696 344 342	
	<b>Échéance / Maturity 2003</b>	<b>27 844 156 556</b>	<b>EUR</b>
FR0102325695	BTAN 5% 12 janvier 2003	6 530 000 000	
FR0100059601	BTAN 4,50% 12 juillet 2003	21 314 156 556	
	<b>Échéance / Maturity 2004</b>	<b>17 975 000 000</b>	<b>EUR</b>
FR0100802273	BTAN 3,50% 12 juillet 2004	17 975 000 000	
	<b>Échéance / Maturity 2005</b>	<b>17 225 000 000</b>	<b>EUR</b>
FR0101659813	BTAN 5% 12 juillet 2005	17 225 000 000	
	<b>Échéance / Maturity 2006</b>	<b>6 370 000 000</b>	<b>EUR</b>
FR0102626779	BTAN 5% 12 janvier 2006	6 370 000 000	

**Durée de vie moyenne des BTAN : 2 ans et 69 jours**

Average maturity of BTANs: 2 years and 69 days

**Total général**    **151 891 091 535 EUR**

## BTF au 30 novembre 2000 Treasury bills at November 30, 2000

	Échéance / Maturity	EUROS
BTF	7/12/2000	3 357 000 000
BTF	14/12/2000	1 086 000 000
BTF	21/12/2000	1 029 000 000
BTF	28/12/2000	1 001 000 000
BTF	4/1/2001	1 080 000 000
BTF	11/1/2001	2 790 000 000
BTF	18/1/2001	2 521 000 000
BTF	25/1/2001	904 000 000
BTF	1/2/2001	902 000 000
BTF	8/2/2001	1 123 000 000
BTF	15/2/2001	4 514 000 000
BTF	22/2/2001	925 000 000
BTF	1/3/2001	943 000 000
BTF	8/3/2001	2 583 000 000
BTF	29/3/2001	3 541 000 000
BTF	3/5/2001	3 890 000 000
BTF	21/6/2001	3 785 000 000
BTF	2/8/2001	1 877 000 000
BTF	6/9/2001	2 723 000 000
BTF	18/10/2001	1 968 000 000

**Durée de vie moyenne des BTF : 117 jours**

Average maturity of BTFs: 117 days

**Total**    **42 542 000 000 EUR**

**Durée de vie moyenne totale de la dette  
au 30/11/2000 : 6 ans et 87 jours**

Average maturity of debt at 30/11/2000:  
6 years and 87 days

**Total général \***    **610 641 355 414 EUROS**

1 euro = 6,55957 FRF

Source : ministère de l'Économie, des Finances et de l'Industrie

\* La réserve de titres du FSR a été mise à zéro. Elle peut être reconstituée à tout moment en cas de besoin.  
The FSR Securities reserve has been set to zero. Bonds can be created into the reserve at any moment





France Trésor

Auction and settlement dates

4<sup>th</sup> Quarter 2000

<i>Bills issued on</i>	BTF			BTAN		OAT
	13 w.	semestrial	annual	2 years 5.00% 01/2003	5 years 5.00% 01/2006	
Monday 02/10 Thursday 05/10						
Monday 9/10 Tuesday 10/10 Thursday 12/10						
Monday 16/10 Thursday 19/10						
Monday 23/10 Tuesday 24/10 Thursday 26/10						
Monday 30/10 Thursday 02/11						
Monday 06/11 Tuesday 07/11 Thursday 09/11						
Monday 13/11 Thursday 16/11						
Monday 20/11 Tuesday 21/11 Thursday 23/11						
Monday 27/11 Thursday 30/11						
Monday 04/12 Thursday 07/12						
Monday 11/12 Tuesday 12/12 Thursday 14/12						
Monday 18/12 Thursday 21/12						
Tuesday 26/12 Wednesday 27/12 Thursday 28/12						

	Auction	Settlement
<b>B T F</b>	13 weeks	Each Monday *
	semester	Generally 1 or 2 Mondays per month *
	1 year	Generally 1 or 2 Mondays per month *
<b>B T A N</b>	01/2003	3 <sup>rd</sup> working Thursday of the month *
	01/2006	3 <sup>rd</sup> working Thursday of the month *
<b>O A T</b>		1 <sup>st</sup> working Thursday of the month *

\* or the previous or following working day.

# France Trésor

## 2000 auction calendar

<b>OAT AUCTION CALENDAR FOR THE YEAR</b>	OAT 1 <sup>st</sup> Thursday of the month	A fixed-rate 10-year line, the October 5.50%, 2010 OAT or another OAT line to be opened; if market conditions permit, other fixed-rate or floating-rate lines, either existing or to be opened, or inflation-indexed.
<b>BTAN SEMESTERLY AUCTION CALENDAR</b>	BTAN 3 <sup>rd</sup> Thursday of the month	Lines auctioned during the second half-year of 2000 • BTAN 4.50% 07/2002 • BTAN 5.00% 01/2003 • BTAN 5.00% 07/2005 • BTAN 5.00% 01/2006.
<b>BTF QUARTERLY AUCTION CALENDAR</b>	Each Monday	BTF 13 weeks, semester, or 1 year according to the calendar on the other side.

The Treasury reserves the right to cancel an auction listed on the calendar if exceptional market conditions warrant it, or to hold an extra auction according to its borrowing needs and market trends.

Furthermore, the Treasury reserves the right to create new, long- or medium-term during the year, or to issue further tranches of previous issues in accordance with market conditions. The Treasury also reserves the right to use banking syndicate issue procedures.

The exact nature of the Treasury issues will be communicated to the market in the days preceding each auction with information on the volume of the issues.

## Reuters pages on France Trésor

INDEX TRESOR	MENU : TRESORMENU					
	BTF	BTAN	OAT	OAT/	STRIPS	PENSIONS
ABN-AMRO FIXED INCOME FRANCE	AAFIBTF	AABOAT	AABOAT/01/02	AABILB	AAFISTRIP	AAFIREPO
BANQUE LEHMAN BROTHERS S.A.	LBTF1	LBBTAN2	LBOAT1	LBOAT2	-	LBWE
BARCLAYS CAPITAL FRANCE S.A.	BARCAPPL	BARCAPPL	BARCAPOAT1/2	BARCAPIND	BARCAPSTRIPS1-2	BZWPL
BNP PARIBAS	BNPPBTF	BNPPBTAN	BNPPOAT01-02	BNPPOAT02	BNPPSTRIP01-02-03	BNPPREPO
CDC MARCHES	CDCBILL	CDCBTAN	CDCOAT1/2	CDCOAT3	CDCSTRIP1-2	CDCBILL
CREDIT AGRICOLE INDOSUEZ	CAIEUCT01	CAIBTAN01	CAIOAT01/02/CAIVAR01	CAIVAR01	CAISTRIP01	CAIREPO
CREDIT COMMERCIAL DE FRANCE	CCFBTF	CCFBTAN	CCFOAT-CCFTEC	CCFTEC	CCFSTRIP	CCFREPO
CREDIT LYONNAIS	CLBTF	CLBTAN	CLOAT01-04	CLOAT03	CLSTRIP01	CLREPO
DEUTSCHE BANK FRANCE S.A.	DBBTF	DBBTAN1	DBOAT1-2/DBILB	DBILB	0#FRSTRIP-DEBP	DBPPL
DRESDNER KLEINWORT BENSON	DRBBTF	DRBBTAN	DRBOAT1-2/DRBTEC10	DRBTEC10	DRBSTRIP1-2	DRBREPO01
GOLDMAN SACHS PARIS INC. & Cie	GSPK	GSPC	GSPD-F	GSPG	GSPH-J	GSPFREPO
HSBC MARKETS	HSBCBTF	HSBCBTAN	HSBCOAT01-02/HSBCVAR	HSBCVAR	-	HSBCBTF
J.P. MORGAN & Cie S.A.	MGPK	JPMFR01	JPMFR01-02	MGTEC	JPMSTRIPFR	MMQU
MERRILL LYNCH FINANCE S.A.	MLFRONT	MLFBTAN	MLFOAT1-2/MLFTEC	MLFOAT1	MLFSTRIP	MLFRONT
MORGAN STANLEY S.A.	MSFRD	MSFRB/D	MSFRB-C	MSFRC	MSFRE	MSFRR
NATEXIS BANQUES POPULAIRES	NBPGVT01	NBPGVT02	NBPGVT02-04	NBPVAR	-	NBPREPO
SALOMON BROTHERS INTERNATIONAL LTD	-	-	-	-	-	-
SOCIETE GENERALE	SGREPO01	SGOAT01	SGOAT01-02	SGOATVAR01	SGSTRIP01	SGREPO01
UNION EUROPEENNE DE CIC	CICBTF	CICBTAN	CICOAT1-2/CICTEC	CICOAT1	CICSTRIP	CICREPO

DAILY BENCHMARKS ON TREASURY BILLS  
published by Banque de France SVTF-G-H

## Bridge pages on France Trésor

INDEX TRESOR	MENU : 20010 - 20078			
	BTF	BTAN	OAT	STRIPS
BNP PARIBAS	20 106/107	20 106	20 105	-
CDC MARCHES	2 521	2 520	-	-
CREDIT AGRICOLE INDOSUEZ	2 528	2 532	2533/34/35	2 511
CREDIT LYONNAIS	21 891	21 888	21 885/86/87	21913/15
DRESDNER KLEINWORT BENSON	47 401	47 402	47 403/4	-
HSBC-CCF	20 082	20 081/82	20 080	20 086
J.P. MORGAN & Cie S.A.	-	21 482	21483/5	21 486
SOCIETE GENERALE	42 161	42 162	42163/4	-
UNION EUROPEENNE DE CIC	20 121	-	20 124/25/26	-

DAILY BENCHMARKS ON TREASURY BILLS  
published by Banque de France 20018-19

## Information on France Trésor

INTERNET	<a href="http://www.francetresor.gouv.fr">http://www.francetresor.gouv.fr</a>
BLOOMBERG	TRESOR<GO>
REUTERS	<TRESOR>
REUTERS WEB	<a href="http://tresor.session.rservices.com">http://tresor.session.rservices.com</a>

## French government indicative financing program for 2001

*Mr. Laurent Fabius, Minister of the Economy, Finance and Industry,  
has adopted the outline of the government funding programme for 2001*

**Results for 2000:** the government will complete its entire medium and long-term gross borrowing programme for 2000 (EUR 48 bn worth of Obligations Assimilables du Trésor - OAT - and EUR 42 bn worth of Bons du Trésor à intérêts annuels - BTAN). Moreover, France Trésor repurchased EUR 10 bn worth of securities through four reverse auctions and several private transactions, which enabled it to achieve its objectives. This repurchase campaign combined attractive prices with preservation of overall debt liquidity.

The general increase in interest rates made it impossible to keep financing terms at the low level reached in 1999. As a result, the average borrowing rate rose to 5.08% for BTANs and 5.43% for the 10-year OAT. The average maturity of the negotiable debt on 31 October 2000 was about 6 years and 90 days, compared with 6 years and 99 days on 31 December 1999. Internationalisation of the French debt continued. As of end-September, 28.4% of the debt was held by non-resident investors.

**Programme for 2001:** the amount of net medium and long-term issues needed to cover the government borrowing requirement will be lower than in 2000, inter alia because of government measures to reduce the budgetary deficit. **This amount will be about EUR 78 bn.** It should be covered by net OAT issues of about EUR 42 bn and net BTAN issues of about EUR 36 bn. These estimated objectives reflect net receipts for each class of securities, as applicable after exchange for new issues or repurchase during the year.

Borrowing requirement	2000		2001	
	FRF	EUR	FRF	EUR
Budgetary deficit (1)	209.0	31.9	186.0	28.4
Government commitments	8.0	1.2	8.4	1.3
Long-term debt redemption	93.0	14.2	99.7	15.2
Medium-term debt redemption	283.0	43.1	239.5	36.5
UMTS receipts earmarked for CADEP			-14.0	-2.1
<b>Total</b>	<b>593.0</b>	<b>90.4</b>	<b>519.5</b>	<b>79.2</b>
<b>Funding sources</b>				
OAT	314.9	48.0	276.2	42.1
BTAN	275.5	42.0	249.9	38
Repurchased debt (2)	-65.6	-10.0	-14.0	-2.1
<b>Net medium and long-term financing</b>	<b>524.8</b>	<b>80.0</b>	<b>512.1</b>	<b>78</b>
Net change in BTFs	66.9	10.2	42.7	6.3
Change in Treasury correspondents' deposits	-82.2	-12.5	-34.0	-5.2
Change in the Treasury account (3)	83.5	12.7	0.0	0.0
<b>Total</b>	<b>579.0</b>	<b>88.3</b>	<b>520.8</b>	<b>79.2</b>

The figures in italics will be adjusted to reflect the outturn at the end of the year

(1) Budgetary deficit of the Supplementary Budget Act for 2000 and the Initial Budget Bill for 2001

(2) Debt repurchased by France Trésor in 2000 and debt to be repurchased by Caisse d'Amortissement de la Dette Publique (CADEP) in 2001 (insofar as known)

(3) A plus sign indicates a decrease in the Treasury liabilities at the Banque de France

We have not changed the principles and conditions of our issuing policy save for a few specific points. It should be remembered that:

- the Agency reserves the right to issue securities other than benchmark securities during the year if there is a demand among market operators. Similarly, the Agency reserves the right to issue only one security when launching a new OAT or BTAN;
- the OAT programme for retail investors will be continued on the technical terms in force in 2000;
- France Trésor will regularly continue to issue new lines of existing variable-rate OATs and OAT*i*. In close collaboration with the primary dealers (SVTs), France Trésor will also examine the feasibility of issuing new bonds in each of these compartments. This will depend on market conditions;
- moreover, in order to match supply and demand as precisely as possible, the Treasury has slightly modified its OAT*i* auction policy: in the future, it may issue OAT*i* on the afternoon of OAT or BTAN auctions.

In 2001, two new 5-year benchmark BTANs will be issued. From now on, the Agency will publish a quarterly update on scheduled BTAN lines.

**Organisation of a debt management Agency:** to be launched officially before the end of the year, this Agency will be charged with government debt and cash management. To enable it to accomplish this assignment on optimum conditions, its organisation will consist of several units or departments charged respectively with:

- market transactions, notably debt instrument issues and auctions, loan exchanges and repurchases, and derivatives transactions;
- back office operations and risk control;
- management of the government's cash position, including projections, exchange with Treasury correspondents and investment transactions;
- communication on government securities and relations with market operators and investors;
- follow-up and analysis of developments on the rate markets and relations with financial analysts.

The Agency will have the human and technical resources necessary to accomplish its assignments. It has already begun to hire market professionals. This recruitment drive will be maintained in 2001. The Agency will manage all budgets connected with government debt and cash management, including IT and communication.

In order to make these services as transparent and understandable as possible, the government has submitted an amendment to the Supplementary Budget Act for 2000, which provides for the creation of a trade account entitled "active government debt management". This account will record the receivables and payables of the active management transactions authorised by Parliament, i.e.:

- currency and rate swaps;
- purchase and/or sale of government securities options or futures.

This account will track these transactions according to the rules of France's general business accounting plan, which will facilitate understanding and permit useful comparisons with other bond issuers in France and other countries.

Every year, a report on the transactions recorded in this account and on government debt management will be annexed to the Budget Bill. Moreover, this trade account will be subjected to a contractually agreed annual audit, focusing on the financial statements, the prudential procedures and the overall activity of the Agency as well as their impact on the cost of debt.

Designed to ensure even more active government debt management, the above initiatives need to be accompanied by a pro-active policy of transparency and information for Parliament and our fellow citizens.