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Agence France Trésor is tasked with managing the government debt and cash positions under the most secure conditions in the interest of the taxpayer.

News at Agence
France Trésor

The French government debt market fully satisfies investors in 2014

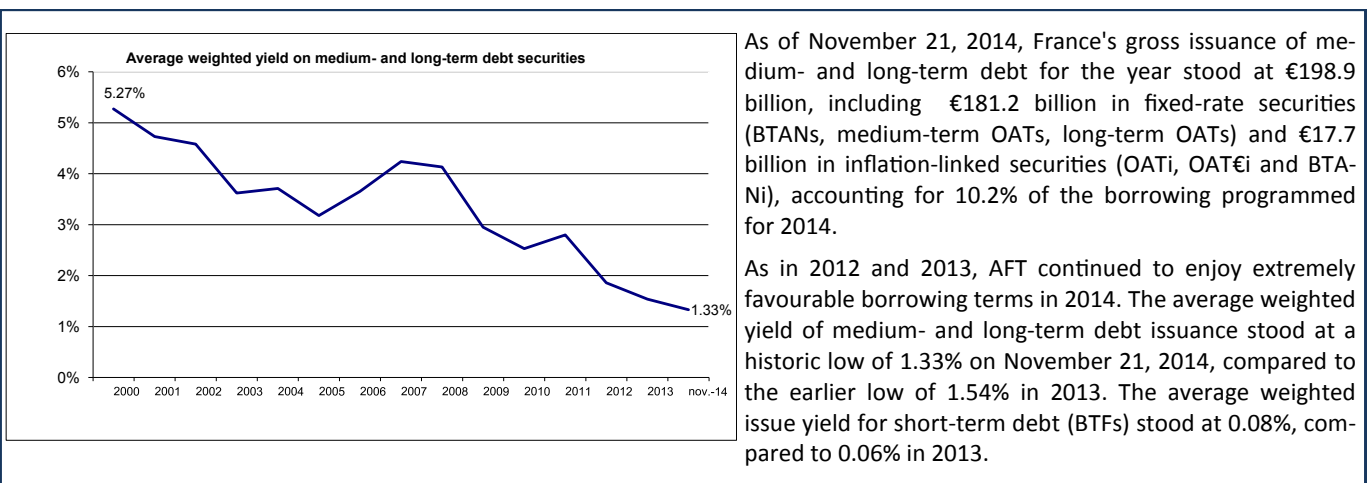
Investor satisfaction with the market for French government securities, which had already increased in 2013, has improved even further in 2014. This is the conclusion of the twelfth online survey of primary dealers' customers conducted by IEM Finance between September 15 and October 10, 2014. The survey focused on the quality of business relationships and services that primary dealers provide to their customers, as well as the functioning of the French government debt market. This year, 297 investors answered the questionnaire, a response rate of 30%, which is high for this type of survey.

Investor satisfaction with the functioning of the French government debt market is at its highest since the first survey in 2003: 97.9% of investors report that they are "very satisfied" or "satisfied" in 2014, compared to 95.2% in 2013.

Investors particularly appreciate the liquidity of French government securities: they appreciate the liquidity of BTANs and OATs most, with 96.1% reporting that they are "very satisfied" or "fairly satisfied". Investor satisfaction with inflation-linked securities improved further, even though it is lower than for nominal bonds, which account for ten times more of the outstanding debt. Some 72.2% of investors reported that they were satisfied with the liquidity of the inflation-linked securities, compared to 68.4% in 2013.

The vast majority of investors (95.5%) approve of the AFT's flexibility in the choice of securities issued, particularly the auctions of older "off-the-run" securities.

As in previous years, the smooth functioning of the market for government securities, along with their excellent liquidity and the flexibility of issuance, have been some of the technical factors behind the successful execution of AFT's issuance programme.



As of November 21, 2014, France's gross issuance of medium- and long-term debt for the year stood at €198.9 billion, including €181.2 billion in fixed-rate securities (BTANs, medium-term OATs, long-term OATs) and €17.7 billion in inflation-linked securities (OATi, OAT€i and BTANi), accounting for 10.2% of the borrowing programmed for 2014.

As in 2012 and 2013, AFT continued to enjoy extremely favourable borrowing terms in 2014. The average weighted yield of medium- and long-term debt issuance stood at a historic low of 1.33% on November 21, 2014, compared to the earlier low of 1.54% in 2013. The average weighted issue yield for short-term debt (BTFs) stood at 0.08%, compared to 0.06% in 2013.

For the fifth year in a row, the Invest in France Agency (AFII) has published its France Attractiveness Scoreboard. The Scoreboard compiles a vast amount of data and compares 14 OECD countries to assess France's relative position, its strengths and areas for improvement.

Economic attractiveness can be defined as the ability to attract new capacity and mobile factors of production to a country. The AFII's work is original in that it offers a take on this complex notion through a large number of objective indicators. The indicators fall into two categories: outcome indicators, which are concrete measurements of attractiveness outcomes (foreign direct investment (FDI), foreign companies located in France), and attractiveness criteria, which cover a wide range of indicators that are generally described in academic literature as the factors that make an economy appealing to investors (market size, human capital, innovation, infrastructure, taxes).

The outcome indicators show that France ranks fourth in terms of the stock of inward FDI behind the United States, China and the United Kingdom. France also ranks fourth for the number of foreign students in its universities and first for the proportion of foreign students registered in high-level research programmes. France has also ranked first in Europe for the number of investment projects for the second year in a row. France ranked lower for inward FDI stocks measured as a percentage of GDP (9th) and the contribution of foreign owned subsidiaries to value added (10th). These two indicators naturally favour small and very open economies.

When it comes to economic attractiveness criteria, France ranks 1st for R&D tax incentives, and for electricity rates. In more general terms, France does very well in international rankings for the quality of infrastructure, research and innovation, the size and strength of its domestic market and for the quality of life. Labour productivity is another important strong point. France ranks 4th for labour productivity and 6th for hourly labour productivity. Another positive was the moderate growth of unit labour costs in manufacturing in 2013, with France ranking 3rd behind the United Kingdom and Ireland.

The Scoreboard also highlights areas where France needs to catch up with its OECD partners. The main ones are the administrative and regulatory environment and taxation.

The French Government has taken a number of measures to make France more competitive in these areas. The Competitive and Employment Tax Credit and the Responsibility and Solidarity Pact will cut companies' contributions by an estimated €40 billion by 2017 when they are fully deployed. A bill to reduce red tape comprising 50 streamlining measures is currently before Parliament. The bill to promote business and growth to be submitted to the Cabinet in December will also aim to streamline formalities, simplify procedures and create jobs. Taken together, these measures will enhance France's appeal to investors and help maintain its current ranking in relation to its peers.



AFII Scoreboard:

France Attractiveness Scoreboard – 2014 Edition.

http://www.invest-in-france.org/Medias/Publications/2668/TDB%202014_FR.pdf

General debt-related data

Indicative auction schedule

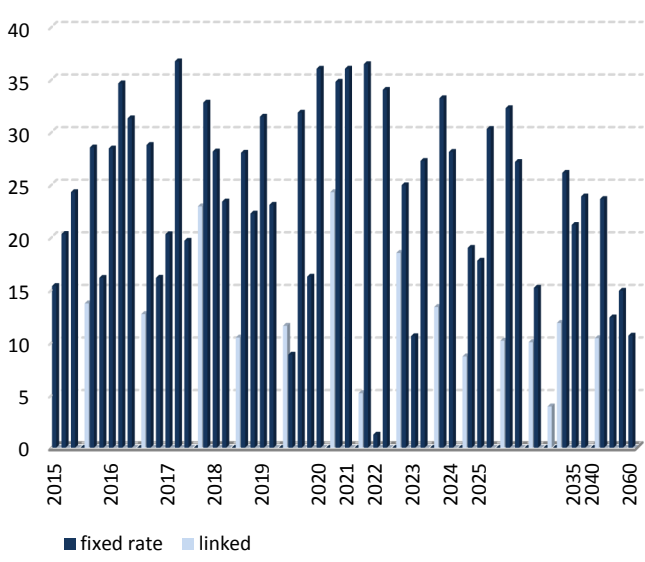
		Short-term					Medium-term	Long-term	Index-linked
December 2014	auction date	1	8	15	22	29	//	4	//
	settlement date	3	10	17	24	31	//	8	//
January 2015	auction date	5	12	19	26	//	22	8	22
	settlement date	7	14	21	28	//	26	12	26

anticipated or delayed auctions (bank holidays, etc.)

Source: Agence France Trésor

Medium- and long-term negotiable government debt At 31 October, 2014

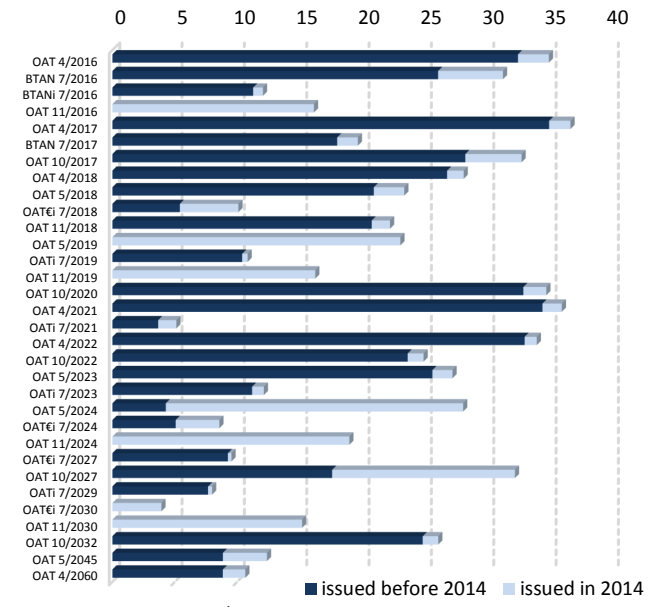
Nominal value of each line, in € billion



Source: Agence France Trésor

Medium- and long-term: securities issued during the year and total issuance at 31 October, 2014

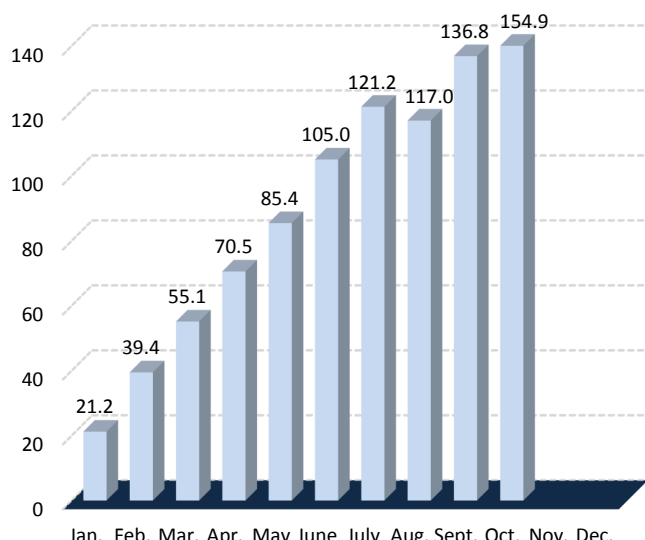
In € billion



Source: Agence France Trésor

Issuance net of buybacks at 31 October, 2014

In € billion



Source: Agence France Trésor

Medium- and long-term: provisional maturity schedule at 31 October, 2014

In € billion

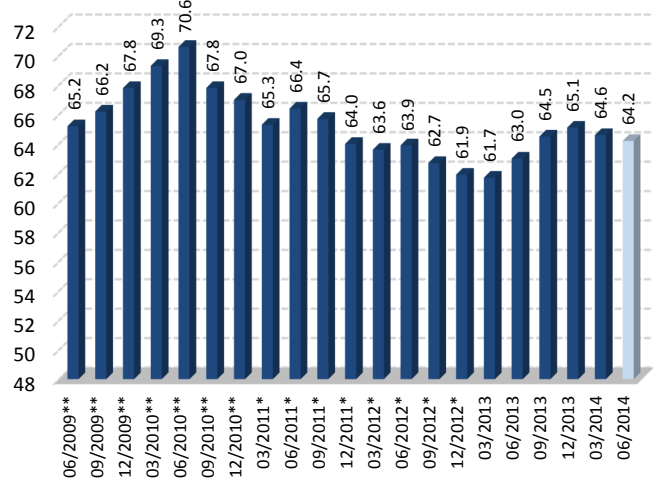
Month	Coupon	Redemption
Nov-14	0.7	
Dec-14		
Jan-15	0.4	15.4
Feb-15	1.0	
Mar-15		
Apr-15	16.0	20.3
May-15	2.4	
Jun-15		
Jul-15	4.4	38.2
Aug-15		
Sep-15		
Oct-15	15.3	28.6

Source: Agence France Trésor

**General
debt-related data**

Non-resident holders of negotiable government debt in second quarter of 2014

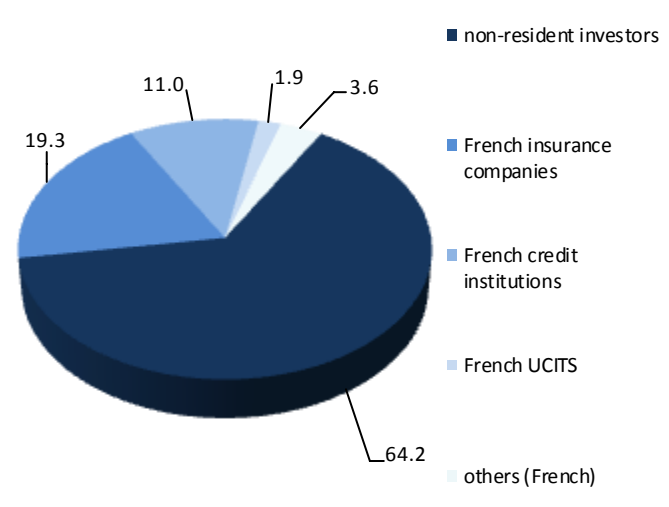
As a % of negotiable debt outstanding expressed in market value



(*) figures revised quarterly (**) figures revised annually
Source: Banque de France

Negotiable government debt by group of holders in second quarter of 2014

Structure in % expressed in market value



Source: Banque de France

Negotiable government debt at 31 October, 2014

In euros

Total medium- and long-term debt	1,332,443,254,593
Total stripping activity	62,041,282,100
Average maturity	7 years and 363 days
Total short-term debt	186,737,000,000
Average maturity	121 days
TOTAL OUTSTANDING	1,519,180,254,593
Average maturity	7 years and 19 days

Source: Agence France Trésor

Negotiable government debt and interest rate swaps at 31 October, 2014

In € billion

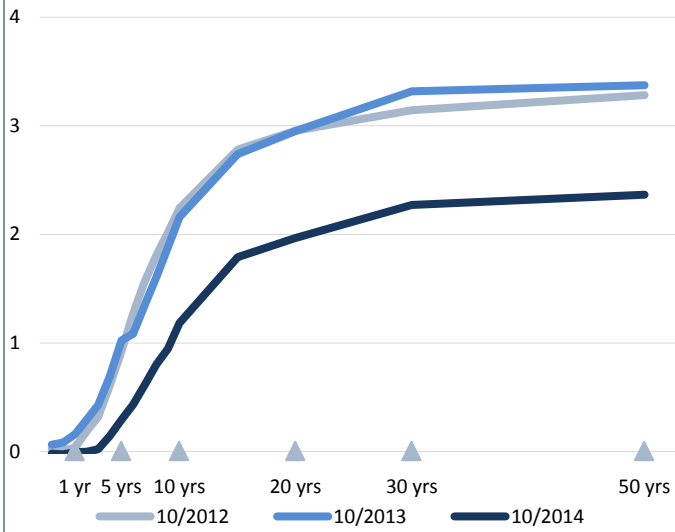
	End 2011	End 2012	End 2013	End September 2014	End October 2014
Negotiable government debt outstanding	1,313	1,386	1,457	1,528	1,519
of which index-linked securities	166	173	174	186	188
Medium- and long-term	1,135	1,220	1,283	1,337	1,332
short-term	178	167	174	191	187
Swaps outstanding	13	10	7	3	3
Average maturity of the negotiable debt					
before swaps	7 years 57 days	7 years 37 days	7 years 5 days	6 years 363 days	7 years 19 days
after swaps	7 years 52 days	7 years 34 days	7 years 2 days	6 years 361 days	7 years 17 days

Source: Agence France Trésor

Secondary market

Yield curve for French government securities

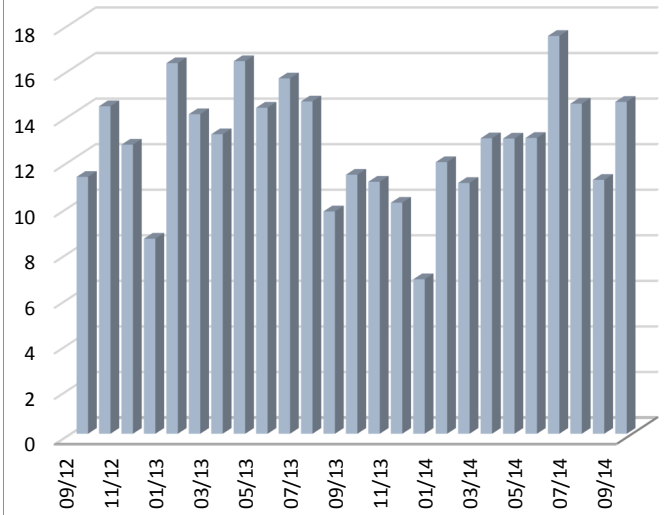
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

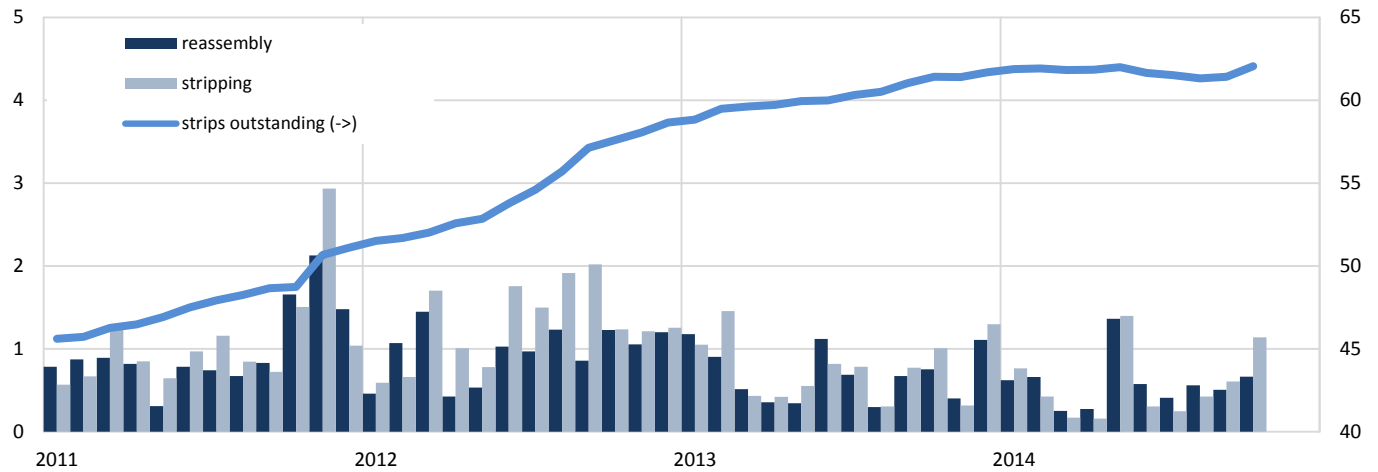
In € billion



Source: reporting by government securities primary dealers

Total stripping and reassembly

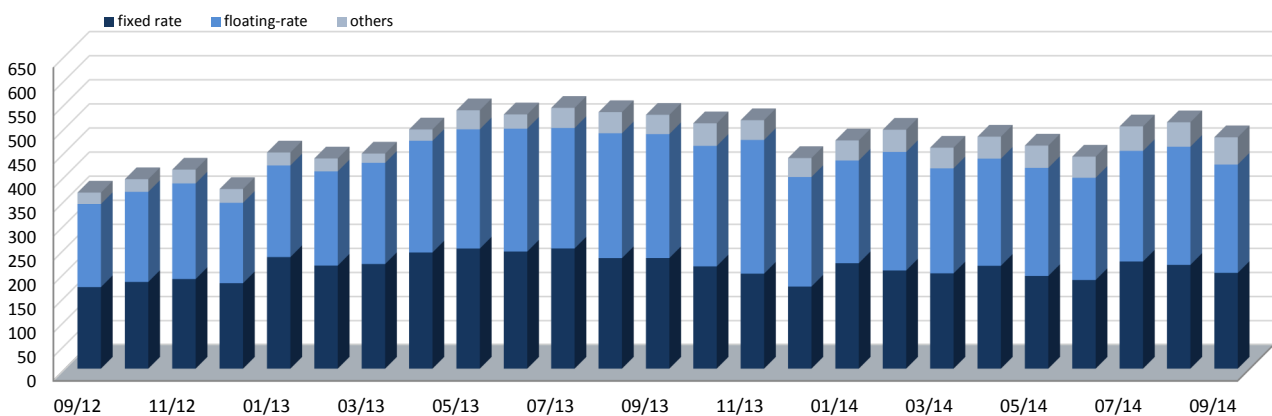
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: reporting by government securities primary dealers

Short-term debt at 31 October, 2014

	Maturity	Outstanding (€)
BTF	6 November 2014	8,937,000,000
BTF	13 November 2014	6,367,000,000
BTF	20 November 2014	8,181,000,000
BTF	27 November 2014	7,570,000,000
BTF	3 December 2014	8,219,000,000
BTF	11 December 2014	3,147,000,000
BTF	17 December 2014	8,391,000,000
BTF	24 December 2014	7,922,000,000
BTF	31 December 2014	8,083,000,000
BTF	8 January 2015	8,857,000,000
BTF	14 January 2015	8,609,000,000
BTF	22 January 2015	8,372,000,000
BTF	28 January 2015	3,992,000,000
BTF	5 February 2015	8,176,000,000
BTF	18 February 2015	7,244,000,000
BTF	5 March 2015	7,872,000,000
BTF	18 March 2015	7,437,000,000
BTF	2 April 2015	8,105,000,000
BTF	30 April 2015	8,483,000,000
BTF	28 May 2015	7,413,000,000
BTF	25 June 2015	7,579,000,000
BTF	23 July 2015	7,254,000,000
BTF	20 August 2015	8,310,000,000
BTF	16 September 2015	7,218,000,000
BTF	14 October 2015	4,999,000,000

Medium- and long-term debt (maturing 2014–2018) at 31 October, 2014

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	Maturity 2014	0			
	Maturity 2015	118,418,265,653			
FR0117836652	BTAN 2.5% 15 January 2015	15,375,000,000			–
FR0010163543	OAT 3.5% 25 April 2015	20,322,313,893			0
FR0118462128	BTAN 2% 12 July 2015	24,301,000,000			–
FR0010135525	OAT€i 1.6% 25 July 2015	13,724,951,760 (1)	1.19223	11,512,000,000	0
FR0010216481	OAT 3% 25 October 2015	28,550,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	16,145,000,000			0
	Maturity 2016	152,073,985,800			
FR0119105809	BTAN 2.25% 25 February 2016	28,451,000,000			–
FR0010288357	OAT 3.25% 25 April 2016	34,642,000,000			0
FR0119580050	BTAN 2.5% 25 July 2016	31,322,000,000			–
FR0119105791	BTANi 0.45% 25 July 2016	12,708,985,800 (1)	1.05294	12,070,000,000	–
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			262,417,000
FR0011857218	OAT 0.25% 25 November 2016	16,161,000,000			0
	Maturity 2017	132,485,233,100			
FR0120473253	BTAN 1.75% 25 February 2017	20,302,000,000			–
FR0010415331	OAT 3.75% 25 April 2017	36,737,000,000			0
FR0120746609	BTAN 1% 25 July 2017	19,680,000,000			–
FR0010235176	OATi 1% 25 July 2017	22,953,233,100 (1)	1.13658	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	32,813,000,000			0
	Maturity 2018	112,370,103,790			
FR0010604983	OAT 4% 25 April 2018	28,170,000,000			0
FR0011394345	OAT 1% 25 May 2018	23,412,000,000			0
FR0011237643	OAT€i 0.25% 25 July 2018	10,476,103,790 (1)	1.03693	10,103,000,000	0
FR0010670737	OAT 4.25% 25 October 2018	28,047,000,000			0
FR0011523257	OAT 1% 25 November 2018	22,265,000,000			0

(1) face value x indexation coefficient (face value if coefficient < 1)

Medium- and long-term debt (maturing in 2019 and beyond) at 31 October, 2014

Maturity 2019		123,164,202,922		
FR0000189151	OAT 4.25% 25 April 2019	31,478,000,000		0
FR0011708080	OAT 1% 25 May 2019	23,095,000,000		0
FR0010850032	OATi 1.3% 25 July 2019	11,595,533,600 (1)	1.06960	10,841,000,000
FR0000570921	OAT 8.5% 25 October 2019	8,844,392,893		6,030,651,100
FR0010776161	OAT 3.75% 25 October 2019	31,858,000,000		0
FR0011993179	OAT 0.5% 25 November 2019	16,266,000,000		0
FR0000570954	OAT cap. 9.82% 31 December 2019	27,276,429 (2)		6,692,154
Maturity 2020		95,136,183,000		
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000		0
FR0010050559	OAT€i 2.25% 25 July 2020	24,303,183,000 (1)	1.21668	19,975,000,000
FR0010949651	OAT 2.5% 25 October 2020	34,801,000,000		0
Maturity 2021		77,704,355,800		
FR0010192997	OAT 3.75% 25 April 2021	36,041,000,000		0
FR0011347046	OATi 0.1% 25 July 2021	5,190,355,800 (1)	1.01295	5,124,000,000
FR0011059088	OAT 3.25% 25 October 2021	36,473,000,000		0
Maturity 2022		78,754,421,590		
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990		532,668,400
FR0011196856	OAT 3% 25 April 2022	34,030,000,000		0
FR0010899765	OAT€i 1.1% 25 July 2022	18,523,481,600 (1)	1.08160	17,126,000,000
FR0011337880	OAT 2.25% 25 October 2022	24,957,000,000		0
Maturity 2023		84,486,697,983		
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903		6,040,500,200
FR0011486067	OAT 1.75% 25 May 2023	27,271,000,000		0
FR0010585901	OATi 2.1% 25 July 2023	13,380,502,080 (1)	1.10182	12,144,000,000
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000		554,722,000
Maturity 2024		55,815,360,250		
FR0011619436	OAT 2.25% 25 May 2024	28,128,000,000		9,000,000
FR0011427848	OAT€i 0.25% 25 July 2024	8,685,360,250 (1)	1.01287	8,575,000,000
FR0011962398	OAT 1.75% 25 November 2024	19,002,000,000		25,000,000
Maturity 2025		17,780,928,118		
FR0000571150	OAT 6% 25 October 2025	17,780,928,118		3,143,538,400
Maturity 2026		30,306,000,000		
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000		85,857,000
Maturity 2027		42,461,058,500		
FR0011008705	OAT€i 1.85% 25 July 2027	10,179,058,500 (1)	1.06587	9,550,000,000
FR0011317783	OAT 2.75% 25 October 2027	32,282,000,000		0
Maturity 2028		21,322,893		
FR0000571226	OAT zero coupon 28 March 2028	21,322,893 (3)		46,232,603
Maturity 2029		37,209,908,774		
FR0000571218	OAT 5.5% 25 April 2029	27,169,880,458		3,762,509,100
FR0000186413	OATi 3.4% 25 July 2029	10,040,028,316 (1)	1.25608	7,993,144,000
Maturity 2030 et plus		174,255,226,420		
FR0011883966	OAT 2.5% 25 May 2030	15,210,000,000		0
FR0011982776	OAT€i 0,7% 25 July 2030	3,929,000,000 (1)	0.99985	3,929,000,000
FR0000188799	OAT€i 3.15% 25 July 2032	11,866,451,500 (1)	1.23275	9,626,000,000
FR0000187635	OAT 5.75% 25 October 2032	26,135,322,600		11,487,027,400
FR0010070060	OAT 4.75% 25 April 2035	21,183,000,000		5,373,178,000
FR0010371401	OAT 4% 25 October 2038	23,889,000,000		4,772,011,400
FR0010447367	OAT€i 1,8% 25 July 2040	10,415,452,320 (1)	1.14192	9,121,000,000
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000		7,376,965,000
FR0011461037	OAT 3.25% 25 May 2045	12,394,000,000		396,000,000
FR0010171975	OAT 4% 25 April 2055	14,926,000,000		7,441,184,000
FR0010870956	OAT 4% 25 April 2060	10,657,000,000		4,748,053,100

(1) face value x indexation coefficient (face value if coefficient < 1)

(2) Including coupons capitalised at 31 Dec. 2013; not open to subscription

(3) Revised on 28 March 2013; not open to subscription

Most recent economic indicators

Industrial output, year-on-year	-0.1%	09/2014
Household consumption*, year-on-year	0.7%	10/2014
Unemployment rate (ILO)	10.2%	06/2014
Consumer prices, year-on-year		
all items	0.5%	10/2014
all items excluding tobacco	0.4%	10/2014
Trade balance, fob-fob, sa (€bn)	-€4.7 bn	09/2014
" "	-€5.0 bn	08/2014
Current account balance, sa (€bn)	-€1.2 bn	09/2014
" "	-€3.7 bn	08/2014
10-year constant maturity rate (TEC10)	1.17%	31/10/2014
3-month interest rate (Euribor)	0.086%	31/10/2014
EUR / USD	1.2524	31/10/2014
EUR / JPY	140.18	31/10/2014

* manufactured products

Sources: Insee, Minefi, Banque de France

Monthly government budget position

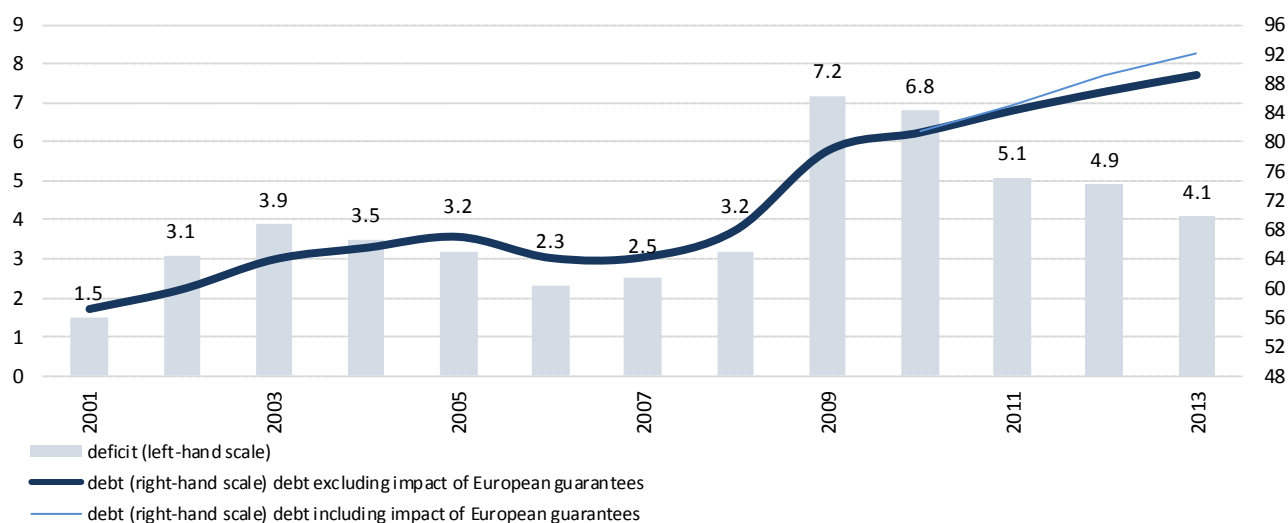
In € billion

	end of September level				
	2012	2013	2012	2013	2014
General budget balance	-88.16	-75.43	61.66	-56.88	-57.24
revenue	286.01	301.24	211.64	225.93	220.75
expenditure	374.17	376.67	273.31	282.81	277.99
Balance of special Treasury accounts	1.01	0.56	-23.30	-23.95	-23.26
General budget outturn	-87.15	-74.87	-84.96	-80.83	-80.50

Source: Minefi

Public finances: deficit and debt

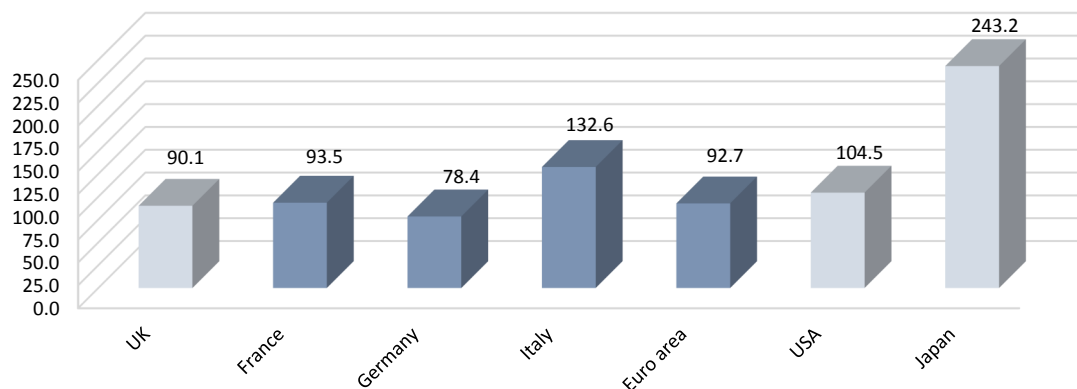
As % of GDP



Source: Insee

General government debt in 2013

As % of GDP



Sources: Eurostat (04/2014), FMI (04/2014)

French economic indicators: timetable

December 2014		January 2015	
4	Job seekers Q3-2014 (BIT)	9	Foreign trade in November
9	Foreign trade in October	9	Eurozone economic outlook - 1st quarter 2015
10	Industrial output in October	9	Industrial output in November
10	Payroll employment: Q3-2014	14	Consumer prices: index for December
12	Balance of payments in October	14	Balance of payments in November
11	Consumer prices: index for November	16	Inflation (HICP): December index
17	Inflation (HICP): November index	27	Industrial trends: monthly survey for January
19	Industrial trends: monthly survey for December	27	Job seekers in December
23	National quarterly accounts: final results Q3-2014	27	New building starts in December
23	General government debt Q3-2014	28	Household confidence survey: January survey
23	Household consumption of manufactured goods in November	29	Household consumption of manufactured goods in December
24	Job seekers in November	30	Industrial producer prices: December index
30	New building starts in November		

Sources: Insee, Eurostat