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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

### In 2015, AFT will maintain a regular, transparent and flexible debt issuance policy to best meet investor demand

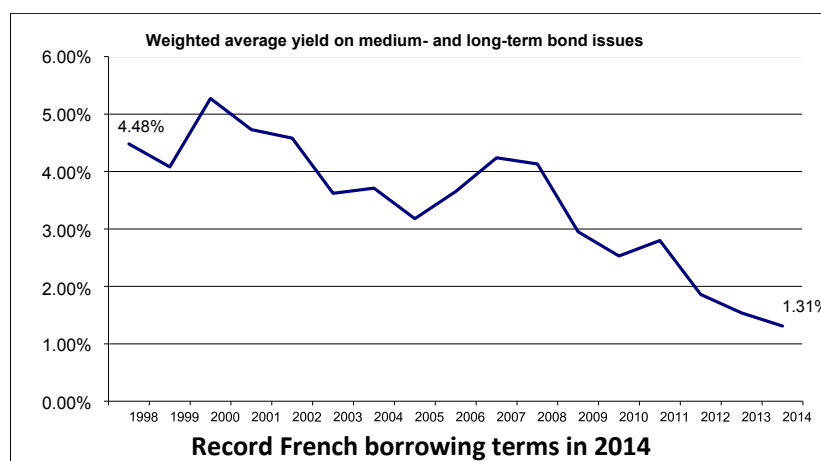
On 18 December 2014, Agence France Trésor unveiled its 2015 medium- and long-term debt issuance programme net of buybacks. The figure announced in the Budget Bill published on 1 October 2014 has been revised down by €1bn from €188bn to €187bn to factor in the €1.3bn reduction in the deficit.

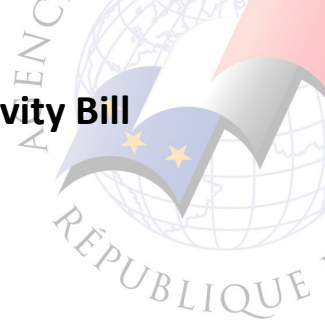
As in previous years, Agence France Trésor will work closely with primary dealers, adjusting bond issues to meet investor demand and maintain as much liquidity as possible along the whole yield curve.

It is planning to issue a new bond maturing in February 2018, slightly longer than the usual 2-year benchmark bond issue. As well as issuing two new 5-year benchmark bonds and two new 10-year benchmark bonds, it will, together with primary dealers, assess the prospects for a new 15- or 20-year benchmark bond to fulfil the appetite of investors for longer maturities apparent this year against a low interest rate background.

AFT will also alter its auction process to suit investor demand. One-off auctions of nominal and medium-/long-term inflation-linked bonds are scheduled to be held in August and December. AFT will also extend the maturity range for medium-term bonds to 2-7 years. Long-term auctions held on the first Thursday of the month will now cover maturities of 7 years or more compared to 5 years previously. This move is designed to offer more flexibility as it will enable AFT to meet demand for longer maturities by issuing bonds with a 7-year maturity during either one of these auctions.

For inflation-linked bonds, AFT is looking into issuing a new 10-year OATi benchmark bond index-linked to French inflation with a redemption date of 1 March. This new date will very usefully offer greater diversification on the seasonal inflation-linked bond market.





Emmanuel Macron, the Minister for the Economy, Industry and Digital Affairs, presented the Growth and Economic Activity Bill to the Cabinet on 10 December 2014. The Bill is in line with the Government's commitment to implement structural reforms to improve the competitiveness, appeal and growth potential of the French economy. Implementation is expected to be rapid and some measures could produce substantial results as early as 2015.

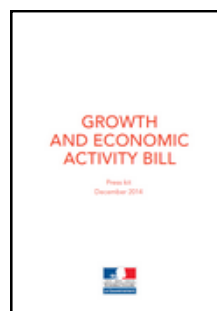
The first set of measures will liberalise regulated sectors to promote competition and create new jobs. This is the case for intercity coach services. Up until now, domestic intercity coach travel has been allowed only on the French sections of international routes. The Bill will deregulate the sector throughout France, cutting the cost of transport and making travel easier. The growth of the sector will create several thousand jobs. The results of similar reforms in other European countries, such as Germany in 2013, suggest that the associated gains are substantial. Several measures are also proposed to modernise certain regulated professions. They include streamlining the procedures for entering these professions and choosing a location, especially for young professionals. Other measures will allow such professionals to sell equity stakes in their businesses to encourage investment, and regulate fees so that they are more in line with actual costs. Once again, the proposed measures will create new jobs and improve households' purchasing power. Other measures will be added to these reforms, such as making it quicker and cheaper to obtain a driving licence and overhauling the regulations governing motorway concessions.

A second set of measures deal with boosting financing for the economy through investment. First of all, the government's role as a shareholder will be redefined through the disposal of some of its shareholdings in addition to the €4 billion in asset sales already passed in the 2015 budget, which will be used to reduce government debt. The Bill also contains a major reform of employee savings schemes. The objective is to expand employee savings schemes, especially in small and medium-sized enterprises. Currently, only 20% of employees working for companies with 10 to 49 employ-

ees have access to one or more employee savings schemes, as opposed to 83% in companies with more than 50 employees. Special measures will also allow innovative startups to give their employees a greater stake in their company's equity.

A large part of the Growth and Economic Activity Bill is devoted to the labour market. It proposes an overhaul of the employment tribunal system. Currently, disputes take an average of 29 months to be settled and a very large proportion of the decisions are appealed, which means cases take even longer. Several of the proposed measures will impose time limits, with the aim of simplifying procedures for both employees and employers. The Bill also proposes a reform of Sunday trading laws. In practical terms, municipalities could allow shops to open on 12 Sundays during the year, instead of the current 5. The rules governing Sunday trading in tourist areas will also be streamlined. These measures will be backed up by extra pay requirements and an enhancement of employees' rights. The Bill also proposes eliminating criminal penalties for interfering with employee representation and replacing them with fines.

The Parliament will take up the Bill in January 2015. The Bill is part of the larger move to modernise France's economy and make it more competitive, which will produce its full results in the medium term.



Growth and economic activity bill.  
Press kit—December 2014.

<http://proxy-pubminefi.diffusion.finances.gouv.fr/pub/document/18/18488.pdf>

**General debt-related data**

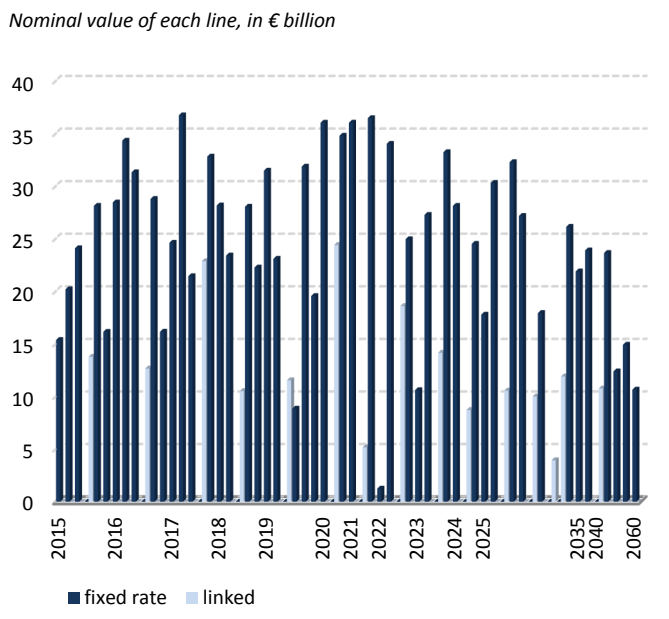
**Indicative auction schedule**

		Short-term					Medium-term	Long-term	Index-linked
January 2015	auction date	5	12	19	26	//	22	8	22
	settlement date	7	14	21	28	//	26	12	26
February 2015	auction date	2	9	16	23	//	19	5	19
	settlement date	4	11	18	25	//	23	9	23

*anticipated or delayed auctions (bank holidays, etc.)*

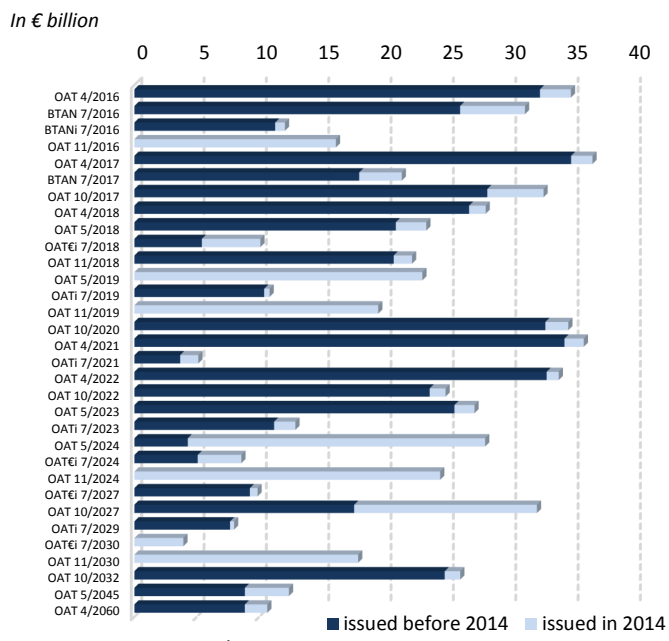
Source: Agence France Trésor

**Medium- and long-term negotiable government debt at 30 November, 2014**



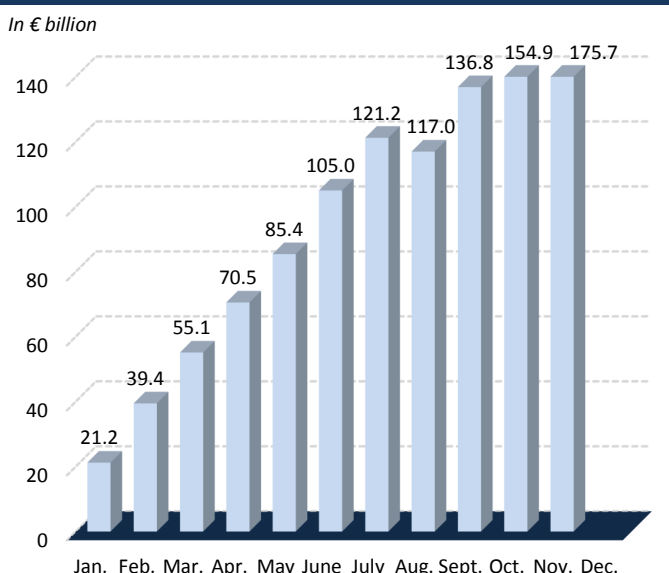
Source: Agence France Trésor

**Medium- and long-term: securities issued during the year and total issuance at 30 November, 2014**



Source: Agence France Trésor

**Issuance net of buybacks at 30 November, 2014**



Source: Agence France Trésor

**Medium- and long-term: provisional maturity schedule at 30 November, 2014**

In € billion

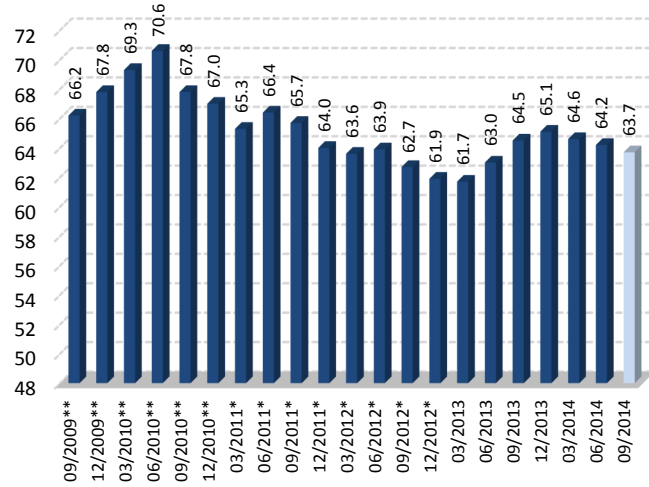
Month	Coupon	Redemption
Dec-14		
Jan-15	0.4	15.4
Feb-15	1.1	
Mar-15		
Apr-15	16.0	20.2
May-15	2.4	
Jun-15		
Jul-15	4.4	38.0
Aug-15		
Sep-15		
Oct-15	15.3	28.1
Nov-15	0.8	16.1

Source: Agence France Trésor

**General  
debt-related data**

**Non-resident holders of negotiable government debt in third quarter of 2014**

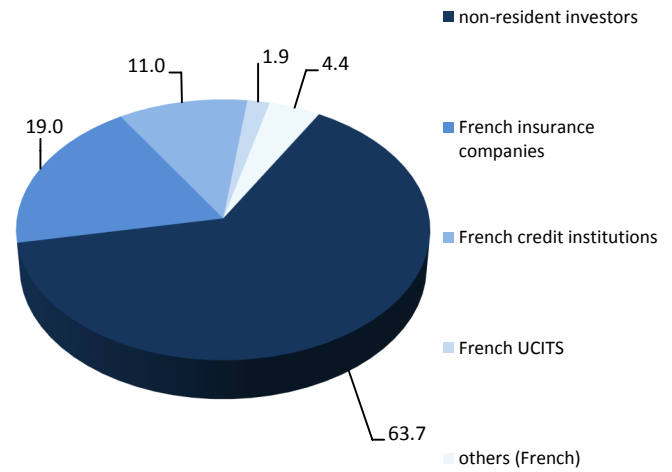
As a % of negotiable debt outstanding expressed in market value



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

**Negotiable government debt by group of holders in third quarter of 2014**

Structure in % expressed in market value



Source: Banque de France

**Negotiable government debt at 30 November, 2014**

In euros

Total medium- and long-term debt	1,351,400,342,507
Total stripping activity	62,298,054,100
Average maturity	7 years and 337 days
Total short-term debt	186,094,000,000
Average maturity	118 days
<b>TOTAL OUTSTANDING</b>	<b>1,537,494,342,507</b>
<b>Average maturity</b>	<b>7 years and 1 day</b>

Source: Agence France Trésor

**Negotiable government debt and interest rate swaps at 30 November, 2014**

In € billion

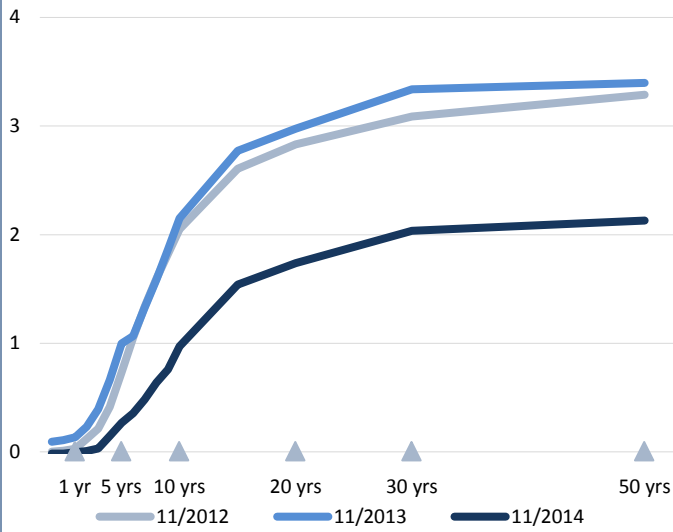
	End 2011	End 2012	End 2013	End October 2014	End November 2014
<b>Negotiable government debt outstanding</b>	<b>1,313</b>	<b>1,386</b>	<b>1,457</b>	<b>1,519</b>	<b>1,537</b>
of which index-linked securities	166	173	174	188	190
Medium- and long-term	1,135	1,220	1,283	1,332	1,351
short-term	178	167	174	187	186
<b>Swaps outstanding</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>5</b>
<b>Average maturity of the negotiable debt</b>					
before swaps	7 years 57 days	7 years 37 days	7 years 5 days	7 years 19 days	7 years 1 day
after swaps	7 years 52 days	7 years 34 days	7 years 2 days	7 years 17 days	7 years 0 day

Source: Agence France Trésor

Secondary market

Yield curve for French government securities

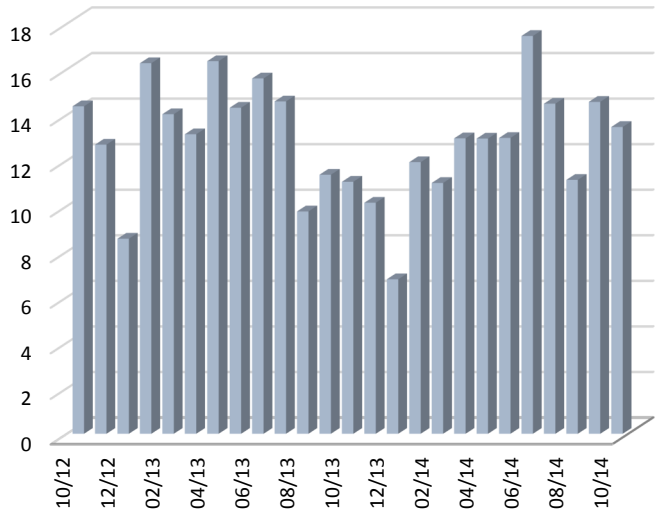
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

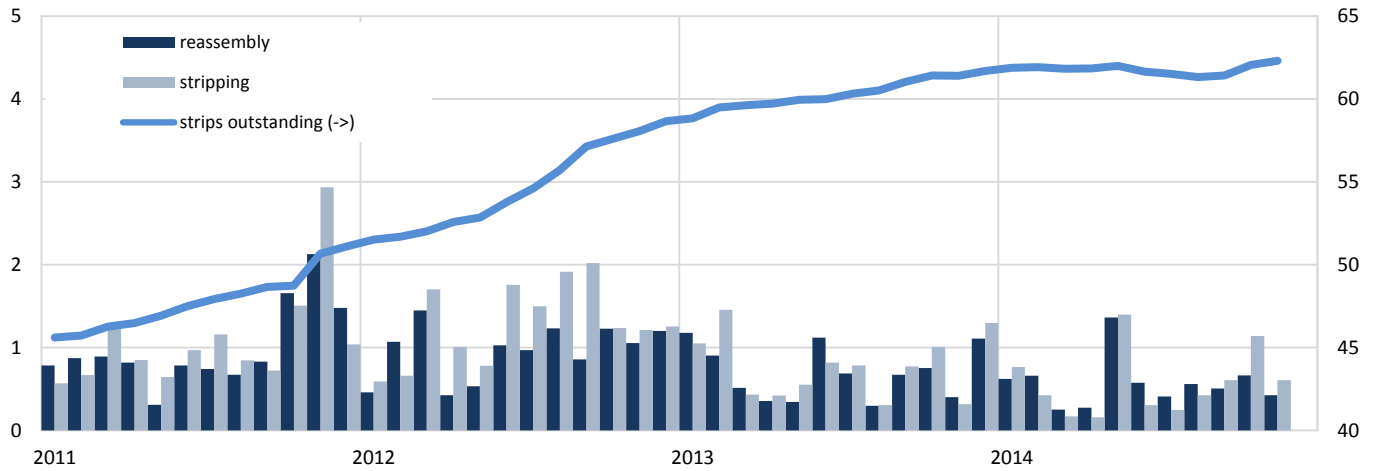
In € billion



Source: reporting by primary dealers in government securities

Total stripping and reassembly

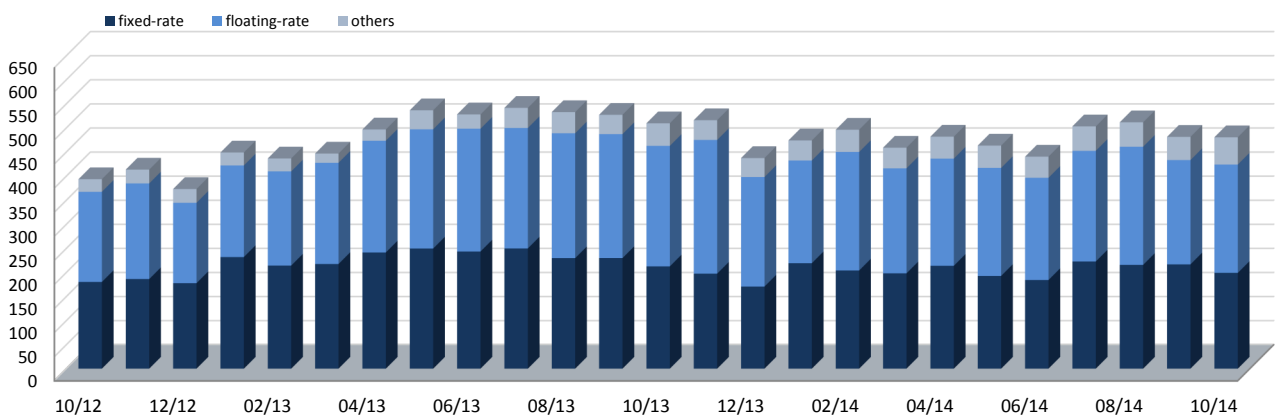
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: reporting by primary dealers in government securities

### Short-term debt at 30 November, 2014

	Maturity	Outstanding (€)
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	7 888 000 000
BTF	5 February 2015	8 176 000 000
BTF	11 February 2015	8 490 000 000
BTF	18 February 2015	7 244 000 000
BTF	25 February 2015	4 391 000 000
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	15 April 2015	6 966 000 000
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	6 592 000 000
BTF	11 novembre 2015	5 076 000 000

### Medium- and long-term debt (maturing 2014–2018) at 30 November, 2014

	Maturity 2014		0		
	Maturity 2015		117,725,782,693		
FR0117836652	BTAN 2.5% 15 January 2015	15,375,000,000			–
FR0010163543	OAT 3.5% 25 April 2015	20,192,313,893			0
FR0118462128	BTAN 2% 12 July 2015	24,101,000,000			–
FR0010135525	OAT€i 1.6% 25 July 2015	13,784,468,800 (1)	1.19740	11,512,000,000	0
FR0010216481	OAT 3% 25 October 2015	28,128,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	16,145,000,000			0
	Maturity 2016		151,707,274,900		
FR0119105809	BTAN 2.25% 25 February 2016	28,451,000,000			–
FR0010288357	OAT 3.25% 25 April 2016	34,322,000,000			0
FR0119580050	BTAN 2.5% 25 July 2016	31,322,000,000			–
FR0119105791	BTANi 0.45% 25 July 2016	12,662,274,900 (1)	1.04907	12,070,000,000	–
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			264,017,000
FR0011857218	OAT 0.25% 25 November 2016	16,161,000,000			0
	Maturity 2017		138,481,616,050		
FR0120473253	BTAN 1.75% 25 February 2017	24,620,000,000			–
FR0010415331	OAT 3.75% 25 April 2017	36,737,000,000			0
FR0120746609	BTAN 1% 25 July 2017	21,443,000,000			–
FR0010235176	OATi 1% 25 July 2017	22,868,616,050 (1)	1.13239	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	32,813,000,000			0
	Maturity 2018		112,415,567,290		
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	10,521,567,290 (1)	1.04143	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 30 November, 2014

<b>Maturity 2019</b>		<b>126,407,489,382</b>			
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	11,552,820,060 (1)	1.06566	10,841,000,000	0
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	19,552,000,000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	27,276,429 (2)		6,692,154	-
<b>Maturity 2020</b>					
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24,408,651,000 (1)	1.22196	19,975,000,000	0
FR0010949651	OAT 2.5% 25 October 2020	34,801,000,000			0
<b>Maturity 2021</b>		<b>77,685,294,520</b>			
FR0010192997	OAT 3.75% 25 April 2021	36,041,000,000			0
FR0011347046	OATi 0.1% 25 July 2021	5,171,294,520 (1)	1.00923	5,124,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	36,473,000,000			0
<b>Maturity 2022</b>		<b>78,834,571,270</b>			
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	18,603,631,280 (1)	1.08628	17,126,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	24,957,000,000			0
<b>Maturity 2023</b>		<b>85,276,211,063</b>			
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903			6,045,500,200
FR0011486067	OAT 1.75% 25 May 2023	27,271,000,000			0
FR0010585901	OATi 2.1% 25 July 2023	14,170,015,160 (1)	1.09777	12,908,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000			561,722,000
<b>Maturity 2024</b>		<b>61,372,004,500</b>			
FR0011619436	OAT 2.25% 25 May 2024	28,128,000,000			0
FR0011427848	OAT€i 0.25% 25 July 2024	8,723,004,500 (1)	1.01726	8,575,000,000	0
FR0011962398	OAT 1.75% 25 November 2024	24,521,000,000			25,000,000
<b>Maturity 2025</b>		<b>17,780,928,118</b>			
FR0000571150	OAT 6% 25 October 2025	17,780,928,118			3,121,464,400
<b>Maturity 2026</b>		<b>30,306,000,000</b>			
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000			85,857,000
<b>Maturity 2027</b>		<b>42,851,046,500</b>			
FR0011008705	OAT€i 1.85% 25 July 2027	10,569,046,500 (1)	1.07050	9,873,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	32,282,000,000			0
<b>Maturity 2028</b>		<b>21,322,893</b>			
FR0000571226	OAT zero coupon 28 March 2028	21,322,893 (3)		46,232,603	-
<b>Maturity 2029</b>		<b>37,172,980,448</b>			
FR0000571218	OAT 5.5% 25 April 2029	27,169,880,458			3,767,509,100
FR0000186413	OATi 3.4% 25 July 2029	10,003,099,990 (1)	1.25146	7,993,144,000	0
<b>Maturity 2030 et plus</b>		<b>178,120,601,880</b>			
FR0011883966	OAT 2.5% 25 May 2030	17,941,000,000			0
FR0011982776	OAT€i 0.7% 25 July 2030	3,945,462,510 (1)	1.00419	3,929,000,000	0
FR0000188799	OAT€i 3.15% 25 July 2032	11,917,854,340 (1)	1.23809	9,626,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	26,135,322,600			11,463,227,400
FR0010070060	OAT 4.75% 25 April 2035	21,897,000,000			5,364,578,000
FR0010371401	OAT 4% 25 October 2038	23,889,000,000			4,801,011,400
FR0010447367	OAT€i 1.8% 25 July 2040	10,767,962,430 (1)	1.14687	9,389,000,000	0
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000			7,374,611,000
FR0011461037	OAT 3.25% 25 May 2045	12,394,000,000			698,000,000
FR0010171975	OAT 4% 25 April 2055	14,926,000,000			7,486,184,000
FR0010870956	OAT 4% 25 April 2060	10,657,000,000			4,676,053,100

(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	-0.6%	Oct. 2014
Household consumption*, year-on-year	0.2%	Nov. 2014
Unemployment rate (ILO)	10.4%	Dec. 2014
Consumer prices, year-on-year		
all items	0.3%	Nov. 2014
all items excluding tobacco	0.3%	Nov. 2014
Trade balance, fob-fob, sa (€bn)	-€4.6 bn	Oct. 2014
"	-€4.7 bn	Sep. 2014
Current account balance, sa (€bn)	-€0.9 bn	Oct. 2014
"	-€1.2 bn	Sep. 2014
10-year constant maturity rate (TEC10)	0.99%	28 Nov. 2014
3-month interest rate (Euribor)	0.082%	28 Nov. 2014
EUR / USD	1.2483	28 Nov. 2014
EUR / JPY	147.69	28 Nov. 2014

\* manufactured products  
Sources: Insee, Minefi, Banque de France

### Monthly government budget position

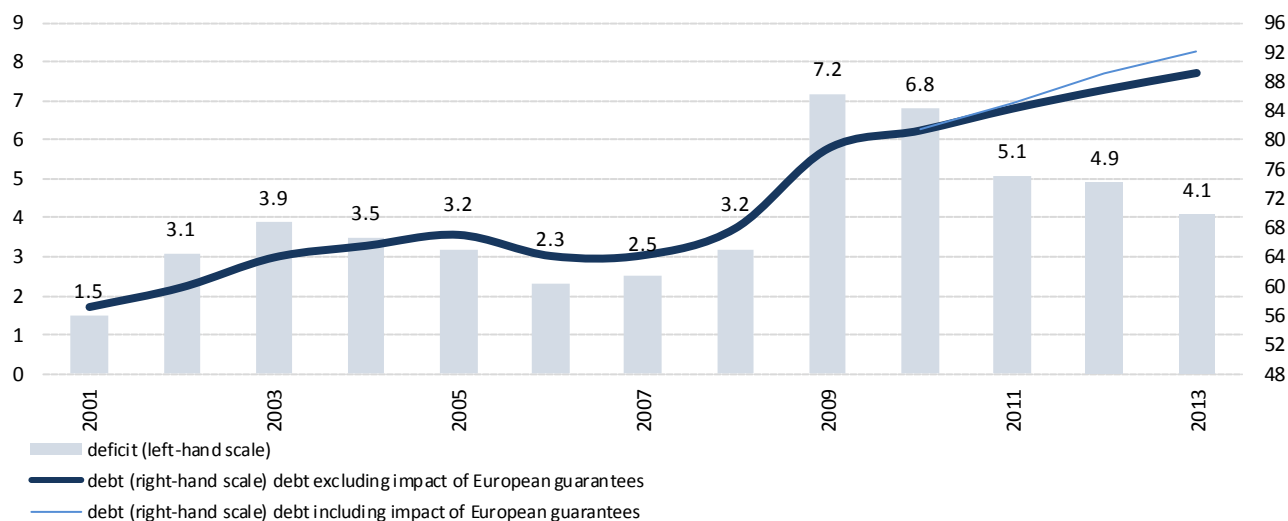
In € billion

	end of October level				
	2012	2013	2012	2013	2014
General budget balance	-88.16	-75.43	89.10	-81.08	-80.26
revenue	286.01	301.24	231.02	244.44	237.61
expenditure	374.17	376.67	320.12	325.52	317.87
Balance of special Treasury accounts	1.01	0.56	-5.51	-4.97	-4.45
<b>General budget outturn</b>	<b>-87.15</b>	<b>-74.87</b>	<b>-94.61</b>	<b>-86.05</b>	<b>-84.71</b>

Source: Minefi

### Public finances: deficit and debt

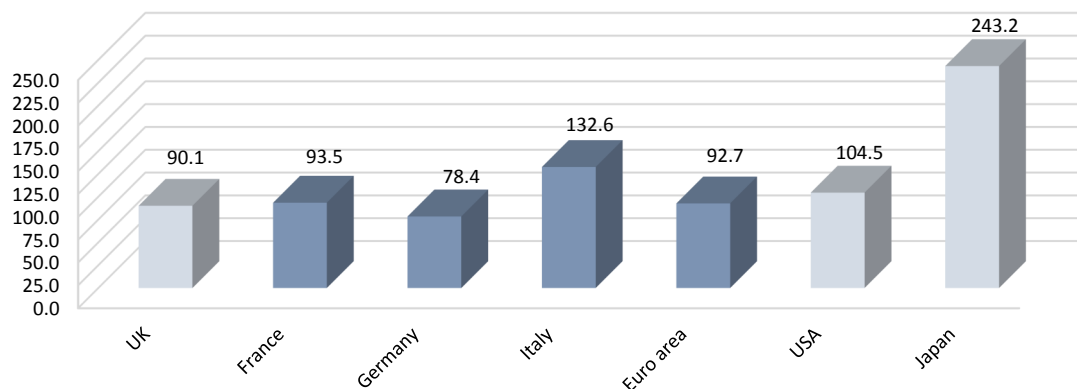
As % of GDP



Source: Insee

### General government debt in 2013

As % of GDP



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



French economic indicators: timetable

January 2015		February 2015	
9	Foreign trade in November	6	Industrial Investments: January survey
9	Eurozone economic outlook - 1st quarter 2015	7	Foreign trade in December
9	Industrial output in November	10	Industrial output in December
14	Consumer prices: index for December	12	Balance of payments in December
14	Balance of payments in November	14	Payroll employment: provisional results Q4-2014
16	Inflation (HICP): December index	14	National quarterly accounts: first results Q4-2014
27	Industrial trends: monthly survey for January	20	Consumer prices: index for January
27	Job seekers in December	24	Inflation (HICP): January index
27	New building starts in December	25	Industrial trends: February survey
28	Household confidence survey: January survey	25	New building starts in January
29	Household consumption of manufactured goods in December	26	Job seekers in January
30	Industrial producer prices: December index	27	Household confidence survey: February survey
		28	Household consumption of manufactured goods in January
		28	Industrial producer prices: January index

Sources: Insee, Eurostat