Participating Primary Dealers: Barclays Capital,
BNP Paribas Fortis, Citigroup, Commerzbank, Dexia Bank, ING,
KBC Bank, Royal Bank of Scotland, Société Générale Corporate
& Investment Banking, UBS Limited

Belgian Prime News

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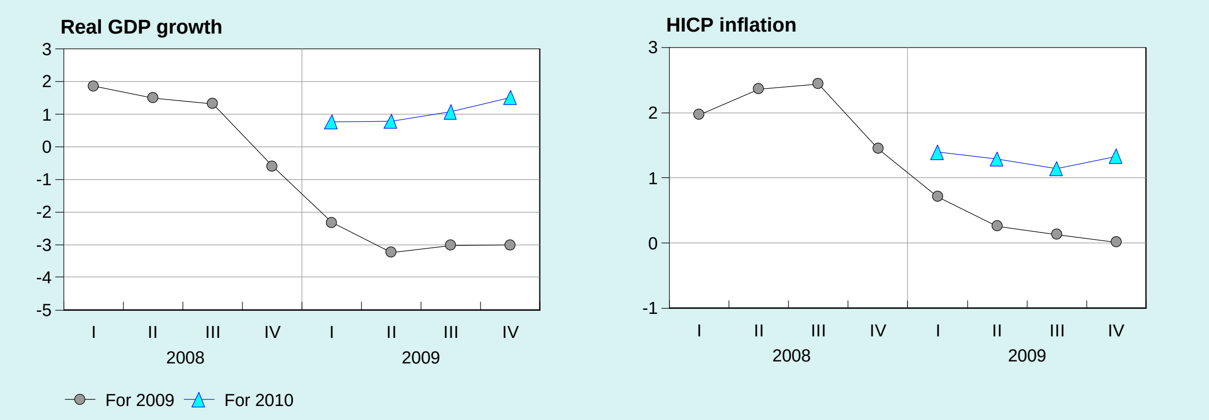
- The consensus growth outlook for 2010 improved somewhat compared to three months ago, rising to 1.5% for Belgium. However, as for the whole euro area, the recovery is expected to be rather sluggish.
- Inflation is expected to remain well under control in 2010, at around 1.3% in Belgium, due to the negative outlook for employment and wages.
- According to the Belgian Treasury's 2010 financing plan, the OLO issuance should be lower than in 2009, due to the pre-funding that was carried out last year. This is favourable in a context of increasing borrowing requirements worldwide and high volatility of cross-country interest rate spreads.

Consensus: Average of participants' forecasts

	2008		2009 p		2010 p	
	Belgium	Euro area	Belgium	Euro area	Belgium	Euro area
Real GDP[1]	0.8	0.6	-3.0 (-3.0)	-3.8 (-3.8)	1.5 (1.1)	1.4 (1.2)
Inflation (HICP)[1]	4.5	3.3	0.0 (0.1)	0.3 (0.3)	1.3 (1.1)	1.2 (1.1)
General government balance[2]	-1.2	-2.0	-5.6 (-4.7)	n.	-5.4 (-5.4)	n.
Primary balance[2]	2.6	1.0	-2.1 (-1.4)	n.	-1.5 (-1.8)	n.
Public debt[2]	89.8	69.3	97.3 (95.7)	n.	100.3 (99.3)	n.

Numbers in parentheses refer to the previous consensus forecast of September 2009.
(1) Percentage changes.
(2) EDP definition; percentages of GDP.
n. Not available.

SUCCESSIVE FORECASTS FOR BELGIUM



Source: Belgian Prime News.

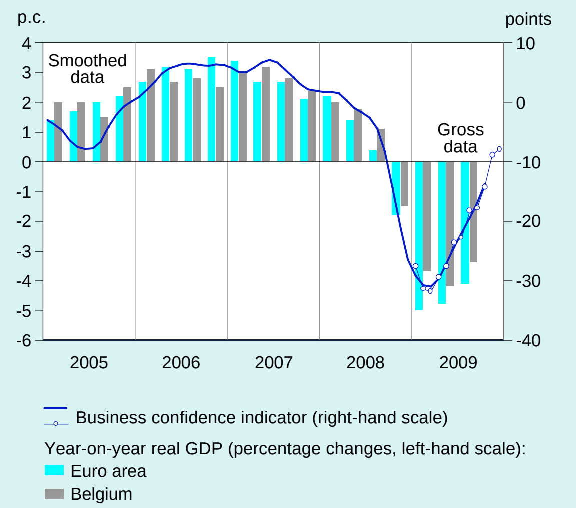
Macroeconomic developments

The most severe recession in Belgium in the last sixty years seems to have come to an end in the third quarter of 2009, during which real GDP rose by 0.5%, after four consecutive quarters of declining activity. Euro area real GDP growth also turned positive in the third quarter, after five negative readings. The gradual recovery of business confidence indicators suggests that the last three months of 2009 should also see a moderate positive quarterly growth rate. Notwithstanding the rebound of quarterly growth rates during the second half of the year, **the consensus forecast for GDP growth in 2009 remained broadly unchanged at -3% for Belgium and -3.8% for the euro area.** The recent positive news has nevertheless resulted in a less pessimistic outlook for 2010. **The consensus forecast for Belgian GDP growth in 2010 has been raised by 0.4 percentage point to 1.5%.** The outlook for the euro area has also been revised upwards, albeit to a slightly smaller extent. Euro area real GDP growth is now forecast to be 1.4% in 2010, which is well above the 0.8% that Eurosystem staff had projected in December 2009 for the 16-nation area.

The labour market initially showed a certain degree of resilience in the face of the severe contraction in activity at the end of 2008 and beginning of 2009. While economic activity was falling in Belgium at a year-on-year rate of 4.2% at the height of the recession, in the second quarter of 2009, total employment declined by just 1% in the third quarter of 2009, which is the last available observation. The unemployment rate rose gradually, from 6.9% in November 2008 to 8.1% in October 2009. This resilience reflects the extensive use that enterprises have made of methods to reduce working hours, such as temporary lay-offs. However, given the modest nature of the recovery in 2010 and as some of these schemes cannot be extended indefinitely, the **primary dealers expect employment to fall further in 2010 by 0.9% on average.**

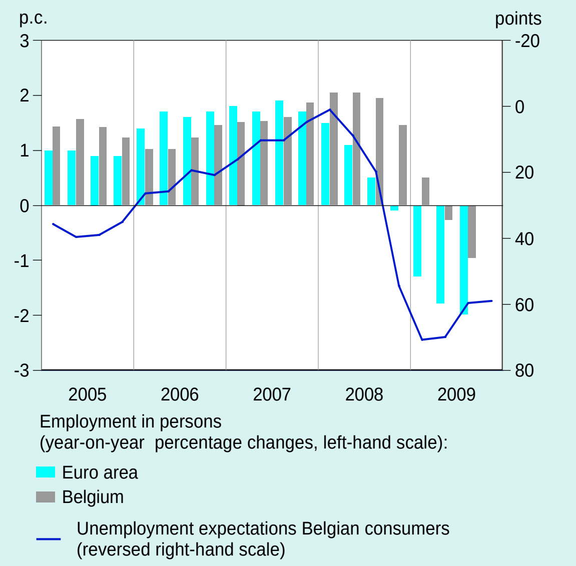
There is still a lot of uncertainty about the strength and the sustainability of the recovery, which has been mainly driven by an improvement of the external environment, in a context of highly expansionary fiscal and monetary policies worldwide. In Belgium, as in the euro area, it remains unclear which component of private domestic demand could assume the role of driving force of a sustainable recovery. Private consumption is expected to remain weak in 2010, in line with the bleak prospects for disposable income, which should suffer from higher unemployment, lower hourly wage growth and less expansionary fiscal policy. The fact that households face their future income with apprehension should also continue to be a drag on their housing investment. Finally, business investment can only recover if the capacity utilisation rate were to rise and demand prospects were to improve considerably. Most of the primary dealers therefore expect the recovery to be sluggish and they remain cautious about the longer-term outlook.

GDP GROWTH AND BUSINESS CYCLE INDICATOR



Sources: EC, NAI, NBB.

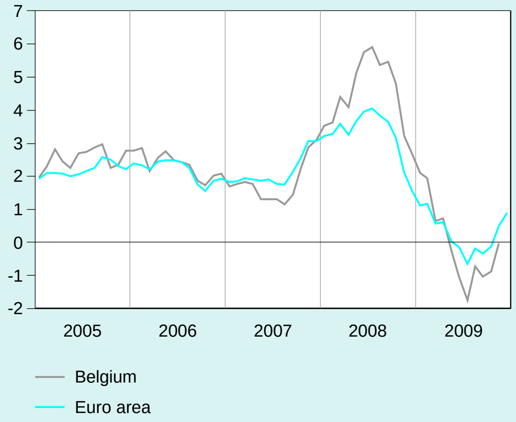
EMPLOYMENT AND CONSUMER CONFIDENCE



Sources: EC, NAI, NBB.

After six months of negative readings, annual HICP inflation in Belgium stood at 0% in November. As expected, the large negative base effects from the 2008 hikes in energy prices have now started to fade away. At the same time, the underlying trend in inflation continued to decline from its peak of 3.1% in October 2008, and reached 1.5% in November 2009. **On average, the primary dealers forecast inflation to be 1.3 % in 2010.** This is somewhat higher than what they projected three months ago, in line with higher expectations for oil prices, but inflation is still likely to be contained by the negative outlook for employment and wages, suggesting that there are no inflationary pressures. For the euro area as a whole, a broadly similar inflation rate of 1.2% is projected for 2010, although the dispersion of these forecasts is smaller than in Belgium's case. The somewhat more volatile and uncertain profile of the Belgian inflation forecast mainly reflects the fact that it is more sensitive to changes in energy prices, which are the main drivers behind the current inflation outlook.

HARMONISED INDEX OF CONSUMER PRICES
(annual percentage changes)



Source: EC.

Compared to the consensus forecast of September 2009, the primary dealers now expect a larger general government deficit in 2009, particularly in Belgium, leaving the consensus forecast for 2010 broadly unchanged. **For Belgium, they now expect the general government deficit to increase from 1.2 % of GDP in 2008 to 5.6 % in 2009 and 5.4 % in 2010.** These large budget deficits mainly reflect the impact of the automatic stabilisers, with the economic recession resulting in lower fiscal revenue and higher unemployment benefits. **According to the new consensus forecast, the large budget deficits should give rise to a steep increase in the government debt ratio, from 89.8 % of GDP in 2008, to 97.3 % in 2009 and 100.3 % in 2010.** While these negative developments in public finances should be seen against the backdrop of the unprecedented fall in activity, it is considered crucial to return to fiscal consolidation as soon as the economic conditions allow.

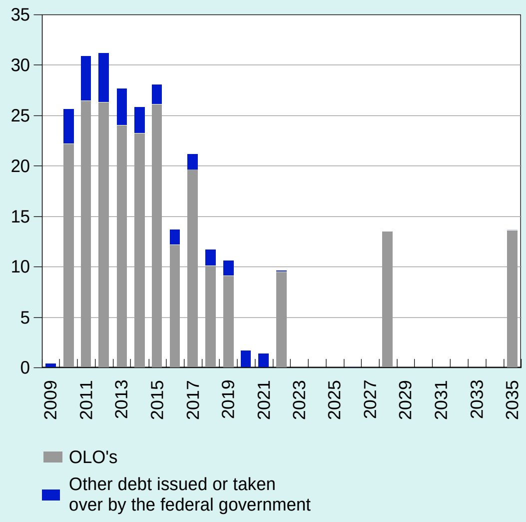
Special topic : The Belgian Treasury's 2010 financing plan

Sovereign borrowers will generally face high borrowing requirements in 2010. While further government intervention to support financial institutions should be far more limited than in the two previous years, the implementation of economic stimulus plans as well as the working of the automatic stabilisers will indeed result in an increasing amount of net government borrowing. At the same time, volatility in cross-country interest rate spreads is expected to remain high, while further pressure on the spreads of so-called peripheral European countries is also widely anticipated by market participants. In such an environment, issuers which could keep bond issuance close to the previous year's level should be in a favorable position.

This is precisely the case for Belgium. As explained in the Outlook recently released by the Belgian Debt Agency - the specific entity responsible for debt management and funding operations within the Belgian Treasury -, the 2010 issuance will be limited, due to pre-funding operations that took place in 2009.

Belgium's 2010 gross borrowing requirements are expected to come to €42.78 billion. This includes a net cash deficit of €14.10 billion for the federal government, redemptions of medium- and long-term debt amounting to €25.85 billion, and also an amount of €2.83 billion of buy-backs involving 2011 maturities.

MATURITY SCHEDULE OF EURO-DENOMINATED LONG-TERM DEBT AS AT THE END OF NOVEMBER 2009
(billions of euros)



Source: Belgian Debt Agency.

While the 2010 borrowing requirements are substantially higher than those of 2009, medium- and long-term issuance would not materially increase. In total, the Treasury plans to issue an amount of €39.32 billion, compared to €38.27 billion in 2009. As usual, OLOs will remain the principal funding instrument. Yet the planned 2010 OLO issuance of €32.75 billion is substantially lower than the amount of €34.99 billion that had been raised in 2009. On the contrary, issuance of EMTN-paper (Euro Medium Term Notes) is set to rise, with a target of €4.50 billion, whereas in 2009 an amount corresponding to €2.53 billion was issued. The remaining part of the funding will consist of €1.75 billion of securities issued to the Silver Fund - corresponding to the securities that are coming to maturity in 2010 – and €0.50 billion of State Notes aimed at private (retail) clients. As for short-term funding, outstanding short-term debt fell substantially in 2009, as a result of the 2010 pre-funding. It should increase again in 2010: in the case of Treasury Certificates, the outstanding amount is set to rise by €1.49 billion.

More details on the Belgian Debt Agency's review for 2009 and outlook for 2010 can be found on the Agency's website www.debtagency.be.

2010 BORROWING REQUIREMENTS AND FINANCING PLAN
(billions of euros)

	Budget 2009 9/12/2009 forecast		Budget 2010 13/10/2009 forecast	
I. Gross financing requirements		**29.22**		**42.78**
1. Federal State budget deficit		8.29		14.10
Budget deficit (stricto sensu)	12.67		14.10	
Transfers to the Silver Fund	0.00		0.00	
Participation in financial institutions	-4.38		0.00	
2. Debt maturing during the year		17.91		25.85
Medium- and long-term debt in euro	17.91		25.29	
Medium- and long-term debt in foreign currencies	0.00		0.56	
3. Planned pre-funding (bonds maturing in subsequent years)		3.00		2.83
Buy-backs	3.00		2.83	
4. Other financing requirements		0.02		0.00
II. Funding resources (Medium- and long-term)		**38.27**		**39.32**
1. Non-structured issues in euro		35.75		34.82
OLOs	34.99		32.75	
Treasury bonds - Silver Fund	0.00		1.75	
Securities for retail investors	0.67		0.50	
Other	0.09		0.00	
2. Issues in foreign currencies and/or structured products (EMTN)		2.53		4.50
III. Net change in short-term foreign currency debt		**-3.10**		**-0.40**
IV. Change in Treasury Certificates stock		**-3.00**		**1.49**
V. Net change in other short-term debt and financial assets		**-2.95**		**2.37**

Source: Belgian Debt Agency.

Treasury highlights

1. As of end September 2009, the Treasury had already issued more OLOs than the planned total amount for the full year (€30.50 billion).

   However, the Treasury wanted to keep on the planned OLO auction of 30 November 2009 which has to be seen as pre-financing for the year 2010. The Belgian Debt Agency has accepted bids for a total amount of €2.706 billion, distributed around the following lines:

   - OLO 2.00% 28/03/2012 (OLO57): €0.735 billion; average yield: 1.496%; bid-to-cover: 2.78

   - OLO 4.00% 28/03/2019 (OLO55): €1.101 billion; average yield: 3.557%; bid-to-cover: 1.89

   - OLO 4.00% 28/03/2022 (OLO48): €0.870 billion; average yield: 3.865%; bid-to-cover: 2.36

   As such, in 2009, the Treasury issued OLOs for €34.990 billion.

2. As a result of the federal government budget agreement of 12 October 2009, and more specifically the net financing requirement of €14.10 billion in 2010, the Treasury expects to issue €32.75 billion of OLOs in 2010. It plans to continue the issues under its EMTN programme for an amount of €4.50 billion in 2010.

   Information on the financing strategy for 2010 and on the auction calendars is available as from 10 December 2009, *inter alia* on the website www.debtagency.be.

   The OLO auction dates for 2010 are the following:

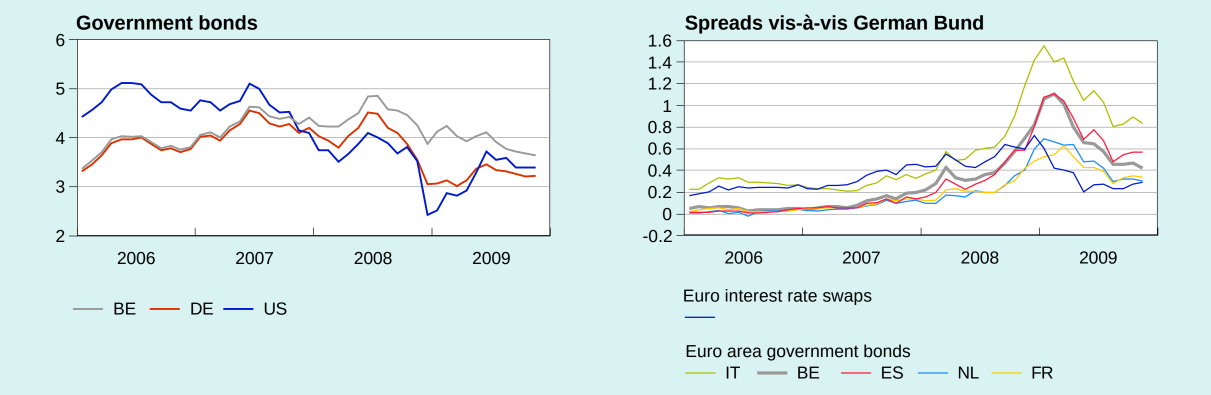
Issuance date	Settlement date	Issuance date	Settlement date	Issuance date	Settlement date
25 January	28 January	7 June	10 June	27 September	30 September
22 February	25 February	28 June	1 July	25 October	28 October
29 March	1 April	26 July	29 July	29 November	2 December
26 April	29 April	23 August	26 August		

   Please note that this schedule may be modified and that a new syndicated issue may replace an auction.

3. In the meantime, the Treasury welcomes the continuing increase in foreign demand for its securities, as evidenced by the graph "Localisation of holders", highlighting their safety and liquidity in a turbulent environment.

Government securities market

10-YEAR INTEREST RATES
(percentage points, monthly averages)

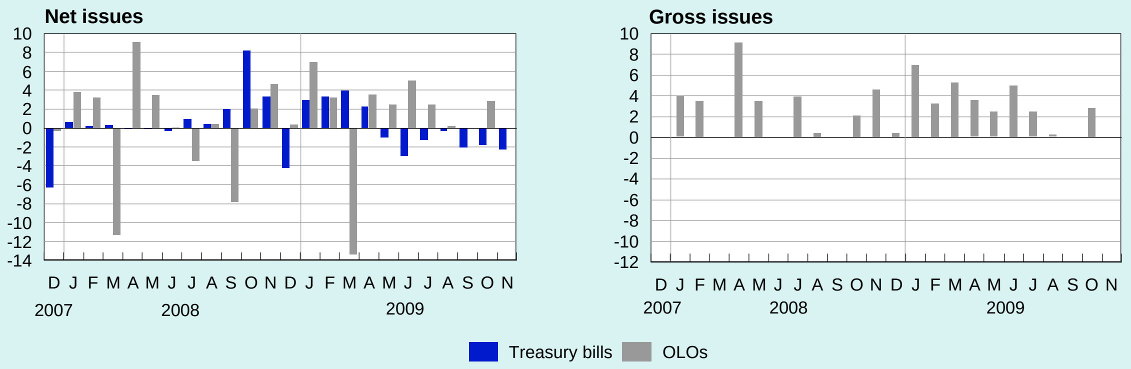


Sources: BIS, Datastream.

The decline in the long-term interest rates which started in July 2009 continued until November but at a rather slow pace. Positive macroeconomic announcements during that period appear not to have been translated into higher long-term government bond yields. The lower yields seem to be the result of a continuous strong demand for longer-term issues, as the current steep slope of the yield curve and the resulting search for higher returns at longer maturities are exerting downward pressure on the long end of the curve.

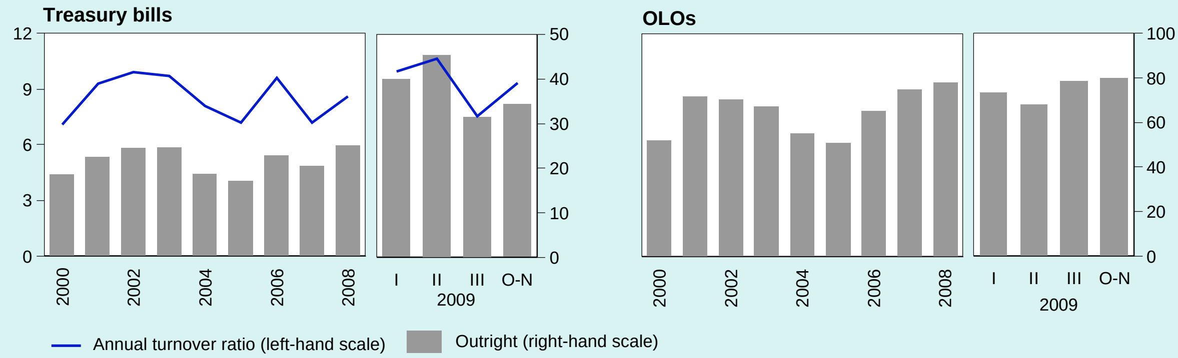
After their strong decline since March 2009, the spreads on government bonds and on interest rate swaps vis-à-vis the German Bund stabilised at a level that is still higher than before the crisis.

PRIMARY MARKET
(billions of euros)

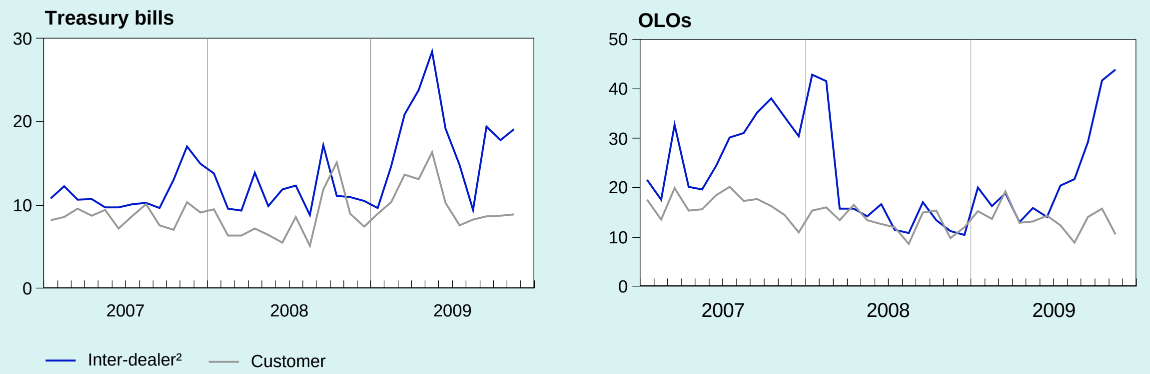


SECONDARY MARKET TURNOVER

As compiled by the Securities Regulation Fund[1]
(billions of euros unless otherwise stated, monthly averages)



As reported by primary dealers to the Treasury
(billions of euros)

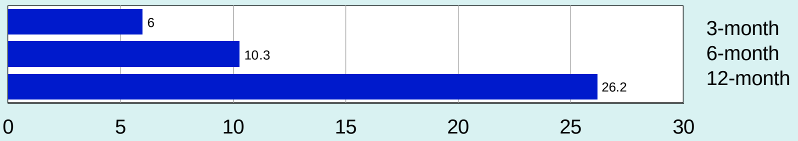


[1] As of January 2009, reporting information obtained via TREM is also included. The Securities Regulation Fund's turnover figures include sell/buy-back transactions which are in fact repurchase agreements.
[2] Please note that inter-dealer turnover is double-counted in these figures.

OUTSTANDING AMOUNTS AND TURNOVER
(billions of euros)

TREASURY BILLS

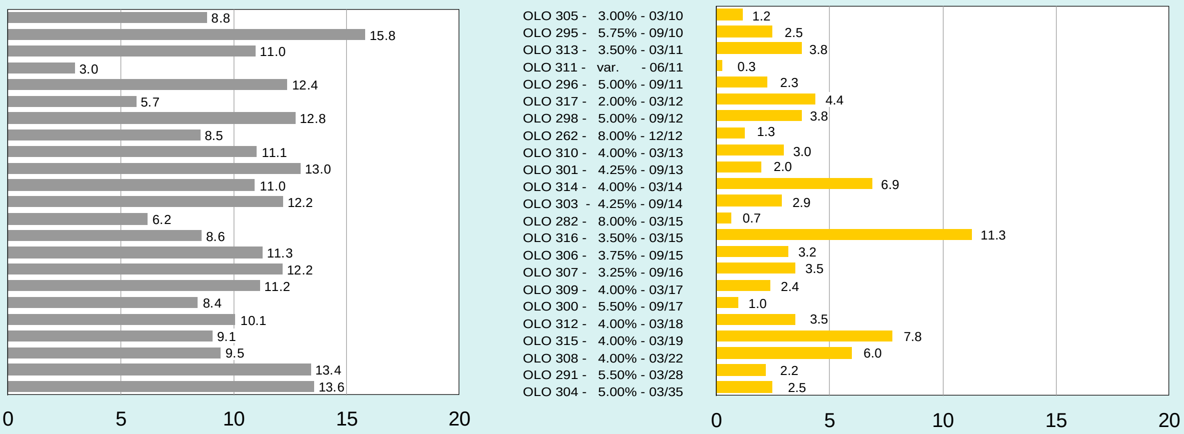
Nominal outstanding amounts at 30 November 2009



OLOs

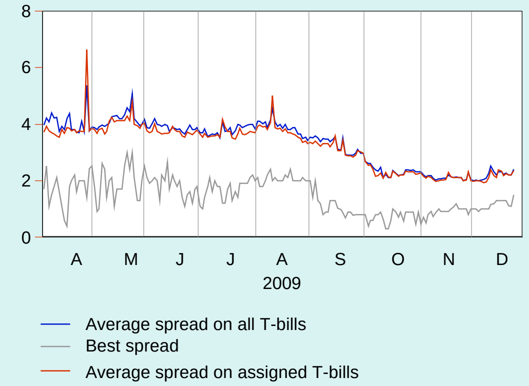
Outstanding amounts at 30 November 2009

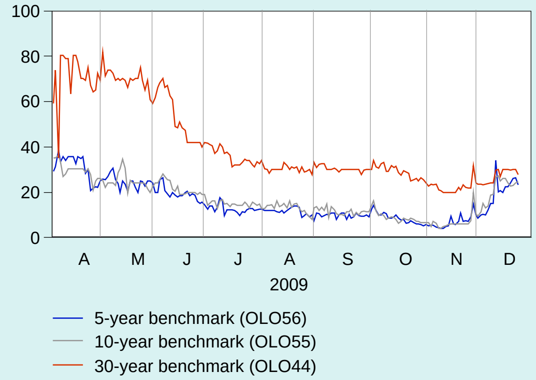
Outright turnover in November 2009¹



Source: Securities Regulation Fund.
¹ The turnover figures include sell/buy-back transactions which are in fact repurchase agreements.

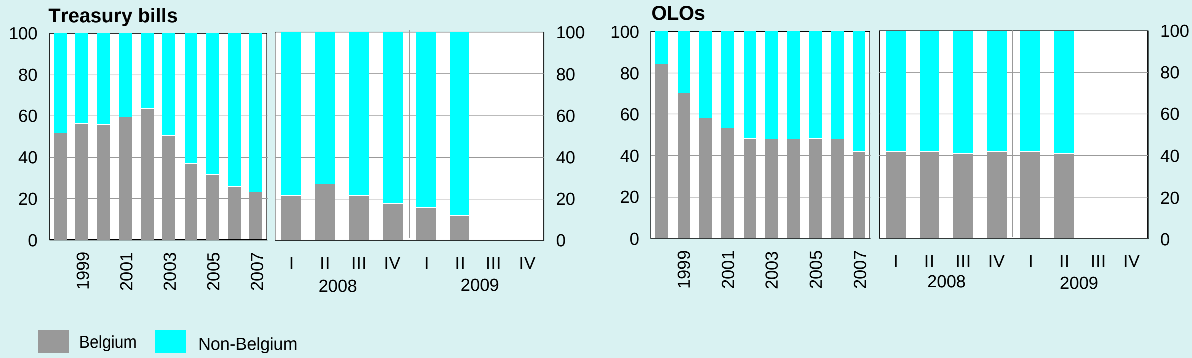
BEST BID/OFFER SPREADS¹





Source: Treasury.
¹ As reported by three electronic platforms (MTS, BrokerTec and BGC eSpeed). From 1 September onwards, this is the best average over 6 hours.

LOCALISATION OF HOLDERS
(percentages of total)



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Sources: NBB, unless otherwise stated.

This publication is also available on the internet site www.nbb.be.
Information on the Belgian government debt can be found on the Treasury website: www.debtagency.be.
General information on the Belgian government's action can be found on the website www.belgium.be.