



TE TAI ŌHANGA  
THE TREASURY



# New Zealand Government Debt Market Outlook

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New Zealand Government



# Overview



Economic & Fiscal Outlook



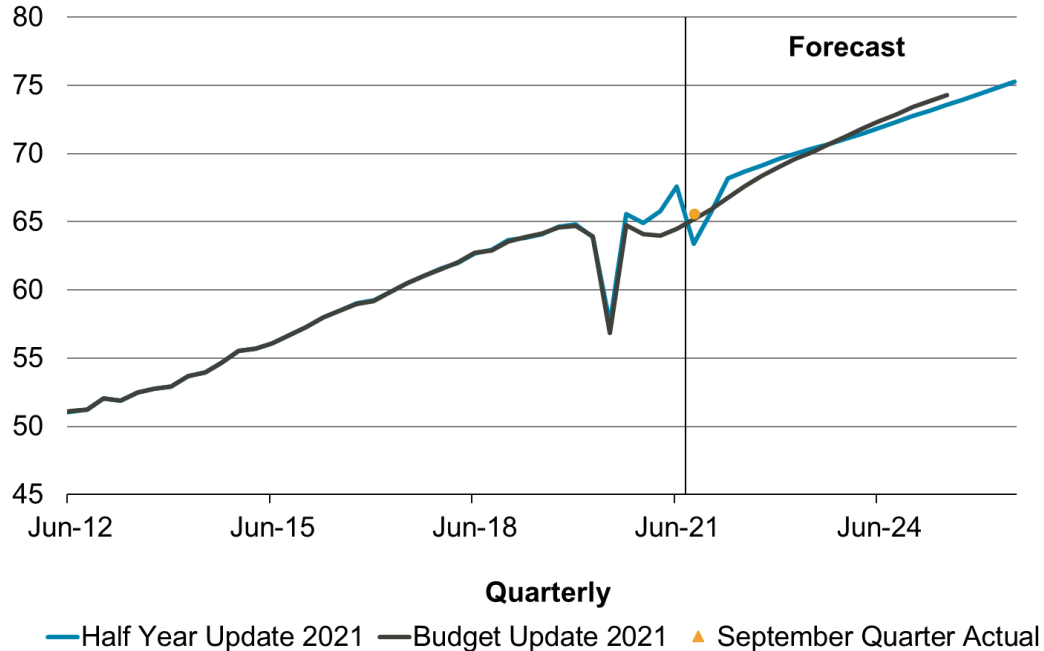
Funding Strategy



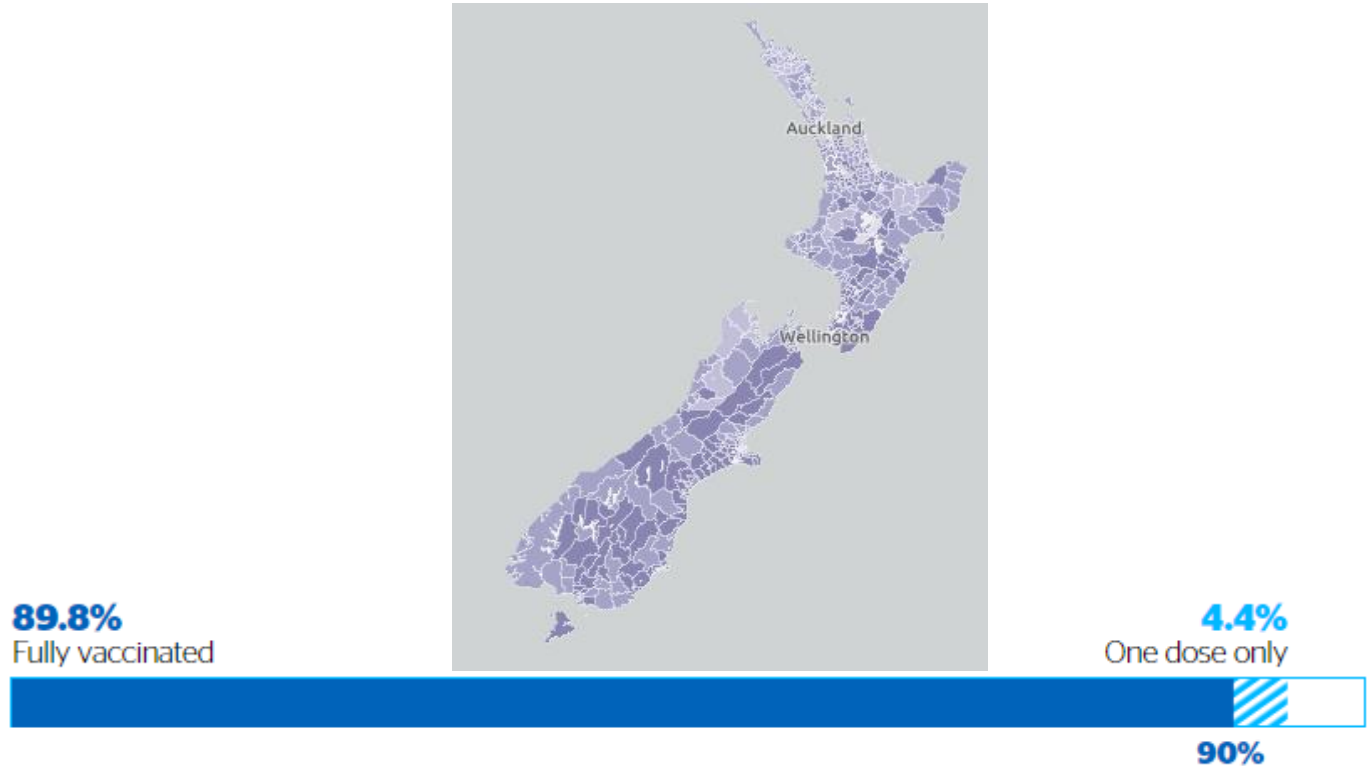
# Economic & Fiscal Outlook

# Real GDP

\$billions (2009/10 prices)

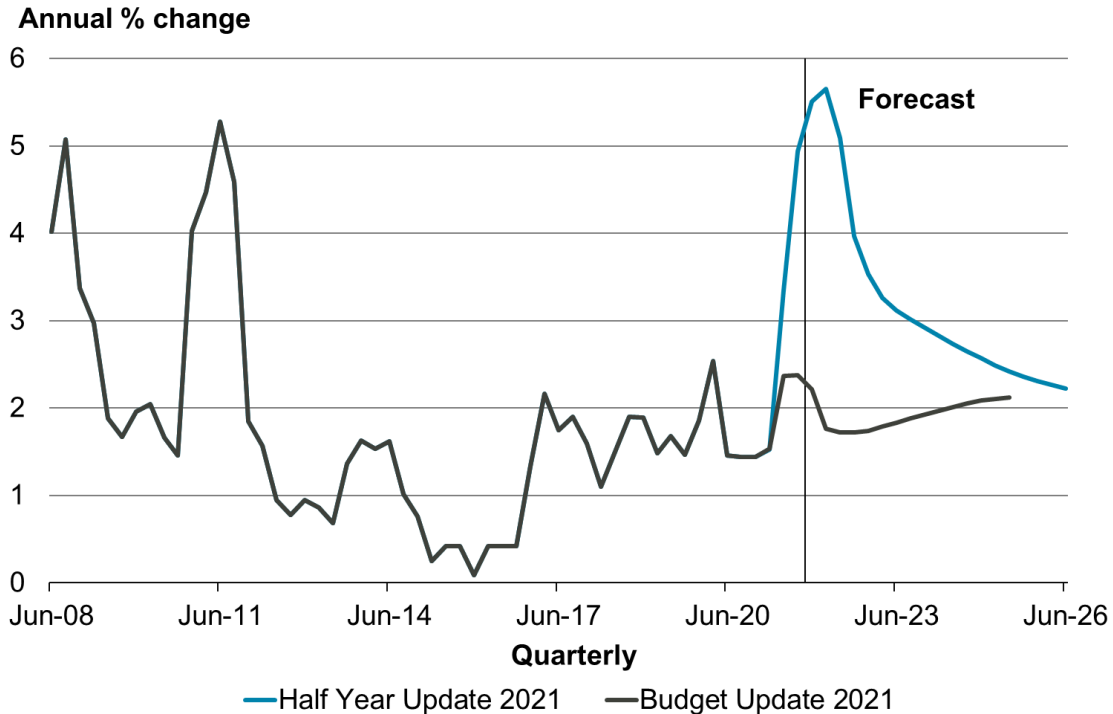


# Economic Opening - High Vaccination Rates

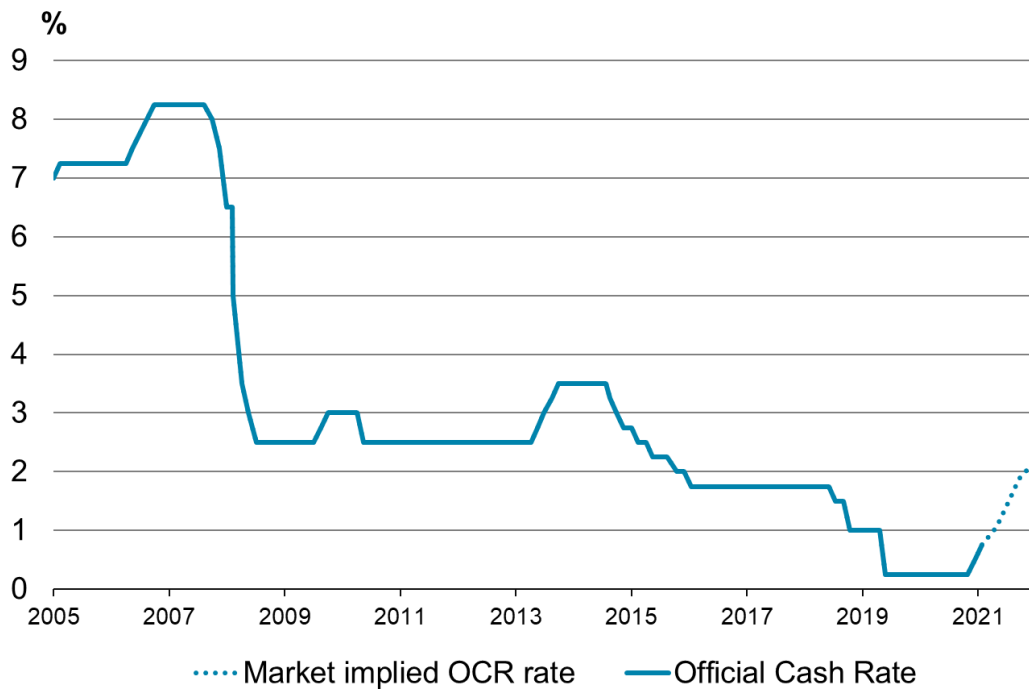




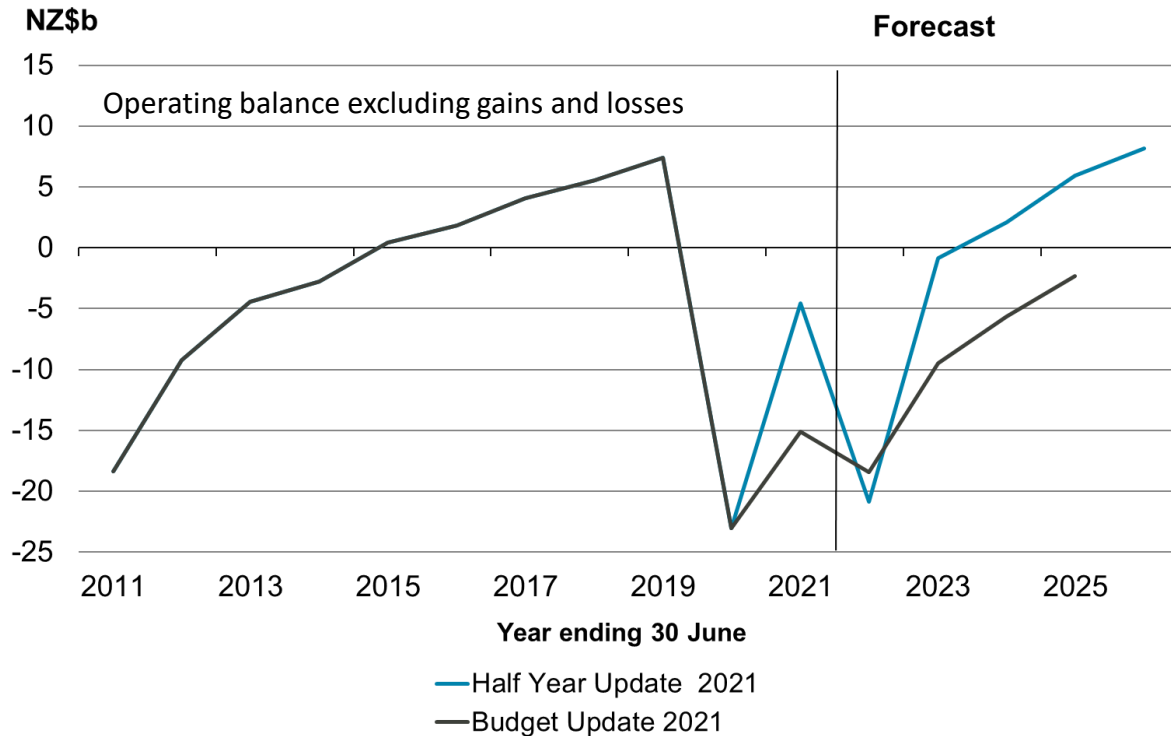
# Inflation



# Market Implied OCR Rate

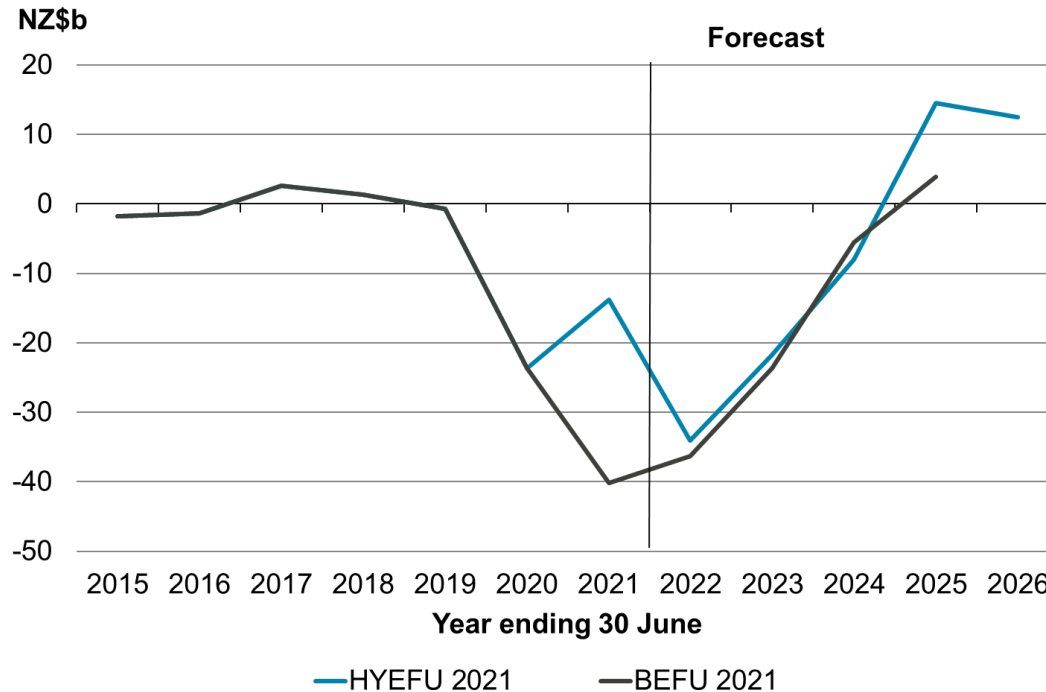


# Operating Balance

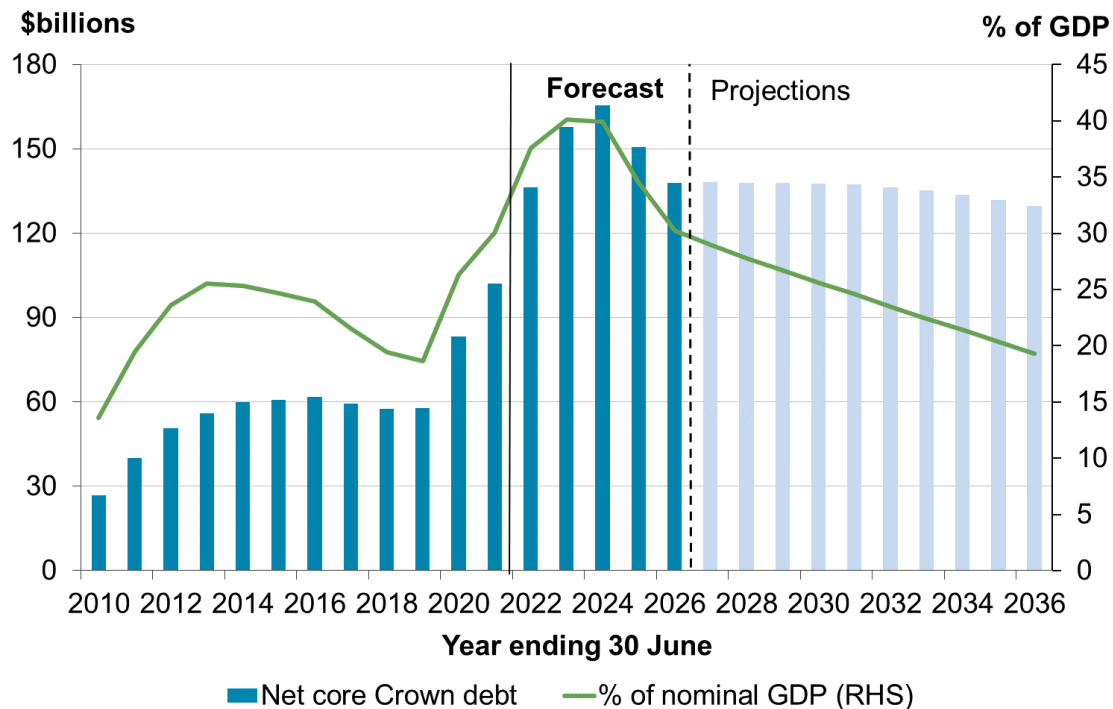




# Cash Deficit



# Net Core Crown Debt Projections





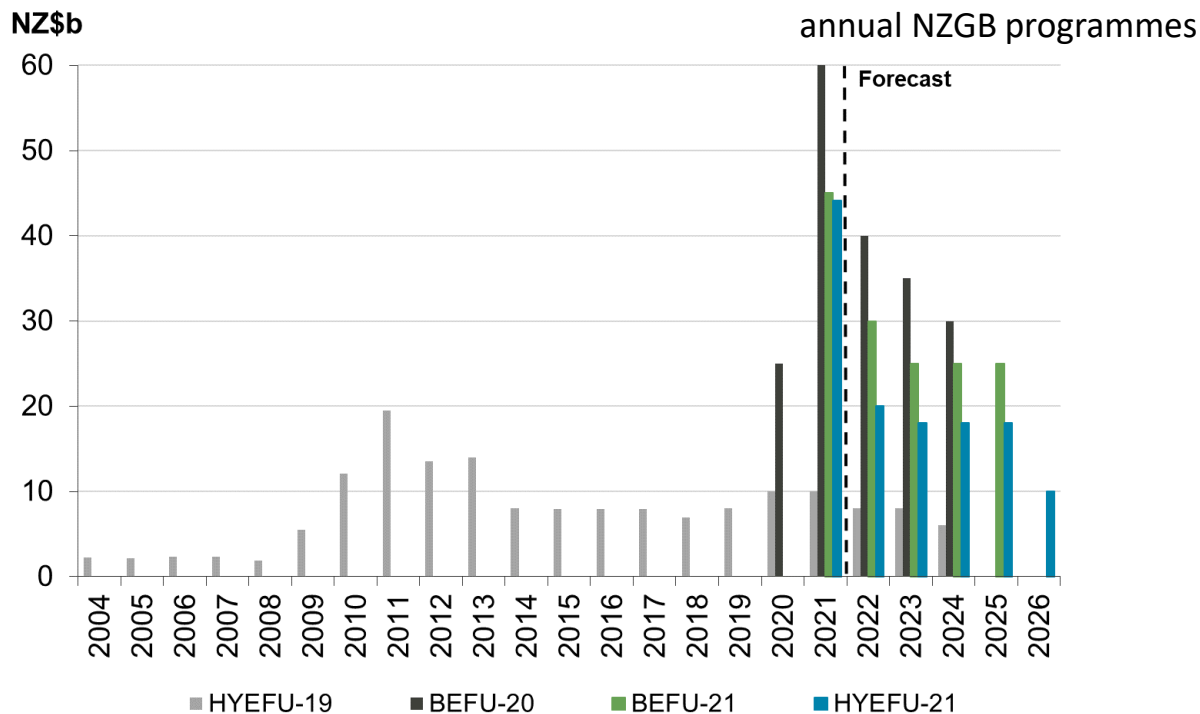
# Funding Strategy

# Forecasts

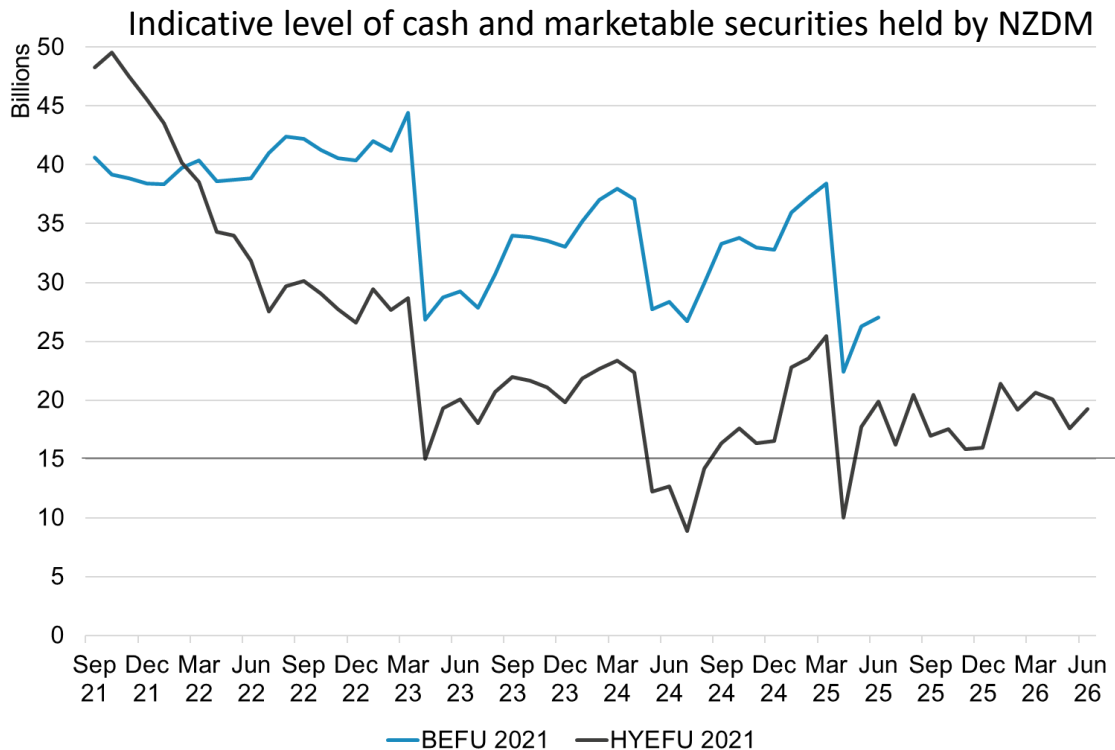
Year ending 30 June (face value)	2022	2023	2024	2025	2026	Total (forecast period)
Gross NZGB issuance (NZ\$ billion)	20.0	18.0	18.0	18.0	10.0	84.0
NZGB maturities and repurchases (NZ\$ billion)	2.4	15.5	13.8	14.9	11.9	58.5
Net NZGB issuance (NZ\$ billion)	17.6	2.5	4.2	3.2	-1.9	25.5
NZGBs outstanding (NZ\$ billion)	144.8	147.3	151.5	154.7	152.8	n/a
NZGBs outstanding (% of GDP)	40%	37%	37%	35%	33%	n/a
Forecast T-Bills on issue (NZ\$ billion)	4.0	3.0	3.0	3.0	3.0	n/a



# Changes in Forecasts

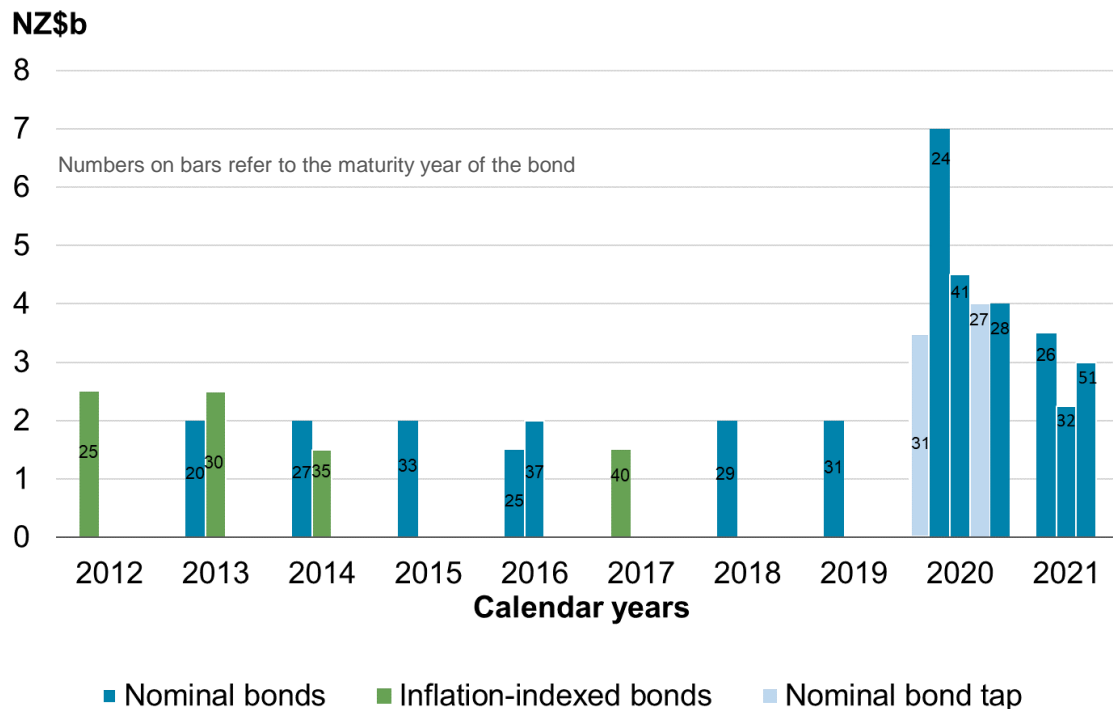


# A Declining Liquidity Buffer

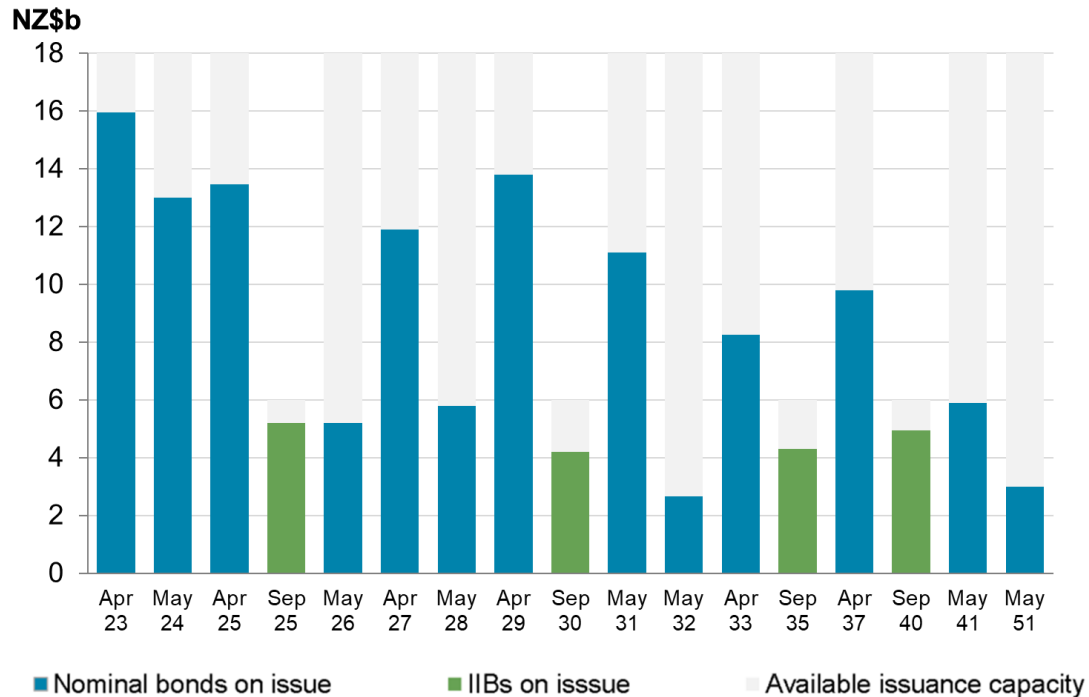




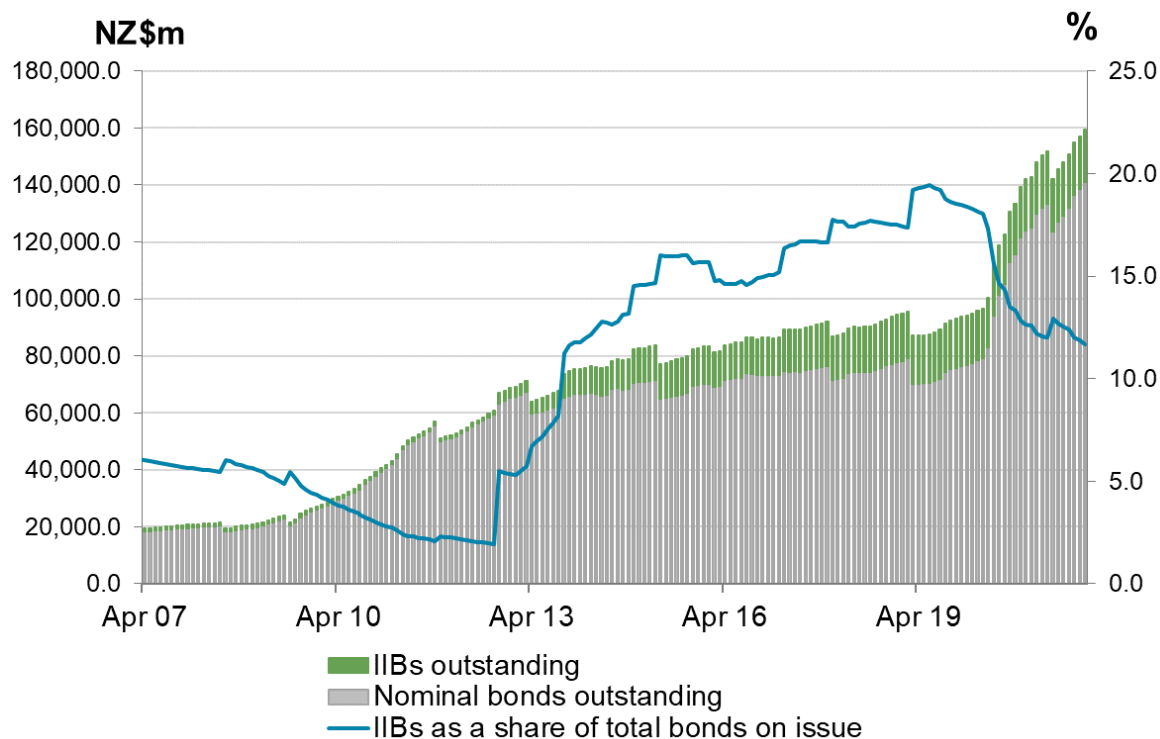
# No Longer Expect 2<sup>nd</sup> Syndication in 2021/22



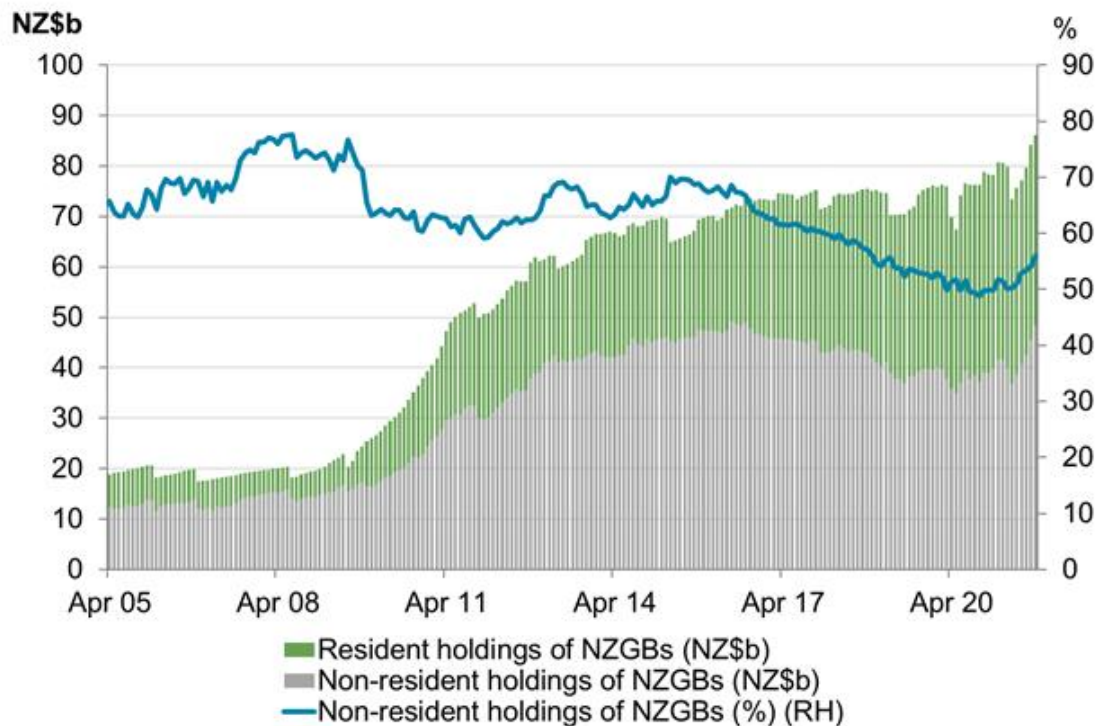
# Current NZGB Portfolio



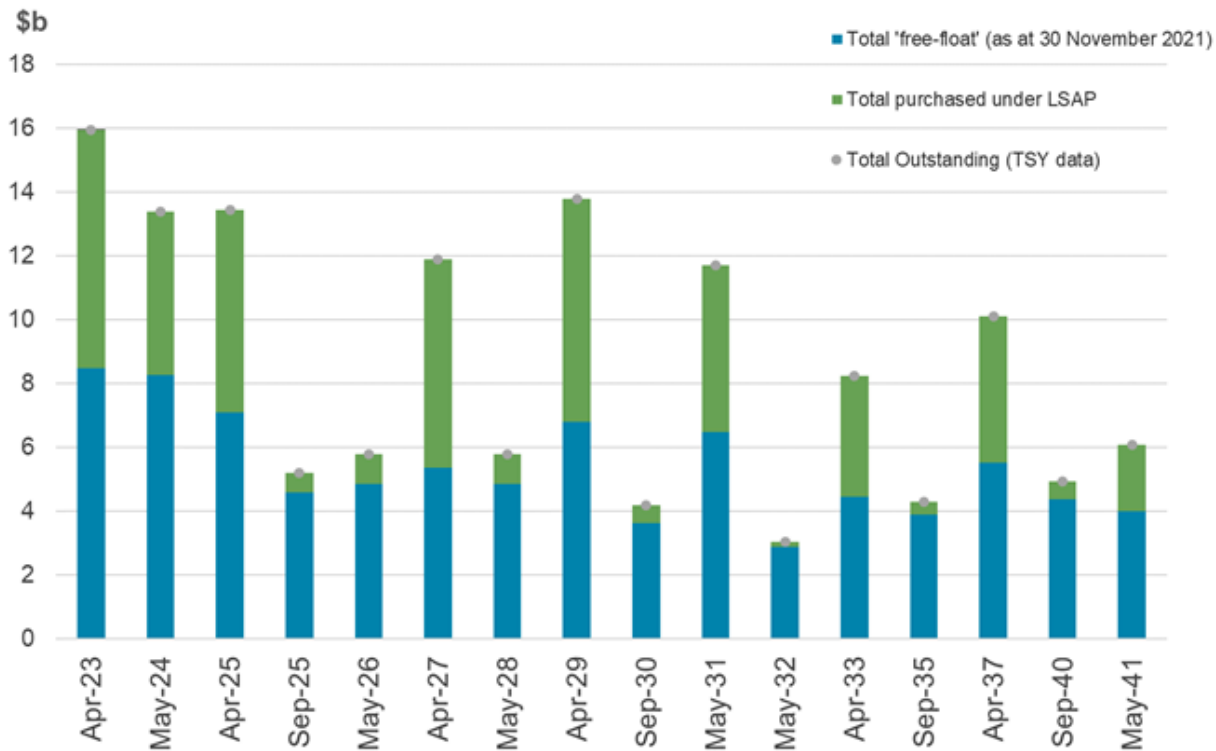
# Changes to IIB Tender Issuance Approach



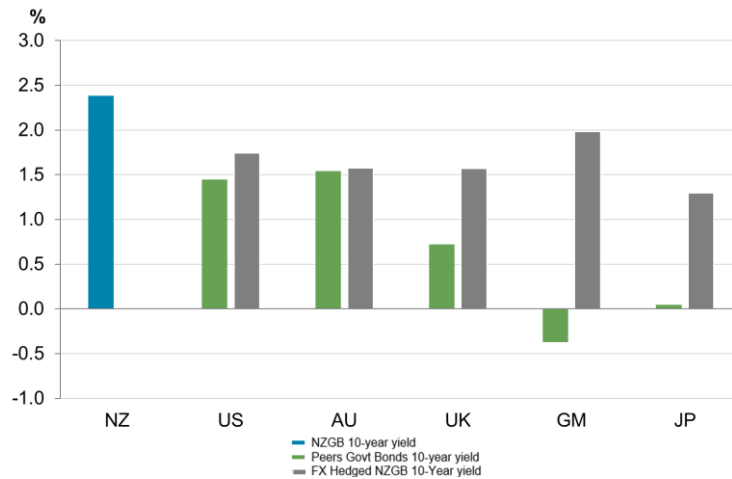
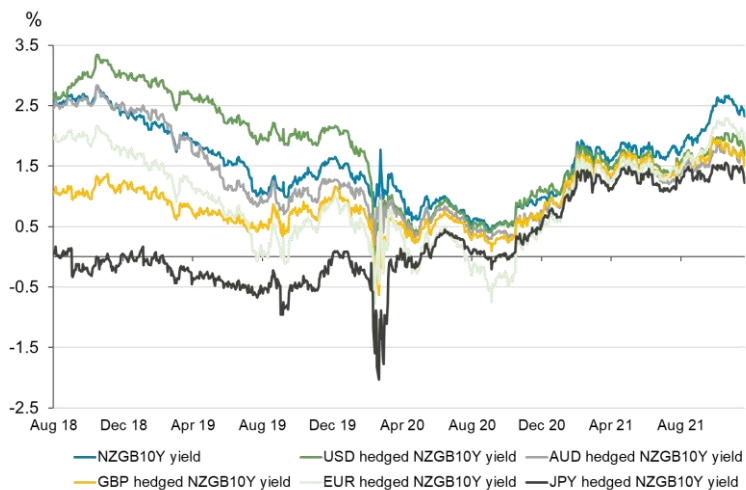
# Offshore Holdings



# RBNZ's Holdings Under LSAP Programme



# Hedged Yields





# Environmental, Social and Governance (ESG)



- In November 2021, following a Government announcement, New Zealand Debt Management announced it was progressing work to support the first Sovereign Green Bond issuance for New Zealand. Details of the Green Bonds, which will form part of the overall New Zealand Government Bond programme, will be announced mid-2022 and the first issuance is expected late in 2022, via syndication. The programme will help ensure high quality Government projects with robust environmental outcomes are financed, delivered, monitored and reported on.
- In June 2021, the New Zealand Climate Commission laid out advice to the Government on the steps New Zealand can take to reduce greenhouse gas emissions and address climate change. The Government is required to respond with an Emissions Reduction Plan before 31 May 2022, which will set out how the first three emissions budgets will be achieved.
- In June 2020, an amendment to the Public Finance Act introduced new requirements for the Government to report annually on its Wellbeing objectives in the Budget, and for the Treasury to periodically report independently on the state of Wellbeing in New Zealand.
- On various independent sustainability and ESG metrics, New Zealand is one of the most highly rated sovereigns in the world. This includes a [2021 Sustainable Development Goals \(SDG\)](#) global rank of 23 out of 165 countries.

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