



REPUBLIC OF THE PHILIPPINES
BUREAU OF THE TREASURY
INTRAMUROS, MANILA 2801

Funding the Republic

**First Semester Fiscal Deficit at P41 Billion
June Fiscal Surplus at P0.8 Billion**

18 July 2007, Manila, Philippines: The January to June fiscal deficit of the National Government reached P 41 billion, P9.7 billion higher than the programmed ceiling of P31.3 billion. The P31.3 billion limit for the first semester is about 50% of the full year programmed deficit. The under performance can be attributed to the P47.7 billion shortfall over the first semester revenue program of P558.0 billion. This was partially offset by the P38.0 billion lower spending on account of the savings in interest payments due to lower borrowing cost.

Revenue Performance

Revenue collections reached P510.3 billion for the first semester. It grew by 8% compared to the same period of last year's P471.1 billion.

The Bureau of Internal Revenue (BIR) registered a growth of 5% for the first semester compared to same period last year. Actual collections for the semester were recorded at P334.7 billion for BIR and P92.2 billion for BOC. Likewise, the Bureau of the Treasury income was recorded at P34.2 billion while other offices, including the sale from privatization registered an income of P49.2 billion.

Revenue collections reached P77.7 billion for the month of June. Actual collections for the month were recorded at P49.1 billion and P17.2 billion for BIR and BOC, respectively. Bureau of the Treasury income and collections from other offices for the month was recorded at P8.9 billion and P2.4 billion, respectively.

Expenditures

Actual disbursements for the first semester amounted to P551.3 billion, 10% higher than the comparable disbursements in 2006. Net of interest payments, disbursements actually grew by 22%.

Total disbursements for June grew by 12%. Netting out the lower interest payments compared to same period last year, disbursements grew by 25%.

Primary Surplus/(Deficit)

Netting out the interest payments in the expenditures, the National Government recorded a primary surplus for the semester amounting to P88.6 billion.

Fiscal Performance

January to June 2007

(In Billion Pesos)

	June Actual		Percent Growth 2007/2006
	2006	2007	
Surplus/(Deficit)	12.7	0.8	(93.8)
Revenues	81.3	77.7	(4.4)
Cash	75.3	75.4	0.2
Non-Cash	6.0	2.3	(62.5)
Expenditures	68.6	76.9	12.0
Cash	62.6	74.6	19.2
Non-Cash	6.0	2.3	(62.5)

	Jan-June Actual		2007 Q1-Q2 Program	Program vs Actual	Percent Growth 2007/2006
	2006	2007			
Surplus/(Deficit)	(31.5)	(41.0)	(31.3)	(9.7)	(30.1)
Revenues	471.0	510.3	558.0	(47.7)	8.3
Cash	461.8	502.1	553.9	(51.8)	8.7
Non-Cash	9.2	8.2	4.1	4.1	(11.1)
Expenditures	502.5	551.3	589.3	(38.0)	9.7
Cash	493.3	543.1	585.2	(42.1)	10.1
Non-Cash	9.2	8.2	4.1	4.1	(11.1)

National Government Revenues

January to June 2007

(In Billion Pesos)

	June Actual		Percent Growth 2007/2006
	2006	2007	
Revenues	81.3	77.7	(4.4)
BIR	50.4	49.1	(2.5)
Cash	45.4	48.8	7.5
Non-Cash	5.0	0.4	(92.7)
BOC	18.5	17.2	(7.0)
Cash	17.5	15.3	(12.4)
Non-Cash	1.0	1.9	85.5
BTr	9.9	8.9	(9.5)
Other Offices	2.5	2.4	(4.0)

	Jan-June Actual		2007 Q1-Q2 Program	Program vs Actual	Percent Growth 2007/2006
	2006	2007			
Revenues	471.0	510.3	558.0	(47.7)	8.3
BIR	318.4	334.7	373.3	(38.6)	5.1
Cash	311.4	331.9	370.8	(38.9)	6.6
Non-Cash	7.0	2.8	2.5	0.3	(59.9)
BOC	94.7	92.2	105.3	(13.1)	(2.7)
Cash	92.5	86.8	103.7	(17.0)	(6.2)
Non-Cash	2.2	5.4	1.6	3.8	140.5
BTr	36.5	34.2	29.6	4.6	(6.3)
Other Offices	21.4	49.2	49.8	(0.6)	129.5

National Government Expenditures

January- June 2007

(In Billion Pesos)

	June Actual		Percent Growth 2007/2006
	2006	2007	
Expenditures	68.6	76.9	12.0
Int. Payments	12.3	6.5	(47.5)
Others	56.3	70.4	25.1

	Jan-June Actual		2007 Q1-Q2 Program	Program vs Actual	Percent Growth 2007/2006
	2006	2007			
Expenditures	502.5	551.3	589.3	(38.0)	9.7
Int. Payments	156.5	129.6	149.9	(20.2)	(17.2)
Others	346.0	421.6	439.4	(17.8)	21.8

NG Primary Surplus/(Deficit)

January-June 2007

(In Billion Pesos)

	June Actual		Percent Growth 2007/2006
	2006	2007	
Primary Surplus/ (Deficit)	25.0	7.2	(71.0)
Revenues	81.3	77.7	(4.4)
Expenditures (Net of IP)	56.3	70.4	25.1

	Jan-June Actual		2007 Q1-Q2 Program	Program vs Actual	Percent Growth 2007/2006
	2006	2007			
Primary Surplus/ (Deficit)	125.0	88.6	118.6	(29.9)	(29.1)
Revenues	471.0	510.3	558.0	(47.7)	8.3
Expenditures (Net of IP)	346.0	421.6	439.4	(17.8)	21.9