



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

*Funding the Republic*

## **Press Release**

### **National Government Debt to GDP Eased to 64% As of End 2006 from 72% As of End 2005**

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#### **NG Debt Recorded At Php 3.85 Trillion**

**12 March 2007, Manila, Philippines:** As of end 2006, the National Government debt to GDP decreased to 64% from the end 2005 level of 72%. This was the result of reduction in borrowings of the National Government because of the lower fiscal deficit. "This is the result of the of the Republic's debt consolidation program in line with its goal to bring the debt down to 56% of GDP by 2008" according to National Treasurer Omar Cruz.

As of end 2006, National Government debt declined by 0.9% from the 2005 level. Total outstanding debt stood at P3.85 trillion of which, P1.70 trillion or 44% is owed to foreign creditors and P2.15 trillion or 56% to domestic creditors. The domestic debt decreased by 0.5% or P10.21 billion from the recorded 2005 level due to net redemption incurred by the NG, while the decrease in the NG's foreign debt of P26.51 billion or 1.5% from the level as of end 2005 was due to the P13 billion net repayments and P13 billion net appreciation of the peso and the third currency against the US dollar.

Contingent debt of the National Government, composed mainly of guarantees issued by the National Government, declined to P569.93 billion from 2005 level of P586.35 billion. The decline of P16.42 billion in foreign contingent liabilities resulted from net repayments and net appreciation of the peso against the US dollar. On the other hand, the increase in domestic contingent liabilities was brought about by the net issuance incurred by the National Government.

**National Government Outstanding Debt  
As of the Period Indicated  
(In Billion Pesos)**

	End Dec 2005	End Dec 2006	Difference	
			Amount	% Change
Total	3,888.2	3,851.5	(36.7)	(0.9)
Domestic	2,164.3	2,154.1	(10.2)	(0.5)
Direct Loans	2,162.0	2,151.8	(10.2)	(0.5)
Government Securities	2,134.1	2,131.7	(2.4)	(0.1)
Avalied by Agencies	27.9	20.1	(7.8)	(27.9)
Assumed Loans	2.3	2.3	0.0	0.0
Foreign	1,723.9	1,697.4	(26.5)	(1.5)
Direct Loans	703.6	674.4	(29.1)	(4.1)
Avalied by Agencies	602.0	584.6	(17.4)	(2.9)
Relent to GOCCs	101.6	89.9	(11.7)	(11.5)
Assumed Loans	3.3	1.1	(2.2)	(66.7)
Foreign Denom. Securities	1,017.0	1,021.9	4.9	0.5
US Dollar Bonds/Notes	920.6	927.0	6.4	0.7
Japanese Yen Bonds	22.5	20.6	(1.9)	(8.4)
Euro Bonds	73.9	74.2	0.3	0.5

**National Government Contingent Debt  
As of the Period Indicated  
(In Billion Pesos)**

	End Dec 2005	End Dec 2006	Difference	
			Amount	% Change
Total	586.4	569.9	(16.4)	(2.8)
Domestic	48.2	72.1	23.9	49.6
NG Direct Guarantee	48.0	72.0	24.0	50.0
Assumed GFI Guarantee	0.2	0.1	(0.1)	(0.5)
Foreign	538.2	497.8	(40.4)	(7.5)
NG Direct Guarantee	529.5	492.2	(37.3)	(7.0)
Assumed GFI Guarantee	8.6	5.6	(3.0)	(34.9)