



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

Funding the Republic

National Government Full Year 2006 Fiscal Deficit Better Than Program by P62.7 Billion

December Fiscal Deficit at P3.9 Billion

1 February 2007, Manila, Philippines: The fiscal deficit of the National Government for 2006 reached to P62.2 billion, registering an over performance of P62.7 billion compared with the program of P124.9 billion. This was P84.6 billion below the P146.8 billion deficit for the same period last year. The National Government incurred a deficit in December amounting to P3.9 billion, the lowest level in five years. The favorable fiscal performance can be attributed to the P4.6 billion excess in revenue program of P974.1 billion and lower than expected expenditures by P58.1 billion.

For the full year of 2006, revenue collections reached to P978.7 billion or P4.6 billion excess over program. It grew by 20% compared to the same period last year of P816.2 billion. The excess in revenue collections can be attributed to the better than program performance by the Bureau of Customs by P2.2 billion, the Bureau of the Treasury by P22.0 billion and P3.8 billion by Other Offices. The cash collections of the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) for the year registered a growth of 20% and 33%, respectively compared to the same period last year.

National Government expenditures reached P1,040.9 billion for the year or P58.1 billion below than program and grew by 8% over the same period last year.

Revenue collections reached P96.3 billion for the month of December. It grew by 34% over last year's level. Actual cash collections for December were recorded at P57.3 billion for BIR, P14.5 billion for BOC, P14.8 billion for BTr and P6.5 billion for Other Offices. On a year on year, BIR and BOC registered a growth of 31% and 28%, respectively. Expenditures for the month of December was recorded at P100.2 billion, or 4% higher than the comparable disbursements in 2005.

Primary Balance

Netting out the interest payments in the expenditures, the National Government recorded a primary surplus for the month amounting to P13.3 billion, higher than the amount recorded last year. Cumulatively, the primary surplus amounted to P247.9 billion or 62% higher than the amount recorded last year and P32.8 billion better than program.

Fiscal Performance

January to December 2006

(In Billion Pesos)

	December Actual		Percent Growth 2006/2005
	2005	2006	
Surplus/(Deficit)	(23.9)	(3.9)	83.8
Revenues	72.1	96.3	33.5
Cash	62.0	93.1	50.2
Non-Cash	10.1	3.2	(68.6)
Expenditures	96.1	100.2	4.3
Cash	85.9	97.0	12.9
Non-Cash	10.1	3.2	(68.6)

	Jan-Dec Actual		2006 Jan-Dec Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Surplus/(Deficit)	(146.8)	(62.2)	(124.9)	62.7	57.6
Revenues	816.2	978.7	974.1	4.6	19.9
Cash	795.7	958.1	963.0	(4.9)	20.4
Non-Cash	20.5	20.6	11.1	9.5	0.9
Expenditures	962.9	1,040.9	1,099.0	(58.1)	8.1
Cash	942.5	1,020.3	1,087.9	(67.6)	8.3
Non-Cash	20.5	20.6	11.1	9.5	0.9

National Government Revenues

January to December 2006

(In Billion Pesos)

	December Actual		Percent Growth 2006/2005
	2005	2006	
Revenues	72.1	96.3	33.5
BIR	44.8	57.9	29.2
Cash	43.7	57.3	31.1
Non-Cash	1.1	0.6	(47.0)
BOC	20.4	17.1	(16.1)
Cash	11.3	14.5	27.8
Non-Cash	9.0	2.6	(71.2)
BTr	4.6	14.8	223.3
Other Offices	2.4	6.5	175.9

	Jan-Dec Actual		2006 Jan-Dec Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Revenues	816.2	978.7	974.1	4.6	19.9
BIR	542.7	651.9	675.4	(23.4)	20.1
Cash	535.1	640.9	669.8	(28.8)	19.8
Non-Cash	7.6	11.0	5.6	5.4	44.6
BOC	154.6	198.2	196.0	2.2	28.2
Cash	141.7	188.5	190.5	(2.6)	32.6
Non-Cash	12.8	9.6	5.5	4.1	(25.0)
BTr	70.6	73.9	51.9	22.0	4.6
Other Offices	48.3	54.8	50.9	3.8	13.4

National Government Expenditures

January- December 2006

(In Billion Pesos)

	December Actual		Percent Growth 2006/2005
	2005	2006	
Expenditures	96.1	100.2	4.3
ALGUs	14.7	24.4	65.4
Subsidy	3.4	3.5	5.2
Int. Payments	13.4	17.2	28.2
Equity	0.0	2.5	0.0
Net Lending	(1.9)	(12.0)	(525.9)
Others	56.3	61.3	8.9
Tax Exp Fund	10.1	3.2	(68.6)

	Jan-Dec Actual		2006 Jan-Dec Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Expenditures	962.9	1,040.9	1,099.0	(58.1)	8.1
ALGUs	160.6	174.7	134.1	40.6	8.8
Subsidy	12.2	13.8	4.9	8.9	12.8
Int. Payments	299.8	310.1	340.0	(29.9)	3.4
Equity	0.2	3.6	1.2	2.3	1,774.2
Net Lending	1.7	0.1	8.3	(8.1)	(92.3)
Others	468.0	518.0	599.4	(81.4)	10.7
Tax Exp Fund	20.5	20.6	11.1	9.5	0.9

NG Primary Surplus/(Deficit)

January-December 2006

(In Billion Pesos)

	December Actual		Percent Growth 2006/2005
	2005	2006	
Primary Surplus/ (Deficit)	(10.5)	13.3	(226.9)
Revenues	72.1	96.3	33.5
Expenditures (Net of IP)	82.6	83.0	0.4

	Jan-Dec Actual		2006 Jan-Dec Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Primary Surplus/ (Deficit)	153.0	247.9	215.1	32.8	62.0
Revenues	816.2	978.7	974.1	4.6	19.9
Expenditures (Net of IP)	663.1	730.8	759.0	(28.2)	10.2