



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

Funding the Republic

January to October Fiscal Deficit Lower by P 59.3 Billion Than Same Period Last Year

October Fiscal Deficit at P5.8 Billion

16 November 2006, Manila, Philippines: The January to October fiscal deficit of the National Government reached P56.3 billion, lower than the deficit of P115.5 billion incurred during the same period last year. The lower deficit was a result of better revenue performance and restricted spending due to non approval of the 2006 proposed budget. Moreover, the first ten months deficit is just 45% of the full year target of P125 billion, as compared to last year's same period experience of 64% to full year target, thereby ahead by 19%. The National Government incurred a deficit in October amounting to P5.8 billion compared to the deficit of P7.1 billion for the same period last year.

Revenue collections reached P79.9 billion for the month of October. It grew by 10% over last year's level. For January to October, revenues were up by 19% compared to the same period last year of P671.1 billion. The cash collections of the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) for the month of October registered a growth of 8% and 20%, respectively compared to the same month last year. Actual cash collections for the month were recorded at P51.4 billion for BIR and P16.4 billion for BOC. For the January to October period, BIR and BOC cash collections reached to P522.8 billion and P159.8 billion, respectively. On a year on year, BIR and BOC registered a growth of 19% and 37%, respectively. BTr income amounted to P54.8 billion, and already surpassed its full year target of P51.9 billion.

Actual disbursements in October amounted to P85.7 billion, 8% higher than same period last year. For January to October, total disbursements

amounted to P852.0 billion, or 8% higher than the comparable disbursements in 2005.

Netting out the interest payments in the expenditures, the National Government recorded a primary surplus for the month amounting to P17.5 billion. Cumulatively, the primary surplus amounted to P221.5 billion for the first ten months or 46.3% higher than the amount recorded last year.

Fiscal Performance

January to October 2006

(In Billion Pesos)

	October Actual		Percent Growth 2006/2005
	2005	2006	
Surplus/(Deficit)	(7.1)	(5.8)	17.3
Revenues	72.3	79.9	10.5
Cash	71.7	76.6	6.9
Non-Cash	0.6	3.2	414.6
Expenditures	79.4	85.7	8.0
Cash	78.7	82.5	4.8
Non-Cash	0.6	3.2	414.6

	Jan-Oct Actual		2006 Full Year Program	Percent Growth 2006/2005
	2005	2006		
Surplus/(Deficit)	(115.5)	(56.3)	(124.9)	51.3
Revenues	671.1	795.7	974.1	18.6
Cash	661.2	780.8	963.0	18.1
Non-Cash	9.9	14.9	11.1	50.7
Expenditures	786.6	852.0	1,099.0	8.3
Cash	776.7	837.1	1,087.9	7.8
Non-Cash	9.9	14.9	11.1	50.7

National Government Revenues

January to October 2006

(In Billion Pesos)

	October Actual		Percent Growth 2006/2005
	2005	2006	
Revenues	72.3	79.9	10.5
BIR	48.1	52.1	8.3
Cash	47.5	51.4	8.1
Non-Cash	0.6	0.7	18.6
BOC	13.7	18.9	38.2
Cash	13.6	16.4	20.1
Non-Cash	0.0	2.5	
BTr	6.0	4.0	(32.8)
Other Offices	4.6	4.9	7.2

	Jan-Oct Actual		2006 Full Year Program	Percent Growth 2006/2005
	2005	2006		
Revenues	671.1	795.7	974.1	18.6
BIR	446.5	532.8	675.4	19.3
Cash	440.4	522.8	669.8	18.7
Non-Cash	6.1	10.0	5.6	64.2
BOC	120.5	164.7	196.0	36.7
Cash	116.7	159.8	190.5	36.9
Non-Cash	3.8	4.9	5.5	29.0
BTr	60.0	54.8	51.9	(8.7)
Other Offices	44.0	43.4	50.9	(1.4)

National Government Expenditures

January- October 2006

(In Billion Pesos)

	October Actual		Percent Growth 2006/2005
	2005	2006	
Expenditures	79.4	85.7	8.0
ALGUs	13.1	13.1	0.3
Subsidy	0.5	05	(6.1)
Int. Payments	31.7	23.3	(26.4)
Equity	0.0	0.0	0.0
Net Lending	(3.8)	1.1	(129.1)
Others	37.3	44.4	19.3
Tax Exp Fund	0.6	3.2	414.6

	Jan-Oct Actual		2006 Full Year Program	Percent Growth 2006/2005
	2005	2006		
Expenditures	786.6	852.0	1,099.0	8.3
ALGUs	131.9	129.7	134.1	(1.6)
Subsidy	8.2	9.8	4.9	18.6
Int. Payments	267.0	277.8	340.0	4.0
Equity	0.2	1.1	1.2	454.2
Net Lending	0.0	14.8	8.3	
Others	369.4	404.0	599.4	9.3
Tax Exp Fund	9.9	14.9	11.1	50.7

NG Primary Surplus/(Deficit)

January-October 2006

(In Billion Pesos)

	October Actual		Percent Growth 2006/2005
	2005	2006	
Primary Surplus/ (Deficit)	24.6	17.5	(29.0)
Revenues	72.3	79.9	7.0
Expenditures (Net of IP)	47.7	62.4	(1.6)

	Jan-Oct Actual		2006 Full Year Program	Percent Growth 2006/2005
	2005	2006		
Primary Surplus/ (Deficit)	151.4	221.5	215.1	46./3
Revenues	671.1	795.7	974.1	18.6
Expenditures (Net of IP)	519.6	574.2	759.0	10.5