



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

Funding the Republic

January to September Fiscal Deficit at P 50.4 Billion Better Than Program by P 71.6 Billion

Q3 Fiscal Deficit Better Than Program by P 12.7 Billion

17 October 2006, Manila, Philippines: The January to September fiscal deficit of the National Government reached P50.4 billion, registering an over performance of P71.6 billion compared with the program of P122.0 billion. The P122.0 billion deficit ceiling for the first three quarters is about 98% of the full year program. The favorable fiscal performance can be attributed to the P 9.1 billion excess over the first three quarters revenue program of P706.8 billion and lower than expected expenditures by P 62.5 billion.

For January to September, revenues were up by 20% compared to the same period last year of P598.8 billion. Revenue collections exceeded its target by P9.1 billion for the first three quarters which can be attributed to the better than program performance by the Bureau of Customs by P5.5 billion, the Bureau of the Treasury by P11.9 billion and P3.4 billion by Other Offices. The cash collections of the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) for the period January to September registered a growth of 20% and 39%, respectively compared to the same period last year.

National Government expenditures reached P766.3 billion, or P62.5 billion lower than programmed expenditures for the first three quarters and grew by 8% over the same period last year.

On a quarterly basis, the fiscal deficit of the National Government for the third quarter was recorded at P18.9 billion, significantly below the targeted level of P31.6 billion and the recorded deficit for the same period last year of P41.0 billion. The resulting deficit is lower due to lower spending on account of re-enacted budget.

Revenue collections reached P73.6 billion for the month of September. It grew by 19% over last year's level. Actual cash collections for September were recorded at P42.2 billion for BIR, P16.4 billion for BOC, P4.3 billion for BTr and P10.1 billion for Other Offices. On a year on year, BIR and BOC registered a growth of 5% and 39%, respectively. Expenditures for the month of September was recorded at P89.9 billion, slightly higher by P0.6 billion on account of higher spending on operating expense well as higher interest payments brought about by the debt exchange strategy.

Primary Balance

Netting out the interest payments in the expenditures, the National Government recorded a primary surplus for the month amounting to P16.8 billion, higher than the amount recorded last year. The primary surplus for the third quarter was registered at P79.0 billion, higher than the same period program by P6.7 billion. Cumulatively, the primary surplus amounted to P204.1 billion for the first three quarters or 60.9% higher than the amount recorded last year and P54.4 billion better than program.

Fiscal Performance

January to September 2006

(In Billion Pesos)

	September Actual		Percent Growth 2006/2005
	2005	2006	
Surplus/(Deficit)	(27.7)	(16.2)	41.3
Revenues	61.8	73.6	19.1
Cash	59.3	72.9	22.9
Non-Cash	2.5	0.7	(71.6)
Expenditures	89.5	89.9	0.4
Cash	87.0	89.2	2.5
Non-Cash	2.5	0.7	(71.6)

	Q3 Actual		2006 Q3 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Surplus/(Deficit)	(41.0)	(18.9)	(31.6)	12.7	53.9
Revenues	209.8	244.8	250.8	(6.0)	16.7
Cash	205.1	242.3	247.9	(5.5)	18.2
Non-Cash	4.6	2.5	2.9	(0.4)	(46.4)
Expenditures	250.7	263.7	282.4	(18.7)	5.2
Cash	246.1	261.3	279.5	(18.2)	6.2
Non-Cash	4.6	2.5	2.9	(0.4)	(46.4)

	Q1-Q3 Actual		2006 Q1-Q3 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Surplus/(Deficit)	(108.5)	(50.4)	(122.0)	71.6	53.5
Revenues	598.8	715.9	706.8	9.1	19.6
Cash	589.5	704.2	698.8	5.4	19.5
Non-Cash	9.3	11.7	8.0	3.7	26.2
Expenditures	707.2	766.3	828.8	(62.5)	8.3
Cash	698.0	754.6	820.8	(66.2)	8.1
Non-Cash	9.3	11.7	8.0	3.7	26.2

National Government Revenues

January to September 2006

(In Billion Pesos)

	September Actual		Percent Growth 2006/2005
	2005	2006	
Revenues	61.8	73.6	19.1
BIR	40.7	42.8	5.0
Cash	38.2	42.2	10.4
Non-Cash	2.5	0.6	(77.3)
BOC	11.9	16.5	38.5
Cash	11.9	16.4	37.3
Non-Cash	0.0	0.1	2,760.0
BTr	5.9	4.3	(26.7)
Other Offices	3.3	10.1	202.4

	Q3 Actual		2006 Q3 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Revenues	209.8	244.8	250.8	(6.0)	16.7
BIR	137.6	162.4	171.2	(8.8)	18.0
Cash	132.9	160.0	169.7	(9.7)	20.4
Non-Cash	4.6	2.3	1.5	0.9	(49.4)
BOC	34.7	51.1	50.7	0.4	47.3
Cash	34.7	50.9	49.2	1.7	46.9
Non-Cash	0.0	0.1	1.4	(1.3)	2,283.3
BTr	18.1	14.3	14.3	0.0	(21.0)
Other Offices	19.4	17.1	14.6	2.5	(11.9)

	Jan-Sept Actual		2006 Jan-Sept Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Revenues	598.8	715.9	706.8	9.1	19.6
BIR	398.4	480.8	492.4	(11.7)	20.7
Cash	392.9	471.4	488.4	(16.9)	20.0
Non-Cash	5.5	9.3	4.1	5.2	69.1
BOC	106.9	145.9	140.4	5.5	36.5
Cash	103.1	143.5	136.4	7.0	39.1
Non-Cash	3.8	2.4	4.0	(1.6)	(36.6)
BTr	54.0	50.8	38.9	11.9	(6.0)
Other Offices	39.5	38.5	35.1	3.4	(2.4)

National Government Expenditures

January- September 2006

(In Billion Pesos)

	September Actual		Percent Growth 2006/2005
	2005	2006	
Expenditures	89.5	89.9	0.4
ALGUs	15.0	12.4	(17.4)
Subsidy	2.9	1.0	(66.9)
Int. Payments	31.8	33.0	4.1
Equity	0.1	0.1	0.0
Net Lending	(0.1)	2.0	3,839.6
Others	37.3	40.7	9.1
Tax Exp Fund	2.5	0.7	(71.6)

	Q3 Actual		2006 Q3 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Expenditures	250.7	263.7	282.4	(18.7)	5.2
ALGUs	41.1	37.9	34.3	3.6	(7.8)
Subsidy	5.8	2.4	1.2	1.2	(57.9)
Int. Payments	92.2	97.9	103.9	(6.0)	6.2
Equity	0.1	0.1	0.4	(0.3)	(21.4)
Net Lending	1.6	6.2	1.8	4.4	279.0
Others	105.2	116.7	137.9	(21.2)	10.9
Tax Exp Fund	4.6	2.5	2.9	(0.4)	(46.4)

	Jan-Sept Actual		2006 Jan-Sept Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Expenditures	707.2	766.3	828.8	(62.6)	8.3
ALGUs	118.8	116.7	99.7	16.9	(1.8)
Subsidy	7.7	9.2	3.7	5.5	20.4
Int. Payments	235.3	254.5	271.7	(17.3)	8.1
Equity	0.2	1.1	0.8	0.2	454.2
Net Lending	3.8	13.7	6.0	7.7	256.0
Others	332.2	359.5	438.8	(79.3)	8.2
Tax Exp Fund	9.3	11.7	8.0	3.6	25.7

NG Primary Surplus/(Deficit)

January-September 2006

(In Billion Pesos)

	September Actual		Percent Growth 2006/2005
	2005	2006	
Primary Surplus/ (Deficit)	4.1	16.8	310.8
Revenues	61.8	73.6	19.1
Expenditures (Net of IP)	57.7	56.8	(1.6)

	Q3 Actual		2006 Q3 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Primary Surplus/ (Deficit)	51.2	79.0	72.3	6.7	54.2
Revenues	209.8	244.8	250.8	(6.0)	16.7
Expenditures (Net of IP)	158.5	165.9	178.5	(12.6)	4.6

	Jan-Sept Actual		2006 Jan-Sept Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Primary Surplus/ (Deficit)	126.8	204.1	149.7	54.4	60.9
Revenues	598.8	715.9	706.8	9.1	19.6
Expenditures (Net of IP)	472.0	511.8	557.1	(45.3)	8.4