



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

Funding the Republic

Strong Revenue Collections Drove the Better Than Program Fiscal Deficit for the First Quarter

20 April 2006, Manila, Philippines: The January to March fiscal deficit of the National Government reached P 67.6 billion, registering an over performance of P4.2 billion compared with the programmed ceiling of P71.8 billion. The P71.8 billion limit for the first quarter is about 58% of the full year programmed deficit. The over performance can be attributed to the P13.4 billion excess over the first quarter cash revenue program of P189.4 billion. Expenditures exceeded the program on account of the front loading of interest payments as a result of the bond exchange. However, it is still expected that the actual full year interest payments will be within the programmed level. Operating expenditures net of interest payments, were in line with the fiscal strategy of the government in maximizing spending to help pump prime the economy.

The strong revenue performance of P13.4 billion better than program for the first quarter can be attributed to the P3.8 billion better than program performance of the Bureau of Internal Revenue, P3.6 billion better than program performance by the Bureau of Customs and P5.7 billion better than program performance by the Bureau of the Treasury.

Netting out the interest payments in the expenditures, the National Government recorded a primary surplus for the month amounting to P7.9 billion higher than the amount recorded last year. Cumulatively, the primary surplus amounted to P36.9 billion for the first quarter or 67% higher than the amount recorded last year.

Fiscal Performance
 January to March 2006
 (In Billion Pesos)

	March Actual		2006 March Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Deficit	-23.4	-27.2	-23.7	-3.5	16.2
Revenues	58.6	68.1	63.8	4.2	16.2
Cash	58.3	65.9	62.3	3.6	13.1
Non-Cash	0.3	2.2	1.5	0.7	532.9
Expenditures	82.0	95.3	87.6	7.7	16.2
Cash	81.7	93.1	86.1	7.0	14.0
Non-Cash	0.3	2.2	1.5	0.7	532.9

	Q1 Actual		2006 Q1 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Deficit	-63.5	-67.6	-71.8	4.2	6.5
Revenues	171.7	205.0	191.7	13.3	19.4
Cash	171.3	202.8	189.4	13.4	18.4
Non-Cash	0.3	2.2	2.3	-0.1	532.9
Expenditures	235.1	272.6	263.5	9.1	15.9
Cash	234.8	270.4	261.2	9.2	15.2
Non-Cash	0.3	2.2	2.3	-0.1	532.9

National Government Revenues

January to March 2006

(In Billion Pesos)

	March Actual		2006 March Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Revenues	58.6	68.1	63.8	4.2	16.2
BIR	36.3	43.7	42.6	1.1	20.4
Cash	36.0	42.8	42.2	0.5	18.8
Non-Cash	0.3	1.0	0.4	0.6	185.7
BOC	11.4	16.7	14.3	2.5	47.0
Cash	11.4	15.5	13.2	2.4	36.5
Non-Cash	0.0	1.2	1.1	0.1	
BTr	6.7	4.8	4.0	0.8	
Other Offices	4.2	2.8	2.9	-0.1	-32.6

	Q1 Actual		2006 Q1 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Revenues	171.7	205.0	191.7	13.3	19.4
BIR	110.0	135.0	131.4	3.6	22.7
Cash	109.7	134.0	130.2	3.8	22.2
Non-Cash	0.3	1.0	1.2	-0.2	185.7
BOC	31.2	42.3	38.6	3.7	35.7
Cash	31.2	41.1	37.5	3.6	31.9
Non-Cash	0.0	1.2	1.1	0.1	
BTr	19.5	17.3	11.6	5.7	
Other Offices	11.0	10.4	10.0	0.4	-5.6

National Government Expenditures

January-March 2006

(In Billion Pesos)

	March Actual		2006 March Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Expenditures	82.0	95.3	87.6	7.7	16.2
ALGUs	12.0	13.4	n.a.	n.a.	11.6
Subsidy	0.2	1.0	n.a.	n.a.	574.5
Int. Payments	28.8	35.1	30.2	4.9	22.1
Equity	0.0	0.1	n.a.	n.a.	
Net Lending	2.8	1.3	n.a.	n.a.	-52.9
Others	38.0	42.2	n.a.	n.a.	11.1
Tax Exp Fund	0.3	2.2	2.3	-0.1	532.9

	Q1 Actual		2006 Q1 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Expenditures	235.1	272.6	263.5	9.1	15.9
ALGUs	35.9	39.9	n.a.	n.a.	11.1
Subsidy	0.5	3.6	n.a.	n.a.	639.0
Int. Payments	85.5	103.8	96.0	7.8	21.4
Equity	0.0	0.1	n.a.	n.a.	
Net Lending	4.4	2.8	n.a.	n.a.	-53.4
Others	108.4	120.2	n.a.	n.a.	10.9
Tax Exp Fund	0.3	2.2	2.3	-0.1	532.9

NG Primary Surplus/(Deficit)

January-March

(In Billion Pesos)

	March Actual		2006 March Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Primary Surplus/ (Deficit)	5.3	7.9	6.5	1.4	48.0
Revenues	58.6	68.1	63.8	4.2	16.2
Expenditures (Net of IP)	53.3	60.2	57.4	2.8	13.0

	Q1 Actual		2006 Q1 Program	Program vs Actual	Percent Growth 2006/2005
	2005	2006			
Primary Surplus/ (Deficit)	22.1	36.9	24.2	12.8	67.5
Revenues	171.7	205.0	191.7	13.3	19.4
Expenditures (Net of IP)	149.6	168.1	167.5	0.6	12.3