



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

Funding the Republic

National Government Debt to GDP Eased to 72% As of End 2005 from 79% As of End 2004

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NG Debt Recorded At Php 3.89 Trillion

13 March 2006, Manila, Philippines: As of end 2005, the National Government debt to GDP decreased to 72% from the end 2004 level of 79%. This was the result of lower borrowings of the National Government because of the decline the fiscal deficit. "This is the fruit of the Republic's fiscal reform program and is in line with its goal to bring the debt down to 56% of GDP by 2008" according to National Treasurer Omar Cruz.

National Government debt increased by a measly 2.0% from the 2004 level. Total outstanding debt stood at P3.89 trillion of which, P1.72 trillion or 44% is owed to foreign creditors and P2.17 trillion or 56% to domestic creditors. The domestic debt increased by 8.1% or P163.1 billion from the recorded 2004 level arising from net issuance of government securities made by the NG. On the other hand, the decrease in the NG's foreign debt of P87 billion or 4.8 % from the level as of end 2004 was due to the P182 billion appreciation of the peso and the third currency against the US dollar. However, this was partially offset by P95 billion net availments.

Contingent debt of the National Government, composed mainly of guarantees issued by the National Government, declined to P586 billion from 2004 level of P834 billion. The decline of P262 billion in foreign contingent liabilities resulted from net repayments and net appreciation of the peso against the US dollar.

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

	End 2004	End 2005	Difference	
			Amount	% Change
Total	3,811.9	3,888.2	76.3	2.0
Domestic	2,001.2	2,164.3	163.1	8.1
Direct Loans	1,998.9	2,162.0	163.1	8.2
Government Securities	1,970.6	2,134.1	163.5	8.3
Availed by Agencies	28.3	27.9	(0.4)	(1.6)
Assumed Loans	2.3	2.3	0.0	0.0
Foreign	1,810.7	1,723.9	(86.8)	(4.8)
Direct Loans	841.1	703.6	(137.5)	(16.3)
Availed by Agencies	718.8	602.0	(116.8)	(16.3)
Relent to GOCCs	122.3	101.6	(20.7)	(16.9)
Assumed Loans	5.8	3.3	(2.5)	(43.6)
Foreign Denom. Securities	963.8	1,017.0	53.2	5.5
US Dollar Bonds/Notes	817.6	920.6	103.0	12.6
Japanese Yen Bonds	46.4	22.5	(23.9)	(51.4)
Euro Bonds	99.8	73.9	(25.9)	(26.0)

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

	End 2004	End 2005	Difference	
			Amount	% Change
Total	833.7	586.4	(247.3)	(29.7)
Domestic	33.1	48.2	15.1	45.4
NG Direct Guarantee	32.9	48.0	15.1	45.7
Assumed GFI Guarantee	0.2	0.2	0.0	0.0
Foreign	800.6	538.2	(262.4)	(32.8)
NG Direct Guarantee	787.8	529.5	(258.3)	(32.8)
Assumed GFI Guarantee	12.8	8.6	(4.1)	(32.4)