



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

*Funding the Republic*

## **Press Release**

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### **National Government Debt Recorded At Php 3.96 Trillion As of January 2006**

**10 April 2006, Manila, Philippines:** As of January 2006, the National Government debt increased by 2% from the end 2005 level. Total outstanding debt stood at P3.96 trillion of which, P1.81 trillion or 46% is owed to foreign creditors and P2.15 trillion or 54% to domestic creditors.

"The pace of increase in debt is decelerating as it lags the nominal growth in economic activity. This is a result of the fiscal reforms which are being in place in line with the government's deficit reduction program." National Treasurer Cruz stated. This development is also consistent with the overall strategy of reducing reliance on foreign borrowing and having more on domestic.

The domestic debt declined by 0.4% or P7.6 billion from the recorded end 2005 level arising from net redemption of government securities made by the NG.

On the other hand, the increase in the NG's foreign debt of P84 billion or 4.9% from the level as of end 2005 was due to the P108 billion net availments with the issuance of US dollar 1.5 billion and EURO 500 million denominated global bonds and the P4 billion depreciation of third currencies against the US dollar. The global bond issuance is a lot cheaper than what was front loaded before. However, the appreciation of the peso against the US dollar reduced foreign debt by P28 billion.

On the other hand the contingent debt of the National Government, composed mainly of guarantees issued by the National Government, declined to P577 billion from end 2005 level of P586 billion. This is a decline of P9 billion resulting 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 2005	End Jan 2006	Difference	
			Amount	% Change
Total	3,888.2	3,964.8	76.5	2.0
Domestic	2,164.3	2,156.7	(7.6)	(0.4)
Direct Loans	2,162.0	2,154.4	(7.6)	(0.4)
Government Securities	2,134.1	2,126.5	(7.6)	(0.4)
Avalied by Agencies	27.9	27.9	0.0	0.0
Assumed Loans	2.3	2.3	0.0	0.0
Foreign	1,723.9	1,808.1	84.2	4.9
Direct Loans	703.6	694.4	(9.2)	(1.3)
Avalied by Agencies	602.0	594.2	(7.8)	(1.3)
Relent to GOCCs	101.6	100.2	(1.4)	(1.4)
Assumed Loans	3.3	2.2	(1.1)	(33.2)
Foreign Denom. Securities	1,017.1	1,111.5	94.4	9.3
US Dollar Bonds/Notes	920.6	984.3	63.6	6.9
Japanese Yen Bonds	22.5	22.2	(0.3)	(1.4)
Euro Bonds	73.9	105.0	31.1	42.1

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

	End 2005	End Jan 2006	Difference	
			Amount	% Change
Total	586.4	577.5	(8.9)	(1.5)
Domestic	48.2	48.2	0.0	0.0
NG Direct Guarantee	48.0	48.0	0.0	0.0
Assumed GFI Guarantee	0.2	0.2	0.0	0.0
Foreign	538.2	529.3	(8.9)	(1.7)
NG Direct Guarantee	529.5	522.0	(7.5)	(1.4)
Assumed GFI Guarantee	8.6	7.2	(1.4)	(16.0)