

**SGBT OPENING STATEMENT**  
**PressCon on NG November Fiscal Performance**  
**21 December 2009**

Good morning everyone.

We would like to report that the national government incurred a budget deficit of **P6.4 billion** in November, P2.1 billion higher than the P4.3 billion deficit incurred during the same month last year, on weak revenues due to a combination of revenue-eroding measures, slower growth, and the impact of the recent typhoons on tax collection.

Total revenues amounted to P96.3 billion during the month, down by 11.7% compared to November last year. Of the total revenues, the Bureau of Internal Revenue (BIR) generated P70 billion, down by 8.8% compared to last year, while the Bureau of Customs (BOC) collected P17.5 billion, down by 24.8% versus last year on continued drop in imports. The income of the Bureau of Treasury (BTr) declined slightly by 2% to P4.2 billion while revenues from Other Offices, which included privatization, slid 2.3% to P4.6 billion.

Total expenditures in November amounted to P102.7 billion, down by 9.4% compared to last year due partly to the decline in interest payments associated with lower borrowing cost.

For the period January to November, the budget deficit reached P272.5 billion versus the P66.7 billion deficit recorded during the same period last year.

Total revenues for the period amounted to P1.02 trillion, down 5.5% compared to the same period last year. Total BIR collection reached P681.9 billion while BOC revenues amounted to P201.4 billion. BTr income has reached P60.5 billion during the eleven-month period while Other Offices registered P77.8 billion in revenues for the period.

Meanwhile, expenditures amounted to P1.29 trillion from January to November, up by 12.7% compared to the same period last year. Net of interest payments, total expenditures grew 17% year-on-year to P1.03 trillion.

Given our fiscal performance in the first eleven months, we are moving closer to an emerging deficit of about P300 billion this year.

We will endeavor to keep the deficit below this level which most international institutions find acceptable to ensure sustained economic growth amid the global

financial crisis and the required increased spending due to the damages caused by recent typhoons.

Next year, we are also adjusting our fiscal program to reflect the impact of the lower economic growth on our revenue collection efforts and increase spending to continue supporting sustained economic recovery.

While we are making these adjustments in our fiscal program to address urgent needs, we believe that there is a need to continue pursuing fiscal consolidation in the medium term.

Thank you.