

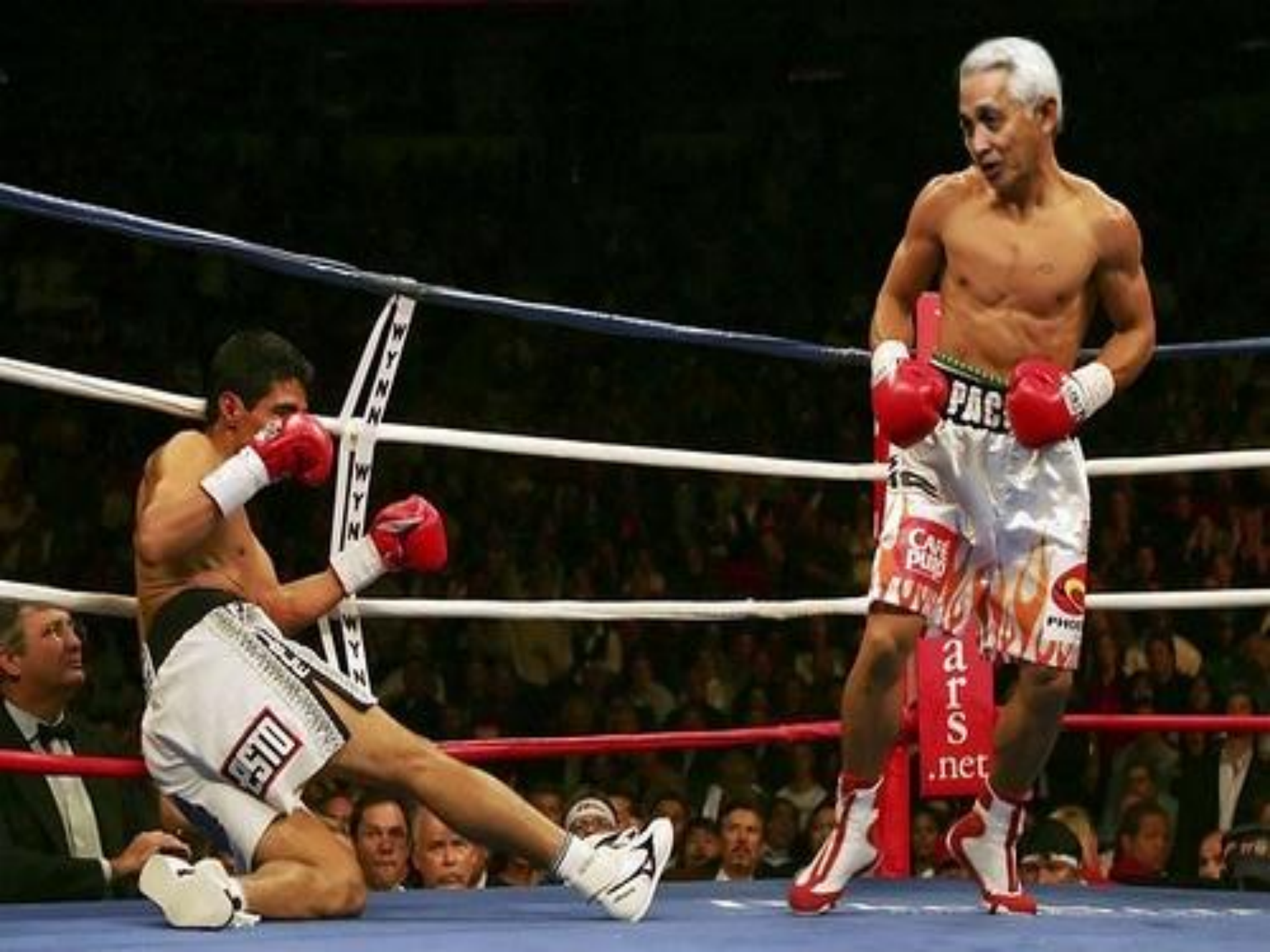


# POST-DISASTER FISCAL OUTLOOK

**2<sup>nd</sup> Public-Private Dialogue on Post-Disaster Assistance**

Hotel Intercontinental Manila  
02 December 2009

**Margarito B. Teves**  
Secretary  
Department of Finance





# Impact of Reconstruction on Fiscal Stance Manageable



- We will work together among the various entities including the local government units (LGUs) , government owned and controlled corporations (GOCCs), government financial institutions (GFIs) and the social security institutions (SSIs).
- Reconstruction activities will be implemented over a period of three years.



# Lower CPSD provides room for Reconstruction Spending in 2010

in Billion Pesos	2008 Actual	2009 Program (Revised)	2010 Program	Growth Rate
<b>Total Surplus/(Deficit)</b>	<b>28.7</b>	<b>(233.9)</b>	<b>(210.2)</b>	<b>-10.1</b>
<b><i>% of GDP</i></b>	<b><i>0.4%</i></b>	<b><i>-3.0%</i></b>	<b><i>-2.5%</i></b>	
NG	(68.1)	(250.0)	(233.4)	-6.6
CB Restructuring	(9.6)	(14.1)	(15.0)	6.3
14 MNFGCs	(27.7)	(63.6)	(61.9)	-2.6
SSIs	66.7	41.1	51.4	24.9
BSP	9.4	1.0	1.0	0.0
GFIs	7.5	7.0	8.0	14.3
LGUs	34.4	31.3	28.7	-8.3
Adjustments	16.0	13.4	11.2	-16.9



# Need to Expand NG Fiscal Space

- We estimate that this year's NG deficit could amount to P280 to P300 billion or 3.6% to 3.8% of GDP .
- NG's debt to GDP ratio will be about 58% to 58.3% this year.
- For 2010, the NG deficit will decline to P233.4 billion or 2.8% of GDP. This will allow us to reduce our debt burden with a projected debt to GDP ratio of about 57.0% next year.
- P50 billion in Unprogrammed Funds under the proposed 2010 budget.



# Intensify Revenue Collections

- More effective administrative revenue enhancement measures to increase tax compliance and enforcement; Strengthen governance measures; and Improve customer service of our revenue agencies

## Legislative Measures

- Restructure excise taxes on cigarettes and alcohol
- Rationalize fiscal incentives
- Remove BIR and BOC from salary standardization
- Simplify net income taxation for self-employed and professionals



“You are here because you care for this country and its people. You are here because you want the Philippines to do well.”





# POST-DISASTER FISCAL OUTLOOK

Special National Public Reconstruction Commission

Manila, Philippines  
02 December 2009

**Margarito B. Teves**  
Secretary  
Department of Finance