



The debt problem is not yet over.

Beneath all the jargons and statistics generated by the economic magicians of President Gloria Macapagal-Arroyo – the fourth post-dictatorship president – lies an undeniable face of debt and poverty. Even after two decades of paying religiously to our lord-creditors, even after two decades of honoring the dishonorable debts of an equally dishonorable dictator, the Filipino people still continuously pay their own blood and sweat to prop up an illegitimate system of debt encroached by the iron grip of neo-liberalism.

National Government Debt as of end - 2007

Using US\$1 = PhP46.1484 (BSP average for 2007)	US\$ (billion)	PhP (trillion)
RP External Debt	54.938	2.535
General Government	28.430	1.312
Monetary Authorities	15.033	0.694
Banks	10.006	0.462
Other Sectors	14.593	0.673
Direct Investment: Intercompany	1.571	0.072

Note: Breakdown of totals may not sum up due to rounding of digits.

Source: Bangko Sentral ng Pilipinas (BSP)

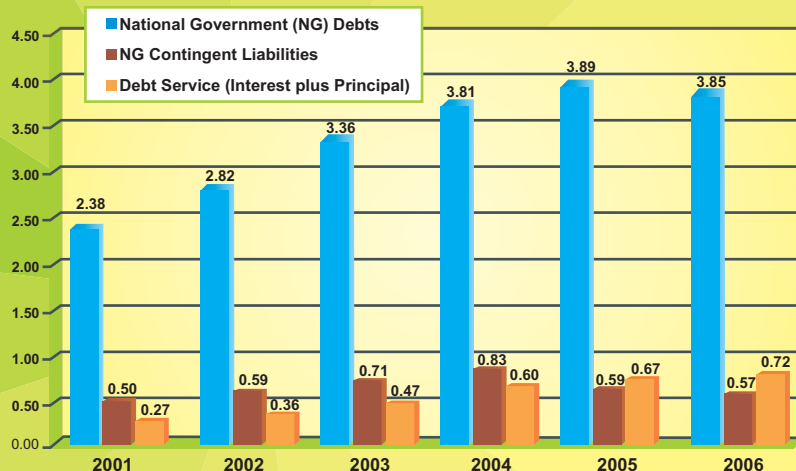
Outstanding Public Sector Debt as of end of 3rd Qtr 2007 (in trillion pesos)

Using US\$1 = PhP46.1315 (BSP's September average)	US\$ (billion)	PhP (trillion)
Consolidated Public Sector Debt	109.37	5.0454
Consolidated Non-financial Public Sector Debt (includes GOCCs like NPC, PNOG, MWSS)	91.47	4.2195
Financial Public Corporations (BSP and 3 GFIs - DBP, LBP, TIDCORP)	37.84	1.7456
<i>Minus: Intra-sector debt holding</i>	19.93	0.9196

Note: Breakdown of totals may not sum up due to rounding of digits. The consolidated public sector comprises the general government sector, non-financial public corporations, and financial public corporations, after elimination of intra-debt holdings among these sectors.

Source: Department of Finance, Outstanding Public Sector Debt.

Ballooning Philippine Debt (in trillion pesos)



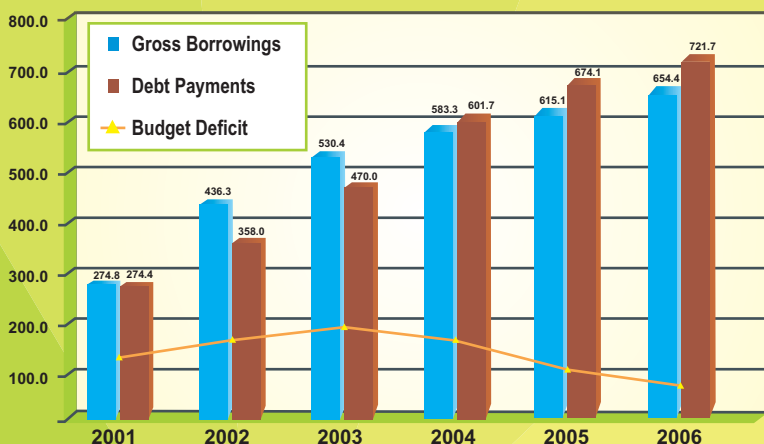
National Government Debt as of end - 2007

Using US\$1 = PhP43.85		US\$ (billion)	PhP (trillion)
NG Outstanding Debt		89.24	3.712
Domestic Debt		52.91	2.201
<i>By Instruments</i>	Treasury Bills	14.76	0.614
	Treasury Bonds / Notes	37.61	1.565
	Loans	0.54	0.022
	Others	0.00	0.000
Foreign Debt (using US\$1=P47.26)		36.33	1.511
<i>By Creditors</i>	Multilateral	5.44	0.226
	Bilateral	8.51	0.354
	Commercial	0.80	0.033
	Foreign Denominated Securities	21.58	0.898
NG Contingent Liabilities		11.64	0.484
Domestic Debt		1.56	0.065
Foreign Debt		10.08	0.419

Note: Breakdown of totals may not sum up due to rounding of digits. The total national government debt must take into account the contingent liabilities, so it comprises both the outstanding and the contingent debt.

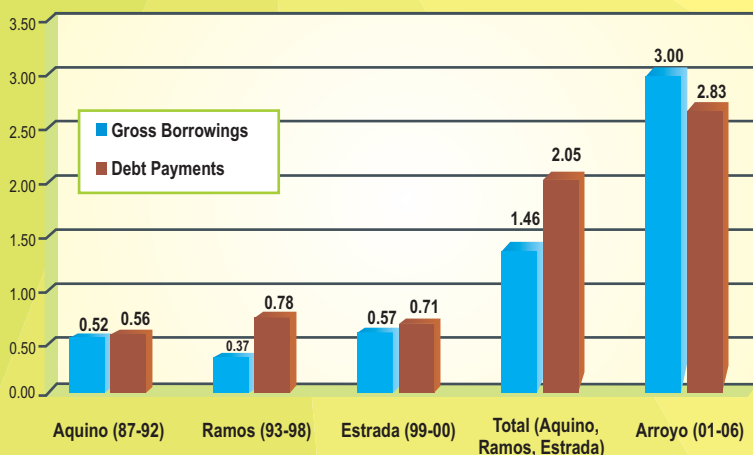
Source: Bureau of Treasury, Statistical Data Analysis Division.

Borrowings, Payments and Deficit (in billion pesos)



Pyramid Scam. The Arroyo administration had recently been borrowing aggressively to repay old debts – a practice which is only sustainable as long as interest rates for new loans are lower than previous ones. The data shows the correlation between the borrowings and payments.

Arroyo: Largest Borrowed, Largest Paid (in trillion pesos)



Record Breaker. Among the post-Marcos regimes, the Arroyo administration managed to break not one, but two debt records – that of borrowing and paying the largest. In fact, her total gross borrowings and debt payments are larger than that of her predecessors combined.

Debt Facts

The Philippine debt problem is not yet over, as some people would want us to believe. Let us view some statistics on the debt situation.

National Government Debt per Filipino (using end-Oct 2007 NG Debt and NSO projected 2007 population)	P 42,819.42
Debt Servicing per minute (using data on Interest and Principal payments on 2007)	P 1,165,898.02
External Debt as % of GDP (using NSCB 2007GDP data and external debt data as of Sep 2007 from BSP)	34.51%

Source: Various Government Sources

Government Spending for 2007

	<i>in billion pesos</i>	<i>per capita</i>
Debt Service	612.80	P 6,908.15
Interest Payments	303.30	P 3,419.11
Principal Amortization	309.50	P 3,489.03
Education, Culture and Manpower Development	164.10	P 1,849.96
Health	18.36	P 206.93
Natural Resources and the Environment	8.83	P 99.52
Agriculture and Agrarian Reform	35.55	P 400.79
Social Security, Welfare and Employment	55.3	P 624.27
Housing and Community Development	2.5	P 28.33
Military	53.81	P 606.55

Source: Department of Budget and Management, Republic Act 9401 (The General Appropriations Act for 2007), National Statistics Office for population projection for 2007.

Note: Breakdown of totals may not sum up due to rounding of digits.

Debt Above All. Arroyo may have, to some extent, alleviated the debt problem, but she had been able to do so at the cost of public spending, and ultimately, of sustainable development. We are already experiencing, literally and metaphorically, the crumbling and decay of our education and health infrastructures.