

HIGHLIGHTS OF THE FY 2006 PROPOSED BUDGET

(Source: Department of Budget and Management)

- The proposed national budget for Fiscal Year 2006 is anchored on the budget theme "Moving the 10 Point Agenda for Socioeconomic Renewal and Fiscal Health."
- The proposed budget of P1.053 trillion is 14.7 percent or P134.6 billion more than the 2005 adjusted budget of P918.6 billion.
- The proposed budget is consistent to a deficit target of P124.9 billion or 2.1% of GDP which is lower than this year's deficit of P180.0 billion or 3.4% of GDP and last year's P187.0 billion or 3.9% of GDP, due to higher revenue collections.

Top Twelve Departments with the Highest Budgetary Allocation for 2006

The top twelve major departments which will get the largest allocation of the proposed national budget are the following:

1) Department of Education (including DepEd - School Building Prog.)	P119.1 billion
2) Department of Public Works and Highways	P62.3 billion
3) Department of National Defense	P46.6 billion
4) Department of the Interior and Local Government	P45.6 billion
5) Department of Agriculture (including AFMA-DA)	P15.6 billion
6) Dept of Land Reform (including ARF)	P15.0 billion
7) Department of Transportation and Communications	P14.3 billion
8) Department of Health	P10.6 billion
9) The Judiciary	P8.5 billion
10) Department of Finance	P6.9 billion
11) Department of Environment and Natural Resources	P6.3 billion
12) Department of Foreign Affairs	P5.3 billion

Breakdown of the Proposed Budget by Expense Class

In terms of expense class, the P1.053 trillion proposed budget shall be distributed as follows:

- Personal Services P330.5 billion or 31.4%
- Maintenance and Other Operating Expenses P616.7 billion or 58.6%
- Capital Outlays and Net Lending P106.0 billion or 10.0%

Of the P616.7 billion allocation for maintenance and other operating expenses, P340 billion or 32.3% will go to debt servicing while P166.5 billion or 15.8% will go to local government units representing their share from the IRA.