The Philippine Review of Economics
Vol. LIV No. 2, December 2017 pp. 88-99

The fiscal program in recent Philippine history: looking back and looking forward

Benjamin E. Diokno*
Department of Budget and Management

For almost four decades, the Philippines has underinvested in public infrastructure largely due to its poor macroeconomic challenges: low economic growth, high public debt, low revenues, and high interest rates. But the macroeconomic picture has significantly improved in recent years. Growth has accelerated amidst a low-inflation, low-interest rate environment. The debt-to-GDP ratio has gone down and continues to fall, while the revenue effort is projected to rise with the tax reform program. The favorable economic conditions have enabled the government to embark on an aggressive medium-term fiscal program that focuses on modernizing public infrastructure and investing in human capital development.

These developments are reflected in the 2017 national budget. Debt burden as a share of the national budget has gradually declined from 20 percent in 1983-1985 and 30 percent in 1986-1996 to as low as 11 percent in 2017. By contrast, the share of social services has doubled from 21 percent in 1983-1985 to 40 percent in the 2017 while infrastructure and other capital outlays has more that quintupled from 1.1 percent in 1983-1985 to 6.1 percent in 2017. The higher spending will be made possible by increasing the planned deficit from 2 percent to 3 percent of GDP combined with the higher revenue effort owing to the tax reform program.

JEL classification: H54, H52, H62, H20, H68
Keywords: fiscal policy, national budget, infrastructure spending, social services, public debt

1. Introduction

In economics, initial conditions matter. For the last three decades, the Philippines has not been able to finance its development priorities, particularly public infrastructure, and it is not surprising why: the level of public debt was huge; the costs of servicing it was high; and the revenue-to-GDP ratio was low. Of course, it did not help that a string of fiscal conservatives running its fiscal policy.

* Please address all correspondence to bediokno@gmail.com

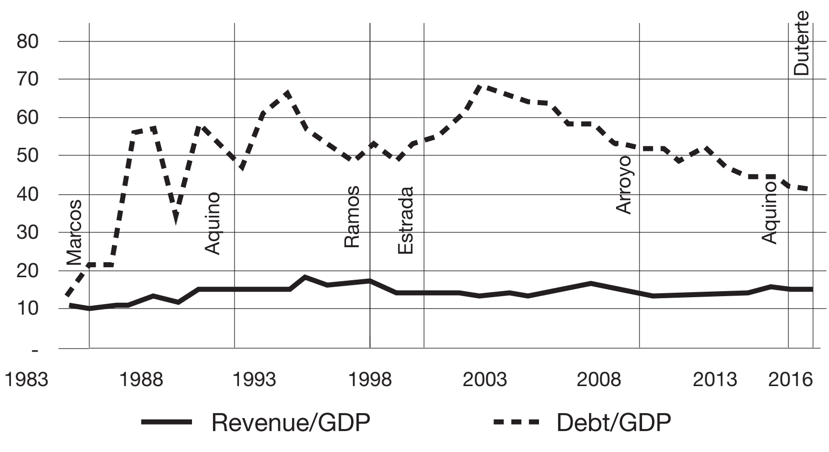
TABLE 1. Selected macroeconomic statistics[1] (1983-2017)

Items	1983-1985 actual	1986-1996 actual	1997-2006 actual	2007-2016 actual	2012-2016 actual	Emerging 2017 figures^
Debt/GDP ratio	19.2	53.4	59.1	49.6	46.2	42.0
Revenue/GDP ratio	10.6	15.3	14.9	14.9	15.1	15.0
Deficit/GDP ratio	2.0	1.6	2.9	1.8	1.5	2.6
GDP growth rate, percent	(4.3)	3.7	4.0	5.6	6.6	6.5-7.5
Inflation rate, percent	27.4	9.4	5.8	3.7	2.7	3.1-3.3
LIBOR rate, 180 days	9.9	6.4	4.1	1.3	0.6	1.4-1.6
T-bill rate, 364 days	30.5	17.0	10.6	3.1	1.7	2.8-3.0

[1] This is based on the approved macroeconomic assumptions as of the 171st Development Budget Coordination Committee Meeting on December 22, 2017.

In the last few years, the macroeconomic picture has changed. The economy has grown faster amidst a low-inflation environment. The cost of borrowing, both at home and abroad, is low. The debt/GDP ratio has gone down and continues to fall. Notwithstanding the increase in revenue effort with the 1986 tax reform program under the Aquino administration[2,3], the revenue-to-GDP ratio remains sticky at around 15 percent.

FIGURE 1. Falling debt-to-GDP ratio; unchanging revenue-to-GDP ratio (1983-2017)[4]



1 Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*

2 The 1986 tax reform program aimed to improve the revenue yield and the simplicity of the tax system, among other objectives. Indirect taxation was also revamped with the introduction of the value-added tax.

3 See Diokno [2005].

4 Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*

Looking at the Philippines' current state of affairs gives a glimmer of hope. The country has been growing at a rapid rate in recent years, finally turning the corner after decades of subpar growth. The Philippine economy grew by an average rate of 6.2 percent from 2010 to 2015. This was punctuated by a robust 6.9 percent growth rate in 2016—higher than that of China, Vietnam, and its other peers. The emerging picture for 2017 only bolsters the Philippine economy's strong growth trajectory. Despite coming off an election year, economic expansion for the first three quarters of the year has averaged 6.7 percent, and it may even go higher once the fourth quarter figures are available.

TABLE 2. National budget by sectoral allocation (1983-2017)[5]

Items	1983-1985 actual	1986-1996 actual	1997-2006 actual	2007-2016 actual	2012-2016 actual	2017 General Appropriations Act figures[2]
Economic services (%)	32.2	24.0	22.1	26.9	27.4	27.6
Social services (%)	21.6	23.5	30.2	33.6	36.2	40.3
Defense (%)	9.6	7.2	5.3	4.6	4.3	4.4
General public services (%)	16.3	15.3	17.7	17.6	17.0	17.2
Debt burden (%)	20.3	30.0	24.6	17.3	15.1	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Government authorities
[2] Source: Department of Budget and Management data, January 2018

A glance at the sectoral distribution of the national budget across seven administrations also shows the improved fiscal context of the Philippines. In the past, heavy indebtedness led to a huge chunk of the budget being devoted to debt and interest payments. From 1986 to 1996, 30 percent of the national budget was devoted to servicing public debt, which significantly slashed the productive spending in the budget. The gradual decline in the share of debt burden, and the subsequent rise of the share of economic and social services, suggest greater capacity of the government to invest in priority programs and projects to boost socio-economic development. In the 2017 General Appropriations Act, the share of debt burden is one-third of what it used to be two to three decades ago. Economic services have likewise inched up to 27.6 percent. Meanwhile, the most significant beneficiary of lower debt service payments is the social services sector, with its share almost doubling from 23.5 percent in 1986-1996 up to 40.3 percent in the 2017 budget.

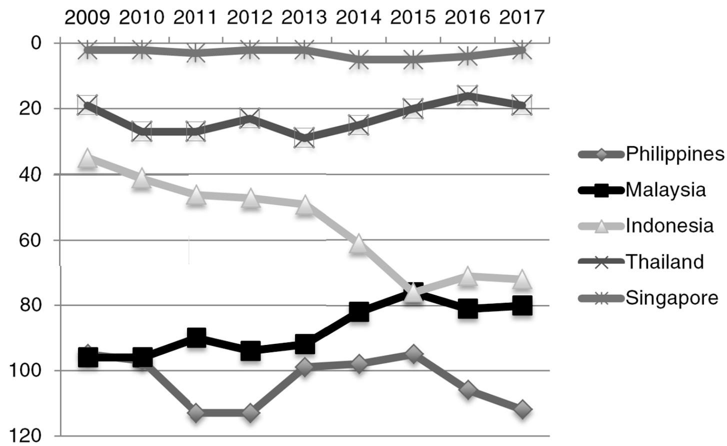
[5] Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*

2. Spending priorities in the medium term

The strong growth performance and much improved fiscal position are among the reasons the Philippines may be described as the "fastest-growing economy in the fastest-growing region in the world".

Nevertheless, the bullish outlook on the Philippine market can only be sustained if the government is able to finance its development priorities, namely infrastructure and human capital development.

FIGURE 2. World Economic Forum overall infrastructure rankings among ASEAN-5 (2009-2017)



Source: World Economic Forum, various years

The Philippines' infrastructure indicators consistently result in dismal scores that pull down its overall competitiveness. According to the World Economic Forum Competitiveness Rankings, we lag behind our ASEAN-5 neighbors in terms of overall infrastructure, especially Thailand, Malaysia, and Singapore. What is worrisome is that the country's overall infrastructure rank has steeply declined from 94th in 2009 to 112th in 2017.[6]

The Philippines failed to invest in infrastructure, and this has resulted in monumental economic and social costs to the Philippine economy. According to a study by the Japanese International Cooperation Agency in 2014, the traffic situation in Metro Manila alone costs the economy ₱2.4 billion daily, or ₱876 billion annually, in terms of vehicular maintenance costs and time costs from the traffic congestion.[7] In dollar terms, this is $17.5 billion annually. More so, the

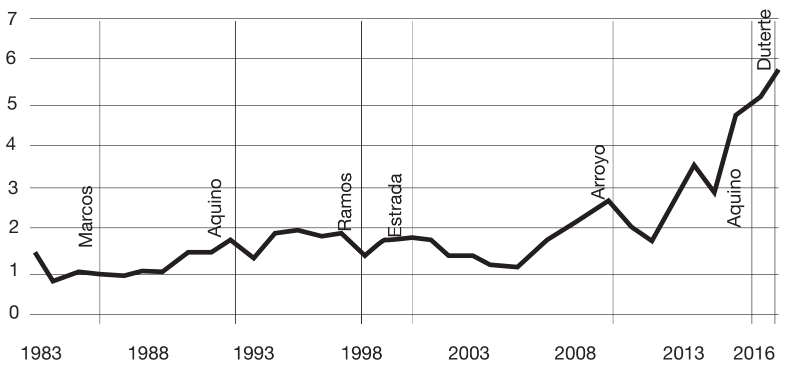
[6] World Economic Forum, *The global competitiveness report, 2009-2017*

[7] Japan International Cooperation Agency and National Economic and Development Authority, *Roadmap for transport infrastructure development for Metro Manila and its surrounding areas, 2014*

terrible traffic congestion hampers the well-being of Filipino commuters, who have to spend a quarter of their day on the road, and takes away time from more productive activities.

The same study four years ago projected that if the traffic situation is not improved, the cost will climb up from ₱2.4 billion daily to as much as ₱6.0 billion daily by 2030. Accounting for inflation, the cost of traffic congestion is as much as ₱2.8 billion daily.

FIGURE 3. Infrastructure and other capital outlays as share of GDP (1983-2017)[8]



Source: Government authorities

Low public spending on infrastructure development has exacerbated this issue. The Philippines has consistently fallen short of the suggested threshold for developing countries of five percent of GDP for infrastructure spending. In 2011 to 2016, government spending on infrastructure as percentage of GDP averaged a three percent. If other capital outlays are considered to account for fixed asset expenditures like equipment, machinery, and other facilities, it has averaged a lowly 3.4 percent.

For a country whose Achilles' heel is infrastructure development, this level is unacceptable and the present government intends to turn things around.

TABLE 3. Infrastructure and other capital outlays as percentage of GDP (1983-2017)[9]

	1983-1985 actual	1986-1996 actual	1997-2006 actual	2007-2016 actual	2012-2016 actual	2017 adjusted figures
Infrastructure and other capital outlays (%)	1.1	1.4	1.5	3.0	3.7	6.1

Source: Government authorities

[8] Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*
[9] Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*

Much of the infrastructure gap in the Philippines can be explained by the historical underinvestment in roads, railways, bridges, among other infrastructure facilities. From 1983 until 2006, infrastructure and other capital spending amounted to less than 3 percent of GDP. It doubled to 3 percent from 2007 to 2016, although such a level is still well below the suggested 5 percent of GDP threshold for developing countries.

At the same time, it does not need much convincing that the Philippines needs to invest heavily in its young population. For a developing country whose median age is 23 years old[10], the government must ensure that its young people, especially the poor, have access to quality and affordable education, healthcare, and social protection. Such interventions early on will secure for the country an agile, competitive, and productive workforce capable of driving growth.

FIGURE 4. Medium-term fiscal program (2017-2022)[11]

Particulars	2016	2017	2018	2019	2020	2021	2022
	Actual	Emerging	Medium - Term Projections				
REVENUES	**2,195,914**	**2,387,793**	**2,788,943**	**3,133,758**	**3,530,279**	**3,929,411**	**4,387,692**
% of GDP	***15.2%***	***15.0%***	***15.9%***	***16.2%***	***16.6%***	***16.8%***	***17.0%***
Growth Rates	***4.1%***	***8.7%***	***16.8%***	***12.4%***	***12.7%***	***11.3%***	***11.7%***
o/w REVENUE MEASURES			**82,271**	**123,314**	**165,573**	**163,612**	**153,583**
DISBURSEMENTS	**2,549,336**	**2,793,964**	**3,312,625**	**3,708,286**	**4,160,662**	**4,621,577**	**5,148,727**
% of GDP	***17.6%***	***17.6%***	***18.9%***	***19.2%***	***19.6%***	***19.8%***	***20.0%***
Growth Rate	***14.3%***	***9.6%***	***18.6%***	***11.9%***	***12.2%***	***11.1%***	***11.4%***
Current Operating Exp.	**1,909,325**	**2,098,007**	**2,349,473**	**2,584,454**	**2,852,360**	**3,148,783**	**3,469,735**
Personnel Services	723,180	797,863	893,729	970,649	1,056,829	1,148,959	1,247,449
MOOE	419,836	463,783	548,007	613,992	700,274	818,849	908,158
Allotments to LGUs	342,931	390,161	418,499	457,570	513,211	591,269	667,515
Subsidy	103,190	124,393	115,727	127,971	127,971	91,240	91,240
Tax Expenditures	15,734	9,292	19,500	19,500	19,500	19,500	19,500
Interest Payments	304,454	312,517	354,010	394,771	434,574	478,966	535,873
Capital Outlay	**624,713**	**685,347**	**946,353**	**1,107,066**	**1,291,537**	**1,456,029**	**1,662,226**
NG Infrastructure	448,501	476,239	701,572	853,401	1,011,773	1,156,263	1,330,135
% of GDP	*3.1%*	*3.0%*	*4.0%*	*4.4%*	*4.8%*	*4.9%*	*5.2%*
Other Capital Outlays	44,504	64,417	76,277	81,767	93,956	94,444	107,707
Equity	11,681	4,762	9,374	3,000	3,000	3,000	3,000
Capital Transfers to LGUs	120,027	139,928	159,130	168,898	182,808	202,322	221,384
Net Lending	**15,298**	**10,610**	**16,800**	**16,765**	**16,765**	**16,765**	**16,765**
SURPLUS /(DEFICIT)	**(353,422)**	**(406,171)**	**(523,682)**	**(574,528)**	**(630,383)**	**(692,166)**	**(761,035)**
% of GDP	**-2.4%**	**-2.6%**	**-3.0%**	**-3.0%**	**-3.0%**	**-3.0%**	**-3.0%**
Memo Items:							
Nomnal GDP	14,480,720	15,893,651	17,581,019	19,310,484	21,218,328	23,391,162	25,819,291

Given the ambitious goals of the administration in closing the infrastructure gap and developing the country's human resources, critics have raised red flags regarding the fiscal sustainability of such initiatives. But, the government is ready to overcome these fears through a proper strategy.

[10] Source: Philippine Statistics Authority, 2012

[11] This is based on the approved medium-term fiscal program as of the 171st Development Budget Coordination Committee (DBCC) Meeting on December 22, 2017.

First, it has increased the planned deficit from 2 percent to 3 percent of GDP. The deficit will be financed through borrowings following an 80 to 20 mix in favor of domestic sources.[12] This financing mix is intended to minimize exposure to foreign exchange fluctuations and enable government to better manage the debt. Furthermore, based on strengthened friendships with Asian neighbors, particularly China and Japan, access to official development assistance will greatly reduce the costs of financing major infrastructure projects.

TABLE 4. Budget deficit financing mix (1983-2017)[13]

	1983-1985 actual	1986-1996 actual	1997-2006 actual	2007-2016 actual	2012-2016 actual	2017 emerging figures
Gross domestic borrowings (%)	73.3	55.0	54.1	73.6	78.0	81.0
Gross foreign borrowings (%)	26.7	45.0	45.9	26.4	22.0	19.0
Total gross borrowings (%)	100.0	100.0	100.0	100.0	100.0	100.0

Source: Government authorities

A look at the historical budget deficit financing mix indicates the government's gradual shift to domestic borrowing sources as opposed to foreign sources. Thirty years ago, as much as 45 percent of total gross borrowings were financed through foreign sources. Such a heavy reliance on foreign borrowings increased the country's vulnerability to foreign exchange volatility. The financing mix was rebalanced to about 74 percent to 26 percent from 2007 to 2016, and the government is keen to maintain such a strategy. For instance, the emerging figures on deficit financing for 2017 indicate that 81 percent of total gross borrowings were accounted for by domestic sources, whereas only 19 percent came from foreign sources.

The bigger deficit and borrowings may not sound appealing to some, but the situation is manageable with adherence to fiscal responsibility. The debt-to-GDP ratio will continue to fall as GDP growth is projected to outpace the rise in debt accumulation. The debt-to-GDP ratio is expected to shrink from 42 percent in 2017 to 38 percent in 2022.[14] With this debt profile, the Philippines will become the envy of many developed and developing countries in the world facing much higher debt-to-GDP ratios.

Second, borrowings will be complemented with increased revenue collections resulting from tax policy and tax administration reforms. The tax reform program

[12] This is based on the approved medium-term financing program as of the 171st Development Budget Coordination Committee Meeting on December 22, 2017.

[13] Department of Budget and Management, *Fiscal statistics handbook, 1983-2017*

[14] This is based on the projections of the Bureau of Treasury (BTr) as of the 171st Development Budget Coordination Committee (DBCC) Meeting on December 22, 2017.

of the government not only intends to raise additional revenues but also aims to institutionalize a fairer, simpler, and more efficient tax regime. It will also put in place a tax system that is more in sync with the country's ASEAN-5 peers, making the Philippine economy more competitive to investors.

The first package, alongside pending legislative measures (more commonly known as Package 1A and 1B of tax reform), are estimated to contribute an additional ₱130 billion in 2018 up to ₱220 billion in 2022. In total, it will rake in about ₱1 trillion over the medium term and bring annual revenues of about 0.7 to 1.0 percent of GDP.[15] Conservative targets for revenue effort are pegged at 16 percent of GDP in 2018 rising to 17.3 percent of GDP in 2022.[16] This can go higher if the tax reform program proceeds according to plan, especially in the legislature.

Hence, the two-pronged approach of expanding the deficit ceiling and enhancing revenue effort will enable the government to finance the country's pressing expenditure needs without sacrificing the its fiscal health.

Such a fiscal strategy will make possible the ambitious infrastructure program of the Duterte administration, dubbed "Build Build Build". It will enable the government to spend about ₱8 trillion to ₱9 trillion for public infrastructure in the medium term, with the infrastructure budget reaching 5.4 percent of GDP in 2017 and rising to as much as 7.3 percent of GDP by 2022. This is a monumental step towards modernizing the country's public infrastructure given its historical underinvestment in the said realm.

At the same time, such a fiscal strategy will provide resources for the government's flagship social service programs, including but not limited to the conditional cash transfer program, subsidies for health insurance through PhilHealth, universal access to quality tertiary education (by virtue of RA 10931), among other interventions. The expanded fiscal space will enable the government to sustain this level of support, with social services accounting for as much as 40 percent of the national budget, to its constituents.

Through these measures, combined with speedy and efficient implementation, the groundwork shall be laid for the "golden age of infrastructure" in the Philippines preparing the young men and women of the country to be future drivers of growth.

3. Concluding remarks

With sound macroeconomic fundamentals and prudent fiscal policies, the Philippines is poised for an economic breakthrough.

---

[15] Source: Department of Finance data, December 2017

[16] This is based on the approved medium-term revenue program as of the 171st Development Budget Coordination Committee (DBCC) Meeting on December 22, 2017.

The country now has the right ingredients and leaders to catch up with its ASEAN-5 peers and to ultimately transform the Philippines into the "Asian tiger" it is capable of becoming. With the right fiscal policy strategy, the country is poised to be an upper-middle income economy with poverty incidence down to 14 percent by 2022.

References

Department of Budget and Management (DBM) *Fiscal statistics handbook, 1983-2017*.

Development Budget Coordination Committee (DBCC) [2017] *Approved medium-term fiscal program and macroeconomic assumptions, December 2017*.

Diokno, B. [2005] "Reforming the Philippine tax system: Lessons from two tax reform programs", Discussion Paper No. 0502, School of Economics, University of the Philippines.

Diokno, B. [2008] "The Philippines: fiscal behavior in recent history", Discussion Paper No. 0804, School of Economics, University of the Philippines.

Japan International Cooperation Agency (JICA). [2014] *Roadmap for transport infrastructure development for Metro Manila and its surrounding areas*.

World Economic Forum (WEF) *The global competitiveness report 2009-2017*.

Appendix

TABLE 1. Selected macroeconomic statistics (1983-2017)

	1983	1984	1985	1986	1987	1988	1989	1990	1991
Debt/GDP ratio	13.8	21.3	22.5	55.7	56.2	34.2	57.6	52.5	46.9
Revenue/GDP ratio	11.2	9.8	10.9	11.7	13.6	12.7	14.9	15.2	16.0
Deficit/GDP ratio	1.8	1.7	1.8	4.6	2.2	2.6	1.9	3.1	1.9
GDP growth rate, percent	1.9	(7.3)	(7.3)	3.4	4.3	6.8	6.2	3.0	(0.6)
Inflation rate, percent	9.5	50.0	22.6	1.0	4.0	14.1	12.0	12.3	19.4
LIBOR rate, 180 days	9.9	11.2	8.6	6.8	7.3	8.1	9.3	8.3	6.0
T-bill rate, 364 days	14.9	41.5	35.2	13.2	14.1	16.2	20.4	26.1	23.9

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Debt/GDP ratio	61.0	66.1	56.8	53.0	47.9	53.0	48.4	52.8	56.0
Revenue/GDP ratio	16.2	15.9	17.9	17.1	17.1	17.5	15.7	14.7	14.4
Deficit/GDP ratio	1.1	1.3	(0.9)	(0.5)	(0.3)	(0.1)	1.7	3.4	3.7
GDP growth rate, percent	0.3	2.1	4.4	4.7	5.8	5.2	(0.6)	3.1	4.4
Inflation rate, percent	8.6	6.7	10.5	6.7	7.5	5.6	9.3	5.9	4.0
LIBOR rate, 180 days	3.9	3.4	5.1	6.1	5.6	5.8	5.6	5.5	6.6
T-bill rate, 364 days	18.0	14.1	14.0	13.4	13.4	13.6	17.4	11.7	11.8

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt/GDP ratio	61.3	67.9	66.7	63.7	62.7	58.1	58.0	53.6	52.5
Revenue/GDP ratio	14.6	13.8	14.1	13.8	14.4	15.6	16.5	15.6	14.0
Deficit/GDP ratio	3.8	5.0	4.4	3.7	2.6	1.0	0.2	0.9	3.7
GDP growth rate, percent	2.9	3.6	5.0	6.7	4.8	5.2	6.6	4.2	1.1
Inflation rate, percent	6.8	3.0	3.5	6.0	7.6	6.2	2.8	9.3	3.2
LIBOR rate, 180 days	3.7	1.9	1.2	1.8	3.8	5.3	5.3	3.0	1.1
T-bill rate, 364 days	12.0	6.8	7.5	9.2	8.7	7.0	4.9	6.5	4.6

	2010	2011	2012	2013	2014	2015	2016	2017
Debt/GDP ratio	51.7	49.3	51.9	47.1	45.1	44.7	42.1	42.0
Revenue/GDP ratio	13.4	14.0	14.5	14.9	15.1	15.8	15.2	15.0
Deficit/GDP ratio	3.5	2.0	2.3	1.4	0.6	0.9	2.4	2.6
GDP growth rate, percent	7.6	3.7	6.7	7.1	6.1	6.1	6.9	6.5-7.5
Inflation rate, percent	3.8	4.6	3.2	3.0	4.1	1.4	1.8	3.1 – 3.3
LIBOR rate, 180 days	0.5	0.5	0.7	0.4	0.3	0.5	1.1	1.4-1.6
T-bill rate, 364 days	4.3	2.3	2.0	0.7	1.8	2.1	1.76	2.8 - 3.0

TABLE 2. National budget by sectoral allocation (1983-2017)

Items	1983 actual	1984 actual	1985 actual	1986 actual	1987 actual	1988 actual	1989 actual	1990 actual	1991 actual
Economic services (%)	34.9	33.6	28.2	25.9	21.9	19.0	23.4	24.2	24.9
Social services (%)	23.2	19.9	21.7	20.8	22.3	22.6	22.4	22.0	22.3
Defense (%)	10.7	8.4	9.7	7.0	6.9	8.7	7.5	6.5	6.3
General public services (%)	17.1	15.0	16.9	12.3	12.7	13.7	13.1	13.8	14.1
Debt burden (%)	14.1	23.2	23.5	34.0	36.2	36.0	33.6	33.5	32.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Items	1992 actual	1993 actual	1994 actual	1995 actual	1996 actual	1997 actual	1998 actual	1999 actual	2000 actual
Economic services (%)	22.9	23.4	25.8	27.5	25.3	26.8	24.1	24.0	24.5
Social services (%)	22.9	23.4	23.4	26.9	29.5	32.3	32.6	33.2	31.2
Defense (%)	6.6	7.2	7.0	7.4	7.4	5.9	5.9	5.7	5.3
General public services (%)	16.3	17.4	18.1	17.6	19.0	18.8	18.8	18.2	18.0
Debt burden (%)	31.2	28.6	25.7	20.6	18.7	16.1	18.6	18.9	21.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Items	2001 actual	2002 actual	2003 actual	2004 actual	2005 actual	2006 actual	2007 actual	2008 actual	2009 actual
Economic services (%)	22.1	20.4	20.6	19.4	18.3	21.2	25.4	27.3	28.1
Social services (%)	30.4	31.1	28.8	28.9	27.0	27.0	27.7	28.0	28.7
Defense (%)	5.1	5.2	5.4	4.9	5.0	4.9	5.4	4.7	4.4
General public services (%)	17.1	17.9	17.1	16.1	17.8	17.1	17.5	18.1	19.0
Debt burden (%)	25.3	25.4	28.1	30.7	31.8	29.7	24.0	21.8	19.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Items	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual	2017 adjusted
Economic services (%)	25.9	23.2	26.8	25.9	24.4	29.3	30.6	27.5
Social services (%)	28.2	34.5	32.4	35.6	37.9	36.7	36.3	40.3
Defense (%)	6.2	4.5	4.1	4.4	4.3	4.0	4.2	4.4
General public services (%)	19.1	19.0	18.2	17.1	16.8	16.7	17.0	17.2
Debt burden (%)	20.6	18.8	18.6	17.0	16.6	13.2	11.9	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 3. Infrastructure and other capital outlays as percentage of GDP (1983-2017)

	1983 actual	1984 actual	1985 actual	1986 actual	1987 actual	1988 actual	1989 actual	1990 actual	1991 actual
Infrastructure and other capital outlays (%)	1.5	0.8	1.0	0.9	0.9	1.0	1.0	1.5	1.4

	1992 actual	1993 actual	1994 actual	1995 actual	1996 actual	1997 actual	1998 actual	1999 actual	2000 actual
Infrastructure and other capital outlays (%)	1.7	1.3	1.9	2.0	1.8	1.9	1.4	1.7	1.8

	2001 actual	2002 actual	2003 actual	2004 actual	2005 actual	2006 actual	2007 actual	2008 actual	2009 actual
Infrastructure and other capital outlays (%)	1.7	1.4	1.3	1.1	1.1	1.6	2.0	2.3	2.7

	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual	2017 adjusted
Infrastructure and other capital outlays (%)	2.1	1.7	2.6	3.5	2.8	4.7	5.1	6.1

TABLE 4. Budget deficit financing mix (1983-2017)

	1983 actual	1984 actual	1985 actual	1986 actual	1987 actual	1988 actual	1989 actual	1990 actual	1991 actual
Gross domestic borrowings (%)	51.3	87.6	81.0	78.4	79.2	73.2	65.1	55.2	73.7
Gross foreign borrowings (%)	48.7	12.4	19.0	21.6	20.8	26.8	34.9	44.8	26.3
Total gross borrowings (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	1992 actual	1993 actual	1994 actual	1995 actual	1996 actual	1997 actual	1998 actual	1999 actual	2000 actual
Gross domestic borrowings (%)	81.3	(80.0)	27.3	77.7	74.0	(11.8)	68.6	57.1	56.7
Gross foreign borrowings (%)	18.7	180.0	72.7	22.3	26.0	111.8	31.4	42.9	43.3
Total gross borrowings (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	2001 actual	2002 actual	2003 actual	2004 actual	2005 actual	2006 actual	2007 actual	2008 actual	2009 actual
Gross domestic borrowings (%)	75.1	54.1	54.7	65.8	64.5	56.6	73.4	85.8	56.2
Gross foreign borrowings (%)	24.9	45.9	45.3	34.2	35.5	43.4	26.6	14.2	43.8
Total gross borrowings (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual	2017 emerging
Gross domestic borrowings (%)	65.6	65.2	83.6	93.9	73.2	68.9	70.5	81.0
Gross foreign borrowings (%)	34.4	34.8	16.4	6.1	26.8	31.1	29.5	19.0
Total gross borrowings (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0