



Press Release No. 06/302  
FOR IMMEDIATE RELEASE  
December 28, 2006

International Monetary Fund  
Washington, D.C. 20431 USA

**IMF Welcomes the Philippines' Decision to  
Repay Early its Outstanding Obligations to the IMF**

On December 28, 2006, the Philippines announced that it will repay early its outstanding financial obligations to the International Monetary Fund (IMF), amounting to SDR 146.3 million (about US\$219.9 million). The payment is expected to be made before the end of 2006. This repayment will trigger the country's exit from its post-program monitoring (PPM) with the IMF, which was scheduled to end in April 2007.

Mr. Takatoshi Kato, the Acting Managing Director of the IMF, welcomed the early repayment and commended the Philippine authorities on the recent significant progress in strengthening the country's fiscal and external positions. "The Philippines' ability to repay the Fund early reflects a stronger balance of payments position, achieved through impressive fiscal reforms that have substantially reduced the fiscal deficit and debt," he said. "We are encouraged by the Philippine authorities' resolve to address remaining policy challenges, including the need to reduce the public debt further. We look forward to a continued close relationship and dialogue with the Philippine authorities as they tackle these challenges," Mr. Kato said.

The outstanding obligations were incurred under the Extended Fund Facility (EFF) arrangement during 1994-98. The last arrangement was a Stand-By Arrangement approved end-March 1998 (see [Press Release No. 98/9](#)) in the amount of SDR 1.02 billion (about US\$1.53 billion), of which an amount of SDR 783.2 million (about US\$1.18 billion) was drawn down. Under the original repayment schedule, the final repayment of outstanding obligations would have taken place in March 2008.