

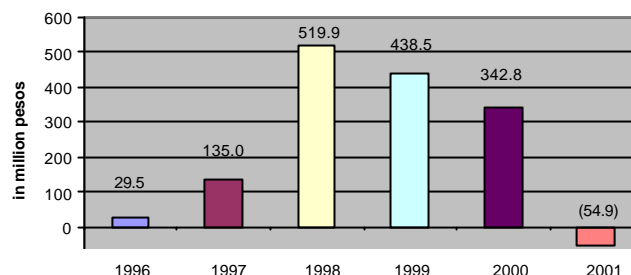


Did you know that...

...in 2001, the local government expenditures of Region XI exceeds the local revenue collection by 54.9 million pesos?

In 2001, the local government expenditures of Region XI exceeded the local revenue collection by P54.9 million. The local revenue collection was P5,431.9 million, while expenditures has reached to P5,486.8 million. Figure 1 shows that since 1996 it was only in 2001 when local government expenditures exceeded the local revenue collection. The provinces of Davao del Norte, Compostela Valley, Davao del Sur, South Cotabato, and Sarangani also experienced shortfall of local revenue collection as compared to their local revenue expenditures. Davao del Norte and Davao del Sur suffered the biggest expenditure-revenue differential in 2001, with P52.3 million and P46.5 million, respectively. Following them was South Cotabato with P26.2 million.

Figure 1. Local Revenue Collection and Government Expenditures Differential, Region XI: 1996-2001 (in million pesos)



It should be noted, however, that local revenue collection is not merely the source of budget for the local government units (LGUs). Another source of income is the Internal Revenue Allotment (IRA), which is derived from 40 percent of the national internal revenue tax collections. This means that a shortfall in local revenue collection compared to local expenditures does not directly imply budget deficit.

The local revenue collection of Gen. Santos City, Davao City and Davao Oriental had consistently exceeded local expenditures in 2000 and 2001. The three LGUs produced a revenue-expenditure difference of P361 M, P26.5M and P17.9M, respectively in 2001. Sarangani province's fiscal position improved between 2000 and 2001. From enormous P78.1 million shortfall in local revenue collection as compared to expenditures in 2000, it dropped to only P9.0 million in 2001. Compostela Valley's local revenue collection in 2000 exceeded its local expenditures by a huge P113.9 million. In 2001 however, the local expenditures exceeded revenue collection by P1.5 million.

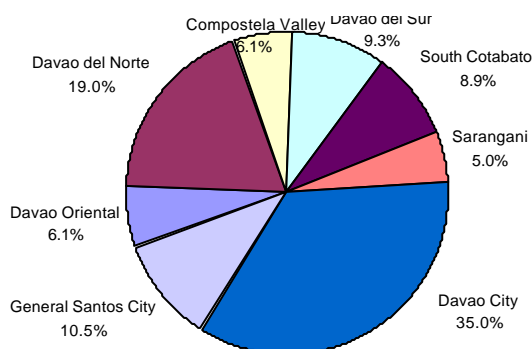
Local Government Revenue Collection and Expenditures, Region XI by Province/City: 2000-2001 (in million pesos)

Province/City	2000			2001		
	RC	EX	Diff.	RC	EX	Diff.
Davao Oriental	341.4	340.9	0.5	333.7	315.8	17.9
Davao del Norte	1,221.5	1,239.0	(17.5)	1,031.0	1,083.3	(52.3)
Compostela Valley	436.2	322.3	113.9	330.6	332.1	(1.5)
Davao del Sur	508.6	523.7	(15.1)	506.4	552.9	(46.5)
South Cotabato	364.2	389.8	(25.6)	485.4	511.6	(26.2)
Sarangani	275.7	353.8	(78.1)	270.8	279.8	(9.0)
Davao City	2,311.5	2,003.9	307.6	1,904.4	1,877.9	26.5
Gen. Santos City	624.1	567.1	57.0	569.6	533.5	36.1
Region XI	6,083.2	5,740.4	342.8	5,431.9	5,486.8	(54.9)

Note: RC – Revenue Collections
 EX – Expenditure
 Diff. – Difference (Revenue Collections over Expenditures)

Source: Bureau of Local Government Finance XI

Figure 2. Percentage Share to Total Local Revenue Collection of Region XI: 2001



For the total local revenue collection of Region XI in 2001, Davao City had the biggest share comprising of 35.0 percent (Fig. 2), followed by Davao del Norte and General Santos City with 19.0 and 10.5 percentage share, respectively. Davao del Sur ranks fourth with 9.3 percentage share. South Cotabato's share reached 8.9 percent, followed by Davao Oriental and Compostela Valley with 6.1 percent each. Sarangani had the smallest share with 5.0 percent.