



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila 1002

Press Release

**July Revenues and Expenditures Rise:
Posts P75.3 Billion Budget Deficit in July 2019
*Jan-July Deficit contracted by 57.79% to P117.9 Billion***

MANILA, Philippines, 23 August 2019 – The National Government (NG) posted a P75.3 billion budget deficit in July, down by 12.83% or P11.1 billion from 2018's budget gap of P86.4 billion. The fiscal outturn follows a 9.25% year-on-year growth in revenue collection alongside 3.43% acceleration in government expenditures. As of end-July 2019, the budget deficit has reached P117.9 billion, lower by 57.79% or P161.5 billion when compared to P279.4 billion for the same period last year.

Revenue Performance

National Government revenues in July rose by 9.25% year-on-year to P264.1 billion. The cumulative revenues from January to July also went up to P1,811.6 billion from the P1,652.3 billion raised in the same period last year. Tax revenues comprised 89.70% of the total collections for the period and grew by 9.88% or P145.4 billion year-on-year compared to the total tax revenues collected last year.

The Bureau of Internal Revenue (BIR) collected P180.3 billion¹ for the month, increasing by 9.96% or P16.3 billion over the 2018 level. Year-to-date revenues of P1,246.7 billion are up from last year's collection of P1,128.5 billion by 10.47%.

Collections by the Bureau of Customs (BOC) reached P54.6 billion² in July, reflecting a 4.79% increase from the P52.1 billion registered in the same month in 2018. Cumulatively, BOC's total collection of P357.7 billion in the first seven months improved as well by 7.88% or P26.1 billion compared to actual collections in the same period last year.

Total Bureau of the Treasury (BTr) income settled at P14.4 billion in July, posting a double-digit growth of 22.14% over last year's level. The growth is mainly driven by higher income from NG deposits, investment from the Bond Sinking Fund (BSF), guarantee fees and NG share from PAGCOR income. This enabled the BTr to generate a year-to-date growth of 30.92%, equivalent to P102.0 billion from January to July and is already 38.03% above the full-year target of P73.9 billion.

Revenue collections from other offices (non-tax including privatization proceeds and fees and charges) contributed P12.8 billion for the month, 4.54% better than last year's achievement. On the other hand, year-to-date revenues amounting to P91.8 billion was down by 9.91% from a year ago.

¹ Net of tax refund amounting to P604.0 million for July and P6.7 billion for January to July; July total BIR collections inclusive of tax refunds is P180.9 billion while January to July BIR collection inclusive of tax refund is P1,253.4 billion.

² Net of tax refund amounting to P2.2 billion for July and P4.3 billion for January to July; July total BOC collection inclusive of tax refund is P56.8 billion while January to July collection inclusive of tax refund is P362.0 billion.

Expenditure Performance

July NG expenditures reached P339.4 billion, picking up from last month's contraction and growing by 3.43% or P11.3 billion year-on-year. Year-to-date NG expenditures totaled P1,929.6 billion, marginally lower by 0.11% or P2.1 billion from a year ago after being weighed down by the delayed approval of the 2019 budget coupled with the election ban on new public works.

Primary expenditures for the month slightly increased by 1.81%, equivalent to P288.4 billion. The cumulative primary expenditures of P1,698.5 billion was still slower by 1.32% against 2018.

Interest payments (IP) for July went up 13.66% to P51.0 billion. Year-to-date IP of P231.0 billion expanded as well by 9.83% or P20.7 billion more than comparable figures recorded in the same period last year.

As a percentage of revenue and expenditures, IP from January to July accounted for 12.75% and 11.97%, higher than previous year's outturn of P12.73 and 10.89%, respectively, with the latter due to lower disbursements compared to the same period last year.

Primary Surplus/ (Deficit)

Setting aside interest payments, NG recorded a primary deficit of P24.3 billion for the month, 41.43% lower from last year. Meanwhile, the primary balance for the January-July period returned to a primary surplus of P113.1 billion in contrast to the P69.1 billion primary deficit posted in the previous year.

Fiscal Performance

For the Period Indicated

(In Billion Pesos)

Year-on-Year

Particulars	July			
	2018	2019	Diff	YoY
REVENUES	241.7	264.1	22.4	9.25%
Tax Revenues	217.7	236.9	19.2	8.81%
BIR ^{1/}	164.0	180.3	16.3	9.96%
BOC ^{2/}	52.1	54.6	2.5	4.79%
Other Offices	1.6	1.9	0.3	22.35%
Non-Tax Revenues	24.0	27.2	3.2	13.15%
BTr	11.8	14.4	2.6	22.14%
Other Offices	12.3	12.8	0.6	4.54%
EXPENDITURES	328.1	339.4	11.3	3.43%
Interest Payments	44.8	51.0	6.1	13.66%
Others	283.3	288.4	5.1	1.81%
SURPLUS/ (DEFICIT)	(86.4)	(75.3)	11.1	-12.83%
Primary Surplus/ (Deficit)	(41.5)	(24.3)	17.2	-41.43%

1/ Net of tax refund amounting to P604.0 million; July total BIR collection inclusive of tax refund is P180.9 billion.

2/ Net of tax refund amounting to P2.2 billion; July total BOC collection inclusive of tax refund is P56.8 billion.

Year-to-Date

Particulars	January to July (Actual)			
	2018	2019	Diff	YoY
REVENUES	1,652.3	1,811.6	159.4	9.64%
Tax Revenues	1,472.4	1,617.8	145.4	9.87%
BIR ^{1/}	1,128.5	1,246.7	118.2	10.47%
BOC ^{2/}	331.5	357.7	26.1	7.88%
Other Offices	12.4	13.5	1.1	8.58%
Non-Tax Revenues	179.8	193.8	14.0	7.78%
BTr	77.9	102.0	24.1	30.92%
Other Offices	101.9	91.8	(10.1)	-9.91%
EXPENDITURES	1,931.7	1,929.6	(2.1)	-0.11%
Interest Payments	210.3	231.0	20.7	9.83%
Others	1,721.3	1,698.5	(22.8)	-1.32%
SURPLUS/ (DEFICIT)	(279.4)	(117.9)	161.5	-57.79%
Primary Surplus/ (Deficit)	(69.1)	113.1	182.1	-263.78%

1/ Net of tax refund amounting to P6.7 billion; January-July BIR collection inclusive of tax refund is P1,253.4 billion.

2/ Net of tax refund amounting to P4.3 billion; January-July BOC collection inclusive of tax refund is P362.0 billion.