



Funding the Republic

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

Press Release

NG Expenditures Rise by 8.8% in August 2019

*Deficit for the Month Stood at P2.5 Billion with Faster Revenue Growth
Year-to-Date Budget Deficit at P120.4 Billion*

MANILA, Philippines, 23 September 2019 – National Government (NG) disbursements posted an 8.78% growth in August while revenues recorded an 8.90% increase. Accordingly, the P2.5 billion budget deficit for the month ended slightly down from last year's outturn of P2.6 billion. The year-to-date deficit totaled P120.4 billion, 57.29% lower when compared with the level recorded for the same period last year.

Revenue Performance

Total revenues for the month reached P279.7 billion, notching an 8.90% year-over-year (YoY) improvement from the previous year's P256.9 billion. Of the total, 93.58% or P261.8 billion was sourced from tax revenues, while the remaining 6.42% or P18.0 billion came from non-tax sources. Cumulative revenue collection as of end-August 2019 improved to P2,091.4 billion, 9.54% or P182.2 billion higher compared with last year's figure.

The Bureau of Internal Revenue's (BIR) gross collections amounted to P206.5 billion in August, the second highest achievement for the year. Net of P937 million in tax refunds, BIR's P205.6 billion performance for the month was 11.07% or P20.5 billion higher than last year's net collections. Cumulatively, BIR's revenue for the first eight months of the year also increased by 10.56% or P138.7 billion over the 2018 level to P1,452.3 billion.

Meanwhile, the Bureau of Customs (BOC) attained a 3.04% YoY increment in its August collections, settling at P53.6 billion¹. Likewise, total BOC collections as of end-August 2019 amounting to P411.2 billion has grown by 7.22% or P27.7 billion relative to last year's actual collection.

Income generated and collected by the Bureau of the Treasury (BTr) reached P5.9 billion in August, up 9.24% from last year's performance. This was fueled by higher interest income on NG deposits and remittance of NG share in PAGCOR income. The BTr's year-to-date collection of P107.9 billion also beat last year's outcome by 29.51% or P24.6 billion and has already surpassed the full-year target of P73.9 billion by 46.03% on account of higher dividend collections on shares of stocks of GOCCs, income from NG deposits and Bond Sinking Fund investments.

¹ Net of tax refund amounting to P2.8 billion for August and P7.1 billion for January to August; August total BOC collection inclusive of tax refund is P56.4 billion while January to August collection inclusive of tax refund is P418.4 billion.

Other offices (other non-tax including privatization proceeds and fees and charges) contributed P12.0 billion in revenues in August, reflecting a modest increase of 1.68% from the previous year's P11.8 billion. On the other hand, total revenues for the January–August period decreased by 8.74% to P103.8 billion from the P113.8 billion registered a year ago.

Expenditures

NG disbursements totaled P282.2 billion for the month, growing by 8.78% or P22.8 billion from the P259.5 billion outturn in 2018. This marks the second highest growth achieved for the year next to February 2019, as expenditures were buoyed by higher subsidies to GOCCs and allotment to LGUs. The performance for the month drove the cumulative expenditures from January to August to P2.2 trillion, beating last year's spending by 0.94% or P20.7 billion.

August 2019 primary expenditures (net of interest payments) went up 13.61% to P262.2 billion, the highest growth since the 2019 GAA was enacted in April signaling that disbursements may have started to pick up. Moreover, year-to-date primary expenditures grew by 0.44% or P8.7 billion over last year at P1,961.2 billion.

Interest payments (IP) for August dropped by 30.71% or P8.7 billion YoY to total P19.6 billion primarily owing to the reissuances of treasury bonds at a premium which reduced the interest bill. However, total IP of P250.6 billion for January–August was still 5.03% or P12.0 billion higher compared to IP posted in the same period last year.

Nonetheless, when measured as a percentage of total revenue, total IP for January–August 2019 was reduced to 11.98% from 12.50% at the end of last year. Meanwhile, IP as a percentage of expenditures went up to 11.33% from 10.89% at the end of last year on account of slow expenditure growth.

Primary Surplus/ (Deficit)

Net of interest payments, NG's primary surplus for the month of August was reduced to P17.1 billion from last year's P25.7 billion. Nonetheless, the cumulative primary balance remains in surplus at P130.2 billion as of August 2019 compared to a deficit of P43.3 billion achieved in the same period last year.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Particulars	August			
	2018	2019	Diff	YoY
REVENUES	256.9	279.7	22.9	8.90%
Tax Revenues	239.6	261.8	22.2	9.25%
BIR ^{1/}	185.1	205.6	20.5	11.07%
BOC ^{2/}	52.0	53.6	1.6	3.04%
Other Offices	2.5	2.6	0.1	3.73%
Non-Tax Revenues	17.3	18.0	0.7	4.05%
BTr	5.4	5.9	0.5	9.24%
Other Offices	11.8	12.0	0.2	1.68%
EXPENDITURES	259.5	282.2	22.8	8.78%
Interest Payments	28.3	19.6	(8.7)	-30.71%
Others	231.2	262.6	31.5	13.61%
SURPLUS/ (DEFICIT)	(2.6)	(2.5)	0.1	-3.83%
Primary Surplus/ (Deficit)	25.7	17.1	(8.6)	-33.41%

1/ Net of tax refund amounting to P937.0 million; August 2019 total BIR collection inclusive of tax refund is P206.5 billion.

2/ Net of tax refund amounting to P2.8 billion; August 2019 total BOC collection inclusive of tax refund is P56.4 billion.

Particulars	January to August (Actual)			
	2018	2019	Diff	YoY
REVENUES	1,909.2	2,091.4	182.2	9.54%
Tax Revenues	1,712.1	1,879.6	167.6	9.79%
BIR ^{1/}	1,313.6	1,452.3	138.7	10.56%
BOC ^{2/}	383.5	411.2	27.7	7.22%
Other Offices	14.9	16.1	1.2	8.05%
Non-Tax Revenues	197.1	211.7	14.6	7.43%
BTr	83.3	107.9	24.6	29.51%
Other Offices	113.8	103.8	(9.9)	-8.74%
EXPENDITURES	2,191.1	2,211.8	20.7	0.94%
Interest Payments	238.7	250.6	12.0	5.03%
Others	1,952.5	1,961.2	8.7	0.44%
SURPLUS/ (DEFICIT)	(282.0)	(120.4)	161.6	-57.29%
Primary Surplus/ (Deficit)	(43.3)	130.2	173.6	-400.47%

1/ Net of tax refund amounting to P7.7 billion; January to August 2019 total BIR collection is P1,459.9 billion.

2/ Net of tax refund amounting to P7.1 billion; January to August 2019 total BOC collection is P418.4 billion