

## **National Government Incurs P73.1 Billion Budget Deficit for 2014, Down 55% from 2013**

### **Deficit falls to 0.6% of GDP**

**XXMarch 2015 Manila, Philippines** – The National Government (NG) ran a P73.1 billion budget deficit for 2014, down 55% or P91.0 billion from the fiscal shortfall recorded in 2013. Relative to the size of the economy, the full year fiscal deficit plunged to 0.6% of GDP, lower than both the 2% program and the 1.4% recorded in the previous year. The deficit for the month of December 2014 was recorded at P46.3 billion.

### **Revenue Performance**

Revenue collections for December 2014 totaled P173.0 billion, bringing annual collections to P1,908.5 billion. The full year collections missed the 2014 program by 5% but grew 11% or P192.4 billion year-on-year, with tax revenues accounting for P1,720.1 billion and non-tax sources contributing P188.1 billion.

The Bureau of Internal Revenue (BIR) raised P1,334.8 billion in 2014, improving collections by P118.1 billion or 10% compared to 2013 despite falling 8% below its full year target. The agency's December collections grew by 19% year-on-year to P114.6 billion.

The Bureau of Customs (BOC) collected P369.3 billion, 10% lower than the P408.1 billion program. However, it led other NG agencies in year-on-year growth, collecting P64.4 billion or 21% more than the previous year. BOC performance in December improved by 85% year-on-year as it brought in P44.6 billion for the period.

The Bureau of the Treasury (BTr) raised P93.4 billion for the year, coming in 66% better than its 2014 program and 15% higher than similar collections in 2013. This is due to the agency's pro-active cash and investment management as reflected in investment and deposit income, as well as dividends on shares of stocks.

Other government offices contributed P111.0 billion for the year, a narrow 2% decrease from the 2013 level, but surpassing the program by 14%.

## **Expenditures**

The National Government disbursed P219.4 billion for December, bringing the full-year total to P1,981.6 billion. Full year expenditures missed the program by 13% but grew by 5% or P101.5 billion YOY while December figures reflect 8% improvement from a year ago.

Interest payments (IP) totaled P321.2 billion, slightly less than the P323.4 billion last year while making up a smaller 16.2% of total expenditures from the 17.2% seen in the previous year. IP savings amounted to P31.5 billion, freeing up fiscal space for more productive government spending. Similarly, IP declined to 16.8% of total revenues from 18.8% in 2013, indicating the improved debt service capacity of the government.

## **Primary Surplus/ (Deficit)**

Netting out interest payments from expenditures, NG achieved a P248.1 billion primary surplus for 2014, exceeding the Government's target of P86.4 billion and better than the P159.4 billion primary surplus in 2013.

**Fiscal Performance**

December 2014

(In Billion Pesos)

Particulars	December			
	2013	2014	Diff	YoY
<b>REVENUES</b>	<b>150.2</b>	<b>173.0</b>	<b>22.8</b>	<b>15%</b>
BIR	96.7	114.6	18.0	19%
BOC	24.2	44.6	20.5	85%
BTr	5.5	3.9	(1.6)	-30%
Other Offices	23.9	9.9	(14.0)	-59%
<b>EXPENDITURES</b>	<b>202.8</b>	<b>219.4</b>	<b>16.5</b>	<b>8%</b>
Interest Payments	26.7	28.9	2.2	8%
Others	176.1	190.4	14.3	8%
<b>SURPLUS/ (DEFICIT)</b>	<b>(52.6)</b>	<b>(46.3)</b>	<b>6.3</b>	<b>-12%</b>

**Fiscal Performance**

January to December 2014

(In Billion Pesos)

**Year on Year**

Particulars	Jan-Dec			
	2013	2014	Diff	YoY
<b>REVENUES</b>	<b>1,716.1</b>	<b>1,908.5</b>	<b>192.4</b>	<b>11%</b>
BIR	1,216.7	1,334.8	118.1	10%
BOC	304.9	369.3	64.4	21%
BTr	81.0	93.4	12.4	15%
Other Offices	113.5	111.0	(2.5)	-2%
<b>EXPENDITURES</b>	<b>1,880.2</b>	<b>1,981.6</b>	<b>101.5</b>	<b>5%</b>
Interest Payments	323.4	321.2	(2.2)	-1%
Others	1,556.7	1,660.4	103.7	7%
<b>SURPLUS/ (DEFICIT)</b>	<b>(164.1)</b>	<b>(73.1)</b>	<b>91.0</b>	<b>-55%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>159.4</b>	<b>248.1</b>	<b>88.7</b>	<b>56%</b>

**Program vs Actual**

Particulars	Jan-Dec 2014			
	Prog	Actual	Diff	%
<b>REVENUES</b>	<b>2,018.1</b>	<b>1,908.5</b>	<b>(109.5)</b>	<b>-5%</b>
BIR	1,456.3	1,334.8	(121.6)	-8%
BOC	408.1	369.3	(38.8)	-10%
BTr	56.2	93.4	37.2	66%
Other Offices	97.4	111.0	13.6	14%
<b>EXPENDITURES</b>	<b>2,284.3</b>	<b>1,981.6</b>	<b>(302.7)</b>	<b>-13%</b>
Interest Payments	352.7	321.2	(31.5)	-9%
Others	1,931.6	1,660.4	(271.2)	-14%
<b>SURPLUS/ (DEFICIT)</b>	<b>(266.2)</b>	<b>(73.1)</b>	<b>193.2</b>	<b>-73%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>86.4</b>	<b>248.1</b>	<b>161.7</b>	<b>187%</b>