



*Funding the Republic*

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

## Press Release

### **October Fiscal Deficit Down to P49.3 Billion** *Year-to-Date Deficit at P348.3 Billion*

**MANILA, Philippines, 25 November 2019** – The National Government (NG) posted a narrower budget deficit of P49.3 billion in October as growth in revenue generation outpaced expenditures. The budget gap for the month was 17.71% lower than last year's outturn, leading to a year-to-date (YTD) budget deficit of P348.3 billion, which also declined by 20.51% year-over-year (YoY).

#### **Revenue Performance**

Revenue collections for the month amounted to P261.6 billion, which is 5.99% or P14.8 billion above last year's achievement. Of the total, 90.79% or P237.5 billion were sourced from tax collections which grew by 6.78% YoY, while the remaining 9.21% or P24.1 billion were from non-tax sources. Cumulative revenues also improved by 9.80% from January to October 2018's actual collections of P2,358.3 billion.

The Bureau of Internal Revenue (BIR) raised P178.1 billion<sup>1</sup> for the month, posting an 8.09% increase over last year's outcome. This enabled the BIR to realize a YoY growth of 10.68% or P171.9 billion for the ten-month period of 2019.

The Bureau of Customs (BOC) similarly grew its October collection by 3.04% to P57.7 billion<sup>2</sup> YoY. The aggregate total of P527.7 billion as of end-Oct 2019 rose as well by 7.57% from the P490.6 billion recorded in the first ten months of 2018.

The Bureau of the Treasury (BTr) contributed P10.6 billion for the month. This is 26.77% better compared to P8.4 billion posted a year ago, fuelled by higher income from NG deposits, NG share from PAGCOR income and dividends on NG shares of stocks. The resulting BTr YTD revenue of P129.2 billion also improved from last year's performance by 30.69% and has already surpassed the full-year target of P73.9 billion by 74.87%.

Meanwhile, non-tax revenue from other offices (other non-tax including privatization proceeds and fees and charges) was lower by 15.82% or P2.5 billion from the previous year, reaching P13.5 billion. Likewise, revenues as of end-October went down by 6.68% to P132.3 billion compared to 2018.

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<sup>1</sup> Net of tax refund paid to various claimants amounting to P1.2 billion, October Gross BIR Collection inclusive of tax refund at P179.3 billion. Year-to-date Gross BIR Collections is at P1,790.4 billion inclusive of tax refunds amounting to P9.5 billion.

<sup>2</sup> Net of tax refund paid to various claimants amounting to P595 million, October Gross BOC Collection inclusive of tax refund at P58.2 billion. Year-to-date Gross BOC Collections is at P536.0 billion inclusive of tax refunds amounting to P8.3 billion.

## **Expenditures**

NG spending totaled P310.8 billion in October, slightly up by 1.37% or P4.2 billion given the base effect of the sizeable P306.6 billion (35.2% YoY) outlays for the same month last year. YTD, disbursements reached P2,937.7 billion, increasing by 5.05% or P141.3 billion YoY. Meanwhile, primary expenditures (total disbursements net of interest payment) improved to P2,623.2 billion, notching a 4.89% growth from a year ago.

Total interest payments (IP) for October was at P20.7 billion, down by 13.70% YoY. The decrease was primarily due to a high base effect from October 2018 IP as well as the premium from the re-issued bonds series. On the other hand, YTD IP of P314.5 billion is higher by 6.47% YoY driven by new issues in 2018 and 2019 and coupon payment for RTBs issued this year. As a percentage of revenue and expenditures, IP from Jan-Oct 2019 accounted for 12.14% and 10.70% compared to previous year levels of 12.52% and 10.56%, respectively.

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

Netting out interest payments from expenditures, NG posted a P28.5 billion primary deficit for the month of October resulting in a cumulative primary deficit of P33.8 billion, 76.33% lower than its level over the same period in 2018.

**Fiscal Performance**  
For the Period Indicated  
In Billion Pesos

**Year-on-Year**

Particulars	October			
	2018	2019	Diff	YoY
<b>REVENUES</b>	<b>246.8</b>	<b>261.6</b>	<b>14.8</b>	<b>5.99%</b>
<b>Tax Revenues</b>	<b>222.4</b>	<b>237.5</b>	<b>15.1</b>	<b>6.78%</b>
BIR <sup>1/</sup>	164.8	178.1	13.3	8.09%
BOC <sup>2/</sup>	56.0	57.7	1.7	3.04%
Other Offices	1.6	1.7	0.1	3.38%
<b>Non-Tax Revenues</b>	<b>24.4</b>	<b>24.1</b>	<b>(0.3)</b>	<b>-1.20%</b>
BTr	8.4	10.6	2.2	26.77%
Other Offices	16.0	13.5	(2.5)	-15.82%
<b>EXPENDITURES</b>	<b>306.6</b>	<b>310.8</b>	<b>4.2</b>	<b>1.37%</b>
Interest Payments	24.0	20.7	(3.3)	-13.70%
Others	282.6	290.1	7.5	2.65%
<b>SURPLUS/ (DEFICIT)</b>	<b>(59.9)</b>	<b>(49.3)</b>	<b>10.6</b>	<b>-17.71%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(35.9)</b>	<b>(28.5)</b>	<b>7.3</b>	<b>-20.40%</b>

1/ Net of tax refund amounting to P1.2 billion; October Gross total BIR collection inclusive of tax refund is P179.3 billion.

2/ Net of tax refund amounting to P595 million; October Gross total BOC collection inclusive of tax refund is P58.2 billion.

Particulars	January to October (Actual)			
	2018	2019	Diff	YoY
<b>REVENUES</b>	<b>2,358.3</b>	<b>2,589.5</b>	<b>231.2</b>	<b>9.80%</b>
<b>Tax Revenues</b>	<b>2,117.7</b>	<b>2,328.0</b>	<b>210.3</b>	<b>9.93%</b>
BIR <sup>1/</sup>	1,609.0	1,780.9	171.9	10.68%
BOC <sup>2/</sup>	490.6	527.7	37.1	7.57%
Other Offices	18.1	19.4	1.3	7.05%
<b>Non-Tax Revenues</b>	<b>240.6</b>	<b>261.5</b>	<b>20.9</b>	<b>8.68%</b>
BTr	98.9	129.2	30.3	30.69%
Other Offices	141.7	132.3	(9.5)	-6.68%
<b>EXPENDITURES</b>	<b>2,796.4</b>	<b>2,937.7</b>	<b>141.3</b>	<b>5.05%</b>
Interest Payments	295.3	314.5	19.1	6.47%
Others	2,501.0	2,623.2	122.2	4.89%
<b>SURPLUS/ (DEFICIT)</b>	<b>(438.1)</b>	<b>(348.3)</b>	<b>89.8</b>	<b>-20.51%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(142.8)</b>	<b>(33.8)</b>	<b>109.0</b>	<b>-76.33%</b>

1/ Net of tax refund amounting to P9.5 billion; January-October Gross BIR collection inclusive of tax refund is P1,790.4 billion.

2/ Net of tax refund amounting to P8.3 billion; January-October Gross BOC collection inclusive of tax refund is P536.0 billion.