



*Funding the Republic*

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

## Press Release

### **February NG Budget Deficit at P116.0 billion** *Year-to-Date Budget Gap Widens to P130.0 billion*

**MANILA, Philippines, 30 March 2021** – The National Government (NG) incurred a P116.0 billion budget deficit for February 2021, more than three times the P37.6 billion recorded a year ago. The deficit further widened in February despite a 6.15% year-over-year (YoY) rebound in revenue collection as expenditures grew faster by 37.27% YoY. This drove the year-to-date (YTD) deficit to P130.0 billion for the 2-month period, far above the P14.6 billion recorded a year ago.

#### **Revenue Performance**

Revenue collection grew 6.15% to P219.6 billion for the month behind strong tax collection. Tax revenues accounted for 93% or P203.3 billion of collection in February reflecting 7.32% YoY growth as the major tax collecting agencies recovered from a contraction in January. Meanwhile, 7% of the total came from non-tax revenue amounting to P 16.3 billion, 6.51% or P1.1 billion lower than similar collections recorded a year ago. Total YTD revenue of P480.3 billion still contracted by 4.22% or P21.2 billion YoY as collections have yet to fully recuperate from a slow start to the year as well as the timing of dividend remittances.

Collections by the Bureau of Internal Revenue (BIR) notched an 8.39% YoY growth for the month which reached P154.1 billion. This brought the two-month take for the BIR roughly even with last year's level with P336.3 billion.

Similarly, the Bureau of Customs (BOC) improved its performance in February as it managed a 5.35% YoY expansion with P47.2 billion for the month. However, YTD collection was still down 6.17% or P 6.2 billion to P94.5 billion.

Meanwhile, income collected and generated by the Bureau of the Treasury (BTr) was lower by 22.09% to P4.6 billion for the month from the P5.85 billion registered a year ago due to lower collection from PAGCOR and investment income. YTD, BTr collection also declined by 32.19% to P23.2 billion as remittances remained muted, particularly dividends and NG's share from PAGCOR income.

February collections from other offices (other non-tax including privatization proceeds and fees and charges) slightly increased by 1.37% YoY to P11.7 billion. This brought the YTD collection to 21.1 billion, 12.3% or P3.0 billion lower than Jan-Feb 2020 collections.

## **Expenditure Performance**

Government expenditures surged in February, rising 37.27% or P91.1 billion YoY to P335.5 billion as both primary expenditures and interest payments increased for the month. Nearly ninety-one percent (91%) of the total spending or P304.4 billion went to primary expenditures, growing by 32.87% or P75.3 billion from P229.1 billion recorded a year ago. This includes equity releases to DBP, LBP and PhilGuarantee amounting to P45.0 billion for various credit guarantee and lending programs to support industries or sectors affected by the COVID-19 health crisis pursuant to RA No. 11494 or the “*Bayanihan* to Recover as One Act” (*Bayanihan* II). Meanwhile end-Feb primary expenditures also grew by 21.14% to P532.1 billion. The Feb performance drove YTD total disbursements to P610.3 billion, which reflects an 18.27% or P94.3 billion expansion compared to the same period in 2020.

Interest payments (IP) for the month almost doubled to P31.2 billion mainly due to coupon payments for the retail treasury bonds (RTB) issued in 2020 and additional IP for the euro bonds issued in Feb last year. Jan-Feb IP amounted to P78.2 billion, P1.42 billion higher from the P76.8 billion a year ago. As a percentage of revenue and expenditures, IP as of end-February accounted for 16.28% and 12.81% compared to previous year levels of 15.31% and 14.88%, respectively.

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

Netting out interest payments from expenditures, NG’s primary deficit for the month amounted to P84.8 billion, much wider than last year’s primary deficit of P22.2 billion. The cumulative primary deficit of P51.8 billion was in contrast to the previous year’s primary surplus of P62.2 billion.

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

Particulars	Feb p/			
	2020	2021	Diff	YoY
<b>REVENUES</b>	<b>206.8</b>	<b>219.6</b>	<b>12.7</b>	<b>6.15%</b>
<b>Tax Revenues</b>	<b>189.4</b>	<b>203.3</b>	<b>13.9</b>	<b>7.32%</b>
BIR	142.2	154.1	11.9	8.39%
BOC	44.8	47.2	2.4	5.35%
Other Offices	2.4	1.9	(0.5)	-19.19%
<b>Non-Tax Revenues</b>	<b>17.4</b>	<b>16.3</b>	<b>(1.1)</b>	<b>-6.51%</b>
BTr	5.9	4.6	(1.3)	-22.09%
Other Offices	11.6	16.7	0.2	1.37%
<b>EXPENDITURES</b>	<b>244.4</b>	<b>335.5</b>	<b>91.1</b>	<b>37.27%</b>
Interest Payments	15.4	31.2	15.8	103.01%
Others	229.1	304.4	75.3	32.87%
<b>SURPLUS/ (DEFICIT)</b>	<b>(37.6)</b>	<b>(116.0)</b>	<b>(78.4)</b>	<b>208.47%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(22.2)</b>	<b>(84.8)</b>	<b>(62.6)</b>	<b>281.26%</b>

Particulars	Jan - Feb p/ (Actual)			
	2020	2021	Diff	YoY
<b>REVENUES</b>	<b>501.5</b>	<b>480.3</b>	<b>(21.2)</b>	<b>-4.22%</b>
<b>Tax Revenues</b>	<b>443.2</b>	<b>436.0</b>	<b>(7.2)</b>	<b>-1.62%</b>
BIR	337.1	336.3	(0.8)	-0.24%
BOC	100.7	94.5	(6.2)	-6.17%
Other Offices	5.4	5.2	(0.2)	-3.15%
<b>Non-Tax Revenues</b>	<b>58.3</b>	<b>44.3</b>	<b>(14.0)</b>	<b>-23.98%</b>
BTr	34.2	23.2	(11.0)	-32.19%
Other Offices	24.1	21.1	(3.0)	-12.30%
<b>EXPENDITURES</b>	<b>516.0</b>	<b>610.3</b>	<b>94.3</b>	<b>18.27%</b>
Interest Payments	76.8	78.2	1.4	1.85%
Others	439.3	532.1	92.9	21.14%
<b>SURPLUS/ (DEFICIT)</b>	<b>(14.6)</b>	<b>(130.0)</b>	<b>(115.5)</b>	<b>793.68%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>62.2</b>	<b>(51.8)</b>	<b>(114.1)</b>	<b>-183.32%</b>