



Funding the Republic

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

Press Release

NG Registers P14.1 billion Budget Deficit for January 2021

MANILA, Philippines, 17 March 2021 – The National Government (NG) posted a P14.1 billion budget deficit for January 2021, reversing the P23.0 billion budget surplus registered a year ago. The fiscal outturn resulted from a 1.18% year-over-year (YoY) increase in government spending alongside an 11.51% contraction in revenue collection.

Revenue Performance

Revenue collection in January reached P260.7 billion, dropping by 11.51% or P33.9 billion from last year's P294.6 billion as government collecting agencies posted negative growth for the month. Tax collection made up 89% or P232.7 billion of the total while non-tax sources contributed 11% or P28.0 billion.

Collections by the Bureau of Internal Revenue (BIR) dropped by 6.54% YoY to P182.2 billion in January due to the continued economic disruptions brought about by the health crisis. Similarly, BOC's collection for the first month of 2021 lagged behind last year's revenue performance by 15.41% or P8.6 billion, totaling P47.3 billion.

Meanwhile, the Bureau of the Treasury (BTr) posted a 34.27% or P9.7 billion YoY contraction in revenue, with a total of P18.7 billion for the month as part of non-tax revenues. However, the decrease was attributed to a high base effect of dividend remittances from GOCCs in January 2020, particularly the Bangko Sentral ng Pilipinas (BSP) which remitted P17.3 billion last year, and the 58.69% or P1.9 billion drop in NG share from PAGCOR income.

Other offices (other non-tax including privatization proceeds and fees and charges) contributed P9.4 billion in January, registering a 24.97% or P3.1 billion YoY decline over comparable collections recorded a year ago.

Expenditure Performance

Government expenditures for January amounted to P274.8 billion, reflecting a modest increase of 1.18% or P3.2 billion from last year's P271.6 billion spending. The uptick was moderated by lower interest payments, which declined by 23.43% or P14.4 billion YoY to P47.0 billion mainly due to the redemption of Global Bonds in 2020 and the settlement of premiums on reissued Treasury Bonds. As a percentage of revenue and expenditures, IP for January accounted for 18.04% and 17.11% compared to previous year levels of 20.84% and 22.61%, respectively.

Net of interest payments, however, spending grew by 8.37% YoY, or P17.6 billion from P210.2 billion recorded a year ago owing largely to higher allocations for local government units and disbursements by line agencies. Primary expenditures represented eighty-three percent (83%) of the total disbursements for January this year.

Primary Surplus/ (Deficit)

Netting out interest payments from expenditures, NG recorded a P33.0 billion primary surplus in January, 60.97% or P51.5 billion lower compared to last year's primary balance of P84.5 billion.

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Fiscal Performance

For the Period Indicated
(In Billion Pesos)

Particulars	Jan			
	2020	2021	Diff	YoY
REVENUES	294.6	260.7	-33.9	-11.51%
Tax Revenues	253.8	232.7	-21.1	-8.30%
BIR	194.9	182.2	-12.7	-6.54%
BOC	55.9	47.3	-8.6	-15.41%
Other Offices	3.0	3.3	0.3	9.77%
Non-Tax Revenues	40.9	28.0	-12.9	-31.43%
BTr	28.4	18.7	-9.7	-34.27%
Other Offices	12.5	9.4	-3.1	-24.97%
EXPENDITURES	271.6	274.8	3.2	1.18%
Interest Payments	61.4	47.0	-14.4	-23.43%
Others	210.2	227.8	17.6	8.37%
SURPLUS/ (DEFICIT)	23.0	-14.1	-37.1	-161.01%
Primary Surplus/ (Deficit)	84.5	33.0	-51.5	-60.97%