



Funding the Republic

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

Press Release

NG Budget Deficit Narrows to P44.4 Billion in April 2021
January to April Deficit at P365.9 billion

MANILA, Philippines, 25 May 2021 – The National Government (NG) posted a fiscal deficit of P44.4 billion in April, 83.78% lower compared to the same period last year. This was driven by the 55.46% growth in revenue performance due to the payment of income taxes, vis-a-vis a 27.14% decline in expenditures from the substantial COVID-19 spending at the height of the imposition of the enhanced community quarantines last year. The cumulative budget deficit as of end-April, on the other hand, went up by 1.63% to P365.9 billion from last year's budget gap of P360.0 billion for the period.

Revenue Performance

April revenues climbed to P291.9 billion, notching a 55.46% or P104.1 billion YoY improvement. On a YTD basis, total collections also increased by 3.95% YoY, reaching P988.4 billion with tax revenues growing 20.45% YoY and accounting for 91% of total collections for the four-month period.

The Bureau of Internal Revenue (BIR) contributed the bulk of the growth for the month with actual collections of P219.0 billion, more than double last year's P90.5 billion. The positive outturn for the period can be attributed to the timing of payment of income taxes¹. With its April performance, BIR's cumulative revenue also improved to P688.7 billion, 23.14% better than the January-April 2020 comparable outturn.

Similarly, collections by the Bureau of Customs (BOC) amounting to P51.8 billion topped last year's revenue by 50.42% driven by the continued improvement in importation volume. To date, BOC has collected P201.0 billion, surpassing the P179.7 billion achieved in the first four months of 2020 by 11.81% or P21.2 billion.

For April, Bureau of the Treasury (BTr) income slid by 84.50% YoY to P9.0 billion, coming from the high base effect of last year's remittances in compliance with RA 11469 (Bayanihan I). The decline in income from government services and dividends on shares of stocks held by the government was partially offset by the higher income from interest on advances from GOCCs and government deposits. YTD, BTr collection is also lower by 71.46% YoY due to the same factors as well as lower NG share from PAGCOR income and interest on advances.

¹ The deadline for the filing and payment of income and other taxes due for April 2020 was extended in light of the implementation of the Enhanced Community Quarantine (ECQ), whereas BIR stuck to the April 15 deadline for this year.

Revenue from other offices (other non-tax collections including privatization proceeds and fees and charges) rose to P10.8 billion, far exceeding last year's collection by P6.3 billion. Growth was partly propelled by the remittance of the BCDA of the disposition proceeds amounting to P2.7 billion as well as the eased restrictions on the operations of government collecting offices versus last year². YTD collection of P41.9 billion also indicated a 17.35% YoY improvement over the previous year.

Expenditure Performance

Expenditures for April totaled P336.3 billion, down by 27.14% YoY owing to the high base effect of releases for COVID-19 emergency response and measures under RA No. 11469 or the *Bayanihan* to Heal as One Act in 2020. These included the first tranches of the Social Amelioration Program and Small Business Wage Subsidy Program, and the *Bayanihan* Grant to Provinces, Cities, and Municipalities which were released in April last year. Nevertheless, YTD expenditure of P1,354.3 billion was still up by 3.31% from last year, with primary spending making up 89% of the total disbursement.

April primary expenditure (net of interest payment) declined to P312.5 billion from last year's P439.8 billion. Meanwhile, the cumulative primary spending as of end-April was still up 3.03% YoY to P1,204.6 billion.

Interest payments (IP) for the month increased by 8.86% or P1.9 billion YoY to P23.8 billion largely due to coupon payments for reissued Treasury Bonds. Total IP of P149.7 billion for the 4-month period likewise grew by 5.58% compared to the P141.8 billion paid in the same period last year due to domestic coupon payments.

Total IP as of-end April accounted for 11.05% of expenditures, up from 2020's 10.81%. Similarly, IP as a percentage of revenues increased to 15.14% from 14.91% last year.

Primary Surplus/ (Deficit)

Netting out interest payments, NG registered a P20.6 billion primary deficit for April, significantly lower than the primary deficit recorded for the same month last year. Meanwhile, the P216.2 billion YTD primary deficit slightly declined by 0.94% from last year's P218.3 billion.

² Government collecting agencies operations were limited due to the implementation of the ECQ.

Fiscal Performance
For the Period Indicated
In Billion Pesos

Year-on-Year

Particulars	April			
	2020	2021	Diff	YoY
REVENUES	187.8	291.9	104.1	55.46%
Tax Revenues	124.9	272.0	147.1	117.75%
BIR	90.5	219.0	128.5	142.03%
BOC	34.4	51.8	17.4	50.42%
Other Offices	0.0	1.2	1.2	30425.00%
Non-Tax Revenues	62.8	19.9	(43.0)	-68.38%
BTr	58.3	9.0	(49.3)	-84.50%
Other Offices	4.5	10.8	6.3	140.45%
EXPENDITURES	461.7	336.3	(125.3)	-27.14%
Interest Payments	21.9	23.8	1.9	8.86%
Others	439.8	312.5	(127.3)	-28.94%
SURPLUS/ (DEFICIT)	(273.9)	(44.4)	229.5	-83.78%
Primary Surplus/ (Deficit)	(252.0)	(20.6)	231.4	-91.82%

Year to Date

Particulars	Jan - April (Actual)			
	2020	2021	Diff	YoY
REVENUES	950.8	988.4	37.5	3.95%
Tax Revenues	745.6	898.1	152.5	20.45%
BIR	559.3	688.7	129.4	23.14%
BOC	179.7	201.0	21.2	11.81%
Other Offices	6.6	8.4	1.9	28.51%
Non-Tax Revenues	205.3	90.3	(115.0)	-56.01%
BTr	169.6	48.4	(121.2)	-71.46%
Other Offices	35.7	41.9	6.2	17.35%
EXPENDITURES	1,310.9	1,354.3	43.4	3.31%
Interest Payments	141.8	149.7	7.9	5.58%
Others	1,169.1	1,204.6	35.5	3.03%
SURPLUS/ (DEFICIT)	(360.0)	(365.9)	(5.9)	1.63%
Primary Surplus/ (Deficit)	(218.3)	(216.2)	2.1	-0.94%