



*Funding the Republic*

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

**Press Release**

**NG Budget Deficit Rises to P120.9 billion for August 2021  
Year-to-Date Budget Deficit at P958.2 billion**

**MANILA, Philippines, 23 September 2021** – The National Government's (NG) budget deficit for August hit P120.9 billion, rising by threefold from last year's P40.1 billion due to the 34.20% acceleration in public spending, outperforming the 6.59% growth in revenue performance. As of end-August, the total aggregate budget deficit reached P958.2 billion, 29.36% higher than the 2020 comparable figure and is at 52% of the P1,856.0 billion revised FY 2021 program<sup>1</sup>.

**Revenue Performance**

Revenue collection for August improved by 6.59% to P259.3 billion from its 2020 level. Cumulatively, total collections also managed to grow by 3.87% from last year to P2,005.7 billion and is at 70% of the P2,881.5 billion revised goal for the year. Of the total amount, 90% or P1,813.9 billion was generated through taxes while non-tax collections comprised the remaining 10% or P191.8 billion.

The Bureau of Internal Revenue's (BIR) net collection for August amounted to P186.1 billion<sup>2</sup>, registering a minimal decrease of 0.99% or P1.9 billion from the previous year's P187.9 billion. Meanwhile, BIR's P1,388.7 billion year-to-date (YTD) collection as of end-August went up by 6.55% from the 2020 comparable figure and is at 67% of the revised full-year program. Going forward, BIR must collect P173.1 billion per month to meet its adjusted FY 2021 target of P2,081.2 billion.

Collections by the Bureau of Customs (BOC) for the month of August stood at P53.4 billion, after deducting P133.0 million for tax refunds, and sustained double-digit growth of 20.23% with a P9.0 billion increase from a year ago. BOC's cumulative revenue as of end-August amounting to P412.3 billion is at P67% of its revised full-year target of P616.7 billion and 18.71% above last year's January to August actual collection of P347.3 billion. To achieve its updated program for the year, BOC needs to raise a monthly average collection of P51.1 billion from September to December 2021.

Income collected and generated by the Bureau of the Treasury (BTr) for August amounting to P4.7 billion has more than double the previous year's level of P2.1 billion, driven by higher remittance of NG share from PAGCOR income, dividend remittances and earnings from BSF investment. Despite the expansion achieved for the month, BTr's aggregate revenue for the 8-month period still contracted by 48.21% YoY to P99.9 billion due to collection high base effects from the implementation of R.A. 11469 or the Bayanihan I last year. Nevertheless, BTr YTD income is already 33.79% above

<sup>1</sup> Based on the FY 2021 Fiscal Program approved during the 179<sup>th</sup> DBCC Meeting on May 18, 2021.

<sup>2</sup> Net of tax refund amounting to P480.0 million; YTD gross collections inclusive of P3.7 billion tax refund reached P1.4 trillion.

the original program of P74.7 billion, mainly due to robust dividend collections and income from BSF investments and government deposits.

Collections from other offices (other non-tax including privatization proceeds and fees and charges) rose by 78.80% or P6.1 billion from last year to P13.9 billion following the easing lockdown rules for the period compared to last year. The return of P4.0 billion unutilized funds under the Bayanihan I Act from the Department of Transportation likewise contributed to the strong performance for the month. The P91.9 billion cumulative revenues from January to August similarly registered a 19.88% growth from P76.6 billion in 2020.

## **Expenditures**

NG disbursement reached P380.2 billion in August, 34.20% or P96.9 billion faster from last year and marks the second-highest growth registered for the year next to February's 37.27%. The releases of various COVID-19 funding requirements, including the financial assistance to households affected by the implementation of Enhanced Community Quarantine in the National Capital Region and subsidy releases to PhilHealth drove the higher outturn for the month. Total expenditures from January to August of P2,963.9 billion also beat the previous year's eight-month total of P2,671.7 billion by 10.94% and is at 63% of the P4,737.1 billion revised FY 2021 program.

Of the total expenditures, 94% or P356.3 billion went to primary spending which recorded 36.62% growth over last year. Compared to the 2020 figure, the cumulative primary expenditure as of end-August 2021 amounting to P2,672.4 billion was also higher by 11.25% or P270.3 billion.

Interest Payments (IP) for August accounted for 6% of total expenditures and increased by 6.13% YoY to P23.9 billion primarily due to coupon payments for the Retail Treasury Bonds (RTB) issued in 2020. YTD IP for the January-August period of P291.5 billion was also 8.12% higher from the previous year.

IP from January-August 2021 accounted for 9.83% of total expenditures compared with 10.09% a year ago. Meanwhile, IP as a percentage of total revenue increased to 14.53% from 13.96% last year.

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

Deducting interest payments from expenditures, NG's primary deficit for August climbed to P97.0 billion, much higher against the primary balance posted a year ago. The resulting YTD primary deficit of P666.7 billion for the first eight months was also up by 41.52% or P195.6 billion over the same period in 2020.

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

**Year-on-Year**

Particulars	August p/			
	2020	2021	Diff	YoY
<b>REVENUES</b>	<b>243.2</b>	<b>259.3</b>	<b>16.0</b>	<b>6.59%</b>
<b>Tax Revenues</b>	<b>233.4</b>	<b>240.6</b>	<b>7.2</b>	<b>3.11%</b>
BIR <sup>1/</sup>	187.9	186.1	(1.9)	-0.99%
BOC <sup>2/</sup>	44.4	53.4	9.0	20.23%
Other Offices	1.1	1.2	0.1	11.51%
<b>Non-Tax Revenues</b>	<b>9.9</b>	<b>18.6</b>	<b>8.8</b>	<b>89.06%</b>
BTr	2.1	4.7	2.6	128.02%
Other Offices	7.8	13.9	6.1	78.80%
<b>EXPENDITURES</b>	<b>283.3</b>	<b>380.2</b>	<b>96.9</b>	<b>34.20%</b>
Interest Payments	22.5	23.9	1.4	6.13%
Others	260.8	356.3	95.5	36.62%
<b>SURPLUS/ (DEFICIT)</b>	<b>(40.1)</b>	<b>(120.9)</b>	<b>(80.9)</b>	<b>201.78%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(17.5)</b>	<b>(97.0)</b>	<b>(79.5)</b>	<b>453.52%</b>

1/ Net of P480.0 million tax refund; August gross BIR collection was P186.6 billion.

2/ Net of P133.0 million tax refund; August total BOC collection inclusive of tax refund is P53.5 billion.

**Year-to-Date**

Particulars	January to August p/ (Actual)			
	2020	2021	Diff	YoY
<b>REVENUES</b>	<b>1,931.0</b>	<b>2,005.7</b>	<b>74.7</b>	<b>3.87%</b>
<b>Tax Revenues</b>	<b>1,661.4</b>	<b>1,813.9</b>	<b>152.4</b>	<b>9.18%</b>
BIR <sup>1/</sup>	1,303.3	1,388.7	85.4	6.55%
BOC <sup>2/</sup>	347.3	412.3	65.0	18.71%
Other Offices	10.8	12.9	2.1	19.32%
<b>Non-Tax Revenues</b>	<b>269.6</b>	<b>191.8</b>	<b>(77.8)</b>	<b>-28.85%</b>
BTr	192.9	99.9	(93.0)	-48.21%
Other Offices	76.6	91.9	15.2	19.88%
<b>EXPENDITURES</b>	<b>2,671.7</b>	<b>2,963.9</b>	<b>292.2</b>	<b>10.94%</b>
Interest Payments	269.6	291.5	21.9	8.12%
Others	2,402.1	2,672.4	270.3	11.25%
<b>SURPLUS/ (DEFICIT)</b>	<b>(740.7)</b>	<b>(958.2)</b>	<b>(217.5)</b>	<b>29.36%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(471.1)</b>	<b>(666.7)</b>	<b>(195.6)</b>	<b>41.52%</b>

1/ Net of P3.7 billion tax refund; BIR's collection from January to August is at P1.4 trillion inclusive of tax refund.

2/ Net of P2.2 billion tax refund; January-August gross BOC collections inclusive of tax refund is at P414.5 billion.