



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
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Press Release

NG Budget Deficit Widens to P180.9 billion in September 2021
Deficit Reaches P1.1 Trillion for First Three Quarters

MANILA, Philippines, 25 October 2021 – The National Government's (NG) budget deficit for September rose to P180.9 billion from the previous year's level of P138.5 billion, driven by a 17.50% expansion in government spending which overtook the 8.96% increase in revenue collection. The P1.1-trillion cumulative deficit for the nine-month period, which is equivalent to 61% of the revised P1.8 trillion full-year program¹, similarly surpassed the shortfall recorded for the same period last year by 29.56%, but was still 20.11% lower versus the P1.4-trillion adjusted year-to-date (YTD) target.

Revenue Performance

Revenue generation for September reached P231.4 billion, registering 8.96% growth over similar collections in 2020. The resulting cumulative collection as of end-September also increased to P2.2 trillion – 4.37% or P93.7 billion higher than the 2020 comparable outturn and 4.71% above the revised program for the period. Ninety-one percent (91%) or P2.0 trillion of the total was raised from taxes while non-tax revenues, which declined by 27.36% YoY amid lower BTr Income, made up the remaining 9% or P210.1 billion. To date, 78% of the P2.9-trillion revised full-year program has been collected.

The Bureau of Internal Revenue (BIR) exhibited a 9.69% YoY increase in its September collections, reaching P154.2 billion². BIR's September performance drove its YTD collection to P1.5 trillion, breaching the prior year's achievement for the same period as well as the revised January to September 2021 program by 6.86% or P99.0 billion and 0.72% or P11.1 billion, respectively.

For September, the Bureau of Customs (BOC) raised P57.6 billion³, up by 13.42% or P6.8 billion more than the P50.8 billion collected in September 2020. Likewise, the agency's total aggregate revenue for the first three quarters of P469.8 billion was 18.04% or P71.8 billion higher compared to last year and 3.13% above the revised YTD program of P455.6 billion.

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

² Net of tax refund amounting to P495.0 million; As of-end September gross BIR collection is P1.5 trillion inclusive of P4.2 billion tax refund.

³ Net of P2.3 billion tax refund; January-September gross BOC collection inclusive of P4.4 billion tax refunds is P474.3 billion.

The Bureau of the Treasury (BTr) generated P5.6 billion in September, down by 35.04% or P3.0 billion from the comparable period a year ago primarily due to the 89.74% drop in dividend remittance. This resulted in a lower BTr YTD revenue of P105.5 billion, 47.65% or P96.0 billion lower than the previous year's nine-month total of P201.6 billion. Nevertheless, BTr Jan-Sep 2021 income has already surpassed the P74.7 billion original full-year program by 41% buoyed by higher dividend remittances, earnings from BSF/SSF holdings and income from deposits with BSP.

September collections from other offices (other non-tax including privatization proceeds and fees and charges) amounted to P13.2 billion, growing by 19.52% or P2.1 billion YoY. This drove the January to September cumulative revenue to P104.6 billion, representing a 19.29% or P16.9 billion acceleration from the previous year's P87.7 billion and exceeding the revised program for the period by 50.08% or P34.9 billion.

Expenditures

September 2021 expenditures rose by 17.50% to P412.4 billion from last year's P350.9 billion. The outturn for the month includes the transfer of P10.0 billion to the Coconut Farmers and Industry Trust Fund in compliance with the R.A. 11524. Meanwhile, YTD disbursements grew by 11.70% or P353.6 billion YoY to reach P3.4 trillion, equivalent to 71.3% of the revised FY 2021 full-year target. However, this is still below the program for the 9-month period by 5.22% or P186.1 billion, of which P73.6 billion or 39.5% was due to the lower-than-programmed interest payments. Nonetheless, the spending gap as of end-September 2021 was lower when compared to the 9.6% or P233.4 billion recorded for the first semester of the year.

Primary expenditures (net of interest payments) for September was at P364.5 billion, exceeding last year's level by 18.51% or P56.9 billion. This pushed YTD primary expenditures to P3.0 trillion, 12.08% higher than the P2.7 trillion registered in the first nine months of the previous year, but 3.57% behind the P3.1-trillion revised program for the period.

September interest payments (IP) of P47.9 billion reflected a 10.36% or P4.5 billion YoY increase mainly due to coupon payments and discounts for reissued FXTBs. Total IP as of end-Q3 similarly grew by 8.43% to P339.3 billion from last year's P313.0 billion, but still 17.82% below the P412.9 billion original program, resulting in P73.6 billion in IP savings.

As a percentage of expenditures, IP for January-September 2021 decreased to 10.05% compared to 10.35% recorded a year ago. IP as a percentage of revenues, on the other hand, went up to 15.17% from last year's level of 14.60%.

Primary Surplus/ (Deficit)

Net of interest payments, NG's September primary deficit of P133.1 billion was higher by 39.83% or P37.9 billion versus last year. The P799.8 billion YTD primary deficit also grew by 41.24% or P233.5 billion from the equivalent period in 2020, but 21.04% short of the P1.0 trillion revised program for the period.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-on-Year

Particulars	September p/				January – September p/			
	2020	2021	Diff	YoY	2020	2021	Diff	YoY
REVENUES	212.4	231.4	19.0	8.96%	2,143.4	2,237.1	93.7	4.37%
Tax Revenues	192.8	212.7	19.9	10.33%	1,854.2	2,027.0	172.8	9.32%
BIR ^{1/}	140.6	154.2	13.6	9.69%	1,443.9	1,542.9	99.0	6.86%
BOC ^{2/}	50.8	57.6	6.8	13.42%	398.0	469.8	71.8	18.04%
Other Offices	1.4	0.9	(0.5)	-37.17%	12.2	14.3	2.0	16.68%
Non-Tax Revenues	19.6	18.8	(0.9)	-4.46%	289.2	210.1	(79.1)	-27.36%
BTr	8.6	5.6	(3.0)	-35.04%	201.6	105.5	(96.0)	-47.65%
Other Offices	11.0	13.2	2.1	19.52%	87.7	104.6	16.9	19.29%
EXPENDITURES	350.9	412.4	61.4	17.50%	3,022.7	3,376.2	353.6	11.70%
Interest Payments	43.4	47.9	4.5	10.36%	313.0	339.3	26.4	8.43%
Others	307.6	364.5	56.9	18.51%	2,709.7	3,036.9	327.2	12.08%
SURPLUS/ (DEFICIT)	(138.5)	(180.9)	(42.4)	30.60%	(879.2)	(1,139.1)	(259.9)	29.56%
Primary Surplus/ (Deficit)	(95.2)	(133.1)	(37.9)	39.83%	(566.2)	(799.8)	(233.5)	41.24%

1/ September gross BIR collection is P154.7 billion inclusive of the P495.0 million tax refund. Jan-Sep gross collection stood at P1.5 trillion, total tax refund of P4.2 billion.

2/ September collections net of P2.3 billion tax refund; Jan-Sep total BOC collection was P474.3 billion inclusive of tax refund amounting to P4.4 billion.

Program vs Actual

Particulars	January-September p/			
	Prog	Actual	Diff	%
REVENUES	2,136.6	2,237.1	100.5	4.71%
Tax Revenue	<u>2,001.6</u>	<u>2,027.0</u>	<u>25.4</u>	<u>1.27%</u>
BIR	1,531.8	1,542.9	11.1	0.72%
BOC	455.6	469.8	14.3	3.13%
Other Offices	14.2	14.3	0.1	0.44%
Non-Tax Revenue	<u>135.0</u>	<u>210.1</u>	<u>75.1</u>	<u>55.66%</u>
BTr	65.3	105.5	40.2	61.60%
Other Offices	69.7	104.6	34.9	50.08%
EXPENDITURES	3,562.3	3,376.2	(186.1)	-5.22%
Operating exp.	3,149.4	3,036.9	(112.5)	-3.57%
Interest Payments	412.9	339.3	(73.6)	-17.82%
SURPLUS/ (DEFICIT)	(1,425.8)	(1,139.1)	286.7	-20.11%
Primary Surplus/ (Deficit)	(1,012.8)	(799.8)	213.1	-21.04%