



*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 P215.5 billion in June 2022**  
***First Semester Deficit at P674.2 billion***

**MANILA, Philippines, 26 July 2022** – The National Government's (NG) budget deficit for June 2022 rose to P215.5 billion, up by 43.81% or P65.7 billion from the budget gap recorded in the previous year. The June outturn was driven by the 27.91% growth in expenditures which outpaced the 18.20% increase in government receipts. On the other hand, the P674.2 billion cumulative budget deficit for the first semester still lagged by 5.84% (P41.8 billion) from last year's P716.1 billion as well as the P828.7 billion<sup>1</sup> program by 18.64% or P154.5 billion due to the higher revenue outturn for the period.

**Revenue Performance**

NG collection for June amounted to P290.3 billion, 18.20% or P44.7 billion above last year's comparable performance. Year-to-date (YTD) revenue similarly improved to P1,727.5 billion, 15.91% or P237.1 billion higher year-over-year (YoY), and surpassed the target for the period by 4.80% or P79.1 billion. Broken down, tax revenues made up 89% or P1,541.2 billion of the total whereas non-tax collections contributed the remaining 11% or P186.3 billion.

The Bureau of Internal Revenue's (BIR) collection for the month was 8.90% or P14.2 billion higher year-over-year (YoY), reaching P173.5 billion<sup>2</sup>. BIR's collection stood at P1,132.5 billion for the first half of 2022, growing by 9.76% or P100.8 billion YoY but P32.3 billion or 2.77% short of the P1,164.8 billion program.

The Bureau of Customs (BOC) recorded a new high for the year in reaching YoY growth at 46.07% or P24.0 billion with P76.2 billion collected for June 2022. This also marked 17 straight months of positive growth, which averaged 31.33% for H1 2022. YTD revenue of P396.7 billion exceeded both the mid-year program and the previous year's outturn by 9.98% (P36.0 billion) and 31.47% (P95.0 billion), respectively. The agency attributed the gains from anti-smuggling measures including the fuel marking program which was further boosted by elevated oil prices and peso depreciation.

Income collected and generated by the Bureau of the Treasury (BTr) for the month was at par with last year's P20.8 billion. Meanwhile, BTr's first-semester collection of P104.1 billion surpassed the previous year's achievement for the same period by 27.54% or P22.5 billion and almost double the YTD program of P52.8 billion. Furthermore, BTr's January to June revenue performance was already 70.18% or P42.9 billion above the

<sup>1</sup> Based on the approved Quarterly Fiscal Program by the DBCC during their 181<sup>st</sup> meeting held on May 24, 2022.

<sup>2</sup> Net of P2.0 billion tax refund; June gross BIR collection was P175.5 billion. H1 total BIR collection is at P1.136 trillion inclusive of P3.4 billion tax refund.

original full-year target of P61.2 billion on account of higher dividend remittance and interest income from NG deposits.

Revenue collections from other offices (other non-tax including privatization proceeds and fees and charges) for June reached P18.6 billion, significantly up by 68.21% or P7.6 billion YoY. Total collection of P82.2 billion as of end-June 2022 likewise represented a 25.98% or P17.0 billion increment over the 2021 comparable figure and was 43.68% (P25.0 billion) better than the six-month program of P57.2 billion.

### **Expenditure Performance**

June NG expenditures reached P505.8 billion, 27.91% or P110.4 billion more than the P395.4 billion last year mainly on account of higher capital outlay disbursements for road and transport infrastructure programs of the Department of Public Works and Highways (DPWH) and Department of Transportation (DOTr), respectively, and projects under the Revised Armed Forces of the Philippines Modernization Program (RAFPMP) of the Department of National Defense (DND). Spending, likewise, grew on the back of the implementation of various social protection programs of the Department of Social Welfare and Development (DSWD), the release of the P10.0 billion Coco Levy Fund, and higher personnel services expenditures.

This pushed the firstsemester spending performance to P2,401.7 billion, up by 8.85% or P195.3 billion YoY, but 3.04% or P75.4 billion lower than the P2,477.1 billion target set for the period, which can be largely attributed to the slower-than-expected capital expenditures amid the election ban in late March up to early May, as well as the timing of release for the special shares of LGUs in the proceeds of national taxes to July.

June primary spending (net of interest payment) expanded by 28.33% or P103.5 billion YoY to reach P469.0 billion. The resulting cumulative primary expenditures of P2,144.5 billion also topped the previous year's level by 7.34% but were short of the P2,224.0 billion program by 3.57% or P79.5 billion due to the factors cited earlier.

Interest payments (IP) for June amounted to P36.8 billion, increasing by P6.8 billion or 22.81% YoY partly due to the effect of monetary policy adjustments on the reissuance of government securities. Consequently, YTD IP from January to June rose to P257.2 billion, 23.34% or P48.7 billion more than what was registered in the same period a year ago. As a percentage of expenditure and revenue, interest payments for Jan-Jun 2022 accounted for 10.71% and 14.89% respectively, compared with 9.45% and 13.99% last year.

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

Net of interest payments, NG's primary deficit for June was recorded at P178.8 billion which was P58.8 billion or 49.05% higher than P119.9 billion last year. Meanwhile, the P417.0 billion aggregate primary deficit for the first half of 2022 contracted by 17.84% or P90.5 billion on a YoY basis and was lower than the program by 27.55 % or P158.5 billion.

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

**Year-on-Year**

Particulars	June p/				Jan - June p/ (Actual)			
	2021	2022	Diff	YoY	2021	2022	Diff	YoY
<b>REVENUES</b>	<b>245.6</b>	<b>290.3</b>	<b>44.7</b>	<b>18.20%</b>	<b>1,490.4</b>	<b>1,727.5</b>	<b>237.1</b>	<b>15.91%</b>
<b>Tax Revenues</b>	<b>213.7</b>	<b>250.9</b>	<b>37.2</b>	<b>17.42%</b>	<b>1,343.5</b>	<b>1,541.2</b>	<b>197.7</b>	<b>14.72%</b>
BIR <sup>1/</sup>	159.4	173.5	14.2	8.90%	1,031.8	1,132.5	100.8	9.76%
BOC	52.2	76.2	24.0	46.07%	301.7	396.7	95.0	31.47%
Other Offices	2.1	1.1	(1.0)	-46.47%	9.9	11.9	2.0	19.91%
<b>Non-Tax Revenues</b>	<b>31.9</b>	<b>39.4</b>	<b>7.5</b>	<b>23.46%</b>	<b>146.9</b>	<b>186.3</b>	<b>39.4</b>	<b>26.85%</b>
BTr	20.8	20.8	(0.1)	-0.33%	81.6	104.1	22.5	27.54%
Other Offices	11.1	18.6	7.6	68.21%	65.3	82.2	17.0	25.98%
<b>EXPENDITURES</b>	<b>395.4</b>	<b>505.8</b>	<b>110.4</b>	<b>27.91%</b>	<b>2,206.4</b>	<b>2,401.7</b>	<b>195.3</b>	<b>8.85%</b>
Interest Payments	29.9	36.8	6.8	22.81%	208.5	257.2	48.7	23.34%
Others	365.5	469.0	103.5	28.33%	1,997.9	2,144.5	146.6	7.34%
<b>SURPLUS/ (DEFICIT)</b>	<b>(149.9)</b>	<b>(215.5)</b>	<b>(65.7)</b>	<b>43.81%</b>	<b>(716.1)</b>	<b>(674.2)</b>	<b>41.8</b>	<b>-5.84%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(119.9)</b>	<b>(178.8)</b>	<b>(58.8)</b>	<b>49.05%</b>	<b>(507.5)</b>	<b>(417.0)</b>	<b>90.5</b>	<b>-17.84%</b>

<sup>1/</sup> Net of P2.0 billion tax refund; June gross BIR collection was P175.5 billion. H1 total BIR collection is at P1.136 trillion inclusive of tax refund amounting to P3.4 billion.

**Program vs Actual**

Particulars	Jan-June			
	Prog <sup>1/</sup>	Actual	Diff	%
<b>REVENUES</b>	<b>1,648.4</b>	<b>1,727.5</b>	<b>79.1</b>	<b>4.80%</b>
<b>Tax Revenue</b>	<b><u>1,538.4</u></b>	<b><u>1,541.2</u></b>	<b><u>2.8</u></b>	<b><u>0.18%</u></b>
BIR	1,164.8	1,132.5	(32.3)	-2.77%
BOC	360.7	396.7	36.0	9.98%
Other Offices	12.8	11.9	(0.9)	-7.24%
<b>Non-Tax Revenue</b>	<b><u>110.1</u></b>	<b><u>186.3</u></b>	<b><u>76.3</u></b>	<b><u>69.32%</u></b>
BTr	52.8	104.1	51.3	97.10%
Other Offices	57.2	82.2	25.0	43.68%
<b>EXPENDITURES</b>	<b>2,477.1</b>	<b>2,401.7</b>	<b>(75.4)</b>	<b>-3.04%</b>
Operating exp.	2,224.0	2,144.5	(79.5)	-3.57%
Interest Payments	253.1	257.2	4.1	1.61%
<b>SURPLUS/ (DEFICIT)</b>	<b>(828.7)</b>	<b>(674.2)</b>	<b>154.5</b>	<b>-18.64%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(575.6)</b>	<b>(417.0)</b>	<b>158.5</b>	<b>-27.55%</b>

<sup>1/</sup> Based on the approved Quarterly Fiscal Program by the DBCC during their 181<sup>st</sup> meeting held on May 24, 2022.