



Funding the Republic

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

Press Release

October 2022 NG Budget Deficit Reaches P99.1 billion
Jan-Sept Deficit Ratio Slowed to 6.5% from 8.3% a Year Ago

MANILA, Philippines, 25 November 2022 – The National Government's (NG) budget deficit rose to P99.1 billion in October 2022, 54.08% or P34.8 billion higher compared to P64.3 billion for the same period last year. The higher deficit for the period resulted from the 22.23% year-over-year (YoY) acceleration in government spending outpacing revenue growth of 14.14%. However, the P1.1 trillion year-to-date (YTD) budget deficit lagged behind the P1.2 trillion shortfall posted in the 10-month period a year ago by 7.61% (P91.6 billion) and is just 67% of the P1.7 trillion full-year program¹.

Revenue Performance

October revenue collection amounted to P288.9 billion and was 14.14% or almost P36.0 billion above the previous year's collection of P253.1 billion for the month. This drove the cumulative collection for the Jan-Oct period to P2.9 trillion, reflecting 18.31% growth from the P2.5 trillion raised last year and is 89% of the P3.3 trillion goal for the year. Tax collections accounted for 90% or P2.6 trillion of the total with non-tax revenue contributing P299.5 billion.

The Bureau of Internal Revenue (BIR) brought in P186.8 billion (net of P20.0 million tax refund) for October, realizing YoY growth of 15.20% or P24.6 billion. Similarly, BIR's YTD revenue of P1.9 trillion showed a 12.56% (P214.2 billion) improvement over the same period a year ago, reaching 80% of the P2.4 trillion FY 2022 program.

The Bureau of Customs (BOC) collected P75.1 billion for October, exceeding the previous year's outturn of P55.5 billion by 35.16% or almost P20.0 billion. BOC's aggregate balance of P713.5 billion for the 10-month period was also 35.81% or P188.2 billion better than the 2021 comparable level and already made up 99% of the P721.5 billion full-year target.

The Bureau of the Treasury (BTr) posted a double-digit increase of 47.24% or P4.2 billion in its October income totaling P13.2 billion. This was due to higher NG share from PAGCOR profit and BSF investment performance which offset lower dividend remittance. Total BTr collection as of end-October likewise outpaced the level achieved in the equivalent period last year by 24.82% or P28.4 billion and has more than doubled the original full-year program of P61.2 billion².

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

² Based on BESF FY 2022, original program.

October collections from other offices (other non-tax including privatization proceeds and fees and charges) slowed to P13.7 billion, 44.42% or P11.0 billion lower relative to the P24.7 billion booked for the same month last year. On the other hand, the P156.6 billion cumulative figure outperformed the previous year's figure by 23.90% or P30.2 billion.

Expenditures

NG disbursement accelerated to P387.9 billion in October from P317.4 billion a year ago, driven partly by higher National Tax Allotment of LGUs and subsidy releases for programs implemented by government corporations, namely National Health Insurance Program under the PhilHealth (PHIC), Irrigation Systems Restoration Program and Irrigation Systems Development Program of the National Irrigation Administration (NIA), Comprehensive and Integrated Housing Program of the National Housing Authority (NHA), and Missionary Electrification Program under the National Power Corporation (NPC). Disbursements for the social protection programs of the Department of Social Welfare and Development (DSWD) and road infrastructure projects of the Department of Public Works and Highways (DPWH) also contributed to the higher October 2022 spending. To date, the NG has disbursed P4.1 trillion, representing 82% of the P5.0 trillion FY 2022 program, and was up by 9.87% or P364.5 billion from the Jan-Oct 2021 actual spending of P3.7 trillion.

Primary expenditures of P354.7 billion accounted for 91% of the total monthly spending and was 24.11% or P68.9 billion higher compared to last year's amount. Similarly, the cumulative figure rose by 9.10% (P302.2 billion) to P3.6 trillion on a YTD basis.

Total Interest Payment (IP) reached P33.2 billion in October, increasing by 5.23% or P1.6 billion YoY. This resulted in a higher cumulative IP of P433.2 billion for the 10-month period versus last year's P370.9 billion.

Fiscal Indicators

Real GDP growth for Q3 accelerated by 7.6%, faster than Q2's 7.5%. The Q3 deficit stands at 6.46% of GDP, decreasing from the 9.19% posted in the equivalent period last year. Similarly, the deficit ratio for the first three quarters slowed to 6.51% from 8.29% a year ago. Revenue and tax effort for the 9-month period improved to 17.07% and 15.32% compared to 16.27% and 14.77% in 2021, respectively. Meanwhile, expenditure effort decreased to 23.58% for the same period against 24.56% as of end-Q3 2021.

For the Jan-Oct 2022 period, IP accounted for 10.67% of total expenditures, increasing from 10.04% last year. On the other hand, IP as a percentage of revenues decreased from the previous year's level of 14.89% to 14.70%.

Net of IP, the National Government registered a primary deficit of P65.9 billion, doubling the primary deficit registered in October 2021. Nevertheless, the YTD primary deficit amounting to P678.7 billion was lower than the previous year's primary deficit of P832.5 billion by 18.48% (P153.8billion).

Fiscal Performance
For the Period Indicated
In Billion Pesos

Year-on-Year

Particulars	October p/			
	2021	2022	Diff	YoY
REVENUES	253.1	288.9	35.8	14.14%
Tax Revenues	219.4	261.9	42.5	19.38%
BIR ^{1/}	162.1	186.8	24.6	15.20%
BOC	55.5	75.1	19.5	35.16%
Other Offices	1.7	0.1	(1.6)	-94.31%
Non-Tax Revenues	33.7	27.0	(6.7)	-20.00%
BTr	9.0	13.2	4.2	47.24%
Other Offices	24.7	13.7	(11.0)	-44.42%
EXPENDITURES	317.4	387.9	70.6	22.23%
Interest Payments	31.5	33.2	1.6	5.23%
Others	285.8	354.7	68.9	24.11%
SURPLUS/ (DEFICIT)	(64.3)	(99.1)	(34.8)	54.08%
Primary Surplus/ (Deficit)	(32.8)	(65.9)	(33.1)	101.12%

1/ Net of P20.0 million tax refund; October gross BIR collection remained at P186.8 billion inclusive of the tax refund.

Year-to-Date

Particulars	January to October p/ (Actual)			
	2021	2022	Diff	YoY
REVENUES	2,490.2	2,946.3	456.0	18.31%
Tax Revenues	2,249.3	2,646.7	397.4	17.67%
BIR ^{1/}	1,705.0	1,919.2	214.2	12.56%
BOC ^{2/}	525.4	713.5	188.2	35.81%
Other Offices	18.9	14.0	(5.0)	-26.19%
Non-Tax Revenues	240.9	299.5	58.6	24.33%
BTr	114.5	142.9	28.4	24.82%
Other Offices	126.4	156.6	30.2	23.90%
EXPENDITURES	3,693.6	4,058.1	364.5	9.87%
Interest Payments	370.9	433.2	62.3	16.79%
Others	3,322.7	3,624.9	302.2	9.10%
SURPLUS/ (DEFICIT)	(1,203.4)	(1,111.8)	91.6	-7.61%
Primary Surplus/ (Deficit)	(832.5)	(678.7)	153.8	-18.48%

1/ Net of tax refund amounting to P4.4 billion; Jan-Oct total BIR collection is at P1.923 trillion inclusive of the tax refund.

2/ Net of P2.9 billion tax refund; YTD total BOC collection inclusive of tax refund is at P716.4 billion.