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

Press Release

**NG Budget Deficit for March 2023 Rises to P210.3 Billion
Q1 2023 Fiscal Deficit Reaches P270.9 Billion**

Manila, Philippines, 2 May 2023 - The National Government's (NG) budget deficit for March 2023 rose to P210.3 billion, 12.04% or P22.6 billion higher compared to last year's shortfall of P187.7 billion. The higher fiscal gap was brought about by an 11.99% decrease in government receipts even as spending was lower by 2.62%. Meanwhile, the cumulative budget gap for Q1 2023 amounting to P270.9 billion dropped by 14.51% (P46.0 billion) on a year-to-date (YTD) basis as revenue collections improved by 4.38% or P34.3 billion during the period.

Revenue Performance

Total revenue collections for March reached P258.7 billion, 11.99% or P35.2 billion lower than the previous year's outcome of P293.9 billion. Nevertheless, YTD revenue for the 3-month period still surpassed the P784.4 billion collected last year for the same period by 4.38% or P34.3 billion. Tax collection accounted for 87.89% or P719.5 billion of the total with non-tax revenue contributing P99.2 billion or 12.11%.

Collections by the Bureau of Internal Revenue (BIR) for March slipped by 17.27% or P29.4 billion year-over-year (YoY) to P141.0 billion¹. The slower outturn for the period was due in part to the impact of the transitory provisions of the Bureau's Revenue Memorandum Circular No. 5-2023 in line with Section 37 of the TRAIN Law². On a YTD basis, however, BIR's P505.2 billion collection still topped the previous year's achievement for the same period by 0.48% or P2.4 billion.

The Bureau of Customs (BOC) raised P80.3 billion in March, rising by 13.51% or P9.6 billion on a YoY basis. BOC's overall collections of P213.8 billion as of end-March likewise represented a 13.40% or P25.3 billion improvement from the Q1 2022 comparable performance.

Income from the Bureau of the Treasury (BTr) for March slowed to P14.9 billion, down by 55.47% or P18.5 billion due to the high base effect of dividend remittances³ in 2022. As of end-March 2023, total BTr revenue reached P39.0 billion, also declining by 19.94% (P9.7 billion) from last year's P48.7 billion owing to the same reason.

¹Net of P1.1 billion tax refund; March gross BIR collection was P142.1 billion inclusive of the tax refund.

² VAT-registered taxpayers are no longer required to file the Monthly VAT TAX Declaration for transactions starting January 1, 2023, but will instead file the Quarterly VAT Return within twenty-five days following the close of each taxable quarter when the transaction transpired.

³ Most of the GOCCs remitted dividends in March last year specifically BSP which remitted P17.0 billion.

Non-tax collections from other offices including privatization proceeds and fees and charges increased to P22.0 billion in March 2023 from P16.7 billion last year mainly due to the remittance of the unutilized balance from the Unconditional Cash Transfer program. The positive outturn for the period led to a higher cumulative revenue of P60.1 billion, rising by 58.59% or P22.2 billion YoY.

Expenditures

NG expenditures for March 2023 went down by 2.62% or P12.6 billion YoY to P468.9 billion largely due to the lower National Tax Allotment shares of LGUs, as well as the timing of significant releases for some programs, such as the Department of Transportation's (DOTr) Public Utility Vehicle (PUV) Service Contracting Program and Fuel Subsidy Program. Likewise, the resulting overall expenditure of P1.1 trillion for Q1 2023 slightly dropped by 1.06% (P11.6 billion) on a YTD basis caused by lower Interest Payments (IP) for January.

March primary expenditures (net of interest payments) reached P408.0 billion, 4.22% (P18.0 billion) below the previous year's figure. In total, Q1 2023 primary expenditures totaled P947.6 billion, indicating a minimal decrease of 0.45% from the P951.9 billion recorded in the same period a year ago.

Interest payments (IP) for March stood at P60.9 billion, 9.63% (P5.4 billion) higher compared to the level posted in the same month in 2022. Total IP as of end-March amounting to P142.0 billion, on the other hand, went down by 4.92% or P7.4 billion YoY. Total IP accounted for 13.03% of expenditure for Q1 2023, down from 13.56% a year ago. Similarly, IP as a percentage of revenues went down to 17.34% from 19.04% last year.

Primary Surplus/ (Deficit)

Excluding interest payments from expenditures, NG's primary deficit for the month was recorded at P149.4 billion, up by 13.05% or P17.2 billion from the 2022 comparable period. Meanwhile, the cumulative primary deficit for the first three months of the year declined by 23.05% or P38.6 billion YoY to P128.9 billion.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-over-Year

Particulars	Mar p/			
	2022	2023	Diff	YoY
REVENUES	293.9	258.7	(35.2)	-11.99%
Tax Revenues	243.8	221.8	(22.0)	-9.03%
BIR ^{1/}	170.4	141.0	(29.4)	-17.27%
BOC	70.8	80.3	9.6	13.51%
Other Offices	2.7	0.5	(2.2)	-81.58%
Non-Tax Revenues	50.1	36.9	(13.2)	-26.39%
BTr	33.4	14.9	(18.5)	-55.47%
Other Offices	16.7	22.0	5.3	31.89%
EXPENDITURES	481.5	468.9	(12.6)	-2.62%
Interest Payments	55.5	60.9	5.4	9.63%
Others	426.0	408.0	(18.0)	-4.22%
SURPLUS/ (DEFICIT)	(187.7)	(210.3)	(22.6)	12.04%
Primary Surplus/ (Deficit)	(132.1)	(149.4)	(17.2)	13.05%

1/ Net of tax refund amounting to P1.1 billion; March Gross BIR collection is P142.1 billion inclusive of the tax refund.

Year-to-Date

Particulars	Jan-Mar p/ (Actual)			
	2022	2023	Diff	YoY
REVENUES	784.4	818.7	34.3	4.38%
Tax Revenues	697.7	719.5	21.8	3.13%
BIR ^{1/}	502.8	505.2	2.4	0.48%
BOC	188.6	213.8	25.3	13.40%
Other Offices	6.4	0.5	(5.8)	-91.74%
Non-Tax Revenues	86.7	99.2	12.5	14.42%
BTr	48.7	39.0	(9.7)	-19.94%
Other Offices	37.9	60.1	22.2	58.59%
EXPENDITURES	1,101.2	1,089.6	(11.6)	-1.06%
Interest Payments	149.3	142.0	(7.4)	-4.92%
Others	951.9	947.6	(4.3)	-0.45%
SURPLUS/ (DEFICIT)	(316.8)	(270.9)	46.0	-14.51%
Primary Surplus/ (Deficit)	(167.5)	(128.9)	38.6	-23.05%

1/ Net of tax refund amounting to P1.1 billion; Total BIR collections for Q1 2023 inclusive of tax refund is P506.3 billion.