



Funding the Republic

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



Press Release

NG Records P42.7 Billion Budget Surplus for April 2024 January-April 2024 Budget Gap Reaches P229.9 Billion

Manila, Philippines, 23 May 2024 - The National Government (NG) achieved a P42.7 billion budget surplus for April, 36.03% or P24.1 billion lower than last year's P66.8 billion. The lower surplus for the month was due to the 32.25% acceleration in public expenditures, which outpaced the 21.90% rise in government revenue collection. As a result, the year-to-date (YTD) budget deficit at P229.9 billion rose by 12.66% or P25.8 billion higher than last year's level.

Revenue Performance

Total revenue for April reached P537.2 billion, surpassing the P440.7 billion collection in the same month a year ago by 21.90% or P96.5 billion. The positive outturn for the month was propelled by higher year-over-year (YoY) growth in both tax and non-tax revenues. The increase in tax revenues was fueled by double-digit growth in the collections of revenue collecting agencies while the increase in non-tax revenues was due to strong dividend remittance. Consequently, YTD revenue improved to P1.5 trillion, 16.80% or P211.6 billion more than the P1.3 trillion raised in the equivalent period a year ago. Tax collection grew by 13.21% YoY and comprised P1.3 trillion or 87.16% of the YTD total revenue while non-tax collection improved by 48.80% to P188.8 billion.

The Bureau of Internal Revenue's (BIR) collection rose by 12.65% or P42.5 billion to P378.5 billion (net of P334.0 billion tax refund) in April versus last year's P336.0 billion. The Bureau's collection growth was due to an overperformance in all major tax types compared to the same period in 2023. Both income tax and VAT posted double-digit growth as annual income tax filing, and Q1 2024 VAT payments are due during the said month. With the Bureau's April performance, its cumulative uptake increased to P970.3 billion, outperforming the P841.2 billion logged for the first four months of 2023.

Total collections by the Bureau of Customs for April were recorded at P80.7 billion¹, reflecting a P13.2 billion or 19.52% increment from the previous year's outturn. This pushed the agency's cumulative collection from January to April to P299.6 billion, growing by 6.47% or P18.2 billion on a YoY basis.

Bureau of the Treasury (BTr) income for the month surged to P64.0 billion, more than tripling the amount registered in the same month a year ago. This significant growth

¹ Net of P25.0 million tax refund; April gross BOC collection is P80.8 billion inclusive of tax refund.

was primarily driven by the increase in dividend remittances as some Government-Owned and Controlled Corporations (GOCCs) already increased their remitted annual net earnings to 75% from the previously mandated 50% in compliance with the DOF directive. The top dividend contributors for the month were Land Bank of the Philippines (P32.1 billion), Philippine Ports Authority (P5.1 billion), Manila International Airport Authority (P3.5 billion), and the Subic Bay Metropolitan Authority (P3.1 billion). The resulting YTD BTr income rose to P136.3 billion, more than twice the previous year's comparable performance due to higher income from interest on advances and the NG's share from PAGCOR profit which added to the intensified dividend remittance.

Other non-tax collections from other offices including privatization proceeds and fees and charges narrowed to P11.4 billion in April from P17.0 billion recorded a year ago due to the timing of the one-off remittance of disposition proceeds from the Bases Conversion Development Authority (BCDA)² last year. Likewise, YTD collection of P52.5 billion lagged behind last year's four-month total of P69.6 billion by 24.56% or P17.1 billion mainly due to one-off remittances of the balance from the DSWD's Unconditional Cash Transfer program and BCDA.

Expenditures

NG expenditure reached P494.5 billion, posting YoY growth of 32.25% or P120.6 billion for the month. The expansion was driven by higher releases of the National Tax Allotment (NTA) and subsidies to GOCCs, including releases to PSALM pursuant to the *Murang Kuryente Act*³, as well as the release of the 4th tranche of capitalization of the Coconut Farmers Industry Trust Fund (CFITF)⁴. As of end-April, NG disbursement stood at P1.7 trillion, also exceeding the previous year's spending performance for the same period by 16.22% or P237.4 billion.

April primary expenditures were at P427.0 billion, 30.32% or P99.3 billion higher than the previous year's level of P327.6 billion. Similarly, YTD primary expenditure of P1.4 trillion surpassed the P1.3 trillion recorded in the first four months of 2023 by 12.95% or P165.1 billion.

The P67.5 billion in Interest payments (IP) posted for April was 45.93% (P21.2 billion) higher compared to last year. The increase was attributed to the timing of payments⁵ for domestic securities and the impact of foreign exchange fluctuations on foreign borrowings. As of end-April, total IP reached P260.5 billion, also up by 38.39% or P72.3 billion YoY.

² Remittance of the share of AFP from BCDA's assets disposition proceeds which was remitted in April 2023 but no remittance yet this year.

³ Subsidy to PSALM to cover the payment of stranded costs and stranded debts pursuant to Section 4 of the Republic Act (RA) No. 11371 or the *Murang Kuryente Act*.

⁴ Transfer to CFITF for its fourth-year capitalization pursuant to RA No. 11524.

⁵ The original payment schedule for 25-year FXTBs amounting to P8.8 billion was scheduled for March 29-30, 2024, which fell on a holiday and weekend, respectively, hence, it was moved to April 1, 2024.

Primary Surplus/ (Deficit)

Net of interest payments, NG recorded a P110.2 billion primary surplus for the month compared to the previous year's level of P113.1 billion. This resulted in a YTD budget primary surplus of P30.6 billion, reversing the P15.9 billion primary deficit posted in Jan-Apr 2023.

Fiscal Indicators

Real GDP growth for Q1 2024 was recorded at 5.7%, coming from a high base of 6.4% in Q1 2023 and picking up from 5.5% in Q4 2023. The recent performance underscores the country's position as one of the fastest growing economies among major emerging economies in the ASEAN region. With the GDP outturn, the Q1 deficit to GDP ratio was at 4.46%, decreasing from the 4.82% posted in the equivalent period last year. Meanwhile, the revenue and tax effort ratios for the three-month period improved to 15.28% and 13.43% compared to 14.58% and 12.95% in 2023, respectively. Lastly, expenditure effort increased to 19.74%, up from 19.40% as of end-Q1 2023.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-on-Year

Particulars	Apr p/			
	2023	2024	Diff	YoY
REVENUES	440.7	537.2	96.5	21.90%
Tax Revenues	405.4	461.8	56.4	13.90%
BIR ^{1/}	336.0	378.5	42.5	12.65%
BOC ^{2/}	67.6	80.7	13.2	19.52%
Other Offices	1.8	2.5	0.7	36.29%
Non-Tax Revenues	35.3	75.4	40.1	113.76%
BTr	18.3	64.0	45.7	250.34%
Other Offices	17.0	11.4	(5.6)	-32.89%
EXPENDITURES	373.9	494.5	120.6	32.25%
Interest Payments	46.3	67.5	21.2	45.93%
Others	327.6	427.0	99.3	30.32%
SURPLUS/ (DEFICIT)	66.8	42.7	(24.1)	-36.03%
Primary Surplus/ (Deficit)	113.1	110.2	(2.8)	-2.50%

1/ Net of tax refund P334.0 million; April gross BIR collection totaled P378.9 billion inclusive of tax refund.

2/ Net of P25 million tax refund; April gross BOC collection is P80.8 billion inclusive of tax refund.

Year-to-Date

Particulars	Jan - Apr p/ (Actual)			
	2023	2024	Diff	YoY
REVENUES	1,259.4	1,470.9	211.6	16.80%
Tax Revenues	1,132.5	1,282.1	149.6	13.21%
BIR ^{1/}	841.2	970.3	129.1	15.35%
BOC ^{2/}	281.4	299.6	18.2	6.47%
Other Offices	9.9	12.2	2.3	23.18%
Non-Tax Revenues	126.9	188.8	61.9	48.80%
BTr	57.3	136.3	79.0	137.93%
Other Offices	69.6	52.5	(17.1)	-24.56%
EXPENDITURES	1,463.5	1,700.9	237.4	16.22%
Interest Payments	188.2	260.5	72.3	38.39%
Others	1,275.2	1,440.4	165.1	12.95%
SURPLUS/ (DEFICIT)	(204.1)	(229.9)	(25.8)	12.66%
Primary Surplus/ (Deficit)	(15.9)	30.6	46.4	-292.80%

1/ YTD tax refund is P1.6 billion; Total gross BIR collection is P971.9 billion inclusive of tax refund.

2/ YTD tax refund is P489 million; Total gross BOC collection is P300.1 billion inclusive of tax refund.