



Funding the Republic

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



## Press Release

### **September 2024 Budget Deficit at P273.3 Billion Nine-Month Deficit Narrowed to P970.2 Billion**

**MANILA, Philippines, 24 October 2024** – The National Government (NG) ran a P273.3 billion budget deficit in September 2024, 8.90% higher than the P250.9 billion fiscal gap in the previous year, as the increase of nominal value of expenditures outpaced the increase in revenues. Nevertheless, the total deficit as of end-September narrowed by 1.35% (P13.3 billion) year-over-year (YoY) to P970.2 billion. The total deficit for the first three quarters was 9.08% short of the P1.1 trillion program for the 9-month period and is at 65.36% of the P1.5 trillion revised full-year program<sup>1</sup>.

#### **Revenue Performance**

NG revenue collection for September climbed to P299.7 billion, outperforming the previous year's outturn by 17.32% (P44.2 billion). The resulting year-to-date (YTD) total similarly rose to P3.3 trillion, 16.04% (P455.1 billion) above the 2023 comparable collections and 4.53% (P142.8 billion) ahead of the January-September program. Taxes comprised 85.39% (P2.8 trillion) of the YTD collections which posted 10.62% (P270.0 billion) growth for the period. Meanwhile, the remaining 14.61% (P481.1 billion) were non-tax revenues, which grew by 62.54% (P185.1 billion) YoY.

The Bureau of Internal Revenue's (BIR) collections for September improved to P174.7 billion, 14.79% (P22.5 billion) higher YoY. This is attributed to higher personal income tax (PIT) particularly on withholding on wages due to the release of salary differentials of civilian government personnel pursuant to Executive Order No. 64, series of 2024<sup>2</sup>, which updated from the Salary Standardization Law (SSL) of 2019. This is followed by higher collections from documentary stamp tax (DST). This pushed the BIR's aggregate nine-month collection to P2.1 trillion, up by 12.73% (P236.6 billion) from a year ago and just below the YTD target by 0.98% (P20.7 billion). BIR's collection from January to September has reached 73.52% of the P2.8 trillion revised full-year 2024 target. The double-digit YoY growth is underscored by higher collection on Value-added tax (VAT), followed by income taxes, other domestic taxes, and percentage taxes. The increase in VAT collections in 2024 is partly due to the impact of the change in payment schedule introduced by the TRAIN law provision which allows the tax filers to shift from monthly to quarterly filing of VAT return<sup>3</sup>.

<sup>1</sup> Based on the DBCC Ad Referendum approved Quarterly Fiscal Program on May 23, 2024.

<sup>2</sup> The January to August salary differential will be received starting from the implementation of SSL as stipulated under the National Budget Circular No. 594-2024 of the Department of Budget and Management

<sup>3</sup> The rules were set under BIR Revenue Memorandum Circular (RMC) No. 5-2023.

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Meanwhile, collections by the Bureau of Customs (BOC) slid by 3.31% (P2.6 billion) to P76.3 billion in September. This can be attributed to double-digit negative growth in import duties partly due to tariff reduction of some commodities. Also, the decline is due to an alarming increase in smuggling activities within the year, as the current amount of the BOCs' seized goods has already surpassed their total haul in 2023<sup>4</sup>. Nevertheless, the BOCs' cumulative revenue of P690.7 billion for 2024 still outperformed the P660.4 billion collected in the equivalent period a year ago and is only 0.46% (P3.2 billion) short of the P693.9 billion goal for the 9-month period. This is due to higher VAT and import duties despite the negative performance in September. Moreover, BOCs' YTD uptake is at 73.50% of the P939.7 billion revised full-year program for FY 2024.

Non-tax revenues surged to P46.2 billion in September, more than twice the level attained a year ago primarily due to the one-off windfall from the Public-Private Partnership (PPP) concession agreement. The resulting P481.1 billion YTD collections under a robust YoY growth of 62.54% (P185.1 billion), leading to a 7.00% (P31.5 billion) overperformance versus the P449.6 billion revised full-year 2024 target.

Income collected and generated by the Bureau of the Treasury (BTr) amounted to P9.9 billion for September, a 24.86% (P2.0 billion) YoY improvement, driven by higher NG share from PAGCOR income, interest income from NG deposits, and guarantee fee collection. The BTr's total YTD income of P210.2 billion similarly topped the previous year's achievement by 33.02% (P52.2 billion) and has already exceeded the revised full-year program of P187.0 billion by 12.42% (P23.2 billion).

Total collections from other offices (other non-tax, including privatization proceeds, fees and charges, and grants) climbed to P36.3 billion in September, more than doubling the P13.9 billion recorded for the same month last year. The higher outturn for the period was attributed to the P30.0 billion remittance from the Manila International Airport Authority (MIAA), representing the upfront payment for the MIAA-Ninoy Aquino International Airport (NAIA) PPP Project. This drove YTD revenue to P270.9 billion, outpacing the previous year's outturn by 96.36% (P132.9 billion) and exceeding the full-year program by 3.15% (P8.3 billion).

## **Expenditures**

The NG's total expenditures for September grew by 13.15% (P66.6 billion) to P572.9 billion from P506.3 billion a year ago. The notable increase was mainly attributed to non-interest expenses, particularly due to the implementation of capital outlay projects of the Department of Public Works and Highways, larger personnel services expenditures due to the implementation of the first tranche of salary adjustments of qualified civilian government employees pursuant to Executive Order No. 64 dated August 2, 2024<sup>5</sup>, as well as the payments for health emergency allowance (HEA) claims of healthcare workers. More specifically, September primary expenditures (net of interest payments) amounted to P499.1 billion, translating to a 14.75% (P64.2 billion) growth from last year's P434.9 billion. The outturn for the month drove the cumulative primary expenditure to P3.7 trillion, which also grew by 9.48% (P318.7 billion) YoY.

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<sup>4</sup> Manalo, J. (2024, October 20). BOC: Over P72B smuggled goods seized from Jan to Oct 2024. Inquirer.Net. <https://newsinfo.inquirer.net/1994693/p72-091-billion-of-smuggled-goods-seized-from-jan-to-oct-2024>. (Accessed on 2024, October 22).

<sup>5</sup> Entitled "Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes".

Meanwhile, total Interest Payments (IP) for September reached P73.9 billion, increasing by 3.36% (P2.4 billion) on a YoY basis. The increase was mainly from the servicing of new external loans availed from the International Bank for Reconstruction and Development (IBRD), as well as the impact of foreign exchange fluctuations. YTD IP reached P583.3 billion – a 26.77% (P123.2 billion) increase from last year's level of P460.1 billion, but still 0.01% (P61.0 million) within the program for the period.

Overall expenditures from January to September reached P4.3 trillion, accelerating by 11.56% (P441.8 billion) YoY, leading to a 1.09% (P46.0 billion) overperformance compared with the 9-month program of P4.2 trillion. To date, the NG has already disbursed 74.09% of the P5.8 trillion revised full-year program for 2024.

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

**Year-on-Year**

Particulars	September p/				January - September p/			
	2023	2024	Diff	YoY	2023	2024	Diff	YoY
<b>REVENUES</b>	<b>255.4</b>	<b>299.7</b>	<b>44.2</b>	<b>17.32%</b>	<b>2,837.8</b>	<b>3,292.9</b>	<b>455.1</b>	<b>16.04%</b>
<b>Tax Revenues</b>	<b>233.5</b>	<b>253.5</b>	<b>19.9</b>	<b>8.53%</b>	<b>2,541.8</b>	<b>2,811.8</b>	<b>270.0</b>	<b>10.62%</b>
BIR <sup>1/</sup>	152.2	174.7	22.5	14.79%	1,858.0	2,094.6	236.6	12.73%
BOC <sup>2/</sup>	78.9	76.3	(2.6)	-3.31%	660.4	690.7	30.3	4.59%
Other Offices	2.5	2.5	0.0	1.38%	23.4	26.5	3.1	13.17%
<b>Non-Tax Revenues</b>	<b>21.9</b>	<b>46.2</b>	<b>24.3</b>	<b>111.16%</b>	<b>296.0</b>	<b>481.1</b>	<b>185.1</b>	<b>62.54%</b>
BTr	7.9	9.9	2.0	24.86%	158.0	210.2	52.2	33.02%
Other Offices <sup>3/</sup>	13.9	36.3	22.3	160.39%	137.9	270.9	132.9	96.36%
<b>EXPENDITURES</b>	<b>506.3</b>	<b>572.9</b>	<b>66.6</b>	<b>13.15%</b>	<b>3,821.3</b>	<b>4,263.1</b>	<b>441.8</b>	<b>11.56%</b>
Interest Payments	71.4	73.9	2.4	3.36%	460.1	583.3	123.2	26.77%
Others	434.9	499.1	64.2	14.75%	3,361.2	3,679.8	318.7	9.48%
<b>SURPLUS/ (DEFICIT)</b>	<b>(250.9)</b>	<b>(273.3)</b>	<b>(22.3)</b>	<b>8.90%</b>	<b>(983.5)</b>	<b>(970.2)</b>	<b>13.3</b>	<b>-1.35%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(179.5)</b>	<b>(199.4)</b>	<b>(19.9)</b>	<b>11.10%</b>	<b>(523.4)</b>	<b>(386.9)</b>	<b>136.4</b>	<b>-26.07%</b>

<sup>1/</sup> Net of P1.7 million tax refund; September gross BIR collection is P176.4 billion. YTD BIR collection is at P2.1 trillion, including a P8.8 billion tax refund.

<sup>2/</sup> YTD gross BOC collection is at P692.5 billion inclusive of P1.9 billion tax refund.

<sup>3/</sup> Includes P3.0 million and P464.0 million in grants for September and January-September 2024, respectively.

**Program vs Actual**

Particulars	January-September			
	Prog <sup>1/</sup>	Actual	Diff	%
<b>REVENUES</b>	<b>3,150.1</b>	<b>3,292.9</b>	<b>142.8</b>	<b>4.53%</b>
<b>Tax Revenues</b>	<b>2,834.2</b>	<b>2,811.8</b>	<b>(22.4)</b>	<b>-0.79%</b>
BIR	2,115.4	2,094.6	(20.7)	-0.98%
BOC	693.9	690.7	(3.2)	-0.46%
Other Offices	24.9	26.5	1.6	6.29%
<b>Non-Tax Revenues</b>	<b>315.9</b>	<b>481.1</b>	<b>165.2</b>	<b>52.30%</b>
BTr	158.0	210.2	52.3	33.09%
Other Offices	157.9	270.9	112.9	71.50%
<b>EXPENDITURES</b>	<b>4,217.2</b>	<b>4,263.1</b>	<b>46.0</b>	<b>1.09%</b>
Operating exp.	3,633.8	3,679.8	46.0	1.27%
Interest Payments	583.4	583.3	(0.1)	-0.01%
<b>SURPLUS/ (DEFICIT)</b>	<b>(1,067.1)</b>	<b>(970.2)</b>	<b>96.8</b>	<b>-9.08%</b>
<b>Primary Surplus/ (Deficit)</b>	<b>(483.7)</b>	<b>(386.9)</b>	<b>96.8</b>	<b>-20.01%</b>

<sup>1/</sup> Based on the DBCC Ad Referendum approved Quarterly Fiscal Program on May 23, 2024.