



Funding the Republic

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



Press Release

NG achieves double-digit revenue collection growth, better-than-expected actual budget deficit outturn for the first ten months of 2024

MANILA, Philippines, 27 November 2024 – National Government (NG) revenue collections accelerated in October with double-digit growth of 22.63%, outpacing the 11.08% year-on-year (YoY) increase in expenditures. This resulted in a PHP 6.3 billion fiscal surplus for the month, a reversal of the PHP 34.4 billion deficit recorded a year ago. Thus, the year-to-date (YTD) deficit narrowed to PHP 963.9 billion, which stands at only 64.94% of the PHP 1.48 trillion full-year program¹.

Revenue Performance

Revenue collections in October amounted to PHP 473.1 billion, reflecting a 22.63% (PHP 87.3 billion) increase compared to the same period last year, driven by robust growth in both tax and non-tax collections. The PHP 3.77 trillion cumulative revenues for the 10-month period have surpassed last year's performance by 16.83% (PHP 542.4 billion) and represent 88.20% of the PHP 4.27 trillion revised full-year program.

Of the YTD revenues, 85.68% (PHP 3.23 trillion) came from taxes, which grew by 11.40% (PHP 330.1 billion) YoY. The remaining 14.32% (PHP 539.4 billion) were from non-tax sources, which climbed at a faster rate of 64.93% (PHP 212.3 billion) YoY.

The Bureau of Internal Revenue's (BIR) collections for October reached PHP 325.5 billion (net of PHP 184.0 million tax refund), attaining an 18.62% (PHP 51.1 billion) growth over the same period last year. The double-digit growth in October can be attributed to higher collections on Value-added tax (VAT), personal income tax (PIT)², documentary stamp tax (DST), corporate income tax (CIT), excise tax on tobacco products, and percentage taxes. The higher VAT collection for the month accounts for the third quarter collection. As a result, the Bureau's overall collections from January to October rose to PHP 2.42 trillion, 13.49% (PHP 287.7 billion) higher than last year's PHP 2.13 trillion. These collections account for 84.95% of the PHP 2.85 trillion revised full-year program. The 10-month YoY growth is due to higher VAT, a total of 12 months' worth of VAT³ was already collected with the change of filing schedule from monthly to quarterly. The other sources of higher BIR collection are PIT, CIT, combined taxes on bank deposits and government securities, DST, and percentage taxes.

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

² Attributed to the increase of civilian government personnel salaries pursuant to Executive Order No. 64, series of 2024, which updated the Salary Standardization Law (SSL) of 2019.

³ The VAT collection as of October 2024 accounts for the collections for the Q4 2023, and Q1 to Q3 2024.

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Meanwhile, the Bureau of Customs (BOC) achieved an 11.50% (PHP 9.0 billion) YoY increase for the month, with net collections totaling PHP 86.9 billion after a deduction of PHP 757.0 million tax refund. The performance marks a recovery from a dip in the previous month, driven by the agency's rigorous verification of imported goods values and classifications, along with the stringent implementation of the fuel marking initiative. This tax administration effort of the Bureau transmitted to higher duty, excise, and VAT collections with growth rates of 28.3%, 13.5%, and 6.5%, respectively. This brought the agency's cumulative revenues to PHP 777.6 billion, 5.32% (PHP 39.2 billion) higher than the January-October 2023 collections, and achieved 82.75% of the PHP 939.7 billion revised FY 2024 program.

Non-tax revenues in October rose to PHP 58.3 billion, reflecting robust YoY growth of 87.65% (PHP 27.2 billion) primarily due to collections from other offices. This pushed the cumulative non-tax revenues to PHP 539.4 billion, 64.93% (PHP 212.3 billion) higher than the January-October 2023 level and 19.96% (PHP 89.7 billion) above the revised full-year 2024 target of PHP 449.6 billion.

Meanwhile, income collected and generated by the Bureau of the Treasury (BTr) moderated to PHP 14.5 billion in October, down by 13.50% (PHP 2.3 billion) from PHP 16.8 billion last year due to lower income realized from investments. Nevertheless, the BTr's cumulative revenues as of October increased by 28.56% (PHP 49.9 billion) to PHP 224.7 billion, behind higher dividend remittances, interest on advances from GOCCs, guarantee fees, and NG share from PAGCOR income. To date, BTr YTD income has already surpassed the revised full-year program of PHP 187.0 billion by 20.18% (PHP 37.7 billion).

Revenues from other offices (other non-tax, including privatization proceeds, fees and charges, and grants) surged to PHP 43.7 billion in October, up from PHP 14.3 billion last year. Cumulative revenues from January to October amounted to PHP 314.6 billion, more than doubling last year's total of PHP 152.2 billion and far exceeding the adjusted full-year target by 19.80% (PHP 52.0 billion).

Expenditures

Expenditures in October totaled PHP 466.8 billion, reflecting an 11.08% (PHP 46.6 billion) increase over the PHP 420.2 billion spent in the same month last year. This was mainly attributed to higher personnel services expenses due to the first tranche of the salary adjustments of qualified civilian government employees⁴ and the release of FY 2022 Performance-Based Bonus of the Department of Education. Spending was likewise bolstered by the implementation of infrastructure projects of the Department of Public Works and Highways and foreign-assisted rail projects of the Department of Transportation, as well as the social protection and health programs of the Department of Social Welfare and Development, and the Department of Health, respectively. YTD disbursements reached PHP 4.73 trillion, an 11.52% (PHP 488.4 billion) increase from the previous year's level, and equivalent to 82.20% of the PHP 5.75 trillion revised full-year target.

⁴ Pursuant to Executive Order No. 64 dated August 2, 2024, entitled "Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes".

Primary expenditures for the month comprised 88.13% (PHP 411.4 billion) of the total disbursements which grew by 13.89% (PHP 50.2 billion) YoY. This corresponded to a YTD primary spending of PHP 4.09 trillion, increasing by 9.91% (PHP 368.8 billion) from last year's disbursements.

Interest Payments (IP) for October amounted to PHP 55.4 billion, a 6.09% (PHP 3.6 billion) decrease from last year's level, merely due to the normalization in the timing of a September interest obligation which slid to October last year as the actual payment date fell on a weekend. Meanwhile, YTD IP increased to PHP 638.7 billion, up by 23.03% (PHP 119.6 billion) compared with the same period last year.

Fiscal Indicators

The revenue effort for the first three quarters of the year improved to 17.5% of GDP, up from 16.4% in the same period last year and surpassing the 16.1% target for 2024. The tax effort also rose to 14.91% compared to 14.72% in 2023, better than the 14.42% full-year target.

Meanwhile, expenditure effort climbed to 22.60%, an increase from 22.13% in the same period last year. This also surpassed the full-year target of 21.72%.

The fiscal deficit-to-GDP ratio stands at a manageable 5.14% of GDP for the first three quarters of 2024. This is lower than the 5.70% level during the same period last year and well below the 5.60% target for 2024.

Fiscal Performance
For the Period Indicated
In Billion Pesos

Year-on-Year

Particulars	October p/			
	2023	2024	Diff	YoY
REVENUES	385.8	473.1	87.3	22.63%
Tax Revenues	354.8	414.9	60.1	16.94%
BIR ^{1/}	274.4	325.5	51.1	18.62%
BOC ^{2/}	77.9	86.9	9.0	11.50%
Other Offices	2.4	2.4	0.0	1.58%
Non-Tax Revenues	31.0	58.3	27.2	87.65%
BTr	16.8	14.5	(2.3)	-13.50%
Other Offices	14.3	43.7	29.5	206.72%
EXPENDITURES	420.2	466.8	46.6	11.08%
Interest Payments	59.0	55.4	(3.6)	-6.09%
Others	361.2	411.4	50.2	13.89%
SURPLUS/ (DEFICIT)	(34.4)	6.3	40.7	-118.43%
Primary Surplus/ (Deficit)	24.6	61.7	37.1	151.12%

^{1/} Net of PHP 184.0 million tax refund; October gross BIR collection is PHP 325.7 billion.

^{2/} Net of PHP 757.0 million tax refund; October gross BOC collection is PHP 87.6 billion

Year-to-Date

Particulars	January to October p/ (Actual)			
	2023	2024	Diff	YoY
REVENUES	3,223.6	3,766.0	542.4	16.83%
Tax Revenues	2,896.6	3,226.7	330.1	11.40%
BIR ^{1/}	2,132.5	2,420.2	287.7	13.49%
BOC ^{2/}	738.3	777.6	39.2	5.32%
Other Offices	25.8	29.0	3.1	12.09%
Non-Tax Revenues	327.0	539.4	212.3	64.93%
BTr	174.8	224.7	49.9	28.56%
Other Offices ^{3/}	152.2	314.6	162.4	106.70%
EXPENDITURES	4,241.5	4,729.9	488.4	11.52%
Interest Payments	519.1	638.7	119.6	23.03%
Others	3,722.4	4,091.2	368.8	9.91%
SURPLUS/ (DEFICIT)	(1,017.9)	(963.9)	54.0	-5.30%
Primary Surplus/ (Deficit)	(498.8)	(325.2)	173.6	-34.80%

^{1/} Net of PHP 9.0 billion tax refund; YTD BIR collection is at PHP 2.43 trillion inclusive of tax refund.

^{2/} Net of PHP 2.6 billion tax refund; YTD BOC collection is at PHP 780.2 billion inclusive of tax refund.

^{3/} Includes YTD grants amounting to PHP 464.0 million.