



Funding the Republic

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



Press Release

Lower Php 68.4 Billion Budget Surplus for January as Revenue Growth was Sustained Alongside Increased Expenditures

Manila, Philippines, 18 March 2025 - The National Government's (NG) budget surplus for January 2025 declined by 22.27% year-over-year (YoY) to Php 68.4 billion due to sustained revenue growth alongside increased expenditures.

Revenue Performance

Revenue collections maintained a strong upward trajectory, growing by a double-digit 10.75% YoY, to reach Php 467.1 billion in January 2025 from Php 421.8 billion in the previous year. The increase was driven by higher tax collections, which improved by 13.60% YoY. Taxes accounted for 93.66% (Php 437.5 billion) of the total collections with the remaining 6.34% (Php 29.6 billion) from non-tax sources.

The Bureau of Internal Revenue's (BIR) collections for the first month of the year rose to Php 355.1 billion from Php 308.4 billion a year ago. The 15.13% (Php 46.7 billion) YoY growth was mainly driven by the 18.62% (Php 21.4 billion) increase in Value-Added Tax (VAT), followed by gains in income taxes (14.23% or Php 18.1 billion), other taxes (22.20% or Php 3.7 billion), and percentage taxes (11.88% or Php 3.4 billion). The growth is also attributed to the Bureau's intensified collection efforts, aggressive illicit trade campaigns, and digital transformation projects.

Similarly, the Php 79.3 billion raised by the Bureau of Customs (BOC) for January represented a 7.98% (Php 5.9 billion) outperformance relative to last year's actual collection of Php 73.4 billion, underpinned by the agency's modernization program. Notably, VAT collections surged by 17.55% (Php 7.7 billion), while excise collections grew by 10.10% (Php 1.8 billion), helping to counterbalance the reduction in duty collections due to lower tariffs on rice imports under Executive Order No. 62.

Non-tax revenues stood at Php 29.6 billion, representing a 19.16% decline from last year, largely due to the base effect of one-time gains recorded in the year prior. However, income from the Bureau of the Treasury (BTr) remained relatively strong despite its 5.92% decline. It contributed 53.17% (Php 15.7 billion) of the total non-tax revenues, with a 34.62% YoY increase in the NG's share in PAGCOR profits providing a positive boost.

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Expenditures

NG disbursement of Php 398.8 billion for January recorded a 19.45% (Php 64.9 billion) expansion from a year ago. This robust spending performance resulted mainly from the disbursements attributed to progress billings of completed infrastructure and other capital outlay projects of the Department of Public Works and Highways, implementation of various health and social protection programs, as well as expenses of the Commission on Elections for preparatory activities relative to the conduct of the 2025 National and Local Elections.

Higher National Tax Allotment (NTA) releases and subsidies to government corporations also contributed to the significant growth of disbursements in January, as well as an uptick in Interest Payments (IP) that merely reflects a shift in coupon payment timing due to the issuance strategy of multiple re-offerings of treasury bonds originally issued in January last year to improve secondary market trading activity.

Primary expenditures, which exclude IP, reached Php 294.4 billion, growing by 13.37% (Php 34.7 billion) YoY. Meanwhile, IP amounted to Php 104.4 billion, pushed higher by the above-mentioned re-issuance strategy and earlier servicing of a Global Bond with a February 1 coupon date falling on a weekend. Despite this, the overall debt management strategy remains prudent, ensuring fiscal sustainability and strong economic growth.

Primary Surplus/ (Deficit)

When converted to the primary balance concept, wherein IP is netted out from the budget balance, the primary surplus for the month amounted to Php 172.8 billion this year, higher than last year's Php 162.2 billion by 6.55% (Php 10.6 billion).

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-over-Year

Particulars	Jan p/			
	2024	2025	Diff	YoY
REVENUES	421.8	467.1	45.3	10.75%
Tax Revenues	385.2	437.5	52.4	13.60%
BIR	308.4	355.1	46.7	15.13%
BOC	73.4	79.3	5.9	7.98%
Other Offices	3.3	3.2	(0.2)	-4.58%
Non-Tax Revenues	36.6	29.6	(7.0)	-19.16%
BTr	16.7	15.7	(1.0)	-5.92%
Other Offices	19.9	13.9	(6.0)	-30.30%
EXPENDITURES	333.9	398.8	64.9	19.45%
Interest Payments	74.2	104.4	30.2	40.71%
Others	259.6	294.4	34.7	13.37%
SURPLUS/ (DEFICIT)	88.0	68.4	(19.6)	-22.27%
Primary Surplus/ (Deficit)	162.2	172.8	10.6	6.55%