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



Press Release

H1 2025 Fiscal Performance Remains Broadly on Track Amid Sustained Double-Digit Tax Collection Growth

Manila, Philippines, 24 July 2025 – The National Government's (NG) fiscal performance for the first half of 2025 remained broadly on track due to sustained double-digit growth of tax revenues, pushing total revenue collections to PHP 2.260 trillion or 5.15% higher year-on-year (YoY). The year-to-date (YTD) budget deficit also remained relatively within target at PHP 765.5 billion, just 0.63% or PHP 4.8 billion above the program despite accelerated and higher public spending to support economic growth.

Revenue Performance

Total revenue collections in June reached PHP 306.9 billion, rising by 3.50% (PHP 10.4 billion) from last year's level, as the sustained double-digit growth in tax collections offset the high base effect of the one-off remittances under non-tax revenues last year. YTD collection also rose to PHP 2.260 trillion, 5.15% or PHP 110.7 billion more than last year's level.

Tax revenues comprised 89.93% (PHP 2.033 trillion) of the total first-semester collection and surpassed the previous year's figure by 10.74% or by PHP 197.2 billion. Meanwhile, the remaining 10.07%, or PHP 227.7 billion, came from non-tax sources, which outperformed the PHP 221.4 billion program for the period by 2.87% (PHP 6.3 billion) even as the figure was tempered by the absence of extraordinary receipts recorded last year.

The Bureau of Internal Revenue (BIR) posted a robust 16.24% (PHP 28.0 billion) YoY increase in June, collecting PHP 200.5 billion after netting PHP 1.6 billion in tax refunds. This marked the Bureau's sixth consecutive month of posting double-digit growth.

For the first half of the year, BIR collections reached PHP 1.554 trillion, higher by 14.11% (PHP 192.1 billion) YoY, driven mainly by increases in corporate income tax (CIT), value-added tax (VAT), and personal income tax (PIT). Additional sources of higher revenue came from increased excise tax collections on tobacco, including electronic cigarettes, through the Bureau's continued efforts to intensify the crackdown on the illicit tobacco trade and the strict implementation of the mandatory excise tax stamps on vapor products. Higher percentage tax collections from banks and financial institutions also contributed to the strong performance.

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Similarly, the Bureau of Customs' (BOC) collection increased by 3.23% (PHP 2.4 billion) to PHP 77.0 billion (net of PHP 1.9 billion tax refund) in June from last year's PHP 74.6 billion. BOCs' resulting YTD collection of PHP 458.8 billion similarly topped the previous year's corresponding performance by 0.71% (PHP 3.3 billion).

Non-tax revenues reached PHP 26.8 billion in June, dropping by 43.25% (PHP 20.4 billion) YoY due to the high base effect of one-off remittances in 2024. Total collections for the six-month period similarly contracted by 27.53% (PHP 86.5 billion) from PHP 314.2 billion in the corresponding period a year ago. Despite this, the YTD performance still exceeded the PHP 221.4 billion program by 2.87% (PHP 6.3 billion), driven by better-than-expected Bureau of the Treasury (BTr) income performance.

In June alone, BTr income rose to PHP 16.1 billion, more than double last year's PHP 7.4 billion, behind higher NG share in PAGCOR profits and PSALM's dividend remittance. The BTr's YTD performance of PHP 145.3 billion was already 54.81% (PHP 51.4 billion) higher than the PHP 93.8 billion full-year 2025 BESF program, with the excess attributed to dividend collections, interest income on NG deposits, and the NG share from MIAA profit.

Expenditures

June 2025 expenditures reached PHP 548.5 billion, marking an 8.49% (PHP 42.9 billion) increase YoY. The growth of spending was primarily driven by the higher National Tax Allotment shares of LGUs, the Annual Block Grant to the BARMM, personnel services, and interest payments (IP). For the first half of the year, disbursements totaled PHP 3.026 trillion, exhibiting a 9.49% (PHP 262.3 billion) expansion from last year's comparable level. Spending for the first semester remained within the PHP 3.041 trillion program for the period.

Of the total monthly expenditures, 89.53% (PHP 491.1 billion) were primary expenditures, exceeding last year's outturn for the same period by 9.14% (PHP 41.1 billion). This pushed the H1 2025 primary expenditures to PHP 2.611 trillion, up by 9.41% (PHP 224.7 billion) YoY, but 0.51% (PHP 13.4 billion) short of the PHP 2.624 trillion program.

IP for the month reached PHP 57.4 billion, 3.19% (PHP 1.8 billion) more than last year's actual payment of PHP 55.6 billion. Cumulative IP as of end-June stood at PHP 414.8 billion, a 9.97% (PHP 37.6 billion) increase from last year's PHP 377.2 billion, but still -0.53% within the PHP 417.0 billion program.

Primary Surplus/ (Deficit)

Net of IP, the NG's primary deficit in June reached PHP 184.2 billion, increasing by 20.04% (PHP 30.8 billion) YoY. The cumulative primary deficit as of end-June likewise widened to PHP 350.7 billion, up by 48.16% (PHP 114.0 billion) from last year's corresponding period. Despite this, the deficit remained broadly in line with fiscal targets, exceeding the first-half program by a manageable 2.04% or PHP 7.0 billion.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-over-Year

Particulars	June p/				Jan - June p/ (Actual)			
	2024	2025	Diff	YoY	2024	2025	Diff	YoY
REVENUES	296.5	306.9	10.4	3.50%	2,149.5	2,260.2	110.7	5.15%
Tax Revenues	249.3	280.1	30.8	12.35%	1,835.3	2,032.5	197.2	10.74%
BIR ^{1/}	172.5	200.5	28.0	16.24%	1,362.0	1,554.2	192.1	14.11%
BOC ^{2/}	74.6	77.0	2.4	3.23%	455.5	458.8	3.3	0.71%
Other Offices	2.2	2.6	0.4	16.71%	17.8	19.6	1.8	9.87%
Non-Tax Revenues	47.2	26.8	(20.4)	-43.25%	314.2	227.7	(86.5)	-27.53%
BTr	7.4	16.1	8.6	116.49%	163.9	145.3	(18.6)	-11.37%
Other Offices ^{3/}	39.8	10.7	(29.1)	-73.04%	150.3	82.5	(67.8)	-45.14%
EXPENDITURES	505.6	548.5	42.9	8.49%	2,763.5	3,025.7	262.3	9.49%
Interest Payments	55.6	57.4	1.8	3.19%	377.2	414.8	37.6	9.97%
Others	450.0	491.1	41.1	9.14%	2,386.2	2,610.9	224.7	9.41%
SURPLUS/ (DEFICIT)	(209.1)	(241.6)	(32.5)	15.56%	(613.9)	(765.5)	(151.6)	24.69%
Primary Surplus/ (Deficit)	(153.4)	(184.2)	(30.8)	20.04%	(236.7)	(350.7)	(114.0)	48.16%

^{1/} Net of a PHP 1.6 billion tax refund; BIR's June gross collection stood at PHP202.1 billion. YTD tax refund totaled PHP 7.6 billion, bringing gross BIR's collection to PHP 1.562 trillion.

^{2/} Net of a PHP 1.9 billion tax refund; BOCs' June collection was PHP 78.9 billion, inclusive of the tax refund. YTD gross BOCs' collection reached PHP 460.6 billion, inclusive of the PHP 1.9 billion in tax refund.

^{3/} Includes grants of PHP 12.0 million in June 2024 and PHP 8.0 million in June 2025. Total grants for H1 2024 and H1 2025 amounted to PHP 300.0 million and PHP 251.0 million, respectively.

Program vs Actual

Particulars	Jan-June p/			
	Prog ^{1/}	Actual	Diff	%
REVENUES	2,280.6	2,260.2	(20.4)	-0.89%
Tax Revenue	2,059.2	2,032.5	(26.7)	-1.30%
BIR	1,578.2	1,554.2	(24.1)	-1.52%
BOC	461.4	458.8	(2.7)	-0.58%
Other Offices	19.6	19.6	0.0	0.05%
Non-Tax Revenue	221.4	227.7	6.3	2.87%
BTr	142.0	145.3	3.2	2.28%
Other Offices	79.3	82.5	3.1	3.92%
EXPENDITURES	3,041.3	3,025.7	(15.6)	-0.51%
Operating exp.	2,624.3	2,610.9	(13.4)	-0.51%
Interest Payments	417.0	414.8	(2.2)	-0.53%
SURPLUS/ (DEFICIT)	(760.7)	(765.5)	(4.8)	0.63%
Primary Surplus/ (Deficit)	(343.7)	(350.7)	(7.0)	2.04%

^{1/} Based on the 191st DBCC-approved Quarterly Program dated 23 June 2025.