



Funding the Republic

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



Press Release

NG Budget Deficit Narrows to P195.9 Billion in March 2024 Q1 2024 Budget Gap at P272.6 Billion

Manila, Philippines, 24 April 2024 - The National Government's (NG) budget deficit for March narrowed to P195.9 billion from last year's P210.3 billion on the back of 11.32% year-over-year (YoY) revenue growth vis-à-vis a 3.18% increase in government spending. This led to a cumulative budget gap of P272.6 billion for the Q1 2024 period, marking a slight increase of 0.65% (P1.8 billion) from the P270.9 billion fiscal deficit recorded for the same period a year ago.

Revenue Performance

Government revenue collection increased by 11.32% or P29.3 billion from P258.7 billion last year to P287.9 billion in March 2024 despite the 0.23% decline in tax revenues primarily attributed to the contraction in Bureau of Customs (BOC) collections as there were fewer working days in the month due to holidays. This pushed the year-to-date (YTD) revenue to P933.7 billion, 14.05% or P115.1 billion higher than in the first three months of 2023. In terms of composition, YTD tax revenues and non-tax revenues amounted to P820.3 billion (87.85%) and P113.4 billion (12.15%), growing by 12.83% and 23.78% YoY, respectively.

The Bureau of Internal Revenue (BIR) collected P145.3 billion for March (net of P470.0 million tax refund), growing by 3.11% or P4.4 billion from P141.0 billion in 2023. This improved the agency's overall collection for Q1 2024 to P591.8 billion, 17.15% or P86.6 billion better than the previous year's outturn.

Meanwhile, the BOC registered a 6.78% or P5.4 billion YoY contraction in its March collection of P74.9 billion (net of P464.0 billion tax refund) partly due to fewer working days¹ for the month compared to last year. Nevertheless, BOC's cumulative collection for the 3-month period amounting to P218.9 billion still outperformed the previous year's performance by 2.35% or P5.0 billion.

Income from the Bureau of the Treasury (BTr) for March climbed to P49.1 billion, surpassing the previous year's collection by more than threefold. The significant increase for the month was primarily driven by higher dividend remittances, interest on advances from GOCCs, specifically from the National Irrigation Administration (NIA)², and NG share from PAGCOR income. This drove the Bureau's Q1 2024 collection to P72.3 billion, rising by 85.26% or P33.3 billion YoY due largely to the same aforementioned factors.

¹ March 2024 has only 19 working days due to holidays versus March 2023 with 23 working days.

² Partial payment of NIA from its 40% income share from the privatization proceeds of the Cascanan Multi-Purpose Irrigation and Power Project.



Collections from Other offices (other non-tax revenue including privatization proceeds and fees and charges) for March slowed to P15.0 billion, 22.71% or P4.4 billion lower compared to the P19.4 billion posted in the comparable period last year. The decrease can be attributed to last year's one-off return of P5.7 billion in unutilized Unconditional Cash Transfer program (UCT) funds, as well as lower Malampaya proceeds for the period. Cumulative collections for Q1 2024 amounting to P41.1 billion have also declined by 21.83% (P11.5 billion) on a YTD basis.

Expenditures

NG expenditures grew moderately by 3.18% or P14.9 billion YoY in March 2024, reaching P483.8 billion. While higher disbursements were recorded in departments/agencies, the growth of spending in March was weighed down by the lower subsidies to government corporations (such as PSALM³) and transfers to local government units (LGUs), in particular the special shares of LGUs in the proceeds of national taxes. The transfer of the P15.0 billion Coco Levy Funds to the Coconut Farmers and Industry Trust Fund⁴ for this year is still expected this April; whereas last year's release was made in March. Nevertheless, total Q1 2024 expenditures rose by 10.72% or P116.8 billion to reach P1.2 trillion.

Eighty-five percent (85%) or P412.9 billion of the total disbursement in March were primary expenditures, which marginally increased by 1.20% or P4.9 billion. This brought the overall primary expenditures for the 3-month period to P1.0 trillion, rising by 6.94% (P65.8 billion) from the previous year's comparable figure.

Interest payments (IP) for March went up by 16.50% (P10.0 billion) from P60.9 billion last year to P70.9 billion in 2024 due to coupon payments for domestic securities and the downward adjustments to last year's IP due to premia on re-issued bonds. The resulting YTD IP of P193.0 billion was also higher by 35.93% or P51.0 billion compared to last year's Q1 actual payment of P142.0 billion.

Primary Surplus/ (Deficit)

The NG registered a primary deficit of P125.0 billion for March 2024, 16.33% or P24.4 billion less than last year's P149.4 billion. The resulting YTD primary deficit of P79.7 billion similarly reflected a 38.21% or P49.3 billion drop from the P128.9 billion primary deficit recorded in Q1 2023.

³Due to the timing of releases to the Power Sector Assets and Liabilities Management Corporation for the implementation of *Murang Kuryente* Act. Some P5.0 billion was released in March last year while this year's subsidy is expected this second quarter.

⁴Pursuant to RA No. 11524 or the Coconut Farmers and Industry Trust Fund Act.

Fiscal Performance
For the Period Indicated
(In Billion Pesos)

Year-on-Year

Particulars	Mar p/			
	2023	2024	Diff	YoY
REVENUES	258.7	287.9	29.3	11.32%
Tax Revenues	224.4	223.9	(0.5)	-0.23%
BIR ^{1/}	141.0	145.3	4.4	3.11%
BOC ^{2/}	80.3	74.9	(5.4)	-6.78%
Other Offices	3.1	3.6	0.5	17.82%
Non-Tax Revenues	34.3	64.1	29.8	86.94%
BTr	14.9	49.1	34.2	229.89%
Other Offices	19.4	15.0	(4.4)	-22.71%
EXPENDITURES	468.9	483.8	14.9	3.18%
Interest Payments	60.9	70.9	10.0	16.50%
Others	408.0	412.9	4.9	1.20%
SURPLUS/ (DEFICIT)	(210.3)	(195.9)	14.3	-6.82%
Primary Surplus/ (Deficit)	(149.4)	(125.0)	24.4	-16.33%

1/ Net of P470.0 million tax refund; March gross BIR collection is P145.8 billion inclusive of tax refund.

2/ Net of tax refund amounting to P464.0 million; March gross BOC collection is P75.4 billion inclusive of tax refund.

Year-to-Date

Particulars	Jan-Mar p/ (Actual)			
	2023	2024	Diff	YoY
REVENUES	818.7	933.7	115.1	14.05%
Tax Revenues	727.1	820.3	93.3	12.83%
BIR ^{1/}	505.2	591.8	86.6	17.15%
BOC ^{2/}	213.8	218.9	5.0	2.35%
Other Offices	8.1	9.7	1.6	20.19%
Non-Tax Revenues	91.6	113.4	21.8	23.78%
BTr	39.0	72.3	33.3	85.26%
Other Offices	52.6	41.1	(11.5)	-21.83%
EXPENDITURES	1,089.6	1,206.4	116.8	10.72%
Interest Payments	142.0	193.0	51.0	35.93%
Others	947.6	1,013.4	65.8	6.94%
SURPLUS/ (DEFICIT)	(270.9)	(272.6)	(1.8)	0.65%
Primary Surplus/ (Deficit)	(128.9)	(79.7)	49.3	-38.21%

1/ YTD tax refund is P1.2 billion; Total gross BIR collection is P593.0 billion inclusive of tax refund.

2/ YTD tax refund is P464.0 million; Total gross BOC collection is P219.3 billion inclusive of tax refund.