

HIGHLIGHTS OF NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE¹

For the Month of June 2016

National Government Disbursements, for the Month of June 2016

In Billion Pesos

PARTICULARS	June			
	2015	2016	Increase/(Decrease)	
			Amount	Percent
CURRENT OPERATING EXPENDITURES	193.6	164.1	(29.5)	(15.2)
Personnel Services	76.6	58.9	(17.6)	(23.0)
Maintenance and Other Operating Exp	36.8	40.5	3.7	10.1
Subsidy	34.9	16.1	(18.9)	(54.1)
Allotment to LGUs	26.0	28.6	2.6	9.9
Interest Payments	19.2	17.7	(1.5)	(8.0)
Tax Expenditure Fund	0.2	2.5	2.3	1,145.7
CAPITAL OUTLAYS	42.9	56.4	13.5	31.4
Infrastructure/Other Capital Outlays	34.6	46.6	12.0	34.5
Equity	0.0	0.1	0.0	140.0
Capital Transfers to LGUs	8.3	9.8	1.5	18.0
NET LENDING	(0.3)	0.2	0.6	(165.3)
GRAND TOTAL	236.2	220.8	(15.5)	(6.5)

National government spending for the month of June was recorded at P220.8 billion, lower by P15.5 billion or 6.5 percent when compared to the same month in 2015. Disbursements for the month were lower in view of the contraction in the following expenditure items:

- Personnel services (P58.9 billion, down by 23.0 percent) as a result of the one-off grant of Performance Enhancement Incentive in June last year, lower releases for creation and filling up of positions, and lower claims for retirement and gratuity benefits.
- Subsidy (P16.1 billion, down 54.1 percent) mainly due to the timing of programming of the requirements of the premium subsidy for the indigents and senior citizens enrolled under the National Health Insurance Program of the PHIC. In 2015, the requirement was disbursed in June but for this year, the amount is programmed in July. The reduction however was partly tempered by the subsidy to NHA and SHFC for their social housing programs and to NIA for its irrigation projects.

Growth however has been observed in the following expense items:

- Infrastructure and other capital outlays (P46.6 billion, up by 34.5 percent) from completed infrastructure activities of the DPWH, repair and rehabilitation of some school facilities of the DepEd nationwide, aircraft acquisition of the DND-AFP under the Revised AFP Modernization Program, and the National Greening Program of the DENR.
- Maintenance expenditures (P40.5 billion, up by 10.1 percent) resulting from the disbursements of the DepEd for school operations and the implementation of Senior High School program this June. Maintenance spending also increased from the payment of the DND-AFP for their petroleum, oil, lubricants and other maintenance requirements this month.

¹ The complete assessment report will be published as soon as it becomes available.

For the First Semester 2016

National Government Disbursements, for the First Semester 2016

In Billion Pesos

PARTICULARS	2015 Actual	First Semester		Variance		Increase/(Decrease)	
		Program	Actual	Amount	Percent	Amount	Percent
CURRENT OPERATING EXPENDITURES	869.2	1,048.5	922.5	(126.0)	(12.0)	53.4	6.1
Personnel Services	324.7	396.0	339.0	(57.0)	(14.4)	14.2	4.4
Maintenance Expenditures	179.3	236.8	216.6	(20.2)	(8.5)	37.3	20.8
Subsidy	44.0	38.6	36.6	(2.0)	(5.1)	(7.4)	(16.8)
Allotment to LGUs	155.9	171.3	171.3	-	-	15.4	9.9
Interest Payments	156.1	194.3	153.7	(40.6)	(20.9)	(2.4)	(1.5)
Tax Expenditure Fund	9.1	11.5	5.3	(6.2)	(53.7)	(3.8)	(41.4)
CAPITAL OUTLAYS	200.1	328.5	294.6	(33.9)	(10.3)	94.5	47.2
Infrastructure/Other Capital Outlays	150.4	260.8	229.0	(31.9)	(12.2)	78.6	52.3
Equity	0.3	10.1	8.4	(1.6)	(16.3)	8.1	2,565.3
Capital Transfers to LGUs	49.4	57.6	57.2	(0.4)	(0.7)	7.8	15.7
NET LENDING	2.7	8.6	4.1	(4.5)	(52.6)	1.4	53.9
GRAND TOTAL	1,072.0	1,385.7	1,221.3	(164.4)	(11.9)	149.3	13.9

Government spending for the first semester reached P1,221.3 billion, P149.3 billion or 13.9 percent more than the actual outturn for the same period in 2015. Spending was driven by the following:

- Strong infrastructure and other capital expenditures (P229.0 billion, up by 52.3 percent) mostly from DPWH road infrastructure programs and projects, the AFP modernization program under the DND, and some capital outlays of SUCs.
- Increased maintenance expenditures (P216.6 billion, up by 20.8 percent) due to the expansion of various social services programs, and COMELEC expenditures for the conduct of the 2016 National and Local Elections.
- Higher equity support largely on account of the investment outlays to DBP (P5.0 billion) and LBP (P3.0 billion).

Compared to program however, government spending fell by P164.4 billion or 11.9 percent of the program. Maintenance and infrastructure and other capital expenditures combined to explain some P52.1 billion (10.5 percent of the program) underspending for the period, in view of low obligations of some implementing agencies arising from procurement difficulties and delays in program/project execution due to the election ban. Disbursements were also affected by payment and billing issues such as incomplete and or non-submission of documentary requirements and progress billings of contractors or creditors. Underspending in personnel services amounted to P57.0 billion largely from program balances in the Miscellaneous Personnel Benefits Fund as agencies are still in the process of hiring to fill up newly created positions, and from the Pension and Gratuity Fund due to lower claims for retirement gratuity and terminal leave (RGTL) benefits. The processing of RGTL claims, which includes the submission of required documents and validation of the said submissions, is also ongoing. A quarter of the total underspending for the period or some P40.6 billion meanwhile came from savings in interest payments as a result of the debt liability management of the BTr.