

## HIGHLIGHTS OF NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE<sup>1</sup>

### AS OF MARCH 2017

National government spending for the first quarter of 2017 reached P615.4 billion, surpassing the level for the same period in 2016 by nearly P24 billion or 4.0 percent. For the month of March, disbursements stood at P241.7 billion, up by P9.5 billion or 4.1 percent year-on-year, and slightly faster than the 1.1 percent annual growth recorded in February earlier this year.

Disbursements for the first three months of the year were propelled by higher personnel services expenditures which grew by P21.6 billion or 14.7 percent to reach P168.6 billion, owing to the creation and filling of positions in key agencies such as the DepEd and DOH, as well as higher salaries of government employees under the second tranche implementation of the compensation adjustment of 2016, and combat pay/incentives of the uniformed and military personnel of the DILG-PNP and DND-AFP pursuant to E.O. No. 3, s.2016.

Spending was also supported by strong infrastructure and other capital expenditures which amounted to P117.5 billion as of March 2017, P12.7 billion or 12.2 percent more than the level for the same period last year. This is mostly on account of the implementation of road infrastructure projects of the DPWH and other capital outlay projects in the DOH and DND-AFP, as well as the contribution to the Asian Infrastructure Investment Bank.

The other sources of growth of disbursements for the period are i) allotment to LGUs which increased by P12.1 billion or 14.2 percent on account of higher shares of LGUs from the proceeds of internal revenue collections; and ii) subsidy to government corporations which grew by P11.4 billion or more than 100 percent largely due to the requirements of NFA for its rice and corn buying program, and NIA for its irrigation projects.

The expansion, however, was weighed down by the contraction in maintenance expenditures at P8.6 billion or 8.8 percent, equity (P8.2 billion or 100 percent) and capital transfers to LGUs (P8.3 billion or 25.2 percent). Maintenance and other operating expenses were down to P89.3 billion from P97.9 billion in the year-ago period as the implementation and/or procurement of various social programs is still on-going. Equity was lower year-on-year absent the P5.0 billion and P3.0 billion equity infusion to the Development Bank of the Philippines and Land Bank of the Philippines, respectively. Capital transfers to LGUs meanwhile declined from the previous year as major releases from the special shares of LGUs in the proceeds of national taxes are yet ready for release. Disbursements for interest payments were also lower at P97.9 billion (down by P4.8 billion or 4.6 percent) and net lending at negative P1.7 billion (down by P5.2 billion or 149.5 percent) mainly on account of bond maturities, and repayments from GOCCs, respectively.

**Figure 1. National Government Disbursements for the Period Indicated**



<sup>1</sup> The DBM is still awaiting submissions of accountability reports for Q1 2017 from agencies as an input to our assessment report. The complete report will be published as soon as it becomes available.

**NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE**
**For the Month of March**
*(in billion pesos)*

PARTICULARS	February 2017	March		Increase/(Decrease)		Inc/(Dec) over Feb
		2016	2017	Amount	Percent	Percent
CURRENT OPERATING EXPENDITURES	133.1	166.0	186.4	20.4	12.3	40.0
Personnel Services	48.0	57.3	70.1	12.8	22.3	46.2
Maintenance and Other Operating Exp.	17.6	40.1	43.2	3.1	7.7	145.2
Subsidy	10.0	3.9	8.4	4.5	116.2	(15.9)
Allotment to LGUs	32.7	28.6	32.5	3.9	13.7	(0.7)
Interest Payments	24.2	35.7	31.3	(4.5)	(12.5)	29.1
Tax Expenditure	0.7	0.3	1.0	0.6	180.6	48.7
CAPITAL OUTLAYS	43.3	63.4	56.0	(7.5)	(11.8)	29.3
Infrastructure/Other Capital Outlays	35.1	40.5	47.8	7.4	18.2	36.3
Equity	-	5.1	-	(5.1)	(100.0)	-
Capital Transfers to LGUs	8.2	17.8	8.1	(9.7)	(54.5)	(0.7)
NET LENDING	(0.8)	2.8	(0.6)	(3.4)	(122.9)	(23.0)
GRAND TOTAL	175.6	232.2	241.7	9.5	4.1	37.7

*Memo items:*

Revenues	157.8	180.2	22.4	14.2	18.7
Surplus/(Deficit)	(74.4)	(61.5)	12.9	(17.4)	159.1

**NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE**
**For the First Quarter 2017**
*(in billion pesos)*

PARTICULARS	First Quarter		Increase/(Decrease)	
	2016	2017	Amount	Percent
CURRENT OPERATING EXPENDITURES	442.1	475.0	32.8	7.4
Personnel Services	147.0	168.6	21.6	14.7
Maintenance and Other Operating Exp.	97.9	89.3	(8.6)	(8.8)
Subsidy	8.2	19.7	11.4	138.5
Allotment to LGUs	85.7	97.8	12.1	14.2
Interest Payments	102.6	97.9	(4.8)	(4.6)
Tax Expenditure	0.7	1.7	1.0	140.7
CAPITAL OUTLAYS	145.8	142.1	(3.7)	(2.5)
Infrastructure/Other Capital Outlays	104.8	117.5	12.7	12.2
Equity	8.2	-	(8.2)	(100.0)
Capital Transfers to LGUs	32.9	24.6	(8.3)	(25.2)
NET LENDING	3.5	(1.7)	(5.2)	(149.5)
GRAND TOTAL	591.5	615.4	23.9	4.0

*Memo items:*

Revenues	479.0	532.4	53.4	11.2
Surplus/(Deficit)	112.5	83.0	(29.5)	(26.2)