

HIGHLIGHTS OF NATIONAL GOVERNMENT DISBURSEMENTS

MAY 2018

National Government disbursements reached P292 billion in May 2018, P30.2 billion or 11.5 percent higher year-on-year. Infrastructure and other capital outlays and personnel services expenditures continued to drive disbursements, posting nearly 26 percent and 20 percent annual growth rates, respectively. Spending for the first five months of this year stood at P1,325.1 billion, P265.0 billion or 25.0 percent more than the level for the same period in 2017.

For the Month of May 2018

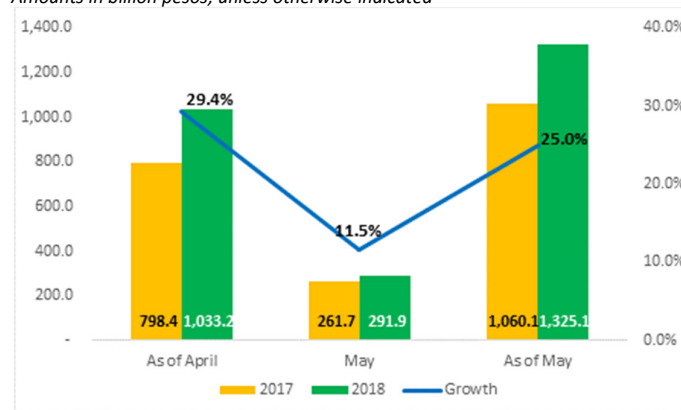
Infrastructure and other capital spending soared by 26 percent to close at P58.1 billion in May this year, owing to the completed infrastructure projects of the DPWH nationwide such as road concreting, widening and improvement, construction of bypass or diversion roads and flood control structures, reconstruction/rehabilitation/repair of roads and bridges, and preventive maintenance; repair and rehabilitation of school buildings and facilities in DepEd schools nationwide; and acquisition of hospital/medical equipment and facilities under the *Health Facilities Enhancement Program* of the DOH.

Personnel services expenditures expanded by about 20 percent to reach P107.3 billion in May 2018. The substantial increase of P17.6 billion was due mainly to the release of the mid-year bonus of government employees; higher pay of the civilian, military and uniformed personnel pursuant to the implementation of the third tranche of E.O. No. 201 s2016 and J.R. No. 1 s2018, respectively; and from filling of positions in various agencies, specifically the DepEd and the DOH.

Allotment to LGUs, which represents 80 percent of the Internal Revenue Allotment and other financial assistance to LGUs (non-infrastructure component), grew by 9.5 percent to reach P35.6 billion from P32.5 billion in May last year. This is on account of the higher shares of LGUs in the internal revenues of the government, as collections of the BIR in 2015 (three years preceding pursuant to RA 7160) increased by 7.4 percent.

On the other hand, maintenance spending was flat at P52.2 billion or just 0.4 percent (P0.2 billion) more than the level for the same month last year. Spending in the DepEd for school operations and release of cash allowance of teachers in preparation for the opening of classes this June; as well as in CHED for payment of allowances and other benefits from its scholarship programs (e.g., K-12 Transition Program, Free Tertiary Education, Research and Scholarship Project) grew year-on-year. However, this was offset by the lower disbursements of the DSWD as delays were encountered in the distribution of cash cards by partner or conduit banks of the Landbank which affected the timing of payouts of cash grants under the *Pantawid Pamilyang Pilipino Program* (4Ps).

Figure 1. National Government Disbursements for the Period Indicated
Amounts in billion pesos, unless otherwise indicated



For the Period January to May 2018

As of end-May 2018, disbursements reached P1,325.1 billion, up by 25.0 percent or P265.0 billion year-on-year. Spending for the period was primarily driven by outlays for personnel services (P385.7 billion) to cover the salaries and other benefits of state workers, largely for the teachers, health workers, police and military forces; and public infrastructures (P280.8 billion) for the construction and improvement of road and transport networks. The latter expenditures grew by 22.0 percent and 42.4 percent, respectively, combining for some P667 billion and contributing half of the total disbursements from January to May this year.

Allotment and Capital Transfers to LGUs have likewise bolstered spending during the first five months of 2018, combining for P256.8 billion and reflecting a 17.2 percent annual increase. As mentioned, the expansion is on account of the higher shares of LGUs in the internal revenue collections of the government and from additional financial assistance through the *Local Government Support Fund*. Subsidy to government corporations, largely for the premium subsidy of indigents under the *National Health Insurance Program* of the PHIC, irrigation projects of the NIA and the *TRAIN Law Cash Transfer Program* under the LandBank, has also sustained the growth of disbursements for the period.