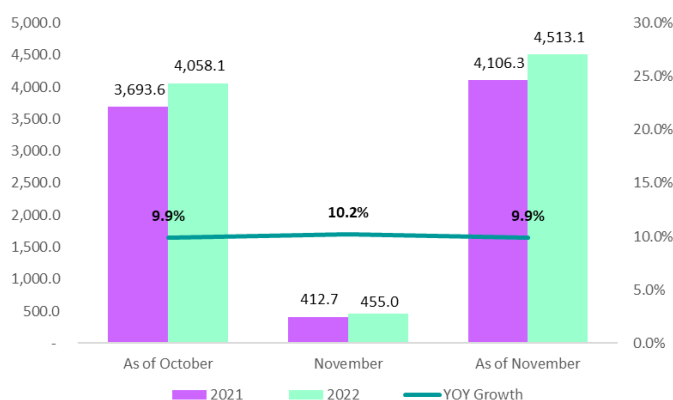


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

### AS OF NOVEMBER 2022

National Government (NG) disbursements for the month of November 2022 grew by P42.3 billion or 10.2 percent year-on-year to reach P455.0 billion. The increase was on account of higher infrastructure and other capital outlays, transfers to Local Government Units (LGUs), personnel services (PS) expenditures, tax expenditures, and maintenance and other operating expenses (MOOE). For the 11-month period, disbursements amounted to P4,513.1 billion, P406.8 billion or 9.9 percent higher than the level recorded for the same months in 2021.

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



Spending for the month of November was mainly driven by NCA disbursements, which climbed to P402.7 billion, larger by P43.5 billion or 12.1 percent year-on-year. These were composed mainly of programs and projects implemented by line departments, as well as subsidies to Government-Owned and Controlled Corporations (GOCCs) and transfers to LGUs. Meanwhile, non-NCA disbursements slightly decreased to P52.3 billion, down by P1.2 billion or 2.3 percent year-on-year due to lower interest payments and net lending, but were in part buoyed by higher tax expenditure subsidies (*see year-on-year performance discussion*). As of end-November 2022, NCA disbursements reached P3,773.7 billion, P372.1 billion or 10.9 percent higher than the P3,401.6 billion outturn for the same months in 2021. On the other hand, non-NCA disbursements closed in at P739.4 billion, P34.7 billion or 4.9 percent larger than the P704.7 billion for the comparable period in 2021.

**Table 1. Comparison of NCA and Non-NCA Disbursements, 2021-2022**

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of October				November				As of November			
	2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	3,042.5	3,371.1	328.6	10.8	359.2	402.7	43.5	12.1	3,401.6	3,773.7	372.1	10.9
<i>% of Eff. NCA</i>	<i>90.5%</i>	<i>93.9%</i>			<i>91.6%</i>	<i>89.4%</i>			<i>90.6%</i>	<i>93.4%</i>		
Non-NCA	651.1	687.0	35.9	5.5	53.6	52.3	(1.2)	(2.3)	704.7	739.4	34.7	4.9
<b>TOTAL</b>	<b>3,693.6</b>	<b>4,058.1</b>	<b>364.5</b>	<b>9.9</b>	<b>412.7</b>	<b>455.0</b>	<b>42.3</b>	<b>10.2</b>	<b>4,106.3</b>	<b>4,513.1</b>	<b>406.8</b>	<b>9.9</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of October				November				As of November			
	2021	3,361.8			2021	392.2			2021	3,754.0		
	2022	3,589.3			2022	450.4			2022	4,039.7		
<b>Allotment Releases</b> <sup>1/</sup>												
As of November 2021	4,441.2	98.6% of the P4,506.0 billion obligation program										
As of November 2022	5,148.1	97.4% of the P5,285.0 billion obligation program <sup>3/</sup>										

Sources: Bureau of the Treasury and DBM-Budget Technical Bureau

<sup>1/</sup> Based on the Status of Allotment Releases available at <https://www.dbm.gov.ph/index.php/programs-projects/status-of-allotment-releases>.

<sup>2/</sup> Includes additional program releases coming from the Unprogrammed Appropriations and Other Automatic Appropriations.

<sup>3/</sup> Refers to the adjusted program which includes additional program releases coming from the Unprogrammed Appropriations and Other Automatic Appropriations.

## Allotment Releases

As of end-November 2022, allotment releases totaled to P5,148.1 billion, equivalent to 97.4 percent of the P5,285.0 billion adjusted obligation program for the year. For November 2022, some P39.7 billion worth of allotments have been issued, comprising largely of the following big-ticket releases:

DEPARTMENT/AGENCY	PURPOSE	AMOUNT
DSWD	Third Tranche of the Targeted Cash Transfer (TCT) Program	P5.2 billion
DND	PS requirements (PS deficiency due to new recruits, Retirement Gratuity Benefits, Terminal Leave Benefits)	P3.8 billion
SUCs	Maintenance and other operating expenses, mostly for the Free Higher Education (FHE) Program	P3.0 billion
BJMP	PS requirements (PS deficiency, creation of new positions)	P2.2 billion
PNP	PS requirements (Retirement Gratuity Benefits, Terminal Leave Benefits)	P2.2 billion
DILG-OSEC	Seal of Good Local Governance (SGLG) Fund (2021 and 2022 GAA)	P2.0 billion

## Year-on-Year Performance, by Expense Class

For the Month of November 2022

NG spending for the month of November 2022 jumped to P455.0 billion, increasing by P42.3 billion or 10.2 percent. Specifically, this resulted from the expansion of the following expenditure items:

- Infrastructure and other capital outlays rose sharply to P80.2 billion, P22.3 billion or 38.4 percent more than the outturn in November 2021. The growth of infrastructure expenditures also accounted for more than half of the P42.3 billion total increase in

**Table 2. NG Disbursements for the Month of November, 2021 and 2022**  
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	November			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	335.3	356.7	21.4	6.4
Personnel Services	154.6	160.8	6.1	4.0
MOOE	84.1	87.9	3.7	4.4
Subsidy	12.3	6.2	(6.2)	(50.0)
Allotment to LGUs	52.5	68.7	16.3	31.0
IP	31.2	26.1	(5.1)	(16.4)
TEF	0.5	7.1	6.6	1,252.4
CAPITAL OUTLAYS	72.8	97.7	24.9	34.2
Infra and Other CO	58.0	80.2	22.3	38.4
Equity	0.1	0.0	(0.1)	(94.0)
Capital Transfers to LGUs	14.7	17.5	2.8	18.7
NET LENDING	4.6	0.6	(4.0)	(87.9)
<b>TOTAL</b>	<b>412.7</b>	<b>455.0</b>	<b>42.3</b>	<b>10.2</b>

disbursements for the month. The significant expansion was propelled by the completed and partially completed projects of the Department of Public Works and Highways (DPWH) nationwide such as construction, improvement, repair and rehabilitation of roads (i.e. national, secondary, access, by-pass and diversion), bridges and flood control structures, as well as the construction of multi-purpose buildings. Likewise, capital expenditures related to various projects under the Revised Armed Forces of the Philippines (AFP) Modernization Program of the Department of National Defense (DND) ramped up infrastructure spending in November 2022.

- Combined allotment and capital transfers to LGUs increased to P86.2 billion, up by P19.0 billion or 28.3 percent year-on-year owing to the higher National Tax Allotment (NTA) shares of LGUs in 2022 in line with the implementation of the Supreme Court decision on the *Mandanas-Garcia* petitions.

- Tax expenditures amounted to P7.1 billion, P6.6 billion more than November 2021's P0.5 billion. This was on account of the higher documentary stamp taxes on government securities recorded in November 2022, as well as the payment of customs duties and taxes for importations of the DND-AFP in connection with its modernization program, the Department of Transportation (DOTr) for its railway projects, and the DPWH for construction materials, tools, and equipment.
- PS expenditures climbed to P160.8 billion, P6.1 billion or 4.0 percent larger than the P154.6 billion in November 2021. The increase was brought about by the implementation of the third tranche of the Salary Standardization Law (SSL) V, the release of the year-end bonus and cash gift for qualified government personnel, and the PS requirements of the Department of the Interior and Local Government (DILG) for retirement and terminal leave benefits, as well as additional filled positions. However, the growth of PS expenses was slightly tempered by the timing of payments for the pension increase differential of the Department of National Defense (DND) which were taken up in November 2021.
- Maintenance spending went up to P87.9 billion, or by P3.7 billion or 4.4 percent year-on-year, attributed largely to the continuing disbursements for the One COVID-19 Allowance (OCA) and Health Emergency Allowance (HEA) for contractual and job order employees, and healthcare workers in private hospitals, and releases for *Pantawid Pamilyang Pilipino Program* (4Ps) of the Department of Social Welfare and Development (DSWD). However, the expansion in MOOE was partly moderated by one-off items, in particular the COVID-19 related expenditures (e.g., procurement of medical supplies, materials, equipment and vaccines under the Health Systems Enhancement to Address and Limit COVID-19 [HEAL] Projects 1 and 2) of the Department of Health (DOH) in November 2021.

On the other hand, decreases were recorded in subsidy support to government corporations, interest payments, and net lending. Subsidy contracted by P6.2 billion or 50.0 percent mainly due to the timing of releases to the Bases Conversion and Development Authority (BCDA) and lower subsidy requests from other GOCCs pending the submissions of progress billings and/or List of Due and Demandable Accounts Payable (LDDAP). Interest payments were lower by P5.1 billion or 16.4 percent largely due to maturities and discounts from domestic reissuances in 2021 for 10-year Fixed Rate Treasury/Benchmark Bonds. Lastly, net lending was down by P4.0 billion or 87.9 percent due to minimal NG advances to the National Food Authority (NFA) in November 2022 amounting to P506 million, from P4.7 billion in 2021. The bulk of the net lending assistance to NFA in 2022 was already released in the earlier months.

## For the Period January to November 2022

NG disbursements for the period January to November 2022 reached P4,513.1 billion, P406.8 billion or 9.9 percent more year-on-year. Combined allotment and capital transfers to LGUs accounts for almost half of the growth for the period, increasing by P199.7 billion or 25.1 percent year-on-year given the higher NTA compared to the former Internal Revenue Allotment (IRA). Other drivers of growth included infrastructure and other capital outlays (up by P108.8 billion or 14.3 percent), PS expenditures (up by P86.4 billion or 7.7 percent), interest payments (up by P57.1 billion or 14.2 percent), net lending (up by P9.8 billion or 56.8 percent), and tax expenditures (up by P3.7 billion or 11.3 percent).

**Table 3. NG Disbursements for the Period January to November, 2021 and 2022**  
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to November			
	2021	2022	Increase/(Decrease)	
			Amt	%
<b>CURRENT OPERATING EXP.</b>	<b>3,097.3</b>	<b>3,378.8</b>	<b>281.5</b>	<b>9.1</b>
Personnel Services	1,124.2	1,210.7	86.4	7.7
MOOE	763.2	753.5	(9.7)	(1.3)
Subsidy	163.4	160.3	(3.1)	(1.9)
Allotment to LGUs	611.7	758.7	147.0	24.0
IP	402.1	459.3	57.1	14.2
TEF	32.6	36.3	3.7	11.3
<b>CAPITAL OUTLAYS</b>	<b>991.8</b>	<b>1,107.2</b>	<b>115.4</b>	<b>11.6</b>
Infra and Other CO	760.4	869.2	108.8	14.3
Equity	47.1	1.0	(46.1)	(98.0)
Capital Transfers to LGUs	184.3	237.1	52.8	28.6
<b>NET LENDING</b>	<b>17.3</b>	<b>27.1</b>	<b>9.8</b>	<b>56.8</b>
<b>TOTAL</b>	<b>4,106.3</b>	<b>4,513.1</b>	<b>406.8</b>	<b>9.9</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>1/</sup>	965.2	1,100.8	135.7	14.1

<sup>1/</sup> Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

However, the increases for the said expense items were slightly weakened by lower equity, MOOE, and subsidy. Equity decreased by P46.1 billion or 98.0 percent owing to the one-time release of P45.0 billion equity infusions in February 2021 to Government Financial Institutions (GFIs) for low interest loans extended to persons and entities engaged in industries affected by the COVID-19 pandemic. MOOE fell by P9.7 billion or 1.3 percent due to the completed payments for the procurement of COVID-19 vaccines in 2021, but was partly offset by higher disbursements recorded in the DSWD and the Department of Transportation (DOTr) for the implementation of the Targeted Cash Transfer (TCT) Program, and the Service Contracting and Fuel Subsidy Programs, respectively, in 2022. Meanwhile, subsidy was down by P3.1 billion or 1.9 percent year-on-year attributed mainly to the timing of releases, as some of the subsidy releases for the year are scheduled in December 2022.

## Full-Year 2022 Outlook

As of end-November 2022, only P136.9 billion or 2.6 percent of the P5,285.0 billion adjusted obligation program remains to be released. Based on historical trends and agency spending behavior, line departments speed up program/project implementation and process payments ahead of lapsing of cash allocations and agency closing of books towards the end of the year. On account of these factors and relatively strong spending performance for October (22.2 percent year-on-year growth) and November (10.2 percent year-on-year growth), the full-year 2022 disbursements are expected to surpass the target spending for the year.

Following the discussions during the 183<sup>rd</sup> Development Budget Coordination Committee (DBCC) Meeting on December 5, 2022, the full-year 2022 disbursement outlook was projected at P5,017.8 billion, P342.2 billion or 7.3 percent higher year-on-year, and P63.2 billion or 1.3 percent above the P4,954.6 billion disbursement program. However, based on the preliminary report of actual allotments and cash allocation releases, as well as bank data for December 2022, spending may have actually grown faster than the earlier estimate on the back of releases for priority expenditures, such as the TCT Program, agriculture and agrarian reform programs, transfers to LGUs (e.g., financial assistance and specials shares from national tax collections), and PS benefits of government employees (e.g., Service Recognition Incentive [SRI], and COVID-19 related allowance and benefits of qualified public health care workers), among others. Improved budget utilization performance of line departments was also

observed as the cash allocations previously issued in October and November which remained valid by the end of Q4 2022 were mostly utilized.

While the actual full-year 2022 fiscal performance data will still be released between February to March this year, the government is upbeat on the higher public spending in 2022 and its contribution to the country's GDP, particularly through public construction, transfers to LGUs, and subsidies to households. This robust disbursement performance would help push real GDP growth above the 6.5 to 7.5 percent revised target in 2022, and could further sustain a strong growth momentum for this year.

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