

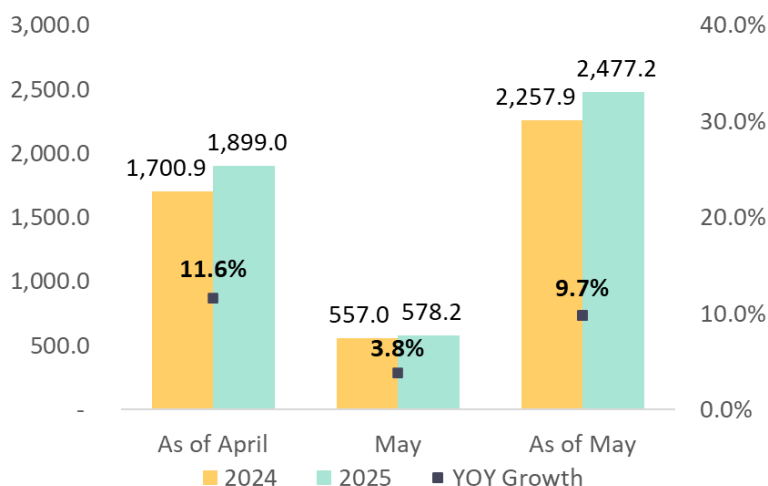
NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF MAY 2025

National Government (NG) disbursements for the month of May 2025 reached P578.2 billion, increasing by P21.2 billion or 3.8 percent year-on-year. This expansion was mainly driven by higher personnel services (PS) expenditures, transfers to Local Government Units (LGUs), and interest payments, although it was partially eased up by lower infrastructure and other capital outlays. Total disbursements for the first five months of the year amounted to P2,477.2 billion, higher by P219.3 billion or 9.7 percent compared to the same period last year.

Figure 1. National Government Disbursements

Amounts in billion pesos, unless otherwise indicated



By type of disbursements, cash disbursements or those issued with Notice of Cash Allocations

(NCA) rose to P490.8 billion in May 2025, higher by P12.9 billion or 2.7 percent year-on-year, owing to the increases in PS expenditures and transfers to LGUs. Similarly, non-NCA disbursements expanded to P87.5 billion, an increase of P8.4 billion or 10.6 percent year-on-year, largely due to higher interest payments. Year-to-date, NCA disbursements grew to P1,963.5 billion, up by P183.4 billion or 10.3 percent year-on-year. Meanwhile, non-NCA disbursements jumped to P513.7 billion, up by P36.0 billion or 7.5 percent year-on-year, mostly on account of larger interest payments, withholding taxes from government transactions recorded via the Tax Remittance Advice,¹ and tax expenditures.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2024-2025

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of April				May				As of May			
	2024	2025	Inc/(Dec)		2024	2025	Inc/(Dec)		2024	2025	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA ^{a/}	1,302.2	1,472.7	170.5	13.1	477.9	490.8	12.9	2.7	1,780.1	1,963.5	183.4	10.3
<i>% of Eff. NCA</i>	<i>92.9%</i>	<i>90.6%</i>			<i>96.5%</i>	<i>100.4%</i>			<i>93.8%</i>	<i>92.9%</i>		
Non-NCA	398.6	426.2	27.6	6.9	79.1	87.5	8.4	10.6	477.7	513.7	36.0	7.5
TOTAL	1,700.9	1,899.0	198.1	11.6	557.0	578.2	21.2	3.8	2,257.9	2,477.2	219.3	9.7
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
As of April				May				As of May				
		2024	1,402.2			2024	495.3			2024	1,897.5	
		2025	1,625.2			2025	488.8			2025	2,114.0	
Allotment Releases ^{b/}												
As of May 2024		5,114.5 ^{c/}		88.7% of the P5,767.6 billion obligation program								
As of May 2025		5,720.0 ^{c/}		90.4% of the P6,326.3 billion obligation program								

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

^{a/} NCA disbursements pertain to negotiated checks.

^{b/} Based on the Status of Allotment Releases available at <https://www.dbm.gov.ph/index.php/status-of-allotment-releases>.

^{c/} Includes other releases coming from the Prior Year's Continuing Appropriations, Unprogrammed Appropriations, and Other Automatic Appropriations.

¹ Document which agencies issue/file with the Bureau of Internal Revenue (BIR) to report and record remittances (constructive payment) of all taxes withheld from transactions. This serves as basis for the BIR and Bureau of the Treasury (BTr) to record as income, the tax collection and deposit in their books of accounts.

Allotment Releases

As of end-May 2025, allotment releases totaled P5,720.0 billion, equivalent to 90.4 percent of the P6,326.3 billion obligation program for the year. For the month of May 2025, releases amounted to P56.5 billion, which included the following big-ticket items:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
Department of National Defense (DND)	Revised Armed Forces of the Philippines Modernization Program (RAFPMP)	P16.6 billion
Philippine Center for Postharvest Development and Mechanization	Rice Competitiveness Enhancement Program (RCEP)	P6.0 billion
Department of Agrarian Reform	Loan proceeds for the Support to Parcelization of Lands for Individual Titling Project for FY 2025	P4.8 billion
Department of Social Welfare and Development	Implementation of Assistance to Individuals in Crisis Situation	P3.0 billion
	<i>PAYapa at MASaganang Pamayana</i> Program	P1.4 billion
Philippine Rice Research Institute	RCEP	P4.0 billion
National Electrification Administration	FY 2025 Subsidy	P3.6 billion
Bureau of Fire Protection	2 nd and 3 rd Quarter Pension	P2.4 billion
Bureau of the Treasury (BTr)	Documentary stamp taxes on NG domestic debt securities issued and foreign exchange transactions for the month of March 2025	P1.8 billion

Year-on-Year Performance, by Expense Class

For the Month of May 2025

NG disbursements in May 2025 reached P578.2 billion, marking an increase of P21.2 billion or 3.8 percent. This spending performance was credited to the following:

- PS expenditures rose to P181.9 billion, up by P17.5 billion or 10.7 percent year-on-year, primarily due to: 1) implementation of the 2nd tranche of salary adjustments of qualified civilian government employees pursuant to Executive Order No. 64²; 2) release of the mid-year bonus of government employees; 3) payments for the retirement benefits of the uniformed personnel retirees of the Philippine National Police and the Bureau of Jail Management

Table 2. NG Disbursements for the Month of May, 2024 and 2025

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	May			
	2024 ^{a/}	2025	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	403.2	435.1	31.9	7.9
Personnel Services	164.4	181.9	17.5	10.7
MOOE	103.0	98.5	(4.5)	(4.3)
Subsidy	9.7	7.9	(1.8)	(18.7)
Allotment to LGUs	64.0	74.7	10.7	16.7
IP	61.1	70.0	8.9	14.5
TEF	1.0	2.1	1.1	106.3
CAPITAL OUTLAYS	153.7	142.6	(11.1)	(7.3)
Infra and Other CO	136.4	123.8	(12.6)	(9.2)
Equity	-	0.1	0.1	--
Capital Transfers to LGUs	17.3	18.7	1.4	7.8
NET LENDING	0.0	0.5	0.5	1,120.0
TOTAL	557.0	578.2	21.2	3.8

^{a/} Adjusted based on the full-year 2024 BTr Cash Operations Report (COR).

² Entitled "Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes", dated August 2, 2024.

and Penology; and 4) implementation of adjustments in allowances and filling up of newly approved plantilla positions in the DND-AFP.

- Combined allotment and capital transfers to LGUs climbed to P93.4 billion, higher by P12.1 billion or 14.8 percent year-on-year, resulting largely from the higher National Tax Allotment shares of LGUs and Annual Block Grant to the Bangsamoro Autonomous Region and Muslim Mindanao for FY 2025.
- Interest payments increased to P70.0 billion, P8.9 billion or 14.5 percent more year-on-year, credited to the issuances of Fixed Rate Treasury/Benchmark Bonds, coupon payments for global bonds, as well as the combined effect of foreign exchange rate fluctuations and changes in the Secured Overnight Financing Rate.

The growth in the said expense items, however, was tempered by lower infrastructure and other capital outlays, maintenance and other operating expenses (MOOE), and subsidy support to government corporations:

- Infrastructure and other capital outlays decreased to P123.8 billion, down by P12.6 billion or 9.2 percent year-on-year. The lower outturn was mainly attributed to the lagged effects of the election-related prohibition on public spending that in turn affected the disbursement performance of the Department of Public Works and Highways (DPWH) for its road infrastructure programs. The department likewise recorded some P12.2 billion worth of outstanding checks as of end-May 2025, which were yet to be “encashed” or presented for payment by its contractors. Similarly, disbursements for the modernization projects under the RAFPMP of the DND and direct payments made by development partners for the foreign-assisted rail projects of the Department of Transportation (DOTr) were lower in April 2025.

The decline in infrastructure and other capital expenditures was, nonetheless, moderated by local counterpart fund releases for the foreign-assisted rail projects of the DOTr, namely the North South Commuter Railway Project, the Metro Manila Subway Project, and the Metro Rail Transit Line 3 Rehabilitation Project.

- MOOE fell to P98.5 billion, P4.5 billion or 4.3 percent less year-on-year, on account of the smaller disbursements for the Medical Assistance for Indigent and Financially Incapacitated Patients Program of the Department of Health as well as the *Pantawid Pamilyang Pilipino* Program, Protective Services for Individuals and Families in Difficult Circumstances and *Ayuda para sa Kapos ang Kita* Program of the Department of Social Welfare and Development (DSWD).

The decreases in these items were partly offset by the expenditures of: 1) the Department of Education for their school MOOE, payment of travelling and training expenses, and implementation of the School-Based Feeding Program; 2) the DND for the delivery of various supplies and materials; and 3) the Commission on Elections for the release of honoraria/compensation of poll workers, as well as payments for training expenses.

- Subsidy amounted to P7.9 billion, down by P1.8 billion or 18.7 percent year-on-year. The decline was largely credited to the lower releases to the National Irrigation Authority, since almost half of its subsidy for 2025 requires the issuance of a Special Allotment Release Order. The release of this order is subject to the submission of special budget requests and corresponding documentary requirements, such as progress billings.

For the Period January to May 2025

NG disbursements as of end-May 2025 reached P2,477.2 billion, larger by P219.3 billion or 9.7 percent year-on-year. Spending for the period was mainly driven by the following:

- i. MOOE (up by P89.2 billion or 22.6%);
- ii. Allotment to LGUs (up by P58.5 billion or 18.5%);
- iii. PS expenditures (up by P44.8 billion or 7.8%);
- iv. Interest payments (up by P35.8 billion or 11.1%); and
- v. Tax expenditures (up by P5.2 billion or 36.5%).

Infrastructure and other capital outlays, on the other hand, slightly declined to P471.5 billion (down by P0.6 billion or 0.1%) attributed mainly to the temporary and unintended effects of the election-related prohibition on public spending in April and May.

Meanwhile, subsidy support to government corporations and capital transfers to LGUs slid to P45.0 billion (down by P12.0 billion or 21.0%) and P101.6 billion (down by P3.0 billion or 2.9%), respectively. In particular, the decreases were credited to the timing of requests from government corporations for subsidy releases and the schedule of releases for the Special Shares of LGUs in the Proceeds of National Taxes, particularly for tobacco excise taxes.

Outlook for the Rest of the Year

As of May 31, 2025, the program balance from the P6,326.3 billion obligation program for the year amounted to P606.3 billion³ or 9.6 percent. For the month of June 2025,⁴ some P105.7 billion worth of allotments have been issued which included the following big-ticket items:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
DPWH	Various capital outlays, mostly to cover FY 2025 loan proceeds of foreign-assisted projects	P60.2 billion
DND	3 rd Quarter Pension	P14.2 billion
Commission on Higher Education	Universal Access to Quality Tertiary Education - Tertiary Education Subsidy	P3.5 billion
BTr	To cover payment of documentary stamp taxes on NG domestic debt securities issued and foreign exchange transactions for the month of April 2025	P3.4 billion
Department of Information and	<i>Bayanihan</i> SIM Project under the Free Public Internet Access Program	P3.0 billion

Table 3. NG Disbursements for the Period January to May, 2024 and 2025
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to May			
	2024 ^{a/}	2025	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	1,679.8	1,901.3	221.6	13.2
Personnel Services	577.3	622.2	44.8	7.8
MOOE	393.8	483.0	89.2	22.6
Subsidy	57.0	45.0	(12.0)	(21.0)
Allotment to LGUs	315.7	374.2	58.5	18.5
IP	321.6	357.4	35.8	11.1
TEF	14.3	19.6	5.2	36.5
CAPITAL OUTLAYS	576.9	574.0	(3.0)	(0.5)
Infra and Other CO	472.1	471.5	(0.6)	(0.1)
Equity	0.2	1.0	0.7	313.7
Capital Transfers to LGUs	104.6	101.6	(3.0)	(2.9)
NET LENDING	1.2	1.9	0.7	62.1
TOTAL	2,257.9	2,477.2	219.3	9.7
Memo item:				
Infrastructure Disbursements ^{b/}	562.6	557.8	(4.8)	(0.9)

^{a/} Adjusted based on the full-year 2024 BTr Cash Operations Report (COR).

^{b/} Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

³ Net of the releases for FY 2024 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

⁴ Based on SARO Listing for the period June 1 to 30, 2025. Generated from the DBM eBudget System.

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
Communications Technology		
Philippine Deposit Insurance Corporation	1 st Quarter tax subsidy	P2.4 billion
DSWD	Sustainable Livelihood Program	P1.9 billion
Metropolitan Manila Development Authority	Various flood control projects	P1.7 billion

Based on preliminary Treasury and bank data, the disbursement performance in June 2025 seemed to have recovered from the negative 8.0 percent growth in April and further improved from the 3.8 percent increase recorded in May. Spending in June was likely propelled by higher allotment to LGUs, PS expenditures, interest payments, and capital outlays. As a result, NG disbursements for the first semester this year are expected to be roughly in line with the program.
