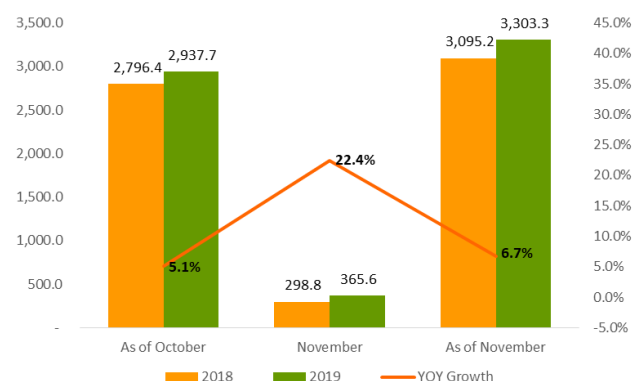


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF NOVEMBER 2019

National Government disbursements for the month of November 2019 surged by 22.4 percent year-on-year to reach P365.6 billion as implementing agencies fast-tracked the implementation of their programs and projects to catch-up on the delays at the earlier part of the year. This brings disbursements as of end-November 2019 to P3,303.3 billion, up by 6.7 percent from the same period last year, and higher than the 5.1 percent growth clocked during the first ten months of 2019.

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



Spending for the month of November was driven by NCA expenditures which grew by P73.0 billion or 27.7 percent year-on-year to reach P336.5 billion. NCA expenditures are composed largely of disbursements for operations, programs, and projects of the National Government, as well as subsidies to GOCCs and transfers to Local Government Units (LGUs). Meanwhile, Non-NCA disbursements decreased by P6.2 billion or 17.6 percent mainly due to lower interest payments.

Year-to-date, NCA disbursements amounted to P2,784.0 billion, up by P186.1 billion or 7.2 percent year-on-year, and 2.4 percentage points more than the 4.8 percent growth posted for the first ten months of 2019. On the other hand, Non-NCA disbursements reached P519.3 billion, higher by P22.1 billion or 4.4 percent from a year ago.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2018-2019

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of October				November				As of November			
	2018	2019	Inc/(Dec)		2018	2019	Inc/(Dec)		2018	2019	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	2,334.6	2,447.6	113.0	4.8	263.4	336.5	73.0	27.7	2,598.0	2,784.0	186.1	7.2
% of Eff. NCA	95.1%	92.7%			89.2%	86.7%			94.4%	91.9%		
Non-NCA	461.8	490.1	28.3	6.1	35.4	29.2	(6.2)	(17.6)	497.2	519.3	22.1	4.4
TOTAL	2,796.4	2,937.7	141.3	5.1	298.8	365.6	66.8	22.4	3,095.2	3,303.3	208.2	6.7
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
As of October				November				As of November				
		2018	2,456.1			2018	295.4			2018	2,751.4	
		2019	2,640.7			2019	388.1			2019	3,028.8	
Allotment Releases												
As of November 2018		3,633.7	96.5% of the P3,767.0 billion obligation program									
As of November 2019		3,622.2	98.9% of the P3,661.6 billion obligation program ¹									
¹ Includes releases from Automatic Appropriations, other releases chargeable against Continuing Appropriations and Unprogrammed Appropriations, and Actual Obligations from the FY 2018 GAA, as reenacted												

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

Allotment Releases

As of November 30, 2019, allotment releases reached P3,622.2 billion, equivalent to 98.9 percent of the P3,661.6 billion obligation program for the year. Releases for the month of November amounted to P80.4 billion¹, consisted largely of the following allotments: i) funding for the Metro Manila Subway

¹ Based on SARO Listing for the period November 1 to 30, 2019. Generated from the DBM eBudget System.

Project under the Department of Transportation (DOTr; P10.1 billion); ii) payment of health insurance premiums of senior citizens under the National Health Insurance Program (NHIP; P6.1 billion); iii); PS requirements of the Philippine National Police (PNP; P7.2 billion) and the Department of National Defense (DND; P4.8 billion); and iv) construction of farm-to-market roads under the Department of Public Works and Highways (DPWH; P5.1 billion).

Year-on-Year Performance, by Expense Class

For the Month of November 2019

Disbursements for the month of November 2019 reached P365.6 billion, growing by P66.8 billion or 22.4 percent. This resulted from the significant increase in all three major expense class – personnel services, maintenance and other operating expenses, and infrastructure and other capital outlays.

- Personnel services clocked at P146.5 billion posting an increase of P24.2 billion or 19.7 percent from the same period last year largely due to the release of the year-end bonus equivalent to one-month basic salary of government personnel. Higher PS spending also resulted from the 4th tranche implementation of salary increase of civilian personnel as authorized under E.O. No. 201 s. 2016; higher base pay of active military and uniformed personnel (MUP) and higher pension requirements of retired MUP pursuant to J.R. No. 1 s. 2018; payment of terminal leave and retirement gratuity; requirements for approved promotions, and creation and filling of positions in various agencies.
- Maintenance spending, meanwhile, increased to P55.6 billion, exceeding previous year's level by P20.7 billion or 59.4 percent. The substantial increase is primarily attributed to the implementation of social programs such as the Conditional Cash Transfer (CCT) Program and Protective Services Program - Assistance to Individuals in Crisis Situation/Assistance to Communities in Need of the DSWD; Medical Assistance to Indigent Patients (MAIP) and purchase of vaccines for flu, and measles, mumps and rubella (MMR) of the DOH; and the School-based Feeding Program of the DepEd. The expansion in maintenance expenditures is also credited to the DOTr's subsidy for mass transport (MRT 3 and PNR South Long Haul) and implementation of the Pantawid Pasada Program. The latter is a form of fuel subsidy given to jeepney operators to cover the increase in fuel expenses as a result of the increase in excise tax on fuel.
- Infrastructure and other capital outlays rose to P80.9 billion, outpacing last year's performance by 18.0 billion or 28.6 percent owing to the payment for completed and partially completed infrastructure projects of the DPWH (e.g. roads, bridges, and flood control structures); and the DOTr (e.g. airports and ports). Disbursements of the DOTr for payment of right-of-way acquisitions, and construction of buildings of the LTO and LTFRB, likewise, contributed to higher infrastructure spending for the period. Moreover, some P1.4 billion was released to DA for the implementation of the Agricultural Competitiveness Enhancement Fund (ACEF) Lending Assistance for Small Farmers and Fisherfolks intended for purchase of farm equipment, farm improvement, and acquisition/establishment of agricultural facilities.

Table 2. NG Disbursements for the Month of November, 2018 and 2019
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	November			
	2018	2019	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	225.5	272.2	46.6	20.7
Personnel Services	122.4	146.5	24.2	19.7
MOOE	34.9	55.6	20.7	59.4
Subsidy	8.1	11.8	3.7	46.1
Allotment to LGUs	34.9	39.2	4.4	12.5
IP	24.7	17.3	(7.4)	(29.9)
TEF	0.7	1.7	1.0	148.3
CAPITAL OUTLAYS	72.3	93.7	21.4	29.6
Infra and Other CO	62.9	80.9	18.0	28.6
Equity	0.1	0.0	(0.1)	(67.8)
Capital Transfers to LGUs	9.3	12.8	3.5	37.7
NET LENDING	1.0	(0.2)	(1.2)	(123.9)
TOTAL	298.8	365.6	66.8	22.4

- Subsidy to government corporations also topped the level recorded for November 2018 by P3.7 billion or 46.1 percent mainly on account of the payment of health insurance premium of senior citizens and indigent patients under the National Health Insurance Program of the PhilHealth (P4.0 billion); payment for completed housing projects of the National Housing Authority (NHA) for Typhoon Yolanda victims (P1.9 billion); releases to the Philippine Crop Insurance Corporation (PCIC) for the payment of crop insurance premium of subsistence farmers and fisherfolks listed under the Registry System for Basic Sectors in (P0.8 billion); and implementation of the Airport to the New Clark City Access Road Project-Phase 2 of the Bases Conversion and Development Authority (P0.4 billion).
- Allotment and capital transfers to LGUs expanded by P7.9 billion or 17.8 percent year-on-year due to higher shares of LGUs in the proceeds of national taxes and releases from the Local Government Support Fund (LGSF) particularly under the Financial Assistance to LGUs. The latter includes assistance to indigent patients (e.g. medical, transportation, food, cash for work), purchase of mini dump trucks and multipurpose vehicles, and construction of multipurpose buildings/halls, drainage canals, among others.

On the other hand, less productive expenditures are lower year-on-year. In particular, interest payments declined by P7.4 billion due to bond maturities and receipt of settlement premia from reissuances, while net lending dropped by P1.2 billion as a result of repayment from the Home Guarantee Corporation and minimal availment by other GOCCs.

For the Period January to November 2019

For the period, total NG disbursements reached P3,303.3 billion, P208.2 billion or 6.7 percent more than the previous year's level. The increase was largely credited to higher PS costs for the payment of salaries, wages, and other benefits, maintenance spending mainly for social protection programs and operating expenses, and subsidy contribution to GOCCs. Other drivers of growth include allotment to LGUs as a result of higher shares of LGUs from the proceeds of national taxes, interest payments, tax expenditures on account of payment of custom duties to the National Food Authority (NFA) on rice importation, and net lending due to advances to the NFA for payment of its maturing obligations.

Table 3. NG Disbursements for the Period January to November, 2018 and 2019
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to November			
	2018	2019	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	2,210.1	2,434.9	224.8	10.2
Personnel Services	884.7	975.8	91.1	10.3
MOOE	470.1	508.3	38.2	8.1
Subsidy	134.5	170.6	36.1	26.8
Allotment to LGUs	385.3	423.8	38.5	10.0
IP	320.0	331.8	11.8	3.7
TEF	15.5	24.6	9.1	58.8
CAPITAL OUTLAYS	878.5	851.5	(27.0)	(3.1)
Infra and Other CO	728.1	709.4	(18.7)	(2.6)
Equity	4.0	1.8	(2.2)	(55.5)
Capital Transfers to LGUs	146.5	140.4	(6.1)	(4.2)
NET LENDING	6.5	16.9	10.4	159.3
TOTAL	3,095.2	3,303.3	208.2	6.7

However, the increase for the said expense items was slightly weakened by lower disbursements in infrastructure and other capital outlays, equity, and capital transfers to LGUs. Infrastructure spending was lower year-on-year due to contractions recorded in the previous months as a result of the delay in 2019 budget approval and the election ban. However, it is worthy to note that the strong disbursement performance in November narrowed down the contraction recorded in infrastructure and other capital outlays to P18.7 billion (2.6 percent) as of end-November, from P36.7 billion (5.5 percent) during the first ten months of 2019.

Outlook for the Rest of the Year

Per report of allotment releases as of end-November 2019, only P39.5 billion or just 1.1 percent of the P3,661.6 billion annual obligation program remains to be released with only one more month left for the year. The government is optimistic that it will achieve its spending target for 2019 as line agencies continue to speed up program/project implementation, and process payments ahead of lapsing of cash allocations in December and agency closing of books. Preliminary data indicate that disbursements for December 2019 likely grew by around 50 percent year-on-year, and that full year disbursements could likely rebound by a double-digit growth.
