



Republic of the Philippines
Development Budget Coordination Committee
 Manila, Philippines

2018 National Government Quarterly Fiscal Program

- The National Government Quarterly Fiscal Program for 2018 was approved by the DBCC in its 172nd meeting on April 24, 2018. The program is comprised of revenues amounting to P2,846.3 billion (16.3 percent of GDP), and disbursements of P3,370.0 billion (19.3 percent of GDP), resulting to a deficit level of P523.7 billion (3.0 percent of GDP). This is in support of the administration's goal of boosting economic growth from 7.0 to 8.0 percent over the medium term and trimming of the poverty incidence to 14.0 percent by 2022 from 21.6 percent in 2015.

Table 1. 2018 Fiscal Aggregates

Amounts in billion pesos, unless otherwise stated

PARTICULARS	2017 ACTUAL	2018					FULL YEAR GROWTH	
		Q1	Q2	Q3	Q4	TOTAL	AMT	%
REVENUES	2,473.1	536.7	768.1	725.7	815.7	2,846.3	373.1	15.1%
<i>percent distribution</i>		18.86%	26.98%	25.50%	28.66%	100.0%		
DISBURSEMENTS	2,823.8	755.8	813.3	858.1	942.8	3,370.0	546.2	19.3%
<i>percent distribution</i>		22.4%	24.1%	25.5%	28.0%	100.0%		
SURPLUS/DEFICIT	(350.6)	(219.1)	(45.3)	(132.3)	(127.0)	(523.7)	(173.0)	49.4%
<i>percent distribution</i>		41.8%	8.6%	25.3%	24.3%	100.0%		
Memo Items:								
<i>2017 Deficit</i>		(83.0)	(71.5)	(58.6)	(137.6)	(350.6)		
<i>percent distribution</i>		23.7%	20.4%	16.7%	39.2%	100.0%		

- Revenues.** National Government (NG) revenues are projected to reach P2,846.3 billion in 2018, an increase of around P373 billion or 15.1 percent from the P2,473.1 billion actual collections in 2017. The substantial increase takes into account the expected additional revenues, projected at P124.9 billion, from the implementation of Packages 1A and 1B of the administration's Comprehensive Tax Reform Program (CTRP). Package 1A of the CTRP, known as the Tax Reform for Acceleration and Inclusion (TRAIN), was signed into law last December 2017, while Package 1B which covers the estate and general tax amnesty, the relaxation of bank secrecy laws, and exchange of information, is expected to be passed by both chambers of Congress by the middle of the year.

Tax revenue collections of the BIR make up 73 percent of the full year revenue program, and are expected to increase by P301.4 billion or 17.0 percent on account of the substantial receipts from VAT collections as well as excise taxes from oil, automobile and sugar-sweetened beverages. Meanwhile, the Bureau of Customs (BOC) collections are projected to grow by P123.1 billion or almost 27.0 percent from last year's actual proceeds.

- Disbursements.** Disbursements are targeted to reach P3,370.0 billion, an increase of 19.3 percent from the previous year's actual. The disbursement program is based on the Monthly Disbursement Program submissions of departments/agencies, which were calibrated to take into account their spending capacities.

Consistent with the administration's commitment to fill the gaps in public infrastructure through its ambitious *Build, Build, Build Program*, NG infrastructure spending will reach P699.3 billion in 2018, up by almost 40 percent, while overall infrastructure program composed of NG infrastructure, and infrastructure transfers to GOCCs and LGUs is set to P868.9 billion, equivalent

to 5.0 percent of GDP. Likewise, personnel services are expected to grow by 19.0 percent on account of the higher base pay of the military and uniformed personnel pursuant to Joint Resolution No. 1 s. 2018, and the implementation of the third tranche of Executive Order No. 201 s. 2016. Maintenance expenditures are projected to reach P517.5 billion, up by 11.2 percent from the actual spending level in 2017. The growth is mainly attributed to the implementation of the Universal Access to Quality Tertiary Education by the Commission on Higher Education (CHED) and higher budget for the Conditional Cash Transfer Program of the Department of Social Welfare and Development (DSWD).

4. Similar to the trends in recent years, the quarterly distribution of disbursements is backloaded with 22.4 percent in Q1; 24.1 percent in Q2; 25.5 percent in Q3; and 28.0 percent in Q4. Being predominantly based on Monthly Disbursement Program of agencies, the distribution reflects the timing of payments as projected by line agencies. This is also consistent with the seasonality of expenditures, specifically for the following major expense items:
 - Personnel services are highest in Q2 and Q4 with 24.8 percent and 31.0 percent of the total program, respectively. The distribution coincides with the schedule of release of the mid-year bonus (Q2) and year-end bonus and cash gift (Q4) for government employees.
 - Maintenance expenditure program peaks at Q2 (24.3 percent) and Q4 (30.3 percent). The MOOE requirements of the DepEd and similar education sector agencies such as SUCs, CHED and TESDA are programmed mostly towards the end of Q2 in line with the opening of classes. Moreover, the bulk of the cash requirements for the Pantawid Pamilyang Pilipino Program (4Ps) and the Sustainable Livelihood Program (SLP) of the DSWD are programmed in Q2 and Q4 due to scheduled payout of grants.
 - Capital expenditures are concentrated in the last quarter of the year (31.3 percent) as payments for completed infrastructure projects become due and demandable. Construction activities are mostly undertaken during the summer season to take advantage of the fair weather conditions. Likewise, majority of the CO projects under the DND-AFP Modernization Program and the DILG-PNP Capability Enhancement are lodged in Q4 considering that the approval and procurement are done in the earlier parts of the year.
5. **Deficit.** The programmed revenues and disbursements will result to a deficit of P523.7 billion, equivalent to 3.0 percent of GDP. As shown on Table 1, some 41.8 percent of this (P219.1 billion) is programmed to be realized in Q1 and around a quarter each in Q3 and Q4.
6. The details of the 2018 Quarterly Fiscal Program is attached as *Annex A*.

2018 NG QUARTERLY FISCAL PROGRAM

In Million Pesos

Particulars	2018					
	Q1	Q2	Q3	Q4	TOTAL	% of GDP
REVENUES	536,740	768,059	725,735	815,742	2,846,277	16.3
% Distribution	18.9	27.0	25.5	28.7	100.0	
Tax Revenues	497,299	723,604	684,125	772,404	2,677,432	15.4
Bureau of Internal Revenue	361,767	576,939	530,878	604,167	2,073,752	11.9
Bureau of Customs	129,491	140,817	147,183	163,800	581,291	3.3
Other Offices	6,040	5,848	6,064	4,437	22,389	0.1
Non-Tax Revenues	39,442	44,455	41,610	41,338	166,845	1.0
Bureau of the Treasury	12,425	19,055	13,498	10,796	55,775	0.3
Fees and Charges	11,437	10,877	11,377	13,383	47,074	0.3
Others (including Foreign Grants)	15,579	14,523	16,735	17,160	63,996	0.4
Privatization	-	-	-	2,000	2,000	0.0
DISBURSEMENTS	755,803	813,319	858,054	942,784	3,369,959	19.3
% Distribution	22.4	24.1	25.5	28.0	100.0	
Current Operating Expenditures	563,922	573,737	614,671	663,423	2,415,754	13.9
Personnel Services	196,975	239,001	228,089	297,824	961,888	5.5
MOOE	112,142	125,966	122,611	156,736	517,455	3.0
Subsidy	41,122	26,417	45,864	24,269	137,672	0.8
Allotment to LGUs	105,212	106,618	106,618	106,779	425,229	2.4
Interest Payments	105,157	67,824	108,007	73,022	354,010	2.0
Tax Expenditures	3,314	7,911	3,482	4,792	19,500	0.1
Capital Outlays	190,936	234,878	236,991	277,623	940,427	5.4
Infrastructure and Other Capital Outlays	143,445	194,820	194,344	242,760	775,369	4.4
Capital Transfers to LGUs	45,451	38,423	40,754	32,859	157,487	0.9
Equity	2,039	1,634	1,893	2,005	7,571	0.0
Net Lending	945	4,704	6,392	1,738	13,778	0.1
SURPLUS/(DEFICIT)	(219,062)	(45,260)	(132,319)	(127,041)	(523,682)	(3.0)
% Distribution	41.8	8.6	25.3	24.3	100.0	
Infrastructure Program	169,468	224,548	218,196	256,676	868,888	5.0
National Government Infrastructure	129,373	175,710	175,280	218,949	699,312	4.0
Infrastructure Subsidy	9,943	13,180	4,569	7,194	34,886	0.2
Infrastructure Transfers to LGUs	30,126	34,124	36,454	28,559	129,263	0.7
Infrastructure Equity	27	1,534	1,893	1,974	5,428	0.0

Nominal GDP:

17,441,124