



Republic of the Philippines
Development Budget Coordination Committee
 Manila, Philippines

2017 National Government Quarterly Fiscal Program

- The National Government Quarterly Fiscal Program for 2017 was approved by the DBCC in its 170th meeting on June 9, 2017. The program consists of revenues amounting to P2,426.9 billion (15.3 percent of GDP), disbursements of P2,909.0 billion (18.3 percent of GDP) for a resulting deficit level of P482.1 billion (3.0 percent of GDP). The program is consistent with the 2017 fiscal aggregates approved by the DBCC last December 20, 2016.

PARTICULARS	2016 ACTUAL	2017					INC/(DEC)	
		Q1	Q2	Q3	Q4	TOTAL	AMT	%
REVENUES	2,195.9	512.7	680.2	599.7	634.2	2,426.9	231.0	10.5%
% distribution		21.1%	28.0%	24.7%	26.1%	100.0%		
DISBURSEMENTS	2,549.3	646.0	690.7	801.1	771.1	2,909.0	359.6	14.1%
% distribution		22.2%	23.7%	27.5%	26.5%	100.0%		
SURPLUS/(DEFICIT)	(353.4)	(133.3)	(10.5)	(201.4)	(136.9)	(482.1)	(128.7)	36.4%
% distribution		27.7%	2.2%	41.8%	28.4%	100.0%		
Memo Items:								
2016 Deficit		(112.5)	(7.8)	(93.4)	(139.7)	(353.4)		
% distribution		31.8%	2.2%	26.4%	39.5%	100.0%		

- Revenues.** Revenues are projected to increase by 10.5 percent to reach P2,426.9 billion from the P2,195.9 billion collections in 2016 as collecting agencies continue to improve tax administration. The quarterly distribution of revenues this 2017 is similar to the previous year with 21.1 percent in Q1, 28.0 percent in Q2, 24.7 percent in Q3, and 26.1 percent in Q4. Revenue collections will peak in Q2 which coincides with the schedule of filing of income tax returns with the Bureau of Internal Revenue (BIR).

Tax revenue collections of the BIR make up 73.5 percent of the full year revenue program, and are expected to increase by P215.6 billion or 13.8 percent. This is consistent with historical trends where growth of BIR collections is higher following an election year. Meanwhile, the Bureau of Customs (BOC) collections are projected to grow by P63.3 billion or almost 16.0 percent.

Notwithstanding the revenue program stated herein, the collection performance of the BIR and BOC for attrition purposes shall be assessed against their respective original target proposed in the 2017 BESF, consistent with Section 4 of RA 9335 or the *Attrition Act of 2005*.

- Disbursements.** Disbursements are expected to reach P2,909.0 billion, up by 14.1 percent year-on-year. The disbursement program is based on the Monthly Disbursement Program (MDP) submitted by the departments/agencies and were calibrated to account for their disbursement performance, particularly the big-spending agencies where sizable underspending has been recorded in the recent years. Meanwhile, the program for Interest Payments, Net Lending and Tax Expenditure Fund is based on the submission of the Department of Finance.

The quarterly distribution of disbursements is backloaded with 22.2 percent in Q1; 23.7 percent in Q2; 27.5 percent in Q3; and 26.5 percent in Q4. Being predominantly based on MDP submissions, the distribution reflects the timing of payments as expected by line agencies. Moreover, this distribution mirrors the trends in recent years where spending gradually picks up

in the second quarter. This is also consistent with the seasonality of expenditures, specifically for the following major expense items:

- Personnel services peak in Q3 and Q4 with 26.7 percent and 27.8 percent of the total program, respectively. This is mainly due to the programming of PS expenditures of the DepEd, where a big chunk of the requirements for the creation/filling of positions is lodged in Q3. The distribution also reflects the timing of release of the year-end bonus and cash gift for government employees which is scheduled in Q4.
 - Maintenance expenditures are concentrated on the latter quarters (26.7 percent in Q3 and 27.8 percent in Q4) mainly due to programming and timing of payments, as well as the consideration that pre-implementation activities are ongoing during the earlier parts of the year. For instance, the MOOE requirements of the DepEd and similar education sector agencies such as SUCs, CHED and TESDA are programmed mostly starting Q3 which is in line with the school or academic calendar. The same is also true for the *National Disaster Risk Reduction and Management Fund* (NDRRMF), where bulk is programmed in Q3 and Q4 – the period when the country is often visited by typhoons.
 - Capital spending program leans towards Q3 (25.1 percent) and Q4 (31.8 percent) mainly on account of the payments for completed infra projects implemented during the summer season. Moreover, the CO projects under the DND-AFP Modernization Program and the DILG-PNP Capability Enhancement are programmed in the second semester since approval and procurement are ongoing during the earlier part of the year.
4. **Deficit.** The resulting deficit amounts to P482.1 billion, equivalent to 3.0 percent of GDP. The distribution is skewed towards the second semester where spending requirements are projected to be higher than expected revenue proceeds.
5. The 2017 Quarterly Fiscal Program Table is attached as *Annex A*.

2017 NG QUARTERLY FISCAL PROGRAM

ANNEX A

In Million Pesos

Particulars	2017					
	Q1	Q2	Q3	Q4	TOTAL	% of GDP
REVENUES	512,730	680,219	599,693	634,237	2,426,879	15.3
% Distribution	21.1	28.0	24.7	26.1	100.0	
Tax Revenues	474,645	633,135	558,515	592,056	2,258,350	14.2
Bureau of Internal Revenue	366,629	515,077	434,962	466,173	1,782,841	11
Bureau of Customs	103,914	113,750	119,187	122,788	459,639	3
Other Offices	4,102	4,308	4,366	3,094	15,870	0
Non-Tax Revenues	38,085	47,085	41,178	40,181	166,529	1.0
Bureau of the Treasury	11,882	22,307	13,035	11,358	58,582	0.4
Fees and Charges	11,141	10,081	10,611	12,161	43,994	0.3
Others	15,062	14,697	17,532	16,662	63,953	0.4
Privatization	-	-	-	2,000	2,000	0.0
DISBURSEMENTS	646,026	690,738	801,101	771,099	2,908,964	18.3
% Distribution	22.2	23.7	27.5	26.5	100.0	
Current Operating Expenditures	495,545	517,573	623,152	559,283	2,195,552	13.8
Personnel Services	179,223	222,463	235,440	245,280	882,406	5.6
MOOE	92,986	122,883	126,812	131,837	474,518	3.0
Subsidy	19,878	6,788	55,047	13,759	95,473	0.6
Allotment to LGUs	98,399	97,960	97,960	97,960	392,280	2.5
Interest Payments	102,914	60,600	105,383	65,979	334,876	2.1
Tax Expenditures	2,145	6,879	2,509	4,467	16,000	0.1
Capital Outlays	147,962	163,148	175,608	209,929	696,647	4.4
Infrastructure and Other Capital Outlays	108,903	127,741	137,788	174,928	549,360	3.5
Capital Transfers to LGUs	37,832	34,319	37,108	33,932	143,190	0.9
Equity	1,227	1,089	712	1,069	4,097	0.0
Net Lending	2,520	10,017	2,341	1,887	16,765	0.1
SURPLUS/(DEFICIT)	(133,296)	(10,519)	(201,407)	(136,862)	(482,085)	(3.0)
% Distribution	27.7	2.2	41.8	28.4	100.0	

Nominal GDP: 15,875,723