

FY 2025 Budget Mid-Year Highlights

A BRIEFER ON THE FY 2025 MID-YEAR REPORT
OF THE DEVELOPMENT BUDGET COORDINATION COMMITTEE

The first semester of 2025 reflects sustained economic momentum for the Philippines, recording a 5.4% GDP growth as inflation eased to 1.8% and labor market conditions continued to improve. Despite external headwinds, the government remains committed to maintaining this growth trajectory through robust infrastructure outlays, expanded social protection, and prioritization of education and health, guided by targeted fiscal measures to support households and local governments.



Economic Growth at a Glance

GDP Growth

5.4%

ranked second among major economies in the region

Inflation

↓ 1.8%

eased from 3.6% in 2024

Unemployment

↓ 4.0%

below the Philippine Development Plan 2023–2028 target range of 4.8% to 5.1%

Fiscal Performance at a Glance

The government's mid-year fiscal position reflected steady and disciplined budget implementation, with a significant portion of the annual program front-loaded to shovel-ready priorities in social services, economic expansion, and infrastructure. Early allotment releases and stronger public financial management—including enhanced budgeting rules and transparency—helped sustain progress despite a slowdown in infrastructure and other capital outlays in the second quarter due to the election ban.



Disbursements

Php 3.026 trillion from Php 2.764 trillion or a 9.5% year-on-year growth

Of this total, overall infrastructure disbursements reached Php 720.3 billion. Although National Government-led infrastructure expenditures in the second quarter were affected by the public works election ban, increased Local Government Units' (LGUs) transfers helped keep total infrastructure spending at 5.3% of GDP, well within the annual target of 5.0% to 6.0%.



Revenues

Php 2.260 trillion from Php 2.150 trillion in the same period last year

This increase was driven by tax revenues reaching Php 2.033 trillion, supported by digitalization initiatives and stricter tax compliance enforcement by the Bureau of Internal Revenue and the Bureau of Customs. Meanwhile, non-tax revenues declined by 27.5% to Php 227.7 billion yet still exceeded the programmed Php 221.4 billion supported by better-than-expected income from the Bureau of the Treasury.



Deficit

Php 765.5 billion from Php 613.9 billion or 24.7% year-on-year growth

Fiscal deficit outturn exceeded the program by Php 4.8 billion or 0.6% as revenue collections fell short of the Php 2.281 trillion program by Php 20.4 billion, or 0.9%, partially offset by a Php 15.6 billion shortfall in spending relative to the program.

First Semester Expenditure Performance of Selected Big-Spending Departments

Department of Public Works and Highways

Php 1.334 trillion
Total Allotment

Php 885.9 billion
Obligated

Php 293.2 billion
Disbursed

- 132.9 kilometers of roads constructed, rehabilitated, widened, maintained, and upgraded
- 57 bridges maintained and rehabilitated
- 14.3 kilometers for roads to tourist destinations and industries constructed or improved

Department of Education

Php 815.8 billion
Total Allotment

Php 365.4 billion
Obligated

Php 341.3 billion
Disbursed

- 33.2 million textbooks and instructional/learning materials procured for printing and delivery
- 17,258 Information and Communication Technology packages procured for distribution
- 111,334 grantees benefitted from the Joint Delivery Voucher Program

Department of Health

Php 252.4 billion
Total Allotment

Php 117.4 billion
Obligated

Php 74.9 billion
Disbursed

- 219.9 million health commodities distributed to Centers for Health Development on time
- 1,201 identified priority areas supplemented with Human Resources for Health through the National Health Workforce Support System
- 138,556 applications for permits, licenses, and accreditations processed by the Food and Drug Administration, Bureau of Quarantine, and the Department of Health-Office of the Secretary within the Citizen's Charter timeline

Department of Social Welfare and Development

Php 215.9 billion
Total Allotment

Php 149.7 billion
Obligated

Php 122.6 billion
Disbursed

- 92,017 poor households assisted through the Sustainable Livelihood Program
- 443,747 children in Child Development Centers and Supervised Neighborhood Plays provided with supplementary feeding
- 300,000 poor households provided with food transfers through the Philippine Food Strategic Transfer and Alternative Measures Program

Source: 2025 Mid-Year Report



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Advocacy, Communications, and Training Service
Department of Budget and Management

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